U. S. Congress

Congressional Record

CONTAINING

THE PROCEEDINGS AND DEBATES

OF THE

FIRST SESSION

OF THE

SIXTY-FIFTH CONGRESS

OF

THE UNITED STATES
OF AMERICA

VOLUME LV

WASHINGTON
GOVERNMENT PRINTING OFFICE
1917

Congressional Record.

SIXTY-FIFTH CONGRESS,
FIRST SESSION.

VOLUME LV, PART 6.

JULY 24 TO AUGUST 29, 1917.

PAGES 5409 TO 6436.

320996

Congressional Record.

SIXTY-FIFTH CONGRESS,
FIRST SESSION.

VOLUME LV, PART 6.

JULY 24 TO AUGUST 30, 1917.

PAGES 6465 TO 7420.

320996

Congressional Record.

PROCEEDINGS AND DEBATES OF THE SIXTY-FIFTH CONGRESS, FIRST SESSION.

SENATE.

TUESDAY, *July 24, 1917.*

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we thank Thee for the fact so often expressed by our statesmen and so fervently believed in by every pious soul that there is a God of justice who rules over the fate of nations. We bless Thee for the assurance from all history that Thou dost guide and that the final decision of conflict must be the decision of justice and right. We thank Thee for that which opens to us in the vision of the coming days the establishment of a higher civilization, of a sweeter brotherhood, of the diviner life. We pray that we may be kept true to the star that guides on to the accomplishment of the divine purpose and will. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. JAMES and by unanimous consent, the further reading was dispensed with and the Journal was approved.

Mr. JAMES. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones, Wash.	Page	Smoot
Brady	Kellogg	Penrose	Sterling
Broussard	Kendrick	Poindexter	Stone
Culberson	Kenyon	Pomerene	Swanson
Curtis	King	Ransdell	Thompson
Fernald	La Follette	Reed	Tillman
Fletcher	Lodge	Saulsbury	Trammell
Frelinghuysen	McCumber	Shafroth	Underwood
Hale	McLean	Sheppard	Vardaman
Hardwick	McNary	Sherman	Wadsworth
Hollis	Martin	Simmons	Warren
James	Nelson	Smith, Ariz.	Watson
Johnson, Cal.	Norris	Smith, Ga.	Weeks
Jones, N. Mex.	Overman	Smith, Mich.	

Mr. FRELINGHUYSEN. I wish to announce the unavoidable absence owing to illness of my colleague [Mr. HUGHES].

Mr. PAGE. I wish to announce the unavoidable absence of my colleague [Mr. DILLINGHAM]. He has a general pair with the senior Senator from Maryland [Mr. SMITH]. I should like to have this announcement stand for the day.

Mr. VARDAMAN. I desire to announce the unavoidable absence of the Senator from Oregon [Mr. CHAMBERLAIN] on official business.

Mr. THOMPSON. I wish to announce that the junior Senator from Wisconsin [Mr. HUSTING] is necessarily absent from the Senate on important business. This announcement may stand for the day.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness. He is paired with the senior Senator from North Dakota [Mr. MCCUMBER]. This announcement may stand for the day.

Mr. SMITH of Michigan. I desire to announce the unavoidable absence of my colleague [Mr. TOWNSEND], and I wish the RECORD to show that he is paired with the senior Senator from Arkansas [Mr. ROBINSON]. This announcement may stand for the day.

Mr. POMERENE. I desire to announce that the senior Senator from Arkansas [Mr. ROBINSON] and the senior Senator from California [Mr. PHELAN] are necessarily absent on official business.

Mr. KING. I desire to announce that the junior Senator from Kentucky [Mr. BECKHAM] is detained on official business.

The PRESIDENT pro tempore. Fifty-five Senators have answered to the roll call. There is a quorum present.

RELIEF OF HOMESTEADERS.

Mr. SHAFROTH. I desire to present a conference report upon the disagreeing votes of the two Houses on the amendments of the House to Senate bill 1811, and I ask for its consideration. The other House has agreed to the report.

The PRESIDENT pro tempore. The Senator from Colorado asks unanimous consent for the present consideration of the conference report. Is there objection?

Mr. POINDEXTER. What is the conference report?

The PRESIDENT pro tempore. It will be read.

The conference report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1811) providing for the counting of service in the Army or Navy of the United States as equivalent to residence and cultivation upon homestead entries, and in the event of the soldier's death in such service providing for the issuance of patent for such land to his widow or minor children, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same.

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter proposed by the House insert the following:

"That any settler upon the public lands of the United States; or any entryman whose application has been allowed; or any person who has made application for public lands which thereafter may be allowed under the homestead laws, who, after such settlement, entry, or application, enlists or is actually engaged in the military or naval service of the United States as a private soldier, officer, seaman, marine, National Guardsman, or member of any other organization for offense or defense authorized by Congress during any war in which the United States may be engaged, shall, in the administration of the homestead laws, have his services therein construed to be equivalent to all intents and purposes to residence and cultivation for the same length of time upon the tract entered or settled upon; and hereafter no contest shall be initiated on the ground of abandonment, nor allegation of abandonment sustained against any such settler, entryman, or person unless it shall be alleged in the preliminary affidavit or affidavits of contest and proved at the hearing in cases hereinafter initiated that the alleged absence from the land was not due to his employment in such military or naval service; that if he shall be discharged on account of wounds received or disability incurred in the line of duty, then the term of his enlistment shall be deducted from the required length of residence, without reference to the time of actual service: *Provided*, That no patent shall issue to any homestead settler who has not resided upon, improved, and cultivated his homestead for a period of at least one year.

"SEC. 2. That any settler upon the public lands of the United States; or any entryman whose application has been allowed; or any person who has made application for public lands which thereafter may be allowed under the homestead laws, who dies while actually engaged in the military or naval service of the United States as a private soldier, officer, seaman, marine, National Guardsman, or member of any other organization for offense or defense authorized by Congress during any war in which the United States may be engaged, then his widow, if unmarried, or in case of her death or marriage, his minor orphan children, or his or their legal representatives, may proceed forthwith to make final proof upon such entry or application thereafter allowed, and shall be entitled to receive Government patent for such land; and that the death of such soldier while so engaged in the service of the United States shall, in the admin-

istration of the homestead laws, be construed to be equivalent to a performance of all requirements as to residence and cultivation upon such homestead."

And the House agree to the same.

KEY PITTMAN,
REED SMOOT,
JOHN F. SHAFROTH,
Managers on the part of the Senate.

SCOTT FERRIS,
E. T. TAYLOR,
I. L. LENROOT,
Managers on the part of the House.

Mr. SHAFROTH. I ask for the adoption of the conference report.

The report was agreed to.

PETITIONS.

Mr. SHEPPARD presented a petition of the Woman's Methodist Missionary Society of Mount Vernon, Tex., praying for national prohibition as a war measure, which was ordered to lie on the table.

Mr. WILLIAMS presented a petition of the Brooksville Auxiliary of the Woman's Missionary Council of the Methodist Episcopal Church South, of Mississippi, praying for national prohibition as a war measure, which was ordered to lie on the table.

Mr. FLETCHER. I present a telegram from the Lee County Farmer and Truckers' Association, of Florida, which I ask may be printed in the RECORD. It bears on the high price of fertilizer.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

FORT MYERS, FLA., *July 23, 1917.*

Senator DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.:

Price of fertilizer recently advanced again. If Government does not take prompt action to relieve the situation, food crops down here must be reduced in acreage, and what is planted will develop poor yield. As an association of farmers and truckers, we wish to protest against the almost prohibitive cost of fertilizers and petition the Government to secure fair treatment for those of whom they are asking more crops.

LEE COUNTY FARMER AND TRUCKERS' ASSOCIATION,
By W. C. WEST, *President.*

Mr. JAMES. I present resolutions adopted by the Common Council of the City of Owensboro, Ky., petitioning Congress to deal with the coal situation and to fix the price thereof. I ask that the resolutions be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

OWENSBORO, KY., *July 16, 1917.*

Whereas the prices now being charged for coal will, unless reduced, very materially increase the cost of operation of the city's water and light plants and of the other departments of the city, including the city hospital and cost of coal for paupers, to meet which will necessitate an increase in rates and a curtailment of the operation of the other departments and entail great hardship and suffering upon the people of the city during the coming fall and winter; and

Whereas, to meet the increased cost of labor and materials and supplies, the city has this year had to raise the tax rate to the constitutional limit, and the increased cost of coal can not be met by taxation: Now, therefore, be it

Resolved by the Common Council of the City of Owensboro, That the Congress of the United States be petitioned to deal with the coal situation in an energetic and effective way and provide for price fixing, so that coal may be had by the cities and the people generally at reasonable prices.

That copies of this resolution be mailed by the city clerk to United States Senators JAMES and BECKHAM, of Kentucky, and POMERENE, of Ohio, and to Representative KINCHELOE, of the second district of Kentucky.

A copy, attest:

W. T. PHIPPS, *City Clerk.*

Mr. LEWIS. I present resolutions adopted by the citizens' committee under the auspices of the Negro Fellowship League and the Bethel African Methodist Episcopal Church, of Chicago, Ill., which I ask to have printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

CITIZENS' COMMITTEE REPORT.

CHICAGO, *July 17, 1917.*

We, the undersigned citizens' committee chosen at the mass meeting held under the auspices of the Negro Fellowship League and Bethel African Methodist Episcopal Church, and directed to confer with Gov. Lowden over the situation caused by the riot at East St. Louis and to continue the investigation previously begun, beg leave to make the following report:

Your committee arrived in Springfield July 10, the morning following the mass meeting at Bethel Church, and by appointment met Gov. Lowden in the Capitol Building, where our conference was held at 11 o'clock. There were present also Adjt. Gen. Dickson, who participated in the conference, also Col. John R. Marshall, who had spent some time in East St. Louis soon after the riot.

The express purpose of the committee was—

First. To call the attention of the governor to the fact that thousands of citizens of East St. Louis were exiled from their homes and were the beneficiaries of charity in St. Louis, Mo., and to request that some provision be made by the Illinois authorities for their protection and maintenance. Gov. Lowden took prompt action upon this matter. In our presence he called up the Red Cross officials at East St. Louis and directed that immediate attention be given to this situation, and then assured the committee that the city of St. Louis would not be required further to take care of citizens of Illinois.

Second. To call to the attention of the governor the manifest inefficiency and indifference of the Illinois Militia during the time of the mob, the possible connivance of members of the militia with the mob, and to request that investigation be made of the work done by the militia to the end that a court-martial be ordered if justified by the facts.

Upon these serious charges which the committee, supported by newspaper reports and experiences related to members of the committee by victims of the mob, the conference was frank and earnest, both sides desiring to determine upon the best way to fix responsibility upon all who aided and abetted the mob. So far as the militia was concerned the governor gave his assurance that the charges would be fully investigated, and if proper a court-martial would be ordered. Since the conference a court-martial has been ordered, although we regret that no member of the Eighth Regiment was named thereon.

Third. To demand for the victims of East St. Louis, many of them refugees from home and work, the full protection of the law in the enjoyment of their lives, the protection of their property, and the right to earn their living by honest toil. To the justice of this demand Gov. Lowden gave his hearty assent and declared that all citizens of Illinois should have the fullest protection of the law if it required the exercise of all the power of the State. But your committee, from its investigation, believes that the same bitter vindictive spirit which manifested itself in the awful deeds of July 3 still exists in a dangerous degree in East St. Louis to-day, and that no earnest and effective measures will be taken by public officials to curb that spirit or prosecute known murderers who took part in the mob. Our belief is that security for life and property will come only through action of Federal authority by congressional investigation and a Federal grand jury at East St. Louis. Believing this your committee has prepared a memorial which we respectfully submit for your consideration.

W. D. Cook, D. D., chairman, pastor Bethel African Methodist Episcopal Church; John W. Robinson, pastor St. Marks Methodist Episcopal Church; H. A. Watkins, real estate dealer; A. H. Roberts, lawyer; B. W. Fitts, proprietor Crystal Printing Shop; Mrs. William Farrow, visiting nurse; Ida B. Wells-Barnett, president Negro Fellowship League; F. L. Barnett, lawyer, secretary of the committee.

Adopted at Quinn Chapel, African Methodist Episcopal Church, Chicago, Ill., July 17, 1917, and ordered sent to Senators LAWRENCE Y. SHERMAN and JAS. HAMILTON LEWIS and Congressman MARTIN B. MADDEN.

—

To the Congress of the United States, Washington, D. C.:

The undersigned, a citizens' committee, chosen at three mass meetings held by Chicago colored citizens interested in the protection of life and property of colored citizens of the State of Illinois, beg leave to submit this memorial praying for action on the part of the Federal Government in our behalf.

We plead for thousands of colored citizens of East St. Louis who for more than six weeks prior to July 3 last not only lived in immediate danger of mob violence, destruction of property, and lynching, but later many of them became the victims of the most deliberate, wanton, and barbarous massacre that has blotted the pages of American history. It was a very orgy of inhuman butchery during which more than 50 colored men, women, and children were beaten with bludgeons, stoned, shot, drowned, hanged, or burned to death, all without any effective interference on the part of the police, sheriff, or military authorities.

The riot was no sudden outburst of passion. It was a combination of a publicly declared determination on the part of white laborers to drive colored laborers from work or kill them. There was no provocation by acts of lawless blacks, no drunkenness on the part of the whites; nothing but the deadly vindictiveness of labor trouble accentuated by hatred toward the negro.

The dangerous situation was well known to the mayor and chief of police of East St. Louis; to the sheriff of St. Claire County; and on two separate occasions the impending danger was called to the attention of the governor of the State. A brief outburst of fury on the 28th day of May was quelled, but the fires of race hatred smoldered and grew in intensity until July 3, when mob frenzy sated itself by the burning of hundreds of humble homes and the unspeakable butchery of scores of victims whose only offense was their effort to earn their bread by honest toil. White men, white women, and white children made the mob—laughing, jesting, and gloating as they beat, tortured, and burned their pleading victims to death.

An eyewitness, Mr. Carlos F. Hurd, of St. Louis, Mo., wrote and published a part of what he saw in the St. Louis Post-Dispatch, an excerpt from which account is appended hereto:

"The victims of the mob in whose behalf Chicago colored citizens plead, and for whom all humane people must plead, were citizens of the United States. Because Germany put to death American citizens upon the high seas—fewer in number than the mob killed in East St. Louis—the Nation entered into a world war that will cost billions of treasure and perhaps a million lives. Shall not the Stars and Stripes protect American citizens at home as well as upon the high seas?"

We appeal through Congress to the Nation. The indifference and inefficiency of city, county, and military authorities, and their apparent connivance with the mob which made this awful tragedy possible, forbid our reliance upon our local authorities for security of life and property. One hundred and twenty-seven members of the mob arrested while rioting, when brought into court, were discharged, the State's attorney publicly declaring there could be no successful prosecution. Justice can be meted out to the guilty and protection for the innocent can come only through a Federal grand jury impaneled by a judge who knows his duty and dares to do it.

As American citizens, our lives are subject to the Nation's call, and at no call have we faltered or failed. As American citizens, we call to the Nation to save our lives; to that call will the Nation falter or fail?

In memory of the slaughtered dead and their bereaved ones, in behalf of the thousands made homeless and penniless by fire, and for the security of life and property—to exiled thousands of East St. Louis citizens—we plead for congressional investigation and appropriate action on the part of the Federal Government, and we bespeak for this memorial the earnest consideration of the Congress of the United States.

MILITARY SERVICE COMPARISON.

Mr. LODGE. I ask leave to have printed in the RECORD certain brief analyses of the quotas and the method of determining them by population which have been sent me, one by the president of the Stevens Institute of Technology of New Jersey, another from the Haverhill Chamber of Commerce of Massachusetts, and another from the Committee on Public Safety of New Hampshire. They are very interesting and valuable analyses of the result of the quota.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

STEVENS INSTITUTE OF TECHNOLOGY,
Castle Point, Hoboken, N. J., July 19, 1917.

Hon. HENRY CABOT LODGE,
United States Senate, Washington, D. C.

MY DEAR SENATOR LODGE: I inclose herewith a memorandum prepared by a friend of mine, who is particularly interested in the scheme for conscription. By a coincidence, he was studying this matter before the questions had been raised in the Congress.

I have not been over the figures myself, but I have reason to place great confidence in any work done by this friend of mine. He is in such a position that he can not allow his name to be brought into any discussion, but I thought possibly that this memorandum might be of some value to you, though the chances are that you have all this information in your hands.

Yours, very truly, ALEX. C. HUMPHREYS.

JULY 18, 1917.

Required military service comparison between quota of South and North.

SOUTH.

	Population Jan. 1, 1917, estimate World Almanac.	Gross military quota.	Military quota per 10,000 population.	Members of Congress.	Military quota per Member of Congress.
Mississippi	1,964,000	16,429	84	8	2,051
Oklahoma	2,245,000	19,943	89	8	2,440
Alabama	2,348,000	21,300	91	10	2,130
Kentucky	2,386,000	22,152	93	11	2,005
South Carolina	1,607,000	15,147	94	7	2,160
Virginia	2,202,000	21,354	97	10	2,135
Georgia	2,816,000	27,209	96	12	2,260
North Carolina	2,418,000	23,486	97	10	2,348
Tennessee	2,296,000	22,158	97	10	2,216
Louisiana	1,843,000	18,841	101	8	2,342
Missouri	3,420,000	35,461	104	16	2,218
Texas	4,472,000	48,116	107	18	2,680
Mean	30,017,000	291,596	97	128	2,280

NORTH.

[New York Times, July 14, 1917.]

Indiana	2,826,000	29,971	103	13	2,536
Minnesota	2,296,000	26,071	114	10	2,602
Iowa	2,224,000	25,465	115	11	2,320
Wisconsin	2,513,000	28,169	114	11	2,560
Pennsylvania	8,591,000	98,277	115	36	2,720
Massachusetts	3,747,000	43,109	115	16	2,690
New York	10,367,000	122,424	118	43	2,830
New Jersey	2,981,000	35,623	119	12	2,960
Ohio	5,181,000	66,474	127	22	3,020
Illinois	6,193,000	79,094	128	27	2,940
Michigan	3,074,000	43,936	142	13	3,380
Connecticut	1,255,000	18,817	150	5	3,760
Mean	51,248,000	617,380	120	219	2,820
Excess levy in North over South			23		540
Excess levy in per cent of South			23.8		23.6

HAVERHILL CHAMBER OF COMMERCE,
Haverhill, Mass., July 16, 1917.

Mr. GEORGE A FIEL,
Secretary State Board of Trade,
10 High Street, Boston, Mass.

DEAR MR. FIEL: The recent erroneous estimates of population credited to the Massachusetts cities by the Federal Bureau of Census for use in the draft purposes should be refuted, I believe, by the Massachusetts State Board of Trade. I have not gone through the entire list, but a glance at a few of the cities will show the abnormal gain which would have had to be made to reach anywhere near the figures which the Census Bureau arrived at. Haverhill's population in 1910 was 44,115; in 1915 it was 49,450; a gain of 5,335 in 5 years. In the last 10 years we have gained an average of a thousand a year in population, and the 5 years ending 1915 were about the most successful Haverhill has ever known. In that time we gained 5,000 in population, erected 2,000 tenements, built 5 monster factories, and added 52 industrial establishments. And now the Bureau of Census credits us with gaining nearly 9,000 people in a year and a half.

A glance at some of the other cities showing the 1915 State census and present estimate is proof of the false policy of the Bureau of Census:

City.	1915	Estimated 1917
Lawrence	90,259	104,689
Salem	37,209	41,545
Fitchburg	39,656	43,423
Lowell	107,978	117,264
Taunton	36,161	35,912
Everett	37,718	39,957

By use of these figures a false premise is established and each city will have to furnish more than its quota of men. Furthermore, when the Federal Government census is taken in 1920 the actual population will be found to be far below the figures given in 1917, which, I think you will agree, will be mighty poor advertising for Massachusetts municipalities.

Do you not think that the State Board of Trade should file a protest with the Bureau of Census?

Very truly, yours, DANIEL N. CASEY,
Secretary.

STATE OF NEW HAMPSHIRE,
COMMITTEE ON PUBLIC SAFETY,
Statehouse, Concord, N. H., July 19, 1917.

Hon. HENRY CABOT LODGE,
United States Senate, Washington, D. C.

MY DEAR SENATOR LODGE: In the New York Times, on July 13, a table was printed showing the quota of troops expected from each State in the Union and the number already supplied, together with a column giving the number remaining to be taken by draft.

Our office has rearranged the figures appearing in that table in order to indicate the relative rank of each State with reference to what it has already done at the call of the Government. For example, our table shows that Massachusetts has supplied 52 per cent of those asked by the Government, New Hampshire 68.5 per cent, etc. The table also shows that the New England States stand very high in the list.

We have also made a second table in which the States are grouped, and it appears that New England stands very high in the group.

It occurred to me that these two tables might be of interest in showing that New England has come forward in this matter beyond the States from which criticisms of New England have emanated.

The table may also be of interest in connection with the question of sending the National Guard to the South.

Respectfully, yours, R. W. HUSBAND,
Office Manager.

	Per cent.
Entire country	0.404
Entire country, without New England	.390
1. Northwestern group	.500
2. New England	.463
3. Central States (western section)	.456
4. Middle Atlantic	.410
5. Central States (eastern section)	.400
6. Southwestern group	.384
7. Southern States (eastern group)	.336
8. Southern States (western group)	.325

1. Hawaii	1.813
2. Oregon	.901
3. District of Columbia	.753
4. Maine	.740
5. Rhode Island	.711
6. Wyoming	.696
7. New Hampshire	.685
8. Vermont	.674
9. Kansas	.636
10. South Dakota	.601
11. Wisconsin	.541
12. Delaware	.530
13. Idaho	.525
14. Massachusetts	.520
15. Utah	.518
16. Colorado	.513
17. Iowa	.497
18. Maryland	.496
19. Missouri	.472
20. New York	.432
21. Washington	.422
22. New Jersey	.415
23. Connecticut	.414
24. Indiana	.414
25. Ohio	.410
26. Arkansas	.409
27. Nebraska	.409
28. New Mexico	.403
29. West Virginia	.385
30. Florida	.373
31. Texas	.362
32. Alabama	.359
33. Pennsylvania	.358
34. Kentucky	.355
35. Virginia	.352
36. Illinois	.345
37. Tennessee	.342
38. Mississippi	.340
39. California	.337
40. South Carolina	.332
41. Georgia	.320
42. North Carolina	.313
43. Minnesota	.312
44. Michigan	.308
45. North Dakota	.273
46. Nevada	.266
47. Louisiana	.262

	Per cent.
48. Montana	0.244
49. Arizona	.222
50. Oklahoma	.217
51. Porto Rico	.046
52. Alaska	.018

PROTECTION OF MIGRATORY BIRDS.

Mr. McLEAN. Mr. President, I have here a law enacted by the Canadian Parliament for the purpose of carrying into effect the provisions of the existing treaty between the United States and Great Britain for the protection of migratory birds. I will state that this act was passed under the assumption that the Senate of the United States would keep its faith and report and pass at an early date a law carrying into effect the provisions of the treaty. That bill is now pending in the Senate, and I am hoping that the Senate will insist that a vote be taken upon the same without any further delay.

I ask unanimous consent that the Canadian act be printed in the RECORD. It shows that the Canadian Government has acted in perfect good faith in carrying out its obligations under the treaty.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The act referred to is as follows:

[7th session 12th Parliament, 7-8 George V, 1917.]

THE HOUSE OF COMMONS OF CANADA.

An act respecting a certain convention between His Majesty and the United States of America for the protection of migratory birds in Canada and the United States.

Whereas on the 16th day of August, 1916, a convention was signed at Washington respecting the protection of certain migratory birds in Canada and the United States, and ratifications were exchanged at Washington on the 7th day of December, 1916; and whereas it is expedient that the said convention should receive the sanction of the Parliament of Canada and that legislation be passed for insuring the execution of the said convention: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. This act may be cited as "The migratory birds convention act."

2. The said convention of the 16th day of August, 1916, which is set forth in the schedule to this act, is hereby sanctioned, ratified, and confirmed.

3. In this act and in any regulation made thereunder, unless the context otherwise requires—

(a) "Close season" means the period during which any species of migratory game, migratory insectivorous, or migratory nongame bird is protected by this act or any regulation made under this act.

(b) "Migratory game birds" means—

Anatidæ or waterfowl, including brant, wild ducks, geese, and swans.

Gruidæ or cranes, including little brown, sandhill, and whooping cranes.

Rallidæ or rails, including coots, gallinules, and sora and other rails.

Limicolæ or shore birds, including avocets, curlew, dowitchers, godwits, knots, oyster catchers, phalaropes, plovers, sandpipers, snipe, stilts, surf birds, turnstones, willet, woodcock, and yellowlegs.

Columbidæ or pigeons, including doves and wild pigeons.

(c) "Migratory insectivorous birds" means—

Bobolinks, catbirds, chickadees, cuckoos, flickers, flycatchers, grosbeaks, humming birds, kinglets, martins, meadow larks, nighthawks or bull bats, nuthatches, orioles, robins, shrikes, swallows, swifts, tanagers, titmice, thrushes, vireos, warblers, waxwings whippoorwills, woodpeckers, and wrens, and all other perching birds which feed entirely or chiefly on insects.

(d) "Migratory nongame birds" means—

Auks, auklets, bitterns, fulmars, gannets, grebes, guillemots, gulls, herons, jaegers, loons, murres, petrels, puffins, shearwaters, and terns.

(e) "Minister" means the minister of the interior.

(f) "Regulation" means any regulation made under the provisions of section 4 of this act.

4. (1) The minister may make such regulations as are deemed expedient to protect the migratory game, migratory insectivorous, and migratory nongame birds which inhabit Canada during the whole or any part of the year.

(2) Subject to the provisions of the said convention such regulations may provide—

(a) The periods in each year or the number of years during which any such migratory game, migratory insectivorous, or migratory nongame birds shall not be killed, captured, injured, taken, molested, or sold, or their nests or eggs injured, destroyed, taken, or molested.

(b) For the granting of permits to kill or take migratory game, migratory insectivorous, and migratory nongame birds or their nests or eggs.

(c) For the prohibition of the shipment or export of migratory game, migratory insectivorous, or migratory nongame birds or their eggs from any Province during the close season in such Province and the conditions upon which international traffic in such birds shall be carried on.

(d) For the prohibition of the killing, capturing, taking, injuring, or molesting of migratory game, migratory insectivorous, or migratory nongame birds, or the taking, injuring, destruction, or molestation of their nests or eggs within any prescribed area.

(e) For any other purpose which may be deemed expedient for carrying out the intentions of this act and the said convention, whether such other regulations are of the kind enumerated in this section or not.

(3) A regulation shall take effect from the date of the publication thereof in the Canada Gazette, or from the date specified for such purpose in any regulation, and such regulation shall have the same force and effect as if enacted herein, and shall be printed in the prefix in the next succeeding issue of the Dominion Statutes, and shall also be laid before both Houses of Parliament within 15 days after the publication thereof if Parliament is then sitting, and if Parliament is not then sitting, then within 15 days after the next meeting thereof.

5. (1) The minister may appoint game officers for carrying out this act and the regulations and may authorize such game officers to exercise the powers of justice of the peace or the powers of a police constable. Such persons shall hold office during pleasure and shall have, for the purposes of this act and the said convention, such other powers and duties as may be defined by this act and the regulations.

(2) Every game officer who is authorized by the minister to exercise the powers of a justice of the peace or of a police constable shall, for all the purposes of this act and the regulations, be ex officio a justice of the peace or a police constable, as the case may be, within the district within which he is authorized to act.

(3) Every such game officer shall take and subscribe an oath in the form following, that is to say: I, A. B., a_____of_____ do solemnly swear that to the best of my judgment I will faithfully, honestly, and impartially fulfill, execute, and perform the office and duties of such_____according to the true intent and meaning of the migratory birds convention act and the regulations made thereunder. So help me God.

6. No one without lawful excuse, the proof whereof shall lie on him, shall buy, sell, or have in his possession, any bird, nest, or egg, or portion thereof, during the time when the capturing, killing, or taking of such bird, nest, or egg is prohibited by law.

7. All guns, ammunition, boats, skiffs, canoes, punts, and vessels of every description, teams, wagons, and other outfits, decoys, and appliances of every kind used in violation of or for the purpose of violating this act or any regulation, and any bird, nest, or egg taken, caught, killed, or had in possession in violation of this act or any regulation may be seized and confiscated upon view by any game officer appointed under this act, or taken and removed by any person for delivery to any game officer or justice of the peace.

8. Any game officer appointed under this act who violates this act or any regulation, or who aids, abets, or connives at any violation of this act or of any regulation, shall be liable upon summary conviction before any recorder, commissioner of police, judge of the sessions of the peace, police stipendiary or district magistrate or any two justices of the peace, to a penalty not exceeding $500 and costs of six months' imprisonment and not less than $100 and costs or three months' imprisonment.

9. Any person who assaults, obstructs, or interferes with any game officer or peace officer in the discharge of any duty under the provisions of this act or of any regulation shall be guilty of a violation of this act.

10. Any person who willfully refuses to furnish information or willfully furnishes false information to a game officer or peace officer respecting a violation of this act or of any regulation, the existence of or the place of concealment of any bird, nest, or egg, or any portion thereof captured, killed, or taken in violation of this act or of any regulation, shall be guilty of a violation of this act.

11. Any game officer or peace officer may enter any place or premises in which he has reason to believe there exist migratory game, or migratory insectivorous, or migratory nongame birds, nests, or eggs, or any parts thereof, in respect of which a breach of this act or of the regulations may have been committed, and may open and examine any trunk, box, bag, parcel, or receptacle which he has reason to suspect and does suspect contains any such bird, nest, or egg, or any part thereof.

12. Every person who violates any provision of this act, or any regulation, shall, for each offense, be liable upon summary conviction to a fine of not more than $100 and not less than $10, or to imprisonment for a term not exceeding six months, or to both fine and imprisonment.

SCHEDULE.

CONVENTION.

Whereas many species of birds in the course of their annual migrations traverse certain parts of the Dominion of Canada and the United States; and

Whereas many of these species are of great value as a source of food or in destroying insects which are injurious to forests and forage plants on the public domain, as well as to agricultural crops, in both Canada and the United States, but are nevertheless in danger of extermination through lack of adequate protection during the nesting season or while on their way to and from their breeding grounds;

His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British dominions beyond the seas, Emperor of India, and the United States of America, being desirous of saving from indiscriminate slaughter and of insuring the preservation of such migratory birds as are either useful to man or are harmless, have resolved to adopt some uniform system of protection which shall effectively accomplish such objects, and to the end of concluding a convention for this purpose have appointed as their respective plenipotentiaries:

His Britannic Majesty, the Right Honorable Sir Cecil Arthur Spring-Rice, G. C. V. O., K. C. M. G., etc., His Majesty's ambassador extraordinary and plenipotentiary at Washington; and

The President of the United States of America, Robert Lansing, Secretary of State of the United States;

Who, after having communicated to each other their respective full powers which were found to be in due and proper form, have agreed to and adopted the following articles:

ARTICLE I.

The high contracting powers declare that the migratory birds included in the terms of this convention shall be as follows:

1. Migratory game birds.

(a) Anatidæ or waterfowl, including brant, wild ducks, geese, and swans.

(b) Gruidæ or cranes, including little brown, sandhill, and whooping cranes.

(c) Rallidæ or rails, including coots, gallinules, and sora and other rails.

(d) Limicolæ or shorebirds, including avocets, curlew, dowitchers, godwits, knots, oyster catchers, phalaropes, plovers, sandpipers, snipe, stilts, surf birds, turnstones, willet, woodcock, and yellowlegs.

(e) Columbidæ or pigeons, including doves and wild pigeons.

2. Migratory insectivorous birds: Bobolinks, catbirds, chickadees, cuckoos, flickers, flycatchers, grosbeaks, humming birds, kinglets, martins, meadowlarks, nighthawks or bull bats, nut-hatches, orioles, robins, shrikes, swallows, swifts, tanagers, titmice, thrushes, vireos, warblers, wax-wings, whippoorwills, woodpeckers, and wrens, and all other perching birds which feed entirely or chiefly on insects.

3. Other migratory nongame birds: Auks, auklets, bitterns, fulmars, gannets, grebes, guillemots, gulls, herons, jaegers, loons, murres, petrels, puffins, shearwaters, and terns.

ARTICLE II.

The high contracting powers agree that, as an effective means of preserving migratory birds there shall be established the following close seasons during which no hunting shall be done except for scientific or propagating purposes under permits issued by proper authorities:

1. The close season on migratory game birds shall be between 10th March and 1st September, except that the close of the season on the limicolæ or shorebirds in the maritime Provinces of Canada and in those States of the United States bordering on the Atlantic Ocean

which are situated wholly or in part north of Chesapeake Bay shall be between 1st February and 15th August, and that Indians may take at any time scoters for food but not for sale. The season for hunting shall be further restricted to such period not exceeding three and one-half months as the high contracting powers may severally deem appropriate and define by law or regulation.

2. The close season on migratory insectivorous birds shall continue throughout the year.

3. The close season on other migratory nongame birds shall continue throughout the year, except that Eskimos and Indians may take at any season auks, auklets, guillemots, murres, and puffins, and their eggs for food and their skins for clothing, but the birds and eggs so taken shall not be sold or offered for sale.

ARTICLE III.

The high contracting powers agree that during the period of 10 years next following the going into effect of this convention there shall be a continuous close season on the following migratory game birds, to wit:

Band-tailed pigeons, little brown, sandhill, and whooping cranes, swans, curlew, and all shore birds (except the black-breasted and golden plover, Wilson or jack snipe, woodcock, and the greater and lesser yellowlegs): *Provided*, That during such 10 years the close season on cranes, swans, and curlew in the Province of British Columbia shall be made by the proper authorities of that Province within the general dates and limitations elsewhere prescribed in this convention for the respective groups to which these birds belong.

ARTICLE IV.

The high contracting powers agree that special protection shall be given the wood duck and the eider duck, either (1) by a close season extending over a period of at least five years, or (2) by the establishment of refuges, or (3) by such other regulations as may be deemed appropriate.

ARTICLE V.

The taking of nests or eggs of migratory game or insectivorous or nongame birds shall be prohibited, except for scientific or propagating purposes under such laws or regulations as the high contracting powers may severally deem appropriate.

ARTICLE VI.

The high contracting powers agree that the shipment or export of migratory birds or their eggs from any State or Province during the continuance of the close season in such State or Province, shall be prohibited except for scientific or propagating purposes, and the international traffic in any birds or eggs at such time captured, killed, taken, or shipped at any time contrary to the laws of the State or Province in which the same were captured, killed, taken, or shipped shall be likewise prohibited. Every package containing migratory birds or any parts thereof or any eggs of migratory birds transported or offered for transportation from the Dominion of Canada into the United States or from the United States into the Dominion of Canada, shall have the name and address of the shipper and an accurate statement of the contents clearly marked on the outside of such package.

ARTICLE VII.

Permits to kill any of the above-named birds which, under extraordinary conditions, may become seriously injurious to the agricultural or other interests in any particular community, may be issued by the proper authorities of the high contracting powers under suitable regulations prescribed therefor by them, respectively, but such permits shall lapse or may be canceled at any time when, in the opinion of said authorities, the particular exigency has passed; and no birds killed under this article shall be shipped, sold, or offered for sale.

ARTICLE VIII.

The high contracting powers agree themselves to take, or propose to their respective appropriate lawmaking bodies, the necessary measures for insuring the execution of the present convention.

ARTICLE IX.

The present convention shall be ratified by His Britannic Majesty and by the President of the United States of America, by and with the advice and consent of the Senate thereof. The ratifications shall be exchanged at Washington as soon as possible, and the convention shall take effect on the date of the exchange of the ratifications. It shall remain in force for 15 years, and in the event of neither of the high contracting powers having given notification 12 months before the expiration of said period of 15 years of its intention of terminating its operation, the convention shall continue to remain in force for one year and so on from year to year.

In faith whereof the respective plenipotentiaries have signed the present convention in duplicate and have hereunto affixed their seals.

Done at Washington this 16th day of August, 1916.

[L. S.] CECIL SPRING-RICE.
[L. S.] ROBERT LANSING.

ARMY CHAPLAINS.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 2527) authorizing appointment of chaplains at large for the United States Army, reported it with an amendment and submitted a report (No. 90) thereon.

BAYOU MACON BRIDGE, LOUISIANA.

Mr. SHEPPARD. From the Committee on Commerce I report back favorably without amendment the bill (S. 2667) granting the consent of Congress to the Pritchard-Wheeler Lumber Co., of Wisner, La., to construct a bridge across Bayou Macon, in Louisiana, at a point east of the town of Wisner, La., and I submit a report (No. 89) thereon. I ask for the immediate consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ARKANSAS RIVER BRIDGE.

Mr. SHEPPARD. From the Committee on Commerce I report back favorably without amendment the bill (S. 2666) granting the consent of Congress to the Sebastian bridge district to construct a bridge across the Arkansas River, at the foot of Garrison Avenue, at Fort Smith, Ark., and I submit a report (No. 88) thereon. I ask for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTIONS INTRODUCED.

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PENROSE:

A bill (S. 2668) granting an increase of pension to Jacob Witmer; and

A bill (S. 2669) granting an increase of pension to John J. Housworth (with accompanying papers); to the Committee on Pensions.

By Mr. JONES of Washington:

A bill (S. 2670) relating to commutation proof in homestead entries; and

A bill (S. 2671) to establish the Grand Coulee National Park in the State of Washington; to the Committee on Public Lands.

A bill (S. 2672) granting an increase of pension to Marion Adair (with accompanying papers); to the Committee on Pensions.

By Mr. CURTIS:

A bill (S. 2673) for the relief of William H. Dooley (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 2674) granting an increase of pension to Harry D. Cessna;

A bill (S. 2675) granting an increase of pension to Harriet R. Hoagland (with accompanying papers);

A bill (S. 2676) granting a pension to Anna D. Blackford (with accompanying papers);

A bill (S. 2677) granting a pension to Christian R. Barnett (with accompanying papers);

A bill (S. 2678) granting a pension to Samuel B. McMillan (with accompanying papers);

A bill (S. 2679) granting a pension to Emma G. Randall (with accompanying papers);

A bill (S. 2680) granting an increase of pension to Daniel W. Shawhan (with accompanying papers);

A bill (S. 2681) granting an increase of pension to John Squires (with accompanying papers);

A bill (S. 2682) granting an increase of pension to John L. Ridenour (with accompanying papers);

A bill (S. 2683) granting an increase of pension to William P. Briggs (with accompanying papers);

A bill (S. 2684) granting an increase of pension to Ella Laws (with accompanying papers);

A bill (S. 2685) granting an increase of pension to Milton Shields (with accompanying papers); and

A bill (S. 2686) granting an increase of pension to Martha Shields (with accompanying papers); to the Committee on Pensions.

By Mr. SHIELDS:

A bill (S. 2687) granting an increase of pension to John T. Phillips; to the Committee on Pensions.

By Mr. STONE:

A bill (S. 2688) to extend the time for constructing a bridge across the Missouri River near Kansas City, Mo., authorized by an act approved June 17, 1914; to the Committee on Commerce.

By Mr. WILLIAMS:

A joint resolution (S. J. Res. 85) providing that pensions shall not be paid to pensioners of the United States residing in a foreign country with which the United States is at war; to the Committee on Pensions.

By Mr. STONE:

A joint resolution (S. J. Res. 86) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Aurelio Collazo, a citizen of Cuba; to the Committee on Foreign Relations.

AMENDMENTS TO PENDING BILL.

Mr. SHAFROTH. I desire to offer an amendment to the river and harbor bill, and ask that it be read.

The SECRETARY. Insert a new section as follows:

SEC. 16. That each of the appropriations herein made shall become available only in the event States, counties, cities, corporations, co-partnerships, associations, or individuals shall pay into the Treasury as part of the same one-third of the amount thereof: *Provided, however*, That the provisions of this section shall not apply to those items requiring contributions from other sources.

The PRESIDENT pro tempore. The amendment will lie on the table and be printed.

Mr. KENYON. I offer two amendments to the river and harbor bill, to be known as new sections, and I ask that they be read.

The SECRETARY. Strike out all after the enacting clause and insert:

There is hereby appropriated, out of any money in the United States Treasury, for the maintenance and improvement of rivers and harbors $10,000,000, to be expended by the Secretary of War in such way as he may deem best upon such projects as have been approved by Congress or as may be deemed necessary by him for war purposes.

Add a new section at the end of the bill, as follows:

SEC. —. That no appropriation contained in this bill shall be available if the President of the United States, on or before September 1, 1917, shall file a statement with the Secretary of War that such particular project for which said appropriation is made is not one of a public necessity.

The PRESIDENT pro tempore. The amendments will lie on the table and be printed.

ACTIVITIES OF COMMITTEE ON PUBLIC INFORMATION.

The PRESIDENT pro tempore. If there be no concurrent or other resolutions, that order is closed.

Mr. PENROSE. Mr. President, I call up Senate resolution 101, which was submitted by me several days ago, and which is now on the table. I ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. The Senator from Pennsylvania asks unanimous consent for the present consideration of Senate resolution 101, which will be read.

The Secretary read the resolution, as follows:

Resolved, That the Secretary of the Navy is directed to send to the Senate copies of official dispatches, including the report of Admiral Gleaves, relating to the alleged encounter of the American fleet with submarines, as described in a statement issued under the authority of Mr. George Creel, chairman of the Committee on Public Information; and he is further directed to furnish the Senate with the names of all persons employed by such Committee on Public Information, and the salaries received by them, and the character of the duties performed by each, together with a full statement of the rules regulating press censorship and the reasons for the frequent changes in the same, especially concerning cable messages.

Mr. PENROSE. Mr. President, this resolution speaks for itself, and I do not know that any extended comment by me is necessary. Widespread dissatisfaction all over the country among newspaper correspondents and newspaper publishers with the management of the so-called Bureau of Public Information exists. Instead of a person having been appointed to that important place, the head of the commission, one representative of the best elements in journalism, a person has been called to fill the post who, to say the least, does not command the confidence of the public or of the newspaper profession. His publication, the Official Bulletin, I am informed by newspaper people, is not thought worthy of being utilized in the public press throughout the country. It is not considered a work of any particular value.

However, that the head of the Bureau of Public Information takes a great deal of responsibility on himself, and seems to have the care of the Nation on his shoulders, is illustrated by his publication of the address of President Wilson to the mine operators and the manufacturers of the United States when they came down here to Washington and endeavored, in interviews with Mr. Lane, the Secretary of the Interior, to adjust prices on a basis satisfactory to the Government. I referred to these transactions the other day when I said a few words in the Senate in connection with the food-control bill so far as related to coal.

These operators came to Washington; they met Mr. Lane; they agreed on a price for coal; they agreed to methods by which the coal could be shipped to the Northwest and to the seaboard; and they received as great a commendation and eulogy from the Secretary of the Interior as was possible for an official of the Government to give to any body of citizens in any country. I recited in my remarks, to which I have referred, the letter which Mr. Lane wrote and the speech which he made to the operators, in which he called them patriots, and said that no body of men could have acted in a more disinterested or honorable spirit; that they deserved the commendation of their fellow citizens; and that the price was fair and beyond any criticism.

Mr. POMERENE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Pennsylvania yield to the Senator from Ohio?

Mr. PENROSE. Yes.

Mr. POMERENE. Will the Senator from Pennsylvania express it as his opinion that the prices fixed for coal in western Pennsylvania, in Ohio, in West Virginia, and in Kentucky were fair prices?

Mr. PENROSE. I will, Mr. President. I made in my speech, to which I have referred, a few remarks giving the schedule of prices. I consider them under the present circumstances as eminently fair.

Mr. POMERENE. I can say to the Senator from Pennsylvania the prices fixed, so far as Ohio is concerned, would give the operators more than 100 per cent profit. The cost of coal in Ohio, according to the statement made by the secretary of the chamber of commerce of the State—and they went into a very careful investigation of the matter—was to the effect that the cost of coal at the mouth of the mine was $1.27 a ton, while the price fixed for coal there by those operators at that particular day was from $3 to $3.50 per ton. That is only one of many instances to which I can refer.

Mr. PENROSE. Mr. President, I should like to ask the Senator from Ohio when this investigation by the State officials of Ohio was made?

Mr. POMERENE. It has been going on during the entire spring.

Mr. PENROSE. Well, when did they make this statement concerning the cost of coal?

Mr. POMERENE. I have the letter in my possession.

Mr. PENROSE. Well, what is the date of the letter?

Mr. POMERENE. It is dated some time in the early part of this month.

Mr. PENROSE. Mr. President, I am not familiar with the conditions in Ohio. It may be that some coal operators there are making 100 per cent, but there are business men in the United States to a very great number who are making 100 per cent, and some of them are making 200 per cent and 300 per cent, and they will continue to do so during at least the war period.

Mr. SHAFROTH. Mr. President, will the Senator from Pennsylvania yield to me for a question?

The PRESIDENT pro tempore. Does the Senator from Pennsylvania yield to the Senator from Colorado?

Mr. PENROSE. Yes.

Mr. SHAFROTH. Is the Senator from Pennsylvania aware that according to the Geological Survey, coal in Pennsylvania sold for $1.01 per ton at the mouth of the mine; in Illinois for $1.11; in Indiana, $1.08; in Ohio, $1.03; and in West Virginia at 90 cents per ton?

Mr. PENROSE. What is the date of that investigation?

Mr. SHAFROTH. That was several years ago—in 1912, I think.

Mr. PENROSE. The statement is unworthy of the Senator from Colorado.

Mr. SHAFROTH. Does the Senator from Pennsylvania think that an increase of 200 per cent ought to be made in the price of coal?

Mr. PENROSE. Mr. President, I decline to be interrupted by such a frivolous interruption as that—the bringing up in a serious discussion an investigation of the price of coal several years ago.

Mr. SHAFROTH. Mr. President, if the Senator considers that a frivolous interruption, he is entitled to his opinion.

Mr. PENROSE. I do consider it frivolous.

Now, Mr. President, I know, and every Senator familiar with the coal business knows, that the cost of mining coal varies greatly; that the quality of coal varies exceedingly; and that it is extremely difficult to ascertain the average cost of coal mining in the 31 States where bituminous coal is produced. In addition to that, all previous statistics are without value, because labor has gone up enormously; many million dollars have been added to the wage fund in Pennsylvania and disbursed to the coal miners, not only in the anthracite region but in the bituminous region. The car shortage has led to a situation which is responsible, more than any other one cause, for the high price of this commodity.

Mr. JAMES. Mr. President, will the Senator yield for a question?

Mr. PENROSE. Yes.

Mr. JAMES. If I understood the resolution the Senator introduced and which he has called up this morning, its purpose originally was to inquire as to the facts in regard to whether or not the transports conveying our soldiers across to France were attacked. It seems now that the Senator has shifted that to an attack upon Mr. Creel because he said something about the coal operators.

Mr. PENROSE. Mr. President, the resolution is broader than that. It not only asks for information regarding this

alleged combat in mid-ocean but also asks for information concerning the Committee on Public Information, the persons employed by such committee, the salaries received by them, and the duties performed by them.

Mr. JAMES. But, Mr. President, the Senator predicated his resolution primarily upon an editorial which appeared in the New York Times, in which it was stated——

Mr. PENROSE. I will construe the meaning of my own resolution without any help from the Senator from Kentucky.

Mr. JAMES. If the Senator will pardon me—in which it was stated that a correspondent slept during the time the encounter was supposed to have taken place, and when he arrived in France reported that no attack was made. That was the resolution, as I understood it.

Mr. PENROSE. Mr. President, speaking in reference to my own resolution, which seeks information not only concerning this account of an alleged battle in mid-ocean but also as to the nature of this Committee on Public Information, I had only intended to refer, before being interrupted, to the fact that the head of the bureau seems to have varied activities. In editing the President's address to the mine operators and manufacturers of the United States, which address, in my opinion, was entirely unwarranted under the circumstances and indicated no business knowledge whatever of the coal situation, Mr. Creel, in his Official Bulletin, undertakes to edit the message by putting headlines in it, using italics, and ornamenting it in other respects as he adorned the account of the alleged naval battle in mid-ocean.

Mr. HOLLIS. Mr. President, I rise to a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from New Hampshire will state it.

Mr. HOLLIS. I should like to inquire if there is anything before the Senate?

Mr. PENROSE. My resolution is before the Senate.

The PRESIDENT pro tempore. The resolution submitted by the Senator from Pennsylvania, which came over from yesterday, has been called up by the Senator.

Mr. HOLLIS. It was introduced yesterday?

Mr. PENROSE. Mr. President, I referred the other day to the fact that the representative of the Associated Press was with the squadron, and that he never reported any battle in mid-ocean with a flotilla of submarines, but, on the contrary, sent a dispatch to this country that the seas had been peaceful and the voyage uneventful; and yet we have this 4th of July proclamation, in which a wonderful description has been given of the fleet being twice attacked by German submarines on the way across. I quote from Mr. Creel:

> Our high-seas convoys circling with their search lights answered with heavy gunfire, and its accuracy stands proved by the fact that the torpedo discharge became increasingly scattered and inaccurate. One torpedo boat—

Still quoting—

> was certainly sunk, and there is reason to believe that the accurate fire of our gunners sent others to the bottom.

To quote again:

> Five torpedoes were counted as they sped by bow and stern.

Then he goes on to describe a second attack, where he repeats:

> One submarine at least was sunk.

Now, Mr. President, it seems to me that this is trifling very seriously with the information which the American people are entitled to receive about these events, and any person who is responsible for this kind of publicity should well be investigated by the Senate or by some committee of the Senate.

The Associated Press of July 5 said that there was no submarine attack whatever; no torpedoes were seen, and there was no gun firing at submarines from our destroyers. This is a committee, Mr. President, on misinformation, not on information. It seems that there was no flotilla of German submarines engaged either in the first or in the second attack.

Mr. President, the defense of Mr. Daniels, the Secretary of the Navy—and he seems to be the only person in Government circles who assumes any responsibility for Mr. Creel—makes the matter worse than before, because the only explanation Mr. Daniels can give for the elaboration and misstatements of the original Creel report is that the troops had got over safely; that it was an occasion of great rejoicing; and that it was owing to the way in which he was rejoicing that this exuberance of language occurred. He describes how he received a telegram—this is from his letter to the chairman of the Committee on Naval Affairs—containing—

> the welcome news that the last ship of the convoys and transports carrying the first American soldiers and marines to fight in France had reached its destination in safety, without accident or injury to men or ships. The Navy Department had known for four or five days prior to their arrival that two attacks by submarines had been made, and you can well understand the painful anxiety lest torpedoes should have caused loss of some of the brave men who were carrying out their hazardous enterprise.

Mr. Daniels is not candid in that statement. He does not say, when he refers to two attacks by submarines, that our squadron had been attacked by submarines. On the contrary, he says that the voyage was peaceful and uneventful. There is a lack of candor and square dealing in this letter of the Secretary of the Navy. He goes on, however, to say:

> You may imagine, therefore, the unspeakable relief to me which the news announcing the arrival of the last ship brought. This relief was, of course, shared by all others in the department.

There is no marked originality in this statement that there was rejoicing in the department that the fleet got over safely, and it does not meet the issue here involved, in my opinion.

> As soon as the news was communicated by an officer of the department, I hastened to the Secretary of War to apprise the Secretary of War of the fact, for I knew he had felt the deepest solicitude, as he, too, was informed of the attacks.

What attack, Mr. President, in a voyage which the Secretary says was peaceful and uneventful?

Mr. SMITH of Michigan. Is the Senator quoting from the Secretary of the Navy at that point?

Mr. PENROSE. Yes; I am quoting from the letter addressed by him to the chairman of the Committee on Naval Affairs of the Senate [Mr. TILLMAN].

Mr. BRADY. To whom was the letter addressed?

Mr. PENROSE. To the chairman of the Committee on Naval Affairs.

Mr. BRADY. Of the House or Senate?

Mr. PENROSE. Of the Senate.

To quote Mr. Daniels again:

> At once a statement was prepared and given out that evening which I knew would intensely gratify all Americans. The message of Rear Admiral Gleaves announcing the attacks, of course, had not been given to the public, and consequently it had been spared anxiety. The statement which I gave to the public conveyed the feeling of all who had been waiting and hoping for the reassuring telegrams.

Mr. President, that does not furnish any intellectual provender to me, when a high official of the Government says that he gave out a statement which conveyed the feeling of all persons associated with the Government. This is a new basis for conducting a public information bureau, to have it measured by a state of feeling.

Mr. Daniels goes on to say:

> The facts were stated not in the very words of the Gleaves cablegram—

Of course, that statement is self-evident—

> for it is the immemorial policy of the department in time of war not to employ the language of a message coming in code; otherwise it would be easy for the enemy to learn the cipher.

How ridiculous, Mr. President! No one expects a message to be printed in code, but it should be translated accurately and without embellishment. It would be unintelligible to the American people without the key. It seems to me this whole business displays a lack of candor and of direct dealing, which only makes the original Creel offense worse.

The Secretary adds:

> Moreover, the message of the rear admiral contained the names of the ships, which for military reasons are never given out during a war.

I can not see what great amount of mystery or secrecy is necessary to surround the names of the ships. They left the shores of the United States with several hundred thousand people witnessing the spectacle from the shores, and their bands playing, and their safe arrival on the other side was heralded to the American public two or three days before the news was released by the Navy Department censorship.

Mr. JAMES. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Pennsylvania yield to the Senator from Kentucky?

Mr. PENROSE. Yes.

Mr. JAMES. The Senator states that no one expects the Secretary to furnish to the Senate copies of the dispatches. I ask the Senator if in his own resolution he does not use this language:

> That the Secretary of the Navy is directed to send to the Senate copies of official dispatches, including the report of Admiral Gleaves.

Mr. PENROSE. I am not talking about what I want in this resolution. I am referring to the fact that the Secretary of the Navy stated that it was not customary to print official dispatches in cipher; and I say of course it is not customary to print them in cipher, because they would be unintelligible to the reading public.

Mr. JAMES. I know; but the Senator called for copies of the official dispatches.

Mr. PENROSE. For the Senate; yes.

Mr. JAMES. And if copies of the official dispatches were furnished him, I suppose those who had any knowledge of the code then could compare the code with the official dispatches.

Mr. PENROSE. Well, Mr. President, I do not think there is anything in what the Senator says.

Mr. JAMES. Probably not, but the Senate will.

Mr. PENROSE. Therefore it seems to be the height of military strategy to conceal the names of ships that left our harbor in New York, the bands playing, within the sight of people on the shores to the number of several hundred thousand in two contiguous States.

To quote again from this remarkable letter to the chairman of the Naval Affairs Committee:

> The important part of the statement given to the public was that all our soldiers and marines and ships had been convoyed to France in safety.

And there the Secretary is literally correct. In other words, Mr. President, after all this talk about sinking submarines and a terrible battle in mid-ocean, the Secretary admits that the troops got over there safely. He says:

> If the terms "battle" and "attacked in force" are open to criticism, the fact still remains that the rejoicing was warranted.

And therefore, Mr. President, as one of the symptoms of that rejoicing, the American public is regaled on the Fourth of July with a bombastic account of a battle which never occurred and relating to a squadron which crossed the ocean in placid seas and arrived on the other side without an important event.

The resolution also asks information concerning the rules and methods of censorship adopted by this remarkable bureau. The newspapers of the country, I am informed, have been frequently at a loss to know what news to publish and what news to suppress. I will cite only one case. This bureau only a short time ago made public a piece of news relative to the agreement entered into between coal producers, rail carriers, dockers, and ocean carriers which gave sailing dates and other data regarding prospective coal shipments from the ports of Newport News, Boston, Philadelphia, and New York, in flagrant contravention of their own rules regarding the mention of shipping matters. The manager of the Central News (Ltd.), of London and New York, started the story on the trans-Atlantic cables on a certain night. The censor in the cable office in New York strongly objected, and demanded information as to how the Central News (Ltd.) got the story. He was shocked and surprised when he heard that it was the emanation of the Creel bureau. Verification of this statement can be had from the gentleman in charge of the Central News Bureau in New York City. In other words, after formulating a rule of censorship on the press news concerning the sailing of certain vessels carrying coal, this bureau authorizes such information, to the complete demoralization of the censorship which has been established by the shipping people in this connection.

Mr. SWANSON obtained the floor.

Mr. STONE. Mr. President, before the Senator sits down I should like to ask him a question.

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Missouri?

Mr. SWANSON. I yield.

Mr. STONE. I am puzzled to comprehend the motive or to understand the object the Senator expects to accomplish by this resolution. Suppose it should be ascertained by the reply to the resolution, or by a congressional investigation if the Senator should think it necessary to go that far, that there was no battle between our armed convoys and German submarines, what then? It might be a subject of some criticism of Mr. Creel, but Mr. Creel has as much right as any other writer for newspapers to bombard and sink submarines. What will be accomplished by the resolution? Accepting the Senator's view, what valuable or substantial result would be accomplished by its passage?

Mr. PENROSE. Mr. President, the Government is paying Mr. Creel. He is not an ordinary newspaper writer in the sense of working for private parties. He is an official of the Government and should be held to account, and if he has perpetrated a colossal fraud in the way of deception on the American people he should be called to account for it, in order that such an offense shall not be perpetrated again.

Mr. SWANSON. Mr. President, I have listened very carefully to the Senator from Pennsylvania. It seems to me that the main gravamen of his complaint, the purpose that animated this resolution, is that Mr. Creel published the speech of the President, which was a patriotic appeal to coal operators to furnish coal to the Government and the consumers of this country at a reasonable price. It was an official address by the President of the United States, and was properly entitled to be included in an official publication.

Now, I am not going to argue with the Senator in regard to the price of coal. The conclusion of his remarks shows the price of coal is the gravamen of his complaint. The real purpose that seems to animate him is that coal should not have been a subject of discussion in the official journal.

Mr. PENROSE. Mr. President——

Mr. SWANSON. I will yield to the Senator directly. I did not interrupt him. I will leave it with the Senator himself to discuss with the people of Pennsylvania as to whether the operators of Pennsylvania charge exorbitant rates for coal to the consumers, and I do not wish to intrude myself in that discussion as to the price of coal between the operators and the consumers in Pennsylvania. The Senator is permitted to pursue that field unrestricted and without any criticism on my part. But I do wish to address myself to his resolution.

Of all the misinformation, of all the misstatements I have heard since I have been a Member of the Senate, the misstatements made by the Senator from Pennsylvania regarding the conflict and battle in connection with the transporting of our troops takes precedence of all that I have ever heard; and the Senator himself is responsible for the misinformation possessed by him. I had seen in the papers a notice, almost in flaming letters, that the Senator from Pennsylvania would introduce this resolution, and that he would demand an investigation. In other words, information was given to the papers that the Senator from Pennsylvania would be on a rampage on a certain date, and I thought it would be wise to nail down the desks of Senators on account of what it had been prophesied in these papers he would do in the demands for that investigation. As soon as I saw it, I went to the Senator from Pennsylvania and suggested to him that before he introduced his resolution it would be well and proper for him to read these cablegrams in connection with this affair. He could have gotten all the information that I possess and all the information in connection with this matter, and he would not have had the misinformation that he has sought to deal out to the Senate to-day, if he had gone and read the cablegrams from Admiral Gleaves which, I assured him, the Secretary of the Navy would be glad to have him read.

I have read those cablegrams. Any member of the Naval Affairs Committee and any other Senator is perfectly privileged to read them at any time he desires. I wish to say, in this connection, that the substance contained in the interview given out by Secretary Daniels is true.

What are the facts? They can be easily understood by the Senate and the country. Our transports consisted of four units. They were divided into four parts containing troops for Europe. The first unit was attacked by a submarine on the 26th of June, and the report of Admiral Gleaves sustains that. On the 27th of June the second unit was attacked by a submarine, and all indications are the submarine was sunk. The other two units, the third and fourth, arrived in France on the 3d of July after an uneventful voyage, there having been no attack by any submarine. The cablegram that the Senator read, of the Associated Press, was dated the 5th of July, announcing the uneventful arrival of the third and fourth units of those troops. The first and second had been attacked outside of the war zone. The cablegram of Admiral Gleaves, announcing it, came on the 28th of June. The information was not given out until the evening of July 3, announcing what? That there had been two attacks of submarines, not giving the dates and not giving the places. If you had given the places, the enemy might have had an opportunity to know where American ships and transports rendezvoused before they had these destroyers to escort them safely through the danger zone. The dispatch was not given out because it gave the names of the ships, because it gave the names of the destroyers, and the enemy would be glad to know the size, the speed, and the capacity of all the armed ships, and also what the transports were, their speed, and the number of men they carried. In addition, the cablegrams were not given out because they gave the place of our base of supplies and where our transports landed in France. The enemy would be glad to have that information, so that they could regulate where their submarines should go.

When you know the place from which transports start, the speed of the ships, and where they are going, it is very easy to compute, if you want to make an attack, where the ships will be at a certain date.

Now, there was an attack on the 26th; there was an attack on the 27th. On the 27th, from the reports, there is no doubt but that a submarine was sunk. The two other units, the third and fourth, passed across uneventfully.

I asked the Senator to read the cablegrams before he introduced the resolution. There is not a Senator here, I am assured and believe, but that can read these cablegrams and see that

the substance contained in that interview is correct and substantially true.

What is the substance of that interview given out by Secretary Daniels to all the papers? First, that there were two attacks. There is no doubt about it, if you believe the reports of Admiral Gleaves, and if you believe other reports which I will later have read. Second, that one submarine was sunk. There is no doubt about that, if the report can be believed, and all the evidence showed the destruction of a submarine. Third, that the ships had landed without the loss of a life of a soldier, a sailor, or a horse, and that for 3,000 miles across the ocean our soldiers had been transported safely.

Instead of being here criticizing the Navy, instead of indulging in heckling criticism of a partisan character, the Senate should be congratulating the Navy and passing resolutions of thanks that it has accomplished this work so well and so successfully.

Now, I am not extravagant in praise. I have always been conservative. I have never indulged in anything that was extravagant, as I thought, in expression or in action. Yet it seems to me that to transport for 3,000 miles four units of transports to France successfully is something to be most highly commended and not to be ridiculed. This was a proper subject for rejoicing on the Fourth of July. If a transport had been sunk and if any soldiers had been lost, those who now ridicule would have been criticizing and condemning.

I should like to know, in the beginning of this war, if every time the Navy does a gallant act, every time the Army does a gallant act, it is to be the subject of petty, partisan ridicule, which will please Germany and commend itself to the consideration of the Kaiser, or will we rejoice with our gallant Army and Navy at their accomplishments and endeavor to stimulate them to great achievement, to greater bravery, and to greater efficiency.

Mr. President, the Senator from Pennsylvania in starting this resolution invoked an editorial from that great paper, the New York Times. It is a great paper. It is a conservative paper. I have no doubt that that and other papers when they received the Associated Press dispatch of the 5th of July announcing the arrival of troops in France had an idea that a fabrication had been made. The two last units did have an uneventful trip as the cablegram at the time indicated. The first and second had been attacked, as stated in the interview of Secretary Daniels. The New York Times has a correspondent in Paris. It is the same correspondent the Public Ledger has, a great conservative and reputable paper published in Philadelphia.

I ask to have read the cablegram sent from Paris by the correspondent of these two great papers, reputable conservative papers, as to what transpired regarding the first and second units of these transports.

I am satisfied that a great journal like the Public Ledger and like the New York Times would not send as its correspondent to Europe nor select as its correspondent there to transmit news and information regarding the transaction of the American Army and Navy anyone except the most reputable, reliable, worthy, conservative men. I ask the Secretary of the Senate to read for the information of the Senate the cablegram published in the New York Times of July 7, 1917, reproduced in the Public Ledger of Philadelphia at the same time.

The PRESIDENT pro tempore. Without objection, the Secretary will read.

The Secretary read as follows:

[From the New York Times, July 7, 1917. Copyright, 1917, by the New York Times Co. Special cable to the New York Times.]

PARIS, *July 6.*

There are two great lessons for the American people to learn from the voyage of the expeditionary force across the Atlantic. The first is that the submarine menace is as deadly as ever, not only by the insidious delivery of its metnod of attack, but even more by the accuracy of its information, and the second is that the American Navy by its skill at straight shooting can beat it on equal terms.

Anyone who has traveled by night through the sea "war zone" knows that unpleasant feeling of doubt as he disrobes for the night and creeps into his bunk. The lifebelts may be ready to hand, one's confidence in the vigilance of the watchers may be unlimited, but even the bravest can not repress a quiver of apprehension, born not only of his knowledge of the disasters that have already happened, but also of the inquietude regarding nocturnal terrors that is man's heritage from unnumbered ages.

"Three o'clock in the morning courage" has always been prized as the summit of human daring, and it is especially on this account that we Americans should be proud that our soldiers and sailors were not found wanting when they met for the first time this cruelest of war's alarms.

As a high French officer remarked when he heard the full story of this eventful voyage:

"If your boys can come through such an experience without losing their heads, we can be sure there will be no panics in the American Army. This war is terrible for new troops, and I know it, but I would sooner pass through a Verdun battle a second time than be waked from sleep by a submarine alarm on the Atlantic."

SUDDEN SIGN OF THE FOE.

In point of fact, the first attack of the undersea pirates came so swiftly that everything was over before anyone, save the crews of the warships and the officers on the bridges of transports, were aware of the peril.

It was just past midnight. The flotilla was sweeping through a calm sea, miles from the point of debarkation, and tense nerves were beginning to relax.

The sky was cloudy and the moon obscured, but the phosphorescence of water common in those latitudes at this season marked the prow and wake of the advancing ships with lines of smoky flame. It was this, perhaps, that saved us from disaster—this and the keenness of American eyes and the straightness of American shooting.

From the high-flung superstructure of a big ship one of the eager lookouts (the watch had just been changed and the newcomers were on the qui vive for danger) noted an unwonted line of shining foam on the port bow. In a second he realized that here at last was the reality of peril. It could be nothing else than the periscope of a submarine.

The Germans were not less swift in action. Almost at the moment that the alarm was given a gleaming line of bubbles, scarce 20 feet from the bow of one of the transports, wherein thousands were sleeping unconscious, announced the torpedo with its fatal burden of explosive.

WARSHIP FIRES ALL AVAILABLE GUNS.

Then, as my informant said: "Hell broke loose. Our (the big ship's)' helm was jammed over. Firing every gun available, we swung in a wide circle out of line to the left. A smaller ship slipped into our place and from what the lookout told me, I think one of her shells must have landed almost right above the submarine. But they are almost impossible to hit when submerged, and the periscope is no target, anyway.

"They fired three, if not four, torpedoes. It was God's mercy that they all went astray among so many of our ships. One passed just astern. As you see, our helm jamming was absolutely providential.

"Naturally the old ——— acted quite differently from what the Boches expected; otherwise they might have got us. It was simply extraordinary. We drove right at them (really, I suppose, the safest thing to do, as the bow gives the smallest mark to shoot at) and it seems to have rattled Brother Boche considerably. After all, we draw enough water to smash a submarine at a level of the periscope awash, and no doubt he did not care to wait for us. Or perhaps a lucky shot disposed of him. We can't be certain either way. Anyhow, he disappeared, and we saw no more of him.

ALL OVER IN MINUTE AND A HALF.

"The whole business lasted only about a minute and a half. I know, because one of those easterners from somewhere in Maine (the speaker boasted California origin) coolly timed up the mix up with a stop watch. But, believe me, it added more than that to my life.

"While the thing was happening I had no time for anything but to attend to my job. Afterwards I found myself sweating and my breast heaving as if I had run five miles. The other boys told me the same thing, but we got a compliment on the rapidity with which the guns were served, so I guess it didn't interfere any with our action."

The second attack occurred the next morning. Every living soul on the transports had been thrilled by the news of the night's events, and from early hours the decks were lined with crowds of amateur lookouts.

The morning was fine, and a light breeze rippled up wavelets that twinkled in the sunlight. Suddenly, about 10.30 o'clock, there came a wild yell from one of the leading transports. Though the "jackies" affect to dispute it, I was assured that it was a far-sighted youngster from Arizona (a "blessed new-joined rookie," as a comrade here who told me termed him) who first descried and thus announced the deadly line of bubbles.

AGAIN DANGER IS CLOSE.

No periscope was visible this time, and for the first moments those on the bridges of the attendant destroyers were incredulous. Then the unmistakable bubble line, clean across the bows, put the certainty of danger beyond question.

Once again fortune favored us. The submarine was in front instead of in the deadliest position on the flank toward the rear. Perhaps the U-boat commander was rattled by the magnitude of his opportunity. Perhaps one of his excited pirates let fly too soon. Anyway, it is agreed by experts that he would have been far more dangerous had he waited unseen until part, at least, of the flotilla had passed beyond him.

Dearly did the Germans pay for their error. Like a striking rattlesnake one of our destroyers darted between a couple of the transports. Her nose was so deep in the sea as to be almost buried, while a great wave at the stern threw a shower of spray on soldiers massed at the transport's bow. One of them told me he thought the commander was crazy.

"Why," said he, "he ran her right along the line of bubbles like a hound following a trail. I said, 'God help 'em! The next one will get 'em for sure!'"

UPHEAVAL THAT ENDED U BOAT.

But that young naval officer knew what he was about. As he flashed at nearly 40 miles an hour across the spot where the commander judged the submarine was hidden he gave orders, and this one certainly fulfilled expectations. A column of smoke and foam rose a hundred feet in the air, and in the waterspout that followed it the soldiers on the nearest transport (she had swung in a headlong curve to the left) distinguished clearly pieces of wood and steel, and some dark-blue fragments that a moment before had been living men.

Any uncertainty was impossible. Transport after transport passed through floating oil, streaked with slimy red and patched with wreckage. This submarine, at least, had timed his hour too well. He had met the American flotilla as he was ordered, but never would he report his achievement.

Mr. SWANSON. Mr. President, that is the report which came from the correspondent of these two reputable journals in Paris. I do not think there is an American who is not proud of that achievement. I do not think there is an American who is not proud when the wake of this torpedo of destruction was seen that our destroyer, with its brave officers and men, were bold enough and efficient enough to trace it at once, as Admiral Gleaves said, and destroy it, as the wreckage and oil which

came from the submarine clearly indicate. It was an heroic and splendid act.

Instead of making it a subject of ridicule, as is sought in this resolution and by others in this country, the officers and crew are deserving of commendation, deserving of being noted and mentioned as most brave and efficient and capable officers. I desire at the beginning of this war to express my condemnation and my disapproval of the effort to ridicule the achievements in efficiency of the American Navy, and every time anything is accomplished to try to make it the subject of ridicule. I ask now the Senator, if he is not satisfied about this matter, to read the reports and cablegrams of Admiral Gleaves, in which he can get full information in regard to it.

Mr. President, in connection with that phase of it, what does this resolution seek to obtain? The official cablegram, word for word, translated from the cipher. What would that furnish the enemy? A keen, alert man, who was acquainted with ciphers, could possibly get this cipher. We do not know who would get it. Spies with a copy of the cipher and a copy of the cablegram translated would be furnished a great deal of information, and it might enable Germany and our enemies to obtain a cipher to our code regarding cablegrams sent to the Secretary of the Navy. From time immemorial it has been a rule of the Navy, even in giving out interviews, never to give the words used in the cablegram, because it gives an indication by which some person might get the cipher.

Now, there is no occasion for that portion of the resolution. The only benefit that could come from the passage of the resolution would be to furnish information to spies and Germany to unravel, if they can, our code. It does more than that. It would give our base of supply—when they landed, where they landed. I do not believe there is a Senator here, not even the Senator from Pennsylvania, who would desire that information to be furnished the enemy.

Now, take the second part of the resolution, in connection with the Public Bureau of Information. The resolution directs Secretary Daniels to furnish the name of every person employed in the Bureau of Information, the salary, their duties, and all rules and regulations. Why is it not addressed to the President of the United States? The President of the United States issued the Executive order creating the Bureau of Information. It is paid for and the work is done under the appropriation of $100,000,000 given the President by Congress to use in his discretion. Secretary Daniels has nothing to do with naming these parties or paying their salaries. There is no occasion to ask a subordinate to furnish information in regard to the President, under whose authority and by whose Executive order and by the discretion given him by Congress this bureau has been created.

Mr. President, even if the name of the President was in the resolution I am not in favor of it. We are confronted with a great war. People may come here and talk and make suggestions for peace, but there will be no peace that is honorable to America, none that we can submit to, until we have wrested from Germany a promise on her part that she will no longer invade our rights and assail our honor. We are in a great war, and the energies of the Senate should be directed to preparing for that war, organizing our forces. The President of the United States has heavy and great burdens upon him. Not since this Government was organized have such burdens and such troubles and such perplexing questions come to the Executive. Lincoln had great burdens, but his were mostly domestic. In addition to the domestic troubles, we are found in a world war with our allies in intricate and delicate situations. The honor and best interests of this country are involved. It is no time at the very beginning of this war to come here and try by all kinds of resolutions to destroy the confidence of the country in the integrity, the capacity, and the ability of the President of the United States. Whether some men like him or not, the country has elected him Commander in Chief of the Army and Navy, and Congress has decreed war. The Constitution directs him as President to wage the war. At the beginning of the war this resolution implies, when you ask for this information, that you can not trust to his discretion, his judgment, or fairness even in employing a bureau of censorship.

Has anything been done to justify any lack of confidence in the President? He has borne himself superbly, magnificently, and splendidly under trying circumstances. The world is ablaze with his splendid messages and state papers, and when we are gone those state papers will be noted for their wisdom, their justice, their fairness in laying down broadly, strongly, and patriotically the rights of mankind. Men may sneer at them. They sneered the same way at the splendid papers, the splendid policy, and the splendid fight made by Abraham Lincoln; but I am here to tell you that the American people will not tolerate in the Senate or elsewhere continued irritation of the President of the United States, who every hour and minute is occupied in a patriotic effort to win this war for America.

It is no time to indulge in frivolous, petty inquiries and minor investigations, the only object and the only purpose of which can be to bring discredit on and lack of confidence in those who must and will wage this war. The Constitution gives the President the authority to wage war; and I am glad to say the Republicans have voted for measures to enable him to wage the war. I hope they will go further, and at the beginning of this war, except on strong, material, and important matters, do nothing to irritate and nothing to exhibit partisanship, nothing except what may contribute to the organization and efficiency of the great forces of America to win this war.

I do not oppose investigations when they are needed and when they are necessary. The Senator from New Jersey introduced a resolution here for a naval investigation. There had been a premature explosion of shells on some of our ships and there was a question in the mind of the public, in my mind, and in the minds of many Senators, as to whether or not our arms and ammunition were up to date and such as ought to be used or whether we should promptly obtain other ammunition. I invited a most thorough investigation. It was held; it was thorough and complete; and not the slightest criticism has been made of that investigation. The report of the committee was unanimous; good was accomplished; the trouble was ascertained and eliminated.

But, Mr. President, I concede nothing of that sort in this resolution, nothing that can bring any good, nothing that can accomplish any result, but it will simply add to the irritation.

Go further, as to the second part of the resolution, and let me ask, Do you want to have the name and the duties of every man who is gathering, disseminating, and publishing information for the Government in other countries, in places where it is important; do you want the names of the people who are trying to locate the wireless stations from which information is conveyed to the enemy, disclosed to the public? I repeat, there is nothing in this resolution that can bring good; nothing that is demanded; nothing that is needed. I hope the Senate will not pass the resolution.

Mr. President, we had as well realize that we are in a great war; we might as well realize that this war must be conducted by the President and by his administration. Everything that can add to the success of the war, independent of politics or party lines, should be done. I do not think this is any time to be talking about peace. Are we to discuss and talk peace when Germany still glories in her submarine warfare and denies three-fourths of all our commerce the privilege of entering the seas, which are free to all, with no apology for attacking our flag, sinking our ships, or killing our citizens? Are we to talk of peace before we have even organized our Army? To my mind the address of the German chancellor is more a gauge of battle than an overture of peace. Peace is only to be found now in a vigorous prosecution of this war. Our energies should all be directed to this purpose and our time and energies not consumed in small, trivial, irritating matters. Large, important matters are now crowding for solution, and these should occupy our time.

Mr. President, I hope this resolution will not pass. I repeat, no good can come from it; it can do nothing but furnish information to the enemy.

Mr. LODGE obtained the floor.

Mr. TILLMAN. Does the Senator from Massachusetts desire to make a speech?

Mr. LODGE. I desire to address the Senate. I believe I have the floor.

Mr. TILLMAN. I want to move to lay the resolution on the table.

Mr. LODGE. I have the floor, and I am not going to yield for that purpose.

Mr. SWANSON. I desire to have printed in the RECORD a letter of Secretary Daniels.

Mr. LODGE. I yield for the Senator to have that done.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter referred to is as follows:

THE SECRETARY OF THE NAVY,
Washington, July 21, 1917.

DEAR MR. CHAIRMAN: Referring to your inquiry with reference to the safe arrival of all the troops in the first transports which the Navy convoyed to France, and the telegrams from Admiral Gleaves stating that they were attacked by submarines, I have the honor to make the following reply:

Late in the afternoon of July 3, the welcome news came that the last ship of the convoys and transports carrying the first American soldiers and marines to fight in France had reached its destination in safety, without accident or injury to men or ships. The Navy Depart-

ment had known for five days prior to their arrival that two attacks by submarines had been made, and you can well understand the painful anxiety lest torpedoes should have caused the loss of some of the brave men who were carrying out this hazardous enterprise. You may imagine, therefore, the unspeakable relief to me which the news announcing the arrival of the last ship brought. This relief was, of course, shared by all others in the department who had been apprehensive every minute since June 28, when Admiral Gleaves, in a brief cable, had reported that submarines had made attacks upon two divisions of the transports.

As soon as the news was communicated by an officer of the department, I hastened to the War Department to apprise the Secretary of War of the fact, for I knew he had felt the deepest solicitude, as he, too, was informed of the attacks. It was in no formal manner, I assure you, that the good news was given to Secretary Baker, and we shook hands in exultation over the safety of our sailors and soldiers and the accomplishment of the first stage of giving present military aid to the allies.

In expression of his feelings, Secretary Baker sent the following letter:

WAR DEPARTMENT,
Washington, July 3, 1917.

Hon. JOSEPHUS DANIELS,
Secretary of the Navy.

MY DEAR MR. SECRETARY: Word has just come to the War Department that the last ships convoying Gen. Pershing's expeditionary force to France arrived safe to-day. As you know, the Navy assumed the responsibility for the safety of these ships on the sea and through the danger zone. The ships themselves and their convoys were in the hands of the Navy, and now that they have arrived, and carried, without the loss of a man, our soldiers who are the first to represent America in the battle for democracy, I beg leave to tender to you, to the admiral, and to the Navy, the hearty thanks of the War Department and of the Army. This splendid achievement is an auspicious beginning, and it has been characterized throughout by the most cordial and effective cooperation between the two military services.

Cordially, yours,

NEWTON D. BAKER,
Secretary of War.

I immediately sent the following reply:

THE SECRETARY OF THE NAVY,
Washington, July 4, 1917.

MY DEAR MR. SECRETARY: The Navy accepts the thanks and gratitude of the Army as an expression of fraternal esteem rather than as an acknowledgment of sole achievement. The movement of the expeditionary forces, carried out with such complete success, was planned in joint conferences and goes to the people as a proof of the effectiveness that lies in intimate cooperation between the two great military branches of the Government.

This generous concentration of activities is as thrilling a thing to me as the safe passage of our transports through the ocean lanes. With Army and Navy thinking as one, planning as one, fighting as one, the great purpose of America is expressed in terms of invincibility.

In behalf of the men whose courage gave safe conduct to courage, I send to you the greeting of the Navy, awaiting in full confidence for the day when the valor of your soldiers will write new and splendid chapters in the heroic history of our liberty-loving land. You, who have shared with me the anxiety of these days of intolerable suspense, will know the full and happy heart out of which I write.

Sincerely, yours,

JOSEPHUS DANIELS.

Hon. NEWTON D. BAKER,
Secretary of War.

At once a statement was prepared and given out that evening, which I knew would intensely gratify all Americans. The message of Rear Admiral Gleaves announcing the attacks, of course, had not been given to the public, and consequently it had been spared the anxiety, when the foreboding ended their rejoicing would have exceeded anything I can express.

The statement which I gave to the public conveyed the feeling of all who had been waiting and hoping for the reassuring telegram. It began with these words: "It is with the joy of a great relief that I announce to the people of the United States the safe arrival in France of every fighting man and every fighting ship." And then followed the account of the dangers which had been encountered.

These facts were stated not in the very words of the Gleaves cablegram, for it is the immemorial policy of the department in time of war not to employ the language of a message coming in code. Otherwise it would be easy for the enemy to learn the cipher. Moreover, the message of the rear admiral contained the names of the ships, which for military reasons are never given out during a war. The language used, as reference to the cablegrams will show, therefore, was not the identical language of the cablegram, but contained the material facts of the safe arrival of the transports and convoys, the deliverance from submarine attacks, and the successful conclusion of that part of the enterprise.

The important part of the statement given to the public was that all our soldiers and marines and ships had been convoyed to France in safety. Two of the groups arrived without being attacked and two were unsuccessfully attacked. The rejoicing over their arrival was heightened by the fact that far outside the so-called danger zone they had been twice unsuccessfully attacked. If the terms "battle" and "attacked in force" are open to criticism, the fact still remains that the rejoicing was warranted. If the torpedoes in either of the attacks had sunk American ships the criticism made would not have concerned itself with the difference between what might have been called a "battle" or an "encounter" or a "brush."

The cablegrams from the rear admiral, which have not been given to the public for reasons stated above, are, of course, subject to the inspection of the Naval Affairs Committee.

Sincerely, yours,

JOSEPHUS DANIELS.

Hon. B. R. TILLMAN,
Chairman Committee on Naval Affairs, United States Senate.

Mr. LODGE. Mr. President, there are very few Members of the Senate with whom I agree more cordially about this war than I do with the Senator from Virginia [Mr. SWANSON]. As he well knows, I agree most absolutely with him in what he has said about peace in his closing remarks. The peace which the German chancellor talks about is the peace that would be an absolute defeat for us. If we should accept such a peace as that, it would be nothing short of murder to send our soldiers to the front, and robbery to take the money of our people and then leave the world in the statu quo ante bellum. If we are not in this war to secure our safety in the future and also make secure the liberty and democracy of the world by guaranties which are unmistakable, then we ought to have never entered into the war at all.

The Senator from Virginia has stated my feeling about this German peace talk fully and explicitly, and I am absolutely with him in the position he is taking about the war and about the chatter of peace at this time.

Mr. President, the Senator from Virginia also knows that there is no better friend of the Navy in either branch of Congress than am I. I was on the committee that authorized the construction of the first three battleships in 1890 in the House of Representatives. I have supported the Navy in every possible way from that day to this. The Senator from Virginia knows I think better than anybody else, that I have labored in the last three years with him, and he deserves the greatest possible credit for his labors in that direction, to do all that was possible to be done to support and to upbuild the American Navy.

The American Navy, Mr. President, has never failed in all our history not only to do its duty but to succeed. We have had misfortunes with the Army; we have had failures; but if you will examine the history of the United States from the day when Truxtun defeated the French frigate *L'Insurgente* down to the voyage of our troops to France, you will find that the American Navy has never failed. No one has attacked the American Navy. No one ever will attack it in my presence without reply from me. Nobody is more dexterous than my good friend from Virginia in occasionally substituting an unreal issue for a real issue. The issue here is not the American Navy. No one has ridiculed it; no one has criticized it. The criticism has been directed to Mr. Creel, and Mr. Creel, thank God, is not the American Navy.

They are two wholly different things. Give the American Navy and the American naval officers their opportunity and they will never fail. Nobody has criticized them. There has been criticism of Mr. Creel, and the reason the inquiry is made of the Secretary of the Navy is that he is one of the board which controls the public information. He is, in part at least, responsible for Mr. Creel. Mr. Creel is one of his subordinates. The Secretary of the Navy, the Secretary of War, and the Secretary of State are the three members of the Public Information Board.

Mr. SWANSON. Mr. President, will the Senator permit me to interrupt him?

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Virginia?

Mr. LODGE. I do.

Mr. SWANSON. The Senator is mistaken. The President appointed Mr. Creel a member of the board outside of official life, and made him chairman of that board. He is not the subordinate of the other officials.

Mr. LODGE. Very well. The three officers I have named are members of the board. The Secretary of State controls his own information; the Secretary of War, after a recent lesson, will control his, I hope and trust; and the result is that it leaves the Secretary of the Navy and Mr. Creel.

Our ships went over. The voyage fortunately was entirely successful; our troops were landed in safety. Two of the four units were attacked by submarines. There is no doubt of that fact. It is believed that one of the submarines was sunk. I hope so; and I think there is good evidence to show that it was.

The Senator from Pennsylvania [Mr. PENROSE] is being blamed here for his resolution on account of the fact, as alleged, that it will disclose information to the enemy. Those ships were attacked outside of the war zone. They took, if I am not misinformed, a somewhat unusual course. Somebody knew where they would be at a certain hour in the ocean outside the war zone; some German knew that fact. That is why the submarine was there; that is why it was there the second time. Somebody knew it. Did that information come from a resolution of inquiry in the Senate? Did it come because code letters had been published? No; it was obtained before that. It became known because there are spies in this country, spies in this city, spies in the departments. I do not imagine the Senator from Pennsylvania has the faintest idea of doing anything or bringing out anything which shall reveal our naval code. Of course, that ought not to be done.

The objection made is that on those simple facts, greatly to the credit of the American Navy, we were treated by Mr. Creel with a large and bombastic account. Dispatches came to this

country showing that a part of our troops had arrived. That information ought not to have been published until they all had arrived. The news bureaus had that information, but did not publish it. It got out through the permission of Mr. Creel, or through some misunderstanding with his office, and it disturbed the Secretary of War, very justly, when the news got out.

We are not investigating the American Navy; we are trying to investigate Mr. Creel and his bureau. It is absurd to undertake to say that because we do not like what Mr. Creel is doing we are attacking the American Navy. The American Navy has nothing to do with Mr. Creel. Congress refused to give him the powers that were asked, and rightly refused. Both Houses refused; but he goes on—one of these irresponsible personal agents without definite office. He employs men, he spends large amounts of the public money, and it is considered an impertinence if we ask where the public money is spent. That is not a criticism of the American Navy; that has nothing to do with the American Navy. If it is necessary to eulogize the American Navy I think I can undertake to do that almost as well as the Senator from Virginia. I have defended it many times, and I could do so again; but I do not think it is necessary to defend the American Navy because Mr. Creel is attacked. They are not responsible for him. The officers and men who man our ships did not create Mr. Creel.

Now, Mr. President, we must keep many things secret. I know the State Department is doing it; I am sure the War Department is doing it; and when the Navy Department abandons Mr. Creel the Secretary will do the same.

The Senator says it is not desirable to have it known where our ships landed in France. I know where they landed, and I did not get the information from the Navy Department or in confidence. It is known to the press, and the press, which has shown throughout this country a most amazing and fine spirit in holding back any information that could possibly do harm to the American cause, is meddled with and interfered with by Mr. Creel. The things that have come out, like Mr. Root's party being in Chicago and the landing of the first troops, have come out through misunderstandings with Mr. Creel's office.

It has never been the fault of the press. They have, as I have said, amazed and rejoiced me by the tact, sense, and patriotism they have displayed in regard to keeping secret information which could be of any use to the enemy. If you will find out who told the German submarines where our units were to be on a certain day in the open ocean, you will then do some great good in protecting our troops. Stopping a Senate resolution will not protect them. That tells nothing whatever. We are not going to reveal our code; we are not going to disclose the names of the ships. It is necessary that those be kept secret, and secrecy will be preserved; but it is not through Senate resolutions that these things get out. They got out before any Senate resolution was ever dreamed of.

But it is the fashion to saddle everything on to Congress. One can not speak or criticize anybody, no matter who he is, some unknown genius perhaps, plucked out of the bushes day before yesterday, without being told he is attacking the Government and attacking the President. Now, the country is one thing and the Government is another; and the Government is one thing but the individuals who compose it are another, and they are all human and not infallible. We are a part of the Government. That seems an amazing statement to make, but we are part of the Government under the Constitution, and I believe we have a right to know how the public money is spent. I say to you, the money that is being wasted in Creel's bureau is perhaps a little thing, but nothing could be done more helpful to the President and the administration than a strict watch of the expenditures by Congress. If these vast sums of money, vast beyond anything that was ever dreamed of before, are to be poured out by agents, many of whom are utterly unknown except perhaps for personal admiration wisely bestowed, or for petty political services, agents with no public responsibility, you are laying up a day of reckoning which we shall all deplore. Everyone who is an American——

Mr. HARDWICK. Mr. President, will the Senator allow me to interrupt him?

Mr. LODGE. I yield.

Mr. HARDWICK. I notice the criticism has been made in certain places that Mr. Lincoln's committee on the conduct of the war was a source of infinite irritation and trouble to the country. Was it because the committee interfered with the conduct of campaigns, and the selection, promotion, and demotion of generals, or because it checked up expenditures and contracts? Can the Senator tell me as to that?

Mr. LODGE. In the Civil War?

Mr. HARDWICK. Yes, sir.

Mr. LODGE. It is not apparent, so far as I have examined history—and I have looked with some care through the great life of Lincoln by Nicolay and Hay—that they ever harassed the President in the conduct of the war. That committee was not only a partisan committee in the sense that its members were all Republicans, as I remember, but they were all Republicans of a violent faction of the Republican Party; and yet Hay and Nicolay say in their history—and they are, I think, fairly sensitive about Mr. Lincoln's reputation and interests—that the committee, despite all those drawbacks—and it did some very unwise things, some unjust things, in my judgment—despite that, it deserved praise rather than blame.

Mr. HARDWICK. Mr. President, will the Senator yield for one other suggestion?

Mr. LODGE. Certainly.

Mr. HARDWICK. I can see why it might be a very unwise thing to have a committee of Congress constantly endeavoring to meddle with the conduct of military or naval campaigns or operations, or constantly endeavoring to select generals, or admirals, or such things as that, or to change the plan of military operations.

Mr. LODGE. Nothing could be worse—nothing.

Mr. HARDWICK. I quite agree to that idea; but it is inconceivable to my mind, at least, how it could be embarrassing to the country or to any government to have a congressional checking-up of the money that we appropriate out of the Public Treasury.

Mr. LODGE. Mr. President, it would be deplorable to have Congress try to carry out any of the purely executive functions. I have said it over and over again. Nothing could be more deplorable than for Congress to meddle in the conduct of the Navy and the Army. That would be worst of all. But still, under the Constitution, so far as it remains, we still must vote the money; and if we vote the money—not our money, but the money of the people, to be represented in great loans and tremendous taxes—I think we have a right to know how the money is spent.

Mr. SWANSON and Mr. WEEKS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield; and if so, to whom?

Mr. LODGE. I yield to the Senator from Virginia.

Mr. SWANSON. Mr. President, if that is true the Senate has already organized committees to investigate and report upon the expenditures in every department of this Government—the Treasury Department, the War Department, the Navy Department, and so on. If they do not meet, if they do not exercise their functions, it is the fault of the committees and not that there is not sufficient organization in the Senate to accomplish that purpose. That is the only purpose of the organization of these committees.

Mr. LODGE. Mr. President, that is another example of the readiness and ingenuity of my friend from Virginia in raising a wholly unreal issue. We know what those committees on expenditures are. They amount to nothing. They never have amounted to anything, and they never will. They never were intended to amount to anything. Besides, there is not a single one of all of the committees which is formed to consider the conduct of the expenditures of the war—not one.

I now yield to my colleague.

Mr. WEEKS. Mr. President, the question asked by the Senator from Georgia [Mr. HARDWICK] voices what seems to be a rather general opinion and feeling on the part of men even in very high places. I have had a careful investigation made, so far as it could be done, of everything that Mr. Lincoln has said, and there is not a single word in anything that he ever said critical of the action in the appointment of the committee on the conduct of the war.

Mr. LODGE. That, I am sure, is true, from the collection of his speeches and letters made by Nicolay and Hay, which I have examined myself. The only allusion there to the committee on the conduct of the war is an order which Lincoln signed, directing Gen. Butler to obey the summons of the committee.

Mr. OVERMAN. Mr. President, if the Senator will yield to me, what good would this committee do? The Appropriations Committees do their duty when they report to the Senate, and the House and Congress make appropriations for a certain purpose. Now, the executive departments expend this money. If they make bad contracts, if they are extravagant, the responsibility is on them. What has Congress to do with it? Could we set aside a contract?

Mr. LODGE. Mr. President, I do not take that view. I think if there is corruption or extravagance or bad contracts made this is the great jury where it should come. We raise the money. We can not escape our responsibility by shifting it on to somebody else. We are responsible for that expenditure. We have a right to know how it is made. We have a right to

have some account of what is being done. It is for us to defend the public money. It is our undoubted right to appropriate it.

Mr. OVERMAN. Have we any right to expend this money?

Mr. LODGE. No; we have not; but we have a right to know how it is expended.

Mr. OVERMAN. We might want a committee to investigate some particular transaction; but when we appoint a committee to go and look after the money that the Executive has a right to expend, then we can do nothing but smell around. That is what it is for; nothing else.

Mr. LODGE. Well, when the Senator had his lobby committee he did not seem to mind "smelling around" particularly.

Mr. OVERMAN. The smelling around did some good in that case.

Mr. LODGE. Very little good.

Mr. OVERMAN. I do not think the country will agree with the Senator.

Mr. LODGE. Well, I think so. I have not seen any good it has done. I believe it is to be revived. But, of course, we have always had committee investigations. That is our duty. That is one thing we are here for, and the time to get at it is now—not when the men have escaped with their plunder; not when the extravagances have all been committed and closed; not when we have failed in important military and naval operations because the money was improperly spent. We have some rights here, and one of them is the control of money, and that can not be taken from us.

I did not get up, however, to argue the question of the committee on the conduct of expenditures. That is a question which will be very fully discussed before the food bill goes out of the Senate. The views of the President expressed this morning, with all submission, I venture to say are open to some discussion. But I did not mean to discuss them now. I was bringing the discussion back solely to this question of Mr. Creel, a man to whom Congress refused to give power. The office he holds is created under the $100,000,000 fund given to the President for the general defense of the country. Mr. Creel, apparently, is part of the general defense of the country; and the little Government publication which he is publishing, and the scores of people whom I am told he has employed to do what might be done by a stenographer and a couple of clerks, are being paid for out of that fund.

Mr. JAMES. Mr. President, will the Senator yield for a question there?

Mr. LODGE. Yes.

Mr. JAMES. Is it the position of the Senator, therefore, that Congress has the right to and ought to inquire into how the President is expending this $100,000,000?

Mr. LODGE. Why, certainly, Mr. President. We have not any "divine rights" in this country yet. They may come, but they are not here now.

Mr. JAMES. And that that should be done during the war?

Mr. LODGE. At any time.

Mr. JAMES. At this time?

Mr. LODGE. Everybody is responsible. Even the President of the United States is responsible to the people and for the people's money.

Mr. WEEKS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to his colleague?

Mr. LODGE. I do.

Mr. WEEKS. Before my colleague gets away from the question that was raised by the Senator from Georgia [Mr. HARDWICK] I wish to read an extract from the life of Abraham Lincoln, written by Mr. W. O. Stoddard, who was one of the secretaries at the White House during Mr. Lincoln's incumbency. He says:

> It was not long before the "legislative branch" of the Government began to interfere with the "executive branch" in military matters. It was little more patriotic than constitutional, but Mr. Lincoln had no manner of objection. When, in December, 1861, Congress appointed a strong and capable "Committee on the Conduct of the War," its members were at once taken into hearty and intimate consultation. What would surely have been a peril or a hindrance to a weak or selfish ruler was transformed at once into an additional and powerful guaranty of congressional cooperation. It was not so much thenceforward that Congress had assumed a part of the executive province, but that the Executive had deftly provided himself with personal and official representatives upon the floor of Senate and House.
>
> This committee, constantly advised with, cordially invited to investigate, to consider, to come and to go, and to know everything before it happened, became a priceless safety valve for the growing discontent over inexplicable delays. Without it there can now be little question that Mr. Lincoln would have been more seriously misunderstood and even antagonized by the body of men nominally represented by the committee.
>
> The President of the United States is constitutionally the Commander in Chief, and Abraham Lincoln was also actually dictator; but he was entirely at ease as to all his rights and dignities when a joint committee of Senators and Representatives freely summoned before them his military officers by the dozen, and called for their views of things in general and their professional opinions of battles and campaigns. He knew beforehand that the sure result would be the strong and unanimous sympathy of that "jury" of clear-headed men, with him personally, and their approval of the general outlines of his policy, however much they might disagree among themselves or with him as to details of specific operations.

Mr. LODGE. Mr. President, there is no doubt that that is all historically true. Mr. Lincoln was really a very great man, but I did not mean to discuss the question of the committee on the conduct of expenditures during the war. That is another question, and it will come up on another field. I wish to bring the debate back to the real question, which has nothing to do with the American Navy. The American Navy did their full duty. They did it with immense success. They carried our troops over in safety. They will carry a great many more in safety, I believe. England has carried 400,000 men from Canada to the French front in safety, and I believe that our Navy will do it just as well, if not better. Our torpedo-boat destroyers have done, and are doing, great work on the other side of the water. It is not for me to tell just what they have done, but they are doing, and they have done, great work. Has anybody moved to give them thanks? Not yet. We have put on merchant ships naval crews, and those lonely merchant vessels, without convoys, have met and fought submarines, sometimes successfully, sometimes not; but those naval gunners on every ship on which they have been placed by the care and forethought of the Navy Department have done splendid work and are deserving of all praise, just as the men who convoyed our troops are deserving of all praise. But because a bombastic dispatch sent out here by a man in an arm chair in Washington leads to widespread criticism all over the country, and an inquiry is made as to why he is doing this, and what money he is spending, then the answer is, "You must not attack the American Navy."

That is all I got up to say—that I resent having Mr. Creel treated as the American Navy. We should fare badly without the American Navy, but I think the Government would totter on without the Bureau of Public Information or even without Mr. Creel.

Mr. JAMES. Mr. President, the Senator from Massachusetts [Mr. LODGE] undertakes to shift the issue. I think the Senator from Pennsylvania [Mr. PENROSE] is probably as able to state his own position and the intent and purpose of his own resolution as the Senator from Massachusetts is to interpret it for him. The Senator from Massachusetts tells us that it is not an attack upon the American Navy or any officer of the American Navy. Let the Senator from Pennsylvania speak for himself. He spoke in the CONGRESSIONAL RECORD upon this question, and after predicating his resolution upon an editorial that appeared in the New York Times which he incorporates as a part of his speech, which paper two days after that carried a very thrilling account of this attack upon our transports at sea, the Senator from Pennsylvania uses this language:

> I am curious to know how the American correspondent lost his inborn enterprise and failed to report this battle, or whether the battle was an hallucination of the Secretary of the Navy and the chairman of the Committee on Public Information.

Mr. LODGE. Mr. President, when did the Secretary of the Navy become an officer of the Navy?

Mr. JAMES. Well, that is the point I wanted to make to the Senator.

Mr. LODGE. I should like to hear it explained.

Mr. JAMES. Then the Senator from Massachusetts does not deny that the purpose of this is an attack upon the Secretary of the Navy?

Mr. LODGE. Mr. President, I did not say so. I asked when the Secretary of the Navy became an officer of the Navy?

Mr. JAMES. But I am asking the Senator now to say whether it was or not?

Mr. LODGE. I think it undoubtedly reflects on the Secretary of the Navy, and if he is responsible for Mr. Creel, he deserves to be reflected upon. Mr. Creel has nothing to do with the Navy.

Mr. JAMES. That is the point I desire to make, and I do not wish any shifting of the issue.

Mr. LODGE. Well, the Senator need not fear that I will shift the issue.

Mr. JAMES. The purpose of this resolution was an attack upon the Secretary of the Navy, and there is no use in trying to conceal it.

Mr. PENROSE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Pennsylvania?

Mr. JAMES. I do.

Mr. PENROSE. Does the Senator mean to state that I, as a Member of this body and a Senator from Pennsylvania, have no right to criticize the Secretary of the Navy or any other governmental official that I choose to criticize?

Mr. JAMES. The Senator has a perfect right to attack him, but when he does it he must do it in the open.

Mr. PENROSE. Am I not doing it in the open?

Mr. JAMES. Certainly. I am not disputing the fact that the Senator is attacking the Secretary of the Navy; I am not disputing the fact that he is doing it courageously; but I am saying that the Senator from Massachusetts [Mr. LODGE] sought to make this an attack upon Mr. Creel, when I knew that it was an attack upon the Secretary of the Navy.

Mr. PENROSE. Mr. President, it does not require any courage to attack the Secretary of the Navy, and I am not attacking him. I am seeking an inquiry, and it is evidently the purpose of the majority to suppress inquiry and investigation from this time on.

Mr. JAMES. No, Mr. President; the majority has no desire to suppress anything. If the Senator will read closely his remarks uttered this morning in the Senate—and the public will read them—perhaps they will see that his reason for this resolution was amply disclosed by his remarks this morning; that it is an attack upon Mr. Creel because he published a speech of the President of the United States seeking to get cheaper coal for the American people.

Mr. PENROSE. Oh, Mr. President, if the Senator will permit me, the copy of the Official Bulletin referring to the President's address—I will not qualify it with an adjective—to the coal operators was handed to me this morning as I entered the Senate Chamber by a gentleman who called my attention to the overzealous officiousness of Mr. Creel in editing the President's speech and putting a lot of it in italics. This was several weeks after I prepared this resolution and introduced it.

Mr. JAMES. I have no doubt that a man is "overzealous" in the eyes of the Senator from Pennsylvania [Mr. PENROSE] when he undertakes to edit any sort of an utterance that seeks to get cheaper coal for the people of the United States. But now let us come down to this resolution introduced by the Senator from Pennsylvania.

He introduced it because there was an editorial in the New York Times that said it ought to be investigated; that there was a correspondent for the Associated Press on board of one of these transports, and he sent back a cablegram saying that they had an uneventful journey, and that these reports coming here from the admiral of the Navy, given out by the Secretary of the Navy, must be at once impeached, because an Associated Press correspondent, not an official of the United States Government, failed to be upon one of the four different and distinct units of transports that were sent abroad. I hope the Senate has not arrived at the time in this war when it is willing to impeach the official dispatches of an admiral of the Navy simply because some correspondent failed to be on board of one of the transports that was fired upon.

When this war was declared and before it was declared, we were told by those who were speaking for the Imperial German Government we could not send any soldiers across the sea, that that would be impossible, that the ships would be sunk. Now, after the Secretary of the Navy and the Secretary of War had routed the ships that made their successful journey to France carrying thousands upon thousands of American soldiers, bearing the love and hope and prayers of the American people, and they had gone successfully through the death zone swarming with submarines, they are to be sneered at upon the floor of the Senate and an investigation is to be had here because two attacks by two submarines is not a battle; it is not an attacking force. However, the Senator from Massachusetts [Mr. LODGE] tells us that these ships went an unusual route.

The PRESIDENT pro tempore. The morning hour having expired the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. SMOOT rose.

The PRESIDENT pro tempore. The Senator from Kentucky has the floor.

Mr. JAMES. The Senator from Massachusetts [Mr. LODGE] told us these ships went an unusual route. I suppose if they had been attacked and several hundred or several thousand of our American soldiers had been sent to the bottom of the sea this spirit of hypercritical criticism would have been manifested upon the floor of the Senate here by a resolution to investigate the Secretary of the Navy because of his inefficiency in sending our soldiers abroad; but when they make safely the journey, a matter of thanksgiving upon the part of all real patriotic Americans, resolutions are brought in here that we must investigate whether there was one submarine or whether there were two submarines or whether there were any submarines that attacked these ships, because a correspondent of a New York newspaper has said there was no attack, and this is to be taken as a basis for an investigation and an impeachment of the official dispatches of the admiral in charge of these ships.

The Senator from Massachusetts states that we have a perfect right to investigate the $100,000,000 fund being used by the President of the United States. Of course Congress has that right, but I do not believe that the country shares with the Senator from Massachusetts or any other Senator upon this floor in a spirit of a lack of confidence in the President of the United States. I do not believe this early in the war this spirit of copperheadism, this spirit of attack upon men who are bearing the multiplicity of duties and mountains of burdens, must be had in order to make their duties much more onerous.

Mr. WADSWORTH. Will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from New York?

Mr. JAMES. I yield.

Mr. WADSWORTH. Did the Senator use the term "copperheadism" advisedly on the floor of the Senate?

Mr. JAMES. I used the word "copperheadism" as I understand it.

Mr. WADSWORTH. "The Senator from New York" is very glad to know in what respect and in what definition.

Mr. JAMES. I may not use the word "copperheadism" according to the refined distinctions the Senator from New York probably would use it.

Mr. WADSWORTH. There is but one understanding of what the word "copperhead" means in American history.

Mr. JAMES. I probably understand as well as the Senator from New York what the word "copperhead" means; but I say if this spirit that seems to be manifested here upon this floor is to be followed up, then America is to be crippled at home in this war, and right here in this Chamber.

Simply because a New York newspaper publishes an editorial saying that a correspondent had stated there was no attack, immediately a resolution must be brought into the Senate here and the officials appointed by the President under the $100,000,000 fund must be investigated, their names must be given out, the official message must be printed, the salaries paid to them must be given to the public, and their duties must be made known to the public, which information would be very valuable to Germany.

Mr. SMITH of Arizona. Will the Senator permit me?

Mr. JAMES. I yield to the Senator.

Mr. SMITH of Arizona. I think I remember, being a Delegate in the lower House, that in the start of the Spanish-American War $50,000,000 was voted to President McKinley, and, if my memory is right, no one ever thought or asked anything about any investigation throughout the Spanish-American War as to that fund.

Mr. LODGE. That fund was all accounted for.

Mr. JAMES. And this fund will be accounted for.

Mr. SMITH of Arizona. This fund will be accounted for.

Mr. JAMES. Does the Senator from Massachusetts mean to intimate that the President of the United States is not handling this fund of $100,000,000 to the best advantage of the American people?

Mr. LODGE. I never suggested anything of the kind.

Mr. JAMES. I am glad the Senator does not.

Mr. LODGE. Neither am I suggesting that it is sacred and that we have not a right to know how the public money is being spent and I advise the Senator from Kentucky that calling names here and talking about copperheads will not prevent inquiry.

Mr. JAMES. I will call the Senator's attention to the further fact that this character of attack upon Government officials who are doing their whole duty to the best of their ability will not find favor with the American people.

But let us go a little further into this resolution. The New York Times of the 7th day of July, two days after the editorial upon which the Senator based his resolution, published an account of the attack of the submarines upon our transports. Oh, it is very easy to sit securely in the Senate or in the palatial quarters of the Senator from Pennsylvania [Mr. PENROSE] and flout and belittle those far out upon the distant sea for assuming that two submarines firing upon them "is a battle" or an "attack in force." But I imagine that if the

precious freight of the Senator himself had been upon one of those transports, he would have thought it was an attack in force and a very considerable battle.

Mr. PENROSE. Will the Senator permit an interruption? For the last time I want to deny that I am attacking the American Navy or anybody else. I am introducing a resolution of inquiry.

Mr. JAMES. You just admitted that you were attacking the Secretary of the Navy.

Mr. PENROSE. No; I said I have a right to attack him if I choose. I want to state here to the Senator and to the country that, in my opinion, the administration of the Navy Department and the War Department is marked by an indecision and inefficiency which will rapidly become a national scandal and which I intend to have investigated in some way at an early opportunity.

Mr. JAMES. Probably you have no more basis for that unwarranted attack than you have for this resolution, and that was the flimsy editorial of a New York newspaper based on the cablegram of a correspondent who was not on board the transport. That is the spirit that I am inveighing against here now. That is the very spirit that I am attacking, that a Senator from a sovereign State will rise here and without any basis in fact or truth attack the War Department and the Navy Department.

Mr. PENROSE. If the Senator will permit me, every newspaper correspondent in Washington or who visits Washington, and every business man who comes here to deal with these departments, and every citizen who is familiar in any way with the working of them will agree with me.

Mr. JAMES. I do not believe that there is any truth in that statement, Mr. President, but I hope the Senator from Pennsylvania, in his official capacity, is not willing to come and make an attack upon the Government of his country, that which is operating its Navy and its Army, merely upon the idle rumor of newspaper correspondents that has not been given to the public. Mr. President, what would you call that? Is that copperheadism? Is that sniping? No, Mr. President, it rises to the dignity or danger of neither. It is merely "Penrosing."

Mr. President, the American people are back of this war. They are back of the President. Certain attempts to play peanut politics, as is here attempted upon the part of the Senator from Pennsylvania [Mr. PENROSE], will not reward you in the slightest degree. The Republican Party, whose proudest boast is of Lincoln, and that it saved the Union, I can not believe has descended to the low level where it undertakes to become a sniper in the days of the greatest peril to the American Government.

Mr. President, so far as I am concerned, I am going to undertake to hold up the hands of the established Government of our country. We are fighting for the peace, liberty, and safety not only of our own beloved land but for the peace, liberty, and safety of the world. If your party were in control, if your President sat in the White House in this hour of peril, I would not play politics. I would put patriotism above politics. I would put my country above partisanship. And I want to say here and now that if this character of attack is to be continued the American people themselves will settle it very satisfactorily at the very first opportunity they have at the polls.

Mr. SMITH of Georgia. Mr. President, I do not desire to enter into the discussion of coal troubles or extra charges for coal, nor do I care to take part in the discussion of the propriety of investigating the plan under which Mr. Creel is given some official position. I do wish to express my regret that the Senator from Pennsylvania introduced a resolution without a knowledge of all the facts, which has in part taken from the minds of the American people that just appreciation of the splendid conduct of our officers and men who were upon the vessels recently carrying our troops to France. The Senator from Pennsylvania was misled by an editorial in a New York paper. He was misled by a telegram from the Associated Press. He evidently did not understand that the vessels went across the ocean in four units.

Mr. PENROSE. Will the Senator permit me? I was not misled in any way, neither did I rely upon the clipping from the New York paper. A dozen people connected with the Navy Department, and some Senators have told me that they were fully aware of the bombastic exaggeration of the Gleaves telegram.

Mr. SMITH of Georgia. Mr. President, if the Senator was not misled, still the inferences drawn from the resolution which he introduced mislead the public. They create the impression that in point of fact no attack was made upon our vessels. They create the impression that no submarine was sunk, that no torpedo was fired by a submarine at our vessels. The Senator from Pennsylvania read the Associated Press dispatch in vindication of his view that no attack was made. The dispatch had reference to the last unit of the transport. The Senator failed to mention that there were four units, and the Associated Press representative could have been upon but one of them and was really upon the last of the four.

In point of fact, Mr. President, the first two units were attacked. Upon those units there were more than one close and dear to me, and they have returned to the United States since the close of their successful voyage. I can not consent silently to hear anything said to detract from their service or allow an impression to go abroad which will take from the gallant officers connected with the first and second units credit for the service they rendered to their country.

Mr. President, when the facts are fully laid before the people, the commander of the destroyer which sunk the submarine will have to his credit one of the most gallant and successful records in the history of our Navy. As described even by Mr. Creel it lacked the features of heroism by which it will be described by eye witnesses.

I have no doubt that both the first and second units were attacked. I have no doubt that at least one and probably two submarines were destroyed. I have no doubt that the troops upon those vessels were saved by the splendid conduct of the officers upon them, and their conduct and management won a victory over German submarines.

I only desired, Mr. President, to make this statement to join in the effort to check the misapprehension which has gone abroad growing out of this resolution, and growing out of the criticism of Mr. Creel.

It is to me a great pleasure to state that I am sure our officers now in the United States could give evidence in support of more than has been claimed for our Navy in the recent transportation of troops to France.

Mr. SHAFROTH. Mr. President, the Senator from Pennsylvania [Mr. PENROSE] in declining to further yield to me for a question characterized my questions as frivolous.

Mr. KENYON. Mr. President, I rise to a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. KENYON. Is the river and harbor bill not before the Senate?

The PRESIDENT pro tempore. The Chair laid before the Senate the unfinished business at the hour of 1 o'clock.

Mr. KENYON. I make the point of order that a great war measure should not be delayed by this frivolous discussion.

Mr. SHAFROTH. I shall take but a minute of time.

Mr. PENROSE. We are fighting a naval battle in connection with a great war measure.

Mr. THOMPSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Kansas has risen to a parliamentary inquiry. He will state it.

Mr. THOMPSON. I understand the resolution of the Senator from Pennsylvania goes to the calendar.

The PRESIDENT pro tempore. That is the rule. It is not before the Senate. The Senator from Colorado will proceed.

Mr. SHAFROTH. The Senator from Pennsylvania was discussing the price of coal and maintaining that $3 was a reasonable rate; he was criticizing the Secretary of the Navy for having endeavored to save money for the people of the United States by getting a lower price for coal; and then he was criticizing Mr. George Creel for having written articles to show that the price of coal at $3 a ton was outrageous. I asked the Senator from Pennsylvania if he did not know that the price of coal was very small compared to this $3 rate which he was defending. I read a statement from the Geological Survey as to the price of coal in the eastern part of the United States, which was exceedingly small compared to the $3 rate. If that is not pertinent, if that is not relevant to the very thing which he was discussing, it is impossible for me to conceive what a relevant question is.

Mr. President, the Senator asked me at what time those quotations were made. I told him I thought about 1912. I knew the price of coal from 1912 or 1911 up to 1915 had varied very little, and the Senator from Pennsylvania ought to have known it, too; but it seems that he did not.

Now, I want to call attention to the coal statistics of the World Almanac for 1917, which gives the value at the mouth of the mine of bituminous coal in various portions of the United States. I call attention to the fact that in the year 1915 the average of the entire year of the price of coal in Pennsylvania was $1.06 a ton. The coal operators wanted to sell it at $3 a ton, and the Senator was criticizing Secretary Daniels for having insisted that the Navy ought to be furnished coal at a less price, and he was criticizing George Creel because he was upholding the Secretary of the Navy in his effort to get a lower price for coal. Then the

Senator called my interruption a frivolous one, when it was directly pertinent to the matter before the Senate.

Mr. President, it is not only in Pennsylvania that coal was selling in 1915 at a low price, but we find that in Ohio it was $1.08 a ton at the mouth of the mine. We find further that in the State of Virginia at the mouth of the mine it was selling at 98 cents a ton, and in West Virginia it was selling at 97 cents a ton.

Can it be possible that because there happen to be millions of tons of coal that are produced in his State a Senator can fairly contend that coal that sold for $1.06 a ton on the average during the entire year of 1915 should bring $3 a ton from the Navy of the United States, especially when it is the very means by which we expect to conquer in this war against Germany? There has been no relative increase in the price of labor or in any other agency by which coal is produced.

Mr. President, it seems to me that when the Senator attempts to criticize Secretary Daniels or Mr. Creel by reason of the fact that they took this position he is doing something that is entirely unfair and contrary to the best interests of the United States. Secretary Daniels and Mr. Creel have done everything in their power to prevent the exorbitant prices of coal, and instead of being criticized they should be commended and honored for their effective work.

RIVER AND HARBOR APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The PRESIDING OFFICER (Mr. KING in the chair). The question is on the first amendment reported by the Committee on Commerce. It will be read.

The SECRETARY. On page 2, after line 5, insert:

Cape Cod Canal, Mass.: The Secretary of War and the Secretary of the Navy are hereby authorized to enter into negotiations for the purchase of the existing Cape Cod Canal with the property, franchises, and appurtenances used or acquired for use in connection therewith or appertaining thereto; and they are further authorized, if, in their judgment, the price for such canal is reasonable and satisfactory, to make contracts for the purchase of the same, at the option of the United States, subject to future ratification and appropriation by the Congress. In the event of the inability of the Secretary of War and the Secretary of the Navy to make a satisfactory contract for the voluntary purchase of said Cape Cod Canal and its appurtenances, they are hereby authorized and directed, through the Attorney General, to institute and carry to completion proceedings for the condemnation of said canal and its appurtenances, the acceptance of the award in said proceedings to be subject to the future ratification and appropriation by Congress. Such condemnation proceedings shall be instituted and conducted in, and jurisdiction of said proceedings is hereby given to the district court of the United States for the district of Massachusetts, substantially as provided in "An act to authorize condemnation of land for sites for public buildings, and for other purposes," approved August 1, 1888; and the sum of $5,000 is hereby appropriated to pay the necessary costs thereof and expenses in connection therewith. The said Secretaries are further authorized and directed to report their proceedings hereunder to Congress.

Mr. SMOOT obtained the floor.

Mr. KENYON. I ask the Senator from Utah to yield to me. I wish to suggest the absence of a quorum. There are less than 15 Senators here, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	James	New	Smoot
Borah	Johnson, Cal.	Norris	Sterling
Brady	Jones, N. Mex.	Overman	Stone
Brandegee	Jones, Wash.	Page	Swanson
Chamberlain	Kellogg	Penrose	Thompson
Colt	Kendrick	Phelan	Tillman
Curtis	Kenyon	Poindexter	Trammell
Fernald	King	Pomerene	Underwood
Fletcher	Kirby	Ransdell	Vardaman
France	La Follette	Saulsbury	Warren
Gore	Lewis	Shafroth	Watson
Hale	Lodge	Sheppard	Weeks
Harding	McLean	Shields	Williams
Hardwick	McNary	Smith, Ariz.	Wolcott
Hollis	Martin	Smith, Ga.	

The PRESIDING OFFICER. Fifty-nine Senators having answered to their names, a quorum is present. The Senator from Utah.

Mr. SMOOT. Mr. President, I am compelled to attend a meeting of the Finance Committee at 2 o'clock, and I shall therefore confine my remarks at this time upon the pending bill to one question only, and that is, Is it wise now to make the appropriations provided for in the bill for work that is unnecessary and can be postponed to some future time?

In this connection I desire to call attention to the financial condition of our country. I doubt whether Senators realize the amount of money which has already been appropriated for the fiscal year ending June 30, 1918, and I am quite sure that Senators are not aware of the amount of appropriations that must yet be made at this session of Congress. When all of these are taken into consideration, the sum that will be appropriated for the present fiscal year will be so stupendous that the mind of man can hardly comprehend it.

I know that it is already too late to begin the cutting down of appropriation bills, but so long as there is an appropriation bill before the Senate, the enactment of which can be postponed for even a year, it ought to be done. This is one such bill, in my opinion.

Mr. President, the appropriations for the fiscal year ending June 30, 1918, which were made in the second session of the Sixty-fourth Congress, we thought were of such magnitude that they would take care of all of the expenditures incident to any war in which we might engage. These are the appropriations made and their respective amounts:

For agriculture, $25,929,113.
For the Army, $273,046,322.50.
For the Diplomatic and Consular Service, $5,082,746.66.
For the District of Columbia, $14,172,997.85.
Fortifications, $51,396,593.
Indian affairs, $11,589,736.67.
Legislative appropriation bill, $39,894,592.42.
Military Academy, $1,344,896.18.
The Navy, $517,273,802.08.
Pensions, $160,060,000.
The Post Office, $331,851,170.

The appropriations in the river and harbor bill as it passed the House were $26,893,000.

The sundry civil bill carried $147,363,928.77.

The deficiency appropriations were $168,419,650.52.

The miscellaneous items were $41,093,670.08.

The permanent annual appropriations amounted to $145,864,830.32.

These appropriations, Mr. President, in the second session of the Sixty-fourth Congress, make a total of $1,961,277,050.05.

Take the first session of the Sixty-fifth Congress—the present one—and the following are the appropriations which have been made:

Urgent deficiencies for military and naval establishments, $3,281,094,541.60.

Then, under public act No. 1 at this session of Congress there was appropriated $68,020 for the payment of certain small claims.

Under public act No. 3, for authorizing bond issue and cost of printing the same, there was appropriated $3,007,063,945.46.

In the Army appropriation act we provided $35,000,000 for war-risk insurance.

Since then we have passed an act, which is known as the food-control act, carrying $152,500,000. We have also passed an act for the purpose of building aeroplanes, which is known as the aviation act, carrying $640,000,000.

Mr. President, all those appropriations——

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Minnesota?

Mr. SMOOT. I will yield in just a moment.

All those appropriations amount to $9,226,993,357.11. Now I yield to the Senator from Minnesota.

Mr. KELLOGG. I notice the Senator stated the bond issue at $3,000,000,000, and an appropriation of $3,000,000,000, in round numbers.

Mr. SMOOT. I simply included the bond issue of the $3,000,000,000 once, and the printing and costs of $7,063,945.46, both of which amount to $3,007,063,945.46.

Mr. KELLOGG. The Senator then stated a large appropriation of $3,000,000,000 and something in addition.

Mr. SMOOT. No; the Senator misunderstood me.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Connecticut?

Mr. SMOOT. I do.

Mr. BRANDEGEE. I was under the same impression as was the Senator from Minnesota [Mr KELLOGG], and I was about to ask the same question which he has asked. In order to clear the matter up I want to ask this question: Has the $3,000,000,000 authorized bond issue, to which the Senator from Utah refers, been appropriated? Does the Senator include the $3,000,000,000 of bonds which Congress authorized to be issued as in any way affecting the total amount of the appropriations made in these two sessions of Congress?

Mr SMOOT. Yes; Congress authorized the purchase of three billions of bonds from foreign countries, and we appropriated the money for them. Of course that has been included in the

amount that has been appropriated in the figures which I have already given.

Mr. BRANDEGEE. Of course if we appropriated the money to buy foreign bonds and use the avails of the three billion bond issue for that purpose, that is an appropriation; but how about the rest of the bonds which Congress authorized—the difference between three billion and the seven billion?

Mr. SMOOT. I will come to that later in speaking of our war deductions to be made from these appropriations.

Mr. KELLOGG. Mr. President, I wish to ask the Senator a question.

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Minnesota?

Mr. SMOOT. I do.

Mr. KELLOGG. I want to ask, if the Senator takes the total amount of appropriations and then adds the bond issue, has he not duplicated the expenditure?

Mr. SMOOT. No; it required the appropriation in order to purchase the bonds. The Senator from Utah has not added the bond issue to the total amount of appropriations. I have included in the total the appropriation made for the purchase of the bonds from foreign countries and the cost of printing and issuing the bonds, both of which amounts to $3,007,063,945.46.

Mr. BRANDEGEE. Excuse me one minute. If we have bought $3,000,000,000 of bonds of foreign countries and put them in our Treasury, that is an asset, is it not, as well as a liability; or, as an expenditure incurred, it is an asset which we hold that would have to be deducted if the bonds are ever paid?

Mr. SMOOT. It will be an asset, of course; but I am trying to arrive at the amount of money which we have actually appropriated and which we have got to provide some means to raise, either by taxation or bond issues.

Mr. BRANDEGEE. I see the Senator's iden.

Mr. SMOOT. Mr. President, as I have stated, the total of all these appropriations is $9,226,993,357.11; and I have no doubt that at this session of Congress there will be estimates submitted by the Secretary of the Treasury calling for at least $5,000,000,000 more.

In connection with proposed legislation to raise revenue, the question of the amount we had appropriated and what the estimated income of the Government would be for the present fiscal year was under discussion in the Finance Committee. I made the statement that I had no question in my mind that there would be additional appropriations asked for at this session amounting to $3,000,000,000. My statement was questioned, although I knew in making that statement I was putting the amount below what would be asked for. As a member of the Appropriations Committee, I knew that the appropriations for the Army were based upon a certain number of drafted soldiers to take part in the present war with Germany, and provided for the payment of their compensation for 8 months instead of for 12 months. At different times it has been intimated in the press that additional appropriations will be asked for.

The first amount suggested was $750,000,000; the next was $1,500,000,000; the next was $3,000,000,000. Mr. President, there is no question of doubt that the amount will be at least $5,000,000,000. Five billion dollars added to $9,000,000,000 will make a grand total of appropriations of $14,000,000,000, and we have hardly started this war.

I was looking over the last report available of the amount of bond issues by the countries involved in the present horrible war. That report was dated April 17, 1917. Mark you, in the first year of our entrance into the war our appropriations will be $14,000,000,000. I find that England from the beginning of the war up to April 17, 1917, a period of two years and nine months, has issued in bonds $15,515,000,000. In other words, our appropriations for this one year will be almost as much as the total amount of the bond issues by England from the date the war started up to April 17, 1917. During the same period France has issued $10,532,000,000, Russia has issued $11,896,000,000, Italy $2,520,000,000, Germany $13,726,000,000, Austria $3,652,000,000, Hungary $1,730,000,000.

Why, Mr. President, it seems to me that there should be found no Senator objecting to the closest scrutiny of the expenditure of these huge sums of money which we are called upon to appropriate. We sit here and pass appropriation bills—and how easily it is done—never taking into consideration how this vast sum of money is to be raised. Somebody will have to pay it. It must either be raised by direct taxation or it must be raised by the issuing of bonds, the interest on which will be a burden upon the people for years to come. They are perfectly willing to stand that burden if they are satisfied that the money is expended economically, justly, and for the purpose of winning the war.

Mr. KENYON. Mr. President——

The PRESIDING OFFICER (Mr. KELLOGG in the chair). Does the Senator from Utah yield to the Senator from Iowa?

Mr. SMOOT. I yield.

Mr. KENYON. I should like to ask the Senator if he has compiled any figures as to how this money is to be expended—the amount in loans to other countries and the amount necessary for carrying on the war?

Mr. SMOOT. Mr. President, I will answer the Senator now, although I expected to come to that question later. Out of the $14,000,000,000 we have authorized loans to foreign countries engaged in war with Germany of $3,000,000,000. Over half of that amount has already been loaned, and there is no question that the other half will be called for within a short time. It has only been a few weeks since we authorized the loan of $3,000,000,000; over half of that sum has already been advanced, and, if we are to believe newspaper reports—which I seldom take any notice of—we will have to provide for many billions more to be advanced to foreign countries engaged in the war.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Connecticut?

Mr. SMOOT. I yield.

Mr. BRANDEGEE. I was rather interested in the inquiry of the Senator from Iowa [Mr. KENYON], and I think it has perhaps escaped the attention of the Senator from Utah. Is there any condition attached to the loans we make to foreign Governments as to what they will do with the proceeds of the loans? Can they do as they have a mind to with the money, or do we loan it to them for certain specific purposes?

Mr. SMOOT. Mr. President, I do not think there is any obligation at all on the part of foreign Governments to our Government as to what they shall do with the money borrowed. Of course it is understood that all of the money we advance to foreign nations engaged in the war with us will be used for the prosecution of the war, but I do not think there is any obligation on their part that that money shall be used for that purpose, although I have not the least doubt that it will all be so used.

Mr. VARDAMAN. Mr. President, is it not generally understood, if the Senator will permit me, that that money is to be used to pay the debts that the allies already owe to American business men, and the remainder, if there be any, is to be spent in the United States for the purchase of munitions and foodstuffs? While we are helping our allies by lending the money, we are at the same time accommodating the American business man by paying debts that might not otherwise be collectible.

Mr. SMOOT. It would be very natural that that should be the case. It would not be a business proposition to send the money, for instance, over to England and then send it right back here to pay obligations of England in this country. What the Senator says is absolutely true, that every dollar of it no doubt will be used for the purpose of paying for purchases made by those countries from business concerns in our own country.

Mr. President, the $3,000,000,000 that we are to loan foreign countries engaged in the war with Germany deducted from the $14,000,000,000 leaves an amount of $11,000,000,000 which must be provided for sooner or later, being the amount of appropriations passed and to be passed for the fiscal year 1918. So it seems to me that every bill should be scrutinized carefully. If the pending bill were a war measure, Senators would not find me objecting to the appropriations carried, no matter how much they might be, but it is not a war measure. I expect to speak upon the bill later, and I shall call attention to the fact that nearly all of the money that is appropriated in this bill is for the purpose of advancing projects which will never be used in any way, nor can they be used, for war purposes, even if the war lasted for three years, which God grant it may not.

Mr. KENYON. Mr. President, I desire to get that point clear in my mind. The figures make me dizzy. Does the Senator say that the appropriations of this session of Congress and of the last session of the Sixty-fourth Congress, outside of any question of bond issues, amount to $11,000,000,000?

Mr. SMOOT. That is exactly what the Senator from Utah says, providing that $5,000,000,000 additional, for which I have no doubt an estimate will come from the Secretary of the Treasury, is appropriated.

Mr. KENYON. Then, up to this time the total amount would be $6,000,000,000?

Mr. SMOOT. Up to this time the total amount is something over $6,000,000,000.

Mr. KENYON. And the Senator anticipates that $5,000,000,000 more will be appropriated before this session of Congress closes?

Mr. SMOOT. Mr. President, I have no doubt that that amount and much more is going to be requested. I want to say to the Senator that if it is for war purposes, if it is for our Army and our Navy, and it can be shown to the Appropriations Committee that it is for the purpose of carrying out a program, I am sure I am not going to stand in the way of the amount being appropriated.

Mr. VARDAMAN. Mr. President, does the Senator think that Congress ought to have anything to do with arranging the program for which these billions of dollars are to be appropriated? Certainly the responsibility of Congress does not end with the mere appropriation of the people's money. If that be the limit of a Congressman's duty, I have been laboring all of these years under a serious and misleading idea of what a Congressman's duty really is.

Mr. SMOOT. Mr. President, I think Congress ought to have something to do with it; but I want to say that after the program is arranged, no matter by whom it is arranged—and I was going to say partly put into operation—then it will be too late for Congress to say that it will not make the appropriations.

Mr. VARDAMAN. There is no doubt about that.

Mr. RANSDELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Louisiana?

Mr. SMOOT. I yield to the Senator, but I am compelled to go to a meeting of the Committee on Finance in a few moments.

Mr. RANSDELL. I shall be very brief. I understand the Senator to say that the appropriations of this Congress will probably amount to something like $11,000,000,000. The bill now under consideration carries about $27,000,000——

Mr. SMOOT. Yes.

Mr. RANSDELL. Which would be something in the neighborhood of one-quarter of 1 per cent, I believe, of the total appropriations?

Mr. SMOOT. Yes.

Mr. RANSDELL. That would not be a very heavy percentage—one-quarter of 1 per cent—would it?

Mr. SMOOT. Mr. President, the proponents of river and harbor bills in the past have always argued that, even though the appropriations carried were large, they were necessary for our commerce. Now the Senator refers to relative amounts. I admit $28,000,000 is thought a mere fleabite to-day. We see in this bill the same old creeks, the same old streams, the same old "pork." It has the same old earmarks of all past bills.

Mr. RANSDELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield further to the Senator from Louisiana?

Mr. SMOOT. If the Senator will excuse me, I must close in a moment.

Mr. RANSDELL. I want to ask the Senator one other question.

The PRESIDING OFFICER. Does the Senator yield?

Mr. RANSDELL. In the Senator's speech on the 20th of this month, discussing the food-control bill, he stated that the greatest trouble about the high price of coal was the lack of transportation. I have the Senator's speech before me here, in which he cited a dozen different instances of it.

Mr. SMOOT. Oh, there is no doubt about it, Mr. President.

Mr. RANSDELL. I refer the Senator to page 5315 of the RECORD.

Mr. SMOOT. If the Senator will allow me to proceed——

Mr. RANSDELL. The Senator said then that the greatest trouble was the lack of transportation. Now, I ask him if, in his judgment, we ought not to do something to help along the transportation shortage, which he then showed was acute in every respect, and if this bill is not calculated to improve, advance, and promote transportation?

Mr. SMOOT. No, Mr. President; the digging out of little creeks in all parts of the country is not going to provide additional transportation nor help the delivery of coal to the market.

Mr. RANSDELL. I deny that this bill is for digging out little creeks, Mr. President.

Mr. SMOOT. I refuse to yield further.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Louisiana?

Mr. SMOOT. No; I refuse to yield.

The PRESIDING OFFICER. Then the Senator will please not interrupt the Senator from Utah.

Mr. SMOOT. Mr. President, the lack of transportation facilities will not be obviated by the appropriations in this bill. What we need is cars; what we need is engines; what we need is boats. There is plenty of water to carry coal to any of the eastern cities. There are plenty of rails, but we have not the cars; we have not the facilities for carrying the coal.

Mr. RANSDELL. Mr. President——

Mr. SMOOT. I refuse to yield.

Mr. RANSDELL. Oh, it is evident that the Senator wants to promote rail transportation but not water transportation.

The PRESIDING OFFICER. The Senator from Utah declines to yield.

Mr. SMOOT. If I had the time, I would yield, but I can not just now.

Mr. RANSDELL. I wish the Senator had the time.

Mr. SMOOT. If I had the time, I would accommodate the Senator.

Mr. RANSDELL. The Senator wants rail transportation. He does not want water transportation.

Mr. SMOOT. I want rail and water transportation, I will say to the Senator, but not such items as is contained in this bill.

Mr. RANSDELL. All right.

Mr. SMOOT. I want to say also to the Senator that as long as I am in the Senate of the United States I shall oppose, I shall vote against, and I shall do all in my power to stop the robbing of the Treasury of the United States for the purpose of spending money in projects such as named in this bill.

Mr. RANSDELL. I wish the Senator would specify them.

Mr. SMOOT. The Senator knows I can specify them all right.

Mr. RANSDELL. I wish he would do it.

Mr. SMOOT. I notice this: The bill has been cleverly worded this year. In past times we knew what amount would be spent upon the Trinity River or the Red River or some of the other doubtful projects. Now they are bunched together, and we do not know. I say to the Senator now that the time is going to come when appropriations of this kind will not be sanctioned by Congress. What we ought to do now is to finish the projects that are under way, make the appropriations for them, and get them completed; but we appropriate every year just enough to keep a lot of men at work. The silt will fill up almost as much as is taken out each year. No project is ever completed. It runs on and on forever.

Mr. President, I did not want to touch on the bill at all to-day, because I expect to speak upon it later; but in connection with the financial statement I rose to make, when I was interrupted, I want to call attention to what estimated revenue we are to receive for this fiscal year, and from what sources it will come.

From the Postal Service the estimated amount of revenue is $335,276,345.12. The estimated revenues under the existing laws—that is, the internal-revenue laws, the customs receipts, and from all other sources under existing laws—amount to $1,303,000,000. We have also authorized a bond issue of $2,000,000,000, so that with the bond issue of $2,000,000,000 that we have authorized, and with the receipts from all sources, we will receive $3,699,024,345.12. Of course, under the law there is a sinking fund required. We might as well deduct that, because the law is never obeyed. I have introduced in the Senate several times a bill to repeal the law requiring a sinking fund, simply because it has never been put into force by any administration since the Civil War; so we can deduct the amount of that, which is $60,748,000.

Senators, do you see the amount of money we have got to raise? Do you know that it will be decades before this money is paid, even though you impose burdensome taxes upon the people? So, Mr. President, let us be mighty careful and let us scrutinize all the appropriations.

I know, just as the Senator says, that the amount carried by this bill is only $28,000,000. Why, Mr. President, we have come to think in billions now. We used to scrutinize carefully an appropriation bill that carried $10,000,000; but now about the only way to get anything through Congress is to ask for a hundred millions, at least, and it goes through with little discussion; and if it is a billion nobody questions it at all.

I must conclude my remarks for the present. I simply make the statement that I have believing that the people of the United States ought to know the amount of appropriations that have been made and the obligations we are placing upon them. Of course, if the money is spent for the purposes it was appropriated for and the expenditures are scrutinized carefully, I have no question but that the people of the United States, though hoping against hope, will not object in the end to whatever appropriations that are necessary.

Mr. VARDAMAN. Mr. President, before the able Senator from Utah takes his seat I should like to ask him a question. I want to say in the outset that I most heartily agree with everything that he has to say on the question of economy and prudence in the disbursement of public funds. The power to tax and take from the toil of the laboring man a part of

his earnings is a grave and serious function in government. It is a function that ought to be exercised or performed with great caution. Now, I hope the time may never come in the history of this Republic when it will be regarded as an act of disloyalty or treachery to the country for a Senator to ask that the closest scrutiny and greatest care be exercised with reference to appropriations and the disbursement of public funds. There is no difference of opinion between the honorable Senator and myself on that question, but, with reference to the bill pending before the Senate, let me express the hope that the able Senator may find time after he returns from his committee meeting to go through this bill carefully and point out to the Senators the improper items of appropriation and show us in detail the criminal extravagance which he intimates permeates the entire measure. I want the find these improper items myself. I desire to correct any defect of that character in this bill, and I assure the Senator from Utah that I shall vote with him to purge the bill of every dishonest or unmeritorious provision.

There are items in the bill, I admit, that probably the country could get along without, but after going over it very carefully with the committee I was impressed with the fact that most of the appropriations carried in the bill were for the purpose of maintaining and keeping up the work begun some time ago. It is for maintenance, and the failure to make the necessary appropriations at this time would cause the work to deteriorate, and therefore result in great loss to the Government and inconvenience to the people. This talk of "pork barrel" in the rivers and harbors bill has become a fad. It furnishes a popular text for a sermon on economy, and economy is always a popular theme. It is very easy for a Senator to say that a measure is without merit, but it is not always easy to prove the statement. I shall be very grateful to the Senator from Utah if he will, when he comes back, point out the defects in this measure, and I promise him and other Senators who are opposing this bill to contribute my utmost to ridding the country of any measure or policy which robs and plunders the people. Let me insist that the truth be spoken about this bill and the blessed sunlight of publicity turned in upon it. I would that I had a mirror which I might hold up and let the American people see it as it really is.

Mr. SMOOT. I am very sure that the statement just made by the Senator from Mississippi is from his heart, and I know that he believes it with all his soul. I know that he believes in economy. I know he is opposed to all waste in every form, and I know that he wants every dollar accounted for. In that connection I wish to say to the Senator that if I were President of the United States, under the conditions existing now, with these vast appropriations being made, I would ask Congress to appoint a board or commission to supervise and check up all the expenditures of the Govenment, so that in the future no wagging tongue could charge me with allowing appropriations of a wasteful nature to be made, and in my opinion it would stop all the scandals that are bound to come unless there is some check upon these appropriations.

Mr. VARDAMAN. Mr. President, I have no doubt but there will be mistakes made by this administration in conducting the war just as there were mistakes made in the Spanish-American War in 1898. There were scandals then that shocked the sensibilities of the American people—scandals that ought not to have happened and would not have happened if Congress had been vigilant; determined, and intelligent in safeguarding appropriations, purchases, and so forth. There are wolves in sheep's clothing in the city of Washington to-day—men who are posing as disinterested altruistic patriots, who, if the opportunity is presented, will rob and plunder the Public Treasury remorselessly. It is no discredit to the President to say that he has not the Argus eyes to see everything that is being done and watch every scoundrel who is trying to take advantage of this emergency to plunder the Government. Congress has its function to perform and it should perform that function fearlessly and patriotically.

Mr. CURTIS. Mr. President, I send to the desk an amendment which I ask to have printed in the RECORD and also printed as an amendment and lie on the table.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. It is proposed to add at the proper place in the bill the following:

During the continuance of the war in which the United States is now engaged no work shall be done or money expended on public works on rivers and harbors except for absolutely necessary repairs thereto or preservation thereof, or for surveys, construction, or completion of public works of immediate military necessity, to be determined and specially designated by the President.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. HARDWICK. Mr. President, I do not agree with the position taken by the Senator from Utah [Mr. SMOOT]. Of course, if appropriations are extravagantly made or improvidently made or unnecessarily made for river and harbor improvements the Congress is to blame; but within reasonable limitations, provided only the appropriations are made according to the actual necessities of the case, honestly made and wisely made, I do not believe any appropriations that the Congress of the United States can make or does make are more important, more useful, more serviceable to the people, to the business, to the industry, and to the commerce of the United States.

It is not my purpose, however, to engage in a general debate on general principles of that character. If there is anything in this bill that is wrong, that smacks of graft, of the pork barrel, of improvident or unwise or unnecessary appropriations, I do not know it, and the burden is certainly on those Senators who take the responsibility of asserting it to prove it. Whenever and wherever they do demonstrate it I think I can pledge not only my own vote but the majority of the votes in this Chamber to the elimination of any such projects. But all this general characterization of a bill that has been so freely indulged in sometimes by Members of Congress of one House or the other, but more often by yellow journalists, who know not whereof they write, and who care even less about the truth and accuracy of their comments, is very much out of place and ought not to receive any serious attention or real consideration by this body.

When men or newspapers assail a measure it is their business to show wherein it is wrong, how it is wrong, and what is wrong about it, and until they do that specifically and particularly they need not expect to obtain a very wide hearing in the country nor a very successful outcome of any contest they may make in this body.

Mr. President, I have been impressed that this bill is pretty niggardly drawn because the project that I regard as the soundest from the standpoint of the public interest and from the standpoint of the national safety, defense, and security of the entire South Atlantic coast has apparently been entirely eliminated from this bill. I refer to the provision for the improvement of the harbor at Brunswick, Ga. Let me say, Mr. President, that in my judgment Brunswick has the best natural harbor south of Hampton Roads on the entire Atlantic coast. The ocean comes right up to the town. It is not a question of a long river voyage from the ocean to the city wharves and docks. Brunswick has a harbor that, with just a little money spent on it, would float the navies of the world, right at the city streets, and it has always been incomprehensible to me that the Congress of the United States has failed so long to make the small appropriation of $175,000 to improve the bar at that harbor so that we would fully develop one of the greatest harbors for military, naval, and strategic purposes on either coast of this great country.

Last year the bill that came from the House contained that appropriation, recommended by all of the engineering authorities of this Government, the local engineers, the General Board, and the Chief of Engineers. I speak from some personal knowledge of the case when I say that to my mind, considering the amount of money that it will take to accomplish so great an undertaking and secure so great a result, there is no proposition in this bill, north or south or east or west, on the Lakes or on the Gulf or on the Atlantic or on the Pacific, that for the amount of money involved has equal merit with this proposition. When I saw that the House bill did not include this item, I urged the Senate committee to include it. I presented an amendment to that committee urging that this appropriation of $125,000 for Brunswick Harbor, which was carried in the last appropriation bill, be included in this bill, and I deeply regret that apparently, judging by the bill before me, the Committee on Commerce did not see fit to do it. I hope my friend from Florida, the chairman of the committee, may yet be willing to make that change in the bill, or at least give some reason why it has not been done.

I shall be glad to yield to the Senator from Florida if he can tell me why this item was not allowed.

Mr. FLETCHER. Mr. President, if the Senator will yield, I will state that this matter was taken up by the committee with the Chief of Engineers. The Senator's amendment was referred to the Chief of Engineers. The harbor at Brunswick is precisely as meritorious as the Senator has described. The improvement ought to be made. There are numerous other harbors and waterways in the country that are absolutely meritorious that have been recommended by the Chief of Engineers but that are not taken care of in this bill. The bill is limited to those items which I undertook to explain yesterday: First, maintenance of completed projects; second, maintenance and improvement of projects under way where it is necessary to appropriate a certain amount in order to prevent loss and waste; and, third,

those new projects which are recommended by the War Department as being absolutely on the basis of military necessity.

If the Senator will allow me just a minute more——

Mr. HARDWICK. Certainly.

Mr. FLETCHER. The Senator from Utah [Mr. SMOOT] entirely misapprehends this bill. He could not make such frequent denunciations as he has made of the character of this bill if he were not misinformed regarding the bill, in my judgment. Those statements could only be based upon prejudice, not upon facts. A man who says that this bill proposes a raid upon the Treasury or robbery of the Treasury for the improvement of dry creeks over this country is simply using language which can not be accurately characterized within the parliamentary rules of this body; and it is not because the Senator intends it in this way, I take it. It is because he does not understand the bill. I am willing to stake almost anything that he never has read it; and a lot of other opponents of this bill are in the same position. It is based upon prejudice, and that prejudice is based upon misinformation or lack of information; because in this very letter which was written to the committee in connection with the amendment of the Senator from Georgia the Chief of Engineers explains precisely what kind of a bill we now have under consideration and upon what the items in this bill are based. He says:

> At the beginning of the present session of the Sixty-fifth Congress, I was directed to recommend to the Secretary of War such items for a river and harbor bill as I believe to be now a military necessity.

I call attention to those words—"now a military necessity."

> Under this restriction the new project for Brunswick Harbor was necessarily omitted.

That is the whole restriction placed upon this bill throughout—that every item must be regarded as a military necessity. By whom? By the War Department; by the Chief of Engineers, under the direction of the Secretary of War. It is under that restriction that the Brunswick Harbor item, the improvement which the Senator has mentioned, was not specifically recommended.

The Chief of Engineers says in this same letter, referring to this amendment:

> I am familiar with the situation at Brunswick, and as a member of the Board of Engineers for Rivers and Harbors had the pleasure of making a personal inspection of the harbor and favored the new improvement.

So that it is recommended, it is indorsed, by the Chief of Engineers; but it is in the same situation with hundreds of other projects throughout the country. It is not regarded now as a military necessity, and for that reason it is not covered in the bill.

If the Senator will allow me, I will put in the RECORD the letter of the Chief of Engineers, so that it will answer, perhaps, a little more in detail some of the questions he has asked.

The PRESIDING OFFICER. Without objection, the letter referred to will be printed in the RECORD.

The letter is as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, July 5, 1917.

Hon. DUNCAN U. FLETCHER,
Chairman Committee on Commerce,
United States Senate.

MY DEAR SENATOR: 1. In reply to your letter of the 30th ultimo requesting on behalf of your committee my recommendation upon Senator HARDWICK'S amendment to the pending river and harbor bill, which provides not only for the maintenance of Brunswick Harbor but also for its improvement in accordance with House Document No. 393, Sixty-fourth Congress, first session, at a cost of $175,000, or in all $208,250, I have the honor to say that it is with much regret that I am unable to recommend at this session of Congress the inclusion of the new project for this locality. I am familiar with the situation at Brunswick, and as a member of the Board of Engineers for Rivers and Harbors had the pleasure of making a personal inspection of the harbor and favored the new improvement.

2. At the beginning of the present session of the Sixty-fifth Congress I was directed to recommend to the Secretary of War such items for a river and harbor bill as I believe to be now a military necessity. Under this restriction the new project for Brunswick Harbor was necessarily omitted. As far as I am informed it is not proposed to use this locality in any of the defense measures to be undertaken by the Army or Navy, so that I can not recommend the improvement in connection with the national defense.

3. The importance of Brunswick Harbor is well understood, and it is thought that all the needs of navigation will be sufficiently cared for by the existing project, and that the new work should be undertaken at a later date.

Very truly, yours,
W. M. BLACK,
Brigadier General, Chief of Engineers.

Mr. HARDWICK. Mr. President, if I understood the Senator from Florida correctly, then, this project was not included, because the War Department did not regard it as in any way connected with the military necessities of the country at the present moment.

Mr. FLETCHER. At present.

Mr. HARDWICK. I suppose we would have a right to expect that when another river and harbor bill, a regular one, is brought in, this provision then is to receive that consideration to which its merits entitle it?

Mr. FLETCHER. If the Senator will allow me to interrupt him a moment further——

Mr. HARDWICK. Yes.

Mr. FLETCHER. I will say that I think beyond any question it is one of the projects that will be taken care of when we have a decent and proper river and harbor bill.

Mr. HARDWICK. Can the Senator tell me when that will be?

Mr. FLETCHER. I think that will come next December. I should think it ought to be in the bill that will follow in the December session, the regular session of the Congress. It ought to be done, and certainly, as far as I am concerned—and I believe I speak for the committee—I am favorable to this project, and it ought to be included in the regular river and harbor bill.

Mr. HARDWICK. I am quite sure the Senator is not only candid but sincere about that. His committee has before this time demonstrated its belief in this provision for the Brunswick Harbor by putting it in the bill which it reported during the last Congress.

Mr. FLETCHER. For that reason I will ask the Senator not to press the present amendment.

Mr. HARDWICK. I had just started to say that, resting on that assurance, I am not inclined to press this amendment at the present time, although I can not allow this occasion to pass by without saying that in my opinion the War Department has made a very great tactical error in not considering the use of Brunswick for the transportation of troops and supplies across the Atlantic.

I do not believe that there is a harbor on the entire Atlantic coast south of Hampton Roads so well adapted for the cheap and expeditious loading of troops and supplies. It can be done right at the city. The location of wharves and depots permits it, and there is not another place I know of on the Atlantic coast south of Hampton Roads where that can be done. So that while I hesitate to put my opinion against the opinions of experts, and would not do it if I were not afraid that in the multitude of duties the experts have not given the subject that attention and consideration to which its merits entitle it, I believe that from the standpoint of military necessity this $175,000 ought to be spent at once, and Brunswick ought to be extensively used in connection with this war. I urged that course upon the War Department. I was promised that it should receive serious consideration. It appears not to have received very serious consideration, certainly not favorable consideration. That responsibility, however, does not rest on my shoulders, but upon those of one of the great executive departments of the Government. I believe it has made a serious mistake in not using Brunswick, and using it at once, and extensively, for war purposes; but of course I can neither control nor regulate that matter.

In connection with my remarks on this question I ask leave to print without reading a very interesting article in the Manufacturers' Record, of Baltimore, Md., issue of July 5, 1917, by Mr. Albert M. Smith, secretary of the Brunswick (Ga.) Board of Trade. The article is entitled "Lost, by the Navy Department, one navy-yard site." If there is no objection, I would like to print that as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

LOST, BY THE NAVY DEPARTMENT, ONE NAVY-YARD SITE.

[By Albert M. Smith, secretary Brunswick (Ga.) Board of Trade.]

Away back in the last century, long before the Civil War, the United States Government purchased a site for a navy yard on Blythe Island, in the harbor of Brunswick, Ga.; having obtained the site, proceeded to forget about it, both officially and unofficially, until to-day. Though the ghost has once been raised, some 15 years ago, it would be a safe bet that not one man, even among the most aged, decrepit, and infirm of the officials and employees of the Navy Department, knows of the date of the deeds or recalls the fact at all that the Navy Department owns a splendid navy-yard site in one of the really great harbors of the country.

The navy-yard commission that visited and examined the southern ports for the purpose of learning which was best adapted to naval purposes consisted of M. T. Woolsey, Alexander Claxton, and E. R. Shubrick, names famous in naval annals, men who have not been forgotten in the wardrooms of our fleet to this day. Under date of December 20, 1836, through a resolution of the Senate of the United States, they submitted their report. After reviewing the advantages and disadvantages of the various ports, including their comparative healthfulness, or lack of it, the commission unanimously recommended Brunswick as the best location for a navy yard.

Referring to the harbors of Beaufort (Port Royal, S. C.), Savannah, and Brunswick, the report says:

"The preference is narrowed down to one of these, and having duly weighed their relative pretensions we have no hesitation in preferring Brunswick. Beaufort must yield to her in the essential points of depth of water, easy access, and capability of defense. Savannah must give way, for her easier access and greater depth of water on the bar can

not be carried up the river to a site safe from the sea and an enemy and applicable to the establishment of a navy yard. Brunswick is the most southern frigate harbor on the Atlantic seaboard. Placed near the great outlet of the commerce of the West Indies and the Gulf of Mexico, her position in a state of maritime warfare would be invaluable, since the navigating interests of an enemy must pass by her door."

With respect of the available sites for a navy yard in Brunswick Harbor, the commission said:

"We believe Blythes Island, on the opposite shore, to be the most eligible. It contains some hundred acres, covered with timber, and every way convenient for wharves, docks, etc., and for a nursery of the live oak. It is distant from Brunswick 2 miles, and has bold water within a few fathoms of the shore. There is no doubt that the port may be strongly fortified. The islands of St. Simon and Jekyl present suitable positions for extensive works, and a sand shoal 2 miles within and in the center of the river (dry at low water) affords a third basis for powerful defense, and steam batteries will complete the whole. * * * It is deemed healthy, and the absence of a fresh-water river or fresh-water swamps seems to justify the opinion."

This report was transmitted by the Secretary of the Navy, under date of February 1, 1837, to the House of Representatives, and appeared as House Document No. 130 of the Twenty-fourth Congress, second session. There is no doubt whatever that the Government bought the site recommended by the commission. The fact has been recognized in Brunswick for some 80 or 90 years—no one seems to have any more exact or authentic record or information in Brunswick than is in the mind or unforgotten records of any now living official or employee of the Navy Department, but the fact of ownership by the Government has never been forgotten in Brunswick, and is not likely to be.

At the request of the Brunswick Board of Trade, William G. Brantley, formerly Congressman from this district, made strenuous efforts to have the records of the Navy Department searched and information covering the purchase of this site brought to light in order that it might be borne in mind in future by the officials of the department with the view to making some use of the site. The present writer has been informed that, after several months, during which frequent visits were made to the department by Congressman Brantley to urge the department to action, a record was found somewhere among the archives of the department that showed the acquisition of title by the United States. Thus was the ghost brought to light, to vanish and be forgotten much quicker than it had been resurrected, for the Navy Department officials and employees—the few who took note of this archaeological find—looked on it as an interesting relic, but not as being of sufficient importance to tax their overburdened minds with.

For the better part of a year the present writer, by letters to the Navy Department, to the General Board of the Navy, the commission on navy yards and naval stations, and through the Georgia Senators and Congressmen, has endeavored to secure attention from the Navy Department to the fact that this site of 1,695 acres is being overlooked and ignored while naval bases, navy yards, naval training stations, submarine bases, aviation training camps, torpedo bases, and even schools for training officers for the new merchant marine, are being established at ports all the way around the seacoasts of the United States, and even on the Great Lakes—though Georgia has no naval establishment of any kind, and, so far as present information goes, has never had one, and, judging by the history (or lack of it) of this splendid site in Brunswick Harbor, never will—but without securing recognition or action, except from the commission on navy yards and naval stations, which finally exhibited a lively interest and had tickets bought and Pullman accommodations reserved for a visit to Brunswick when called into active service by the breaking out of the war—Armageddon, not the Civil War.

Brunswick's location as the southernmost of the ports that possesses an anchorage is of the greatest strategic importance to the United States. It offers the most advantages for the Navy, because of the fact that it has the largest available anchorage areas of any port south of Hampton Roads, and the entire harbor is landlocked and at sufficient distance from the sea to be safely protected by fortifications on the islands at the harbor entrance. The anchorage areas are 2¼ square miles 30 to 85 feet deep at mean low water, 7⅛ square miles 20 to 30 feet deep at mean low water, and 12⅛ square miles 10 to 20 feet deep at mean low water, with a 7-foot rise of tide, the greatest of all southern ports, increasing the depths and areas available.

Besides the 1,695 acres contained in the Blythe Island Navy Yard site, there are on the island 2,919 acres additional that the Government could secure, if needed, at very low cost. The site has a frontage of about 5 miles on deep water. Railroad connections can be secured easily, as the navy-yard site is on the southern end of the island, and the northern end of the island is separated from the mainland by only a creek and comparatively narrow stretch of salt marsh. The front of the site, which is on Turtle River, an estuary from the sea, nearly a mile wide and of great depth, faces Brunswick and is only 2 miles from the center of the city.

I would suggest that at this time when the Government is seeking in many ways to raise money, and as much more likely will be needed before the war ends, this site be sold by the United States. It would make a location of great value for shipbuilding, and the building of either merchant or naval vessels in a privately owned plant located thereon would be of vastly more benefit to the Government and to the people than is the navy yard "that never was on land or sea."

Mr. HARDWICK. Now, I rely on the assurance of the Senator in charge of the bill and my belief that the committee under proper circumstances, or what they regard as proper circumstances, will undoubtedly look after this project. Desiring earnestly to support this bill and not to embarrass its advocates, I am going to waive my own judgment in this matter and not press the amendment at this time, hoping and believing that early in the next session of Congress we shall have a river and harbor bill in which just such meritorious projects as these can be included, and when they can receive that consideration to which they are entitled.

Mr. KENYON obtained the floor.

Mr. FLETCHER. Will the Senator from Iowa allow me to interrupt him long enough to say to the Senator from Georgia that the bill carries an item in connection with the Brunswick Harbor?

Mr. HARDWICK. Yes; I am familiar with that. It is the usual maintenance item—a little over $30,000.

Mr. KING. Will the Senator from Iowa yield to me?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. KING. It occurs to me as the Senator is going to discuss some important features of the bill that there ought to be a quorum present.

Mr. KENYON. I hope the Senator will not call for a quorum if that is his purpose.

Mr. KING. I rose for that purpose.

Mr. KENYON. I wish the Senator would not, because Senators come in and go right out.

Mr. KING. Out of deference to the wish of the Senator from Iowa I shall withhold it.

Mr. KENYON addressed the Senate. After having spoken for some time, he said:

I will say to the Senator from Florida [Mr. FLETCHER] that I will finish what I have to say, if he would be willing to adjourn now, in half an hour to-morrow morning. I am very tired. The heat has been oppressive to-day; or if some other Senator desires to go on, I shall be glad to yield at this time.

Mr. FLETCHER. I think some Senator will perhaps go on now. I should like to accommodate the Senator from Iowa, but I hope some one who is going to speak on the bill will proceed now, so that we can occupy the time. It is too early to adjourn.

Mr. KENYON. I think the Senator from Illinois [Mr. SHERMAN] is ready to proceed.

Mr. FLETCHER. Very well.

Mr. SHERMAN addressed the Senate. After having spoken for some time,

Mr. FLETCHER. May I interrupt the Senator?

The PRESIDING OFFICER (Mr. KIRBY in the chair). Does the Senator from Illinois yield to the Senator from Florida?

Mr. SHERMAN. Certainly.

Mr. FLETCHER. I presume the Senator will not be able to conclude his speech this afternoon and there is some desire for a short executive session. If that is satisfactory to the Senator I will ask to have an executive session.

Mr. SHERMAN. Very well, I yield for that purpose.

EXECUTIVE SESSION.

Mr. FLETCHER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS.

Mr. FLETCHER. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock and 20 minutes p. m., Tuesday, July 24, 1917) the Senate took a recess until to-morrow, Wednesday, July 25, 1917, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 24, 1917.

MEMBERS OF UNITED STATES SHIPPING BOARD.

Edward N. Hurley, of Illinois, to be a member of the United States Shipping Board for the unexpired term of six years from January 19, 1917, vice William Denman, resigned.

Bainbridge Colby, of New York, to be a member of the United States Shipping Board for the unexpired term of three years from January 19, 1917, vice John B. White, resigned.

COMMISSIONER OF IMMIGRATION AT PORTO RICO.

Lawson E. Evans to be commissioner of immigration at the port of San Juan, P. R.

UNITED STATES DISTRICT ATTORNEY.

Wesley T. Kennerly, of Knoxville, Tenn., to be United States attorney for the eastern district of Tennessee, vice Lewis M. Coleman, whose term has expired. (Correction of nomination of William T. Kennerly.)

PROMOTIONS IN THE NAVY.

Gunner Axel Lindblad to be an ensign in the Navy from the 7th day of July, 1917.

Chief Pay Clerk Philip A. Caro to be an assistant paymaster in the Navy from the 20th day of June, 1917.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 24, 1917.

UNITED STATES ATTORNEY.

Albert Schoonover to be United States attorney, southern district of California.

UNITED STATES MARSHAL.

Charles W. Lapp to be United States marshal, northern district of Ohio.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Medical Inspector George T. Smith to be a medical director.
Medical Inspector George A. Lung to be a medical director.
Julius F. Neuberger to be an assistant surgeon.
The following-named citizens to be dental surgeons:
DeWitt C. Emerson.
Louis F. Snyder.
James C. Lough.
Glen S. Phillips.
John E. Herlihy.
George C. Fowler.
Guy E. Nicholas.
Travis F. Epes.
Sidney M. Akerstrom.
Francis S. Weir.
Jerold M. Siegel.
Russell A. Henry.
Lindsay H. Brown.
Charles C. Bockey.
Leon C. Frost.
Deane L. Chamberlain.
Errol W. Willett.
Clark E. Morrow.
Louis M Benepe.
William R. Taylor.
Anthony A. Norkiewicz.
Robert Van Patton.
Lou C. Montgomery.
Passed Asst. Paymaster Graham M. Adee to be a paymaster.
Passed Asst. Paymaster Thomas J. Bright to be a paymaster.
Passed Asst. Paymaster Emory D. Stanley to be a paymaster.
Passed Asst. Paymaster Brantz Mayer to be a paymaster.
Asst. Paymaster Herman G. Bowerfind to be a passed assistant paymaster.
Asst. Paymaster Lawrence A. Odlin to be a passed assistant paymaster.
Asst. Paymaster Richard S. Robertson to be a passed assistant paymaster.
Asst. Paymaster Charles V. McCarty to be a passed assistant paymaster.
Ensign Richard R. Adams to be an assistant naval constructor.

HOUSE OF REPRESENTATIVES.

TUESDAY, *July 24, 1917.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, our God, our Father, for this a newborn day, which we hail as an expression of Thy love, as a token of good will, and Thy continued care for Thy children.

Help us to use it so faithfully, so conscientiously, that we may prove ourselves worthy of that Divine son-ship revealed in the teachings, incomparable life, and character of Thy Son, Jesus Christ our Lord and Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed with amendment bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 3331. An act for the protection of the owners of mining claims and of desert-land entrymen who enter the military or naval service of the United States in time of war.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1811) providing for the counting of service in the Army or Navy of the United States as equivalent to residence and cultivation upon homestead entries and in the event of the soldier's death in such service providing for the issuance of patent for such land to his widow or minor children.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills:

H. R. 646. An act for the relief of Mrs. Nancy E. Mullins; and

H. R. 5326. An act to authorize the President to increase temporarily the Signal Corps of the Army and to purchase, manufacture, maintain, repair, and operate airships, and to make appropriations therefor, and for other purposes.

FOOD CONTROL.

Mr. LEVER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4961) to further provide for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel, with Senate amendments thereto, disagree to all of the Senate amendments, and agree to the conference asked by the Senate.

Mr. SHACKLEFORD. Mr. Speaker, reserving the right to object, I desire to state that it is my purpose to move to concur in the Senate amendment fixing $2 a bushel as a minimum price for wheat; and if I am given permission to make that motion, I shall not make any objection to the request of the gentleman from South Carolina.

Mr. LEVER. Mr. Speaker, I would say to the gentleman from Missouri that the request, and the only request, that I can make is to take the bill from the Speaker's table, disagree to the Senate amendments, and agree to the conference asked for by the Senate.

Mr. SHACKLEFORD. I insist upon making that motion.

The SPEAKER. The gentleman can not make the motion until we get somewhere.

Mr. SHACKLEFORD. Then we will postpone the consideration of it until I can.

Mr. BORLAND. Mr. Speaker, reserving the right to object, I want to ask the chairman of the committee a question. I notice in the first amendment of the Senate, on page 2, line 13, that the Senate has limited the word "fuel" in its meaning, or at least it has added a descriptive clause "including kerosene and gasoline." I supposed at the time the word "fuel" was used it included natural gas used as a fuel, and I am pretty certain that it does; but it seems to me that by the insertion of the descriptive words "including kerosene and gasoline" it might be necessary also to further define fuel as including natural gas. I desire to ask the chairman of the committee whether that can be done in conference, or whether there must be some correcting resolution passed?

Mr. LEVER. That matter would be taken care of in conference, although I think it is covered by the broader word, "fuel."

Mr. BORLAND. I call the chairman's attention to page 16 of the bill, section 10, which gives the President power to take over certain industries, including mines. Amendment 46, which appears on page 18 of the bill, provides that the word "mine" as used in the section shall be held to include oil and gas wells and oil and gas pipe lines.

Mr. LEVER. Yes.

Mr. BORLAND. That clearly contemplates that oil and gas wells and pipe lines are within the purview of the bill.

Mr. LEVER. I think so.

Mr. BORLAND. If there is any doubt about it, I think that the first amendment of the Senate ought also to say "including natural gas wells and kerosene and gasoline."

Mr. LEVER. I promise the gentleman from Missouri to look very carefully into that matter.

Mr. BORLAND. One whole section of the southwest depends on natural gas for fuel. Natural gas is a fuel of the small householder and the flat owner, and he must use natural gas for his fuel.

Mr. CARLIN. Does not the gentleman think that the expression "fuel" would cover wood, coal, gas, and any other character of fuel?

Mr. BORLAND. I would think so, if it were not for the fact that the Senate uses the descriptive words "including kerosene and gasoline." In other words, they have added a descriptive clause, and if they had left that out I think the word "fuel" would be broad enough to cover natural gas and probably gasoline.

Mr. GARNER. I do not think that the rules of the House would permit the conferees to add something that is not in either bill.

Mr. BORLAND. Mr. Speaker, that is the question suggested by the gentleman from Texas which I would desire to ask the chairman, whether it was contemplated or feasible in this conference to redraft that Senate amendment in such a way as to clearly define what was intended by the House?

Mr. LEVER. It is absolutely within the power of the conferees to do that, and the conferees will be very glad——

Mr. MANN. That practically means to enlarge the scope of the Senate amendment?

Mr. BORLAND. We are not asking that.

Mr. MANN. I doubt very much if it can be done.

Mr. BORLAND. We are only asking that the Senate amendment should not restrict what is intended by the House.

Mr. MANN. I think to enlarge the scope in conference is not within their powers.

Mr. BORLAND. Not if it should not restrict the meaning of the House words?

Mr. DYER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DYER. What is before the House?

The SPEAKER. The thing before the House is the unanimous consent asked by the gentleman from South Carolina [Mr. LEVER] to take this bill from the Speaker's table and agree to the conference.

Mr. DYER. I ask for the regular order.

Mr. RANDALL. Mr. Speaker, reserving the right to object——

The SPEAKER. But the gentleman from Missouri has just demanded the regular order.

Mr. DYER. I withdraw it.

Mr. RANDALL. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the committee what his attitude will be upon permitting the House to have a separate vote before the bill goes to conference upon Senate amendments numbers 55 and 58?

Mr. LEVER. What amendments are those, the whisky amendments?

Mr. RANDALL. The prohibition amendments, I will say to the chairman of the committee.

Mr. LEVER. I would say to the gentleman from California, I very much prefer that we send this bill to conference with the hands of the conferees untied, with the promise to the gentleman from California that the House conferees are going, as nearly as they can, to meet the wishes of the House on all the propositions involved in this bill.

Mr. RANDALL. Well, do I understand the chairman of the committee to say the conferees on the part of the House will bring back the same provisions the House has already adopted?

Mr. LEVER. It would be impossible for any conferee to make that promise.

Mr. RANDALL. Therefore, Mr. Speaker, still reserving the right to object, I insist upon an opportunity to offer a motion in connection with those two Senate amendments.

Mr. LEVER. I will say to the getleman that the difficulty about it is that we have not got the bill in such a position now that there can be any vote, and I am trying to get the bill in a position so at least we can see where we stand.

The SPEAKER. Is there objection?

Mr. RUSSELL. Mr. Speaker, I would like to ask the chairman of the Committee on Agriculture whether in case he finds the conference committee is opposed to the Senate amendment in section 10, providing for $2 wheat, that opportunity will be given the House to vote upon the question before it is turned down by the conference committee?

The SPEAKER. What has the gentleman from South Carolina to say as to that?

Mr. MANN. If the gentleman from South Carolina is going to ask that question, I would want to ask that question about each of the Senate amendments.

Mr. LEVER. I was about to suggest to the gentleman from Missouri that it is exceedingly embarrassing to the conferees on the part of the House and would very much impair their services in conference to answer these questions specifically before going to conference. The House has voted upon these propositions and the House has taken its position. The Senate has taken a contrary position. The House conferees would like to be as free as possible to find out the exact attitude of the Senate conferees on these propositions and also in the meantime to inform themselves upon their own attitude in connection therewith, and it would be unfortunate, I think, in a bill of this character for the chairman of the House conferees to be giving in advance these promises, because it to that extent ties their hands in a free conference with the Senate.

Mr. RUSSELL. This further question: If the committee of conference from the House, as just indicated by the chairman, are anxious to carry out the wishes of the House, would it not be well for the conference committee on the part of the House to know what the wishes of the House are upon those questions?

Mr. LEVER. The conferees on the part of the House, I may promise the gentleman from Missouri, will give very careful consideration to every Senate amendment; and, while the conferees would not be willing, I think, to make promises in advance, the conferees would be very glad to have statements such as the gentleman from Missouri is making, indicating to some extent the feeling of Members of the House.

Mr. RUSSELL. Permit me to ask, can the chairman of the committee say whether there will be an opportunity given the House to discuss this question before it is acted upon by the conference committee?

Mr. LEVER. I will say to the gentleman from Missouri very frankly that if we are to open up this bill to discussion of disagreements between the Senate and the House as shown in the Senate amendments, I fear that the House may be kept here for a solid week discussing these matters.

I think the gentleman from Missouri [Mr. SHACKLEFORD] can trust the House conferees to do at least as fairly by the country as their ability permits them to do. [Applause.]

Mr. SHACKLEFORD. May I interrupt the gentleman?

Mr. LEVER. I will be glad to yield.

Mr. DILL. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. DILL. I wish to make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DILL. Would a motion to accept a Senate amendment take precedence over the gentleman's request for a conference?

The SPEAKER. The Chair thinks not.

Mr. SHACKLEFORD. There are some of us very much in favor of the Senate amendment.

Mr. LEVER. As to wheat?

Mr. SHACKLEFORD. As to the $2 minimum price on wheat, and we have a little fear that some of these gentlemen who have succeeded in getting cotton out of the bill will not be as ardent as to the provision as to wheat as some of us in the grain-growing States, whose constituencies would be hurt by the operation of this particular bill.

Mr. BLACK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLACK. If the agreement for a conference is adopted, would it not be in order for any gentleman to move to concur in any of the Senate amendments?

The SPEAKER. No.

Mr. SHACKLEFORD. The gentleman says that in conference the conferees will consider the wishes of myself and my colleague [Mr. RUSSELL], who want to retain the Senate amendment; but he said it with a sort of a sweet smile that indicated that he would not do anything more than consider it. I believe that this is an important feature of the bill. I believe it ought to be retained there, and I do not believe any of us would be doing our duty by our constituents if we do not make every possible effort to have it retained.

Mr. LEVER. I will say to the gentleman from Missouri [Mr. SHACKLEFORD], and without smiling, that I shall give very earnest consideration, and I know I can speak for the other conferees, to the suggestion being made by the gentleman from Missouri [Mr. SHACKLEFORD] and his colleague [Mr. RUSSELL] and other gentlemen who may have suggestions to make on this proposition. I think it can be safely said that the conferees on the part of the House on the Agricultural appropriation bill from time to time have tried to meet as nearly as possible the wishes of the House and its Members individually; but I do not care to make any agreement that would tie our hands.

Mr. SHACKLEFORD. For the present, Mr. Speaker, I shall not insist, but before this bill goes to final action I shall insist on a vote to retain the Senate provision that I have indicated. I regret that this bill has been so fashioned that it touches nobody but the grain grower. It cuts the prices of all he produces and leaves him to pay war prices for everything he consumes.

Mr. SABATH. Does the gentleman mean to say that the grower of wheat has been discriminated against when he is getting $2.50 for his grain?

Mr. BLACKMON. Mr. Speaker, I would like to ask the gentleman from South Carolina a question. I would like to ask him if he is in a position to give the House any information as to the possible length of time this bill will be in conference?

Mr. LEVER. I have no more wisdom than any other man in this House or any other.

Mr. BLACKMON. Does not the chairman of the committee think that this bill has been discussed at such length that probably everyone in the United States, including Congress, knows very well what we want?

Mr. LEVER. I agree to that; yes. As far as the House conferees are concerned, we will expedite this matter in conference with all possible speed.

Mr. THOMPSON. Mr. Speaker, reserving the right to object, I would like to inquire of the chairman of the committee if he will give the House an opportunity to vote separately on amendment No. 8, which is section 3 of the Senate bill, page 4, which prohibits these agents of the Government who act voluntarily or are paid from making contracts with themselves?

Mr. LEVER. I will say to my colleague on the committee, as I have said to these other gentlemen, that I do not wish to commit myself by promising to support these various and sundry amendments, because practically every amendment in the bill might raise the question of a separate vote. But I would say to my colleague on the committee that we will give that section very, very careful consideration. I know the interest that my colleague has had in this particular section.

Mr. THOMPSON. I understand, Mr. Speaker, the interest and the consideration that the committee of conference will give this provision in the bill, but doubtless that is the same consideration that the lion might give to a fox when he had invited him into his parlor.

Mr. SHACKLEFORD. May I interrupt the gentleman?

Mr. THOMPSON. No; I am talking seriously now. [Laughter.]

Mr. MANN. Mr. Speaker, we on this side can not hear what is being said over on that side. We want to hear on this side how many Democrats are kicking against the administration's bill. [Laughter.]

The SPEAKER. The House will be in order. Gentlemen will take their seats and cease conversation.

Mr. CANNON. Mr. Speaker, I suggest that the gentleman from South Carolina [Mr. LEVER] come out in front, and then gentlemen interrogating him will be bound to talk loud enough for him to hear, and then we also shall be able to hear.

The SPEAKER. The Chair thinks that is a good suggestion.

Mr. THOMPSON. All I desire is an opportunity for the House to express its desires on this section added by the Senate. If we can get any assurance that the House can get an opportunity to express its views on this section, that is all that I want.

Mr. LEVER. I understand the gentleman's question perfectly, and I must answer his inquiry as I have already answered a number of inquiries as to promises of separate votes. If we are to take up this bill and consider it as amended by the Senate, Senate amendment after Senate amendment, separate vote after separate vote, with full discussion, we shall be delayed. I am sure my colleague on the committee knows, with the House itself, that it has not been guilty of any delay in the passage of this bill. [Applause.] We will be kept here in that event for a week or 10 days, and I believe the gentleman from Oklahoma knows the Members who are going to be the conferees on this bill well enough to know that they will give the utmost consideration to every Senate proposition that is at all reasonable, and that we shall be very glad to have the suggestions of individual Members of the House who may bring to our attention matters in which they are especially interested.

Mr. THOMPSON. Mr. Speaker, in reply to that I ask the gentleman if he thinks the Senate is likely to adjourn inside of a week or 10 days; and if so, then I will withdraw my request for a separate vote on this amendment.

Mr. LEVER. The Senate?

Mr. THOMPSON. Yes.

Mr. LEVER. If the Senate is likely to adjourn at all, I have not heard of it. [Laughter.]

Mr. THOMPSON. If the Senate is not to adjourn in less than a week or 10 days, why the hurry?

Mr. LEVER. I will say to the gentleman—and I want the country to know this—the delay upon this food-control bill amounts almost to a national scandal. [Applause.] I do not want to put my colleagues in the House in the attitude of being criticized for one single, solitary moment for the delay in the passage of this great piece of legislation so necessary to the conduct of this war. [Applause.] I want the blame to rest where it belongs. [Applause.]

Mr. THOMPSON. Mr. Speaker, in reply to the gentleman's statement, I am very much in sympathy with his desire for the speedy consideration and passage of the bill. But there are some things in this bill which ought to be considered very carefully, and which ought not to be rushed through here hurriedly, and I do not think the country or the people affected want them to be rushed through here without consideration. For instance, take the matter suggested by my colleague from Missouri [Mr. SHACKLEFORD], the minimum price that is placed upon one article of food. That ought to be considered very carefully.

Mr. LEVER. It will be.

Mr. THOMPSON. And the farmers of this country ought to be cared for, and if they are not cared for they will take care of some of us when we get away from here. [Laughter.]

Mr. LEVER. Let me suggest to the gentleman from Oklahoma that the remedy in this matter is very simple. If the action of the House conferees on these various Senate amendments is not satisfactory to a majority of the House, it is the simplest matter in the world to vote down the conference report and instruct the conferees.

Mr. THOMPSON. Surely; vote them down en bloc and not separately. You would vote down a hundred good propositions where you would vote down one bad one. That is almost impossible, as the gentleman knows.

Mr. MEEKER. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from South Carolina yield to the gentleman from Missouri?

Mr. LEVER. Yes.

Mr. MEEKER. On the point made by the gentleman from Oklahoma, about taking care of the farmer, the guaranty to him is a minimum but no maximum. That is an exception.

Mr. WEBB. Mr. Speaker, will the gentleman yield?

Mr. LEVER. Yes.

Mr. WEBB. I wish the gentleman from South Carolina would state what he meant by saying we would have a vote in the House.

Mr. LEVER. I mean if the conference report is voted down the gentleman would have the right to offer a separate proposition. That is as I understand the situation, although I make no claim as a parliamentarian.

Mr. THOMPSON. If the gentleman did that this week of delay that he speaks of would be extended into two weeks.

Mr. LEVER. I think not.

Mr. THOMPSON. It would not be any shorter anyway.

Mr. LEVER. I think the quicker we get into the conference the better, and I trust we may bring something back to the House in the shape of a conference report before very long, and if that report is not satisfactory the House has its remedy.

Mr. BARKLEY. Mr. Speaker, will the gentleman yield?

Mr. LEVER. I yield to the gentleman from Kentucky.

Mr. BARKLEY. I want to ask the gentleman from South Carolina this question: I had prepared and hoped to introduce this morning a motion to concur in Senate amendment No. 55, which is the prohibition amendment, with an amendment including wine and beer, which would be a reiteration of the original provision of the House on that subject. But under the rules of the House that can not be done at this stage of the proceedings. Now, it is not my desire to delay the consideration of this bill for one hour, nor to delay its reference to the conference committee of the two Houses. I desire, however, to take occasion to say that nothing that anybody who is in sympathy with the prohibition provisions of this bill has done yet has contributed to any delay in its consideration, and so far as I am concerned I feel sure they will not contribute to delay in the consideration of the bill.

Now, if the bill goes to conference without any motion or vote being had on that subject at this time will the gentleman from South Carolina agree that before he will agree to the Senate amendment as it is written or before he will agree to any conference report eliminating wine and beer from the consideration of this bill he will bring it back to the House and give us an opportunity to vote on that question?

Mr. MANN. If the gentleman from South Carolina makes such an agreement about any amendment, I am going to object.

Mr. BARKLEY. Let the gentleman from Illinois take that responsibility if he wishes.

Mr. LEVER. Let me answer the gentleman from Kentucky. The House conferees are going, as nearly as possible, to preserve the bill as it passed the House, and, without making any promises at all or entering into any agreement, the House conferees will, in reference to the matters to which the gentleman refers, undertake to see that the will of the House is as nearly carried out as it is possible for conferees to carry out the will of the House.

Mr. BARKLEY. I appreciate that; but in the event that the Senate conferees will not agree to a report which includes wine and beer in some form of control under this bill, then will the gentleman permit us to have a separate vote on the House provision in order to get the sense of the House as to what it wishes the conferees to do?

Mr. DYER. Will the gentleman allow me to ask him a question connected with this matter?

The SPEAKER. To whom does the gentleman yield?

Mr. LEVER. Let me first answer the gentleman from Kentucky. The gentleman from Kentucky [Mr. BARKLEY] has observed the proceedings on the floor this morning, and I am satisfied that under the circumstances the gentleman asks me to go a little bit further than I ought to go on this proposition. The gentleman knows that as far as I am concerned personally, as a food conservationist, believing that we ought to conserve the food of this country, I feel that some such regulation and control of foodstuffs and feeds that go into the manufacture of

beer and wine as was carried in the original House proposition ought to be restored to this bill. Does that answer the gentleman's question?

Mr. BARKLEY. No; not completely. I appreciate the difficulty the gentleman finds himself in, due to the attitude of certain Members. But I hope if this bill is sent to conference it will come back with the House provision retained as to all liquors covered by it.

Mr. LEVER. I am afraid I am not in a position to go further than the statement I have already made.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. LEVER. I yield for a question.

Mr. MOORE of Pennsylvania. I am interested in section 23—Senate amendment 70—providing for the appointment of a joint committee on expenditures in the conduct of the war. It is publicly reported that the President is opposed to this amendment. Will the gentleman state to the House whether he has any advices from the President on that subject?

Mr. LEVER. I have.

Mr. MOORE of Pennsylvania. Is it in the form of a written communication?

Mr. LEVER. It is.

Mr. SLOAN. I object to any statement from the gentleman from Pennsylvania as to any statement coming from another branch of this Government, unless it comes through the regularly prescribed channels. The Constitution provides how the President shall communicate with this House and with Congress.

Mr. MOORE of Pennsylvania. What I want to know is whether the information published in the press this morning is correct. If it is not, perhaps it would be well for the gentleman from South Carolina to insert the letter in the RECORD, so that we will all have an opportunity to see it.

The SPEAKER. The Chair will state to the gentleman from Nebraska [Mr. SLOAN] that he has no power to keep the gentleman from Pennsylvania from asking a question, or the gentleman from South Carolina from answering it. Of course, the Constitution provides about communications from the President to the Congress——

Mr. SLOAN. I thought perhaps——

Mr. MANN. The rules of the House provide how communications shall be received.

Mr. MOORE of Pennsylvania. I think we are not violating the Constitution at all. I want to know if the gentleman has certain advices from the President and whether he will publish in the CONGRESSIONAL RECORD the letter which he has. We should have authentic information on a matter of such importance.

Mr. LEVER. I will say to the gentleman from Pennsylvania very frankly——

Mr. SLOAN. I object to the question submitted and to the answer proposed to be given to it.

The SPEAKER. The Chair did not understand the gentleman.

Mr. SLOAN. I object to the question as propounded being submitted by the gentleman from Pennsylvania to the gentleman from South Carolina and to his answering it.

The SPEAKER. The Chair has just stated that he has no power to fix what question the gentleman from Pennsylvania shall ask, that being an impossibility of nature [laughter], or to determine what answer the gentleman from South Carolina shall give.

Mr. MOORE of Pennsylvania. All I am asking is that the gentleman from South Carolina give us the information, so that it may be authentic.

Mr. LEVER. I will say to the gentleman from Pennsylvania that the press reports of this morning are substantially correct.

Mr. MOORE of Pennsylvania. And the President is personally objecting to section 23?

Mr. LEVER. He is.

Mr. NORTON rose.

Mr. POWERS. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Kentucky rise?

Mr. LEVER. The gentleman from North Dakota [Mr. NORTON] was on his feet first. I will be glad to yield to the gentleman from Kentucky later.

Mr. NORTON. I am very much interested in amendment numbered 54——

Mr. LEVER. What is that amendment?

Mr. NORTON. That is the amendment guaranteeing a minimum price of not less than $2 a bushel for No. 1 northern wheat at the principal interior primary markets of the country. I am particularly interested in this Senate amendment. I trust that the conferees will retain this amendment in the bill. I believe that the demand for wheat and the conditions of the wheat crop of the country and the present cost of its production would warrant the House and Senate in increasing the minimum guaranty price to $2.50 a bushel. While I am greatly interested in this amendment, I am much more interested in the immediate passage of this legislation, giving into the hands of the Federal Government the authority to encourage the production, conserve the supply, and control the distribution of food and fuel products. While I have had in mind to make certain motions, instructing the conferees on this bill to agree to this and other Senate amendments in the bill with amendments, I do not desire to offer any motion here this afternoon, and shall not offer any motion, that is going to delay the passage of this bill in any way. I desire to say, however, to the gentleman from South Carolina [Mr. LEVER], who is in charge of this bill and who is the distinguished chairman of the Committee on Agriculture, that throughout the country there is plainly evident in the minds of many of the farmers of the country the idea that this legislation discriminates against them and is not altogether, as it should be, fair and just legislation; that it should include authority for the President to control not only the supply, distribution, and prices of food products and fuel but manufactured products as well. [Applause.] I wish to say that I believe the farmers are right in this view of the matter. I have given my fullest support to this legislation and shall continue to give it my fullest support, trusting that when this bill is passed other legislation by the Congress will soon follow placing within the power of the Federal Government the control of the supply, distribution, and prices of manufactured products. The farmers of this country are patriotic and loyal in the highest degree. They are willing during this war to have placed in the hands of the Federal Government, in the hands of the President, if you please, the absolute control of the prices of their products and the absolute control of the distribution of these products; but, believing in fairness and justice, they want the same thing done with the manufacturing industries of the country, and they consider such to be only a square deal, to which they, as both producers and consumers, are entitled, and they feel that they are not getting that in this bill. [Applause.] Still they are willing to trust to the future fairness of the Congress and the President. They are hopeful that this House and the Senate will in the end be fair and just in its legislation for all the people.

The farmers of the great Northwest, I know, now realize that this war is not going to be one of short duration, and they are prepared to do their part and do it to the fullest extent, if the Congress will but speedily direct the way. I am of the opinion that the Congress has already too long delayed the passage of this bill. Every Member of this Congress who has the interests and welfare of the people at heart should insist that this legislation be passed within the next few days, and that clear and unequivocal authority be given to the President to encourage the production, to conserve the supply, and to control the distribution and prices of food and fuel products. Then legislation should immediately follow, giving to the President the fullest power to encourage the production and control the distribution and prices of manufactured products and all other things necessary to the success of this war.

Mr. HAMLIN. Mr. Speaker, I demand the regular order.

The SPEAKER. The gentleman from Missouri demands the regular order, and the regular order is, Is there objection?

Mr. POWERS. Mr. Speaker, I shall be compelled to object unless I can have the privilege of asking the gentleman from South Carolina a question.

Mr. HAMLIN. Mr Speaker, I will withdraw my demand for the regular order for the present.

Mr. POWERS. I want to ask the gentleman from South Carolina if there will be any possibility of having a separate vote on the Pomerene amendment authorizing the President to fix the price of coal, coke, and so forth, and taking over the coal mines?

Mr. LEVER. I will answer the gentleman as I have answered several other gentlemen. I feel that to open the bill with promises of a vote upon these different propositions will open a Pandora's box that we can not control. I can promise the House, however, that the conferees will consider the Pomerene amendment with great care.

Mr. POWERS. Since the matter has not been considered by the House, what opportunity will there be for the Members of the House to submit the views of their constitutents on this proposition?

Mr. LEVER. As a matter of fact, the coal situation was given some attention by certain members of the Agricultural Committee when the bill was being considered in the committee, because we construed the word "fuel" to include coal, gas, and

things of that kind. Certain members of our committee, some of whom will be on the conference committee, are quite familiar with the coal situation in this country.

Mr. POWERS. My question is, What opportunity will individual Members of the House have to lay the views of their constituents before the conferees on the part of the House?

Mr. LEVER. As far as I am concerned, I would be glad to give the gentleman 5, 10, or 15 minutes for that purpose at any time he wants it.

Mr. HAMLIN. Mr. Speaker, I think the gentleman from South Carolina has stated several times that under the circumstances he can not make these assurances, and I therefore demand the regular order.

The SPEAKER. The regular order is, is there objection?

Mr. LAGUARDIA. Reserving the right to object——

The SPEAKER. But the regular order is demanded.

Mr. LAGUARDIA. Then I object.

Mr. BORLAND rose.

The SPEAKER. For what purpose does the gentleman from Missouri rise?

Mr. BORLAND. I rise to ask the gentleman from New York to withdraw his objection.

The SPEAKER. That is not in order.

Mr. MANN. The gentleman from Missouri started the trouble and now he does not want anybody else to talk.

The SPEAKER. The gentleman from Illinois and the gentleman from Missouri are both out of order.

Mr. LEVER. Mr. Speaker, if the Chair will indulge me a moment, it may be possible that we can agree to send certain portions of this bill to conference, if that is in order.

The SPEAKER. The Chair never heard of any such thing being done.

Mr. MANN. You can not send certain portions of the bill to conference; you can disagree to certain amendments——

Mr. LEVER. We can at least get unanimous consent to disagree to certain amendments in the bill which are not objectionable and send them to conference, and the others may be discussed.

NORTH ISLAND, SAN DIEGO, CAL.

Mr. CALDWELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4892) authorizing the President to take possession, on behalf of the United States, for use as sites for permanent aviation stations for the Army and Navy and for aviation school purposes, of the whole of North Island in the harbor of San Diego, Cal., and for other purposes, and agree to the Senate amendment.

Mr. MANN. Let the bill be reported.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to cause possession to be taken forthwith, on behalf of the United States, for use for national defense and in connection therewith as sites for permanent aviation stations for the Army and Navy and for aviation school purposes, of the whole of North Island, in the harbor of San Diego, Cal., and the provisions of section 355, Revised Statutes, shall not apply to the expenditure of any appropriations for improvements thereon for aviation purposes.

The Attorney General or the claimants to the said North Island are authorized to make application for the determination and appraisement of any rights private parties may have in the said island over and beyond any rights thereto in the United States to the District Court of the United States for the Southern District of California; the proceedings to be prosecuted in accordance with the laws of the State of California relating to the condemnation of property for public use. Either party may take an appeal from the judgment of such court direct to the Supreme Court of the United States within 90 days after such judgment is rendered. Upon the final ascertainment of the value of any right, title, or interest adjudged to be in any private claimants to the said island there shall be paid into court the value of the same as so determined, together with interest thereon at the rate of 6 per cent per annum from date possession thereof was taken as herein authorized; and thereupon the United States shall be vested with title to said lands. The amount so paid shall be distributed by order of the court to the owner or owners of such right, title, or interest in said island as their respective interests may be determined by the court. The amount necessary to pay the awards in favor of private claimants is hereby appropriated, out of any money in the Treasury not otherwise specifically appropriated, to be disbursed under orders of the Secretary of War: *Provided*, That no compromise or settlement of claims to title to said lands shall be made involving the payment of more than $500,000.

The Senate amendment was read.

The SPEAKER. The gentleman from New York asks unanimous consent to take from the Speaker's table the bill H. R. 4892, which has just been reported, and agree to the Senate amendment. Is there objection?

Mr. MANN. Will the gentleman from New York yield?

Mr. CALDWELL. I will.

Mr. MANN. I notice that the Senate amendment strikes out the limitation of expenditure, the amount that may be expended for purchasing this aviation station. Has there been an estimate made by the War Department as to what it will cost?

Mr. CALDWELL. The War Department believes that the island will not cost us a cent, but they do not wish to be handicapped, so that if a suit is brought and afterwards for any reason they are wrong——

Mr. MANN. That is the wildest kind of a foolish opinion for the War Department to express, to say that it will not cost a cent and then to object to a limitation of half a million dollars.

Mr. CALDWELL. The facts are these: This island has a little over a thousand acres in it. The property has been appraised generally at about a thousand dollars an acre. The claim of title by the United States Government to the land rests on the fact that when the Mexican Government granted the property to the original grantee it retained the right to reoccupy the property at any time for purposes of national defense. Following the War of 1848 with Mexico, in the treaty of Guadalupe-Hidalgo, the United States Government obtained all the rights of the Mexican Government in any lands north of the line that they drew across from the Gulf to the Pacific. Now, this particular island has been used for aviation purposes for some years under an agreement with the people who had possession of it.

Mr. MANN. Is it the island at San Diego that we have been occupying under a lease?

Mr. CALDWELL. It is the island we have been occupying at San Diego.

Mr. MANN. And now they propose to deny the title of the lessors?

Mr. CALDWELL. The claimants have notified the Government to get off.

Mr. MANN. And the Government claims that after it has gone into occupation under a lease, being ordered off, it can deny the title of the lessors?

Mr. CALDWELL. There was no lease. They had free use of the island.

Mr. MANN. There was a lease under a nominal consideration. I have seen the island.

Mr. CALDWELL. I think there was no lease. All I know about it is what the War Department has told us. The record shows that there have been three commissions to investigate the proposition. The United States attorney for the district has examined the title, the Judge Advocate General's office has examined the title, and they have obtained legal opinions from persons conversant with the Mexican law, and the unanimous opinion from these three sources is that the Government owns the land and can take it for the purpose of national defense. I have not searched the title; I rely upon these three sources of information.

Mr. CANNON. Does this bill provide that a half a million dollars shall be paid for it?

Mr. CALDWELL. The bill provides that the Government be authorized to take possession of the island for the purpose of national defense, and that the claimants to title be given privilege to prove any claim they might have to the island in the United States courts, and gives it jurisdiction. That is the way the bill was drawn by the War Department and sent to us. Mr. DENT, the chairman of the Committee on Military Affairs, introduced it and the full Military Committee unanimously reported it. It came into the House, and the question was raised as to whether there should not be a limitation put upon the value to be paid for it. If you seize property in the name of the United States Government, the constitutional provision that you can not take property without due process of law is immediately invoked, so that they must put into the bill some provision by which anyone who claims title to the property may prove his claim. We added an amendment to the bill in the House limiting the amount for which a settlement could be made, but not limiting the amount to be paid in the court. If we start to take possession of this property and court proceedings are had and it is found that they have title, while we do not think they have, and it can be settled for a few dollars more than $500,000, then we can not keep possession; we can not settle it; we will have to try the case through the courts. If, on the other hand, they can make settlement, if we find that the claimants have good title, then this permits them to settle, and that is the whole question in a nutshell.

Mr. MANN. What authority is there for anyone to bring suit against the Government which illegally seizes somebody's property?

Mr. CALDWELL. This does not illegally seize it.

Mr. MANN. Then legally seizes it?

Mr. WALSH. The Constitution.

Mr. MANN. No; the Constitution does not give the right to bring suit.

Mr. CALDWELL. No; but the bill does.

Mr. CANNON. This bill enables them to sue?

Mr. CALDWELL. Yes.

Mr. CANNON. Why does not the Government take possession and keep possession under its title and send them through the courts?

Mr. CALDWELL. That is exactly what this bill proposes to do.

Mr. CANNON. Then there is no power to compromise?

Mr. CALDWELL. None in the War Department.

Mr. CANNON. Then I have no objection to the bill.

Mr. GREEN of Iowa. Mr. Speaker, will the gentleman yield further?

Mr. CALDWELL. Yes.

Mr. GREEN of Iowa. The gentleman says there is no power to compromise.

Mr. CALDWELL. There is no specific power to compromise, but the United States attorney is always in a position where he can discontinue the suit.

Mr. GREEN of Iowa. The real effect of it is that they can not compromise at a larger sum?

Mr. CALDWELL. No; but he could consent to the entry of judgment, which is the same thing.

Mr. GREEN of Iowa. I do not propose to hold this up upon that ground, but it seems to me it would inevitably result in their paying more than the amount.

Mr. CALDWELL. The proposition is this: The idea of the department is to take possession of the property. They need it for the Nation's defense. We do not want to take anything that does not belong to us, and we do not want to pay for anything that we own. We do want possession of this island, and we want to give these people a fair chance to go into a recognized, constituted court and prove their claim and get anything that is coming to them. We do not want to limit them. We want to pay all that it is worth, no more and no less, and all the legal claim and no more and no less.

Mr. CANNON. If that is the situation, what is the objection?

Mr. CALDWELL. I do not see that there is any objection.

The SPEAKER. The question is, Is there objection to the request of the gentleman from New York for the present consideration of the Senate amendment? [After a pause.] The Chair hears none. The question is on agreeing to the Senate amendment.

The Senate amendment was agreed to.

On motion of Mr. CALDWELL, a motion to reconsider the vote by which the Senate amendment was agreed to was laid on the table.

FOOD CONTROL.

Mr. LEVER. Mr. Speaker, I renew my request for unanimous consent to take from the Speaker's table the bill H. R. 4861, the food-control bill, with Senate amendments thereto, disagree to all of the Senate amendments, and agree to the conference asked for by the Senate.

Mr. LAGUARDIA rose.

Mr. LEVER. I shall be very glad to see if I can answer the gentleman's question.

The SPEAKER. For what purpose does the gentleman from New York rise?

Mr. LAGUARDIA. Mr. Speaker, I desire to submit a question to the chairman of the committee.

The SPEAKER. The gentleman from New York reserves the right to object.

Mr. LAGUARDIA. I am interested in amendment No. 61, which was inserted by the House, requiring that all of the employees under this bill shall be appointed in accordance with the civil-service law. From the discussion which occurred in the Senate at the time the amendment was stricken out, it appears that Mr. Hoover stated that all of the men required by him should have such expert knowledge and commercial experience, and that it would not be expedient to limit the appointments to the civil-service requirements. I have here a letter from Mr. Hoover in which he states that these experts, specialists, and commercial men will not probably exceed in number one dozen. Then, after expressing his whole-hearted support for civil-service reform, he stated that it is the intention of the administration to take in en masse all of the present employees. It is the impression all through the country that a good many favorites are now employed or will be employed in merely clerical positions. It is true some of these men may have high commercial and technical knowledge elsewhere, but at present they are doing mere clerical work. I ask the gentleman to take into consideration this letter, which I shall ask unanimous consent to insert in the RECORD and present it in conference when the matter comes up.

Mr. LEVER. I shall be very glad to do that.

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent to print the letter in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

The letter referred to is as follows:

WASHINGTON, *July 14, 1917.*

Hon. FIORELLO H. LAGUARDIA,
House of Representatives, Washington, D. C.

MY DEAR MR. LAGUARDIA: I am greatly obliged for your letter of the 12th.

The food administration has, as you know, no existence in law except an informal authorization from the President to formulate a volunteer organization for a study of the food situation and for accomplishing definite food conservation. With the exception of some small sums placed at our disposal to pay minor expenses, the largest part of the load falls upon the actual volunteers, who compose the entire directing staff and who not only volunteer their time but pay their own expenses as well.

I believe that the question of the civil-service status of the food administration employees should be deferred until the passage of some legislative measure, and that when this organization assumes form thereunder the best interests of food administration should be the guiding rule. As it now stands we expect in the future to draw our paid assistants from civil-service ranks wherever possible, and that policy will continue. Inasmuch, however, as many of the paid assistants have been for years associated with their departmental heads, the elimination of these assistants and of others without civil-service standing who have become familiar with the details of this work would seriously cripple our working force. Many of these employees have come here with a high and patriotic spirit of service, and it would seem a pity that they should be deposed at this time for no other reason than that they lack civil-service eligibility.

All of the directing staff are, as I have already indicated, volunteers who at great personal sacrifice are devoting their time, training, and experience to the Government in this crisis. It is impossible to conceive of these men being subjected to civil-service examination, inasmuch as they are now leaders in their own lines of trade and have been brought here in the effort to place at the command of the Government the most efficient corps of food experts that it is possible to gather together. We have also borrowed temporarily from various educational institutions a number of highly trained specialists, and these men must be paid something in lieu of their university salaries; and, like the strictly commercial representatives, this talent could not be obtained on a competitive-examination basis. These men will probably not exceed a dozen, all told, and will work along lines on which no one else in the country is able to give equally valuable service.

Service such as is given by these commercial and technical experts can not be measured by a salary standard nor secured through competitive examination.

It would seem to me that civil-service administration must be made elastic enough to meet the present situation. It is fairly obvious that unless it does expand and contract with the needs of the epoch it must break. To a certain extent, existing conditions make imperative a degree of elasticity in departmental regulations not ordinarily wise or necessary.

The necessarily temporary character of our organization, which is to terminate after the war, precludes the application of rules governing departments of long standing, which are to remain coexistent with the Government itself.

When the necessary legislation shall have been passed, the food administration can and will meet all reasonable requirements of the Civil Service Commission, so far as future clerical help is concerned. I am whole-heartedly in favor of civil-service regulation, but I believe you will realize that in a war-emergency organization of purely voluntary character, calling for the services of men preeminent in commercial and professional life, civil-service procedure can not be made absolutely sweeping and inclusive except as to clerical assistants other than those already in our employ, all of whom, I believe, should be mustered en masse into the service of the Nation.

Very truly, yours, HERBERT HOOVER.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to take from the Speaker's table the bill H. R. 4961, with Senate amendments thereto, disagree to all of the Senate amendments, and agree to the conference asked for by the Senate. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I would like to make two inquiries. First, whether the gentleman's request will be modified so that it should include the appointment of conferees without any intervening motion? Second, I want a separate vote on amendment No. 70. That is the one creating an expenditure legislative committee.

Mr. LEVER. That is No. 23.

Mr. MANN. Section 23, amendment No. 70.

Mr. LEVER. I beg the gentleman's pardon.

Mr. MANN. That is my recollection of it.

Mr. LONGWORTH. It is section 23.

Mr. LEVER. Will the gentleman repeat his first question?

Mr. MANN. Will the gentleman modify his request so as to ask unanimous consent to disagree to Senate amendments, excepting No. 70, and that when No. 70 is disposed of, and the House shall agree to the conference, the conferees shall be immediately appointed without intervening motion? If so, I shall not object.

Mr. SHACKLEFORD. Will the gentleman object to including along with that section 12?

Mr. MANN. I do not know whether amendment 70 would be considered a partisan amendment. It ought not to be a partisan amendment, although the President has indicated his opposition to it, and I think this side of the House is practically unanimous in favor of it. Of course it is perfectly patent that as to amendment No. 70, with the majority of the conferees Democrats and more or less, and properly so, susceptible to the

influences of the administration, that amendment No. 70 would never come in in any conference report to be agreed to. Therefore I desire a vote upon that now. Now, the gentleman's proposition to send the real features of the bill to conference without present consideration by the House would not be met if immediately upon disagreement every gentleman of the House might offer a motion to instruct the conferees. If we are going to have a vote upon it at all, I would rather have it upon the amendments as they come up than any other way.

The SPEAKER. What has the gentleman from North Carolina to say?

Mr. LEVER. Well, Mr. Speaker, I feel in view of my attitude here this morning with respect to other amendments which are regarded as extremely important by individuals that it would not be fair to them to agree to the proposition of the gentleman from Illinois. [Applause.]

The SPEAKER. The gentleman from South Carolina asks unanimous consent——

Mr. MANN. Mr. Speaker, I object.

The SPEAKER. The gentleman from Illinois objects.

EXTENSION OF REMARKS.

Mr. BORLAND. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Missouri rise?

Mr. BORLAND. Mr. Speaker, I rise to ask unanimous consent to insert in the RECORD an extract from a letter of a miller in the Southwest in regard to the present movement of wheat and the necessity for the immediate passage of this bill.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks by printing a letter from a miller about the movement of wheat in the Southwest. Is there objection?

Mr. WALSH. Mr. Speaker, I object.

CALENDAR WEDNESDAY.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that we dispense with the business on Calendar Wednesday to-morrow.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to dispense with the business on Calendar Wednesday to-morrow. Is there objection? [After a pause.] The Chair hears none.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

Mr. SHACKLEFORD. Mr. Speaker, I ask unanimous consent that I may revise and extend and enlarge the remarks I made this morning.

Mr. MANN. Mr. Speaker, I ask for the regular order.

The SPEAKER. The regular order is the motion of the gentleman from North Carolina to adjourn.

The question was taken, and the Speaker announced the noes seemed to have it.

Mr. KITCHIN. Mr. Speaker, I ask for a division.

The House proceeded to divide.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent to withdraw that motion. I see the Rules Committee is ready to report.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to withdraw his motion to adjourn. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, what is the gentleman's intention?

Mr. KITCHIN. I moved to adjourn in order that the Rules Committee might bring in a rule on this conference matter, but I see they are ready now to report, and I therefore ask unanimous consent to withdraw that motion?

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

LEAVE OF ABSENCE.

By unanimous consent, Mr. MAHER was granted indefinite leave of absence, on account of illness.

FOOD-CONTROL BILL.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to proceed for one minute. Is there objection? [After a pause.] The Chair hears none.

Mr. GARRETT of Tennessee. Mr. Speaker, the Committee on Rules has taken action upon a resolution the effect of which, if adopted, would be to disagree to the Senate amendments to the food-control bill, H. R. 4961, and to agree to the conference asked by the Senate, and it was the expectation of that committee, which has just returned to the Hall from its committee room, to present this resolution; but the gentleman from South Carolina [Mr. LEVER] informs me that there was a sort of understanding between certain gentlemen in the House, and it is not thought best to present the resolution at this time, and therefore I do not do so.

Mr. GILLETT. May I ask the gentleman a question?

Mr. GARRETT of Tennessee. Certainly.

Mr. GILLETT. Why should not the gentleman present the rule now and let us debate it this afternoon? I understand the agreement was there should be no vote to-day; there is nothing else to do? Why would not the gentleman be willing to discuss it?

Mr. MANN. It will not take long to-morrow.

Mr. GARRETT of Tennessee. I will say to the gentleman from Massachusetts [Mr. GILLETT] that the purpose of the rule is to expedite this bill.

Mr. GILLETT. How much debate are you going to allow on it?

Mr. GARRETT of Tennessee. That will have to be determined when the rule is presented, but it would not expedite it in any way to present a rule and have discussion all day without any vote.

Mr. GILLETT. No; but it would give us an opportunity, when there is nothing else to be done, to express ourselves. I do not see why you should want to squelch debate.

Mr. GARRETT of Tennessee. I do not think it would expedite the passage of the bill in any respect to present the rule now unless it is to be voted upon to-day.

The SPEAKER. If some gentleman will move to adjourn, the Chair will put the motion.

Mr. HEFLIN. Mr. Speaker, I move that the House do now adjourn.

Mr. LEVER. Mr. Speaker——

The SPEAKER. The gentleman from Alabama [Mr. HEFLIN] moves that the House do now adjourn.

Mr. HEFLIN. Mr. Speaker, I withdraw the motion for the present.

Mr. MANN. The gentleman can not withdraw it for the present, but he withdraws it.

The SPEAKER. The gentleman withdraws it temporarily. The Chair will recognize him to make it again.

Mr. LEVER. Mr. Speaker, it is perfectly evident that we can not get this bill to conference this afternoon, for the reason, as the gentleman from Illinois [Mr. MANN] understands, that there was a tentative agreement that we would not vote to-day, but that we might discuss the bill. As far as I am concerned, personally, I have discussed this bill so long that I am tired of it, and I prefer to see the House adjourn with the understanding that to-morrow we go to conference, even if we go to conference under a rule.

Mr. FERRIS. Will the gentleman yield to me?

Mr. LEVER. For a question.

Mr. FERRIS. I would like to make an inquiry of the gentleman. There are four or five propositions on this bill, Senate amendments, that are of nation-wide importance. They will probably be national issues in the next campaign. Why is not the gentleman willing to let us discuss each one of those this afternoon? Let us not idle away the time. We really need the information.

Mr. MANN. There is a great deal of information needed on that side of the House.

Mr. FERRIS. And there may be some needed on the other side. However, I make the suggestion in perfect good humor.

Mr. LEVER. I will say to the gentleman from Oklahoma [Mr. FERRIS] that this bill is rather peculiar legislation. It is different from the usual kind of legislation that is brought into this House. To open it up for discussion again this afternoon would simply mean to carry on the discussion probably through to-morrow, and through the next day, and through the week, and I am exceedingly anxious to have the bill go to conference. I had hoped we might do it by unanimous consent this morning under the rule.

Mr. FERRIS. Just a word further. There were only five votes against this bill in the House and six against it in the Senate. The gentleman has plenty of votes and power and ability to get his bill through any time he wants to do so. I would like to see some of these amendments considered.

Mr. MANN. Mr. Speaker, I ask for the regular order.

ADJOURNMENT.

Mr. LEVER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 10 minutes p. m.) the House adjourned until to-morrow, Wednesday, July 25, 1917, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. GARRETT of Tennessee, from the Committee on Rules, to which was referred the resolution (H. Res. 123) providing for the taking of H. R. 4961, as amended by the Senate, from the Speaker's table, disagreeing to said amendments, agreeing to the conference requested by the Senate, and for the appointment of conferees, reported the same without amendment, accompanied by a report (No. 110), which said resolution and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. DUPRÉ: A bill (H. R. 5485) providing for the improvement of inland waterway from the Mississippi River to Bayou Teche, La.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 5486) relating to procedure in United States courts; to the Committee on the Judiciary.

Also, a bill (H. R. 5487) to construct and equip a light vessel for the passes at the entrance to the Mississippi River, La.; to the Committee on Interstate and Foreign Commerce.

By Mr. HULBERT: A bill (H. R. 5488) to secure to the United States a monopoly of electrical communication for hire; to provide for the acquisition by the Post Office Department of the telephone and telegraph network, and to license certain telephone lines, radio and telegraph agencies; to the Committee on the Post Office and Post Roads.

By Mr. FERRIS: A bill (H. R. 5489) to authorize the Secretary of the Interior to exchange for lands in private ownership lands formerly embraced in the grant to the Oregon & California Railroad Co.; to the Committee on the Public Lands.

By Mr. GARRETT of Tennessee: Resolution (H. Res. 123) providing for the consideration of H. R. 4961 as amended by the Senate; to the Committee on Rules.

By Mr. MORIN: Resolution (H. Res. 124) providing for the military training of boys under 21; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON: A bill (H. R. 5490) for the relief of Vermilion, Perry, Alexander, White, and Shelby Counties, Ill., by payment of fees due for the custody of Federal prisoners in the jails of said counties; to the Committee on Claims.

By Mr. DUPRÉ: A bill (H. R. 5491) granting a pension to John R. Walder; to the Committee on Pensions.

Also, a bill (H. R. 5492) for the relief of legal representative of George E. Payne, deceased; to the Committee on War Claims.

Also, a bill (H. R. 5493) for the relief of George M. Leahy, receiver of the New Orleans Mechanics' Society, of New Orleans, in the State of Louisiana; to the Committee on War Claims.

Also, a bill (H. R. 5494) for the relief of the legal representatives of Lapene & Ferré; to the Committee on War Claims.

Also, a bill (H. R. 5495) for the relief of Joseph A. Prat; to the Committee on Claims.

Also, a bill (H. R. 5496) for the relief of the heirs of Isabella Ann Fluker; to the Committee on War Claims.

Also, a bill (H. R. 5497) for the relief of Emma J. Spear; to the Committee on Claims.

Also, a bill (H. R. 5498) for the relief of I. C. Johnson, jr.; to the Committee on Naval Affairs.

By Mr. FOCHT: A bill (H. R. 5499) granting an increase of pension to Benjamin F. Goodman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5500) granting an increase of pension to Alexander B. Grosh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5501) granting an increase of pension to William Francis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5502) granting an increase of pension to David I. Black; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5503) granting an increase of pension to Levi Mattern; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5504) granting an increase of pension to Elias C. Minium; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5505) granting an increase of pension to George A. Parks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5506) granting an increase of pension to Rufus Potter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5507) granting a pension to Mary E. Roland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5508) granting a pension to Mary H. Staley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5509) granting a pension to Ralph A. Finicle; to the Committee on Pensions.

By Mr. GOODALL: A bill (H. R. 5510) for the relief of William J. Blake; to the Committee on Claims.

Also, a bill (H. R. 5511) for the relief of Leonidas H. Sawyer; to the Committee on Claims.

By Mr. GOULD: A bill (H. R. 5512) granting an increase of pension to Robert F. Hart; to the Committee on Invalid Pensions.

By Mr. KRAUS: A bill (H. R. 5513) granting an increase of pension to Elijah Parrish; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5514) granting an increase of pension to John M. Davidson; to the Committee on Invalid Pensions.

By Mr. OSBORNE: A bill (H. R. 5515) granting an increase of pension to William W. Brothers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5516) for the relief of Julia H. Castle; to the Committee on War Claims.

Also, a bill (H. R. 5517) granting an increase of pension to Bettie D. Post; to the Committee on Invalid Pensions.

By Mr. CHARLES B. SMITH: A bill (H. R. 5518) granting an increase of pension to John Wooster; to the Committee on Pensions.

By Mr. VOIGT: A bill (H. R. 5519) granting an increase of pension to Edward Thimmig; to the Committee on Invalid Pensions.

By Mr. DALLINGER: A bill (H. R. 5520) granting a pension to Mary D. Jenness; to the Committee on Pensions.

Also, a bill (H. R. 5521) granting a pension to Mary J. Phinney; to the Committee on Pensions.

Also, a bill (H. R. 5522) granting a pension to Mary Lahey Murphy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5523) granting an increase of pension to Harrison C. Shattuck; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5524) to appropriate the sum of $4,000, to be paid to Alfred Roberts for personal injuries received at the United States customhouse in Boston, Mass.; to the Committee on Claims.

Also, a bill (H. R. 5525) for the relief of Edward D. Black; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of the Council of Defense of the State of Illinois, against abandoning Fort Sheridan as a training camp; to the Committee on Military Affairs.

Also (by request), memorial of Master Bakers' Federation of New York, relative to regulation of the sale of bread in New York; to the Committee on Agriculture.

Also (by request), memorial of the Denver Rationalist Association of North America, relative to exemption of ministers; to the Committee on Military Affairs.

By Mr. ALEXANDER: Petitions of James Clelland and 412 others, of New Hampton, Mo., and vicinity, favoring prohibition as a war measure; to the Committee on the Judiciary.

By Mr. ANTHONY: Petition of Robert A. Zarse and other citizens of Topeka, Kans., asking for passage of food-control bill; to the Committee on Agriculture.

Also, petition of Mrs. R. B. Morgan and other citizens of Hiawatha, Kans., for prohibition as means of conserving food during war; to the Committee on Agriculture.

By Mr. BROWNING: Memorial of Gloucester County Pomona Grange, No. 8, Patrons of Husbandry, opposing price fixing and food control by the Government; to the Committee on Agriculture.

Also, petition of R. G. Heppard, of Woodbury, N. J., favoring conscription of all incomes above $3,000 per year to pay a minimum sum of $100 per month to each citizen conscripted for service in the Army; to the Committee on Military Affairs.

By Mr. DALE of New York: Petition of State commissioner of health of the State of Oklahoma, favoring passage of the sanitary reserve corps bill; to the Committee on Military Affairs.

Also, memorial of National Board of Young Women's Christian Association, Pittsburgh, Pa., favoring appropriation for education of non-English-speaking people of this country; to the Committee on Appropriations.

Also, petition of John S. Sills & Sons, of New York, favoring 1-cent war tax on out-of-town letters; to the Committee on Ways and Means.

Also, memorial of citizens of New York, favoring passage of a food-control bill; to the Committee on Agriculture.

By Mr. DENTON: Petitions of Rev. H. A. Sprague and 77 others, of Hazleton; John W. Stewart and 33 others, of Cynthiana, both in the State of Indiana, favoring prohibition as a war measure; to the Committee on the Judiciary.

By Mr. FITZGERALD: Memorial of Board of Directors of New York Milk Conference Board, indorsing food program of Herbert C. Hoover; to the Committee on Agriculture.

Also, memorial of citizens of New York City, favoring giving wide and summary powers in matter of food control to the Executive branch; to the Committee on Agriculture.

By Mr. LONERGAN: Memorial of National Woman's Party, of Hartford, Conn., favoring woman suffrage amendment; to the Committee on the Judiciary.

By Mr. MOON: Memorial of congregation of Methodist Episcopal Church of Athens, Tenn., relative to those who claim exemption; to the Committee on Military Affairs.

SENATE.

WEDNESDAY, *July 25, 1917.*

(Legislative day of Tuesday, July 24, 1917.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Harding	Nelson	Simmons
Bankhead	Johnson, Cal.	New	Smith, Ariz.
Brady	Jones, N. Mex.	Norris	Smith, Ga.
Brandegee	Jones, Wash.	Overman	Smith, S. C.
Calder	Kenyon	Page	Smoot
Culberson	King	Penrose	Sterling
Cummins	Kirby	Ransdell	Thompson
Curtis	La Follette	Reed	Tillman
Fernald	McKellar	Robinson	Trammell
Fletcher	McLean	Saulsbury	Underwood
Frelinghuysen	McNary	Sheppard	Vardaman
Gronna	Martin	Sherman	Watson

Mr. FRELINGHUYSEN. I desire to announce the absence of my colleague [Mr. HUGHES] on account of illness.

Mr. PAGE. I wish to announce the unavoidable absence of my colleague [Mr. DILLINGHAM]. He has a general pair with the senior Senator from Maryland [Mr. SMITH]. I should like to have this announcement stand for the day.

Mr CALDER. I wish to announce the absence of my colleague [Mr. WADSWORTH] on important business.

The PRESIDENT pro tempore. My colleague [Mr. WOLCOTT] is temporarily detained from the Senate by important business.

Mr. THOMPSON. I desire to announce the absence of the junior Senator from Wisconsin [Mr. HUSTING] on official business. This announcement may stand for the day.

I also desire to announce the unavoidable absence of the junior Senator from Kentucky [Mr. BECKHAM] for the same reason. This announcement may stand for the day.

The PRESIDENT pro tempore. Forty-eight Senators have answered to their names—not a quorum. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators.

Mr. McNARY. I desire to announce the absence of my colleague [Mr. CHAMBERLAIN] on official business.

Mr. FLETCHER. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

Mr. SMITH of Michigan, Mr. SWANSON, Mr. KNOX, Mr. LODGE, Mr. WILLIAMS, and Mr. POMERENE entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Fifty-four Senators have answered to their names. There is a quorum present.

Mr. FLETCHER. I move that the order directing the Sergeant at Arms to request the attendance of absent Senators be vacated.

The motion was agreed to.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by G. F. Turner, one of its clerks, announced that the House agrees to the amendment of the Senate to the bill (H. R. 4892) authorizing the President to take possession, on behalf of the United States, for use as sites for permanent aviation stations for the Army and Navy and for aviation-school purposes, of the whole of North Island, in the harbor of San Diego, Cal., and for other purposes.

The message also announced that the House had passed the bill (S. 2106) to authorize the county of Cass, in the State of Indiana, to construct a bridge across the Wabash River east of the city of Logansport, at a point known as Cedar or Rock Island, in said Wabash River, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H. R. 4961) to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel; agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. LEVER, Mr. LEE of Georgia, Mr. CANDLER of Mississippi, Mr. HEFLIN, Mr. HAUGEN, Mr. MCLAUGHLIN of Michigan, and Mr. ANDERSON managers of the conference on the part of the House.

The message also announced that the House had passed the following bills:

S. 2666. An act granting the consent of Congress to the Sebastian bridge district to construct a bridge across the Arkansas River, at the foot of Garrison Avenue, at Fort Smith, Ark.

S. 2667. An act granting the consent of Congress to the Pritchard-Wheeler Lumber Co., of Wisner, La., to construct a bridge across Bayou Macon, in Louisiana, at a point east of the town of Wisner, La.

ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the enrolled bill (H. R. 4892) authorizing the President to take possession, on behalf of the United States, for use as sites for permanent aviation stations for the Army and Navy and for aviation-school purposes, of the whole of North Island, in the harbor of San Diego, Cal., and for other purposes, and it was thereupon signed by the President pro tempore.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 2689) granting an increase of pension to Henry T. Snyder (with accompanying papers); to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 2690) granting a pension to Emil K. Schroeder; and

A bill (S. 2691) granting a pension to Eva Durham; to the Committee on Pensions.

PROPOSED NITRATE PLANT.

Mr. BANKHEAD. Mr. President, I desire to have printed in the RECORD a letter written by my colleague to the Birmingham Age-Herald, of Alabama, regarding the relative merits of Muscle Shoals, in the Tennessee River, and the Warrior River as available sites for the nitrate plant which the Government proposes to construct.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

[From the Birmingham Age-Herald for Sunday, July 22, 1917.]

UNDERWOOD TELLS WHY MUSCLE SHOALS IS THE BEST SITE FOR THE NITRATE PLANT—MAKES EXHAUSTIVE COMPARISON OF MERITS OFFERED BY TENNESSEE AND WARRIOR RIVERS—BASES CONCLUSION ON WHAT IS BEST FOR ENTIRE STATE—NITROGEN FOR WAR AND FOR FERTILIZERS ESSENTIAL TO CONTINUED EXISTENCE OF THE NATION.

(Special.)

(By Hugh W. Roberts.)

WASHINGTON, *July 21.*

What are the facts in the controversy between citizens of Alabama regarding the relative merits of Muscle Shoals, in the Tennessee River, and the Warrior River as available sites for the nitrate plant which the Government proposes to construct?

The average citizen, it is apparent, knows very little in respect to the technical advantages the one point might possess over the other. Engineers who have investigated both seem to differ. Senator UNDERWOOD, who for five years has fought in Congress for a Government-owned nitrate plant for the manufacture of explosives and fertilizers, and who believes that such a plant should be built at Muscle Shoals, has stated the case as he sees it.

In his statement he compares from Government records the Warrior River and Muscle Shoals. He refers to the report of Engineer Little, who investigated the Warrior's availability, and reports of other engineers who have studied and rendered verdicts on Muscle Shoals. Without severity he criticizes the deductions of Gen. Black, who submitted the recently discussed report to the interdepartmental board.

The statement of Senator UNDERWOOD must either be successfully criticized and refuted by fact and evidence or accepted as final. It will

either precipitate a live newspaper discussion or put to an end the newspaper controversy which, with misinformation as to basis, has been raging in Alabama.

DEDUCTIONS MADE.

The deduction made from the statement of Senator UNDERWOOD is that, by certain omissions, Engineer Little presented the Warrior in a light a trifle too favorable, and that Gen. Black exceeded even the estimates of Engineer Little.

The Senator points out that in estimating the average flow of the Warrior, Engineer Little failed to include in his series of years three very dry years, the figures on which, he adds, were obtainable. He points out, too, that Engineer Little in providing for dams ranging from 14 to 150 feet failed to note that when the low dams were overflowed their power would be eliminated. He states further that Engineer Little evidently did not take into consideration the fact that in constructing certain dams navigation in the Warrior from one to two years would be stopped.

AS TO GEN. BLACK.

In dealing with Gen. Black Senator UNDERWOOD refers to the possibility of clerical errors appearing in the report. Whereas Engineer Little claims for the Warrior less than 58,000 horsepower, Gen. Black states that the Warrior is capable of generating 77,000, and adds that this total could easily be increased to 100,000.

In estimating costs Gen. Black estimates efficiency of machinery at 100 per cent, which machinery, states Senator UNDERWOOD, does not exist, whereas Engineer Little estimates efficiency of machinery at 72 per cent.

But, accepting the figures of both as correct, Senator UNDERWOOD attempts to prove that the Warrior is not comparable as a source of power to Muscle Shoals. He holds that Muscle Shoals is capable of 85,000 secondary horsepower, which, if retailed, would net a sum sufficient to pay interest on the total investment and furnish nitrates for explosives and fertilizer at cost of operation. Engineer Little does not refer to secondary power in the Warrior.

BRING OUT FACTS.

The statement of Senator UNDERWOOD follows:

"From certain articles I have read in the Birmingham papers, I fear there is an entire misconception of the purpose of an act passed more than a year ago for the establishment of a Government nitrate plant, and I, therefore, ask that I may state some of the facts in the case in the columns of your paper.

"The premises upon which is based the proposition for the establishment of the air-nitrogen industry in this country through the action of the Government are clear and undeniable. They are axiomatic and should carry the force of other self-evident truths.

"The first is that a nation can not conduct a war of defense or offense without explosives; that explosives can not be made without nitric acid; that an adequate supply of nitric acid can not be secured except through the use of Chilean saltpeter or the fixation of atmospheric nitrogen; that the supply of Chilean saltpeter might be cut off from the United States at any time by an enemy navy. Therefore, it is not only a patriotic duty but a national necessity of the very first order of importance for Congress to insure the establishment in the country of the air-nitrogen industry on a scale adequate to supply the Nation's requirements for nitric acid in times of war.

"CHEAP FOOD SUPPLY.

"The second is that a people can not survive the fierce competitive struggle in times of peace without a plentiful and cheap food supply; that a cheap food supply is chiefly a question of securing more food per acre cultivated without an increase in labor; that this defines cheap agricultural fertilizers; that cheap agricultural fertilizers are chiefly a question of cheap and assured source of nitrogen supply; that the one adequate supply of nitrogen is the atmosphere. Therefore, it is economic necessity of the very first order of importance that the country should have a cheap and plentiful supply of air nitrogen in the form of a fertilizer.

"To make assurance of the soundness of these premises doubly sure we have but to consider what has taken place in Europe. Germany, at the outbreak of the war, was expending for Chilean saltpeter used chiefly as a fertilizer and for the manufacture of nitric acid between $40,000,000 and $50,000,000 per year. She had available within the borders of the empire 660,000 tons, valued at $30,000,000, sufficient for a few months requirements. When this should be exhausted there remained no means of replenishing the supply by reason of her being cut off from Chile. Within 18 months Germany expanded the air-nitrogen production in the country by the investment of approximately $100,000,000 and the employment of an additional 300,000 continuous horsepower. To-day she is independent of all outside sources of nitrogen and will continue so throughout all time.

"The allies have approximately 500,000 continuous horsepower engaged exclusively in the fixation of air nitrogen for explosives and, furthermore, air-nitrogen nitric-acid plants are now being actively installed all over the allied countries of Europe, notwithstanding the sea is open to the allied nations for the transport of saltpeter from Chile, which, however, the shortage of sea bottoms makes highly undesirable and expensive as a source of nitrogen supply.

"NITROGEN IN OTHER NATIONS.

"The United States is about the only country in the world which is without the air-nitrogen industry. Japan, Norway, Sweden, Germany, France, Austria, Italy, and Switzerland together conduct the industry on an enormous scale, employing 1,000,000 continuous horsepower, involving an investment of $150,000,000 and an annual production which in normal times has a value of $78,000,000. The greatest water-power center in the world, with which none other compares, is Niagara Falls, where at this time more power is being developed than ever in its history, namely, somewhat in excess of 450,000 continuous horsepower. This is equivalent to about one-half of what the countries outside of the United States are consuming every second of the year in the fixation of atmospheric nitrogen.

"These facts should have our earnest consideration, for we are here dealing with the greatest single factor affecting a nation's economic prosperity in times of peace and its power of defense and offense in times of war.

"The people of the cities are always demanding cheaper food and the farmers always desire higher profits for their crops. There is but one way to produce cheaper food for the people and secure greater profits on the farm at the same time, and that way is to produce more on the farms at less cost. There is but one way to accomplish this result, and that way is to furnish agriculture in America with fertilizers at lower prices.

"Germany can be referred to as promoting European agricultural methods. She has increased in 20 years her grain crop 15 bushels to the acre with cheap nitrogen fertilizers. In the same time the United States has increased its grain crops 3 bushels to the acre. The naturally poor soils of Germany to-day yield practically double that of corresponding crops in the United States, due to the liberal use of fertilizers.

"A number of years ago the Congress passed a bill to dam the Coosa River for hydroelectric power to be used in the production of air nitrogen in a plant to be erected in Montgomery. Through misrepresentation a President of the United States was induced to veto the bill, and the plant went to Canada. The freight cost on every ton of fertilizer produced by that plant and bought by the Alabama farmers is $5 a ton.

"In March, 1916, an amendment to a bill was pending to the national-defense act in the House of Representatives to erect an air-nitrogen plant in the United States and was defeated by the machinations of an unholy loboy. A few weeks afterwards this opposition was exposed in the Senate and an amendment was adopted to the national-defense act appropriating $20,000,000 for the erection of an air-nitrogen plant for the manufacture of powder in times of war and fertilizers in times of peace. This proposal was bitterly opposed by interested parties before its enactment, and in my opinion obstructive tactics have continued to be used against its successful consummation down to the present time.

"SOURCES OF OPPOSITION.

"Cheap nitrogen would interfere with the business of some of the great industries of America. Therefore if the Government has determined to make nitrogen it is manifestly to the interest of those who opposed the plan to see that it is not made at a low cost.

"The primary cost in the manufacture of air nitrogen by known processes that are commercially possible is largely determined by the cost of hydroelectric power. Therefore if the farmer is to be benefited by the erection of the plant in the way of low cost of fertilizers the cheapest water power possible must be utilized.

"I have advocated the erection of this plant from the beginning. I believe there is no greater boon that can come to the farmers of the South than a plentiful supply of cheap fertilizers. The location of this plant at some particular town or place fades into insignificance compared to the great problem of securing low-cost nitrogen for the farmers and cheaper food for the people.

"I have studied this problem in all its details for more than five years, and I have satisfied myself that aside from Niagara Falls there is no place this side of the Rocky Mountains where hydroelectric power can be produced at as low cost as it can on the Tennessee River at Muscle Shoals.

"I might make the comparison with all the proposed sites without fear of not being able to establish the statement just made, but for the present I desire merely to make a comparison between a power plant established at Muscle Shoals and one at some point on the Warrior River by a comparison of statements made by Government engineers.

"From the very best study I can make of the Warrior River and the Tennessee River power propositions, the case stands practically as follows:

"Mr. G. K. Little (local Government engineer on the Warrior River) reports that there is, under his plan for the Warrior River development, 47,117 primary horsepower, and this is taken from his report without any changes or any question of accuracy of the report.

"In the memorandum submitted to the Nitrate Board, Gen. Black, Chief of Engineers, United States Army, states that the primary available 24-hour per day power is about 79,000 horsepower, with storage, while Mr. Little states that the primary 24-hour per day power, with storage, is 57,117 horsepower.

"Evidently this 79,000 horsepower stated in the memorandum referred to and submitted to the Nitrate Board was a clerical error, since Mr. Little himself claims only 57,117 primary horsepower available at the switchboard. Gen. Black says, in giving the estimated cost of the Little plan, that the development is based upon 79,329 horsepower at the switchboard.

"By an inadvertence, perhaps, Gen. Black took the theoretical primary horsepower, which is available only upon the operation of machinery at 100 per cent efficiency, which Mr. Little obviously realizes impossible, because he uses 72 per cent efficiency.

"AN EXCUSABLE ERROR.

"So it appears that there was, perhaps, an excusable error made in the statement to the Nitrate Board that there would be made available 79,000 continuous 24-hour horsepower from the proposed Warrior River development in estimating the cost of this plan based upon a development of 79,329 horsepower at the switchboard.

"Mr. Little in his report gives no estimated cost of hydroelectric power per kilowatt hour or horsepower year, and it is reasonable that he does not, since to do so would require a detailed survey of the power plan he proposes, and this Mr. Little did not have the opportunity to make. The lowest estimate he claims is about 1.5 mills per kilowatt hour for steam power, which would give a cost of about $9.80 per horsepower year. This would be more than double the cost of power at Dam No. 2 on Muscle Shoals. Mr. Little suggests in his report that steam power can be produced about as cheap, according to his information, as hydroelectric power can be produced; in fact, Mr. Little's plan is largely a steam-power proposition.

"This seems to me to state the Warrior River case, allowing that the engineering facts in Mr. Little's report at 100 per cent correct. Now, let me state the Muscle Shoals case as I see it from the record.

"Maj. Lytle Brown, United States district engineer at Nashville, in a letter of March 28, in transmitting a memorandum prepared by Mr. W. G. Waldo, giving a statement of the amount of power and the cost of power as estimated by him at Muscle Shoals, says in closing his letter:

"'It is my opinion that the results given by Mr. Waldo are as reliable as present knowledge can produce.'

"And Assistant Engineer Winn, in submitting Mr. Waldo's statement to District Engineer Brown, says:

"'I have checked the statements and computations contained therein and I have found them correct.'

"The facts presented by Mr. Waldo in his statement, transmitted by Maj. Brown, were all extracted from Document 1262, Sixty-fourth Congress, first session, which document contains the minute details of the final survey of the Muscle Shoals stretch of the Tennessee River, requiring, as I am informed, nearly a year's time and a cost of $150,000 to the Government.

"In Mr. Waldo's statement he estimates the primary power at Dam No. 2 at Muscle Shoals at 70,000 horsepower and the secondary 10 months' power at 85,000 horsepower. So we see that Assistant Engineer Winn and District Engineer Maj. Brown approved 70,000 primary horsepower at Dam No. 2, Muscle Shoals, and 85,000 secondary

horsepower. Mr. Little reports 57,117 primary horsepower from the Warrior River developments, and makes no mention of secondary power.

"Assuming that the Government could sell at the switchboard of the power house at Dam No. 2, Muscle Shoals, 85,000 secondary horsepower with a 70 per cent load factor, or, in other words, 70 per cent of the total 85,000 secondary power produced, at 2 mills per kilowatt hour ($13.07 per horsepower year), at the switchboard, this would give a gross annual earning from this secondary power of $777,665. Deducting from this sum the operating cost of producing this secondary power, estimated at 0.63 of 1 mill per kilowatt hour ($4.12 per horsepower year—and in this cost is included 10 per cent depreciation per annum on all machinery as well as 1 per cent depreciation per annum on all structures both for navigation and for power purposes), leaves a net income available for the payment of interest charges of $532,525 annually.

"WILL PAY 4 PER CENT.

"The estimated total cost submitted by Mr. Waldo and checked by Assistant Engineer Winn and approved by Maj. Brown, amounts to $13,300,000. The net annual income of $532,525 will pay interest on this entire investment at the annual rate of 4 per cent.

"I believe that this is a fair statement of the earning power of the secondary power alone of the development at Dam No. 2, based on statements and estimates approved by the United States engineers themselves. If this statement is approximately correct, then the Government can get the use of 70,000 primary power at Dam No. 2, Muscle Shoals, for the production of air nitrogen and the manufacture of nitric acid at the cost of physical operation, and the farmers in time of peace can get the same for the manufacture of fertilizers.

made available at the switchboard, while the power on the Warrior River and the Tennessee River at Muscle Shoals, in my opinion, is not a fair one.

"The cost of power at Muscle Shoals was taken from an estimate for an alternative navigation power dam at site No. 2 (Doc. 1262, 64th Cong., 1st sess., p. 177), and this dam and its estimate contemplates a head of 110 feet. Gen. Black states that the primary power at this dam is 60,000 horsepower, which would require a minimum flow of only 6,000 second-feet. The minimum flow of the driest day in the driest year in history—1904—is shown by the record to be 7,000 second-feet. (Doc. 20, 63d Cong., 2d sess., pp. 59–62.)

"The estimate for the Warrior River is based on the regulated mean monthly flow for the wet period from 1905 to 1914, inclusive, excluding the dry years 1902, 1903, and 1904, although the data for these years were obtainable.

"The power estimated and reported at Dam No. 2 on the Muscle Shoals by the United States engineers is power that is actually to be made available at the switchboard, while the power on the Warrior River report by Gen. Black is potential power which can not be made available except with machinery that is 100 per cent efficient; and such machinery does not exist. In other words, the fact that the machinery is not 100 per cent efficient is conceded by the engineers in the case of Muscle Shoals, and was overlooked by Gen. Black in the case of the Warrior.

"The $16,000,000 cost for Dam No. 2 at Muscle Shoals as reported by the engineers to the nitrate board is the cost of a navigation power dam at site No. 2 of an alternative suggestion or proposal made by Maj. Burgess with no intention of its adoption, and he did not recommend its adoption unless landowners whose lands would be overflowed by the building of Dam No. 3, which dam Maj. Burgess did recommend, should charge the Government exorbitant prices for these lands. Since Maj. Burgess made his report satisfactory prices have been secured on a majority of these lands, and of course this alternative suggestion will never be carried out.

"FOR NAVIGATION STRUCTURES.

"It is well to remember that in the estimated cost of this alternative dam 110 feet high at site No. 2, there was included in the cost $4,495,000 for navigation in no way connected with this dam itself, and therefore if this dam should be built there would be chargeable to the construction of this dam out of the $16,000,000 total for the alternative plan, $11,505,000 and not $16,000,000 as suggested by Gen. Black. This reference to this alternative dam and its cost of $16,000,000 is merely explanatory, and, of course, it will be obvious that navigation structures not connected with the dam itself should not be charged into the cost of power on Muscle Shoals any more than on the Warrior River—and there was no such navigation charge included on the Warrior.

"In my comparison of these two propositions I have accepted the report made by Mr. Little as correct, and that, as he reports, the total cost of his power plan will be $14,538,000, with 57,117 horsepower. And I am willing to go so far as to accept Gen. Black's report to the nitrate board on the Black Warrior as follows:

"Cost of installation: About $91 per horsepower for dams and substructures of power houses only. Equipment, including turbines, electrical generators, transmission lines, etc., depending upon the site selected for the nitrate plant itself, add largely to this figure.

"These additional items of cost, by the way, Mr. Little estimates at $6,768,000, which would be, on 57,117 horsepower, $118 per horsepower. The amount added to the $91 for dams and substructures amounts to $209 per horsepower.

"But conceding all this $6,768,000, and not counting it in the cost of power and accepting the cost suggested by Gen. Black of $91, we must, in all justice, accept the report sent to Gen. Black by Maj. Lytle Brown, that the cost of power at Dam No. 2 on Muscle Shoals would be $83 per horsepower at the switchboard, with a total development of 115,000 horsepower, and in this cost of $83 per horsepower the cost of the locks at Dam No. 2 is included.

"Of course, it must be recognized that the 11 dams and 11 power houses, as proposed on the Warrior, with many miles of transmission line, and the dams varying in height from 14 feet to 150 feet that with these varying heights and small units of power plants there will result, of necessity, low efficiency, and some of these low dams on the Warrior will be drowned out in high water and of course produce no power at that time.

"In the construction of the proposed dams on the Warrior, especially the new dam near Tuscaloosa, navigation on the Warrior will be interrupted for a period of time perhaps as long as two years.

"On the other hand, at Dam No. 2 at Muscle Shoals there will be but one dam and power installation, and one operation as against 11 proposed on the Warrior.

"OTHER PRODUCTS NEEDED.

"Fertilizers are not composed entirely of nitrogen, although it is the most important and most needed element in our fertilizers. Everyone understands that a complete fertilizer must have potash and phosphates as well as nitrogen. Should the nitrate plant be constructed at Muscle Shoals the backwater from the navigation dams would reach up into the beds of phosphate rock that are found in Tennessee. The cost of transportation will be very small. I know of no other place in the United States where this element of cost in the production of fertilizer can be practically eliminated.

"According to the statistics contained in Government crop reports, the total fertilizer bill of the country for 1914 amounted to $188,000,000. Of this total, $86,395,000 was for nitrogen, $69,005,000 for phosphoric acid, and $29,600,000 for potash, the total for nitrogen and phosphoric acid amounting to $155,400,000. Before the Committees on Agriculture and Military Affairs of the House in February of last year, it was testified to and it has not been denied or questioned that at Muscle Shoals it would be possible in connection with the building of a Government nitrate plant to produce fertilizers compounded of phosphoric acid from phospbate rock and nitrogen from the atmosphere and sell them to the farmers of the country at one-half the price the farmers have been paying for such fertilizers in normal times.

"Suppose that in one year the farmers of this country should use this fertilizer to the extent of the nitrogen and phosphoric acid used in 1914, namely, $155,400,000, there would be a saving in one year to the farmers of the country on their nitrogen-phosphoric acid fertilizer of $77,700,000 on the basis of 1914 consumption.

"It is of interest to remember that Alabama farmers paid a fertilizer bill in 1914 of $11,300,000, and if they can get their fertilizers at Muscle Shoals for one-half what they formerly paid they ought to have the opportunity to do so.

"The average yield of wheat per acre for the last 10 years in the United States has been about 15 bushels; in the United Kingdom about 33 bushels; and in Germany 31 bushels. This difference is due to the larger use of nitrogen fertilizer in Germany and in the United Kingdom.

"One electric horsepower working through a year will fix 1,000 pounds of air nitrogen, and extensive experiments have shown that 1 pound of available nitrogen applied to an acre of wheat will increase the yield one-third of a bushel. A thousand pounds of nitrogen applied to the proper acreage will increase the yield 350 bushels.

"These are the reasons that compel me to favor Muscle Shoals with a possible power installation, as reported by United States engineers, of nearly 680,000 horsepower.

"In conclusion, let me say that I have had no desire whatever to antagonize the natural wishes of my friends and neighbors, but occupying a position where it falls to my lot to be one of those who must determine what is best for the entire people of the State of Alabama in reference to this matter I have reached my conclusions based on the facts that I have stated above.

"OSCAR W. UNDERWOOD."

WABASH RIVER BRIDGE.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2106) to authorize the county of Cass, in the State of Indiana, to construct a bridge across the Wabash River east of the city of Logansport, at a point known as Cedar or Rock Island, in said Wabash River, which was, in line 6, to strike out "interest" and insert "interests."

Mr. WATSON. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PROTECTION OF MIGRATORY BIRDS.

Mr. SMITH of Arizona. Mr. President, I ask unanimous consent that at the completion or disposition of the pending river and harbor bill the bill (S. 1553) to give effect to the convention between the United States and Great Britain for the protection of migratory birds, concluded at Washington, August 16, 1916, and for other purposes, be made the unfinished business.

Mr. SMOOT. I rather think that that is out of order. Under our rule I do not believe that unanimous consent can be given to make a bill the unfinished business when there is already a bill on the calendar as the unfinished business.

Mr. SMITH of Arizona. There is always a bill before the Senate.

Mr. SMOOT. The bill is not before the Senate, and it would have to be taken up before unanimous consent for its consideration could be given. I wish to state to the Senator that I am not opposed to the consideration of the bill he has in charge, and I am perfectly willing that the bill should be passed now, but under the rule it seems to me impossible until the bill comes before the Senate to make a unanimous-consent agreement to vote on the bill.

Mr. SMITH of Arizona. I have not asked for any vote on the bill. I have asked to make it the unfinished business, and I know of no limitation or any rule which prohibits a unanimous-consent agreement on the bill at any time the Senate sees fit, unless it takes some Senator off the floor, whether at this hour or any other. I only ask unanimous consent—I make no motion about it—that at the completion of the river and harbor bill this bill be made the unfinished business.

Mr. SMITH of Georgia. Mr. President, I submit that that can not be done by unanimous consent. The unfinished business is a matter of fact, not a matter of consent. The bill which is pending when the Senate adjourns is the unfinished business. Unanimous consent might be given to take up this bill after the unfinished business is disposed of, but it would be the right

of the Senate at any time to displace it with another measure, in which event the bill would not be the unfinished business.

Mr. SMITH of Arizona. I see nothing in the point raised by the Senator. All in the world I want is to have this bill passed, giving effect to a treaty solemnly entered into, and which has already been ratified by Canada passing the law. The passage of this proposed law is the only thing required to complete that convention.

I simply want unanimous consent to take up the bill. I do not care whether or not it is made the unfinished business. I am confident, if the bill ever comes before the Senate for two and a half hours, it can be easily passed. I do not want to move to take it up this morning, for I do not wish to interfere with the Senator from Florida [Mr. FLETCHER] in the consideration of the bill which he has in charge. If it can be understood, however, that this bill shall be taken up at the completion of the bill now before the Senate, that is all I ask.

The PRESIDENT pro tempore. The Chair will state that the Chair was about to construe the request of the Senator from Arizona that the bill for which he asks consideration be made the special order after the conclusion of the pending bill. If the Chair was right in his construction, the Chair will put the question as to whether or not there is dissent from that request.

Mr. KENYON. Does an agreement to that request amount to unanimous consent?

The PRESIDENT pro tempore. It would be unanimous consent.

Mr. KENYON. I object.

The PRESIDENT pro tempore. Objection is made to making the bill referred to by the Senator from Arizona a special order.

Mr. SMITH of Arizona. What Senator has made the objection?

Mr. VARDAMAN. The Senator from Iowa [Mr. KENYON] objects.

Mr. KENYON. Mr. President, I did not clearly understand the request of the Senator from Arizona [Mr. SMITH] when he made it, and I now withdraw my objection to it.

The PRESIDENT pro tempore. Does the Senator from Arizona wish to renew his request?

Mr. SMITH of Arizona. Yes.

The PRESIDENT pro tempore. The Senator from Arizona asks unanimous consent that upon the completion of the consideration of the pending bill, the migratory-bird bill shall be made the special order. Is there objection?

Mr. KING. Mr. President, I do not care to object, but I see that the junior Senator from Missouri [Mr. REED] is not present. I think that Senator came into the Chamber a moment ago because of the request that was submitted by the Senator from Arizona——

Mr. SMITH of Arizona. The Senator was present when I made the request.

Mr. KING. But after the objection was made by the Senator from Iowa [Mr. KENYON] the Senator from Missouri left the Chamber.

Mr. REED entered the Chamber.

Mr. KING. I see the Senator from Missouri has now returned to the Chamber, and I shall resume my seat.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Arizona?

Mr. REED. What is the request, Mr. President?

The PRESIDENT pro tempore. The request is that upon the conclusion of the consideration of the bill now before the Senate the unfinished business, the migratory-bird bill, shall be made the special order.

Mr. REED. Mr. President, there have been half a dozen Senators, or something like that number, who have raised the point of order that that sort of thing could not be done. It is wholly unprecedented, as I look at it, though I may be in error, but the business of the Senate can not be mortgaged and farmed out in that way, and the time in the future taken up by unanimous-consent agreements, and it ought not to be. The bill has been objected to once. I should like to inquire how often it has to be objected to in the same morning?

The PRESIDENT pro tempore. The Chair will state to the Senator from Missouri that the Senator from Iowa [Mr. KENYON], who made the objection, withdrew his objection.

Mr. REED. Well, I object.

The PRESIDENT pro tempore. The objection is made.

Mr. SMITH of Arizona. Then, Mr. President, I give notice that after the disposition of the bill which is now before the Senate as the unfinished business, I shall move that the Senate take up the bill (S. 1553) to give effect to the convention between the United States and Great Britain for the protection of migratory birds concluded at Washington August 16, 1916, and for other purposes.

Mr. JONES of Washington. Mr. President, let me suggest that the Senator from Arizona see to it, if possible, that when the Senate quits work for the day, instead of taking a recess it adjourn until to-morrow. Then there will be two hours of morning business to-morrow, and the chances are that the Senator can get up his bill.

Mr. SMITH of Arizona. I will take advantage of that suggestion, if the opportunity occurs, notwithstanding the notice I gave.

Mr. JONES of Washington. The Senator from Arizona might assist in having that occur.

Mr. SMITH of Arizona. I am going to try to have it occur. I am much obliged to the Senator from Washington for his suggestion.

Mr. VARDAMAN. Mr. President——

Mr. FLETCHER. Regular order, Mr. President.

The PRESIDENT pro tempore. The Senator from Mississippi is recognized.

Mr. VARDAMAN. I was about to suggest that we proceed with the consideration of the river and harbor bill and get it out of the way, so that the Senator from Arizona [Mr. SMITH] may have his measure taken up. I am afraid we must pass the river and harbor bill before the Senator can get unanimous consent to have his bill made the special order.

WAR APPROPRIATIONS.

Mr. SMOOT. Mr. President, supplementing my remarks of yesterday, I desire to state that the $5,000,000,000 additional appropriations which I then predicted would be asked for at this session of Congress, have already been realized and comes from the War Department through the Secretary of the Treasury. There will be deficiencies from other departments of the Government amounting to approximately $150,000,000, and a request has already been made for $500,000,000 additional appropriation for the Shipping Board. We have been also told by the Secretary of the Treasury that no doubt $2,000,000,000 more would be required to be loaned to foreign countries who are engaged in war with Germany. With these amounts added to the appropriations for the fiscal year ending June 30, 1918, referred to by me on yesterday, the total appropriations required will approximate $17,000,000,000.

OMISSION OF PETROLEUM FROM FOOD-CONTROL BILL.

Mr. CURTIS. I ask to have printed in the RECORD several telegrams relating to the food-control bill. I present these telegrams for consideration by the conference committee on the food bill.

The telegrams are as follows:

TULSA, OKLA., *July 24, 1917.*

Senator CHARLES CURTIS,
United States Senate, Washington, D. C.:

The real situation relative to the oil-producing industry is so little understood at Washington that it seems to us the Government is likely to make a very grave mistake on account of the increased price of everything entering into the cost of a well, the price of material having increased conservatively 80 per cent; labor, teaming, and drilling at least 75 per cent. The men who develop the oil business can not afford to take the risk of opening new pools at the present price of crude oil, at least 40 per cent of the pools in this field being idle at the present time. Crude oil is the only product in the United States that has not advanced in price since war was declared. If aggressive drilling is suspended for 90 days there will be a big slump in the production, which can not be made up even if a much larger price is offered for crude. In our opinion this matter is of great importance to the Government and they should take steps to find out the real and not the theoretical conditions existing in the oil field. Please file with conference committee on food control.

TULSA CHAMBER OF COMMERCE.
TULSA CLEARING HOUSE ASSOCIATION.

KANSAS CITY, KANS., *July 24, 1917.*

Hon. CHARLES CURTIS,
Senate, Washington, D. C.:

Kansas has just entered on a period of petroleum producing and refining, and I understand there is a provision of the food bill now pending in Congress attempting to regulate the price of petroleum and its products of such a character as will badly hamper and injure that industry in our State. If you can, consistently, use your efforts to have this omitted from the bill, as the mere rumor of it has already badly affected our oil interests.

JAMES F. GETTY.

WICHITA, KANS., *July 24, 1917.*

Senator CHARLES CURTIS,
Washington, D. C.:

Believe you can do more for the State of Kansas and for the country at large by encouraging the development of the oil industry in this State, as wonderful developments will be made unless discouraged by the insertion of the petroleum clause in the food bill. Congress has wisely encouraged the production of wheat; the production of oil is just as important. We believe unwise to insert this clause.

B. F. MCLEAN,
President Fourth National Bank.

CHANUTE, KANS., *July 21, 1917.*

HON. CHARLES CURTIS,
United States Senate, Washington, D. C.:

We urge you to use your influence to eliminate kerosene and gasoline from food-control bill, feeling its passage will prove disastrous to entire oil industry.

MILLER PETROLEUM REFINING CO.

RIVER AND HARBOR APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The PRESIDENT pro tempore. The question before the Senate is on the amendment which has been heretofore reported by the Secretary.

Mr. VARDAMAN. Let the amendment be again reported, Mr. President.

The PRESIDENT pro tempore. The Secretary will again state the amendment.

The SECRETARY. On page 2, after line 5, it is proposed to insert the following:

Cape Cod Canal, Massachusetts: The Secretary of War and the Secretary of the Navy are hereby authorized to enter into negotiations for the purchase of the existing Cape Cod Canal with the property, franchises, and appurtenances used or acquired for use in connection therewith or appertaining thereto; and they are further authorized, if in their judgment the price for such canal is reasonable and satisfactory, to make contracts for the purchase of the same, at the option of the United States, subject to future ratification and appropriation by the Congress. In the event of the inability of the Secretary of War and the Secretary of the Navy to make a satisfactory contract for the voluntary purchase of said Cape Cod Canal and its appurtenances, they are hereby authorized and directed, through the Attorney General, to institute and carry to completion proceedings for the condemnation of said canal and its appurtenances, the acceptance of the award in said proceedings to be subject to the future ratification and appropriation by Congress. Such condemnation proceedings shall be instituted and conducted in, and jurisdiction of said proceedings is hereby given to the district court of the United States for the district of Massachusetts, substantially as provided in "An act to authorize condemnation of land for sites for public buildings, and for other purposes," approved August 1, 1888; and the sum of $5,000 is hereby appropriated to pay the necessary costs thereof and expenses in connection therewith. The said Secretaries are further authorized and directed to report their proceedings hereunder to Congress.

Mr. McNARY. On behalf of my colleague and myself, I submit an amendment intended to be proposed to the pending bill, which I ask to lie on the table and be printed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KENYON. Mr. President, I wish to resume my remarks which I commenced on yesterday on this bill.

Mr. SHEPPARD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Texas?

Mr. KENYON. I yield to the Senator.

NATION-WIDE PROHIBITION.

Mr. SHEPPARD. Mr. President, I desire to ask the chairman of the Committee on Commerce [Mr. FLETCHER] if he will consent to have the pending bill temporarily laid aside in order that I may present a request for unanimous consent for the fixing of a date for a vote on the nation-wide prohibition constitutional amendment? I think it will take only a few minutes. If it leads to any debate, I shall withdraw the request.

Mr. KENYON. Considering the condition of some of the creeks and rivers which are proposed to be appropriated for in the pending bill, I should think that would be a very appropriate course.

Mr. FLETCHER. I do not like to stand in the way of the Senator's request, and if it does not lead to debate I shall have no objection to his preferring it now; but I am very much afraid it will lead to debate.

Mr. PENROSE. Mr. President, I have just entered the Chamber. Has the Senator from Texas asked unanimous consent; and if so, for what?

Mr. SHEPPARD. I have asked unanimous consent that the pending bill be laid aside temporarily in order to ascertain if unanimous consent can be granted to fix a date for voting on the joint resolution for a constitutional amendment for nation-wide prohibition.

Mr. PENROSE. I desire to say to the Senator from Texas that I shall object just now to unanimous consent. I understood from him that he would not call this matter up until later in the morning, when certain Senators were present.

Mr. SHEPPARD. The Senators to whom the Senator from Pennsylvania refers have come in. It is for that reason that I have at this time made the effort to secure unanimous consent.

Mr. PENROSE. I was not in, and I object to the request at this time. I want to tell the Senator that I have no desire to filibuster or to make continued opposition to the consideration of this measure, but I think it ought to be proceeded with in due course and in proper order.

Mr. SHEPPARD. I was acting in entire good faith. I presumed that the present moment would be acceptable, the absent Senators having arrived.

Mr. PENROSE. I do not say the Senator was not acting in good faith.

Mr. SHEPPARD. Very well. I withdraw the request for the present.

The PRESIDENT pro tempore. The Senator from Texas withdraws his request.

PETITIONS OF CITIZENS OF FOREIGN POWERS.

Mr. SMOOT. Mr. President, will the Senator from Iowa yield to me a moment?

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Utah?

Mr. KENYON. I yield to the Senator.

Mr. SMOOT. Mr. President, on yesterday the senior Senator from Illinois [Mr. LEWIS]—I thought the Senator was in the Chamber when I rose or I would have waited for his presence, but I will present the matter anyhow—stated:

I present a petition signed by Edward de Valéra, member elect of the British Parliament, and other officers of the Irish republican army, praying for the complete liberation of the Irish Nation. I ask that the petition be printed in the RECORD.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

Then follows the petition, with the names of the signers.

Mr. President, I must have been out of the Chamber when that request was made or I should certainly have called attention to the Senate Rules and Manual, paragraph 5 of Rule VII of which says, in part:

No petition or memorial or other paper signed by citizens or subjects of a foreign power shall be received, unless the same be transmitted to the Senate by the President.

Mr. President, I understand that this very petition was sent to the Vice President with the request that it be placed in the RECORD, and that the Vice President, referring to this rule, called attention to the fact that it could only be submitted to the Senate through the President of the United States. I presume some one has imposed upon the senior Senator from Illinois.

Mr. President, as soon as the Senator from Illinois comes into the Chamber, I desire to state now that I shall ask that the petition be expunged from the permanent RECORD.

RIVER AND HARBOR APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. KENYON. Mr. President, I always dislike to discuss the river and harbor bill. It seems to arouse so much heat in the breasts of certain Senators and apparently it makes such angry feelings, that I do not want in any way to be a party to arouse it. It is only because I esteem it a public duty to put before this large body of Senators, incidentally hoping that it may trickle out in some way to the country, the facts about the bill as they occur to me.

Every time we have discussed a similar bill or bills in the past we have always been met with the suggestion that those who fight the river and harbor bill think that they are a little more honest than the rest of the Senators, and such sneering remarks are not pleasant. If not something of that character, then that we are engaged in helping the railroads, because river transportation will injure the railroads. I have never seen any session yet where these arguments were not advanced as to those who were against the river and harbor bill.

Mr. President, I accord to every man who believes in this river and harbor bill an honesty of judgment, of purpose, and belief that he is doing his best for the community, for his State and for his district. I think the whole trouble that we have gotten into in this country about river and harbor bills is the question of locality, of something for the benefit of a particular locality instead of a benefit to the entire Nation. That is the trouble with our country anyhow. We think along local lines. Our internal war troubles are caused sometimes because men are thinking along local lines, not about the great broad national questions.

I agree with the Senator from Utah [Mr. SMOOT]—despite the heated declaration of the Senator from Florida [Mr. FLETCHER]—that this bill is full of indefensible items. I said on yesterday that, in my judgment, it was the worst river and harbor bill that had ever been here. That is too severe an indictment of this bill, when I reflect back over the years that are gone; I want to withdraw that statement. I do not believe

it. I had thought that this grouping of items in bunches, so that nobody could find out just the amounts that were to be used for each particular item, characterized this as the worst river and harbor bill, but the explanation of the Senator from Florida has been somewhat persuasive about that, though not absolutely conclusive. It seems to me that it is a bad policy to put 10 or 12 items together in one lump sum; nobody can bore into the thing to find out what they are for.

The Senator from Utah has pointed out that this Congress and the closing days of the last Congress will have appropriated approximately $11,000,000,000. I do not believe anybody is objecting to that money being used for the prosecution of the war. We are going to win this war if it takes every dollar of of money and property in this country. We have got to do it or be yellow, and the American people are not yellow. But the very fact that these war expenditures are running to such enormous amounts of money behooves Congress, if it cares anything for the taxpayers of the country, to scan somewhat closely the bills that come along here that we are told are war measures. This is one of them. If we do not take care of Smiths Creek and Fishing Creek or Banana Creek, we can not hope to win this war. Where are the torpedo boats going if Banana Creek is not improved, and what is going to become of the submarine if the Wateree and the Congaree and the Okmulgee, and a lot of other "ees"—the Great and Little Peedee—are not improved? It is a great war measure, and to injure this measure or cut it down—ah, what cheer it would carry to the Kaiser! Any man who tries to cut down these appropriations and stop this great war-emergency measure, as we are told, is apt to be put in the line of those who are bordering close to treason to their country. Where are we going to stop these expenditures?

Mr. BORAH. Mr. President——

Mr. KENYON. I beg the Senator not to call for a quorum. I have heretofore said when the attempt was made to call for a quorum that it merely required Senators to walk in and walk out. On a warm day the least amount of exercise for a Senator seems to be desirable, and the Senator is little concerned about this bill. It is constructed so as to be sure of passage.

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Iowa yield to the Senator from Idaho?

Mr. KENYON. I will not yield to the Senator for that purpose.

Mr. BORAH. The Senator can not help it. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested, and the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hollis	Martin	Sheppard
Beckham	James	Myers	Sherman
Borah	Johnson, Cal.	Nelson	Shields
Brandegee	Jones, N. Mex.	New	Smith, Mich.
Calder	Jones, Wash.	Norris	Sterling
Chamberlain	Kellogg	Overman	Swanson
Culberson	Kendrick	Page	Tillman
Cummins	Kenyon	Phelan	Underwood
Curtis	King	Pittman	Vardaman
Fernald	Kirby	Poindexter	Wadsworth
Fletcher	Knox	Pomerene	Warren
Hale	Lewis	Ransdell	Watson
Harding	McLean	Saulsbury	Weeks
Hardwick	McNary	Shafroth	Williams

Mr. JAMES. I desire to announce the absence of the senior Senator from New Jersey [Mr. HUGHES] on account of illness. I will allow this announcement to stand for the day.

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent from the Senate on account of illness in his family. He is paired with the Senator from New Jersey [Mr. FRELINGHUYSEN]. This announcement may stand for the day.

Mr. CHAMBERLAIN. I wish to announce the unavoidable absence of the Senator from Colorado [Mr. THOMAS] on account of illness. I ask that this announcement may stand for the day.

Mr. CURTIS. I desire to announce the unavoidable absence of the senior Senator from New Hampshire [Mr. GALLINGER], and also the absence of the senior Senator from New Mexico [Mr. FALL] on account of illness in his family. I will let this announcement stand for the day.

The PRESIDING OFFICER. Fifty-six Senators have answered to their names. The Chair announces that a quorum is present. The Senator from Iowa will proceed.

Mr. KENYON. I wish to say to those Senators who have been disturbed that the call for a quorum was made against my earnest protest by a Senator who I see has himself retired to the cloakroom for meditation. I am not quite clear as to the subject I was discussing at the time of the unfortunate occurrence, but I wish to refer to the present situation in Congress. I wonder why it is that the tax bill which we have heard so much about is not before the Senate at this time. My attention is called to that by reading in the Washington Post of yesterday an article entitled:

Costs $500,000 a day—Delay by Congress on tax bill halts wheels of industry—Alarm felt by business—Expected expansion waits on adoption of definite policy.

Then the article goes on to say:

Business in the country is becoming alarmed by the situation in Washington, and Congress is rapidly losing what confidence business heretofore has had in it, which was considerable in the early stages of the war, but has now dwindled to the vanishing point. The determination to give the pork barrel—

I use that language only because it is in the article; I realize that it is a great offense to use it—

rivers and harbors bill the right of way in the Senate this week, ahead of the bills designed to raise the war revenues of the Government, is certain to have a disquieting effect throughout the Nation. The country expects prompt action on the taxation bills, and if Congress were in closer touch with public opinion no further delay would be tolerated.

Mr. FLETCHER. Mr. President——

Mr. KENYON. I do not indorse the sentiment which is fashionable nowadays to find fault with Congress and make Congress the goat for everything.

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Florida?

Mr. KENYON. I yield.

Mr. FLETCHER. I interrupt the Senator to inquire if it is not a fact, as he well knows, and the Senate well knows and the author of that article ought to have known, that the tax bill was not before the Senate at all, and that there was no loss of time in handling the tax bill by taking up the river and harbor bill. It is not here yet.

Mr. KENYON. The tax bill, I understand, was before the Senate, and has been taken back to the committee.

Mr. FLETCHER. It is before the committee. The committee is at work upon that bill. What the writer calls the tax bill, I presume, is the revenue bill, and it is before the committee and not before the Senate. Therefore we are not losing any time when discussing another measure.

Mr. KENYON. I think that statement is correct. I wonder why a bill does not come from the committee that is such an important measure, when it has been determined on once, before it was taken back to the committee.

The Senator from Louisiana, interrupting the Senator from Utah, referred to the fact that inasmuch as we are spending $11,000,000,000 of money, this little item of $27,000,000 does not amount to very much any way; that it is inconsequential. I tell you, Mr. President, the Members of Congress nowadays, even if they are very poor, sort of dwell in an atmosphere of tremendous sums of money. We used to think in terms of millions. We have gotten up now to billions. If anybody has the audacity to mention a mere trifling sum of $27,000,000, they call down upon their heads the condemnation of distinguished Senators. Whose money is this $27,000,000 that we are so glib about spending? Is it ours, or are we trustees here in some way for the people who have to pay the taxes? Some day they will have a chance to say what they think about Congress spending money in this way. Twenty-seven million dollars is a trifling sum, according to the Senator from Louisiana. That is just the sum by a strange coincidence that I noticed in reading the paper this morning is necessary to pay the additional amount that we voted to the poor underpaid clerks of the Government in the District; and there is talk now of the economy of cutting out what we have agreed to do for these underpaid men and women employed by the Government just to the extent of $27,000,000. I quote from the paper this morning an article in which Congressman FITZGERALD, chairman of the House Committee on Appropriations, intimated the possibility of being compelled to cut down these salaries to the point where they were before Congress raised them. He says:

There is grave doubt—

Assuming that this article is correct—

There is grave doubt whether Congress will wish to continue the arrangement made for this fiscal year as to the increased pay for clerks. The matter will be taken up when the Appropriations Committee meets in November to begin work upon the regular appropriation bill.

The Government will spend $10,000,000,000 during the present year—

Quoting Mr. FITZGERALD—

and Heaven knows just what the expenditures are going to be in the next fiscal year. The drain will be something terrible in the years to come, and it will be absolutely necessary to hold expenditures to the minimum. When Congress authorized this bonus to the clerks the war was not on, and the expenditures, including the large items for preparedness, did not exceed $1,800,000,000 per year.

In the next breath Mr. FITZGERALD showed a willingness to stand by Government clerks to the limit in the matter of a pension for the superannuated, who have given all their best years to Uncle Sam, and for whom there is no provision for retirement.

AGAINST CONTRIBUTORY PLAN.

"I want to see this thing of pensions done right by Congress," he declared. "I am not in favor of a contributory system of pensions. Let the Government retire its old and faithful clerks in the only right way—out of its own money."

As the "watchdog of the Treasury," Mr. FITZGERALD scents tremendous expenditures for the fiscal year ending June 30, 1919, and wants opportunity to cut somewhere, but the comparatively small item of $27,000,000 which the clerks will get this year in additional pay is a mere drop in the bucket—

Sufficient drops will in time fill up the bucket—

and the warm-hearted Brooklyn Representative doubtless will see so many other places to cut when he starts upon the appropriation bills next winter that he will change his mind about the clerks.

But the point is that the friends of the clerks in Congress must be on guard against the economy cry being applied to them. It is less than four months until the Appropriations Committee will begin work upon the bills for the next fiscal year.

Mr. President, I would not advocate for one moment that we should make no river and harbor improvements in this country. I am simply trying, if possible, to point out, and I shall, where in this bill saving can be made so that a lump sum of $10,000,000 or $15,000,000 at the most would carry on all the necessary river and harbor work. This bill through and through, while it has been cut of many new projects, is the same old friend that has appeared here at every session of Congress. It is slightly battered and somewhat disguised, but easily recognized, though now appearing as a war measure.

As I have indicated before, the people of this country are willing to pay millions of dollars to preserve world democracy. They are not willing to pay a penny to preserve legislative pork. We are admonished by Mr. Hoover to have meatless and wheatless days in this country.

Let us start out by having some porkless bills in Congress. To place a single dollar of unnecessary taxes upon the American people now is a crime, and it is no time to be unloading on the Government a defunct and bankrupt canal, as this bill is doing. We have a proposition here for the Chesapeake and Delaware Canal—costing the Government, if it comes to a 25 or 30 foot depth, $20,000,000—that the Angus commission said in their report was of little use as a ship canal. This, it is true, does not absolutely provide for payment, but it might as well. When the condemnation is made, no one doubts what Congress will do.

Then here is the Cape Cod Canal—C. O. D., cash on delivery; take your canal. I do not know anything about it. You can not find out anything. I have not been able to find out anything about it. I suppose the Senator from Massachusetts will give us that information.

Mr. PENROSE. Will the Senator permit an interruption?

Mr. KENYON. Certainly.

Mr. PENROSE. I simply want to state here that in my opinion the Chesapeake and Delaware Canal proposition is one of the most meritorious in the measure. It completes the link of waterways from Beaufort, in North Carolina, to Delaware Bay and ultimately up to Boston, if the other canal is constructed. The lower canals were started over a hundred years ago. The Government even at that time thought they were meritorious and made appropriations for them.

Mr. KENYON. Perhaps we will go on with the appropriation a hundred years from now.

Mr. PENROSE. There is an enormous amount of tonnage. I think perhaps the Senator does not realize the tonnage that goes through the Delaware and Chesapeake Canal. It is only 11 miles long, connecting Chesapeake Bay with Delaware Bay. The tonnage from Philadelphia and Norfolk is very large and of an important character.

Mr. KENYON. I would like to ask the Senator if it is a paying proposition now?

Mr. PENROSE. The canal was built a number of years ago and is maintained commercially; they charge tolls. I do not think the people concerned in it are pressing to have the Government buy it. The price fixed—I do not even recall what it is—has been determined on after a very exhaustive investigation. I do not think the Government ever went through a more honest transaction than this.

Mr. KENYON. I say very frankly I do not know anything about it. The Senator from Massachusetts is going to explain it, and we will hear what he says concerning the investigation and the contract.

Mr. PENROSE. As I understand, the matter has been investigated by the Board of Engineers of the War Department for a considerable number of years. The Senator from Delaware [Mr. SAULSBURY] is more familiar with the status of the matter than I am, but it is a little stretch of 11 miles.

Mr. KENYON. Is the Senator now referring to the Chesapeake & Delaware Canal?

Mr. PENROSE. Yes, sir.

Mr. KENYON. I thought the Senator was referring to the Cape Cod Canal. I am familiar with the Chesapeake & Delaware.

Mr. PENROSE. No; it is a little stretch of 11 miles, which was started a number of years ago by the States of Maryland and Delaware.

Mr. KENYON. I realize that, and they are now indebted to the Government, I think, for some $600,000 or $700,000 that they have never paid.

Mr. PENROSE. I do not know how that is. In what way are they indebted to the Government?

Mr. KENYON. The Government was part owner of the canal and entitled to a dividend on stock, which, I understand, it has not received owing to defalcations or delay of the officers of the company.

Mr. PENROSE. I do not know as to that, but at the same time the canal serves a useful public purpose and a vast amount of tonnage goes through it and pays toll.

Mr. SAULSBURY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Delaware?

Mr. KENYON. I do.

Mr. SAULSBURY. Mr. President, I assume the Senator from Iowa [Mr. KENYON] does not desire to make such a gross misrepresentation, at least, as that which I think I just heard. What was the amount that the Senator from Iowa mentioned?

Mr. KENYON. To make this canal sufficient for naval purposes will cost the Government some $20,000,000.

Mr. SAULSBURY. I refer to the statement of the Senator from Iowa that the present canal company was indebted to the Government, I think, some $600,000 or $700,000.

Mr. KENYON. I do not know how much they are indebted to the Government; but does not the Senator admit that they are indebted to the Government?

Mr. SAULSBURY. The Senator from Iowa, I think, said the company was indebted to the Government some six or seven hundred thousand dollars. I think that was his statement. I have stated a number of times on the floor of the Senate that the Government has obtained two or three times a judgment, which is now on appeal in the third circuit court of appeals of the United States, against this canal of $50,000, and I did not want the Senator to fall into the error of saying it was six or seven hundred thousand dollars.

Mr. KENYON. I am glad the Senator interrupted me. We are becoming so accustomed to large figures——

Mr. SAULSBURY. I understand that; but I want to try to keep the statements about this enterprise within reasonable bounds.

Mr. KENYON. I am sure the Senator can defend it. My statement was that this was no time to load onto the Government defunct and bankrupt canals, and that the Chesapeake & Delaware Canal is one of that kind, as I understand it.

Mr. SAULSBURY. I do not think the Senator would make that statement if he had read the public documents which are on file.

Mr. KENYON. I have read the public documents, including the Agnus report and the Casey investigation.

Mr. PENROSE. Will the Senator permit me one further interruption, and then I am done?

Mr. KENYON. I shall be very glad to yield to the Senator.

Mr. PENROSE. I do not suppose the Senator is in a hurry.

Mr. KENYON. Not at all.

Mr. PENROSE. In case we should ever reach a state where our coast is menaced by submarines, this system of canals from North Carolina to Philadelphia and to Boston would be of enormous military value in the transportation of munitions and of smaller war vessels.

Mr. KENYON. What is the depth of the Chesapeake & Delaware Canal?

Mr. PENROSE. The proposition of having the Government to take it is to deepen it and develop it, which would take but a very short time.

Mr. KENYON. It would take five or six years, would it not?

Mr. PENROSE. No; it could be done in one summer. It is only 11 miles long. A dredge could be put in there, which would deepen it in a couple of months.

Mr. KENYON. The depth of the canal now is about 9 feet, is it not?

Mr. PENROSE. Yes.

Mr. KENYON. It would have to be made 35 feet to be of any practical use for the Navy.

Mr. PENROSE. I do not think so; but the Senator from Delaware will know the depth which is contemplated for the canal.

Mr. SAULSBURY. Mr. President, the proposition as to this canal has been to make it from a depth of 12 feet to 35 feet. Personally I am in favor of making it 35 feet in depth, just as I am in favor of building a canal across the State of New Jersey of the same depth. It will then furnish an opportunity to concentrate our fleet from Narragansett Bay to the Virginia Capes.

I want to say to the Senator that this is recommended especially by the Secretary of War, and it is also favored by the admiral in charge of the naval affairs of this country—Admiral Benson. It has been supported by every naval and military man whose acquaintance I have the honor to have.

Mr. KENYON. I had not intended at this time to enter into a discussion of that canal. I have the papers here and expected to take it up when the question was raised. The discussion has been drawn out by the statement which I made—the Senator from Delaware was not here—in reference to unloading propositions of this kind on the Government.

Mr. SAULSBURY. Would the Senator permit me just there to say that I think that is an unfair reference to the people who are the owners of this canal, who, I think, are three or four thousand in number. I happen to know possibly two or three of them, but I am the person who, more than anyone else, is responsible for pressing upon the Government the importance of acquiring this canal and endeavoring in this body to have the Government acquire it, simply because I believe it is one of the greatest projects which the Government can perform. In the opinion of the Secretary of War—not the present Secretary of War but former Secretary of War Garrison—and in the opinion of the War College, the acquisition of this canal will particularly protect against invasion, particularly protect in a summary way, and particularly aid the Navy of this Government in concentrating for the defense of this country in time of war.

The military value of this canal has been reported on by committees of Congress and by boards of engineers since 1886, to my knowledge. This canal in its poor, miserable condition materially assisted in the defense of Washington against the Confederate forces in the Civil War. This canal might, as was pointed out, in 1812 have aided in saving Washington from the invasion of the British troops at that time, if we had been able to get our troops here.

When the Senator has concluded his attack upon the pending measure I shall endeavor to reply to his statements as to an effort to unload bankrupt canals upon this Government. Statements of that kind are not fair to the people who own this canal. The stock is admittedly worthless; the canal does pay net each year 4 per cent on a bond issue of two million six hundred thousand and odd dollars. It is unjust and unfair to the owners of the canal to say that they are trying to unload it on the Government.

Mr. KENYON. The stock is absolutely worthless, is it not?

Mr. SAULSBURY. Yes; I think so; but if the Senator would take the time to read the report of a committee, in which the Senator from South Dakota [Mr. STERLING] joined, as did also former Senator Works, of California, who was a member of the Senate at that time, he would find that the committee which made the investigation as to value, stated that the stock was worthless, but estimated the value of the bonds at 80 cents on the dollar, which would have made a total sum of about $2,100,000.

Mr. KENYON. I should like to ask the Senator at what they estimated the value of the franchise?

Mr. SAULSBURY. The franchise is worth nothing.

Mr. KENYON. The House placed in the bill at the last session, I think, $1,300,000 for the canal.

Mr. SAULSBURY. Yes; that has been put into the bill once or twice by the Senate committee.

Mr. KENYON. That was an amount which the owners would not accept.

Mr. SAULSBURY. I might say to the Senator that this canal is paying one hundred and four thousand and odd dollars a year interest on its bonded indebtedness. Manifestly, as a business proposition, the people who own those bonds are not going to accept 50 cents on the dollar for a 4 per cent investment.

Mr. MYERS. Mr. President, will the Senator from Iowa permit me to ask the Senator from Delaware a question?

Mr. KENYON. Yes.

Mr MYERS. My curiosity is aroused. I want to ask the Senator from Delaware how can the stock be worthless if it pays 4 per cent net dividend each year?

Mr. SAULSBURY. Mr. President, the Senator from Montana evidently misunderstood me. I said that the company paid 4 per cent on its bonded indebtedness. It paid dividends on its stock in the olden times, when the canal was up to the then standard of efficiency. It has not, however, paid any dividends on its stock for I do not know how long, but for perhaps 25 or 30 years, though it does pay annually $104,000 plus as interest on its bonded indebtedness, which is 4 per cent on two million six hundred thousand and odd dollars, which is the amount of its bonded indebtedness. The Senator from Montana misunderstood me.

Mr. KENYON. Mr. President, I had not intended, as I have stated, to discuss at this time this canal, and what I shall have to say about it will be only in a cursory way; but I think I will say what I have to say, as the Senator from Delaware is now here and he may be out of the room later.

The Agnus report, I assume, is a very accurate document. Gen. Agnus was the chairman of a commission some years ago which was appointed to investigate this matter—a citizen whose word no man will question and whose character and ability is far above reproach. The estimate was made of the cost to the country of the sized canal that would be of any practical use to the Government for $20,621,323.70. Then the commission say this, which I want to put into the RECORD:

> As stated in a following paragraph of the report, from borings made in 1882 and 1906, the commission has been led to fear the existence of treacherous material for an approximate distance of 7,000 feet along the route of the Chesapeake & Delaware Canal which will require special and costly treatment, by revetment or otherwise, to insure stable conditions. The commission has not sufficient data on which to base a proper design, nor has it the time to secure such data. However, in a comparison of routes a sum of money must be estimated to cover this feature, and $500,000 has been inserted in the above estimate for that purpose.

Further on, from page 8 of the same report, I quote the following:

> In its investigations by means of borings the commission has confirmed the very unfavorable conditions noted by Capt. Thomas Turtle, Corps of Engineers, United States Army, in his report of March 1, 1883, to Lieut. Col. William P. Craighill, Corps of Engineers, United States Army. (See Appendix G.)
>
> Although Capt. Turtle seems to have recognized the serious bearing of this condition upon the fate of the route for a ship canal, there is no mention of it in either of the final reports made since Capt. Turtle's. There is every indication of a large reservoir of supply of very fine sand which is water bearing and flows with water. In the opinion of the commission, the sand might require at intervals extensive works on both sides of the canal over an approximate length of 7,000 feet to confine it. On account of the great depth of the sand stratum the works would be very expensive. Additional investigations of greater magnitude than heretofore attempted are required before a detailed design is made. The commission with data available can not make even a probable estimate as to the cost of such works, but feels that a certain sum should be quoted therefor, and has stated this estimate above as $500,000.

I want to call attention to this further in the report. It was considered by the Agnus commission as a commercial proposition I think entirely, because they say on page 20:

> The value of the works of the present canal as a part of a ship canal is relatively very small and has not been estimated.

Its value for a ship canal was considered by them to be so small that the committee made no investigation.

Now, I desire to call attention to the hearings before the committee as sustaining what I have said about the condition of this canal and some of its operations. I quote from page 34 of the testimony of Mr. Hall, who was secretary of the Chesapeake & Delaware Canal Co.:

> Senator WORKS. Your stock has reduced in value, too, I suppose?
>
> Mr. HALL. Oh, the business was much better last year than it has been for a great many years.
>
> Senator WORKS. Yes; I understand that; but how low have your shares of stock gone?
>
> Mr. HALL. Well, the stock has not paid dividends since 1876.
>
> Senator WORKS. I am not talking about what the stock has earned.
>
> Mr. HALL. I am not prepared to say; I do not know.
>
> Senator WORKS. Do you know of any sale along about the time your bonds went so low in value?
>
> Mr. HALL. I think about a dollar a share, or something like that; but there were so few sales, that I could not say. There have not been many sales; only a few in recent years.
>
> Senator WORKS. The last sale you know of was $4 a share?
>
> Mr. HALL. Yes; $4 a share.

I also quote from the testimony of Mr. Fry, who was the treasurer of the Southern Transportation Co. The chairman [Mr. SAULSBURY] asked him this question:

> Are you familiar with the physical condition of the canal?
>
> Mr. FRY. To some extent.
>
> The CHAIRMAN. Well, what is the physical condition of the canal as it now exists?
>
> Mr. FRY. I do not think the canal is in as good condition as it was a few years ago. We started in the transportation business about 10 years ago, and we could carry larger cargoes through the canal then than we can at the present time.
>
> The CHAIRMAN. Explain that, will you?
>
> Mr. FRY. That is brought about, no doubt, by reason of the canal not receiving proper dredging and proper maintenance. I have always understood that the canal company has not had sufficient revenue to give the proper attention to maintenance. At any rate, the canal seems to be gradually filling up.

I also desire to quote a few words on page 135 from the testimony of Mr. Groves, manager of the Baltimore & Philadelphia Steamship Co.:

The CHAIRMAN. I do not know that you answered as to the present condition of the canal, Mr. Groves.

Mr. GROVES. I am very glad you asked me that. That is the very important proposition of the whole thing. That canal is in a bad condition, a very bad condition. These locks are in bad shape, and they have always been kept in bad shape. They never do anything but what they have to. We had an experience there one season, which has been about five years ago.

He went on to explain how the gates fell down. On page 136 he says:

They have no superintendent on that canal, and have not had for years. And then on the sides of the canal the piling is worn out. It has been covered with oak sheet piling and it rots out, and it is in a fearful condition.

I quote now from page 137:

The CHAIRMAN. Have there been any permanent improvements other than necessary upkeep of the canal?

Mr. GROVES. Nothing except what they have to do absolutely.

The CHAIRMAN. Then there has been no work done there which would be considered really as a permanent betterment of the canal?

Mr. GROVES. Not a thing.

The CHAIRMAN. You are familiar with the canal?

Mr. GROVES. Absolutely; I go through that canal, and I know more about it than any living man. I go through it more.

Mr. SAULSBURY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Delaware?

Mr. KENYON. I do.

Mr. SAULSBURY. As the Senator from Iowa has referred to the committee which was investigating the desirability of purchasing this canal, or, rather, the conditions surrounding its possible purchase, and has mentioned former Senator Works, who was a member of that committee investigating the subject, I ask that the Secretary may read a letter which I received some time ago from Senator Works, showing the conclusion Senator Works had come to about it. Then I will ask leave merely to make a statement.

The PRESIDING OFFICER. Does the Senator from Iowa consent that the letter may be read now?

Mr. KENYON. I will be very glad to have it read.

The PRESIDING OFFICER. Without objection, the Secretary will read.

The Secretary read as follows:

UNITED STATES SENATE,
COMMITTEE ON FISHERIES,
Washington, February 27, 1917.

Hon. WILLARD SAULSBURY,
United States Senate.

MY DEAR SENATOR: I had the honor to serve with you on a subcommittee of the Committee on Coast and Insular Survey of the Senate in the investigation of the conditions of the Chesapeake & Delaware Canal Co. and its finances and the physical condition of the canal itself, with a view to determining whether the canal should be taken over by the National Government and made a free canal.

I had known nothing about the Chesapeake and Delaware Canal before that time. The investigation by the subcommittee was a very interesting one to me, and, as you remember, I attended the hearings quite regularly throughout. I will probably not be in the Senate when the question of the purchase of the canal by the Government is finally considered, and I would like to say to you now, if it will help you in any way to bring about what you desire in this matter, that I was thoroughly and completely convinced by the hearings before our subcommittee that the Government should acquire this canal and make it free, and I hope that you will in time be able to accomplish this result.

Sincerely, yours,

JOHN D. WORKS,
United States Senator.

Mr. SAULSBURY. I only desire to say, in addition to that, Mr. President, that the other member of that committee investigating the subject at the time, the Senator from South Dakota [Mr. STERLING] is still a Member of this body, and I trust that before this discussion concludes he will state his impressions. Mine are so well known that I do not think it is worth while for me to elaborate them at this stage of the discussion; but suffice it for me now to say that the three members of that committee—two of us still being Members of the Senate and the other having expressed himself as indicated in the letter just read—possibly know more about that canal than almost any other Member of the Senate.

Mr. KENYON. I have no doubt of that, Mr. President; I have no doubt that the Senator from Delaware knows more about it than any other Senator, and I have no doubt that he perhaps has assisted some of the booster meetings held in behalf of this canal in Wilmington and other places. It has been the subject of booster meetings for some years. I do not claim to know all about this canal; I have never attended any of the numerous booster meetings which have been held in that part of the country in its behalf. I am merely calling attention to the fact that it does not need to be acquired at this time by the Government as a war-emergency matter, and I reiterate that it is no time to be putting bankrupt canals onto the Government.

Mr. SAULSBURY. May I say to the Senator——

The PRESIDING OFFICER. Does the Senator from Iowa yield further to the Senator from Delaware?

Mr. KENYON. I do.

Mr. SAULSBURY. The Senator can not accuse me of sleeping upon the matter of the acquisition by the Government of this canal. I have been endeavoring——

Mr. KENYON. Of sleeping on the matter?

Mr. SAULSBURY. Yes.

Mr. KENYON. Oh, no; I have not accused the Senator of that; far from it.

Mr. SAULSBURY. I have been endeavoring for the last three years, notwithstanding the opposition of the Senator from Iowa, to get this canal taken over by the Government for the very purposes that we may now need it, as we are in war; but the argument when we are in war is that we can not make it available before the war is finished, and prior to the war the argument was that we would never need it. Even a few months ago, when I tried to find out through a similar effort to the one I am making now, exactly what this old canal, this decrepid canal, as it is, this canal that does not pay any dividend on its stock, could be bought for by the Government, the Senator stood just as he stands now, and opposed the acquisition by the Government of the information as to what this canal would cost, so that we might consider whether it was worth while to secure it.

Mr. KENYON. Now, let me ask the Senator a question. I will premise the question by saying that I certainly have not accused the Senator of sleeping on this project at all. His constituents need not worry about that. I am sure they should be impressed by the Senator's enthusiasm for it; but what I want to ask the Senator is, Has the Secretary of War or the Secretary of the Navy ever asked for the acquisition of this canal as a military or naval matter?

Mr. SAULSBURY. They have both recommended it. I am not sure that in any formal communication the Secretary of the Navy has done so, but I know that he is in favor of it. Admiral Benson, who is the technical naval man in charge of our naval affairs, strongly favors it. The Secretary of War has twice in the last two years recommended its acquisition. His letters were sent to the Military Affairs Committee of the Senate on April 3, 1916, and on April 19, 1917. In a letter addressed to a Member of the House, under date of May 8 of this year, the Secretary of War says:

WAR DEPARTMENT,
Washington, May 8, 1917.

Hon. J. HAMPTON MOORE,
House of Representatives.

MY DEAR MR. MOORE: In reply to your letter of the 25th ultimo, urging the expediency of early action by this department looking to the condemnation of the Chesapeake and Delaware Canal, I have the honor to inform you that I have already recommended its purchase in a letter to the Committee on Military Affairs under date of April 3, 1916, when I not only gave it favorable consideration as to purchase but also recommended its subsequent enlargement to a depth of 25 feet and a bottom width of 125 feet. These views were again expressed by me in a letter to the Committee on Military Affairs on April 19, 1917.

It is hoped that this matter may have the early attention of Congress and receive its favorable consideration.

Yours, very truly,

NEWTON D. BAKER,
Secretary of War.

Those views are concurred in by the Secretary of the Navy and by Admiral Benson, and the project has been advocated by Admiral Melville, I think, as long ago as 1886, although I am not sure of that date. Admiral Dewey favored the Government obtaining this canal, and every technical naval and military man of whom I know who has ever had anything to do with the consideration of this matter has recommended it.

Mr. KENYON. Then, how does it happen that the agitation for the acquirement of this canal never commenced until a few years ago?

Mr. SAULSBURY. If the Senator will allow me, there has been a great deal of agitation regarding it. Possibly it was one of the booster meetings in Wilmington which caused the revival of this subject. My distinguished friend, the Senator from Louisiana [Mr. RANSDELL], and the distinguished Representative from Philadelphia, Mr. MOORE, visited Wilmington, and had a meeting there among the business men only about a month or two after I had been elected to the Senate, and before I had taken my seat. They did me the honor to ask me to preside at that meeting. I had then no knowledge of this matter; I had never considered the subject, and never examined the Chesapeake and Delaware Canal. I presided at that meeting, and became very much interested in the matter. I continued the investigation of it, and became convinced of its very great value and merit. I am the reason—I think I may claim that credit—for the very great effort which has been made in the last three or four years to acquire this canal for the Government, because I believe it is one of the greatest things we can do in the way

of the defense of this country, and particularly of the defense of my State, to which of course I give special attention.

Mr. KENYON. That was about the first agitation of the matter, was it not?

Mr. SAULSBURY. Oh, no. This agitation has gone on for years. I remember away back in the seventies, when I was very young, my uncle, who at that time was governor of the State, was very strongly advocating the building of a new canal—not this canal, but one across the lower part of the State from Baltimore. So the agitation has been going on for years and years. This canal was built back in 1829.

Mr. KENYON. I want to say that I do not believe by any means that this canal is the worst project in this bill.

Mr. SAULSBURY. I am obliged to the Senator for going that far.

Mr. KENYON. I am inclined to believe there is some merit to the proposition, but I do believe that now is not the time for the Government to undertake this tremendous expenditure, unless the work can be made use of during this war and be of some benefit during the war.

Mr. SAULSBURY. Mr. President——

Mr. KENYON. I yield to the Senator.

Mr. SAULSBURY. I was going to say to the Senator that the only expenditure called for on this account under the present bill is $5,000, which is to be used for the simple and sole purpose of ascertaining by means of a commission of condemnation how much this canal will cost the Government.

Mr. KENYON. But this commission is authorized to make contracts.

Mr. SAULSBURY. Oh, no; I may say to the Senator that——

Mr. KENYON. The bill provides that—

The Secretary of War is hereby authorized to enter into negotiations for the purchase of the existing Chesapeake & Delaware Canal, and all the property, rights of property, franchises, and appurtenances used or acquired for use in connection therewith or appertaining thereto; and he is further authorized, if in his judgment the price is reasonable and satisfactory, to make a contract for the purchase of the same, subject to future ratification and appropriation by Congress.

Mr. SAULSBURY. Precisely; to obtain an option on the purchase, practically.

Mr. KENYON. Well, of course, when the Secretary of War makes the contract and brings it in here, that is the end of it.

Mr. SAULSBURY. If I may be pardoned, Mr. President, the Senator need not fear for one moment that the Secretary of War, the Secretary of the Navy, or the President of the United States can make any contract to purchase this canal at any reasonable figure.

Mr. KENYON. They can not make a contract?

Mr. SAULSBURY. They can not do it; it is a legal impossibility for them to do it.

Mr. KENYON. Well, then, what is the use of putting it in the bill?

Mr. SAULSBURY. For the obvious reason that it is necessary to base condemnation proceedings upon an attempt to make a contract and upon the failure to make one. So far as I know, every condemnation proceeding must be based on a failure to contract, and the reasons must be given. The Senator recognizes that. That is the sole and only reason for putting in the bill the provision which the Senator has read. I have ample evidence, which I can read to the Senator, that it is quite impossible to make this contract. The president of the canal company himself says it is impossible; he has written to a former Secretary of War to that effect; and that statement has been repeated to me in a letter from the counsel of the canal company. The proceedings for condemnation, as I have said, must be based on the failure to contract, and therefore on application the commission of condemnation is to be named by the Attorney General, under instructions of the Secretaries of War and of the Navy, so that the amount necessary to be paid for this canal may be ascertained.

There is $5,000 appropriated in this bill for that purpose. This canal has been estimated to be worth to the Government $2,514,000. I think a few years ago, when I started this effort, it could have been purchased for $2,200,000.

Mr. KENYON. The property has been running down ever since, but the price runs up when it is to be unloaded on the Government.

Mr. SAULSBURY. I think that the agitation has caused it necessarily to go up, because it has aroused hope among the owners of the bonds and stock of this canal.

Mr. KENYON. Aroused hope that the Congress will take it?

Mr. SAULSBURY. Precisely so; and for that reason they will not give up their bonds and stock.

Mr. KENYON. I think their hope is probably well founded. I assume, of course, Congress will take it. No proposition in the river and harbor bill can be defeated.

Mr. SAULSBURY. I sincerely hope that it will do so at some time or other; and I shall keep at it until I either go out of Congress or until the Government does acquire it.

Mr. KENYON. I did not understand the last statement of the Senator.

Mr. SAULSBURY. I say I sincerely hope the Government at some time or other will acquire this canal, and personally I think it is such a great thing, and the result will be so desirable for the welfare of that particular portion of the country that I have the honor in part to represent, and for the benefit of the Navy and the defense of this country, that I sincerely hope the Government will acquire it. I shall certainly endeavor in every way in my power to further it.

Mr. KENYON. Mr. President, I imagine that Congress, whatever their view about it may be, may as well capitulate. The Senator has proposed it as an amendment to most of the bills that come along and has been very diligent in the matter. If we are to have a great intercoastal canal from the neighborhood of Boston on down through and down the coast, paralleling the ocean, as is the plan, and across the Gulf to Louisiana, and possibly on to Mexico and the Rio Grande, this little insignificant affair is not worth very much discussion, because the plans of these river and harbor boosters contemplate a series of canals and waterways absolutely paralleling the ocean from Boston to the Rio Grande, which leads one to remark, Why an ocean anyway?

I want to get back, now, Mr. President, because I was diverted. I am always impressed by the argument the Senator from Delaware makes on this canal. I have heard it a good many times, and it is pretty hard to resist it. This bill is brought before us in the nature of a preparedness—a war measure. I want to call attention to the fact that in the House the Democratic caucus refused to place this river and harbor bill on their legislative program as a war measure. They did not so regard it. This bill contains $200,000 for surveys, and these certainly can not be in any way related to the war. It is interesting to observe the proviso which the House placed in the bill with relation to these surveys on page 41:

Provided, That no examination or survey herein provided for shall be made until after the close of the war with Germany except such as the Secretary of War shall recommend as associated with the prosecution of the war.

That is the way the bill stood. The committee struck out "recommended as associated with the prosecution of the war" and inserted the word "direct," so that the war connection of these surveys that the House had carefully guarded is eliminated by the Senate committee.

I should like to call attention to the fact that there are unexpended balances on hand, or were in March, of $31,428,146.70. There were unexpended balances from former appropriations on the 1st of July of $19,838,432.37. So now we find on the 1st day of March that that was over $31,000,000 of unexpended balances. There is a million dollars that was set aside in the river and harbor bill of 1915 for use for emergency purposes. Not a cent of that million dollars has ever been used. So we had on the 1st day of July, of unexpended balances, about $20,000,000. Those could not be transferred, I realize, to any project except the particular project for which the appropriation was made; but I have here the balances as to these different projects. I think I will put some of them in the RECORD.

The Pollock Rip Channel had unexpended on March 1, 1917, $82,474.73. The balance July 1, unexpended, was $23,000.

Nantucket Harbor, March 1, 1917, $12,206.99; July 1, 1917, $12,206.99.

Providence River and Harbor, March 1, 1917, $372,411.93; July 1, 1917, $80,000.

Newport Harbor, March 1, 1917, $34,102.91; July 1, 1917, $25,942.

Harbor of refuge at Point Judith, March 1, 1917, $22,203.75; July 1, 1917, $22,106.41.

New London Harbor, March 1, 1917, $117,802.38; July 1, 1917, $25,400.

Connecticut River above Hartford, March 1, 1917, $3,094.50; July 1, 1917, $2,500.

Harbor of refuge, Duck Island, Conn., March 1, 1917, $67,510.33; July 1, 1917, $15,000.

So it runs. In some of them there is no balance whatever available, but nearly all have some balance.

For instance, Flushing Bay Harbor, N. Y., March 1, 1917, had a balance of $81,573.21; balance July 1, 1917, $80,300.

In the Wilmington district, Cold Spring Inlet, March 1, 1917, $43,306.78; July 1, 1917, $40,000.

Raccoon Creek on March 1, 1917, had a balance of six thousand and some odd dollars. On July 1 it had no balance left.

Alloway Creek had a balance on March 1, 1917, of $4,902.99. There was nothing left for Alloway Creek on July 1.

Mantua Creek had a balance of $13,699.99 on March 1, and on July 1 a balance of $2,300.

Absecon Inlet on March 1, 1917, had a balance of $35,845.09; on July 1, 1917, a balance of $4,000.

There is no apparent freight or boats at Absecon Inlet, as far as I have been able to see from a personal visit to the inlet; nothing but a dredge sucking out a little sand and taking it out into the ocean and getting rid of it. There was a balance on hand for Absecon Inlet, and this dredge is doing nothing but spending the money that has been appropriated for that particular place; but it is trivial, so, of course, it is inconsequential.

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Connecticut?

Mr. KENYON. I do.

Mr. McLEAN. If I will not disturb the continuity of the Senator's remarks, I should like to ask him a question.

Mr. KENYON. Not at all.

Mr. McLEAN. Referring to page 4 of this bill, where I see there is an appropriation of $71,000 for some seven or eight different harbors along the Connecticut coast or in the Sound, does the Senator know how that money is to be allotted where these appropriations are bunched and include a dozen different projects?

Mr. KENYON. I will say to the Senator that it was explained to us yesterday that that is in the interest of economy, and, of course, being in the interest of economy no one will question it. The bill is drawn in the interest of economy, of course, but the engineer has the right to spend that money as he pleases.

Mr. McLEAN. If the first project necessitates the expenditure of the whole fund, then the other projects get nothing. Is that the idea?

Mr. KENYON. Of course. I call the Senator's attention to one section of the bill providing just how that may be done.

Mr. McLEAN. Very well. I will not interrupt the Senator further; but it seems to me that is a very strange way to leave the matter, because it is entirely within the discretion of he engineer in charge, I suppose, to appropriate all the money to a single project.

Mr. KENYON. I am going to read the Senator section 2, page 31:

SEC. 2. Where separate works or items are consolidated herein and an aggregate amount is appropriated therefor, the amount so appropriated shall, unless otherwise expressed, be expended in securing the maintenance and improvement according to the respective projects adopted by Congress after giving due regard to the respective needs of traffic. The allotments to the respective works so consolidated shall be made by the Chief of Engineers as authorized by the Secretary of War. In case such works or items are consolidated and separate amounts are given to individual projects, the amounts so named shall be expended upon such separate projects unless, in the discretion of the Chief of Engineers and the Secretary of War, another allotment or division should be made of the same. Any balances remaining to the credit of the consolidated items shall be carried to the credit of the respective aggregate amounts appropriated for the consolidated items.

So that the Secretary of War, acting through the Chief of Engineers, has the right to do anything he pleases, as I understand, with that fund.

Mr. McLEAN. But, if I remember correctly, the Senator, in reading the balance of the appropriation for Duck Island, said that it was originally something like $60,000, and that there is now remaining something like $6,000. My impression is that the whole appropriation for those seven or eight harbors would not be any more than sufficient to take care of Duck Island, though I am not sure about that.

Mr. KENYON. I am not informed as to that, either.

Mr. McLEAN. But evidently the plan of the bill is one that will probably assist in its passage by leaving these separate contracts to the discretion of some officer and appropriating a sum of money sufficient perhaps for one.

Mr. KENYON. I hope the Senator will not suggest such a thing as that this bill is in any way drawn so as to assist its passage. This is a purely patriotic bill, presented here as a war-emergency measure. Without it the war may fail.

Toms River, N. J., had a balance on March 1, 1917, of $4,649.39.

Old Mans Creek had a balance of $4,609.38 on March 1, 1917. There was nothing left for Old Mans Creek on the 1st of July, 1917—a most unfortunate situation.

There was no balance left for Little River, Del., nor was there any balance left for Woodbury Creek in New Jersey.

As to Susquehanna River, there was a balance of either $8,550 or $6,550.

Broad Creek, in Maryland, had $8,000 left on the 1st of July. The Rappahannock River, in Virginia, which had $30,000 on March 1, 1917, had $3,000 on the 1st of July.

Norfolk Harbor, which had $74,591.52 of unexpended balance on March 1, 1917, had $59,431.78 on July 1, 1917.

The Pagan River in Virginia had $2,000 left on July 1.

The Roanoke River had a little over $2,000.

Fishing Creek, N. C., had on March 1, 1917, $1,402.05, and, remarkable to relate, had $1,402.05 on July 1. Fishing Creek, as I understand from the discussion yesterday, while mentioned in the bill, has been rather harshly treated and can receive none of the money in the lump-sum appropriation unless it be a few pennies that fall from the tables of the other projects that are grouped with Fishing Creek.

Pamlico and Tar Rivers had nothing left on the 1st of July.

Contentnea Creek had $769.94 of balance on March 1, 1917, and nothing on July 1, 1917.

Smiths Creek, N. C.—I do not know which Smith that is; one of the Smiths—had on March 1, 1917, $1,525.96, and on the 1st of July had $23.96. The number of Smiths Creeks was 23.

Swift Creek—that is the name of it—on the 1st of March, 1917, had $1,000, and on the 1st of July had $1,000 of unexpended balance. I ought to say, I think, however, that in some of these cases there were contracts made. I have not given the figures as to the balance available exclusive of outstanding liabilities or contract obligations. I have not undertaken to give those figures.

The harbor of refuge at Cape Lookout had an unexpended balance of $471,358.21 on March 1, and of $66,696.63 on the 1st day of July.

The Little Peedee River, one of the great institutions of South Carolina, had $485.07 on the 1st of March, and it had gotten down to $250 on the 1st day of July.

The Great Peedee River, related in some degree to the Little Peedee, had on the 1st of March, 1917, $4,641.17, and had nothing left on the 1st of July.

The Santee and the Wateree and the Congaree, all of which are in this bill, had $35,329.11 on the 1st of March, 1917, and $10,000 on the 1st of July, 1917.

So it goes, Mr. President; and the final figures are as I have given them before: Balance available March 1, 1917, exclusive of outstanding liabilities and contract obligations, $31,428,146.70; on the 1st day of July, $19,838,432.17; and that, with the million which was set aside in a former river and harbor bill, makes practically $20,000,000 available for the specific projects on the 1st day of July.

Mr. President, I agree with the Senator from Georgia that where this money is judiciously expended it is not wasted. Just how the system that has grown up in this country can be remedied, whether through Congress or through a commission, is a most difficult problem. I am contesting these bills because there is so much waste in them. It is true that the railroads of this country have undoubtedly done much to destroy traffic on the rivers of our country. Other nations handle that problem where they absolutely control or own the railroads, and the two work in harmony; but the railroads have a great advantage over the rivers. They can get to the factories with their switch tracks. They can go to the banks with their bills of lading and get money. They are not so much troubled by problems of ice. The water carrier is at a great disadvantage. How that can be remedied, short of the Government absolutely taking over the railroads and the waterways and operating them jointly, it is pretty difficult for anybody to say; but we have gone along in this country with this dribbling policy on rivers and harbors, and we have not gotten anywhere.

Here is a time of all times when the people are calling for transportation, when the element of transportation enters into the high prices throughout this country, when the railroads are short of cars, and yet the great waterways of this country, like the Ohio and the Mississippi and the Monongahela, are carrying a very small portion of the commerce of the country. We have spent in this country approximately $900,000,000 on our rivers and harbors. There has not been so much complaint about the harbors. The complaint has been that the railroads have secured nearly all the terminal facilities of these harbors—a legitimate complaint. The waterways, the great rivers, have not been able to carry on their work in competition with the railroads.

Why, we have spent on the Mississippi River over $150,000,000, and yet the commerce on that river has gone down something like 80 per cent. We have spent enough to build a railroad on each side of that river from St. Paul to New Orleans and let the Government operate it. Col. Townsend, in a speech, I think before the Rivers and Harbors Congress here, tried to explain why it was that the rivers were losing this commerce. I think it is something that we must deplore. The Mississippi River runs along my State the entire width of the

State. You can get on the Mississippi at St. Paul and come down the river and scarcely meet a boat. Once in a while you will meet a boat. That great waterway, that neglected opportunity, apparently could carry the commerce of this country that does not materialize.

The address of Col. Townsend in relation to that subject was placed in the RECORD in the House some time ago. It is worthy of the careful reading and thought of any person who is interested in this subject. I am going to refer to just one or two things in it. He says:

St. Louis for the past 50 years has been the principal origin or terminus of the traffic on our western rivers, and its records summarize their tendencies. Its river commerce attained its maximum of 2,120,000 tons in 1880, and has since steadily declined to 153,000 tons in 1914. In contrast, it may be stated that the commerce at Sault Ste. Marie, the outlet to Lake Superior, in 1880 was 1,300,000 tons, and attained a maximum of 79,000,000 tons in 1913. The commerce of New York Harbor exceeds 125,000,000 tons.

Now, after discussing the railway question, he said:

Nor is it an answer to the question to charge unfair competition by railroad magnates in granting rebates, carrying freight at less than cost price until the boat line has been bankrupted, making contracts at uniform rates to their patrons during the entire year, and charging excessive rates to those who utilize the boat during periods of navigation. Whatever may have occurred in early days, such methods have practically ceased since the establishment of the Interstate Commerce Commission; but the decline in river commerce has been more rapid, since the railroads have been compelled by law to give the shipper equal rates, than when there was no restraint on the practices of which they are accused.

Nor can the decline of commerce be attributed solely to the shallowness of our rivers, nor the failure of Congress to make adequate appropriations for them. For the past 10 years there has been maintained in the Mississippi River at all stages a channel of 9 feet from Cairo to New Orleans, and one of 8 feet from Cairo to St. Louis—a channel which far exceeds in navigability that of the far-famed Rhine with its 50,000,000 tons of freight annually. Yet it has produced no visible effect on the decline of commerce.

* * * * * * *

In the opinion of the writer the failure to utilize our rivers for transportation arises primarily from much more powerful causes than those above mentioned and which it will be far more difficult to correct. The United States differs from European countries in that the latter were developed before the age of steam and were forced to rely on water transportation for the movement of freight.

Then he goes on to discuss the question of the location of the factories, and the conditions existing on western rivers being such that the shipper turns to rail transportation. I want to get at his real reasons for this declaration. He said:

For this condition of affairs the American people are responsible rather than Congress. The average voter is provincial. A local improvement appeals to him more strongly than a well-digested plan which will be of benefit to the entire country. He theoretically is a believer in a reform in the methods of making appropriations for rivers and harbors, but with the proviso that the particular stream in which he is interested be included in the general plan. He even talks glibly of the "pork barrel" and river and harbor steal without the remotest idea that his pet measure may be classed in such a category, and if a Congressman should support a bill which did not provide for such local interests he would run great danger of failure at the next election. In their efforts to relieve themselves from this tyranny of their constituents, Members of Congress have delegated to the Corps of Engineers a power to review all works of improvement before taking action thereon.

Further:

By considering the Mississippi Valley as a whole, and treating the problem of transportation by water just as a railroad handles transportation by land, i. e., first completing a trunk line connecting those localities where there is a large commerce awaiting transportation, and then successively completing the most important branches, much better results would be obtained.

But we have actually had instances in river and harbor appropriations where the branches were made deeper than the main channels of the stream. Then here is his recommendation, and this is the recommendation that Congress ought to think a good deal about.

Specifically the writer would not abandon—

This is Col. Townsend, who is the head of the Mississippi River Commission, a great authority on waterways—

Specifically the writer would not abandon any navigable stream in the Mississippi Valley that has been partially improved, but would leave 58 of them in their statu quo, confining operations to snagging and the maintenance of existing works, and would concentrate appropriations on opening up a channel of the capacity of that existing on the lower and middle Mississippi to Chicago and Pittsburgh. Chicago is accustomed to water transportation. The topography around Pittsburgh has forced the shipper to build his factory on the river bank. These centers of trade, therefore, afford the best opportunity of determining whether the shipper wants river transportation. They, with New Orleans, are the keys to the problem. If the facilities thus afforded by the Government are utilized, the upper Mississippi and the Missouri Rivers should then receive attention. When they are facts accomplished, the other streams should be improved in the order of their importance. But it must frankly be admitted that such a program will be impossible of accomplishment without a change of sentiment in the average American voter. While it is impossible to indict a people, they can be educated.

So Col. Townsend put his hand on the nerve of the whole matter. It is the desire to secure something for the local community, and that leads to this piecemeal system, and it leads to this dribbling policy. Gen. Marshall, who was for several years Chief of Engineers, once said:

Few, if any, of the larger works have ever been prosecuted at a rate sufficiently rapid to realize the fullest efficiency and economy.

When the whole improvement is provided for then the community makes its plan for docks, the construction of boats, and so forth.

Mr. NEWLANDS, the distinguished Senator from Nevada, once said on this floor:

Mr. NEWLANDS. Mr. President, if the Senator from Utah will permit me, I will say that I regard the moneys that are now being spent upon the small streams under the present system as practically wasted.

I wish to put in the RECORD just an instance or two of this dribbling policy. In 1890 work was commenced upon the Colbert and Bee Shoals Canal, above Riverton, on the Tennessee River. That was not finished until 1911. Some time ago I read an article in one of the magazines that a lock on the Columbia River had been 24 years in building. The James River project was commenced in 1884 and it is only now about half completed, and will require some $3,000,000 more to complete it.

Sandy Bay Harbor was begun in 1884 and has been in progress ever since. We have expended nearly $2,000,000 on it, and it will require $5,000,000 more to complete it. They have been about 30 years on it already. That is an example of this waste, a waste that runs through this bill; and of course I realize nobody cares anything about these instances that have occurred in the history of river and harbor legislation.

The Hennepin Canal was constructed at a cost of over $7,000,000, and in 1913 there were only 11,000 tons of freight which went through that canal. Out of the $900,000,000 that have been expended on these rivers and harbors it is a perfectly safe estimate that half of it has been squandered. We have abandoned projects when it became apparent that it was idle to keep them up. The mere fact, as the Senator from Florida suggested yesterday, that a part of this goes to maintenance of projects already completed is not in every instance a complete argument, because it may be utterly useless as to some of these insignificant and trivial creeks, even though they have been completed—whatever can be completed about them—to keep on spending the public money.

We abandoned Grand River, Mich., I think, after expending over $400,000 upon it, having very small commerce, the engineer's report in 1913 stating that the commerce involved was insignificant. We abandoned that instead of keeping on and spending year by year thousands of dollars on Grand River.

Mr. President, I realize what a perfectly enthusiastic reception my remarks on this subject have. I realize what a perfectly hopeless proposition it is to ever weed out anything in a river and harbor bill. I have seen this Senate adopt projects that the Army engineers had condemned and adopt them on yea-and-nay votes, while we are always told to follow the Army engineers.

I have made up my mind, while in the past I have been perfectly willing to stand up day by day and argue out these river and harbor bills, that if this kind of expenditures are the kind of expenditures the people of this country want, I do not know that it is the duty of a Member of this Congress to enter into an extended discussion of them, no one paying any attention to him, simply to take his right, as he has the right, to give his view as briefly as he can and to put in the RECORD some of the figures and get a yea and nay vote upon it, and let the people in Congress respond, as they will some day, to their constituents for voting their money as money is voted in these river and harbor bills.

The Big Sandy River, $1,700,000 expended; in 1913 about 300 tons of coal floated on it.

Cape Lookout Harbor, that Gen. Kingman pronounced to be dear at any price.

On the Arkansas River, on which we have spent three and a half million dollars, where the commerce has dwindled to insignificance.

Ouachita River, with a system of locks and canals upon which we have spent $3,000,000, not enough commerce to speak of. Yet this bill provides for turning over a fund that is left from Lock 7, I think it is, and putting it on Lock No. 5, over $300,000. It is wrong, of course, ever to turn any of this money back to the Public Treasury. Keep putting it into the bottoms and rocks of Ouachita River. Then go out and tell your folks about it. Tell them it does not make any difference what they are taxed. Tell them we have not got time to pay attention to these things; we are too busy. They are going to pay some attention to it, though, some day. Mark that.

I have heard Senators talk about projects and say, "That is my project." One distinguished Senator on this floor some years

ago said that the river and harbor bill was a steal, but he said, "we want our share." One Congressman testified before the House committee as to a project, that it was "his baby." Ah, it is funny, a huge joke these things are, but $27,000,000 is so trivial that the Senator from Louisiana does not want to pay any attention to it.

It is not very trivial on these clerks, upon whom you are going to save in the District of Columbia, just cutting out that much so that you can have an appropriation for your Banana Creek, and your Swift Creek, and your Fishing Creek, and your Altamaha and your Okmulgee, and your Great and Little Peedee. Those are for military and naval purposes, of course. We have reached the point now that at the last session of Congress we even had, if such a term can be used, a pork-barrel fish-hatchery bill, fish hatcheries spread over the country, and if you take the members of the committee you can locate where the fish hatcheries were, and a public-building bill with public buildings for towns of less than 700 people; but it never got out of the committee in the Senate. Thank the Lord for that! Oh, it is a lot of fun spending somebody else's money for war purposes like this fake measure. How you do enjoy it! Would you spend your own money this way?

Mr. President, the country will be absolutely lost if the Okmulgee and the Oklawaha and Sarasota Bay are not improved. If the inland waterway from Pensacola to Mobile Bay is not improved, how can this country carry on a successful war?

Mr. FLETCHER. Will the Senator allow me?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Florida?

Mr. KENYON. I yield, if the Senator will explain it.

Mr. FLETCHER. I do not want to interrupt the Senator, but I will say to the Senator that that project is not in the bill at all.

Mr. KENYON. The Oklawaha River?

Mr. FLETCHER. The canal between Pensacola and Mobile is not in the bill at all. As to the Oklawaha and the other streams mentioned, there was not a cent for improvement; it was for maintenance.

Mr. KENYON. There is some maintenance, and the Oklawaha was in the bill presented here by the committee just before we adjourned.

Mr. FLETCHER. Yes; it was.

Mr. KENYON. For about $700,000.

Mr. FLETCHER. And it ought to be in this bill.

Mr. KENYON. I know the Senator thinks so.

Mr. FLETCHER. It ought to be.

Mr. KENYON. We would feel safer in this war if the Oklawaha was in here for more, I am sure. Where are your torpedo boats, where are the submarine destroyers if you do not improve the Oklawaha River and if we leave it out of this bill? What a shame to leave it out of this bill! What cheer it will bring to the Kaiser!

Mr. FLETCHER. Does the Senator claim that there is no connection between the movement of the products of the country, the food of the country, from the producers to the consumers; that that has no relation whatever to the public affairs of the country or even to the war?

Mr. KENYON. Is it the purpose to improve the Oklawaha River to reclaim the land so that food can be raised?

Mr. FLETCHER. The purpose of it would be to enable the 85,000 bushels of corn that are produced on the banks of the river to reach a market, together with the other products.

Mr. KENYON. If the Senator conceives that that is the purpose, I do not see why anything was left out of the bill on that theory.

Mr. FLETCHER. It ought not to have been left out.

Mr. KENYON. No; the Senator would not have left it out if it were left to him. If there are rivers or creeks in Florida that the Senator would have left out, I would like to know what they are.

Mr. FLETCHER. There are plenty of them, but you have no rivers in Iowa——

Mr. KENYON. We have no rivers in my State? We have rivers in which you could put all the rivers of Florida, and then there would be room for more.

Mr. FLETCHER. The Government controls the jurisdiction and supervision over these navigable streams. You can not have a bridge go across one of them, you can not do anything on one without the consent of the Government. The Government ought to take care of them. If the Senator has any in his State that need that sort of improvement the Government ought to take care of them.

Mr. KENYON. I know that is the Senator's theory, and so he puts in this bill a survey for Banana Creek as a great water proposition. I have the history here of the county in which Banana Creek is located, giving the rivers and everything else in the county, and I have the Rand-McNally map and have searched in vain for such an insignificant stream as Banana Creek is. The Senator believes in that. He believes in it honestly; I do not question that. He believes that it is the proper expenditure of public money. He did not put Banana Creek in here merely to satisfy our allies, the Italians; he put it in because he believes that Banana Creek might be so improved that it would be a great national resource. He believes in that; I grant him that right; but I do not believe in it. He has a right to fight for it and I have a right to fight against it, and propose to do so.

Senator Toombs once said on this floor:

It has become a national disgrace for Congress to engage in a miserable scramble for a slice from the public Treasury.

Mr. President, I am now going to take up some of the projects in this bill. I did not intend to take so much time on this matter, but one does not know where to stop.

Let us go along through the bill a little. "Boston Harbor." I do not mean to contend at all that Boston Harbor is not a great project, and that the Government ought not to improve it in every way, but I am referring to this more to show two things: First, that a new system has been devised in this river and harbor bill, whereby unexpended balances are turned over to some project without any particular appropriation, and then the project is fastened upon the Government as a going project; and secondly, to show that they do not follow the Army engineers. I refer to the item of Boston Harbor, on page 3 of the bill:

Boston Harbor, Mass.: The unexpended balances of appropriations heretofore made and authorized for this improvement are hereby made available for improvement in accordance with the report submitted in House Document No. 931, Sixty-third Congress, second session.

The existing project—35 feet—costing $7,994,000, is nearly completed. The project for 40 feet depth, which is the project referred to in House Document No. 931, is to cost $3,845,000. Now, see what Col. Newcomer says before the House committee on page 16 of the hearings:

Mr. TREADWAY. I did not intend to ask it, but since you have made that statement, I will ask you why Boston was eliminated?

Col. NEWCOMER. For the reason that the new project proposed there was one to provide for a greater depth only at the outer entrance, which was rendered advisable on account of wave action. It does not give an increased depth to the docks at all, because the inside channels will remain at 35 feet, but solely for convenience in entering a port like that it is desirable to have an increased depth over the bar outside. It is only a question of providing greater convenience in getting in. It is a very desirable matter, but it is not a need of any urgent character. It is a case where a few hours' delay will enable them to meet the situation.

Mr. TREADWAY. That is the commercial situation?

Col. NEWCOMER. Yes, sir.

Mr. TREADWAY. You are not referring to the question of getting to the navy yard?

Col. NEWCOMER. It is the same thing in that respect. We do not require any increased depth to the navy yard. That depth is 35 feet.

There is an Army engineer—Col. Newcomer—who says they do not need the 40-foot project to get to the navy yard. The testimony continues:

Mr. TREADWAY. There are two or three more questions that I would like to ask. What is the need in this bill for items for surveys?

Col. NEWCOMER. We did not really pay much attention to the question of surveys. That is a matter that we did not consider especially important from our point of view. There are a great many of those items in here that appeal to me as being superfluous.

So we have—and I am not seriously objecting to the Boston Harbor proposition; I am citing it for the reasons stated—so we have the beginning of a new system of turning over unexpended balances in order to establish a certain project with practically no consideration by Congress, and making it a project that hereafter comes up for its appropriation; and secondly, to show that the infallible Army engineers are not always followed.

All the new projects, and especially the project for New York Harbor, can hardly be objected to; but I want to show what the testimony of the Army engineers as to Hell Gate is; and almost everybody is in favor of making the thing better over there by blowing the hell out of Hell Gate. I shall read in a moment what was said by Col. Newcomer in answer to inquiries from Mr. HULBERT. Remember, this is a 40-foot channel now through East River to Hell Gate. The proposition of the bill—and I am not finding fault with that, but I am showing it is not in accord with the testimony of the Army engineers, and we are continually told by the Senator from Louisiana [Mr. RANSDELL] that the Army engineers are very close to divinity. I quote from the testimony as follows:

Mr. HULBERT. Do you not regard the strategic value of the East River as providing the means of ingress and egress to and from the Brooklyn Navy Yard, and particularly in view of the fact that there are four bridges across the river, the demolition of any one of which might entirely block off the navy yard, as a sufficient justification for adopting at this time 40 feet at Hell Gate?

Col. NEWCOMER. It seems to me that 35 feet at Hell Gate is really adequate, for this reason: The depth of 35 feet, with 5 feet of tide, gives you practically 40 feet. The draft of our heaviest battleship contemplated is about 33 feet. It seems to me that 35 feet will answer. Of course there would be a certain advantage in having access to the navy yard for a crippled vessel; but whether you would want to go to the very large expenditure that would be involved in the 40 feet all through Hell Gate in order to provide that facility, in addition to the other across Diamond Reef, I do not know. The Navy Department has not asked for it.

We are told that this is a project required for military and naval purposes; that every one of the new projects, as was stated on the floor yesterday, the Army engineers have stated were war projects. If I am mistaken, I shall be glad to be corrected by the chairman of the committee. Now, Col. Newcomer comes in and states that there is no necessity for the 40-foot channel through East River and Hell Gate; that a 35-foot channel is sufficient, and that the Navy Department has not asked for a 40-foot channel.

Mr. CALDER. Will the Senator from Iowa yield to me?

Mr. KENYON. I will.

Mr. CALDER. I hold a copy of a letter in my hand which is addressed to the chairman of the Committee on Rivers and Harbors of the House of Representatives, which was written by the Secretary of the Navy, in which he very strongly advocates the building of this 40-foot channel.

I may say to the Senator from Iowa that it was after this letter and the letter from the Secretary of War indorsing what Secretary of the Navy Daniels stated, that the Committee on Rivers and Harbors again met and incorporated the proposition for a 40-foot project. If the Senator will permit me, I shall read a paragraph of the letter, as follows:

It will be readily understood that with a 40-foot depth of channel leading into the navy yard from the south and an equal depth through Hell Gate would practically double the strength of our fleet if concentrated in Long Island Sound, for the reason that the exits at Ambrose Channel and Montauk Point are so far apart that it would take double the force to contain our fleet in these waters in order to guard the outlets at both of these points to prevent the egress of our fleet.

Mr. KENYON. I want to say to the Senator from New York, in order that he may understand my position, that I am not opposing that proposition. I think the channel ought to be 40 feet; that is a proper way to spend money on rivers and harbors. New York is a great port; and it is just as important to the people of my State as it is for the people of New York that that harbor be improved. It is also important for the whole country that Hell Gate be blown up.

Mr. CALDER. I thank the Senator from Iowa for approving the improvement of our port and the rivers adjacent thereto.

Mr. KENYON. I want to suggest——

Mr. CALDER. If the Senator will pardon me for just a moment, I might add that I know the Army engineers are not sympathetic with the 40-foot project, but the Secretary of War and the Secretary of the Navy were strongly for it, as was also the President. They saw the wisdom of it, and that is the reason why it is in the bill.

Mr. KENYON. I desire to suggest to the Senator that there ought to be, it seems to me, an amendment to that proposition, in line 20, on page 6, where it reads a "40-foot channel," by making it read a "40-foot commodious channel."

As I understand the situation there it is something like the bow of a stovepipe. If you merely had your 40-foot depth in the center, would it be possible to use it around the bend at that point?

Mr. CALDER. Answering the Senator, I will say that perhaps the project as provided for in the bill would help a great deal; undoubtedly it would; but to be really effective we ought to have what the engineers have termed "a 40-foot commodious channel," and I am hopeful that something will occur to make that possible before we pass the bill.

Mr. KNOX. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. KENYON. I do.

Mr. KNOX. I want to ask the Senator if he knows what the depth of the Panama Canal is?

Mr. KENYON. Not accurately; no.

Mr. LODGE. I think it is 40 feet.

Mr. CALDER. I think it is 40 feet.

Mr. KNOX. I should like to ask the Senator if he does not think that at all our principal Atlantic and Pacific ports the minimum depth ought to be at least the depth of the Panama Canal? Otherwise you will be maintaining a waterway down there that will be available for vessels that can not come into our own ports.

Mr. CALDER. If the Senator is addressing me, I will reply to him by saying that undoubtedly the channels in our important harbors and ports ought to be at least 40 feet deep.

Mr. KNOX. If not, it seems to me that we have built the Panama Canal for the commerce of foreign nations that would draw the maximum depth there, but which could not obtain access to our own ports. The formula, I think, should be that the minimum depth of our own ports should be the maximum depth of the Panama Canal.

Mr. CALDER. I agree with the Senator.

Mr. KENYON. Does the Senator know the draft of our largest ocean boats? I do not mean our battleships. Our battleships draw 33 feet, I think.

Mr. KNOX. I know that they can not get into New York Harbor with a 35-foot depth. Perhaps the Senator from Massachusetts, who is more directly interested in harbor work than I am, will be able to answer that question.

Mr. WEEKS. It is not safe for the largest dreadnaught to rely on a 35-foot channel, especially with a rocky bottom and a swift current. All Navy men, where a channel is to be used by the largest type of dreadnaught, desire a 40-foot channel. In connection with that, I will read an extract from the testimony of Admiral Benson, who is now the Chief of Operations of the Navy Department. He was discussing before the Committee on Commerce a very meritorious project, the Cape Cod Canal, and he added this:

It will acquire additional importance if the contemplated measures for deepening Hell Gate are carried through, and they must eventually be carried through, whether at this time or some other time, on account of the additional tremendous strategic importance of that place.

Mr. KENYON. I do not think there is much difference of opinion as to making the channels in all these important harbors of sufficient depth to make them safe, and we could do that if we saved some of the money wasted on worthless projects.

Mr. CALDER. I hope the Senator realizes the fact that the port of New York accommodates 52 per cent of the tonnage of the country, according to the figures of last year.

Mr. KENYON. I realize that.

Mr. CALDER. I am glad to know the Senator realizes it.

Mr. KENYON. I referred, Mr. President, a while ago to a general lump sum of $1,000,000 that was available from a former river and harbor act for any necessary uses, and that is available now. I think I will put the evidence of that in the RECORD at this time. I read from page 132 of the House hearings:

Mr. FREAR. May I inquire if you have not $1,000,000 left from the fund that was appropriated several years ago in a lump sum with which to provide for all immediate necessities?

Col. NEWCOMER. No; not all immediate necessities.

Mr. FREAR. I mean it can be applied to anything——

Col. NEWCOMER. It can be applied to necessities in so far as it will go.

Mr. FREAR. It can be applied to anything which is regarded by the engineers as necessary?

Col. NEWCOMER. Yes, sir.

Mr. FREAR. And that fund can be used at any time?

Col. NEWCOMER. That is available for necessities as they arise. As I said before, we expected that would all be required to take care of the plants and necessary expense of supervision and matters of that kind. As a matter of fact, I might inform the committee that in view of the possibility of the failure of any river and harbor bill this year we have been looking around to see to what extent allotments made from that appropriation might be recalled and made available for more urgent or more essential work. You understand that in making these allotments the work does not proceed sometimes with the expedition we expect, so that it may be a matter of a couple of years before the expenditure is actually made, and it is very likely we could supplement that $1,000,000 by some additional amounts withdrawn from other places. But that is now the unallotted balance.

The grouping process goes on through the bill. On page 7 I find the following:

Keyport and Shoal Harbors, Woodbridge, Cheesequake, Matawan, and Compton Creeks, Elizabeth, Raritan, South, and Shrewsbury Rivers, and Raritan Bay, N. J.: For maintenance, $58,000.

I find grouped also on the same page the following:

Cold Spring and Absecon Inlets, Absecon and Tuckerton Creeks, and Toms River, N. J.: For maintenance, $35,000.

We have appropriated heretofore for Cold Spring Inlet $981,200. There is practically no commerce on that waterway. One place—I think it was Cold Spring Inlet, but I am not sure as to the name just now—was referred to in one of the engineer's reports, and it was stated that the harbor should be improved so as to permit the resumption of the yacht races at one time sailed at Cape May and forming the most attractive event of the season. Of course it is interesting to the taxpayers to contribute nearly a million dollars in order to improve conditions so that yacht races may go on uninterruptedly.

I intend at this point, Mr. President, merely to put in the RECORD the figures showing the amounts expended and the commerce upon a great many of the creeks and rivers provided for in this bill. For instance, on page 12, I shall put into the RECORD the amounts that have been expended and the commerce on the rivers there grouped, namely, Manteo Bay, Scuppernong, Pamlico, Tar, South, Bay, Neuse, and Trent Rivers, Fishing, Contentnea,

Swift, and Smiths Creeks, and so forth. On page 13 the Santee, Wateree, and Congaree Rivers; on page 14 the Altamaha, the Oconee, the Okmulgee; on page 16 the Kissimmee, Caloosahatchee, Orange, Anclote, Crystal, and other rivers.

I desire also to put in some facts with relation to the Tombigbee River, on page 20; the Red, the Black, and the Ouachita, and a number of other Louisiana streams, and also the Arkansas, Black, Cumberland, and Tennessee Rivers.

I am going simply to put in what perhaps may be very dry statistics, but they will be handy to have for future reference with relation to these projects and as showing what I have been contending.

Mr. FLETCHER. Mr. President, may I ask the Senator whether the statement to which he refers will cover the appropriations for the years from the beginning on down to the present time or the mere total?

Mr. KENYON. I do not want to put the matter in the RECORD as a statement; I want to put in facts from the records, I will say to the Senator.

Mr. FLETCHER. The matter will show the appropriations for these rivers from the very beginning by years, I take it?

Mr. KENYON. Yes; it will show the origin of the projects and the appropriations.

Mr. FLETCHER. Will it show the commerce?

Mr. KENYON. Yes; for the last three years.

Mr. FLETCHER. Only for the last three years?

Mr. KENYON. I think that is all the engineers' reports show. I will show whatever the engineers' reports show, but I will say to the Senator that I would rather not do it to-night. I can state it in perhaps an hour in the morning.

Mr. RANSDELL. Mr. President, will the Senator yield?

Mr. KENYON. Yes.

Mr. RANSDELL. I will ask the Senator if he does not think it is fair, when he shows the entire expenditure made upon these projects since the beginning of the Government, to show also the entire commerce that the rivers have borne year after year since the Government began to make appropriations for them?

Mr. KENYON. I will say to the Senator that I should be very glad to do that if I had the figures. The engineers' reports do not give those figures, and I am simply putting in the RECORD what the engineers' reports show.

Mr. RANSDELL. Does not the Senator think that it gives rather an improper impression about these various projects when you show the expenditures made upon them, say, for the last 100 or more years, and you show the commerce upon them only for the last three years? That is hardly a fair showing. Is not that a one-sided statement of the case?

Mr. KENYON. Well, just as anybody views that. I suppose that most people realize that there has been some commerce on some of these streams from about the time the improvement started. I was not aware that many of them had been improved for as long as a hundred years.

Mr. RANSDELL. I will say that, for instance, in my own State the commerce on the Red River is undoubtedly very small at the present time. The appropriations on the river are small now. In times past there has been a very large commerce upon the Red River, and the appropriations were fairly large. If you should take the appropriations for the Red River in the aggregate, they would show up pretty large; but if you should take the commerce on the Red River in the past you would find that an enormous quantity was carried on that river, though at the present time, and for the past three years, the commerce has been small. It would not give one a correct idea of what that river was in the former years when we were spending a great deal of money upon it.

Mr. KENYON. Does the Senator contend that the commerce was more upon the Red River before they commenced to improve it than it was afterward?

Mr. RANSDELL. I did not intimate anything of the kind. I said that the commerce on the river was very large in former years. I remember when I was a boy that there was a considerable obstruction in the river near the town of Alexandria, where I was born. That obstruction was removed at very considerable cost. There were no railroads near the river in those days. All the commerce of that section was carried by water. There were considerable improvements made upon the river at heavy cost, and a very large commerce was carried upon it. For the last few years the annual expenditures have been quite small, and the commerce has been small. The only point I was making was to ask the Senator, in all fairness, if in his statement about the Red River he is going to give the total expenditures made from the beginning of the Government upon it, whether he ought not also to give the commerce that has been carried on that stream since the beginning of the Government, so that one might fairly offset the other?

Mr. KENYON. Mr. President, I have not the commerce on the Red River from the beginning of the Government. I suppose it might be possible to secure it, but I really have no means of getting it. If the Senator could furnish it to me, I should be very glad to use it.

[At this point Mr. KENYON yielded the floor for the day.]

Wednesday, July 25, 1917.

Mr. KENYON. Mr. President, if there are no other interruptions I will proceed with the merry business we are now engaged in of finding places to waste the public money while the Finance Committee is trying to find things to tax to raise the money. It is quite significant, Mr. President, and somewhat discouraging that at a time when the Senator from Utah [Mr. SMOOT] calls the attention of the Senate and of the country to the fact that there will be voted for the fiscal year ending June 30, 1918, the sum of $17,000,000,000 to cover Government expenses, and, while the Committee on Finance is searching every conceivable avenue of taxation to find methods of taxation to raise a portion of this stupendous sum, we should be engaged in considering a bill carrying on wasteful projects and wasteful systems that have existed in this country for so many years.

If there ever was a time in the history of this country when the Representatives and Senators in Congress ought soberly to investigate and consider the appropriation bills before them, this is the time, but Congress is not doing it, and Congress will not do it. The Senate of the United States will not vote its honest convictions on this bill; it can not do so. I realize the difficulty that Senators are in. I realize that some of the most splendid and honest Members of this body can not vote against this river and harbor bill, or anything in it, because when they do the structure falls down, and when they do they are voting against meritorious projects in their own States. That is the unfortunate situation that arises in connection with river and harbor bills, and I do not believe it is ever going to change.

What are the different political parties going to say to the people of this country? All the political parties, except the Socialist Party, will undoubtedly say that they stand by every expenditure made to carry on this war. It may be that the Nation having the last dollar will win this war. The situation is becoming more ominous every day to thinking patriotic Americans, and yet we hear the doctrine announced on this floor, as was announced yesterday, that our expenditures now have grown so tremendous and $27,000,000 is such an infinitesimal sum that we ought not waste any time considering it.

Mr. President, I am concerned not for the future of our country, because I have a firm belief in Providence, and that in some way Providence is working out great problems for the benefit of the world, but I am concerned as to what is coming in the next few years, if we go on with a condition of affairs that arouses the feeling of the people.

We have been told on this floor that even though more foodstuffs go into beer than go into whisky, we must not touch beer, because if we do trouble and dissatisfaction will be produced in certain communities, but, believe me, these continuous wasteful expenditures are involved in the question of domestic tranquillity more than beer.

The Democratic Party said in 1916—and I am talking in no partisan sense, for there is never any politics in raids on the Public Treasury:

> We demand careful economy in all expenditures for the support of the Government, and to that end favor a return by the House of Representatives to its former practice of initiating and preparing appropriation bills through a single committee chosen from its membership, in order that responsibility may be centered, expenditures standardized and made uniform, and waste and duplication in the public service as much as possible avoided. We favor this as a practicable first step toward a budget system.

The Republican platform in 1916 said:

> The increasing cost of the National Government and the need for the greatest economy of its resources in order to meet the growing demands of the people for Government service call for the severest condemnation of the wasteful appropriations of this Democratic administration, of its shameless raids on the Treasury, and of its opposition to and rejection of President Taft's oft-repeated proposals and earnest efforts to secure economy and efficiency through the establishment of a simple businesslike budget system to which we pledge our support and which we hold to be necessary to effect any real reform in the administration of national finances.

But we can not even get consideration for a resolution which I introduced in the Senate some time ago providing for a commission to study and report on the budget system to the next session of Congress. We are going on spending billions of dollars, creating thousands of offices in this country, with no reports to Congress, and if any attempt is made to provide a war

board or war council in which Congress may have a part to ascertain how the money which it appropriates is being expended, we are met with the strongest influence against the proposition.

Mr. President, before taking up a number of these projects and hurrying along as fast as the weather will permit, I ask to have read from the desk an article in the Star, quoting a speech of Vice President MARSHALL at one of the conventions of the National Rivers and Harbors Congress in this city.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

FOR INTERSTATE COMMERCE COMMISSION CONTROL OVER ALL TRAFFIC—VICE PRESIDENT MARSHALL ADVISES RAIL AND WATER BUSINESS BE COORDINATED—SPEAKS AT CONVENTION.

Vice President MARSHALL to-day advised the National Rivers and Harbors Congress, in convention at the New Willard Hotel, to insist that the Congress of the United States coordinate the control of the rail and water traffic of the country under the Interstate Commerce Commission, first enlarging the personnel of the commission so that it may have enough men to do all the work that will be necessary.

"It is not my business to start anything in the United States," the Vice President said. "I discharge my full duty when I listen to the utmost, in all humility, or go to sleep, when these questions are discussed before me. But permit me to suggest, not as one who knows, but as one who has listened, that it would be to the interest of the men who stand for improved waterways in this country to have the Interstate Commerce Commission enlarged and to commit to its care the control of both rail and water rates and the manner in which they affect each other."

CRITICIZES WATERWAY IMPROVEMENTS.

Mr. MARSHALL said he believes there is an absolute necessity for completely overturning the United States Government on the question of interstate commerce. The people of the country, he said, will never be satisfied "with the present slipshod methods of river and harbor improvement." He said he had looked at river and harbor bills himself, "sometimes with a yellow and jaundiced eye," and he thought some of them had contained projects which ought never have been approved by Congress. He advocated such improvements by legislative action "in a scientific way."

"You will not dispute the fact," Mr. MARSHALL said, "that the more money you expend the less traffic you have. Traffic does not arise as a result of improving rivers. The railroads have the right to meet river traffic rates. They do meet them, and the result is that notwithstanding the fact that rivers have been improved, traffic on rivers ends when the railroads meet the river rates." This, Mr. MARSHALL said, is a condition which will be improved if the control of water as well as rail rates is committed to the care of the Interstate Commerce Commission.

Mr. KENYON. Mr. President, on yesterday the Senator from Florida [Mr. FLETCHER] placed in the RECORD a letter from Gen. Black. Among other things, the general said:

At the beginning of the present session of the Sixty-fifth Congress I was directed to recommend to the Secretary of War such items for a river and harbor bill as I believe to be now a military necessity.

It does not seem possible that Gen. Black recommended all of the items in this bill as a military necessity, and yet that is the way his letter reads. Now, let us see how essential to military conditions are some of these mighty streams of commerce.

Mr. FLETCHER. Mr. President, may I interrupt the Senator to make a suggestion?

Mr. KENYON. Yes.

Mr. FLETCHER. Perhaps I am somewhat at fault in the statement I made, and I think perhaps the Senator has fallen into the same error. What were referred to as being based upon military necessity, or having direct relation to the national defense as specified by the Chief of Engineers, were the new projects in the bill. I have been, perhaps, a little broad in some statements that I made, that every item in the bill was considered a military necessity. What I meant was the new items in the bill; because, as I explained in the outset, the completed projects are provided for under the head of "Maintenance," and the projects already adopted and under improvement under the head of "Maintenance and improvement." Then come the new projects, which are based upon the idea of having direct or indirect relation to the national defense, or, in other words, the military necessity. So it is with reference to the new projects that I wanted to confine that observation which I made myself and which, I think, may have mislead the Senator.

Mr. KENYON. I assume that is probably what Gen. Black meant. I can not imagine that he would include all of these projects as military necessities.

On page 12 of this bill, under this new grouping system, we find, under one item, a number of matters. True, the item is small, but it illustrates the system; and I put into the RECORD the facts concerning a number of these items.

Scuppernong River: Engineers' reports, volume 2, page 2185. The Government has expended the sum of $34,900 on that river. The reports show a commerce up and down the river of 9,448 tons. This includes over 2,000 tons of lumber, which, I assume, can be floated without any large improvement to these streams.

Mr. WATSON. What was the value of that commerce?

Mr. KENYON. The value was something like $380,000.

Contentnea Creek, N. C., which is included in the same grouping system: I want to read into the RECORD from the Engineers' reports, volume 1, page 549, the original condition of this mighty stream of commerce:

Previous to improvement this stream had a depth of about 3 feet during nine months of the year from its mouth to Stantonsburg, 63 miles above the mouth, but was obstructed throughout its entire length by fallen timber, sand shoals, and overhanging growth, and was navigable for shallow-draft craft only during the higher freshet stages of about three to six months of the year.

The existing project was adopted by the river and harbor act of March 3, 1881, and contemplated clearing the stream of obstructions so as to obtain from its mouth to Stantonsburg a depth of not less than 3 feet during the higher stages about nine months of the year, at a cost estimated in 1888 at $77,500. It was amended in 1894 to limit maintenance below Snow Hill and extended in 1899 to include maintenance to Stantonsburg.

The work of the year consisted of removing from the channel 360 obstructions between the mouth and Snow Hill, 32 miles, using the United States hoister *Contentnia* and hired labor. There was expended in this work $961.96, all for maintenance, as a result of which the natural channel was unobstructed.

The project was completed in 1896 for $13,105.44 less than the estimate of 1888. Since that time work has been confined to maintenance principally below Fools Bridge.

A very appropriate title for a bridge on this stream.

A channel free from obstructions and 3 or 4 feet deep exists for from six to eight months during the year to Fools Bridge, 42 miles. Above that point the stream is in poor condition. Expended on present project to June 30, 1916: For improvement, $64,394.56, and for maintenance, $19,532.33; a total of $83,926.89.

Now, let us see about the commerce on this great waterway. Without the development of these mighty waterways this war, of course, will be a failure. The commerce for the year 1915 amounted to 9,697 short tons. In 1913 the commerce was 8,684 tons. So the commerce on this stream has increased somewhat. The work that was done in the year, as shown by the engineers' reports—

Consisted of snagging for the purpose of clearing the natural channel of obstructions from the mouth to Snow Hill 32 miles above the mouth. * * *

The hoister *Contentnia* began operations on this stream on February 18, 1916, and to March 31, 1916, removed a total of 50 large logs, 33 stumps, 45 snags, 29 saw logs, 11 trees, and 1¼ cords of small snags from the channel; and cut and hauled back 177 trees and 14 cords of brush from the banks.

There will be little trouble about the fuel question this winter. We can get our wood out of some of these streams.

Commercial statistics, season of navigation, 1915: Navigable during freshet stages only; about three months during the year.

The commercial statistics I have given.

We have spent $85,000 on this stream. Is it not honestly time to abandon projects of that character?

Mr. WATSON. What is the value of that commerce?

Mr. KENYON. The value of the commerce is given as $146,975. Of that, 6,900 tons was timber of a value of $20,000.

I pass now to another mighty stream of commerce.

Mr. FLETCHER. Mr. President, has the Senator stated the amount carried in this bill for maintenance of Contentnea Creek?

Mr. KENYON. It is impossible to tell. That is the advantage of this grouping system; the engineers can spend any amount of it on Contentnea Creek, or all of it. The Senator from Florida stated the other day that it was $1,000.

Mr. FLETCHER. That is the amount. It is not impossible to tell, if you refer to the report of the engineers. That is the estimate for it—$1,000.

Mr. KENYON. Of course a man feels very cheap now in saying anything about $1,000.

Mr. FLETCHER. The commerce was valued at $146,975.

Mr. KENYON. I have stated that, of which about $20,000 was timber.

I pass now to the next great waterway in this plan of developing our waterways as included in this group system, and that is Smiths Creek. I have no information as to the amount of this appropriation that will be used for Smiths Creek, but it can all be used; and just for the sake of history and some people who may quietly, around their own firesides, read the CONGRESSIONAL RECORD, to save them the trouble of looking up the engineers' reports, so that they may understand how the people whom they have elected to Congress are standing by their rights and keeping them from unnecessary taxes, I put a few facts in the RECORD from the engineers' reports:

Smiths Creek rises in Pamlico County. * * * It is about 5 miles long, but navigable only 2 or 3 miles above its mouth. Wind tides prevail throughout its entire length.

That is a very advantageous thing to know.

The discharge depends on prevailing winds and is impossible to measure. The current is sluggish. The fall is very small. Average width between banks is about 100 feet.

The commerce for the last three years, which is all that is given in the engineers' reports, is as follows:

1913, 2,935 tons.
1914, 3,545 tons—

You see, it is gradually growing up. There is an enormous increase—

1915, 5,896 tons.

There is one good thing about that creek. We have not spent such an enormous amount of money on it; only about $17,000.

Mr. SMOOT. It was only discovered about three years ago.

Mr. FLETCHER. Mr. President, will the Senator allow me to state, in fairness, that the bill does not carry a cent for Smiths Creek, unless it is possible that something is left over out of the lump-sum appropriation for these items and from those that are specified and estimated for. In other words, the commerce on Smiths Creek was $145,000 last year, and there is no estimate for any expenditure on that creek at all; and therefore none of this money will be spent on Smiths Creek unless, as I say, something is left over, and it is needed there, from the other items mentioned in the bill.

Mr. KENYON. The Senator states there—and I do not charge the Senator at all with the responsibility for it—the unfairness of the whole system pursued in making up this bill. Twelve or fifteen items are grouped in here together, and then a lump sum is applied to them. Under the very terms of this bill, with which the Senator must be familiar, the section near the close of the bill, the engineers are given the power to spend this money in any of these groupings just exactly as they please. So it is not quite fair. The Senator has, perhaps, a good deal of information as to what the Army engineers are supposed to do.

Mr. FLETCHER. No.

Mr. KENYON. The Senate has not that information.

Mr. FLETCHER. I am basing that, if the Senator will allow me to say so, upon the report of the engineers that is submitted to Congress and printed, and is here on the desks, and is in the document room. The reports show the estimates made for the different items in this group.

Mr. KENYON. Well, what is this put in the bill for?

Mr. FLETCHER. Only for this reason—now, let me ask the Senator if this is not reasonable:

Suppose during the current year, between now and June 30, 1918, a storm should come, or some accident should happen, whereby the channel should be closed up; and suppose the engineers could take a dredge out of Fishing Creek or Contentnea Creek, where they might be working, and in a day's time remove that bar. Would not that be a wise thing to do? It would cost almost nothing; but the engineers could not do it unless you grouped these items in this way. By grouping them in this way they would have authority to do it in case of an accident or emergency like that, and that is the whole purpose of grouping. The reports themselves show specifically every item for which estimates have been made, and there is not an estimate of a dollar made for Smiths Creek, so that it can not be spent there except in case of some emergency like that, which I believe would be proper and economical.

Mr. KENYON. No; it can not be spent there unless the engineers decide to spend it there. That is true, and that is the whole situation. I agree with the Senator that there is a storm coming, but it is coming from the voters when they discover some of these appropriations.

Mr. RANSDELL. Mr. President, will the Senator yield for a question?

Mr. KENYON. I yield. I have agreed with the chairman that I was going to get through in a reasonable time, but I am glad to yield to the Senator.

Mr. RANSDELL. I do not intend to get into any controversy.

Mr. KENYON. I am perfectly willing to get into a controversy.

Mr. RANSDELL. I merely want to ask the Senator a simple question, and it is this: In view of the very great car shortage all over the country, does not the Senator think that these two little creeks which he has named—that is to say, Contentnea Creek, with something over 9,000 tons of commerce, in other words about nine trainloads of commerce, and this other creek, Smiths Creek, with about 6,000 tons of commerce, something over six trainloads of commerce—does not the Senator think that those creeks make an important contribution to the freight carrying of this country, in view of all the car shortage we have? Fifteen trainloads are carried on these two little creeks, one of which is going to get $1,000 in this bill, and the other nothing.

Mr. KENYON. Oh, well, I do not believe—and I say this in all respect to my distinguished friend from Louisiana, for whom I have a great affection—I do not believe there is a creek in the United States but that my good friend has a notion could be improved and made navigable.

Mr. RANSDELL. That does not answer my question.

Mr. KENYON. Of course I am interested as much as the Senator is in the car-shortage proposition. It is a serious matter. I do not know but that I would vote to build cars, but there are not any railroads along a lot of these creeks. The Senator might just as well build railroads down there as to do this. It would be just the same proposition. I have a little interest in the people who will have to pay for all of this, as well as the people who are to have their freight transported, and I know the Senator always has the notion that anybody who opposes a river and harbor bill is in some way trying to help the railroads. I will join with him in any kind of a plan that will amount to anything, that will not be just a wasteful plan, to try to bring into some kind of coordination the railroads and the great rivers of the country. I am not going to join in any plan for Fishing Creek and Contentnea Creek, and affairs of that kind.

Mr. RANSDELL. Would the Senator be in favor of abandoning all these waterways, which in the aggregate carry an immense commerce? I listened with a great deal of pleasure to the Senator's very able discussion of the high price of coal and have tried to follow him in his efforts to reduce its price. He has been one of the leaders in this coal proposition. It has been suggested by the Senator from Utah [Mr. SMOOT] and others that one of the greatest troubles in regard to the high price of coal is car shortage. In the aggregate an enormous volume of freight is carried on the waterways of the United States. In and around Pittsburgh there is something like 15,000,000 tons of commerce carried on those waterways—the Allegheny, Monongahela, and Ohio Rivers—and it is coal. Would the Senator favor our abandoning these waterways and forcing the freight that is now carried on them to be carried by rail? Would not that add very materially to the present car shortage?

Mr. KENYON. I have heard that argument so many times——

Mr. RANSDELL. It has not been answered by anybody.

Mr. KENYON. Oh, no; no one will ever answer it to the Senator's satisfaction. The Senator answers it by improving all the creeks of the country. I am, of course, in favor of improving the great rivers, and everybody else is, and lessening the strain on the car proposition in this country. But it is always that way—the Ohio River, the Mississippi River, and the Monongahela are linked up with these little good-for-nothing projects, and then a Senator rises and beats his breast and announces that this great commerce of the country is going to be destroyed. That is the trouble with the whole river and harbor system. You put a good proposition in and then you join onto it a lot of indefensible things, and if you are going to beat the indefensible things you have got to beat a good proposition, and you can not do it.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Utah?

Mr. KENYON. I yield.

Mr. SMOOT. Would it not be well for the Senator to remind the Senate that three years ago, when there were 247,000 idle cars sidetracked in the country, we were asked to make appropriations for the same little creeks and streams, and the only question then was to advance commerce. Is not that true?

Mr. KENYON. Well, we might as well be perfectly frank about these little streams. Everybody knows it. It is not for commerce, but to help elect men to Congress. What is the use of going around the corner about that proposition? A man goes home with an appropriation for Contentnea Creek or Podunk Creek, or a public building, and he is tendered a great banquet, and leading orators pronounce him the greatest statesman we have had in modern times. That is not true of all, of course. That is practically what the general I quoted yesterday announced is the trouble with the whole system.

I proceed now with a few more matters for the RECORD. We understood the other day that Fishing Creek was in the same situation that the Senator now says some of these other creeks are, but let us see. Let us see the great work that has been done for Fishing Creek. The work consisted of snagging, and so forth:

The hoister *Contentnia* started work on this stream on January 25, 1916, and worked until February 2, 1916——

Mr. NEW. In what State is that?

Mr. KENYON. In North Carolina.

The hoister *Contentnia* started work on this stream on January 25, 1916, and worked until February 2, 1916, when operations were suspended, the stream having been restored to good condition. She removed from the channel 21 logs, 4 stumps, 16 snags, 8 saw logs, and

2 trees, besides cutting and hauling back from the banks 8 trees. This work was accomplished at a cost of $726.91, which gives a unit cost of $12.31 per obstruction or threatened obstruction removed. Other expenditures were $162.15 and were in payment for district and field office expenses.

We have not expended a great deal of money on this stream—$32,750; of course, merely a driblet.

COMMERCIAL STATISTICS.

Season of navigation, 1915: Navigable for about three months in the year during freshet stages only.

Commerce upstream, 128 tons—I do not know how many carloads that would be—downstream, 2,322 tons; a total commerce of 2,450 tons.

Mr. KING. Will the Senator yield for a question?

Mr. KENYON. I yield.

Mr. KING. Have the engineers in these various projects given the size of the river—that is, the number of cubic feet of water per second, the depth and width, to determine whether it is navigable or nonnavigable? Have they fixed any standard, or is it not a fact that any stream 2 or 3 feet deep that dries up for 10 months in the year and may float saw logs is denominated a navigable stream?

Mr. KENYON. I think it has been defined by the courts that a navigable river is one that can float logs. I have some indistinct recollection of such a decision in Wisconsin.

Mr. KING. In reading the proceedings of the commission I would imagine the determination of the court cuts but very little figure in determining whether a stream is navigable or not for the purpose of getting money out of the Treasury of the United States.

Mr. KENYON. I will say to the Senator that if he will search back through these engineer reports he will find one report, at least, where the amount of water was one-tenth of a foot at the head of navigation.

Mr. KING. If my friend will pardon me, I remember when I was in the House reading one of the reports submitted by an engineer where the stream was denominated a navigable one, and in the report it was stated that by sinking artesian wells at a considerable expense and pumping the water from those wells into the little streams that they called navigable it might be made navigable and would float a few logs and carry a flat bottom. That was one of the streams the improvement of which was recommended.

Mr. KENYON. I think it stands as a brilliant historic fact that it was recommended by the Army engineer that the way to get water in certain streams was to sink artesian wells at the bottom. Other plans have been suggested by other people—of macadamizing some of the streams and making highways of them. A committee of Congress did visit a stream in Texas, and they were met at the depot by a local committee and asked to go up the stream in a buckboard; there was not enough water for a boat. These are extreme cases, of course.

I want to go on with this monologue:

Existing projects: The original project, adopted by Congress under the river and harbor act approved September 19, 1890 (H. Doc. No. 32 51st Cong., 1st sess., and Ann. Rep. for 1890, p. 1179), was to clear the stream of logs, snags, trees, etc., up to Bellamy's mill, about 50 miles above its mouth, so as to give a minimum low-water depth of 20 inches and a minimum width of 40 feet, at an estimated cost of $25,000.

I call the attention of the Senator from Utah to the great fact that originally the plan of this creek was to give it a minimum depth of 20 inches—not 10 inches, but 20 inches—and they spent on that $31,062.54.

Another one of this group is Pamlico River, on which there has apparently been considerable commerce, a complete commerce of 177,000 tons downstream and about 100,000 upstream, but when analyzed you discover that about 120,000 of that is timber. Now, listen to this:

From July 1 to August 11, 1915, inclusive, she—

The dredge *Hercules*—I do not know how the name happened to be "she"—

removed a total of 43,882 cubic yards of material, 25 logs, and 43 stumps, completing the channel to the bridge. This work was done at a cost of $8,981.15, or a cost of 20.4 cents per cubic yard, including logs and stumps. In addition, $7,485.09 was paid the appropriation for Cape Fear River, N. C., at and below Wilmington for use of dredge *Hercules* and attendant plant.

* * * * * * *

The original project for Pamlico River as adopted by the river and harbor act of August 14, 1876, was to provide 9 feet at low water from Washington to the mouth at an estimated cost of $28,050. This was combined in 1880 with the original project for Tar River, adopted by the river and harbor act of May 3, 1879, for the removal of obstructions between Washington and Tarboro, at an estimated cost of $10,000. In 1887 the project was modified to provide a depth of 20 inches and a width of 60 feet to Tarboro, and the estimate was increased to $75,000. It was again increased in 1889 to $76,000.

What a profound joy there must be in the hearts of the American people who are saving and sacrificing to pay the enormous taxes put upon them to read of the mighty projects that there have been in the river and harbor bills of the past, for the stream that is included here in the bunch system to get 20 inches of water and a width of 60 feet. What kind of a stream is that, anyhow, 20 inches deep and 60 feet wide? It would be a good deal better, as the Senator from Nebraska [Mr. NORRIS] suggests to me, to turn it up on the side. It would be a good deal deeper.

Mr. KING. Mr. President, I wish to assure the Senator from Iowa that in the West we have canals for irrigation purposes that will hold a great deal more water than that. Yet we have not the temerity nor the indecency to come here and ask Congress to make appropriations for them or to make them navigable streams.

Mr. KENYON. For the Senator from Utah to speak in that disrespectful way of this great war measure borders close to treason. I resent it.

Mr. RANSDELL. Will the Senator kindly read the commerce and its value on the Pamlico River?

Mr. KENYON. I did.

Mr. RANSDELL. I did not hear you. I heard you say 286,000, tons and most of that was timber, as though timber was not commerce. That was valued at $3,537,000. I did not hear you read that. That is a very considerable commerce.

Mr. KENYON. Did the Senator read the value of that. I did not read that. I read the commerce.

Mr. RANSDELL. And intimated that timber was not commerce.

Mr. KENYON. Oh, no; but I intimated that timber and logs and matters of that kind can be floated down stream without all these tremendous appropriations.

Now, Mr. President, I pass from that group, although there are other very interesting matters in it, but I am really in earnest in wanting to get through. I pass to the group on page 13 of the bill.

Northeast, Black, and Cape Fear Rivers. It requires a good deal of time to get these statistics, but I know the Senate is in no hurry, as we have nothing else to do until the bill comes out to tax the people.

Black River, volume 1, page 590:

The project was completed in 1895 and has been maintained since that time. The river is in good condition, the governing low-water depth being 5 feet to Point Caswell, 2½ feet to Hawes Narrows, 32 miles above the mouth, and 1½ feet to Clear Run. Expenditures on present project up to June 30, 1916, were: For new work, $12,358.40; for maintenance, $22,767.18; total, $35,125.58.

There is a real river with a foot and a half of water at Clear Run, or the possibilities of a foot and a half at Clear Run. The country is going dry pretty fast, and it extends to a lot of these streams.

Cape Fear above Wilmington, page 592 of the report:

During low-water season, however, numerous shoals over the upper 66 miles of the river between Wilmington and Fayetteville gave a depth of only 12 to 14 inches—

Now, listen to this—

In addition, the upper 75 miles was badly obstructed by sunken logs, overhanging trees, snags, etc. The remainder of the river was generally navigable the year round by vessels drawing about 3 feet of water, but even this section contained many snags and logs. Tidal range, 2½ feet at mouth to 1 foot at Kings Bluff, 39 miles above.

We have appropriated for the Black River $36,300. The commerce, according to these reports, for the year 1915 was 19,856 tons down the river, 2,678 tons up the river. Down the river there were 13,000 tons of timber, making a total commerce less the timber of about 10,000 tons.

Cape Fear River above Wilmington, page 2238 of volume 2:

Work during the year was carried on by Government plant and hired labor. The *General H. G. Wright* was employed a total of 19½ days snagging and clearing banks between a point 39 miles above Wilmington and a point 72 miles above. She removed from the channel 77 logs, 81 trees, and 10 stumps, and cleared from the banks 275 trees.

We have appropriated for this river above Wilmington $184,750. The commerce is not given in volume 2. I will see if it is given in volume 1. But listen to what great work has been done:

As a result of the year's work a fairly cleared natural channel at low water was maintained from Wilmington, 7 feet deep to Browns Landing, 72 miles above Wilmington, and 2 feet deep to Fayetteville, 115 miles above Wilmington. As the river runs through a wooded country, however, trees and logs are brought into the channel by each of the numerous freshets.

What a farce, and to be going on at just this particular time, with an expense this year to the Nation of $17,000,000,000 for war purposes.

On page 591 of volume 1:

When placed under governmental improvement in 1881 the river was navigable during about nine months of the year up as far as Fayetteville. During low-water season, however, numerous shoals over the upper 66 miles of the river between Wilmington and Fayetteville gave a depth of only 12 to 14 inches. In addition, the upper 75 miles was badly

obstructed by sunken logs, overhanging trees, snags, etc. The remainder of the river was generally navigable the year round by vessels drawing about 3 feet of water, but even this section contained many snags and logs.

As to the Northeast River, I find in a previous Engineer's Report, that of 1913, at pages 496–497, the following:

Amount expended on present project up to June 30, 1913, was $33,738.86, of which $10,687.96 was for improvement and $32,050.90 for maintenance.

As a result of the expenditures to date, the channel has been cleared wherever needed. Six feet of water can be carried to Bannermans Bridge and 3 feet to Crooms Bridge during all stages of the water.

From Crooms Bridge to Kornegays Bridge, the head of navigation, the river is so shallow that navigation is practicable only when the water is up. This is liable to occur at any time, but during the summer low stages usually prevail.

The minimum low-water depth to Bannermans Bridge is 6 feet; to Crooms Bridge, 3 feet; to Hallsville, 0.5 foot; to Kornegays Bridge (the head of navigation), 0.1 foot.

How do you like that, you people who are going to pay the taxes? How do you like projects of that kind? Why, Mr. President, if this business goes on, I doubt if the Statue of Freedom will be left on the dome of the Capitol. There is not going to be much left to tax.

Mr. NORRIS. Not even the water in the streams.

Mr. KENYON. It would raise very little to tax the water in these streams. I am unable to find in these reports any commerce as to that stream. If the Senator from Louisiana, who knows a great deal about the commerce on these streams, can find any commerce in the reports, I should be glad to have him put it into the RECORD.

Mr. RANSDELL. About what is the Senator from Iowa asking? I thought he was speaking about the upper Cape Fear River.

Mr. KENYON. I am speaking about the Cape Fear River above Wilmington, and I say I did not find any commerce there.

Mr. RANSDELL. If the Senator will look at page 589, volume 1, of the Report of the Chief of Engineers, he will find these words:

Calendar year.	Tonnage.	Value.
1913	123,170	$1,848,558.60
1914	128,518	2,116,210.10
1915	68,116	1,263,962.10

The decrease in tonnage and value is due principally to the falling off in shipments of fertilizer material and lumber.

That indicates some commerce on the stream.

Mr. KENYON. I really thank the Senator for that. I looked for the commerce, and under the heading "Cape Fear River" its commerce is not given. I see it is given in the report to which the Senator refers. I do not know how in the world they got commerce over the river. They must have had some wagons or cars.

Now I pass from that to the Little Peedee River, which is a little brother of the Great Peedee River. The Little Peedee River is really a pretty important stream; it is included on page 13 in the group. The commerce of this river in 1913 was 1,411 tons. That commerce went up rapidly in 1914 to 1,626 tons, and it fell in 1915 to 1,442 tons. We have appropriated $46,700 for that stream, and in the notes of the Engineers it is said:

Traffic has been handled by one steamboat making 23 trips and two tugs making four trips. No regular schedule service is maintained.

Mr. FLETCHER. Before the Senator leaves that matter, I will say that there is no estimate for any appropriation for the Peedee River in this bill, and the bill carries no appropriation whatever for that river.

Mr. KENYON. I am glad to ascertain that, though I feel badly for the poor Peedee River. There is not any way of telling there is no appropriation, however, by looking at this bill, is there?

Mr. FLETCHER. There is a way of telling it by referring to the estimate of the engineers. I can tell the Senator exactly what the estimate is. The report of the Chief of Engineers made in December, 1916, shows the estimates, and the report is available to us all.

Mr. KENYON. We will not quarrel about that, but the engineers can use this fund on these rivers if they desire to do so.

Mr. FLETCHER. They must use the fund in accordance with their estimates, when they are made. There is an appropriation of $65,000 for Winyah Bay and $5,000 for the Great Peedee.

The other projects mentioned in this group are the Waccamaw and Little Peedee, and we can not use a cent of the appropriation for these unless for some emergency which might arise for the opening of a channel, which might be blocked, or something of that kind, if there was any money left out of these funds estimated for Winyah Bay and Great Peedee River.

Mr. KENYON. I do not see that we have any disagreement about that.

Mr. FLETCHER. I want to say to the Senator that the estimates——

Mr. KENYON. The engineers can use funds if, in their judgment, they are necessary for those rivers.

Mr. FLETCHER. They can only use such funds after they have completed the work according to the estimates that they have made on these other items or projects; or in case of some emergency where they might be used to prevent navigation being stopped by employing a dredge or something of that sort to open a channel.

Mr. KENYON. However that may be, I think perhaps it may be a good thing for the taxpayers at some time to read of these streams, and I put into the RECORD from volume 2, page 2246, as to the Great Peedee:

During the fiscal year the United States snag boat *Wateree* between July 1 and October 11, 1915, carried on snagging operations over 68 miles of this river, removing obstructions as follows:

Overhanging trees felled and cut up	444
Logs removed from river	962
Stumps removed	644
Snags removed	1,006
Total	3,056

We have appropriated for this river $340,679.03. The commerce was 15,758 tons from January 1, 1915, to December 31, 1915. I do not see that that commerce is divided into commerce up the river and down the river, so I assume it is only in one direction.

Mr. President, the next group of rivers I want to take up is the Santee, Wateree, and Congaree. These rivers have the advantage that, at least in the name of one of them there is water—the Wateree. There is no grouping together, I think, further than these three rivers, which, in fact, embrace a system.

Mr. NORRIS. There is not enough water to group; you would run out of water if you grouped them.

Mr. KENYON. From page 609 of volume 1 of the Engineers' Report for 1916 I read as to the Santee River:

Original project: This river was originally much obstructed throughout its length by snags, logs, and overhanging trees. The width ranged from 200 to 500 feet and the least depth was 3 feet. Its bar entrance was narrow, crooked, and shifting, and so situated as to be very difficult and expensive to improve. It had less than 5 feet of depth at low tide. The river was navigated by several small steamers (drawing 4 feet or less) from the sea to the junction of the rivers and thence to Columbia on the Congaree or to Camden on the Wateree River.

* * * * * * *

Some snagging was done by the U. S. snag boats *Wateree* and *Peedee* at various times, removing 136 obstructions in the Estherville-Minim Creek Canal and 1 obstruction from the bank of the river. The work was done by hired labor with Government plant. The total amount expended was $4,913.25, all of which was for maintenance.

The condition at the end of the fiscal year, I am sure, will be much sought for. Note how this mighty stream fared:

Condition at the end of fiscal year: A passage 30 feet wide and 3 feet deep at high water through Mosquito Creek to Winyah Bay was originally made, but was later abandoned in favor of the Estherville-Minim Creek Canal, which was constructed to give the project depth of 6 feet, but not to full width of 70 feet. The canal now has a controlling depth of 4 feet for a short distance at the Winyah Bay end, but 6 feet is available at all other points. The minimum width is now 20 feet. The entire river had been snagged.

That is interesting. The least average depth in the Santee River is about 3 feet at low water. The commerce in 1913 was 73,557.5 tons; in 1914, 55,000 tons; in 1915, 25,000 tons—I think those are the figures. The amount expended to June 30, 1916, was $381,392. That does not exactly jibe with the appropriations, but I assume the appropriations are more than the expenditures. Of the commerce logs constituted 18,221 tons out of a total of 25,000 short tons.

Mr. FLETCHER. I ask the Senator to what he has reference now?

Mr. KENYON. To the Santee River as improved by the dredges *Peedee* and *Wateree*.

Mr. FLETCHER. From what report is the Senator reading?

Mr. KENYON. I have been reading from volume 1, page 612, and volume 2, page 2252.

Mr. FLETCHER. Of the December, 1916, report?

Mr. KENYON. Of the 1916 report.

Now, I come to the Wateree, a delightful little river. I will give the figures exactly for the RECORD; but, as I remember them, we have spent about $280,000 on that stream, which has no commerce and contains no water that amounts to anything, except in its name.

Mr. WATSON. In what State is that?

Mr. KENYON. In South Carolina. The expense of maintenance during 1915 was $7,873.81. The appropriations have

been $203,584.27. Here is what the engineers say about the commerce on that stream:

The commerce on this stream is negligible. No figures could be obtained.

Volume 1 says as to the original condition:

Original condition: This stream had originally a low-water depth of from 3 to 4 feet from its mouth to Camden. The lower section of 14 miles was completely blocked at all stages of water by logs, snags, etc., and at moderate stages by the bridges of the Southern Railway and the Atlantic Coast Line Railroad Cos., then without draw spans. The nominal head of navigation was Camden, and while steamboats could penetrate to this point navigation was dangerous except at high water. There was no commerce on the river in 1882, though small boats engaged in local traffic had operated on the river prior to that time.

* * * * * * *

Operations and results during the fiscal year: The work during the year consisted in snagging in the river between the mouth and Sumter Ferry, S. C., a distance of 38 miles. The progress of the work was delayed by continuous high water during the winter months. The work consisted in the removal of 5,625 obstructions from the channel and 495 overhanging trees cut from the banks. The work was carried on by hired labor with Government plant. The total amount expended was $8,240.28, all of which was for maintenance.

Here is the condition at the end of the fiscal year, which will certainly be pleasing to those of us who are interested in this great work.

Mr. RANSDELL. Mr. President——

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Iowa yield to the Senator from Louisiana?

Mr. KENYON. I do.

Mr. RANSDELL. I notice the Senator dwells upon the fact that considerable appropriations have been spent upon these streams, and in this particular instance he calls attention to the fact that the total expenditures on the river have been $203,584 and the commerce negligible. Now, I will ask the Senator if he does not think it would be fair, when he states the entire expenditures made since the Government began to improve that stream—probably 40 or 50 years ago—to give also the commerce that has moved on it during the last 40 or 50 years? I know the Senator can not give that commerce, and I will tell him why he can not give it.

The Government has not been keeping, until lately, statistics as to the commerce on these streams, but it has kept statistics as to the amount expended on the various streams. In the records of the Treasury Department the books will show just how much money has been expended on each waterway project, but not until within very recent years were the engineers required to make any reports as to the commerce on the respective streams. So it is impossible to tell how much commerce was moved on these streams in the past. It is possible, with a relative degree of accuracy, to give figures for the last three or four years; but I submit that when the Senator impresses upon the Senate the fact that $203,000 have been expended on this stream, he ought to state to the Senate also that that amount was spent during the lifetime of this Republic, and no man can tell how much commerce has moved over it during all those years, but it was undoubtedly a large amount.

Mr. KENYON. Mr. President, that statement of the Senator almost moves me to tears.

Mr. RANSDELL. I may say that my remarks apply to all the other figures the Senator has been giving as to the total expenditures on these streams.

Mr. KENYON. I am giving these figures as they appear from the Engineer's Report. I am not reciting the figures to convince the Senator from Louisiana; I am citing these figures in the hope that some of the people of the country will read them. I will say further that no appropriations were ever made for this stream until 1881, so that I can not go back to the beginning of the history of the Republic.

Mr. RANSDELL. Mr. President, the Senator is surely too fair a man to mislead anyone. His record for honesty and fairness teaches us all that he would not mislead; but I again submit that it is unfair and misleading to quote figures on one side of a proposition and not quote them on the other. If the Senator is going to show that this amount has been expended and he has not the figures as to the total commerce, he ought, at least, to be fair enough, it seems to me, to say, "I have only partial figures; I have figures on one side of the case; that is all."

Mr. KENYON. Mr. President, I am exceedingly anxious to be fair, especially to my good friend from Louisiana, and I will state it just as he desires me to state it. I have not the figures for the commerce prior to three years ago. I do not know how to get them. The Senator says that he does not know how to get them. I have a very deep suspicion, however, so far as this river is concerned, that there never was any commerce prior to three years ago, and that nobody could get the figures; but I put the statement in the RECORD now just as he wishes me to do. If I could secure the figures as to the commerce for all these years, I would put them in the RECORD, but I can not do so. I take the figures as the Engineer's Report gives them, for I want to be fair with the Senator, notwithstanding the fact that he has not been fair, I think, with me on some matters to which I will refer later.

Mr. RANSDELL. I did not catch what the Senator said last. The rain is beating on the roof.

Mr. KENYON. I said I was going to be fair with the Senator, notwithstanding the fact that I felt he had not been fair to me with reference to some matters to which I will refer later; which, in short, I will say to the Senator, have relation to a letter the Senator wrote to my State, as the newspapers announced, to a commercial club as to the attitude of certain men toward the last river and harbor bill.

Mr. RANSDELL. I will be glad if the Senator will bring those matters up now. I do not know of any letter that I have ever written to the Senator's State.

Mr. KENYON. I refer to a publication in a newspaper, referring to a letter purporting to come from the Senator. I had intended to call his attention to it.

Mr. RANSDELL. I will be very glad to have it brought up. If I have been unfair to anyone, I want to know it.

Mr. KENYON. I realize the system of back fire that is started on men who oppose these bills.

Mr. President, I was diverted from my remarks. To get back to the waterless Wateree, I quote from page 613 of volume 1:

Local cooperation: None.

Effect of improvement: The project has had no effect on freight rates and has been of no benefit to commerce during recent years.

Condition at the end of fiscal year: The work on the river has consisted of snagging only, using Government plant and hired labor. No dredging has ever been done. The expenditures have not resulted in a permanent increase in depth. The stream is navigable for about 38 miles, the minimum draft that can be carried at low water being about 4 feet. It is not practicable to state the percentage of completion of the project. The work is snagging and must be continued indefinitely. * * *

There is a very interesting House document on this subject, No. 805, in which Col. Biddle, in his report, speaking of this river, said:

The river is very crooked and its banks generally low and subject to overflow. There are no towns and but few habitations visible from the river, and aside from the small amount of remaining marketable timber there is little to suggest possible commerce.

* * * * * * *

Expenditures for some years have been without adequate return, and the further prosecution of the work under these conditions is considered inadvisable. The board therefore concurs with the district officer and the division engineer, and recommends legislation authorizing the abandonment of the existing project for the improvement of Wateree River, S. C.

Maj. Youngberg, of the Corps of Engineers, on page 9 of the same document to which I refer—House Document No. 805—says——

Mr. FLETCHER. Mr. President, I will state that the bill does not carry any appropriations at all for the Wateree.

Mr. KENYON. Well, the Wateree is in with the Santee and the Congaree. Do the Santee or the Congaree carry any?

Mr. FLETCHER. The Congaree is the main stream. The estimate is for the Congaree.

Mr. KENYON. That is the same advantage, that no one can tell. Maj. Youngberg says:

The expenditures on this project, exceeding $5,700 per annum, have not sufficed to keep the channel open at all times from the mouth of the river to Camden. A shifting channel and caving banks will never permit the project to be completed, and annual maintenance will always be costly. At no time within the past 25 years has there been a pronounced disposition to utilize the river, even when it was reasonably cleared and open, and for the past five years the river has borne no commerce worthy of the name.

Then let us approach the Congaree. The appropriation is all to be for the Congaree we are told. I read from volume 1 as to this stream, page 614:

Prior to Federal improvement begun in 1886 this stream had a low-water depth of 3 to 4 feet from its mouth to the railroad bridge at Columbia; thence 1 foot low-water depth 2 miles farther to its head. Navigation of the lower 49 miles was blocked at all stages of water by the Southern Railway Co.'s bridge 5 miles from the mouth and by sunken logs, snags, and overhanging trees. Navigation of the remaining 2 miles was prevented by swift currents and numerous rock ledges and bowlders.

I want to give the commerce on this stream. I think it is considerably more.

The appropriations for the Congaree amount to $670,044.44. I am surprised at this commerce. There may be some explanation of it from the Senator from Louisiana. On this stream the commerce amounted to 4,324 short tons; so that on these three rivers in this system, on which we have expended over a million dollars, the commerce is hardly anything.

Mr. RANSDELL. Mr. President, may I ask during what period of years that expenditure has been made?

Mr. KENYON. The first appropriation was August 5, 1886. I read from page 2257.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from South Dakota?

Mr. KENYON. I do.

Mr. STERLING. Will the Senator state specifically for which one of the three rivers that first appropriation was made and the amount?

Mr. KENYON. The first appropriation for the Santee was made September 19, 1890. The first appropriation for the Wateree was made March 3, 1881. The first appropriation for the Congaree was made August 5, 1886. These streams, as I have said, with over a million dollars expended within that period of time, now have a commerce of somewhere around 30,000 tons; not to exceed that, I think.

I think that is all I want to say about those three rivers. I pass now to three other interesting rivers in Georgia—the Altamaha, the Oconee, and the Okmulgee. I have statistics on a great many others here, but I am not going to take the time to go into them.

These are interesting streams. They carry only $40,000 in the bill, but we have appropriated for the Altamaha River $269,951.35. The Army engineers say with reference to the commerce:

There is in operation on this river one steamboat, which made during the year 64 trips from Doctortown to the forks, a distance of 77 miles. The new, self-propelled barge of the Macon-Atlantic Navigation Co. made 16 trips over the entire length of the river, 137 miles, during the last five months of the year.

The commerce for the calendar year 1915 was as follows:

Total by boats, 8,770 tons.
Lumber by rafts and lighters, 67,993 tons.

That is with an expenditure of $269,951.35.

As shown on page 2280, referring to the Oconee River:

From November 27, 1915, to February 20, 1916, the U. S. snag boat *Oconee* removed 707 snags and 59 stumps and cleared from the banks 366 overhanging trees and 13 logs, covering the channel for a distance of 30½ miles upstream, beginning at a point 80 miles from the mouth.

We have appropriated for that river $306,515.70. The commerce in 1915 was 19,906 tons; lumber rafted, 22,019 tons.

As to the Okmulgee, referred to on page 2281, the Engineer's Report says:

The U. S. derrick boat *Sapelo* has improved six rock shoals between mileage 148 and mileage 152½, removing 4,706 cubic yards of rock, 7,997 cubic yards of sand and clay, and 44 snags, in improving 3,605 linear feet of channel to a low-water depth of 4 feet with a width of 80 feet. A small amount of bank protection was constructed in the bight above one of the lower shoals. At two of the localities training walls and submerged dams for low-water control were constructed with the excavated material. This work was done at an expenditure of $8,073.34. The cost per cubic yard of material removed was $0.6355.

U. S. snag boat *No. 1* was transferred from Savannah to Macon, Ga., in July, 1915, and was engaged in snagging on the upper river to May 27, 1916, except for a short period. The channel from Macon to near Hawkinsville, a distance of 60 miles, was partially covered twice, there being removed from the channel 3,569 snags and 457 stumps, and there being cleared from the bank 57 logs and 35,530 overhanging trees by cutting—

There was a forest in this river—

and 45 by pulling back, while 2 trees were girdled. This boat was engaged for a few days in removing an old bridge pier at Macon for the Macon, Dublin & Savannah Railroad, at the expense of the railroad company.

The U. S. snag boat *Oconee* removed 36 snags and 4 stumps from the channel, and cleared 13 overhanging trees and 4 logs from the banks while on trips made on account of towing other plant.

The grand total of appropriations for this river was $524,527.26. The commerce by boats in 1915 was 19,886 tons; lumber, square, rafts, and lighters, 550 tons; lumber, round, rafts, and lighters, 13,209 tons; making a total of approximately 33,645 tons.

There are three rivers in this system. For one we appropriated $269,000, for another $306,000, and for another $524,000, with a commerce that amounts to practically nothing.

But these streams have great hopes. I want to read some of the evidence before the House committee last year on the Altamaha River. Mr. De Four, on page 7 of division 7 of the hearings, said, speaking of the Altamaha:

The shallow water made it necessary for us to get together all the information that it was possible to get, and then in addition to all the information we could get from the outside to apply a little ingenuity of our own and develop a boat, about which Mr. Long will tell you later on—a boat with which we are able to navigate the river. We can now navigate this river, which is something we were never able to do before, notwithstanding the fact that the people of Macon had spent more than $100,000 in the building of boats. This $100,000 to which I have referred was spent by the people of Macon mainly in building boats along the old lines. After spending that amount of money we saw that we were going in the wrong direction, and that in order to navigate the shallow river we would have to build boats on different lines, on different principles, on principles other than those that had been governing the construction of boats heretofore. Realizing this, we have done that. We have a boat now on the river that will carry 100 tons of freight and draw probably less than 3 feet of water. That boat is now in actual operation, Mr. Chairman. When we appeared here in 1914 we promised to build a boat and put it in operation on the river if given the necessary appropriation. We did not give up, but we have built the boat. * * * In building this first boat and operating it since July 20 last we have learned more about navigation than we knew when we undertook to build that boat. As the result of that we now have in process of construction a boat that is built on even higher scientific principles and more advanced theories than the former one.

I read now from page 8:

We desire that the committee be placed in full possession of all these facts, because when this second boat is built with the appropriation that we have had heretofore we will be enabled to get along, but we can not make the time and get the transportation or tonnage that we could if the appropriation was increased.

Mr. Long, on page 10, says:

We therefore determined to build a steel boat. That was the first thing we arrived at. The second question was, how large a boat should we build, and how should that boat be equipped, etc? That required considerable investigation, because we did not want to make a mistake, and we have not made a mistake. We finally settled upon a steel boat 120 feet long and 24 feet wide and 5 feet deep, built throughout of steel. There is not a piece of wood in this boat as big as your lead pencil except what went into the construction of the ice box.

Further, he says:

We put an electric plant on this boat.

It is a good thing to have a boat on a river.

We can blow a horn, or, rather, a whistle, by electricity, and do various other things.

There never was anybody advocating an appropriation for one of these rivers that could not blow a horn.

We have a number of conveniences, and so on. Our boat carries 83 tons on a 30-inch draft; 160 tons on 48 inches. We can load that boat down as low as 54 inches. When those photographs get back to me I will go into detail, because there are some points that are very important.

Of course, if that is so, that is an important thing.

The chairman then asked Mr. Long some questions. Speaking of how much they were drawing, he said:

I am safe in saying 29 inches. We were drawing, before we unloaded, 36 inches; but we took off 20 tons and lightened up the boat to a minimum draft of 30 inches coming over several places.

The CHAIRMAN. How long did that continue?

Mr. LONG. There was an intermission of that condition, because we had three or four days rain. On the next trip we stayed 10 days at Hawkinsville, because we could not get over some rock. We complained of those conditions to the department, and the department has now removed those rocks.

Mr. KENNEDY. As a general proposition, was it not unwise to start in a 36-inch river with a 30-inch boat?

Mr. LONG. I am very glad to answer that question.

On page 18 of the hearings Mr. KENNEDY asked:

How much water will that draw?

Mr. LONG. Twenty-four inches with 100 tons. That is what Mr. De Four referred to when he said that we had something at Macon that was going to reflect to the benefit of the whole country.

Mr. KENNEDY. How much at full capacity?

Mr. LONG. Three hundred and forty tons on 48 inches.

Mr. TREADWAY. But you haven't got 48 inches.

Mr. LONG. We have sometimes. Probably from the 1st of October to the 1st of May of every year we could carry full tonnage.

* * * * * * *

The CHAIRMAN. Suppose we appropriate $40,000; would that give you all-year-around navigation for boats now being constructed for use on the river?

Mr. LONG. I rather think it would, Mr. Chairman; but $40,000 is not going to be sufficient, if we may judge by the past, to make any permanent improvement at all, and I do not believe it will be sufficient to keep the river clean, because we found that river in a horrible condition.

Mr. Long, speaking of this wonderful boat, says:

I think, to be perfectly candid about it, that our boat can run with the water that the $40,000 will provide, provided that will give us clean water; but it won't do it.

The CHAIRMAN. That is a very important proviso.

Mr. LONG. Yes, sir; it is; and we find it very important in running a boat up and down the river. If we can keep logs out of the river, we can run the boats; but the logs and the rocks in that river will cause accidents to happen. You know the propeller in that boat runs down underneath the boat.

Mr. SMALL. The wheels are about half submerged?

Mr. LONG. The propellers are all submerged. Say, for instance, that you are going around a bend. It is practically impossible for the stern to follow the bow. This part here [indicating] comes in contact with a side obstruction, and it is this that gives us trouble. We have no trouble navigating straight runs, because the bow is of sufficient strength, if it comes in contact with an obstruction, to force it out of the way; but because the stern can not follow the bow is the cause of practically all the trouble we have with these boats.

I do not know how they are going to operate that kind of a boat. This boat needs some kind of a surgical operation.

Now, just think of all the money appropriated by Congress for these rivers, and then think of having a witness come before the House committee and asking for more appropriations and telling them that that is a river where the stern of the boat will not follow the bow. Why, unless we get that river in shape so that the stern will follow the bow, how can we hope to use it for submarine destroyers or torpedo boats? How can there be any great naval contests on this mighty stream unless they bring the boats in on wheels?

Here is another gentleman who makes a suggestion as to this stream. Writing to a Member of Congress, on page 33, he says:

I am herewith submitting to you a specification of work that is absolutely necessary to take care of our boat business at this place. I am starting at the upper end of the river, near Balls Ferry, and will describe each obstruction to the mouth of the Oconee River:

First. Remove leaning trees at Toms Point. Stop up old suck with a jetty 100 feet long

Second. Snag the river from this point to Parsons Shoals.

Third. Remove rocks on east side of river in the gap at this point.

Fourth. Snag from this point to Deep Creek; remove the rock on the point and clean out the gap at this point.

Fifth. Clean out the bight at Gum Spring; also, Dry Creek bight and the one bight below Gum Spring; and snag from this point to the boat yard.

Sixth. Clean out the gaps above the boat yard and one below; also, clean old Blackshears Ferry Gap.

Seventh. Remove rock at upper end of Car Shoals and clean out all the gaps in the shoals to Dublin.

Eighth. Clean out the river at Dublin.

Ninth. Complete the unfinished job of removing rock at Rattle Snake Shoals.

Tenth. Build a jetty at Buzzard Bar 400 feet long.

Eleventh. Extend the jutty at Fish Trap Cut and snag to Troup Spring Lake.

Twelfth. Take the rock out of the middle of the river at this point.

It does not take much to make a river out of this. If we have not enough money, let us issue bonds.

Mr. STERLING. I wish to ask the Senator if the main point is not to get water in the river?

Mr. KENYON. They are trusting in Providence for water.

Thirteenth. Snag from this point to just below Ann Smith Landing. Build a jetty 400 feet long at this point.

Fourteenth. Snag the river from this point to B. C. Bluff; fill up jetties at this point.

Fifteenth. Snag River from this point to Rassie Jack; then put a jetty across Old River.

Sixteenth. Build a jetty at Troups Ferry.

Seventeenth. Build a jetty at the bight just below Loose Bluff.

Eighteenth. Clean the snags to the bight just above Silver Bluff; build a jetty at this bight.

Nineteenth. Clean snags from this point to the mouth of Old River; stop up Old River with jetties; then snag to Stalings Bluff, and some snagging to be done between this point and Frying Pan.

Twentieth. Build a jetty across the suck at this point.

Twenty-first. Build a petty across Old River and snag to Bells Ferry; fill up the old jetties at this point.

Estimated cost of this work $50,000.

That is all there is to it to make a good river out of this river. Why does anybody hesitate? In the name of war preparedness it must be done. It is a farce of farces.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. KENYON. I do.

Mr. KING. I hope it will not be irreverent for me to state at this point that a man once said that hell would be a very desirable place in which to live if it had water and an abundance of good society. It would seem that we might have a river if they had a river bed and banks and water.

Mr. KENYON. Does the Senator mean this river or hell? [Laughter.]

Mr. KING. The river that is provided for in the river and harbor bill, of course.

Mr. KENYON. We have blown up Hell Gate in this bill, and we may get some relief for this place.

I really feel that I should not take up so much time, and I am going to lay aside the figures I intended to use in relation to some of these projects in Florida. I refer to only one or two of them grouped together on page 16—the Kissimmee, the Caloosahatchee, the Orange, and the Crystal.

Mr. FLETCHER. Before the Senator takes that up, if he will allow me to state, as to the Altamaha, the Oconee, and the Okmulgee, that some portions of some of the streams the Senator has been reading about are not applicable to the whole of the projects. The Altamaha River has a length of 137 miles, the Oconee of 145 miles, and the Okmulgee of 205 miles, making a total of navigable waterway in that group of 487 miles, for which this maintenance item is intended. There are some portions of the streams, of course, that are somewhat amenable to the criticism the Senator has suggested, but the navigable portions of these streams cover a length of 487 miles, and I submit that this maintenance item is not a very large item.

Mr. KENYON. It is not a large item. I agree with the Senator about that.

Orange River, Fla., is one of the group. I put this in the RECORD in reference to it:

Before improvement the river was obstructed by snags and overhanging trees and by nine shoals, consisting of sand and mud, with some bowlders and loose rock. The limiting depth over the shoals was 2½ feet. The usable width of the channel was about 30 feet. The head of navigation is the iron bridge at Buckingham, 5.7 miles above the mouth. The length of the navigable portion of the river is 5.7 miles. The range of tide is a little less than 1 foot.

The commerce in 1913 was 13,196 tons; in 1914, 4,100 tons; in 1915, 3,490 tons. The appropriations have been very small for that stream. I assume it is not really regarded as a stream on which very much commerce is carried.

Mr. FLETCHER. I will state, if the Senator will allow me, that it is not included in this bill. There is not any of the appropriation that will go to Orange River, according to the provisions of the bill.

Mr. KENYON. To just what ones of that group?

Mr. FLETCHER. The Kissimmee has $4,000 of the appropriation, as estimated; the Caloosahatchee, $4,000; and the Anclote $3,000, making a total of $11,000 for all those rivers.

Mr. KENYON. The Caloosahatchee has $4,000?

Mr. FLETCHER. It has $4,000; the Kissimmee, $4,000; and the Anclote, $3,000, making a total of $11,000 for the entire group mentioned in the bill.

Mr. KENYON. I will put in as to the Caloosahatchee the commerce. The commerce of this river seems to be quite considerable. In 1913 it was 112,500 and odd tons; in 1914, 79,107 tons; in 1915, 69,340 tons. We have appropriated for the Caloosahatchee $194,974.05. On page 2311, volume 2, the engineers state:

Effect of improvement on freight rates, none.

On page 2310:

A total of 1,938 snags and 1,451 overhanging trees were removed at a cost of $4,554.03.

I will ask the Senator if there is any appropriation for the Crystal River?

Mr. FLETCHER. No; there is no appropriation for the Crystal River.

Mr. KENYON. We have appropriated in the past $39,225 for Crystal River. The commerce in 1914 was 2,140 tons, according to the engineers.

Mr. FLETCHER. That improvement has all been completed, and I understand it is not provided for in this bill at all.

Mr. KENYON. There is $4,000 for the Withlacoochee.

Mr. FLETCHER. There is nothing for the Withlacoochee, nothing for the Suanee, nothing for Charlotte Harbor, nothing for Sarasota Bay, nothing for Clear Water Harbor, and Boca Ceiga Bay. They are mentioned in the group here in pursuance of the idea, as I said some time ago, that if something should happen, an accident or something of that kind, the engineers would have the right to remove an obstruction, but they are not estimated for at all.

Mr. KENYON. I merely place in the RECORD from page 2327 total of appropriations for the Withlacoochee River, $335,269.54. Commerce last year, 20,879 tons, of which 3,750 tons were logs.

I will pass that list for the present and put in the RECORD just a figure or two as to another group at the bottom of page 16.

Mr. FLETCHER. I did not quite understand the Senator. Did he give the figures with reference to the commerce on the Caloosahatchee?

Mr. KENYON. No; not the Caloosahatchee, the Withlacoochee.

Mr. FLETCHER. That has no appropriation in this bill.

Mr. KENYON. I understand. I put in the RECORD the commerce as to the Choctawhatchee in the group at the bottom of page 16. For 1913, 73,877 tons; for 1914, 25,440 tons; for 1915, 30,466 tons. We have appropriated for this river $298,202.12. Of the commerce cited for the last year, cypress logs and pine logs comprise 13,000 tons, which were rafted on the river, leaving a commerce of very diminutive proportions.

Mr. FLETCHER. Will the Senator allow me to suggest that perhaps the figures he has given do not correspond with those given in the report on pages 209 and 210? There is given the total amount expended on all projects from 1883 to June 30, 1916, $171,884.50; maintenance, $105,288.13. The estimate of maintenance for the next year is $6,000. The tonnage last year was 30,466 short tons, valued at $1,019,627, consisting principally of cotton, fertilizer, grain, logs, naval stores, crossties, and miscellaneous merchandise.

Mr. KENYON. What were the Senator's figures, thirty thousand and odd?

Mr. FLETCHER. Thirty thousand four hundred and sixty-six short tons, valued at $1,019,627.

Mr. KENYON. That is correct; and of that, 13,850 tons are logs rafted on the river.

Mr. FLETCHER. I do not know where the Senator gets those figures.

Mr. KENYON. If the Senator will turn to page 2353 of volume 2 of the engineers' reports for 1916 he will find them.

Mr. FLETCHER. I see in the report a statement, under the head of commercial statistics, just as I quoted. It gives the

tonnage and the value, and then says it consisted principally of cotton, fertilizer, grain, logs, naval stores, crossties, and miscellaneous merchandise.

Mr. KENYON. I can not believe that our figures are not in accord, because I am reading from volume 2 of the Engineer's Report for 1916, at page 2353.

In this grouping I now refer to the Escambia and Conecuh Rivers. We have appropriated $203,500 for those rivers. The freight traffic for the last year was 85,000 tons, an increase of 14,000 tons over the year before; but I will say that all that commerce is lumber barged on the river. In the engineers' notes they say—

There is no upstream freight on this river.

There is an expenditure of over $200,000 and merely some barging of logs on the river.

The item of Mobile Harbor and bar I am not going to stop at this time to discuss. I trust we shall have some explanation of the amendment which is included as to pilotage and terminal facilities.

The Alabama River is rather an interesting stream for which we have appropriated $1,389,328.85. Commerce last year—upstream, 22,000 tons; downstream, 54,000 tons, of which 12,000 tons was rafted, leaving of commerce as it is usually estimated about 64,000 tons. We have spent on this river nearly a million and a half dollars.

The Tombigbee I will not stop to refer to, although it is a very questionable proposition, in my judgment.

Pearl River in this group is on page 18.

Mr. RANSDELL. May I ask the Senator if that expenditure has not been made on the river since the beginning of the Government, or was it all spent last year, when 64,000 tons of commerce were carried?

Mr. KENYON. The Senator asks if the million dollars was all spent last year?

Mr. RANSDELL. Yes, sir.

Mr. KENYON. That is a very intelligent question, of course.

Mr. RANSDELL. I think it is warranted by the Senator's statement. I have a very intelligent Senator sitting on my left who asked me if it could be possible that all that money was spent on that river with only that very small commerce. If the Senator had been fair, as I have asked him several times to be, and had stated that that expenditure was made since the Government began to make improvements on this river, and that he was giving the commerce for only one year and not the commerce on the river since we began to make the improvement, the friend on my left would not have asked that question.

Mr. KENYON. I regret very much that the Senator's friend on his left was misled at all by that statement.

Mr. RANSDELL. Anyone is bound to be misled, I will say to the Senator, and anyone who reads his speech will be misled by that statement. The Senator baldly says we spent a million and some two or three hundred thousand dollars on the river and that we have a commerce of 84,000 tons. It is not a fair way of stating it, I submit again to my friend from Iowa.

Mr. KENYON. Of course, the Senator has a habit of stating a matter of that kind in that way and closing discussion. I should think it would have been a very easy matter if the Senator from Louisiana had whispered to the Senator from Arizona, if he did not want to disturb the orderly proceeding here, and told him that the appropriation ran over a considerable term of years and was not just for one year.

Mr. RANSDELL. It would have been much fairer for the Senator from Iowa to have made that statement. He made a misleading statement. I did not make a misleading one.

Mr. KENYON. The Senator from Iowa made a misleading statement?

Mr. RANSDELL. I say the Senator from Iowa made a statement which caused my friend from Arizona to misunderstand him, and it is therefore the duty of the Senator from Iowa to correct that misleading statement.

Mr. SMITH of Arizona. I had just come into the Chamber, if the Senator will permit me, and I heard the Senator state the amount of money that had been expended and the amount of freight carried. I did not investigate and knew nothing about it, and I merely asked my friend from Louisiana if it were possible that that great expenditure had been made to accomplish so small an amount of commerce on the river.

Mr. KENYON. I am very sorry about this unfortunate incident.

Mr. SMITH of Arizona. I had heard nothing the Senator from Iowa had previously said.

Mr. KENYON. I am sorry the Senator from Arizona had been so misled. I wish he would stay in the Chamber a minute that I may explain it to him.

Mr. RANSDELL. If I may be permitted at this time——

Mr. KENYON. I want to straighten this out so that the Senator from Arizona will not be laboring under a misapprehension.

Mr. RANSDELL. All right; I thank the Senator very much.

Mr. KENYON. I wish the Senator from Arizona would read, on page 2366 of volume 2. He will find that this project was commenced March 3, 1905. That was the first appropriation, and it is termed——

Mr. RANSDELL. Does the Senator mean that the first appropriation on the Alabama was made March 3, 1905.

Mr. KENYON. I am reading on page 2366.

Mr. RANSDELL. May I get it?

Mr. KENYON. I am well pleased to have the Senator look at it.

Mr. RANSDELL. The river had been improved for a great many years before 1905.

Mr. KENYON. There was a previous project set forth in House Document No. 1491. The Senator is correct. That was $419,000.

Mr. RANSDELL. That is a very small item, $419,000.

Mr. KENYON. I know. Twenty-seven million dollars is a small item according to the Senator yesterday, and, of course, it is too trivial for discussion.

Mr. RANSDELL. For the whole Nation of 100,000,000 people $27,000,000 is a small amount; all the appropriations for this year aggregate $11,000,000,000, according to the Senator from Utah [Mr. SMOOT], and the $27,000,000 carried in this bill for rivers and harbors is only one-fourth of 1 per cent of the total. That seems to be a rather small amount for all this work.

Mr. KENYON. Of course, if we increase our appropriations to $100,000,000,000, this will only be about one-sixtieth of 1 per cent.

Mr. RANSDELL. We are not going to increase our appropriations to $100,000,000. We have never done so.

Mr. KENYON. I said $100,000,000,000. We do not talk of millions.

Mr. RANSDELL. I understood the Senator to say $100,000,000.

Mr. KENYON. The Senator is out of order in talking about millions.

Mr. RANSDELL. I can not imagine that we would have to appropriate $100,000,000,000. The Senator from Utah [Mr. SMOOT] spoke yesterday about spending $11,000,000,000, and to-day I see he has put it up several billion. By to-morrow it may be four or five billion more, and before we get through it may be $100,000,000,000.

Mr. KENYON. I would not be surprised if we improve all the creeks and streams of the country.

Mr. RANSDELL. The creeks and streams are getting, according to the $27,000,000 basis, one-quarter of 1 per cent. Let me say to the Senator right here that very little of that goes into the creeks. Most of it goes into the big harbors and big rivers. Most of it goes to projects which the War Department says are a very essential part of our national defense. There are some small appropriations here for small streams, but the great majority of the appropriations go into big harbors like Boston, New York, Philadelphia, Baltimore, Norfolk, Charleston, Mobile, and New Orleans and other big harbors of that kind. Some of it goes to improve great streams like the Ohio River and the Mississippi River.

Mr. BORAH. I wish to ask the Senator from Louisiana a question.

Mr. RANSDELL. I will yield, with the permission of the Senator from Iowa.

Mr. KENYON. I yield to the Senator.

Mr. BORAH. Does the Senator from Louisiana dispute the figures which the Senator from Utah [Mr. SMOOT] put in the RECORD?

Mr. RANSDELL. I am not on the Finance Committee, and I have had no chance to examine them. I assume that they are correct, and that before we close this session we may have expended $11,000,000,000. I do not know; I neither dispute nor admit their correctness. I am in a position of not knowing. I merely stated that if he was correct, and if the expenditures amounted to $11,000,000,000, the amount we are asking to have expended for rivers and harbors would be about one-quarter of 1 per cent of that sum. That was the effect of my statement.

Mr. BORAH. It is not a question, it seems to me, as to the percentage we are putting into rivers and harbors but whether or not it is necessary to put anything at all in them at this time.

Mr. RANSDELL. I think it is wise and necessary. Not only do I think so but a great many others do. The Secretary of War strongly advocates the appropriations that are being made

now. The President of the United States is decidedly in favor of this bill, so I am informed. It is strongly urged by the Chief of Engineers. I know there are a number of Senators who desire other improvements, and expensive ones, but they were not put in this bill. The bill is held strictly according to the recommendations of the Chief of Engineers and the Secretary of War, and the vast percentage of it is for measures which are so closely connected with the national defense that you can not separate them from it. Most of them, I will say, are either emergency appropriations connected with war, or small sums for maintenance of existing projects, or for the continuation of great projects like the Ohio River, for instance, and the mouth of the Mississippi River.

The bill carries $1,825,000 to maintain and enlarge the channel at the mouth of the Mississippi. A very large commerce, important to the whole Nation, flows through the Mississippi. That is an old project; it has been going on for some time; and the national defense requires that that river be kept open and that great commerce be permitted to move through it to the Gulf.

The national defense requires that the Delaware River be kept open and the expenditure for its improvement in this bill of something over a million dollars to carry big ships up to Philadelphia is a part now of the national defense. The appropriations in this bill for the harbor of New York, especially for East River and Hell Gate, are absolutely essential, and a great many items in this bill are essential.

The criticisms against the bill so far have been directed to insignificant things, to comparatively small creeks and streams, where there is not a very large commerce. The Senator from Iowa devoted considerable time this morning to criticizing Contentnea Creek. When he analyzed it, it was shown that it carried over 9,000 tons of commerce, valued at $146,000. It is getting in this bill the colossal appropriation of $1,000.

Now, I want to ask the Senator from Idaho, in view of the very great car shortage which exists in the country at this time, and in view of the fact that Mr. Daniel Willard, chairman of the committee of the Council of National Defense, has said that the railroads can not carry the freight, that they are way behind, that they have an enormous volume which it is impossible for them to move—does the Senator think it would be wise to neglect even a little creek like Contentnea, which in its humble way has been carrying a load of 9,000 tons and upward, 9,000 tons being more than nine trainloads, for which we are appropriating $1,000? Does the Senator think we ought to abandon Contentnea Creek, to let the mud fill it up and prevent the movement of boats, so that the 9,000 tons can not be carried? Would that be wise in this emergency?

Mr. BORAH. I understood the Senator to say that he was informed the President had indorsed this bill, or was anxious to see it passed, and the Secretary of War had approved it. I take it that that was stated for the purpose of accentuating the fact that it is a war measure. Would the Senator be willing to accept an amendment to the bill to the effect that the President shall be permitted to withhold any of these expenditures except those which he regards as necessary for the war?

Mr. RANSDELL. Will the Senator please state that again?

Mr. BORAH. Would the Senator be willing to accept an amendment to the bill to the effect that no amount should be expended under the bill except those amounts which the President thought were necessary for carrying on the war?

Mr. RANSDELL. I do not know that any such amendment as that is necessary. We are loading the President down all the time. The bill was worked out under the advice of the Chief of Engineers, acting under the authority conferred upon him by the War Department. It seems to me it would be ridiculous to adopt any such amendment as that.

I say this to the Senator: If there is anything wrong in this bill and the Secretary of War or the Chief of Engineers will point out to us that it is wrong, I for one will be glad to let it go out; but it would be very unusual legislation to submit the items in a measure of this kind to the President. I do not know that it has ever been done before, and I do not know why it should be done now.

Mr. KENYON. I wish to say to the Senator from Idaho along that line that there is a proviso in the bill on page 41——

Mr. RANSDELL. Will the Senator permit me?

Mr. KENYON. Let me read the proviso in the bill as it came from the House:

Provided, That no examination or survey herein provided—

The Senator from Idaho realizes that these surveys are in the nature of consolation prizes—

for shall be made until after the close of the war with Germany except such as the Secretary of War shall direct.

The committee struck out the words "recommend as associated with the prosecution of the war" and inserted the word "direct," showing clearly that the committee does not regard the bill entirely as a war measure.

Mr. RANSDELL. Mr. President, I will say that the Senate committee had the idea that if those measures were not connected with the national defense the Secretary of War would not permit the surveys to be made. Let me add that I heartily approve of the idea, and if it is not conveyed in regard to the surveys, I should be glad, so far as I am concerned, speaking as one member of the committee, to have the language made more specific; but that relates to future surveys, to the bringing into existence of something which has no existence at the present time. The main items of this bill, however, are on completed surveys, the adoption of new projects to carry on things that have been thoroughly worked out in every way; to maintain existing projects; to carry on and maintain the great harbors along the lakes, the two oceans, and the Gulf, which are so necessary for the commerce of this country; and to some extent to continue the work on great projects like the Ohio, the Missouri, and the upper Mississippi Rivers—unfinished work that has been going on for a long time.

Senators, let me remind you that as to the Ohio River this Government undertook to improve that stream in 1876.

Mr. KENYON. Mr. President, I am willing for a reasonable time to yield, but I assure the chairman of the committee that I want to get through.

Mr. RANSDELL. Will the Senator yield for just two or three minutes for me to finish this statement in reply to something that was said by the Senator from Idaho [Mr. BORAH]? I will not press the matter, however, if he does not wish.

Mr. KENYON. Go ahead; it is very interesting, though I have heard it a number of times.

Mr. RANSDELL. I was going to say that I am trying to explain the matter. Since 1876 we have spent considerable money trying to improve the Ohio River, and we have not half finished the work. We have much work going on there now, and we are trying to finish it. There is a considerable portion of the work finished at the upper end. If the Senator will permit me to read a very interesting letter from the engineer in charge there, I think he would enjoy it. I will show the Senator something about what actually has been accomplished by the work on the upper end of the river.

Mr. BORAH. Mr. President, may I suggest to the Senator from Louisiana that I do not want to take up the time of the Senator from Iowa, but what I should like to know is this, as it will have much to do with my attitude in regard to this bill: Will the Senators in charge of the bill and those who are advocating it here be willing to accept such amendments to the bill as will truly make it a war measure? Will they put into the bill that discretion in the President which we have put into all other measures which have passed here, permitting the President to exercise his judgment as to expenditures upon the basis of the necessity for carrying on the war? If Senators will reduce this bill to that basis and will incorporate such amendments in the bill as to provide for that principle, so far as I am concerned I shall be willing to leave the discretion there.

Mr. RANSDELL. I should like to say to the Senator from Idaho that we have a considerable amount of commerce carried on a number of the smaller streams of this country, and I do not know whether or not the Senator would say that the maintenance of those streams is a war measure. I do not know whether the Senator would say the maintenance of the great railroad systems of this country is a war measure. If he will admit that to maintain the transportation systems of the United States over the railroads, over the highways, and over the waterways is a war measure, then I will say that I am perfectly willing, so far as I am concerned, to have such an amendment put into the bill.

I conceive, sir, that it is a war measure to maintain our transportation facilities to the very highest degree. I believe it essential in order properly to conduct this war to have first-class transportation by road, by rail, and by river; and if you will make that limitation I will agree with you.

Mr. BORAH. Of course, that is a generalization with which I agree in a large measure; but what I asked the Senator was this: Will he for the purposes of the appropriations in this bill reduce his faith to practical effect by putting into the bill such amendments as will make it a war measure?

Mr. RANSDELL. I can say, if it be done with the limitation that "war measures" mean keeping up our transportation facilities, yes.

Mr. KENYON. Mr. President, the Senator from Idaho [Mr. BORAH] is rather asking, I think, a superfluous question, be-

cause the bill itself shows that when it came to the point as to surveys, the committee inserted the word "direct." I will say that I will join the Senator from Idaho, if it shall be left to the President of the United States to say what shall be a war measure, and that he shall be given the right to stop any of these appropriations that are not strictly for war purposes, and I will end all my opposition to this bill. I am willing to trust the President of the United States on that proposition. If the Senator from Louisiana [Mr. RANSDELL] or the Senator from Florida [Mr. FLETCHER] will say here that the President of the United States and the Secretary of War believe that this bill is a war measure and should be passed now, so far as I am concerned, we can vote on the bill this afternoon.

Mr. RANSDELL. Mr. President, that is my understanding of it. The Secretary of War and the President of the United States were conferred with before this bill was taken up, and it was presented with their approval.

Mr. BORAH. Who conferred with the President of the United States upon the subject?

Mr. RANSDELL. The chairman of the Committee on Commerce of the Senate of the United States, the chairman of the Committee on Rivers and Harbors of the House of Representatives, and myself.

Mr. BORAH. Then, the Senator being present, does the Senator convey to the Senate the information that the President regards this bill as it is now framed as a war measure?

Mr. RANSDELL. That is the understanding that I had, sir, that it was a necessary piece of legislation; that many phases of it were absolutely war emergency measures, connected with the Navy and the Army, with the proper movement of freight and the proper movement of our troops, and that certain features of it were so essential to the proper movement of commerce that it was just as necessary a piece of legislation, with the limitations placed upon it, as anything that is being passed at this session of Congress.

I say to the Senator that a number of us wanted to pass a rather liberal river and harbor bill, carrying appropriations for a number of new projects. The Senator will recall that we had a bill here at the last session, which was presented to the Senate some time, I think, in February, which carried appropriations for nearly 90 new projects. This bill carries only 34 new projects. Almost all such projects were stricken from the bill. A number of Senators were greatly disappointed because they could not get appropriations for their projects, but they did not come within the understanding which we had in preparing the bill, which was to include emergency war measures in the way of new projects, the prosecution of existing projects which are necessary to carry on the commerce of the country, and the maintenance of waterways which now move a very considerable portion of the commerce of the country.

Mr. JONES of Washington. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from Iowa yield to the Senator from Washington?

Mr. KENYON. How long does the Senator want to speak?

Mr. JONES of Washington. For about half a minute.

Mr. KENYON. Very well.

Mr. JONES of Washington. The Senator from Louisiana [Mr. RANSDELL] has stated that the President considers the items of this bill as very important, and his understanding is that he considers the items are necessary from the war standpoint. I have understood from Senators in the consideration of this bill that the President thought so little of items in the bill that he would veto it unless the provision for a commission was contained in the bill.

Mr. KENYON. That has been the newspaper talk.

Mr. FLETCHER. Mr. President, if the Senator from Iowa will allow me at this point—I take it that is entirely newspaper talk, as the Senator has suggested—I desire to state that the chairman of the Committee on Rivers and Harbors of the House of Representatives made a statement at the time of presenting the bill, which is in line with what the Senator from Louisiana [Mr. RANSDELL] has stated, and which I think will satisfy the Senator from Idaho as to the character of the bill. The chairman of the Committee on Rivers and Harbors of the House of Representatives stated:

> I do not hesitate to say that at the beginning of this session it was my opinion that we should pass a river and harbor bill similar to the bill which passed at the last session of Congress, subject only to such modifications as might have been made necessary by the lapse of time or by war emergencies. But it seemed to be the opinion of the House upon both sides that this bill should be confined to such items as could be considered emergencies, so that the River and Harbor Committee at its first meeting, after full discussion, directed the chairman to confer with the Secretary of War and ask him to make specific recommendations within those limitations. And it is not improper to state that the Secretary called upon the Chief of Engineers and directed him to make specific recommendations covering, first, the necessary maintenance items; second, such items for the further improvement of projects as have been heretofore adopted where great loss would ensue if there was a lapse of a river and harbor bill, or were connected with national defense; and, third, such new projects as might be necessary as war emergencies or connected directly or indirectly with the successful prosecution of the war.

This is the bill that was prepared under those limitations.

Mr. KENYON. Mr. President, I am not at all questioning the statement of the Senators. I do not think they make it very clear, but if a letter shall be presented here from the President of the United States that he regards this bill as a war measure, and that its prompt passage is necessary, so far as I am concerned, the bill can pass. It will, of course, pass any way; the delay does not make any difference. These bills are so nicely arranged that they are sure to pass.

I want to go back to the Pearl River below Rockport, Miss. The snagging operations on that river were pretty general in the year 1915.

Mr. RANSDELL. I can not hear the Senator from Iowa. Will he kindly tell me what item he is now reading?

Mr. KENYON. I am reading as to Pearl River, on page 406, volume 2 of the Engineers Report.

Mr. RANSDELL. It is found on page 18 of the bill.

Mr. KENYON. Yes; at the top of page 18 of the bill.

Mr. RANSDELL. I thank the Senator.

Mr. KENYON. The report of the Board of Engineers states:

SNAGGING OPERATIONS.

Overhanging trees felled and cut up	4,248
Overhanging trees felled and pulled back	1,945
Overhanging trees trimmed	22
Logs cut up or stumps leveled on bank	592
Logs removed from drift piles	73
Stumps removed from river	100
Snags removed from river	1,740
Logs removed from river	210
Total	8,930
Total distance worked over miles	158
Cost of snagging	$13,596.11
Cost of repairs to snag boat	234.56
Total amount of expenditures	13,830.67
Cost of removal per obstruction, exclusive of repairs to snag boat	1.523

The project has been about 43 per cent completed. A maximum channel 2.1 feet deep and 50 feet wide at mean low water now exists from the mouth to Leightons Bluff, a distance of 104 miles, and thence to Columbia, 51 miles; the controlling low-water depth is 1.2 feet.

The appropriations for this stream have amounted to $346,461.39, commencing June 14, 1880. The tonnage last year, all of which seems to have been logs and lumber, amounted to 30,000. To the grouping on page 20, lines 14 to 22, I call attention briefly. I refer now especially to the Red River.

Mr. RANSDELL. Mr. President, will the Senator permit me to say in passing that there is no appropriation made in this bill for the Pearl River?

Mr. KENYON. Well, the Pearl River is grouped with the other rivers, and I have no way of knowing just what appropriations are carried. That is one of the great advantages of this system.

Mr. RANSDELL. I will say to the Senator that if he will read the Report of the Chief of Engineers of the Army, on page 843, he will see that they make no recommendations for appropriations for Pearl River to be carried in this bill. That is where we get that information.

Mr. KENYON. Now, answer me this question. We have had this matter up here a number of times, and one question will settle it.

Mr. RANSDELL. I will be glad to do so, if I can.

Mr. KENYON. Can the Chief of Engineers, or can he not, use any part of the fund appropriated for those five rivers and one harbor for any one of those streams if he thinks it is necessary?

Mr. RANSDELL. My understanding is, as the Senator from Florida has stated several times, that those proposed appropriations are based upon the engineers' report. In the particular grouping referred to there is an item of $5,000 for the Pascagoula and $5,000 for East Pearl River—not for Pearl River, but for East Pearl River, a very different stream.

Mr. KENYON. If section 2, on page 31, which I ask the Senator to examine, does not absolutely settle that question. I do not know how it can be settled.

Mr. RANSDELL. I was going to answer, if the Senator will permit me, and to tell him what I understand. My understanding is that the appropriations are made in the manner indicated; but if in the judgment of the engineer he thinks the money ought to be expended on some other one of these projects,

he has the right to do so. That is my understanding, and that is the understanding the Senator from Florida has.

Mr. KENYON. Then we do not differ a particle.

Mr. RANSDELL. There is no difference at all; but the appropriations are made for the particular project, and it is not expected that the engineer will spend it anywhere else unless some emergency arises. Changed conditions might cause him to spend it somewhere else, and he has that authority, in my judgment.

Mr. VARDAMAN. Mr. President, will the Senator permit me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Mississippi?

Mr. KENYON. Yes.

Mr. VARDAMAN. The engineer is not compelled to make an expenditure at all. Unless it is necessary to carry on the work to remove impediments in the stream which interfere with navigation, not a dollar of the money will be used. The matter is left entirely to the wisdom and honesty and efficiency of the nonpartisan engineer who is commissioned to do that work.

Mr. KENYON. Mr. President, I place in the RECORD from volume 2, pages 2534 and 2535, some facts as to the Red River from Fulton, Ark., to the mouth of the Washita River, Okla., showing appropriations of $570,759.20; a commerce in 1915 of 812 short tons. On the Red River below Fulton the appropriations have amounted to $2,907,920.30. The appropriations prior to 1892 amounted to $1,553,877.50. I do not know how far back they extend. The commercial statistics for 1915 show that there was carried on the river 27,325 tons, of which timber rafted amounted to 7,350 tons, sand and gravel rafted 4,000 tons, leaving the commerce on the Red River of almost nothing, although there has been an enormous expenditure of money upon it.

Now, as to the Ouachita River——

Mr. RANSDELL. Will the Senator permit me to say that the appropriations for the Red River, to which he has referred, comprise all that have been made during the entire history of the improvement? To my positive knowledge, as I happen to have been born and reared on that stream, there was a very large commerce there in the early days, and for a great many years. Finally, railroads were built, and now two fine railroads run on either bank of that river, so that practically all the commerce has left the river. The large sums which the Senator says were spent on it doubtless were expended; but, among other things, they had to remove a big raft of logs in the river above the city of Shreveport. In the early days the commerce over that river extended all the way up into Texas. It was diverted above Shreveport and passed out through Cypress Bayou to Jefferson, Tex., and the commerce of all northeastern Texas passed over Red River. At that time considerable money was expended, but recently we have had only very moderate appropriations for it, and its commerce is small.

I will also say to the Senator that it has had a wonderful regulating effect on the freight rates. I know that last year, before the railroad commission of my State, the railroads asked permission to increase their rates to Red River points, in one instance 300 per cent. They asked to increase the rates because they said, "The boats have left the river; there is no longer any commerce on the Red River—no longer any water competition—and therefore we would like to increase our rates." But for a long time there was a big commerce on the river, while the great sum of which the Senator speaks was being spent.

Mr. KENYON. I am glad that it has accomplished some good along the line the Senator indicates.

Mr. RANSDELL. It has accomplished a very good purpose in the past.

Mr. KENYON. I hesitate to say anything about the Red River, and I pass it over very hurriedly, because I realize that it is distinguished as the birthplace of the Senator from Louisiana; but I observe in the hearings, in document No. 947, that the Senator from Louisiana, at the time of the unfavorable report, appeared before the board at Shreveport, I think it was, and stated to them, as appears on page 45 of that document:

> Gentlemen of the Board of Engineers for Rivers and Harbors, you have come here to examine one of the great rivers of the country, not only of our State, but of our Nation. The Red River is one of the longest rivers on the continent.

Then the Senator goes ahead to say, advising the board:

> If I thought the Congress of the United States was seriously inimical to the restoration of the improvement of the Red River, I would think long and well before I would go in opposition to the opinion of the United States Congress; but I tell you it is not the engineers; it is the act of one man, who practically took Congress by the throat and forced the legislation on us.

There is a firm impression in the country that if Congress could be taken by the throat oftener it might be better off. I assume that reference was to ex-Senator Burton.

So the Senator had sufficient interest in the Red River improvement—a commendable interest, of course—to appear before the board and with his powers of persuasion try to have them look at it in a different light. I am surprised they did not do so, because the Senator is always persuasive.

Mr. RANSDELL. That certainly is a striking testimonial to the high character of this Board of Engineers for Rivers and Harbors when the Senator from Louisiana could not persuade them to do something wrong, if it was wrong. If that is the impression the Senator would convey, I think it a great tribute to them.

Mr. KENYON. To me it is perfectly marvelous that the Senator did not convince them.

Mr. RANSDELL. I think it is very remarkable.

Mr. KENYON. I am sure there must have been enough tears shed over that river that, if properly diverted, they would have put more water in it.

Now, I pass to another project in which the Senator from Louisiana is particularly interested.

Mr. RANSDELL. What is that?

Mr. KENYON. That is the Ouachita. I think the Senator appeared before the board several times with reference to their report on that stream. The Ouachita, I am inclined to think even the Senator from Louisiana will agree, has been a most wasteful proposition. It has cost the Government millions of dollars. We have appropriated $4,231,623.65 for the Ouachita, for a system of locks and dams, and I notice this bill provides:

> The balance of appropriations heretofore made for the construction of Lock and Dam No. 7, Ouachita River, Ark. and La., is hereby made available, in the discretion of the Secretary of War, for the construction of Lock and Dam No. 5.

I have understood there is something over $300,000 which can be used in that way. I do not know whether or not the Senator from Louisiana can make that clear to us.

Mr. RANSDELL. Mr. President, will the Senator kindly quote the figures as to cost again? I think perhaps I misunderstood him.

Mr. KENYON. I said the appropriations have amounted to $4,231,623.65, as appears on page 2544 of volume 2.

Mr. RANSDELL. I think the Senator must be mistaken. I have before me volume 1 of the Report of the Chief of Engineers, and I read from page 1022——

Mr. KENYON. Has not the Senator volume 2 of the Report of the Chief of Engineers?

Mr. RANSDELL. I think I can find it.

Mr. KENYON. Will he not turn to page 2544? If I am wrong about the figures, I will be glad to be corrected.

Mr. RANSDELL. I was going to read from the same book at another place. The Senator, I think, has inadvertently stated the figures incorrectly. I know he has not done so intentionally.

Mr. KENYON. I certainly have not; and I do not think I stated the figures incorrectly.

Mr. RANSDELL. I think the Senator has given the figures as to what the locks will cost, not what they have cost. From where did the Senator read?

Mr. KENYON. I read from page 2544, giving the total appropriations, volume 2, at the top of the page.

Mr. RANSDELL. I was reading from this very book, and I see here the expenditures under the existing project to the end of the fiscal year have been $2,833,438.

Mr. KENYON. There may be a difference between the expenditures and the appropriations. The money may not have been all used.

Mr. RANSDELL. The Senator is probably correct. I will not say he is not. I was reading from the other book.

Mr. KENYON. I am correct if the engineers' figures are correct. I desire to put in the RECORD just a few facts about this river. The Senator from Louisiana is distinguished by having a snag boat used on that river named after him, as appears from page 2540, a very active snag boat, which in the last fiscal year pulled on this river 2,229 snags. There were also pulled and destroyed 1,113 stumps, 76 shore snags, and other good work was done, including the removal of people from overflowed districts. U. S. steam derrick boat *No. 2* also pulled 963 snags on the raging Ouachita.

The commercial statistics, as given on page 2545, show that for the last fiscal year there were 97,451 tons, of which timber barged amounted to 36,000 tons; timber rafted, 30,000 tons; and sand and gravel rafted 8,775 tons, leaving a pretty poor showing of commerce after all the expenditures the Government has made.

Mr. RANSDELL. Mr. President, will the Senator permit me a brief statement?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Louisiana?

Mr. KENYON. I really am trying to get through, but I desire to be courteous to the Senator.

Mr. RANSDELL. I do not desire to make a speech. I simply want to say that we have expended a good deal of money on that river to create a lock-and-dam system. There are eight locks and dams. The smallest number starts at the lower end of the river. From the lower end of the river the Locks Nos. 2, 3, 4, 5, 6, 7, 8, and 9, No. 1 being stricken out. We have finished only one of those locks absolutely so that it can be used, and that is No. 4. Nos. 6 and 8 are practically finished, and Nos. 2 and 3 are partially completed. We hope to have them finished some time this year. Now, the Senator and other Senators know that a stream can not be used to advantage if there are locks and dams in it until all the locks and dams are completed. Lock No. 5 has not yet been located. Lock No. 7 has been authorized, but no money has been spent on it, and there is a provision in this bill to divert the appropriation from Lock No. 7 to Lock No. 5. Not a dollar has been spent on Lock No. 9. Until this system is completed, I insist it is not fair to say that we have no commerce on the river. This large expenditure is to provide a lock-and-dam system, and when it is completed there will probably be developed a good commerce on the river.

Mr. KENYON. Has Lock and Dam No. 7 been constructed?

Mr. RANSDELL. No, sir.

Mr. KENYON. The proposition is to turn the money that was appropriated for Lock No. 7 to Lock No. 5?

Mr. RANSDELL. Yes, sir.

Mr. KENYON. How much does that amount to, if the Senator can say?

Mr. RANSDELL. It is something over $300,000, as I recall. I do not remember exactly. I will try to give the figures to the Senator. The reason for the diversion is that Lock No. 6 is relatively complete, Lock No. 4 is completed, and if Lock No. 5 can be put in between we will have completed the river from the lower end up to the head of the mouth of Lock No. 6, when we get the intervening locks finished.

Mr. KENYON. Well, that will help, of course, in making the river.

Mr. RANSDELL. That will be a little help.

Mr. KENYON. Then, if we can get some water in it, it may get to be quite a river.

The Engineer's Report, on page 2547, along the line suggested by the Senator, says:

As the pools formed by the dams are not continuous, through traffic was not practicable. The vessels which passed through the locks were, in the general case, small fishing boats and similar craft, which carried no freight. Each pool was used by local sawmills for floating logs and to some extent by other navigation interests, but as these boats and rafts did not pass through the locks the commerce is not reported here, but has been included in the statement of freight traffic in the preceding report.

As to the Ouachita River above Camden to Arkadelphia, the report says:

There was no commerce reported for this portion of Ouachita River during the fiscal year.

Now, I want to call attention to the document concerning the reexamination of this river which we secured in the river and harbor contest some years ago. A reexamination was made of the river, and an unfavorable report given. Gen. Black says on page 2 of Document No. 979:

After due consideration of the above-mentioned reports, I concur in the views of the division engineer and the Board of Engineers for Rivers and Harbors, and therefore report that it is deemed advisable to discontinue the project for improvement of Ouachita River between Camden and Arkadelphia, and to modify the project for improvement below Camden to provide for the completion of Locks and Dams Nos. 2 and 3, and their operation when completed, and continuing the operation of Nos. 4, 6, and 8, together with such snagging as may be necessary to facilitate navigation up to Camden. An appropriation of $234,000 should be provided in one sum for completion of Lock and Dam No. 3.

As I understand it, this practically amounts to a recommendation of the Chief of the Army Engineers and the board against completing and undertaking more locks until they try out the locks that are there. I may be in error as to that, but that is my understanding.

The Board of Engineers for Rivers and Harbors, speaking of the river from Camden to Arkadelphia, says:

No commerce has been reported on this section of the river for the past three years, and there is no evidence that any is in prospect.

* * * * * * *

The total expenditures under this project to June 30, 1915, were $2,715,057.99, and the unexpended balance $411,755.97.

Speaking of the commerce, the board says:

Of 70,619 tons in 1915, over 35,000 tons were timber products and 8,768 tons were sand and gravel. Local interests claim that commercial developments would justify the completion of the project. Moreover, it has been stated that the United States is under moral obligations to complete the work on account of private investments made under this expectation.

* * * * * * *

At the request of interested parties a hearing was given at the office of the board on March 7, 1916, at which Senator J. E. RANSDELL, Hon W. S. GOODWIN, M. C.; Hon. R. J. WILSON, M. C.; and a delegation from the locality appeared in favor of the continuation of the lock-and-dam project.

But they seem to have been unable to persuade the board. The opinion of the board is given on page 5:

In the opinion of the board there is not sufficient commerce present and prospective to justify the expenditure of this amount. The board therefore concurs with the division engineer and reports that, in its opinion, it is advisable in the interests of general commerce and navigation to modify the existing projects for the improvement of the Ouachita River, Ark. and La., so as to provide only for the completion of Locks and Dams Nos. 2 and 3, and the operation of these when completed, and of Nos. 4, 6, and 8, together with such snagging as may be necessary to facilitate navigation up to Camden. The advisability of further lock-and-dam construction (Nos. 5, 7, and 9) should be investigated again after there has been an opportunity to note the results of the complete canalization below Monroe.

That is what I had in mind. So we have the report here, as I understand it, of the board of Army engineers against doing what this bill seeks to do as to No. 5; and it would be just as well at this time, apparently, to leave that $300,000 in the Treasury.

I want to call attention to just one more thing in this document.

A number of hearings were held. The energetic Senator from Louisiana [Mr. RANSDELL] seems to have been present at most of these hearings. The first one was at Monroe, and the Senator there gave a history of this project and insisted upon fair play. Ex-Senator Lorimer and Members of Congress also spoke. The Felthensal hearing, I see, was attended by the distinguished Senator now in the chair [Mr. ROBINSON]. It was held in a church at 1 p. m. on September 16, 1915. The report speaks in such highly complimentary terms of the argument of the distinguished Senator from Arkansas, who is now in the chair, that I will not embarrass him by reading it.

The Columbia hearing was held on the snag boat *Ransdell*. That boat seems to have been adapted to snagging and also to hearings.

In reply to the district officer's usual questions, it was stated that 7,000 head of hogs and cattle and about 10,000 bales of hay were shipped from Columbia annually.

Another hearing was held at Camden; and so it goes.

Then on pages 33 and 34 of that document is the address of the Senator from Louisiana at one of these hearings. It does not seem clear as to just where it was. He says, referring to the board:

You gentlemen are probably aware of the fact that the first estimate for this project was a fraction under $2,000,000, and now the estimated cost is considerably over $4,000,000, under the revisions which have been made from time to time. It has been one of the very difficult projects in the Union, one on which the engineers themselves have differed quite materially and have discovered that mistakes were made.

* * * * * * *

Where does this trouble come from? It is a matter of common knowledge that Congress was practically held by the throat and forced, in the dying hours of a session, to ask for this reinvestigation and examination of the Ouachita River and several other rivers in this country.

This holding Congress by the throat may become a popular pastime and expedite legislation.

You gentleman, perhaps, are not obliged to take special cognizance of that fact, but we are all human beings; we are all justified in looking at matters in a common sense, practical way, and you have had other projects before you, the result of that same reinvestigation ordered, as I repeat, in the closing hours of a session of Congress, without any consideration whatsoever, without a word of debate, simply to permit us to pass a law carrying some money for the great river and harbor projects in this country.

And the Senator says that this project at the other end has no more merit than it has at this end. That is true.

So we have here in this bill a project to turn over the building of one of these locks and dams, No. 5, without any recommendation from the Army engineers, and in fact against the recommendation of the Army engineers.

Mr. RANSDELL. Mr. President, will the Senator permit an explanation there?

Mr. KENYON. Certainly.

Mr. RANSDELL. The lock-and-dam project on the Ouachita River has been under way for some time. It was strongly recommended by the Army engineers. We proceeded to make appropriations for it. We adopted Locks 2, 3, 4, 6, 7, and 8 and made appropriations for all of them. There was a practical recommendation made later on, as said by the Senator from Iowa, that the stream be thoroughly improved up to the city of Monroe, which would mean Locks 2, 3, and 4, and that no further improvement be made above there until we had first tried out the river below that point. Congress had already expended a large amount of money in practically completing Locks 6 and 8. The appropriation had been made for Lock 7, but the money had not been expended, and both the House and the Senate Commerce Committees thought it wiser to carry on this

work at least to the upper end of Lock No. 6, which was finished, and for that reason we made the diversion of this money from 7 to 5. The engineers had approved the project in every particular. They did in substance recommend that it would be preferable, in their judgment, to try it out from Monroe down.

I simply wished that explanation to go into the RECORD in conjunction with what the Senator has said.

Mr. KENYON. I am very glad to have it.

Mr. President, I pass from that to the Arkansas River—a river on which we have expended over $3,500,000. It is just as good a river as a lot of these other rivers. The commerce in 1913, excluding timber and sand, was almost nothing. When this project was resurveyed there were many hearings. I want to put in the RECORD, without taking the time to read it, the opinion of Col. Townsend on this river in connection with the other river projects.

The PRESIDING OFFICER. Without objection, leave will be granted. The Chair hears no objection, and it is so ordered.

The matter referred to is as follows:

2. Not only has the commerce of western rivers rapidly declined in recent years, as stated by the district officer, but the character of the boats carrying the traffic has radically changed. In 1900 the average sized boat that navigated the Arkansas River was one of 174 registered tons, while in 1913 it was only of 46 tons. In 1900 the larger vessels made trips from Little Rock and Pine Bluff to Memphis and Vicksburg, while in 1913 the average distance traveled was only 34 miles, indicating that the boat has entirely ceased competing with the railroad in carrying through traffic and is only used to collect the products of a farm distant from a railroad and transport them to the nearest rail connection. A similar condition is found on all the western rivers, with the exception of the transportation of coal on the Ohio River and a small movement of freight on the Missouri River between Kansas City and St. Louis. Such transportation has no effect on rail freight rates and can be most profitably carried by motor boats and barges of light draft.

3. Whatever may be the causes of this decline of river traffic, they are of general application to all the western rivers, and the density of traffic on the Arkansas River is so small that there is no probability that the improvement of its channel will counteract this general law, particularly since the radical improvement of the Mississippi River from St. Louis to New Orleans, which has existed for the past 10 years, has had no appreciable effect upon it.

4. Should a revival of river commerce occur, it will first be observed between large centers of population, such as Chicago, Pittsburgh, St. Louis, and New Orleans, where there are large amounts of manufactured articles to be moved. The agricultural products that are directly tributary to a river do not furnish a sufficient volume of freight to justify at present its permanent improvement as a route for through traffic, but a revival of commerce commencing at large centers of population along the trunk stream may gradually extend to the tributaries.

5. It is therefore recommended that the improvement of the Arkansas River be at present confined to snagging, which is warranted by the existing commerce, and that all attempts to permanently improve the river channel be deferred until there is an appreciable revival of commerce on the Mississippi River. The dredging proposed by the district officer is considered a waste of public funds. It can have no effect on the permanent improvement of the river. It is insufficient even to maintain a temporary channel from the river mouth to Pine Bluff. The transfer of the dredges built for the Arkansas River to the Ohio is suggested, where they would be of some practical use.

Mr. KENYON. Then, when this hearing was held at some point in Arkansas, the distinguished Senator from Arkansas, Mr. Clarke, who was then chairman of the Commerce Committee of the Senate, and who, to the sorrow of us all, was called away before his time—one of the most courageous and able men who ever occupied a seat in this Chamber or any other chamber—appeared before the board, and he said some things there that were prophetic. I knew him well enough, I think, to know how he felt about some of these appropriations. He said this, among other things, on page 82 of Document No. 461:

There are millions of dollars scattered over the United States not doing any good except to improve the political prospects of some party.

And those who knew Senator Clarke knew just how he could say that—

I have been aware that, whether from oversight or whatever it is, there comes up to our committee recommendations that seem to me to be discriminatory. Some things that are not half so worthy as other things are recommended where other things are not recommended. If it is the policy of this administration and of this board to adopt a more rational, businesslike system, I shall aid them in their efforts to do so, and if, after a fair test, the Arkansas River falls under the condemnation of any rule that has been adopted and will be uniformly applied, I will stand as religiously for that as any other; but when I am backed by such reports as the two I have called your attention to—and the policy was reasonable of digging out this stretch of 178 miles of river from here to the Mississippi River—I believe I am justified in showing some earnestness and protesting with some emphasis against the report made, and which is now under consideration by you.

Farther down on page 83 he says, referring to the bill:

The two boats are here; they are paid for; they are at work; $193,000 was set aside last year for their operation, and that was done by the engineers and not by Congress. The filibusters defeated the appropriations. The bill was passed by the committees, but it was impossible to get it out under the "pork-barrel" system. If the shaking up that that business has gotten in the last two years, or in the last two Congresses, will result in a more careful discrimination in these objects, I think a very substantial result has come from it.

I believe that a very substantial result has come from the fights which Senator Burton made against river and harbor bills, and that these appropriations are scanned more closely by committees and will be scanned more closely by committees and will be scanned more closely by the country.

Mr. President, I might tarry to speak of the St. Francis River. I will only refer to it in a word. That is one of the rivers where in the testimony before the House it appears in the hearings had here that the witnesses said you did not know when you got to the river. You would cross it before you knew it. That is one of the streams for which we are appropriating money.

The Cumberland River in Tennessee and Kentucky has cost this country millions of dollars.

The Tennessee River, on which one could dwell for some time, has cost the Government over $11,000,000, and there is a very small commerce on it when it is analyzed.

Mr. President, I have said to the chairman of the committee that so far as I was concerned I wanted to argue this bill, and intended not to spend as much time as this upon it. I am not trying, and I do not think anyone is trying, to delay the passage of this bill, because they realize that it is perfectly useless to try it. I am frank to say that I would stand on my feet and talk for a week if I felt that I could be at all instrumental in getting rid of some of the things in this bill that a good many Senators feel ought not to be here. It is one of those things that can not be done, however.

I believe that this bill is not as bad as many bills that have been passed by Congress, or that have been before the Congress for discussion, but it is bad enough. The grouping system, that seemed to me to warrant the statement on the first day that this was the worst river and harbor bill ever presented to Congress, is a system that is not entirely satisfactory. I am sorry it has been adopted; but I took occasion to say the next day, after listening to the remarks of the Senator from Florida [Mr. FLETCHER], that that statement was perhaps too harsh an indictment. It would be a pretty hard thing to say of any river and harbor bill that it is the worst one that has ever been here. That would be almost impossible.

Section 4 of this bill provides for a number of surveys. That, it seems to me, is absolutely indefensible in this condition of our national finance. Here is $200,000 for surveys. The only argument that is produced to refute some of these statements, when they are made, is that the amount is so infinitesimal, and that is true; $200,000, the way we are appropriating money, is a small amount. These surveys are given to practically anybody in the bill. At least, it is my experience on the Commerce Committee that anybody who comes along and asks for a survey is given the survey. It makes him feel good, and he can tell the folks at home what a great statesman he is; he got a survey.

Look at some of them! Here is this same old Smiths Creek that we have been talking about. What in the world does that need any more surveying for? Here are Broad Creek and Queens Creek, Onslow County. Just as a matter of interest, I have looked through a book on North Carolina and its resources, issued by the State board of agriculture, and the streams and canals and rivers of Onslow County, in a search for Queens Creek. I have here the Rand-McNally maps. If anybody can find anything to show the location of Queens Creek in the history of North Carolina or the history of any of these counties, I shall be glad to see it.

Little River, N. C.: Lynch River, N. C.; Broad and Congaree Rivers, at or near Columbia, S. C.; Church and Bohicket Creeks, and Church Flats, S. C.; Ashley River, S. C.; Banana Creek, Fla. It has been stated here that the President wanted this bill as a war measure. I wonder if he thought that a survey of Banana Creek was necessary? What a farce! This bill ought to slip up on Banana Creek!

Braden River, Manatee County, Fla.: I have gone through a history of Manatee County, Fla., setting forth the wonderful resources and the rivers and the creeks of Manatee County, but nobody can find the Braden River in it. I wonder if the President thought that the improvement of that stream was essential to carry on the war? We have said to you that we would put it right straight to the President, and, if he said this was an essential war measure, that was the end of the fight. We trust your President better than some of you seem willing to trust him.

Mr. RANSDELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Louisiana?

Mr. KENYON. I do.

Mr. RANSDELL. I suggest to the Senator that the proviso on page 41 of the bill, after the close of these surveys, reads:

Provided, That no examination or survey herein provided for shall be made until after the close of the war with Germany except such as the Secretary of War shall direct.

Mr. KENYON. Yes; exactly. Why was not the proviso left exactly as the House sent it here, which then would have connected all of these surveys with the war? That was crossed out.

Mr. RANSDELL. Simply because we felt that it would be a very much better plan to leave it discretionary with the Secretary of War, because during the prosecution of the war something might come up in the shape of a very important matter connected with commerce, but not necessarily associated with the prosecution of the war; the idea, however, being that pending the war it should be entirely discretionary with the Secretary of War to say whether or not any of these surveys should be made.

Mr. KENYON. Well, then, let us be perfectly frank, and not say that the President asked for this bill as a war measure, when the Senator himself says that commerce is to be involved, unless of course you say that all commerce is a war measure.

Old River, Chambers County, Tex.—another survey. You can take the maps of Texas, and I defy anybody to find on these maps Old River. Perhaps that is why we need a survey.

Channel connecting the Houston Ship Channel with the Goose Creek oil field; Missouri River, between Yankton and Vermillion, S. Dak. So it goes on; I do not know how many surveys are provided for.

Mr. President, here are any number of Army engineers engaged in this work. Here are thousands of men engaged in this work. Here is a time when the country needs every Army engineer for war purposes. Here is a time when no men should be engaged in useless work. They are needed in the factories and in the fields, and the Army engineers are needed in the Army and not out attending to Banana Creek and a few things of that character.

Now, I want to speak of one thing that I referred to a moment ago. A bill that has merit in it, that is all merit, does not need any back fires to have it pass Congress. I have been deluged with letters from automobile dealers in my State, from people along the Mississippi River in my State—it flows the whole width of the State—automobile dealers, Ford car dealers, calling on farmers to write letters—I think I have a hundred of them here—insisting that I shall support the river and harbor bill in the interest of the farmers of my State.

How does that arise? It is a little intricate; a little labyrinthine. The Rouge River is in this bill. I imagine it may be a good project. I think it was put in here by the Army engineers at the time when the object was to get up to the Ford factory. The Ford factory in some way got out the impression through their dealers that if the Rouge River was improved up to the Ford factory, then they could make farmers' tractors cheaper. So we get the back fire from the farmers who think that this bill must pass, some who do not see the colored gentleman sitting in the woodpile.

Mr. BORAH. May I ask the Senator how much is the appropriation for Rouge River?

Mr. KENYON. I think it is four hundred and some thousand dollars. Under this grouping system it is hard to find what you are looking for.

Mr. RANSDELL. I will state to the Senator that he will find the item at page 23, line 15, and the amount is $490,000.

Mr. KENYON. I thank the Senator.

Mr. BORAH. Do I understand that that is one of the streams by which the Ford factory is reached?

Mr. KENYON. Yes.

Mr. BORAH. The Ford factory for making what?

Mr. KENYON. Automobiles, I suppose, and the Ford factory is going to make farm tractors—very splendid farm tractors—which the farmers are very anxious to get.

Mr. BORAH. Where is Rouge River with reference to the factory? Is the factory situated on the river?

Mr. KENYON. I understand so. I have the report here somewhere, but I merely used it to illustrate this back-fire proposition.

Mr. FLETCHER. I wish to state to the Senator not only that, but they undertake to remove certain bridges and acquire certain lands which will about equal in value the expenditure the Government makes.

Mr. KENYON. This is a sample of letters that are coming to me:

DEAR SIR: We note from the newspapers that the river and harbor bill is about to be brought up, which includes the deepening and widening of River Rouge, which would be very beneficial in the way of handling material for Henry Ford's tractors and factory.

While this would be a help to Henry Ford, it would also be a help to his dealers and customers.

I kindly ask you to favor me by doing what you can to urge the passage of this bill.

Some of these letters are in the nature of a peremptory demand, but not very many of them. That is simply the way these things are done. There has been placed in the RECORD heretofore the proceedings of dredgers' associations where money was voted to banquet Members of Congress, and I send to the desk and ask to have read what I suggested to the Senator from Louisiana. I will submit it to him first. If he did not write the letter, I do not want to have it read.

The PRESIDING OFFICER. Without objection the Secretary will read the letter.

Mr. KENYON. I think there is nothing offensive in it to the Senator from Louisiana or I would not present it.

Mr. RANSDELL. Does the Senator send the letter to me?

Mr. KENYON. Yes. I think there is nothing offensive to the Senator in it.

Mr. RANSDELL. Does the Senator mean for me to read it, or for the Secretary to read it?

Mr. KENYON. I should like to have the Secretary read it if the Senator has no objection. I thought it might be courteous to the Senator to submit it to him.

Mr. RANSDELL. I am satisfied to have it go in the RECORD. I believe it is correct. I think I gave such an interview as that to the papers.

Mr. KENYON. I ask the Secretary to read the article.

The Secretary read as follows:

SAY GOOD BILL ON RIVERS MAY MEET DEFEAT—ACTION OF SENATOR KENYON IS BLOW TO DEVELOPMENT OF WATER FREIGHT.

The best rivers and harbors bill placed before Congress in many years is in serious danger of defeat according to information received by Secretary Norwood, of the greater Davenport committee, from Senator RANSDELL, of Louisiana.

"This constructive piece of waterway legislation," says Senator RANSDELL in his letter to Secretary Norwood, "eliminates a number of projects which have been sharply criticized and provides for beginning work on 90 new projects, every one of which is of undoubted merit and importance, and has received the unqualified approval of the Army engineers. Moreover, provision is made to prosecute and maintain every worthy waterway project in the land which is already under way.

"Notwithstanding the great merit of this measure, which carries an appropriation of about $39,000,000 for the next fiscal year, a minority report has been filed by Senators KENYON, JONES, SHERMAN, HARDING, and WATSON, which proposes to substitute a lump-sum appropriation of $25,000,000 to carry on existing projects, and also authorizes 11 new projects of more or less importance.

"If this substitution is adopted, it will be the hardest blow ever received by river and harbor legislation. I earnestly appeal to every friend of waterways to do his utmost to defeat this substitute and secure the adoption of the bill as reported by the majority of the Committee on Commerce."

Mr. KENYON. I will state that that is from a Davenport paper, in my State.

Mr. RANSDELL. Give the date of it, please.

The SECRETARY. February 20, 1917.

Mr. KENYON. That is merely a sample of what I have suggested as to a back-fire attack upon men who oppose this legislation.

Mr. RANSDELL. I will say to the Senator that was in regard to the bill which failed in the last Congress?

Mr. KENYON. Yes; but it is the same thing. It resulted, of course, in bringing a great deal of correspondence to me from along the Mississippi River, finding serious fault with my attitude. There are people, of course, in every State who expect their Members of Congress to get everything they can out of the Public Treasury. There are not many such people, I am thankful to say, in my State. If the people of my State felt that it was my business down here to try and get what I could out of the Public Treasury for the Mississippi River, or for any other river in Iowa; if they want that kind of a person here, I am ready to quit and go home. I will not do it. I do not care how many letters I get from my State. The Senator can send all the letters he wants to my State; he can come out and talk about it and make that an issue, if it is desired to be done. Along the same line is the work of one of the gentlemen on the advisory council of waterways of which Gen. Black was a member, Capt. J. S. Ellyson, who in a speech before the Rivers and Harbors Congress, I think it was—anyway some national waterway lobby—said what has never been denied and it has been put in the CONGRESSIONAL RECORD:

We need Congressmen here to legislate for the Nation theoretically, but actually to get all he can for us; and if he does not get our share, and then some, we do our best to replace him.

This letter is evidently to carry out the same line of work. That is the conception of one of the gentlemen on the advisory council as to what Members of Congress are here for—to get what they can; to get our share. They think nothing about the Nation, but get our share, whether you get it at a time when the Nation is in peril trying to raise every dollar it can. The orders are get it or we will start a back fire on you. Go ahead and start it.

Mr. RANSDELL. Will the Senator kindly give the date of the publication he was reading from?

Mr. KENYON. I am reading from the CONGRESSIONAL RECORD from a speech by Mr. FREAR, Saturday, June 16, 1917, in which he placed that statement in the RECORD, and it has never been denied. Does the Senator deny it?

Mr. RANSDELL. Where did Mr. FREAR get the statement? I do not know anything about it.

Mr. KENYON. It is taken from the lobby official 1911 report. The lobby he refers to is the Rivers and Harbors Congress, I think.

Mr. RANSDELL. I should like to make it clear where it came from. I do not know anything about it. I am not responsible for it at all.

Mr. KENYON. Let him deny it if he did not say it. It was in connection also with this that appeared in what we call the lobby official 1911 report—I will find out what that is before we get through with this debate—which they sent out. It is the National Rivers and Harbors Congress. They set out the amount subscribed to the support of the National Rivers and Harbors Congress by States from 1906 to 1911, inclusive, and then in parallel columns give the amount of appropriation received by the States in the river and harbor bill, showing apparently the intimate relation between the amount contributed by the State and the amount they get in appropriations. For instance, Pennsylvania, four thousand two hundred and some odd dollars. Amount of appropriation $4,637,741. Florida does not seem to have fared so well. Florida contributed $1,600 and received in appropriations $5,185,000.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Washington?

Mr. KENYON. I yield.

Mr. JONES of Washington. Will the Senator yield to me for a suggestion just in line with this particular phase of the discussion? I wish to say that last year, after the minority report was filed on the river and harbor bill, an effort was made in my State to create what the Senator terms a back fire. This was done through or by the secretary of the National Rivers and Harbors Congress. I hope and believe that the Senator from Louisiana, who is the president of that congress, had nothing to do with it and would not approve of any action of that sort, but nevertheless the secretary of the National Rivers and Harbors Congress did secure letters from my State and tried to enlist the newspapers to make a campaign against me because of my joining in the minority report on the river and harbor bill.

Mr. RANSDELL. I wish to say to the Senator that I knew nothing in the world about that. If I had known it, I would have done everything in my power to prevent it. In the interview referred to in the letter to the gentleman from Davenport, Iowa, I simply stated a matter of record in Congress, that a minority report had been filed signed by certain Senators, and calling the attention of this gentleman from Davenport, who was, I think, one of the directors of the National Rivers and Harbors Congress, to that fact, and urging him to do all he could with his friends to support the bill. But I had nothing on earth to do with any opposition to the Senator from Washington, and am quite sure that the secretary of the National Rivers and Harbors Congress did not do anything in opposition to him. I have always esteemed him highly. I regard him as one of the very best men in the Senate. I feel that I have been honored in having his friendship since we served in the House of Representatives together, and nothing would be further from me than to do such a contemptible thing as to try to stir up opposition to the Senator in a matter of that kind.

I have tried, and will continue to try, to mold public opinion in favor of this legislation, which I have advocated for many years. I did that in an open, honorable way, writing letters through the office of the National Rivers and Harbors Congress to the directors and officers of that association. If those directors and officers did in their own way try to defeat the Senator, it certainly was without my approval or without any suggestion from me or the secretary of the organization. I thank the Senator for saying that he did not think I had anything to do with it. I never heard of it before.

Mr. JONES of Washington. I tried to make it plain that I was satisfied the Senator did not have anything to do with it. I do not want to be misunderstood. There was not an attempt made to defeat me, because I was not up for reelection, but it was pressure being brought on me to support the river and harbor bill, notwithstanding the minority report. As I said, this was done through the secretary of the National Rivers and Harbors Congress.

I wish to repeat I am sure the Senator from Louisiana never thought of countenancing anything of the kind, and that he would not countenance it at all; but I did think it was but fair that I should call attention to this action upon the part of the secretary of the National Rivers and Harbors Congress.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Utah?

Mr. KENYON. I yield.

Mr. KING. I have heard for a number of years about the activities of an organization the object of which, as I was informed, was to promote legislation for rivers and harbors. Is that the organization to which the Senator is now referring?

Mr. KENYON. That is what is known as the National Rivers and Harbors Congress, which carried, I understand, on its letterhead "Second only in importance to the Congress of the United States."

Mr. KING. Is that the organization over which Secretary Redfield presided at one of the meetings?

Mr. KENYON. The Senator from Louisiana can tell better.

Mr. RANSDELL. I have never known Secretary Redfield to preside at a meeting of that organization. He spoke at one of the meetings.

Mr. KING. Or spoke.

Mr. RANSDELL. He also spoke at a meeting of the Atlantic Coast Deep Waterways Association. I rather think he has spoken at meetings of the Ohio Waterways Association. I know they have had meetings of the Mississippi River Association, and they used to have big meetings of the Lake Carriers' Association. There are a great many waterways associations throughout the country, and Mr. Redfield may have spoken at a number of them. He spoke at one of the meetings of the National Rivers and Harbors Congress, of which I have the honor to be president.

Mr. KING. If the Senator from Iowa will permit me, I wish to make a further inquiry. Is not the object, or one of the chief objects, of the organization to coerce Congress into making appropriations for rivers and harbors?

Mr. RANSDELL. No, sir; that is not one of the objects of the organization. The objects of the National Rivers and Harbors Congress are, in every proper way by publicity, to overcome the remarkable ignorance which seems to possess the American people and many Senators in regard to waterway transportation and, having overcome that ignorance, to try to induce Congress to make proper and reasonable appropriations for every worthy watercourse in this land. Under no circumstances has the organization ever advocated the improvement of any particular project. It has advocated a broad, liberal, comprehensive policy looking to the proper improvement along the best and wisest lines of all the worthy watercourses in this Union in order that transportation may be facilitated and cheapened.

Mr. KING. But the object of the organization, if the Senator will pardon me for a moment, was to secure as great appropriations as possible from the Congress of the United States.

Mr. RANSDELL. Not at all; not as great as possible, but to secure appropriations enough to finish the worthy waterways of this Nation, the improvement of which had been advocated and approved by the Engineer Corps of the Army, and to do that along wise, proper, and businesslike lines.

Mr. KENYON. Mr. President, I will ask the Senator from Louisiana if the organization did not pass a resolution a few years ago that $50,000,000 was about the sum that should be asked at every session of Congress?

Mr. RANSDELL. I will say that we did advocate the expenditure of $50,000,000 a year until the waterways were improved. In line with that, let me say that one of the great waterway projects of this country is the Ohio River. In 1910 Congress undertook to finish the improvement of the Ohio River. It was to cost, I think, some $63,000,000 and to be finished within 12 years, at the rate of about $5,000,000 per year. This organization took the ground that Congress had not been pursuing a businesslike method toward the Ohio. It said in arguing it, "Here is a great river, the Ohio, the improvement of which Congress undertook in 1876 so as to get a minimum depth by canalization of 6 feet from Pittsburgh to Cairo, and from 1876 to 1910 less than 40 per cent of the project has been completed. We contend that is unbusinesslike. We say Congress should go ahead and finish these great projects when once undertaken, and we advocate the expenditure of at least $50,000,000 per annum until all the wise, really deserving water courses have been finished."

Mr. KING. If I may submit one observation to my friend just there, I know that the Democratic Party, of which I am an humble member, have frequently denounced the manufacturers of the United States who form organizations for the purpose of coming to Congress in order to obtain tariff legislation. I do not see very much difference between organizations of that

character, which we have denounced so vehemently and so often, and other organizations, whether they denominated themselves organizations for rivers or harbors or not, the object of which in part is to come to Congress and try to secure money out of the Treasury of the United States.

Mr. RANSDELL. Mr. President, just a word. I hope the Senator from Iowa will yield.

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Louisiana?

Mr. RANSDELL. The organization of which I have the honor to be president is attacked.

Mr. KENYON. I do not want to yield any time for the Senator to go into a defense of that organization.

Mr. RANSDELL. It will take only a very few minutes, I will say to the Senator.

Mr. KENYON. It will take a good while.

Mr. RANSDELL. I will say to the Senator from Utah there is a vast difference between the organizations to which he refers and a great public organization like the National Rivers and Harbors Congress, composed of people from every State in the Union where there are any waterways worthy of improvement, the officers and members of commercial bodies, boards of trade, and many waterway associations. This organization has offices in this city, carries on openly and aboveboard a campaign of publicity and education through the press and otherwise, tries to convey information to the American people, and does not do any lobbying. You have never heard of anybody connected with the Rivers and Harbors Congress doing any lobbying. If the manufacturers' associations which were denounced for coming to Congress had used the press of the country, had held conventions, and tried to convey their ideas to the American people through the agency of the press, no man could have legitimately objected to that; and that is all the National Rivers and Harbors Congress has done. It has held its conventions in the city of Washington in the month of December every year since the first was held in 1906, open, public conventions, with prominent speakers from all over the Nation. A number of leading railroad men have been invited to speak before it; many Senators and governors of States have addressed its meetings. Quite a number of Members of Congress and two Presidents of the United States have appeared before this organization. It is not in any sense an illegitimate lobby. I am sorry that the Senator from Utah can not see the distinction between an illegitimate lobby such as he has referred to and a great national organization trying to promote the objects for which it stands in an open, honorable, high-toned way.

I thank the Senator from Iowa for yielding.

Mr. KENYON. The action of the secretary of that organization in building up a back fire has been shown by the Senator from Washington in his State. It is hardly a very honorable occupation. The Senator from Utah, however, ought to bear this in mind: This organization in a way is to relieve the duties of Congress by taking over all these questions of rivers and harbors. The whole thing is a part of this general booster proposition which goes on all over the country.

From the Engineer's Report I read as to Crystal River on this booster proposition where the board of trade of one of the towns there said:

> Our people are alive to their interests, and mean to forge onward. They mean to have deep water. If 100 by 6 feet will not answer the purpose, they propose to have sufficient dimensions.
>
> You will recall that Capt. Spalding, on his visit here with you, without reserve favored the project. We feel that when Capt. Slattery goes over the route with you, as he indicates his willingness to do, he will also favor the scheme. We will at least try to not let him regret having come among us.

This is a letter to a Member of Congress. Now, listen to it:

> Kind Providence has endowed us with almost inexhaustible beds of phospate, timber, valuable hard rock, sea food, fertile lands, beautiful waters, and landscape scenery—every natural advantage except a sufficient channel. We can not get on the pension list nor profit by the public buildings appropriation.

The booster meetings Senator Burton has described, where at 9 o'clock at night they were in favor of a 10-foot channel, at 10 o'clock at night they were in favor of a 20-foot channel, at 11 o'clock they were for a 30-foot channel, and by midnight anything they could get, even to 50 feet deep, held not always in dry communities. It is a constant boosting that goes on for these things and back fires created for the men who dare to oppose them.

Mr. RANSDELL. Will the Senator permit me to say that Senator Burton was an enthusiastic advocate of the National Rivers and Harbors Congress, was present at its birth on the Ohio River, and addressed every one of its conventions for several years?

Mr. KENYON. I understand that; he was present at the birth, of course; and from what I have heard him say in recent years I am sure he was rather sorry that the birth was so successful.

Take Public Document No. 1469, on Freeport, Tex., another booster proposition. The commercial clubs all over that part of the country passed resolutions so much alike that it is quite apparent they were prepared by the same people, sending out three or four pages, and the resolution with reference to Congress is exactly the same.

As to the back-fire campaign of the Rivers and Harbors Congress, as far as I am concerned, I do not care the snap of my finger about it. If the price of staying in the Senate and holding a seat is to vote for these river and harbor bills—if my people are going to insist on that—I will leave the Senate. They are not all that way; very few of them, I think, are that way. I ask to have read an editorial from the Sioux City Tribune, a fearless paper of my State, of September 14, 1914, in reference to the same kind of business that was going on then.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

[From the Sioux City Tribune.]

> The Tribune acknowledges the receipt of an urgent appeal from the lobby that is working for the passage of the river and harbor bill, with its millions of "pork." The letter announces that unless "pressure of public opinion" is exerted at once the "pork barrel" is doomed to defeat this session.
>
> The letter states this would work untold hardships upon contractors, upon supply companies that furnish steel, iron, lumber, cement, wood, and other material used in improving rivers and harbors. Worse than all, states the letter, is the paralysis of water transportation lines which will not be able to operate because the channels are not completed.
>
> As an especial inducement to the Tribune the letter contains a supplement which shows the share of "pork" which is apportioned to the upper reaches of the Mississippi and Missouri Rivers aggregates $13,420,000.
>
> It certainly would be disastrous if the river traffic on the Missouri River from its mouth to Fort Benton is paralyzed. The Tribune realizes the consternation, approaching panic, that will sieze the shippers of this vicinity when they learn they can no longer send their products by river boats or get their supplies via the same route, because Congress has adjourned without voting $13,000,000 to a lot of contractors and supply men to "improve" the Missouri River Channel from its mouth to Fort Benton.
>
> But at a time when a world-wide war is making such demands upon the world's supply of wealth that this great country has had to issue emergency currency, underwrite bonded warehouse receipts, prepare to pass a special revenue bill that will create special taxes of at least $100,000,000 with which to run the Government, when good securities are selling far below par, and strong corporations are passing dividends in order to conserve their finances—at such a time the Tribune believes it is a good thing to save the $13,000,000 that would go into "improving" the Missouri channel and the other $40,000,000 of equally unnecessary "pork" that is in the river and harbor bill.
>
> The farmers and shippers of this section will try to worry along another year without the competition that would be afforded by the water transportation lines that would ply the "improved" Missouri after the contractors spent the $13,000,000.

Mr. KENYON. Mr. President, I have tried to review in a hasty way the provisions of this bill. I think I owe the chairman of the committee an apology for taking so much time, but I have been interrupted until at least nearly half of my time, I think, this afternoon has been taken up by interruptions. I conclude with this statement: The balance on hand for these purposes July 1 amounts to $19,838,000. There is another million dollars, as I showed from the record, which was set aside some years ago, which is available, making $20,838,000. I do not want to see any of the meritorious projects suffer. I have offered a substitute providing for a lump sum of $10,000,000, to be used just as the Secretary of War, under the direction of the President, may feel is necessary. That would make, as I understand it, $30,838,000 to be used for rivers and harbors for the next year. If that is correct——

Mr. FLETCHER. May I interrupt the Senator for just a moment?

Mr. KENYON. Yes.

Mr. FLETCHER. I desire to say that the balance on hand July 1, 1917, aggregating $19,838,472.33, to which the Senator has referred, is a balance that is not available for the purposes of this bill at all. None of that money could be used for the projects mentioned and provided for in the bill. A good portion of that money represents appropriations to be made for projects which are pending, awaiting certain precedent conditions to be performed by the localities; a good portion of it is for projects that are all together, and the balance of it is for projects outside of this bill. So you can not state that any of that available balance, so called, would reach any of the projects and items which are mentioned in the bill.

Mr. KENYON. Mr. President, I always defer to the knowledge of the Senator from Florida on these questions; but if that is the aggregate, then I have a misunderstanding about the matter. I want to go into that further, and if I am mistaken I shall withdraw my remarks as to that. I had understood they could be transferred to some of the other projects in this bill; certainly they are available balances as set forth in the engineers' sheets which I have used. Anyway, a $10,000,000 or $15,000,000 lump-sum appropriation would certainly cover all necessary work for this war year. Go on and pass your bill. I predict the men from some States who vote for it will some day hear from the people.

EXECUTIVE SESSION.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Arkansas?

Mr. SHERMAN. Yes, sir.

Mr. ROBINSON. Will the Senator yield to me for the purpose of moving an executive session?

Mr. SHERMAN. I yield; certainly.

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After one hour spent in executive session, the doors were reopened.

RECESS.

Mr. FLETCHER. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m., Wednesday, July 25, 1917) the Senate took a recess until to-morrow, Thursday, July 26, 1917, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 25 (legislative day of July 24), 1917.

COAST GUARD.

Third Lieut. Carl H. Abel to be second lieutenant in the Coast Guard of the United States, to rank as such from July 16, 1917. This officer has served the required time in his present grade and has passed the necessary examination for promotion.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

To be first lieutenants with rank from May 15, 1917, to fill original vacancies.

Second Lieut. Francis E. Dougherty, Fourth Infantry.
Second Lieut. Lyman L. Parks, Sixteenth Infantry.
Second Lieut. John T. Murray, Thirty-seventh Infantry.
Second Lieut. Warfield M. Lewis, Twelfth Infantry.
Second Lieut. Joseph L. Collins, Twenty-second Infantry.
Second Lieut. James O. Green, jr., Twenty-third Infantry.
Second Lieut. Daves Rossell, Sixth Infantry.
Second Lieut. Harold McC. White, Sixteenth Infantry.
Second Lieut. Lincoln F. Daniels, Twentieth Infantry.
Second Lieut. Frederick A. Irving, Thirty-fifth Infantry.
Second Lieut. Matthew B. Ridgway, Third Infantry.
Second Lieut. Richard M. Wightman, Seventh Infantry.
Second Lieut. Charles W. Yuill, Twenty-second Infantry.
Second Lieut. William W. Eagles, Twenty-first Infantry.
Second Lieut. Francis A. Markoe, Fourth Infantry.
Second Lieut. John J. McEwan, Third Infantry.
Second Lieut. John A. Stewart, Sixteenth Infantry.
Second Lieut. George W. Sackett, Eleventh Infantry.
Second Lieut. Francis G. Bonham, Seventeenth Infantry.
Second Lieut. Norman D. Cota, Twenty-second Infantry.
Second Lieut. Robert B. Ransom, Tenth Infantry.
Second Lieut. Carleton Coulter, jr., Twenty-second Infantry.
Second Lieut. James H. Frier, jr., Twenty-third Infantry.
Second Lieut. Leo J. Erler, Twenty-second Infantry.
Second Lieut. Robert D. Newton, Ninth Infantry.
Second Lieut. Willis R. Slaughter, Twenty-third Infantry.
Second Lieut. George H. Weems, Ninth Infantry.
Second Lieut. Roy L. Bowlin, Twenty-second Infantry.
Second Lieut. William C. McMahon, Eleventh Infantry.
Second Lieut. William M. Brennan, Third Infantry.
Second Lieut. Milton B. Halsey, Thirty-fifth Infantry.
Second Lieut. Charles L. Mullins, jr., Twelfth Infantry.
Second Lieut. Thomas S. Sinkler, jr., Seventeenth Infantry.
Second Lieut. George F. Wooley, jr., Seventeenth Infantry.
Second Lieut. Sterling A. Wood, jr., Seventeenth Infantry.
Second Lieut. William F. Redfield, Sixteenth Infantry.
Second Lieut. Mark W. Clark, Eleventh Infantry.
Second Lieut. Stewart W. Hoover, Eighteenth Infantry.
Second Lieut. David S. Rumbough, Sixteenth Infantry.
Second Lieut. Francis J. Heraty, Eleventh Infantry.
Second Lieut. Donovan Swanton, Thirtieth Infantry.
Second Lieut. Francis A. Macon, jr., Third Infantry.
Second Lieut. Laurence B. Keiser, Sixth Infantry.
Second Lieut. Homer C. Brown, Third Infantry.
Second Lieut. Clare H. Armstrong, Seventeenth Infantry.
Second Lieut. Harris M. Melasky, Thirty-fifth Infantry.
Second Lieut. Sidney H. Young, Twentieth Infantry.
Second Lieut. John C. Whitcomb, Thirty-fourth Infantry.
Second Lieut. Wallace J. Redner, Thirty-sixth Infantry.
Second Lieut. Charles D. Lewis, Thirty-seventh Infantry.
Second Lieut. Edward W. Leonard, Sixth Infantry.
Second Lieut. Paul H. Brown, Twelfth Infantry.
Second Lieut. William S. Eley, Twenty-third Infantry.
Second Lieut. Paul W. York, Fifty-seventh Infantry.
Second Lieut. Ferdinand G. von Kummer, jr., Sixth Infantry.
Second Lieut. Joseph P. Sullivan, Sixth Infantry.
Second Lieut. Henry H. Chapman, Twentieth Infantry.
Second Lieut. Asa P. Pope, Nineteenth Infantry.
Second Lieut. Edwin H. Clark, Eighteenth Infantry.
Second Lieut. Lewis Perrine, Fourteenth Infantry.
Second Lieut. Clarke K. Fales, Twenty-first Infantry.
Second Lieut. John A. Weishampel, Sixteenth Infantry.
Second Lieut. Malcolm B. Helm, Twenty-sixth Infantry.

PROVISIONAL APPOINTMENTS, BY PROMOTION, IN THE ARMY.

INFANTRY ARM.

To be first lieutenants with rank from May 15, 1917, to fill original vacancies.

Second Lieut. Kirke B. Everson, Fourth Infantry.
Second Lieut. John C. Daly, Eleventh Infantry.
Second Lieut. Paul E. Peabody, Twenty-sixth Infantry.
Second Lieut. Albert F. Christensen, Thirty-fourth Infantry.
Second Lieut. William S. Maxwell, Thirtieth Infantry.
Second Lieut. Ernest H. Burt, Fourteenth Infantry.
Second Lieut. Frederick R. Baker, Forty-fifth Infantry.
Second Lieut. James D. Basey, Fourth Infantry.
Second Lieut. Ray M. O'Day, Ninth Infantry.
Second Lieut. Alan Pendleton, Twelfth Infantry.
Second Lieut. Merritt E. Olmstead, Seventh Infantry.
Second Lieut. Benjamin F. Caffey, jr., Sixteenth Infantry.
Second Lieut. Hadyn P. Mayers, Nineteenth Infantry.
Second Lieut. Rogers M. Wilson, Eighteenth Infantry.
Second Lieut. Henry E. Mosher, Twenty-eighth Infantry.
Second Lieut. Albin K. Kupfer, Thirty-sixth Infantry.
Second Lieut. Augustine J. Zerbee, Nineteenth Infantry.
Second Lieut. Frank A. Heileman, Sixth Infantry.
Second Lieut. Arthur B. Hutchinson, Ninth Infantry.
Second Lieut. Lauritz D. Simonson, Eleventh Infantry.
Second Lieut. Carl R. Perkins, Twelfth Infantry.
Second Lieut. Franklin W. Cheney, Eighteenth Infantry.
Second Lieut. George F. Wellage, Twenty-third Infantry.
Second Lieut. Alfred F. Biles, jr., Twenty-first Infantry.
Second Lieut. Charles T. Hearin, Twenty-sixth Infantry.
Second Lieut. Hugh M. Davis, Third Infantry.
Second Lieut. John F. Fredin, jr., Thirtieth Infantry.
Second Lieut. James B. Wise, jr., Thirty-fourth Infantry.
Second Lieut. Harry L. Kimmel, Sixteenth Infantry.
Second Lieut. Clarence M. Culp, Fourteenth Infantry.
Second Lieut. Robert D. Horton, Sixty-third Infantry.
Second Lieut. Charles B. Kehoe, Thirty-seventh Infantry.
Second Lieut. Philip S. Wood, Thirty-fifth Infantry.
Second Lieut. Harvey C. Kearney, Third Infantry.
Second Lieut. Arthur W. Stedman, jr., Sixth Infantry.
Second Lieut. Arthur P. Jervey, Thirty-sixth Infantry.
Second Lieut. Starr S. Eaton, Twenty-third Infantry.
Second Lieut. Oliver F. Holden, Sixteenth Infantry.
Second Lieut. Maurice P. Walker, Seventeenth Infantry.
Second Lieut. Thomas L. Lamoreux, Seventh Infantry.
Second Lieut. Daniel N. Murphy, Nineteenth Infantry.
Second Lieut. Adlai C. Young, Thirty-first Infantry.
Second Lieut. Alexander N. Stark, jr., Seventh Infantry.
Second Lieut. Clinton I. McClure, Thirty-seventh Infantry.
Second Lieut. Roy C. L. Graham, Ninth Infantry.
Second Lieut. Arthur F. J. Holben, Eleventh Infantry.
Second Lieut. Lloyd B. Russell, Sixteenth Infantry.
Second Lieut. George R. Barker, Forty-third Infantry.
Second Lieut. John E. Gough, Third Infantry.
Second Lieut. Leonard A. Smith, Twenty-first Infantry.
Second Lieut. John W. Thompson, Twenty-third Infantry.
Second Lieut. Philip Overstreet, Twenty-first Infantry.

Second Lieut. Lara P. Good, Thirty-fifth Infantry.
Second Lieut. George A. McDonald, Nineteenth Infantry.
Second Lieut. George M. Wright, jr., Twentieth Infantry.
Second Lieut. Archie A. Farmer, Twenty-first Infantry.
Second Lieut. John T. Fisher, Thirtieth Infantry.
Second Lieut. Edwin E. Elliott, Fourth Infantry.
Second Lieut. Charles S. Ferrin, Twentieth Infantry.
Second Lieut. George W. Titus, Sixteenth Infantry.
Second Lieut. Samuel D. Mann, Sixth Infantry.
Second Lieut. John C. Adams, Thirtieth Infantry.
Second Lieut. Robert G. Ervin, Twenty-first Infantry.
Second Lieut. Edward L. McKee, jr., Twentieth Infantry.
Second Lieut. Robert W. Nix, jr., Twenty-first Infantry.

PROVISIONAL APPOINTMENTS, BY PROMOTION, IN THE ARMY.

INFANTRY ARM.

Second Lieut. Carl J. Lambeth, Sixteenth Infantry, to be first lieutenant from November 27, 1916, vice Coles, Twenty-third Infantry, detailed in the Signal Corps.

Second Lieut. William F. Donnelly, Fifty-second Infantry, to be first lieutenant from November 27, 1916, vice Hinemon, Twenty-second Infantry, detailed in the Signal Corps.

Second Lieut. George L. Pepin, Forty-eighth Infantry, to be first lieutenant from November 30, 1916, vice Sawyer, unassigned, detailed in the Signal Corps.

Second Lieut. Lloyd N. Keesling, Thirty-ninth Infantry, to be first lieutenant from November 30, 1916, vice Corlett, Thirtieth Infantry, detailed in the Signal Corps.

Second Lieut. Lawrence B. Glasgow, Sixty-first Infantry, to be first lieutenant from November 30, 1916, vice Jones, First Infantry, detailed in the Signal Corps.

Second Lieut. Charles Porterfield, jr., Thirty-fifth Infantry, to be first lieutenant from November 30, 1916, vice Enyart, First Infantry, deceased.

Second Lieut. Beverly G. Chew, Third Infantry, to be first lieutenant from November 30, 1916, vice James, Twenty-seventh Infantry, promoted.

Second Lieut. Sevier R. Tupper, Thirty-sixth Infantry, to be first lieutenant from December 1, 1916, vice Milliken, Thirtieth Infantry, detailed in the Signal Corps.

Second Lieut. Frank E. Royse, Fourth Infantry, to be first lieutenant from December 6, 1916, vice Sullivan, Second Infantry, promoted.

Second Lieut. Lawrence F. Stone, Eleventh Infantry, to be first lieutenant from December 29, 1916, vice Taintor, Twenty-fourth Infantry, dismissed.

Second Lieut. Irving C. Avery, Twelfth Infantry, to be first lieutenant from January 7, 1917, vice Garrison, Thirteenth Infantry, promoted.

Second Lieut. Aaron J. Becker, Fifty-second Infantry, to be first lieutenant from January 11, 1917, vice Buttler, Thirteenth Infantry, promoted.

Second Lieut. Wilson M. Spann, Sixteenth Infantry, to be first lieutenant from January 15, 1917, vice Lewis, Tenth Infantry, promoted.

Second Lieut. James V. Ware, Twenty-second Infantry, to be first lieutenant from January 17, 1917, vice Larned, Tenth Infantry, promoted.

Second Lieut. Robert W. Brown, Seventeenth Infantry, to be first lieutenant from January 18, 1917, vice Watson, Twenty-eighth Infantry, transferred to the Field Artillery.

Second Lieut. James R. Manning, Thirty-fourth Infantry, to be first lieutenant from January 25, 1917, vice Johnson, Twenty-seventh Infantry, transferred to the Field Artillery.

Second Lieut. Charles L. Steele, Thirty-fifth Infantry, to be first lieutenant from January 25, 1917, vice Byrne, Fifth Infantry, transferred to the Field Artillery.

Second Lieut. Stuart R. Carswell, Thirtieth Infantry, to be first lieutenant from March 18, 1917, vice McDowell, Eighth Infantry, transferred to the Field Artillery.

Second Lieut. Gilbert S. Harter, Fifteenth Infantry, to be first lieutenant from March 19, 1917, vice Batson, Tenth Infantry, transferred to the Field Artillery.

Second Lieut. John W. Cotton, Eighteenth Infantry, to be first lieutenant from March 19, 1917, vice Dempsey, Thirtieth Infantry, transferred to the Cavalry.

Second Lieut. Ralph E. Wallace, Twenty-seventh Infantry, to be first lieutenant from March 19, 1917, vice Morrissey, Thirteenth Infantry, promoted.

Second Lieut. Lawrence W. Fagg, First Infantry, to be first lieutenant from March 19, 1917, vice Page, Twenty-sixth Infantry, transferred to the Field Artillery.

Second Lieut. Maury Mann, First Infantry, to be first lieutenant from March 19, 1917, vice Goodman, Fourth Infantry, transferred to the Field Artillery.

Second Lieut. Rupert L. Purdon, Ninth Infantry, to be first lieutenant from March 19, 1917, vice McCulloch, Thirty-sixth Infantry, transferred to the Cavalry.

Second Lieut. Richard S. Jones, Twelfth Infantry, to be first lieutenant from March 19, 1917, vice Dickinson, Twenty-fifth Infantry, transferred to the Field Artillery.

Second Lieut. William C. Hanna, First Infantry, to be first lieutenant from March 19, 1917, vice Coates, Seventh Infantry, detailed in the Signal Corps.

Second Lieut. Leon G. Harer, Nineteenth Infantry, to be first lieutenant from March 19, 1917, vice Herron, Fifteenth Infantry, promoted.

Second Lieut. Edwin M. Scott, Twentieth Infantry, to be first lieutenant from March 19, 1917, vice White, Thirty-sixth Infantry, transferred to the Cavalry.

Second Lieut. Paul J. Dowling, Twenty-fourth Infantry, to be first lieutenant from March 19, 1917, vice Pell, Thirteenth Infantry, promoted.

Second Lieut. John H. Jones, Twenty-third Infantry, to be first lieutenant from March 19, 1917, vice Malony, Twenty-sixth Infantry, transferred to the Cavalry.

Second Lieut. Rufus E. Wicker, Fifth Infantry, to be first lieutenant from March 19, 1917, vice Smith, Twenty-third Infantry, transferred to the Cavalry.

Second Lieut. Charles L. Briscoe, Twenty-seventh Infantry, to be first lieutenant from March 19, 1917, vice Peyton, Twelfth Infantry, transferred to the Cavalry.

Second Lieut. Roy O. Wren, Eighth Infantry, to be first lieutenant from March 19, 1917, vice Houghton, Nineteenth Infantry, transferred to the Cavalry.

Second Lieut. Hermann C. Dempewolf, Twenty-eighth Infantry, to be first lieutenant from March 19, 1917, vice Arnemann, Twenty-eighth Infantry, transferred to the Field Artillery.

Second Lieut. Paul I. Jones, Twenty-first Infantry, to be first lieutenant from March 19, 1917, vice Templeton, Twenty-eighth Infantry, transferred to the Field Artillery.

Second Lieut. Frank E. Hinton, Twenty-fifth Infantry, to be first lieutenant from March 19, 1917, vice Caperton, Twentieth Infantry, transferred to the Cavalry.

Second Lieut. Frank P. Tuohy, Thirty-second Infantry, to be first lieutenant from March 19, 1917, vice Herman, Twenty-eighth Infantry, transferred to the Cavalry.

Second Lieut. John R. Hermann, Eighth Infantry, to be first lieutenant from March 19, 1917, vice Logan, Sixth Infantry, transferred to the Cavalry.

Second Lieut. Louis T. Roberts, Thirtieth Infantry, to be first lieutenant from March 19, 1917, vice Hatie, Twenty-fourth Infantry, promoted.

Second Lieut. James M. Palmer, First Infantry, to be first lieutenant from March 19, 1917, vice Simons, First Infantry, promoted.

Second Lieut. Ralph A. W. Pearson, Ninth Infantry, to be first lieutenant from March 19, 1917, vice, Taylor, Fourth Infantry, promoted.

Second Lieut. Alfred Millard, Twenty-seventh Infantry, to be first lieutenant from March 19, 1917, vice Erck, Fifth Infantry, promoted.

Second Lieut. Harry H. Ambs, Fifth Infantry, to be first lieutenant from March 19, 1917, vice Jacobs, Tenth Infantry, promoted.

Second Lieut. William H. Bittenbender, Thirty-first Infantry, to be first lieutenant from March 19, 1917, vice Greacen, First Infantry, promoted.

Second Lieut. Raymond H. Bishop, Thirty-first Infantry, to be first lieutenant from March 19, 1917, vice Fletcher, Sixth Infantry, promoted.

Second Lieut. Henry D. Mitchell, Twenty-seventh Infantry, to be first lieutenant from March 19, 1917, vice Lee, Sixteenth Infantry, assigned to the detached officers' list.

Second Lieut. James A. Summersett, jr., Eighteenth Infantry, to be first lieutenant from March 19, 1917, vice Frink, Third Infantry, assigned to the detached officers' list.

Second Lieut. Hugh C. Gilchrist, Thirty-fourth Infantry, to be first lieutenant from March 19, 1917, vice Sarratt, Seventeenth Infantry, assigned to the detached officers' list.

Second Lieut. Allen T. Veatch, Thirty-first Infantry, to be first lieutenant from March 19, 1917, vice Blauvelt, Thirty-fourth Infantry, assigned to the detached officers' list.

Second Lieut. Sigurd J. Simonsen, Thirty-sixth Infantry, to be first lieutenant from March 19, 1917, vice McKinney, Thirty-sixth Infantry, assigned to the detached officers' list.

Second Lieut. Thomas G. Bond, Thirty-sixth Infantry, to be first lieutenant from March 19, 1917, vice Calvert, Twenty-third Infantry, assigned to the detached officers' list.

Second Lieut. John E. Haywood, Nineteenth Infantry, to be first lieutenant from March 19, 1917, vice Clapham, Thirty-sixth Infantry, assigned to the detached officers' list.

Second Lieut. Willis H. Hale, Eighth Infantry, to be first lieutenant from March 20, 1917, vice Baird, Thirty-fifth Infantry, assigned to the detached officers' list.

Second Lieut. Noe C. Killian, Twenty-seventh Infantry, to be first lieutenant from March 20, 1917, vice Crockett, Twenty-eighth Infantry, promoted.

Second Lieut. Lindsay P. Johns, Sixty-fourth Infantry, to be first lieutenant from March 20, 1917, vice Slaughter, Thirteenth Infantry, promoted.

Second Lieut. Walter R. Mann, Third Infantry, to be first lieutenant from March 20, 1917, vice Muhlenberg, Second Infantry, promoted.

Second Lieut. Henry W. Lee, Thirty-first Infantry, to be first lieutenant from March 22, 1917, vice Chaney, Twenty-fifth Infantry, promoted.

Second Lieut. Charles A. Shamotulski, Seventeenth Infantry, to be first lieutenant from April 7, 1917, vice Weir, unassigned, detailed in the Signal Corps.

Second Lieut. Sidney F. Mashbir, Twenty-second Infantry, to be first lieutenant from April 9, 1917, vice Hanley, unassigned, detailed in the Signal Corps.

Second Lieut. William P. Scobey, Thirty-sixth Infantry, to be first lieutenant from April 10, 1917, vice Mills, unassigned, detailed in the Signal Corps.

Second Lieut. William C. Moore, Nineteenth Infantry, to be first lieutenant from April 11, 1917, vice Pulsifer, unassigned, detailed in the Signal Corps.

Second Lieut. Albion Smith, Twentieth Infantry, to be first lieutenant from April 13, 1917, vice Blankenship, Nineteenth Infantry, detailed in the Signal Corps.

Second Lieut. Le Roy Lutes, Twenty-first Infantry, to be first lieutenant from April 14, 1917, vice Byrom, unassigned, detailed in the Signal Corps.

Second Lieut. Edwin D. Patrick, Twenty-first Infantry, to be first lieutenant from April 15, 1917, vice Price, Fourteenth Infantry, retired.

Second Lieut. Herman F. Kramer, Thirty-sixth Infantry, to be first lieutenant from April 15, 1917, vice Ingles, Fourteenth Infantry, detailed in the Signal Corps.

Second Lieut. Clarence P. Evers, Twentieth Infantry, to be first lieutenant from April 15, 1917, vice McNarney, Twenty-first Infantry, detailed in the Signal Corps.

Second Lieut. William H. Coacher, Twenty-eighth Infantry, to be first lieutenant from May 1, 1917, vice Oakes, Twenty-seventh Infantry, promoted.

Second Lieut. Edward S. Johnston, Twenty-eighth Infantry, to be first lieutenant from May 3, 1917, vice Benedict, unassigned, detailed in Signal Corps.

Second Lieut. John T. Henderson, Twelfth Infantry, to be first lieutenant from May 3, 1917, vice Stratemeyer, unassigned, detailed in the Signal Corps.

Second Lieut. Ray P. Harrison, Twenty-eighth Infantry, to be first lieutenant from May 15, 1917, vice Michaelis, Sixteenth Infantry, dismissed.

CHAPLAIN.

Rev. Francis F. Donnelly, of New York, to be chaplain, with the rank of first lieutenant, from July 23, 1917, to fill an original vacancy.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 25 (legislative day of July 24), 1917.

MEMBER OF THE SHIPPING BOARD.

Edward N. Hurley to be a member of the United States Shipping Board.

UNITED STATES ATTORNEYS.

Wesley T. Kennerly to be United States attorney for the eastern district of Tennessee.

Robert P. Stewart, of Deadwood, to be United States attorney, district of South Dakota.

POSTMASTERS.

ARKANSAS.

Albert S. Snowden, Paragould.

MISSOURI.

J. W. Allen, Mountain Grove.
Charles B. Bacon, Marshall.
A. P. Beazley, Eldon.
C. W. Brady, Independence.
Harlie F. Clark, Harrisonville.
P. L. Connolly, Norwood.
Walter L. Cox, Osceola.
Harry R. Culp, Alton.
M. W. Daugherty, Ironton.
J. B. Davis, Schell City.
Thomas A. Dodge, Milan.
Edward T. Duval, Skidmore.
Charles T. Ferguson, Burlington Junction.
John S. Fowler, Cole Camp.
Patrick C. Gibbons, Edina.
H. J. von Gremp, Dixon.
Maud E. Haile, Duenweg.
T. B. Hardaway, Jasper.
John Hetrick, Laclede.
De Coursey D. Hitt, Rockville.
W. L. Hixson, Billings.
J. Walter Hogan, Willow Springs.
Hugh B. Ingler, Republic.
Louie L. Jobe, Bloomfield.
J. Lee Johnson, Flat River.
Edgar Jones, Frankford.
Meredith B. Lane, Sullivan.
Benjamin R. Lingle, Warsaw.
Alfred H. Long, Festus.
S. D. McMillen, Lockwood.
A. H. Martin, Perry.
John F. Miller, Cardwell.
Edward H. Moran, Clarksville.
Roscoe C. Murphy, St. Clair.
William C. Murray, Doniphan.
James E. Phillips, Meadville.
William G. Pike, Martinsburg.
John S. Smith, Eldorado Springs.
Perry B. Smith, Ellington.
May W. Spurling, Higbee.
G. W. Summers, Hartville.
Francis E. Thurston, Knobnoster.
William Warmack, Greenville.
Richard B. Wilson, Montrose.

SOUTH CAROLINA.

T. M. Mahon, Williamston.
Rachel H. Minshall, Abbeville.
Lemuel Reid, Iva.

TENNESSEE.

Kate S. Booker, Mason.
Carl B. Bowden, Martin.
Robert E. L. Brasfield, Dresden.
J. R. Brown, Cleveland.
George P. Brummitt, Gleason.
Andrew B. Cook, Woodbury.
Margaret G. Elliott, Murfreesboro.
Richard D. Hunt, Sharon.
John F. Johnson, Watertown.
Gaston H. Rhodes, Whiteville.
Charles E. Rodes, Manchester.
Robert L. Strong, Collierville.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *July 25, 1917.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Almighty and ever-living God, source of all things, we most fervently and devoutly pray for light to guide, strength to sustain, hope to cheer and encourage us as we try to fulfill our destiny upon the earth, that our lives may be fruitful and the harvest abundant to the glory and honor of Thy Holy Name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 2667. An act granting the consent of Congress to the Pritchard-Wheeler Lumber Co., of Wisner, La., to construct a bridge across Bayou Macon, in Louisiana, at a point east of the town of Wisner, La.; and

S. 2666. An act granting the consent of Congress to the Sebastian bridge district to construct a bridge across the Arkansas River at the foot of Garrison Avenue, at Fort Smith, Ark.

ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 4892. An act authorizing the President to take possession, on behalf of the United States, for use as sites for permanent aviation stations for the Army and Navy and for aviation-school purposes, of the whole of North Island, in the harbor of San Diego, Cal., and for other purposes.

SENATE JOINT RESOLUTION REFERRED.

Under clause 2 of Rule XXIV, Senate joint resolution of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. J. Res. 73. Joint resolution authorizing the Secretary of the Interior to invest Indian funds in Government bonds; to the Committee on Indian Affairs.

QUESTION OF PRIVILEGE OF HOUSE OF REPRESENTATIVES.

Mr. HILL rose.

The SPEAKER. For what purpose does the gentleman from Connecticut rise?

Mr. HILL. I rise to a question of privilege involving the rights of the House of Representatives. I would like five minutes.

The SPEAKER. The gentleman from Connecticut rises to a question of privilege touching the rights of the House of Representatives and desires five minutes. Is there objection?

There was no objection.

Mr. HILL. Mr. Speaker, it seems to me, as a Republican member of the Committee on Ways and Means, that the prerogatives of this body are being invaded. I recognize under the Constitution that the power of issuing bonds and incurring indebtedness must originate in the House of Representatives. Two weeks ago, four weeks ago, eight weeks ago, we sent from this House a tax bill. It was derided and denounced all over the country, and in two days was to be re-formed and reconstructed and made perfect. Many things in it I did not approve, but it had one saving grace. It raised the money which the party in power said they needed. Eight weeks have gone by, and no report has come yet from the other body. And now in the press of to-day I find that the Secretary of the Treasury appeared before the Finance Committee of the Senate yesterday and proposed $5,000,000,000 of additional funds, part to be raised by bonds, the function of this House to originate; part to be raised by certificates of indebtedness, the function of this House to originate; the balance to be raised by taxation, which they have a perfect right to do, as an amendment to the tax bill which was sent to them. The bond issue—that has been made, the certificates of indebtedness, authorized under a prior bill, passed weeks before that by this House of Representatives, have been issued, the bonds have been sold in part, and now, ignoring the law and ignoring the Constitution of the United States, it is proposed to more than double those things under the guise of an amendment to the tax bill, and the House of Representatives is absolutely ignored under the proposition, under the plea that it is an emergency.

I feel it my duty, Mr. Speaker, to call the attention of the House of Representatives to this invasion of its prerogatives, so that in the future, when such a bill comes to us for consideration, if nobody else does it, I will move to send it back, as Mr. Sereno E. Payne once did under similar circumstances, and the House refused to consider it. I think we ought to stand on our rights and have this business attended to more promptly than it has been attended to. If I am not mistaken, I have the support of the Republican Members of this House in standing by the administration during the war, but we want to do it legally, fairly, and squarely, and I therefore call the attention of the House to this invasion of our prerogatives. [Applause.]

BRIDGE ACROSS THE ARKANSAS RIVER.

Mr. WINGO. Mr. Speaker, I ask leave to call up Senate bill 2666, a bridge bill, there being a House bill of similar tenor on the calendar.

The SPEAKER. The Clerk will report the Senate bill.

The Clerk read as follows:

A bill (S. 2666) granting the consent of Congress to the Sebastian bridge district to construct a bridge across the Arkansas River, at the foot of Garrison Avenue, at Fort Smith, Ark.

Be it enacted, etc., That the consent of Congress is hereby granted to the Sebastian bridge district, created by the Legislature of Arkansas, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Arkansas River at a point suitable to the interests of navigation at the foot of Garrison Avenue, at Fort Smith, in the county of Sebastian, in the State of Arkansas, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. MEEKER rose.

The SPEAKER. For what purpose does the gentleman from Missouri rise?

Mr. MEEKER. To object.

The SPEAKER. You can not.

Mr. WINGO. I ask for a vote, Mr. Speaker.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to a third reading, was read the third time, and passed.

The SPEAKER. Without objection, the House bill 5147 of similar tenor will be laid on the table.

There was no objection.

On motion of Mr. ADAMSON, a motion to reconsider the vote whereby the Senate bill was passed was laid on the table.

BRIDGE ACROSS BAYOU MACON, IN LOUISIANA.

Mr. WILSON of Louisiana. Mr. Speaker, I desire to call up Senate bill 2667 and ask for its consideration.

The SPEAKER. Is there a House bill of similar tenor on the calendar?

Mr. WILSON of Louisiana. Yes, sir.

The SPEAKER. The Chair lays before the House Senate bill 2667, which the Clerk will report.

The Clerk read as follows:

A bill (S. 2667) granting the consent of Congress to the Pritchard-Wheeler Lumber Co., of Wisner, La., to construct a bridge across Bayou Macon, in Louisiana, at a point east of the town of Wisner, La.

Be it enacted, etc., That the consent of Congress is hereby granted to the Pritchard Wheeler Lumber Co., of Wisner, La., and to its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Bayou Macon at a point suitable to the interests of navigation, at or near a point east of the town of Wisner, La., in the parish of Franklin, in the State of Louisiana, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to a third reading, was read the third time, and passed.

The SPEAKER. Without objection, the House bill 5250 of similar tenor will be laid on the table.

There was no objection.

On motion of Mr. WILSON of Louisiana, a motion to reconsider the vote whereby the Senate bill was passed was laid on the table.

BRIDGE ACROSS THE WABASH RIVER, IND.

Mr. KRAUS rose.

The SPEAKER. For what purpose does the gentleman from Indiana rise?

Mr. KRAUS. To call up Senate bill 2106.

The SPEAKER. Is there a House bill of similar tenor?

Mr. KRAUS. Yes.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

A bill (S. 2106) to authorize the county of Cass, in the State of Indiana, to construct a bridge across the Wabash River east of the city of Logansport, at a point known as Cedar or Rock Island, in said Wabash River.

Be it enacted, etc., That the county of Cass, State of Indiana, is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Wabash River, at a point suitable to the interest of navigation, at a place east of the city of Logansport, at a point known as Cedar or Rock Island, in said Wabash River, in the State of Indiana, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

The SPEAKER. The question is on the third reading of the Senate bill.

Mr. MANN. Are you going to pass it by unanimous consent?

The SPEAKER. Is there objection to the present consideration of this bill?

There was no objection.

Mr. MANN. Mr. Speaker, I move to amend the bill in line 6, page 1, by striking out the word "interest" and inserting the word "interests."

The SPEAKER. The gentleman from Illinois offers an amendment which the Clerk will report.

The Clerk read as follows:

Mr. MANN moves to amend, page 1, line 6, by striking out the word "interest" and inserting in lieu thereof the word "interests."

The amendment was agreed to.

The bill as amended was ordered to a third reading, and was accordingly read the third time and passed.

By unanimous consent the corresponding House bill 3641 was ordered to lie on the table.

On motion of Mr. KRAUS, a motion to reconsider the vote by which the bill was passed was laid on the table.

REQUEST TO EXTEND REMARKS.

Mr. LINTHICUM. I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Maryland asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. WALSH. Mr. Speaker, I object.

The SPEAKER. The gentleman from Massachusetts objects.

FOOD AND FUEL CONTROL.

Mr. LEVER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4961) to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel, with Senate amendments, and to disagree to all the Senate amendments, and agree to the conference asked for by the Senate.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to take from the Speaker's table the bill, H. R. 4961, disagree to all the Senate amendments, and agree to the conference asked by the Senate. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, while I am heartily in favor of sending this bill to conference. I think it would be fair for the House to have an opportunity to vote on Senate amendment No. 70, especially as the President has directed the Democratic conferees never to agree to it; and if the gentleman will make his request to take the bill from the Speaker's table and disagree to all the Senate amendments except No. 70, I will not object. Otherwise, I shall be compelled to object, and let the majority use its power to bring in the rule that it has already prepared.

Mr. LEVER. In response to the suggestion of the gentleman from Illinois, I would like to direct his attention to what occurred yesterday on the floor of the House, when numerous requests were made for separate votes on numerous propositions, to which I had to make objection. But, repeating what I said yesterday, I do not feel that in fairness to other gentlemen I can afford to agree to this proposition.

Mr. LENROOT. Will the gentleman yield for a question?

Mr. LEVER. I will.

Mr. LENROOT. The gentleman in his statement places this amendment in the same category as others. I ask the gentleman whether he does not think that Senate amendment 70 is in an entirely different category from others? If he did not think so, why did he ask the opinion of the President upon it and why should he ask the opinion of the President and not be willing to take the opinion of the House, whose servant he is?

Mr. LEVER. Well, my response to the suggestion of the gentleman from Wisconsin is this: I did not feel myself that an amendment of that character had any place on a food-control bill, but I was not sure but that the President of the United States might want such a committee; therefore, I desired his opinion upon the proposition, and asked for it and got it.

Mr. MANN. Now, Mr. Speaker, if the gentleman will permit, he stated that yesterday there were numerous requests for votes on different amendments. The gentleman may be correct. He usually is very accurate. I do not recall any request yesterday for a separate vote on any amendment, except the request which I made for a separate vote on amendment 70.

SEVERAL MEMBERS. Oh, yes!

Mr. MANN. There were various gentlemen on the Democratic side seeking to hold up the gentleman from South Carolina by threats of objecting to sending the bill to conference unless he agreed that there might be separate votes hereafter, or that he would take such and such a position in conference; but I protected the gentleman from South Carolina by stating that if he made any promise as to any amendment I would insist upon the promise of separate votes upon other amendments.

Mr. LEVER. The gentleman's protection, I will say, consisted in his taking me by the nape of the neck and throwing me out of the House. [Laughter.]

Mr. MANN. Who wanted a separate vote on any other amendment?

Mr. KEATING. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is that the gentleman from South Carolina asks unanimous consent to take from the Speaker's table H. R. 4961 and disagree to all the Senate amendments and agree to the conference asked by the Senate. Is there objection?

Mr. MANN. I object.

Mr. GARRETT of Tennessee rose.

The SPEAKER. The gentleman from Illinois objects, and the gentleman from Tennessee [Mr. GARRETT] is recognized.

Mr. GARRETT of Tennessee. Mr. Speaker, I submit a privileged report from the Committee on Rules.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House resolution 123 (H. Rept. No. 110).

Resolved, That the bill H. R. 4961, entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel" be, and hereby is, taken from the Speaker's table, with the Senate amendments thereto, to the end that the said amendments be, and hereby are, disagreed to; and the conference requested by the Senate on the disagreeing votes on said amendments be, and hereby is, agreed to and the Speaker shall immediately appoint the conferees.

Mr. GARRETT of Tennessee. Mr. Speaker, every individual here and elsewhere, familiar with legislative procedure and cognizant of the situation which now exists, knows quite well that the so-called food-control bill must necessarily be the subject of conference between representatives of the two legislative bodies. There are two methods whereby this bill in its present situation can be gotten to conference; one by unanimous consent, the other by a special resolution reported from the Committee on Rules. The first method has been tried upon two successive days and has failed. Therefore the Committee on Rules present this resolution to accomplish that which, sooner or later, must be accomplished, namely the bringing about of a conference, to the end that disagreements may be settled. The purpose of the rule is to respond to the demand of this country for the expediting of this measure. [Applause.] The sooner it goes to conference the sooner it can become a law. If there are any gentlemen here present who have the slightest doubt that the public is extremely impatient—I am almost tempted to say extremely disgusted—with the delay which has marked the progress of this important measure, they need only to go for a few days among the people of this country and talk to them, and they can ascertain for themselves what the condition of public sentiment is. Necessity demands it, the public demands it, the interests of this country demand it at once. Gentlemen of the House, this is no time for the play of petty politics or of puny personal passions. [Applause.] We are engaged in the vastest struggle of the ages. For the winning of that contest the sickle must be used as well as the saber. Who has not looked with alarm within the last few days upon the advance being made by the armies of the foe toward the wheat fields of Russia? Every demand of necessity, every demand of patriotism, every demand of public thought is that this important measure may be passed into law, and passed speedily. [Applause.]

Mr. Speaker, I move the previous question upon the resolution.

Mr. CAMPBELL of Kansas. Will the gentleman yield for a question?

SEVERAL MEMBERS. Regular order!

The SPEAKER. The question is on ordering the previous question.

Mr. CAMPBELL of Kansas. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. CAMPBELL of Kansas. Is it the purpose of the gentleman from Tennessee to cut off all debate on this resolution?

The SPEAKER. If the previous question is ordered, it cuts off debate.

Mr. RANDALL. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANDALL. I wish to inquire whether this resolution precludes the offering of a motion to instruct the conferees?

The SPEAKER. It undoubtedly does. The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. MANN) there were—ayes 169, noes 101.

So the previous question was ordered.

The SPEAKER. The question now is on agreeing to the resolution.

The question was taken, and the resolution was agreed to.

The Speaker appointed as conferees on the part of the House Mr. LEVER, Mr. LEE of Georgia, Mr. CANDLER of Mississippi, Mr. HEFLIN, Mr. HAUGEN, Mr. MCLAUGHLIN of Michigan, and Mr. ANDERSON.

Mr. LENROOT. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to proceed for 10 minutes. Is there objection?

Mr. DOOLITTLE. Reserving the right to object, I would like to ask the gentleman upon what subject?

Mr. LENROOT. On the subject of the action just taken by the House.

Mr. HEFLIN. I do not care to speak at this time, but if the gentleman from Wisconsin is given 10 minutes I shall ask for 10 minutes in which to reply to him.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. DOOLITTLE. I object.

ADJOURNMENT.

Mr. LEVER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 30 minutes p. m.) the House adjourned until to-morrow, Thursday, July 26, 1917, at 12 o'clock noon.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HAYDEN: A bill (H. R. 5526) conferring citizenship upon Indians and providing for making tribal rolls, the division of tribal funds, and for other purposes; to the Committee on Indian Affairs.

By Mr. RAINEY: A bill (H. R. 5527) to amend the act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States"; to the Committee on Military Affairs.

By Mr. HAYDEN: A bill (H. R. 5528) authorizing the Secretary of the Interior to appoint competency inspectors, and making an appropriation for their salaries and expenses; to the Committee on Indian Affairs.

By Mr. GRAHAM of Pennsylvania: A bill (H. R. 5529) relating to copyrights; to the Committee on Patents.

By Mr. MUDD: A bill (H. R. 5530) to confer jurisdiction on the Court of Claims to inquire into whether or not the immigrant Cherokees by blood are entitled to be reimbursed for lands allotted to negro freedmen Cherokees from lands granted to immigrant Cherokees by blood under treaty of 1835, and inquire into and determine the validity of the treaty of 1866; to the Committee on Claims.

By Mr. EDMONDS: A bill (H. R. 5531) to increase the efficiency of the Medical Department of the United States Army, to provide a pharmaceutical corps in that department, and to improve the status and efficiency of the pharmacists in the Army; to the Committee on Military Affairs.

By Mr. McLAUGHLIN of Pennsylvania: Joint resolution (H. J. Res. 127) directing the President and the Secretary of State to make such representations to Great Britain as shall result in the establishment of a government for Ireland similar to that in Canada; to the Committee on Foreign Affairs.

By Mr. TAGUE: Joint resolution (H. J. Res. 128) authorizing and empowering the President of the United States to make such treaties with foreign countries as will define the military status of their subjects residing in the United States; to the Committee on Foreign Affairs.

By Mr. KENNEDY of Rhode Island: Concurrent resolution (H. Con. Res. 17) requesting the President to express to the Government of Great Britain the hope and desire of the American people that the future government of Ireland be submitted to a vote of the people of Ireland; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GALLIVAN: A bill (H. R. 5532) to refund certain duties paid by William Filene's Sons Co.; to the Committee on Claims.

By Mr. KRAUS: A bill (H. R. 5533) granting an increase of pension to John G. Harmon; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. DALE of New York: Petition of Lynn McConnell, Prattsburg, N. Y., urging the passage of the purple-cross bill, House bill 5410; to the Committee on Military Affairs.

Also, petition of H. Le Baron Hartt Co., Medina, N. Y., urging the passage of the purple-cross bill, House bill 5410; to the Committee on Military Affairs.

By Mr. HILL: Petition of the Common Council of New Britain, Conn., protesting against the unfair quota assigned to Connecticut under the selective-conscription law; to the Committee on Military Affairs.

Also, petition of the Connecticut Chapter of the Daughters of Founders and Patriots, of Saugatuck, Conn., in regard to moral conditions at military camps; to the Committee on Military Affairs.

Also, petition of the Evangelical Lutheran Church of Bridgeport, Conn., protesting against public law No. 380, in so far as it applies to sacramental wines; to the Committee on the Judiciary.

By Mr. LONERGAN: Petition of the Socialist Party of West Hartford, Conn., protesting against suppression in the mails of certain publications; to the Committee on the Post Office and Post Roads.

By Mr. LUNN: Petition of Joseph C. Booth and members of the Methodist Episcopal Church of Mayfield, N. Y., recommending immediate enactment of prohibition of the manufacture of alcoholic liquors as a measure of food conservation and for immediate prohibition of the sale of liquors for beverage purposes in order to conserve the health, wealth, labor, transport facilities, and military efficiency of the people; to the Committee on the Judiciary.

Also, petition of Rev. R. C. Penny and citizens of Schenectady, N. Y., asking immediate enactment of prohibition of the manufacture, sale, and transportation of intoxicating liquors during the war; to the Committee on the Judiciary.

Also, petition of Rev. Lewis E. Carter and 350 citizens of Schenectady, N. Y., asking prohibition of manufacture and sale of alcoholic liquors during the war as a measure of conserving the food supply of the country; to the Committee on the Judiciary.

By Mr. MADDEN: Affidavit of Elbert R. Robinson, of Chicago, Ill., relating to the Chicago City Railway Co.'s answer in case No. 24896; to the Committee on the Judiciary.

By Mr. REED: Petition of Dr. G. E. Morris, vice president, and Dr. W. A. Fletcher, secretary-treasurer, and the members of the West Virginia Osteopathic Association, asking that the members of their profession be accorded recognition in the formation of the Medical Corps of the new National Army for service in France; to the Committee on Military Affairs.

By Mr. SCHALL: Petition of Mr. G. S. Fryklind, A. Johnson, and sundry citizens of Springvale, Minn., and Mr. Wald and sundry citizens of Minneapolis, Minn., urging nation-wide prohibition; to the Committee on the Judiciary.

SENATE.

THURSDAY, *July 26, 1917.*

(Legislative day of Tuesday, July 24, 1917.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, there are very few Senators in the Chamber, and I think we ought to have a quorum. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson, Cal.	Martin	Sheppard
Brady	Jones, N. Mex.	Myers	Sherman
Brandegee	Jones, Wash.	Nelson	Simmons
Curtis	Kenyon	New	Smith, Ariz.
Fernald	Kirby	Norris	Smoot
Fletcher	Knox	Overman	Stone
Frelinghuysen	La Follette	Penrose	Sutherland
Gronna	McCumber	Poindexter	Tillman
Hale	McLean	Ransdell	Underwood
Hollis	McNary	Saulsbury	Vardaman

Mr. RANSDELL. I was requested by my colleague [Mr. BROUSSARD] to announce that he is necessarily detained on important business.

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent on account of illness in his family. He has a general pair with the Senator from New Jersey [Mr. FRELINGHUYSEN]. This announcement may stand for the day.

Mr. SUTHERLAND. I desire to announce the absence of my colleague, the senior Senator from West Virginia [Mr. GOFF], on account of illness. I will let this announcement stand for the day.

Mr. FRELINGHUYSEN. I wish to announce the absence of my colleague [Mr. HUGHES] on account of illness. I ask that this announcement stand for the day.

The PRESIDENT pro tempore. Forty Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. PAGE, Mr. SMITH of Georgia, Mr. SMITH of South Carolina, Mr. WARREN, Mr. WATSON, Mr. WILLIAMS, and Mr. WOLCOTT answered to their names when called.

Mr. CULBERSON, Mr. GORE, Mr. CHAMBERLAIN, Mr. KING, Mr. POMERENE, Mr. FRANCE, Mr. MCKELLAR, Mr. KENDRICK, Mr. THOMPSON, and Mr. SHIELDS entered the Chamber and answered to their names.

Mr. KING. I desire to announce the unavoidable absence of the Senator from Illinois [Mr. LEWIS] on important business. I will let this announcement stand for the day.

Mr. SHEPPARD. I desire to announce that the senior Senator from Arkansas [Mr. ROBINSON] is detained from the Senate on official business.

Mr. KING. I wish to announce that the senior Senator from Colorado [Mr. THOMAS] is detained on account of illness. I will let this announcement stand for the day.

Mr. HOLLIS. I desire to announce that the junior Senator from Kentucky [Mr. BECKHAM] is detained on official business.

The PRESIDENT pro tempore. Fifty-seven Senators have answered to their names. There is a quorum present.

PRICES OF AMERICAN FLAGS.

The PRESIDENT pro tempore laid before the Senate a communication from the Federal Trade Commission, transmitting, in response to a resolution of April 16, 1917, a report of the Federal Trade Commission on the prices of American flags, which was referred to the Committee on Printing.

MESSAGE FROM THE HOUSE.

A message from the House, by D. K. Hempstead, its enrolling clerk, announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the President pro tempore:

S. 1811. An act for the relief of homestead entrymen or settlers who enter the military or naval service of the United States in time of war;

S. 2106. An act to authorize the county of Cass, in the State of Indiana, to construct a bridge across the Wabash River east of the city of Logansport, at a point known as Cedar or Rock Island, in said Wabash River;

S. 2666. An act granting the consent of Congress to the Sebastian bridge district to construct a bridge across the Arkansas River, at the foot of Garrison Avenue, at Fort Smith, Ark.; and

S. 2667. An act granting the consent of Congress to the Pritchard-Wheeler Lumber Co., of Wisner, La., to construct a bridge across Bayou Macon, in Louisiana, at a point east of the town of Wisner, La.

NATION-WIDE PROHIBITION.

Mr. FERNALD. I present resolutions adopted by the Maine and New Hampshire Woman's Christian Temperance Union, which I ask to have printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

To the UNITED STATES SENATE, care of Senator FERNALD:

The Maine and the New Hampshire Woman's Christian Temperance Union, representing a membership of 8,000, in joint meeting assembled at Portsmouth, N. H., July 20, 1917, passed the following resolution:

"*Resolved*, That we protest against the manufacture of foodstuffs into alcoholic beverages.

"*Resolved*, That we urge the prohibition of the manufacture and sale of intoxicating liquors during the war period."

ALTHEA G. QUIMBY,
President of Maine Woman's Christian Temperance Union.
ELLEN R. RICHARDSON,
President of New Hampshire Woman's Christian Temperance Union.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, referred as follows:

By Mr. WOLCOTT:

A bill (S. 2692) to render possible the return of the bodies of our soldier dead to their home burial grounds in a sanitary and recognizable condition; to the Committee on Military Affairs.

By Mr. CHAMBERLAIN:

A bill (S. 2693) granting an increase of pension to Oliver P. Lane; to the Committee on Pensions.

By Mr. KNOX:

A bill (S. 2694) for the relief of Jacob Swartz (with accompanying papers); to the Committee on Military Affairs.

By Mr. ROBINSON:

A bill (S. 2695) to authorize the construction, maintenance, and operation of a bridge across Little River, at or near the foot of the gar hole about one-half mile south of the Jonesboro, Lake City & Eastern Railway bridge across Little River, Ark.; to the Committee on Commerce.

By Mr. CURTIS (by request):

A bill (S. 2696) creating a Board of Administration to develop a practical standard for rural colonies and to establish the same for dependent families of soldiers of the United States and to make a national colonization survey; to the Committee on Agriculture and Forestry.

By Mr. WEEKS:

A bill (S. 2697) placing Henry E. Rhoades, assistant engineer, United States Navy, on the retired list with advance of one grade; to the Committee on Naval Affairs.

SELECTIVE DRAFT.

Mr. NELSON. I desire at this time to offer a resolution and ask that it be referred to the Committee on Printing. It merely provides for the printing of a document.

The resolution (S. Res. 107) was referred to the Committee on Printing, as follows:

Whereas the President of the United States, under date of July 19, 1917, issued certain rules and regulations for determining the order in which the persons whose registration cards are within the jurisdiction of the respective local boards are liable to be called for military service by the respective local boards; and

Whereas a schedule has been prepared by the Provost Marshal General which shall control and determine the exact order in which the persons whose registration cards are in the possession of the respective local boards and which have been given a "serial" number are liable to be called for military service by the local board, said schedule being combined in pamphlet form, together with certain rules and regulations as above mentioned; and

Whereas only one such publication has been placed at the disposal of each newspaper and certain metropolitan newspapers require numerous copies in rendering a public service by disseminating intelligence in respect of such publication: Therefore be it

Resolved, That the publication above mentioned be printed as a Senate document in sufficient number to meet demands which can not be supplied by the Provost Marshal General's office as subsequently determined.

PRICE OF STEEL.

Mr. GRONNA. I ask unanimous consent to have printed in the RECORD a letter from the American Institute of Architects, the Minnesota Chapter, which gives the increase in the cost of steel.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE AMERICAN INSTITUTE OF ARCHITECTS,
MINNESOTA CHAPTER,
Minnesota, Minn., July 18, 1917.

Hon. A. J. GRONNA,
United States Senate Building, Washington, D. C.

DEAR SIR: The Minnesota Chapter of the American Institute of Architects, whose territory embraces the States of Minnesota, North and South Dakota, and Montana, is seriously concerned regarding the building situation at present and in the future during the period of this war and the reconstruction period that will inevitably follow.

The Minnesota Chapter is addressing you with this appeal hoping to gain your support and influence in the inauguration of an investigation that we believe will correct this abnormal condition. We wish, therefore, to call your attention to the excessive and unwarranted price of building materials, some of which are listed in this letter. These prices seriously interfere with the building business and the allied trades; in fact, they make building practically prohibitive. It is evident to us that combinations have entered into the manufacture of building products, thereby eliminating competition, and if this condition of affairs is allowed to continue nothing more serious could happen to our profession. It will mean that all building will cease and millions of men will be out of employment.

The prices of materials entering into the cost of building operations of all kinds have been systematically advancing since 1914, but in the period since the breaking of diplomatic relations with Germany the advance has been sensational, as will be apparent from the prices herein mentioned. Wages have not been correspondingly advanced, though, as we are all aware, the cost of living has advanced tremendously.

It has been plain to us who have noted the rise in prices from time to time and have also seen the diminishing volume of business and building that there has been a most extraordinary "profiteering" in the items to which we call attention, as well as in many others.

Now comes the skyrocket advance caused by our entrance into the war. Were we—architects, engineers, and contractors—the only sufferers, we might perhaps hold our peace, but if this sort of thing goes on unchecked it is evident the building industry will be crushed, and the large class of workers dependent upon it will be out of work.

In many of the items herein quoted it is apparent that our Government and our allies, as well as the vast army of consumers, have been exploited without shame.

In view of these facts, we therefore are requesting of the Federal Trade Relation Commission an investigation, and that such means as are legally possible and economically correct be taken in the premises to correct abuses which are so obvious to everyone.

Items, approximate advances on which are appended, illustrate the situations:

Portland cement advanced 17 per cent since March. We do not so seriously complain of the steady advance before, but it is still being pushed up.

Reinforcing rods: September, 1914, $1.37; September, 1915, $1.75; September, 1916, $1.95; January, 1917, $4.43 ($4.78 two days later).

I beams: September, 1914, $1.45; September, 1915, $1.75; September, 1916, $1.95; January, 1917, $4.78.

Plates: June 18, 1917, $8.32 per hundredweight.

Castings advanced from 2 to 4 cents in six months.

Builders' hardware advanced 75 per cent to 95 per cent in one year on top of previous advances.

Galvanized sheet steel, $4.25, $11.25 since September, 1916.
Sheet steel, $9.20 since September, 1916.
As an interesting corollary—arbitrary price of steel common stock in 1914 at close of stock exchange (it was probably worth fairly more):
September, 1915, $73 to $79.
September, 1916, $97 to $112.
June, 1917, $134.
It is interesting to note that it has advanced $20 since May 15, and principally, we suppose, on the fact that the Government had let contracts at about $100 per ton to build some steel ships to keep our allies from starving. (We note the future price to be $56, if Chairman Denman can put it across, whereupon Steel common dropped about $4.)
Our city purchasing agent states:
"Contract let in 1915 for 6-inch, 8-inch, and cast-iron pipe, $18.75 per hundredweight.
"Contract let June 15, 1917, for 6-inch, 8-inch, and cast-iron pipe, $57.35 per hundredweight."
The above is written with no animus against the steel companies. In copper, zinc, plumbing goods, and many other items the same rise, in more or less degree, has occurred.
The Minnesota chapter therefore ardently protests against this situation and do hereby appeal to you to exert your best endeavor to bring about a thorough investigation of the situation and provide a correction to these abuses.
We will be very glad to hear from you relative to this matter and assist you in all ways possible in accomplishing this most needed and desired correction.
Yours, very truly, CECIL CHAPMAN, *Secretary.*

PRICE OF WHEAT IN CANADA.

Mr. GRONNA. I also ask to have a newspaper clipping printed in the RECORD, in order to give the committee of conference some information as to what the Canadian Government has done relative to fixing the price of wheat. It was fixed last Saturday at $2.40 a bushel.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

WHEAT PRICE FIXED—CANADIANS SET MAXIMUM FIGURE FOR THIS YEAR'S GRAIN.

WINNIPEG, MANITOBA, *July 21, 1917.*

The Canadian board of grain supervisors to-day fixed $2.40 a bushel as the maximum price of wheat beginning August 1.
Fort William will be the basis for this price, transportation cost at Fort William being deducted from the maximum.
Announcement of price caused little comment on the floor of the grain exchange here.

TRUST THE PRESIDENT.

Mr. THOMPSON. Mr. President, I have here an article taken from the Washington Post of July 26, 1917, which I ask to have inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TRUST THE PRESIDENT.

Any move by Congress to establish a joint congressional committee on war expenditures will be open to misconstruction by the public. With a congressional committee investigating war contracts and expenditures delay and confusion would be inevitable, and even though the blame for this were not fixed definitely upon Congress, bad feeling would be aroused.
There is sufficient division of responsibility and authority already. The public has been demanding the cutting of red tape rather than the unwinding of more of it. While the proposed committee would not attempt to exercise executive powers or encroach upon the executive departments, its inquiries would be a source of friction and annoyance.
At best Congress would merely obtain reports from the committee which any Senator or Representative could obtain by making inquiries at the departments. If the committee held hearings, it would take department heads and bureau chiefs away from their desks, where they are needed for executive business.
The fact that Congress during the Civil War appointed a committee to "cooperate" with Lincoln is no justification for appointing a similar committee now. The Civil War lasted four years. It might have been shortened had there been less friction at the Capitol.
Congress on the whole has performed its functions well and has given great aid to the President. There has been an absence of political manipulation up to date and the record should not be broken. What the President has asked has been given, and this real cooperation should not be replaced with anything that might resemble encroachment or interference.
The President already is heavily burdened. His whole time is devoted to conferences with the officials who are charged under the Constitution with carrying out the will of Congress. Some one must be trusted. Even the congressional committee would have to be trusted by Congress. Why, then, should Congress not trust the Executive elected by the people to enforce the laws of the land?

LEAVE OF ABSENCE TO SENATOR THOMAS.

Mr. SHAFROTH. Mr. President, I ask that leave of absence be granted my colleague, the senior Senator from Colorado [Mr. THOMAS], for six weeks. His doctors have forbidden him to attend the sessions of the Senate until the expiration of that time, and he has left for Colorado.

The PRESIDING OFFICER (Mr. ASHURST in the chair). Is there objection to granting the request for a leave of absence for the senior Senator from Colorado? There being no objection, that order will be entered.

RIVER AND HARBOR APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. SHERMAN. Mr. President, if the Senator from Florida [Mr. FLETCHER] desires to take up any other feature of the bill I am not particular about going on to-night, but I will do so if there is nothing else that the chairman of the committee desires to consider.

I do not expect to add anything novel to the discussion of this bill. We have been over it many times in past sessions. The discussion is principally one of details. In the committee I confess quite candidly that I was not a good member. I felt that as far as the $27,000,000 finally reported out might be affected no discussion in the committee would change the combination of interests that would result in the reporting of the bill. I feel that most of those matters are grown to be perfunctory. There is not much change in the recommendations that are made by the department or the Board of Engineers that in the first instance make up these estimates and furnish the basis for the different paragraphs of the bill, so I did not feel very much like going into the matter in the committee as we often do in other discussions where there is a bona fide expectation of changing some of the items.

Very largely out in the western country our streams are tributary to and a part of the watershed of the Mississippi River and its branches. The Ohio and Wabash Rivers on the east and southeast comprise our waterways, and on the west the Mississippi River. The Mississippi has been, I think, properly treated within the last year, by being segregated from the river and harbor bill proper and placed in legislation by itself. The Mississippi River and the Missouri River, counting it as a mere tributary, make the largest inland river in the world. It is the best navigable inland waterway there is in the Western Hemisphere. It excels anything in Europe, and if there were any possibility of developing the river-borne traffic in the United States this is the place where it could be done.

The flood-control bill that passed this body some months ago appealed to me favorably because it put improvements of this kind on a sound basis. I realize that such appropriations are technically hung on the improvement of interstate commerce. On that basis it is often a false pretense. We are compelled very largely to employ that pretense in order to give some legal standing to these appropriations. Outside of the connecting ways between the great inland lakes and those that connect arms of the sea, where they can become links between the domestic commeree and our foreign commerce, and our tidewater coast carriage, there is no interstate commerce at all worthy of the expenditures that have been made. The canals connecting the Great Lakes—the Soo in Michigan and similar connecting links—have justification, in the commerce that passes through them, for the expenditures made. The Mississippi River ought, in the flood-control bill, to be put on the right basis, and it is in that appropriation bill for the first time. The $6,000,000 that ordinarily would be found in the river and harbor bill, connected with the improvement of the Mississippi River, has been transferred to the flood-control feature of these appropriations. I think that is where it ought to go. It is not properly in the company in which so many of these meritorious measures are found. There is merit in the river and harbor bill. I am not condemning the whole bill; but because there are some features in the bill that are wholly without merit one is compelled to oppose the whole bill. It is idle to think that we could strike out these measures that are objectionable. It could not be done, because the local interests are so combined that the united vote will resist striking out any of these items, however objectionable they may be.

In the case of the flood-control bill, which is an entirely different question, I can bring myself to its support. It may be that a great deal of land reclamation will result; levees must be built; banks and the underlying substructure will be strengthened and improved. The improvements will be made in such a way that the flood waters of the Mississippi River and its tributaries will be restrained from spreading over a great area of country where in their natural state they do a great deal of damage, and have hindered the development of much of the fertile land.

In the delta proper of the Mississippi River lies some of the best soil there is in North America. As a land reclamation feature, I do not support the flood-control measure. I support it primarily as an improvement of the channel of the Mississippi River and a great sanitary and life-saving improvement. A great volume of water that formerly spread over many thousands of acres of bottom land is gathered into a channel which necessarily at times, during very high flood water, backs up and destroys or endangers many of the levees that have been built by private assessment or by levee districts formed at various points along the Mississippi River and taxed on private prop-

erty. If the water is concentrated in one channel it improves navigation, of course.

The vicinity of the Ohio River where it joins the Mississippi River is a good illustration. The city of Cairo, a city of some 15,000 or 20,000 people, is found there. Some improvements, some cities on the Missouri, the Kentucky, and the Arkansas side, are found in this immediate neighborhood. The people have taxed themselves by forming levee districts in Cairo along both the Ohio and the Mississippi Rivers. They have taxed themselves to the limit. They can go no further for current-tax levies, nor can they go beyond the bond issues that are now out on the levee districts that have been formed. Below Cairo, on the Mississippi River, there have been some improvements made by the Government. Levees have been built; the water has been collected that formerly spread over a portion of the river bottoms. As the water has been collected inside of the channel created by the building of the levees, during the high water the concentration has been so great that the back-water from the current alone, unable to secure a passage between the walls created in this way, has thrown it back up the Mississippi River to Cairo and rendered the high water much greater there than it was when it was left in its natural state below. With the levee built to its present point, as I remember, there is only about 18 inches of safety. The increased height of the flood waters, the crest of the wave caused by the water backing up from below, together with a vastly increased volume of water coming down from above caused by the increased drainage, by the clearing of timber, by straightening the tributary rivers, by draining the morasses and the swamps and the lagoons along the Mississippi River country, collecting the volume of water and discharging it in a very short period compared with the old method of nature's drainage—all of these things have combined to make the crest of the flood wave reach the danger point at many of the river cities in Illinois, Kentucky, Indiana, Ohio, Arkansas, and the States below.

Under those conditions the improvement of the Mississippi River, deepening the channel, and getting such a flow of water as to make it cleanse itself and relieve the Government of a large expenditure for the annual dredging required, with other well-known causes, combine to bring the accumulation of water during the floods to a danger point for the existing levees that have been built by assessments on private property. Such levees were built before high water attained the present volume. This is only indirectly connected with the question of interstate commerce, it is true; but changing the method of drainage and increasing the accumulation of water was primarily for the purpose of improving the channel, deepening it, and thereby improving the interstate commerce; but the necessary effect of this was to endanger all of the property as well as the lives of those who dwelt in the area affected. So, multiplying this instance by the whole length of the Mississippi River below Cairo, it became a proper question for Congress to consider in connection with the matter of flood control. It culminated finally in the last bill that passed the Senate on that question. It put aside a very large sum of money to be expended under the control of the engineers for the twofold purpose of increasing interstate commerce and improving it, and at the same time making it safer for those who dwelt along the valley. Those purposes are supplemental to each other. If the improvement of the land by the levees that are built comes as an indirect result of it, I have no complaint to make. It is possible that those who own the land will profit. Some hundreds of thousands of acres within the area of several States may receive the greater benefit of it, but ultimately it must rest upon the improvement of interstate commerce by the deepening of the channel and incidentally the profits to the property owners will result.

The items in this bill are, some of them, I suggested, unobjectionable. There are others that I can not connect either with preparedness or with any scheme of interstate commerce or navigation. I might begin with the great Father of Waters, the Mississippi River. The Mississippi River ought to be a fair instance of what could be done in the improvement of our inland waterways. It is the best chance of all. I have had before me the commerce of the Mississippi River for many years. The lower Mississippi traffic could begin at St. Louis and from thence to its mouth. If anything could be done in improving the freight to be carried on inland waterways it ought to be from St. Louis to the Gulf. Along the Mississippi River between those points are some of the principal river cities of the United States. It begins with St. Louis, an important commercial point, the center of a great manufacturing, agricultural, and transportation country. It is a collecting and distributing point. There is a great manufacturing and jobbing trade in St. Louis. There are collected there the agricultural resources of a great grain and food-producing area. Going on south it has its southern terminus at New Orleans.

If there is any river in the United States that could furnish a development of river-borne commerce, it is the Mississippi River between those points. Before the war broke out it was a great center for the river steamboats. Immediately after the war ended railway development began. The railway development has not only been in the Mississippi Valley but every place else; but in the Mississippi Valley, especially from St. Louis down, was the great object lesson.

If the railroads could successfully go into such a territory and wrest from the steamboats alone the carrying of freight and passengers, it is useless to try to resurrect it. The commerce centering at St. Louis, both the incoming and the outgoing commerce, since 1880 shows a uniform course. It reached its high-water point sometime, say, in 1880 for river freight. Since that time it has steadily declined. If you run through all the trade in St. Louis on the river you find a steady shrinkage of its volume. Of the entire traffic in St. Louis, everything requiring transportation, there is about 5 per cent of it that is water borne at the present time. There is no greater inland center, there is no fairer illustration of the inland traffic by water than this point I am considering. It has given up its trade steadily to the railroads.

In that time the Mississippi River has been paralleled from St. Paul to New Orleans by railroads. If I go from St. Louis north, on both sides of the river I can travel by rail until I strike the Canada line. I can take it from St. Louis north on the old Long Line of the Burlington, as we used to call it, go north to Burlington, Iowa, and I can continue on the original line of the old Chicago, Burlington & Quincy road until I reach Quincy. I can go north from that on one side of the river or the other on the Burlington road until I reach St. Paul, Minn. Practically that is the end of the Mississippi River. It has its source in that State.

I can go south from St. Louis on both sides of the river by rail. Steam transportation has taken away from the river of the days before the war when Mark Twain was a steamboat pilot every ton of its profitable traffic that is worth considering as a matter to justify public expenditure. We need not expect to resurrect it.

I speak of this as an illustration for all of the inland rivers. I am not offering it for any of these intercoastal canals that are proposed, such as appear on the map. That is a different question and to be taken up and considered apart from the inland-waterways system when we reach them.

From St. Louis down, as I said, there are from one to three lines of road, until the Mexican Gulf country is reached.

The first development of steam transportation by land that took away the trade of the Mississippi River was the Illinois Central. The charter line began in Chicago, went south to Cairo. By subsequent development, from the time the first shovel of earth was thrown in 1850 to begin the road, it has developed into the present system that reaches from Chicago to New Orleans. It has been built along the Mississippi River in competition with the freight carried by steamboat, by tug, by barges, by every known species of transportation by river. This has been done while $120,000,000 appropriations have been expended on the river to make it a waterway.

At this point and along the bank of this river the steam railroads have built themselves up by competition during the years and have steadily absorbed the water-borne traffic of the Mississippi until to-day a bare 5 per cent remains on the last tabulations made.

It is said now that they have self-propelled barges that can be used in river traffic, something of the same that the Rhine and many of the improved European rivers have used. There may be some possible improvement in that.

I was so impressed by it that at the last session of Congress, in the winter of 1917, I endeavored to get authority not to spend money, but a mere authority by an affirmative act of Congress for my own State to spend $5,000,000 of its own money in a 42-mile link that would have connected the Atlantic Ocean with the Mexican Gulf by way of Chicago. The Board of Engineers had refused its permission. It was denied, too, by Congress. It was so unusual for anybody to ask legislation here for a public improvement that did not demand an appropriation from the United States Treasury at the same time that it stupefied the authorities—not those in Congress, and I am not referring to them—but it was such an unusual thing that no river engineer could grasp the idea that somebody was wanting to spend his own money and not go to the Treasury and ask for some millions. So before they recovered their equanimity they denied permission.

There is a number of river engineers I would be perfectly willing to furnish work to outside of taking care of the improvements of the interior waterways. Nearly all of them are West Point graduates. They have had the training that the Government can give them to fit them for military service. They are not privates in the ranks; they are beyond that age; but they do know something of the engineering that belongs to the military branch of the Government.

We need thousands of those men. Some of them have been in Washington ever since I have been here—four years at least—and many of them I know by common repute have been here for many years. They have not passed the age of telling younger men how to work and of using their services to the best possible advantage.

We are in a war. We are told by many wise men how to conserve our energies and our resources. We are told how to live; that we must eat so many slices of bread per day and so many ounces of sugar per family. All this advice is given us with the idea of strengthening ourselves for the coming struggle. We have been told repeatedly that if we do not save our resources and utilize them to nearly 100 per cent of value possibly we will enter on this struggle facing an enemy on unequal terms.

The river engineers serve at the present time no useful public purpose except that of expending money. They ought to be relieved of their civil duties, after having been educated at West Point at public expense, sent into the military branch of the Government, and used for the manifold military engineering problems that are presenting themselves at this time and which will be multiplied greatly in the near future. If this should be done, we would gain by so much all of those resources. They, however, are occupied in improving the inland waterways, such as the Mississippi River. I am taking that as the type, because if the Mississippi River could not successfully be improved so as to be worth while in interstate commerce of the expenditure made, it is no use to try the rivers in the interior—Missouri or Wisconsin or any of the States that lie in the Mississippi Valley or elsewhere away from the tidewater.

In the barge traffic, that I hear many words of commendation for now, it is proposed to get a tow of barges. The propelling power will be a tug. It will have a very wide, flat bottom, built a good deal like a scow and having a considerable tonnage. They can carry many times more than a box car, and it is proposed by this method to make a profitable water-borne freight. Or it may be by a self-propelled barge.

Carrying out that idea we proposed to put this link in the Illinois River. It was finally eliminated in Congress on the advice of the river engineers. I know what is the matter with the river engineer. The river engineer is opposed to anything that will sap the strength that belongs to the job he is holding. The river engineers are doing two things. The one is to spend the appropriation furnished by Congress and the other is to keep ever-present the necessity of the place he holds. If the States were jointly to start a system of improving themselves at their own expense, all the Mississippi Valley States from Minnesota to the Gulf, you would find it would be opposed by the river engineers for the same reason that they opposed the expenditure of $5,000,000 by the State of Illinois.

Wednesday, July 25, 1917.

Mr. SHERMAN. Mr. President, I wish to say to the chairman of the Committee on Commerce and to others interested in this bill and other pending legislation, that those who take the same view which I do of the river and harbor bill are not engaged in any mere effort to delay. I shall say what I think proper on the pending measure without any desire to delay the final roll call, or to indulge in a filibuster or any undue consumption of time. I shall be very glad, if I can, to conclude what I have to say by, say, 5 o'clock, leaving time for an executive session, if it is desired by the Senate, as I understand there are some nominations which have been made which might properly be confirmed either this evening or at some early date.

On last evening when I ceased commenting on the bill I was referring to river traffic, of which St. Louis is the northern limit, of what is commonly known as the lower stretches of the Mississippi River, including in that territory the Ohio River. There is a very extensive literature on the lower Mississippi River traffic. The Chief of Engineers, Gen. Kingman, in 1915 used this language:

> To-day the Mississippi from St. Louis to its mouth affords a channel which is the best to be found in any stream in the world • • • and see its emptiness. An 8-foot channel is all that the most efficient service requires. The Government works unremittingly to develop waterways only to see the water-borne traffic grow less as the years go by.
>
> Still the average riverman will insist the poor condition of the channels keeps our inland waters idle. This is preposterous; the Rhine could never compare with the Mississippi in its advantages for transportation; its channel is narrower and shallower, more changeable, the current is swifter, and ice is known in the winter over its entire navigable length, yet in 1913 more than 97,000 vessels passed the Dutch and German frontier on the Rhine.

Whatever improvements may be contemplated in the Mississippi River, whether the upper or lower stretches, for the future, it can not be denied now that there is an 8-foot channel from St. Louis to the Mexican Gulf. There is every opportunity to develop the water-borne freight. The self-propelled barge, by gasoline or some convenient power under modern applied inventions in mechanics, can give as cheap motive power as any water transportation has ever known. The 8-foot channel from St. Louis below measures the possibilities. That is open now; that does not require an expenditure of any future millions of appropriations. It was because of this 8-foot depth now maintained in the Mississippi River that I was finally converted to the idea of my own State expending $5,000,000, referred to yesterday evening. That would have opened up a forty-odd mile stretch of waterway which would have connected Chicago with the Mississippi Valley below St. Louis and between St. Louis and Chicago.

It would have given water freight between New Orleans and the Gulf and Chicago and all intermediate points. That was denied by the gentlemen who have final authority to settle these questions; so this link has not yet been filled in. It was opposed in my own State by what is known as the deep-waterway men; it was opposed by some of the States north of Chicago; and it was opposed by the Canadian authorities. The Dominion of Canada has long had a nightmare about the loss of considerable of their water transportation that now goes by way of the St. Lawrence River. As a matter of fact, it is the railways taking the traffic away from the St. Lawrence Valley. What used to reach the Atlantic Ocean by way of the St. Lawrence River, coming from the Great Lakes area and from the Canadian Provinces, has ceased to go that way because of the development of the steam railways, both in Canada and the United States.

Whatever may be said by the Canadian authorities—and there is a very copious literature from Quebec—whatever may be said of the condition of the States on the Great Lakes of the United States that belong to this same scale of transportation, the indisputable facts are that the steam railways have taken away the freight which used to go up the St. Lawrence River, just as they have taken it from the Mississippi River. So the combination of interests converged their influence upon the Board of Engineers here and the Secretary of War, and they were disposed to think that there would be an increased volume of water taken out of Lake Michigan for the purpose of giving the necessary depth between Chicago and the Mississippi River by way of the Illinois and the 42-mile link that would be filled in by the canal. As a matter of fact, it would not have taken a gallon more out of Lake Michigan by way of the Chicago River than is now diverted. All that is taken out now is by the consent of the War Department, under whose direction all of the water from the lake is sent into the sanitary district channel and then into the Illinois and Mississippi Rivers.

All of this change that has been made by the sanitary district channel was for health purposes primarily. It was because Chicago had no way of draining herself; her sewage was undisposed of, and the waters of Lake Michigan were polluted. As an escape from the conditions that faced that municipality, in 1887 the initial legislation was given by State authority for the construction of the sanitary district channel. Many millions of dollars have been expended in the work.

Geographically the Chicago River flows east into Lake Michigan. It is formed by the junction of the north and the south branches of the Chicago River at a point some way west of what we know in Chicago as the Rush Street Bridge. The natural flow of the Chicago River has been changed by the sanitary district channel. As stated, geographically the Chicago River flows east. As a matter of fact, as an engineering change, the water in the Chicago River flows west and southwest. The engineers cut through the limestone bench, which separated Lake Michigan from the Illinois River Valley, and diverted the flow, taking a certain volume out of Lake Michigan by consent of the War Department and adding it to the volume of the Illinois River, and so furnishing the required relief for the city of Chicago. Many river engineers were consulted. The complaint was made that, taking out an additional quantity of water—which was an erroneous statement—would interfere with the navigation of the upper lake region. At any rate, the influences were sufficient, coupled with the natural indisposition of the river engineers to defeat the required authority before the $5,000,000 could be expended. So all hope of opening up a waterway to improve the Mississippi River chances of developing freight were gone.

If the Mississippi River from St. Louis south has an 8-foot channel, it is twice the depth of the River Rhine for a portion of its length. It is deeper than many others of the European rivers that carry a considerable freight on their surface every 12 months. It has the advantage of not being ice locked during a greater part of the year, and a portion of it during no part of the year. At any rate, during the open season in the stretch of the river from St. Louis down to Cairo there is an 8-foot channel at least, and all that remained was to put an 8-foot channel above St. Louis to connect it with Chicago. That could have been done by the expenditure of the $5,000,000 to which I have referred, but that project was denied. It would have been now under course of construction if it had been allowed. The experiment made with the Mississippi River would be a finality; it would have passed beyond the realms of conjecture, and it would have approached the region of actual demonstration if it had been undertaken.

There is something, however, of value connected with the lower Mississippi River from St. Louis south—and that is what I mean when I refer generally to the lower river—that is capable of demonstration. It is that the traffic by barge, whether self-propelled or tow drawn by a tug, where the 8-foot channel now exists, has not developed in sufficient volume to justify the predictions made by promoters of this bill and other bills of a like kind.

The Mississippi River has been open all these years. In St. Louis business men have undertaken to revive the river traffic. Mr. Kavanaugh and his associates, a number of responsible men, have undertaken to interest in river transportation those who have freight to ship. So far their efforts have not met with marked success.

There seems to be a universal feeling that the Mississippi River has lost its freight because some better means of transportation has been offered to the commerce of the country. If, during the time the Mississippi River with its 8-foot channel has been open, nothing has been done by the shippers or by those furnishing the common carriers by water to avail themselves of it, there is more than a well-founded suspicion that it is based on a good cause. Eight feet will furnish all the transportation that any profitable barge service need desire. A flat-bottom barge built to float on 8 feet of water can be profitably used if there is any profit in inland-water transportation. The barges can be built of varying sizes. A single barge line constructed to float on 8 feet of water will carry as much freight as will the average well-equipped freight train drawn by an engine, with the limit of pulling capacity, on a modern heavy steel rail, ballasted railroad.

With this advantage that is manifest now, every opportunity has been given since the river traffic began to decline, to develop the barge transportation, but it has not been developed. Advantages of this kind which an 8-foot channel offers have not led to the development of the barge system, except as to the coal that comes down from the upper Ohio River. In the main, the entire profitable transportation of the Ohio River is made up of coal that floats down the river in barges, distributing itself to points as far south as New Orleans.

Including the allowance in this bill, more than $60,000,000 has been spent on the Ohio River. Within its banks there is afforded a fair test of water transportation. Next to the Mississippi River it gives the amplest opportunity for water freight. With over $60,000,000 spent on the Ohio when this bill is considered, with more than $120,000,000 spent on the Mississippi River, with more than $900,000,000 spent, including the appropriations in this bill, on the waterways and rivers and harbors of the United States, it is certainly time that Congress pause and take stock of the results obtained from these astounding expendtures of the public funds.

Col. Townsend, who was connected with the Mississippi River Commission and whose offices are at St. Louis, delivered a most remarkable address in September, 1915, before river and harbor bill supporters at their meeting for that year. Supporters of river and harbor bills are referred to as "the river and harbor lobby." I will not use that term because to some of them it is offensive, and I desire to divest myself of all personalities in discussing this question. Before I read what Col. Townsend said on the subject, I will preface my remarks by saying that the supporters of river and harbor bills outside of Congress are quite persistent in urging the support of this bill by Members of Congress. I have in my office files voluminous correspondence with friends of this and similar measures. The correspondence runs all the way from sober argument, based upon the supposed benefits of such appropriations as these, to threats of political extinction. None of them shed any light upon the intrinsic merit of the river and harbor bill as a means of supplying this country with inland freight facilities.

I limit the statement to the inland possibilities. With relation to the harbors on tidewater, the inlets or necks that cover larger bodies, coastal in character, I reserve any present criticism. If anything can be said against them, I will say it at some future time. Except as they may be incidentally connected with the appropriations carried by this bill, it is not my main purpose this afternoon to take up these measures, as to many of which there is considerable merit. The waterways that connect, as I remarked yesterday evening, the Great Lakes are proper subjects of appropriation, because the Great Lakes furnish considerable transportation. Projects that are connected with the deepening of the great harbors of the country, where either the Navy or merchant shipping can cast anchor and receive and discharge freight, are not subject properly to criticism. The only thing we might ask at this time is that large sums which seem to be appropriated in this bill unnecessarily shall be delayed until the improvement is needed in due course of time.

Criticisms made in the same spirit in which they were directed against the junior Senator from Iowa, so far as my friends and myself are concerned, will not deflect us from our purpose of opposing such measures. Like the junior Senator from Iowa, if my seat in this body is dependent upon my support of measures of this kind, I would prefer to be a private citizen and retain my own self-respect. That exceeds, as I look at it, the commission to any office I know of in this country.

I know that along the Mississippi River are many levee districts. The land has been taxed and the levees partially completed, but are yet insufficient. When they are finished, so as to furnish a complete defense to the flood waters of the Mississippi River, the land inside of these districts will be worth ultimately $250 an acre the instant the levees are known to be flood proof. Every acre of upland in that country, where land now sells for $300 an acre, will ultimately be worth $500 an acre. I once heard the testimony of a soil chemist connected with the Illinois University before a legislative committee. It was in the infancy of soil improvement, before even the farmer was taking a casual interest in restoring the fertility of the soil; when it was not a fad, as it is now with a good many; when we had not heard of food-control bills; when we had not heard of wise men who told us to curtail our gastronomic propensities and to live upon one slice of bread and a radish and a turnip, and that it would be much better to thin our blood by sassafras tea and a vegetable diet. We had not heard of these alluring schemes at that time, Mr. President; but this soil chemist was telling us how people who were raising crops from the soil must put something back in the soil—what Mr. Hill, of railroad fame, told us in later years—that where we took away we must put back, or ultimately we would impoverish our country, and we would go back to the condition of central Asia, where the country was denuded of forests, where vegetation had ceased to flourish, where rainfalls had diminished, and where the soil was impoverished.

At that time he was asked the question what he thought land would be worth in the corn belt. He replied that men then in the committee room would live to see land worth $500 an acre. An irrepressible, audible wave of laughter went around through the room. They regarded him as a visionary. Land was selling then at about $125 an acre. That was regarded as a good price. Much of it was selling lower, and not a great deal of it was selling above that figure. We who were in the committee room at that time have lived to see land sell for $300 an acre. If I live to the allotted threescore and ten, I expect to see land in that locality sell for $500 an acre.

Among the localities where $500-an-acre land will be is that included inside of the walls of the Mississippi levees. It is the most fertile soil in the world. There is the bottom soil of the Mississippi River that has been cultivated within historic knowledge of men in that country now for 175 years, and it is still fertile soil. In old Kaskaskie, now in Randolph County, Ill., the French who left La Salle in his early explorations, coming down by way of Quebec, deserted from his command, amalgamated themselves with the Indians, and remained there and formed the earliest white man's settlement in the Mississippi River country.

That land is still fertile. I have had translated for my edification the old French records kept in that tongue, and they show the arpents of land—which was their measurement—all of them running down to the Mississippi River, because everybody then wanted a shore frontage on his land for water, for transportation, and for various other purposes. These lands are still fertile, and to-day can raise from 20 to 40 bushels of wheat per acre.

With those improvements, I have no quarrel. I wish, as ardently as my friends of the lower Mississippi River, for the

floods to be kept off the land. There is in that some real economy, some real preparation for the test of national strength. Because, however, it is a very great benefit to those who own the land, I am disposed to think that there is considerable merit in the amendment offered by the junior Senator from Colorado [Mr. SHAFROTH], which provides, as an amendment to this bill—

That each of the appropriations herein made shall become available only in the event States, counties, cities, corporations, copartnerships, associations, or individuals shall pay into the Treasury as part of the same one-third of the amount thereof: *Provided, however,* That the provisions of this section shall not apply to those items requiring contributions from other sources.

If this should be voted in as an amendment to this bill, it would apply one of the tests that ordinarily, in business matters, we regard as a touchstone of good faith. The test of putting the community's own money into an enterprise of this kind is a severe test, but a searching one, upon the merits of the undertaking. If that test were applied in any of the enterprises that are now under way, and that, I think, are good examples of the folly of such measure, many of them never would have been undertaken. If they had been obliged to put up in the State of Texas, on the Brazos and Trinity Rivers, some of the millions that have been poured into those improvements, they would not have been made. They would not, at least, have seen their present proportions. If some one in the State of Missouri had been required to put up one-third of the amount, a like result would have followed.

There is not a single great inlet or harbor, not a Great Lakes port from whose shores goes commerce in any considerable amount, that would not equal by one-third, or even duplicate with an equal amount, the sums of money appropriated by Congress, if they had been called on, in all the country with which I am acquainted in the Lake region. Every place that possesses merit, that has an actual commerce developed by the agriculture, banking, manufacturing, and all of the Lake transportation, coupled with the steam roads, and has been called on to put in one-third of the amount of the appropriation, would have responded promptly by appropriating through the local authorities the amount required. Not only that, but in my judgment they would have gone away beyond that. All of the country of northern Indiana, Calumet, Indiana Harbor, Gary, and all that great semicircle of the south and southwestern end of Lake Michigan that runs from Indiana Harbor clear around above Chicago to Waukegan, would put more money into harbor improvements, dredging, deepening, and improving the natural facilities given by the Lake shore, many times over, than it would ever receive from appropriations in Congress.

These are points where there naturally gathers, by the course of trade, a vast commerce. It seeks an ingress and egress. The commerce coming in, some of it, can reach the city of Chicago in that way. The Lakes commerce, when the closed season is not on, can go by way of Lake Michigan and the other Great Lakes through these connecting bodies of water that run from one lake to another lake, those at Detroit and other points, and there reach at last eastern points, furnishing an outlet for a tremendous volume of merchandise. All of those points have merit and all of them would hesitate not a moment, if the amendment of the junior Senator from Colorado were adopted, by proper appropriations by the city, county, or State, or by the levee districts, to place alongside the Government appropriations an amount equal to one-third as the local contribution.

There are two things here, Mr. President, that are becoming parasitical in nature. One is this perennial river and harbor bill, and the other is the public-buildings bill. These two, combined, are a greater menace to the strength of the United States than a German submarine or the helmet of Prussia that the poets talk about. They grow continually. The public-buildings bill is of the same kind with the river and harbor appropriation bill. Somebody wants to go home a conquering hero, wearing the garlands of an immense Government appropriation. He sees the red fire; he hears the applause of the multitude; he attends a banquet and hears himself described as a statesman. He goes back imbued with the notion that he has discovered a method of statecraft that will result in a permanent seat in Congress.

I regard these methods with a certain degree of contempt. I never have made any personal criticisms of those who adopt them, but I feel like stripping off the coat of humbuggery that hangs upon the shoulders of every such pretense. It is a reprehensible method of making the public pay for the nomination and election of Members of Congress. The acid of ultimate analysis must be applied to these pretenses.

When Barnum was exhibiting his woolly colt and the mermaid that was composed of the outer integument of a monkey sewed together with some representative of the finny tribe and exhibited as a mermaid, it drew large crowds, along with the colt I have described. The colt in infancy was raised in my neighborhood. Barnum came around with his show and in the side show was the woolly colt. I was a lad at that time, and some of the grown-up people went in to see it. Every fellow that paid half a dollar to see it came out and was immediately anxious to see that the other fellow was victimized, and township after township gave up its half dollars. They all got together after the show was over and compared notes, and each fellow acknowledged that he had helped rope in the other fellow. Barnum, soon after that, gave utterance to a great psychological truth that sank into my boyhood memory. I think it describes a river and harbor bill. He said the American people like to be humbugged. The appetite now is just as strong as it ever was, and I think they are getting it handed to them, about 24 karats fine. I regard a large part of the river and harbor bill as illustrating Barnum's maxim, because it is, legislatively speaking, an arrant humbug.

Twenty-seven million dollars! When it comes to speaking of millions, as Senators have suggested, the figures trip over the speaker's tongue as lightly as if he were tossing coppers out in a hayfield. Millions mean nothing now. Hundreds of millions mean nothing now. Why, even billions mean nothing. We are mounting up to fifteen, seventeen, twenty billions. The total national wealth, all private ownership of wealth, that constitutes the source of taxable property in this country, in 1910 was estimated to be $187,000,000,000; and counting the increase that has come with such prosperity as the war brought prior to 1917, counting the increase in values of all tangible property, the franchises, good will, patents, and the like, we have at this time, fairly estimated, no more than $250,000,000,000 as a total, making allowance for the additions since 1910, seven years. When we reach $20,000,000,000 of taxes or of indebtedness, we will have 8 per cent of the total. That means, if we keep it up, that in 12½ years we would, by the taxing power, reach every dollar that is in private ownership in the United States—12½ years! This is a lawful exercise of the taxing power, but it is a practical confiscation of all the industrious, thrifty people of our country. It ought to sober us in spending money to reflect on where at last all this may end.

The Napoleonic wars lasted more than 12 years. The press reports from across the ocean are not especially reassuring for early peace, however ardently we desire it.

For my part, I have a great deal of sympathy with Mr. Hoover in that particular. He is anxious that we begin early and save as much as possible of all our food supplies. I am equally anxious to do it. I differ from him only as to the method. I think we can not save anything that we do not have. We can not have foodstuffs that we do not produce. The producer is in the garden, on the farm, and he must be encouraged. He can not be driven. He will not take orders, because he is like the mountaineers of all the countries in the world. The farmer out on the plain, on the prairies, wherever you find him, the cotton planter of the South and the corn and wheat raiser in the North, is the same way. He can be persuaded and attracted, but he can not be ordered and driven. So I think we ought to begin in Congress to save on the matter of taxation.

We are assuming tremendous burdens. No one knows where they will end. If Russia should remain in her present chaotic condition, it will take her as many years to evolve stable government out of the 30 languages and 40 nationalities within her limits as it did in the French Revolution beginning in 1789. It was nearly 10 years before France developed, from her reign of terror, her committee of one hundred, a stable government, and then only to find it in the hands of an autocrat. When the artillery officer left the streets of Paris and began to produce order out of French chaos, he developed the great military power that at last made Napoleon the leader of the French, created a stable government, and fought the Napoleonic wars of Europe.

If it should take 10 years for Russia to do so, it would be no more than history repeating itself. From the Caucasian member of the Greek Catholic Church in western Russia to the Mohammedan on the eastern end of her wide domain, to those of Slavic and of Tartar blood, with an infinite number of nationalities within her border, with many strange tongues that jangle when they meet to consider the common welfare, it would be no more than historic to suppose that they will not create stable government in Russia until they have spent the time that the French—a highly civilized and homogenous people—spent to frame a stable government, at last to lodge it in the hands of Napoleon.

Suppose that happens. Suppose, before peace and stability and strength come to Russia, that 10 years shall have passed away, what does it mean to us? It means that during that time we must either conquer the nations with which we are at war or we must engage in a continual warfare for that period,

because it is unthinkable that we will permit them to conquer us and our allies. So, instead of tripping serenely along with appropriations of this kind, Mr. President, it seems to me that we might consider saving five million or ten million out of the $27,000,000 that are specifically appropriated in this bill. We might even hesitate on the new surveys that are ordered; and, as I remember the bill now, the new surveys in the aggregate provide $200,000. If it stopped with the $200,000, no one probably could complain. It is coming to such small figures that to mention it almost exposes one to criticism. It makes him a subject of satire to get down to hundreds of thousands after dealing with such immense figures as are customary in revenue and appropriation bills here. But we might save amounts running into some millions of dollars by halting the new enterprises contemplated by the surveys to be made under this $200,000 appropriation. The surveys are the prolific mother of millions of appropriations in future years.

These new enterprises are not now connected with the national defense. As I have taken occasion to remark on several occasions here, unless government moves faster than most Government enterprises do, the war will have ended before the blue prints are made, even, on which any of these improvements could be started.

I see a map hanging on the walls of the Senate Chamber of the coastal waterway improvements, and I look at it in view of the inscriptions that are printed on it. It is like everything else I have seen—"inland waterways and national defense." Yes; it is just like it always is on the Fourth of July. Everybody can enthuse and yell himself hoarse and rupture his vocal cords, Mr. President, supporting the Old Flag and liberal appropriations, especially when he is a candidate for another term. The two always go together. The scheme is something before which the corrupt-practices act becomes a palsied imbecile.

About what time will we defend ourselves by any scheme of intercoastal canals or waterways provided in this map? How will we take the helmet off of a single Prussian officer by any of these waterway appropriations? What spendthrift folly! It will be five years, I repeat, before even the blue prints of those improvements are ready for a contractor or for Government operations.

I never saw as many things under the guise of national defense in my life. If it were not a sober subject, I would treat it with some levity. I must restrain my natural tendency to see the ridiculous side of things, because this is too grave a matter to provoke a smile upon.

I have received in my correspondence a number of communications from Cincinnati, from the Joseph Fels Foundation. Mr. Fels was the gentleman who discovered Fels-Naphtha soap, which carried out the scriptural injunction of becoming godly by being cleanly. The soap found a ready sale. He became quite opulent before he passed across the Great Divide. He left a very large fund mostly devoted to a crusade known as the single tax. Converts can always be found when there is a pay roll attached to a fund of that kind, and it is not surprising that a number of eminent gentlemen have become impressed with the solidity of the single-tax principle. They are always visible about any belief that is able to "pay the freight" on the lecture platform. Right now is the opportunity of those distinguished gentlemen who are drawing their daily bread from the Joseph Fels Foundation to urge single tax as their particular method of public defense. So there are letters coming out day after day and week after week about the beauties of the single tax.

"Why," they say, "there is so much unoccupied land. If we are going to raise food, we must cultivate the land. As long as land is held for speculation, either in the city limits or outside, there will be no cultivation; and so the right way to conserve our resources and increase the food supply is to enforce the single tax. Tax the land and then you will drive it into some kind of use."

This is, in brief, the entire backbone of Henry George. It is a principle that was first developed in metropolitan districts. It came from European cities. It came to New York. Its greatest living exponent in America in his lifetime was Henry George. The principle applied to the ground rents and the 999-year leases in New York and Chicago seems to promise relief; so they have found listeners. It will break up, it is claimed, all the concentrated value in the "Loop" in Chicago and in the congested business portions of New York City. It will nationalize the land titles by imposing all of the burdens of taxation upon the land. It is a principle born of the miasma of a great city.

The men who never see daylight except the filtered, bleached-out ray of sunshine in the great canyons of the office buildings, who breathe sewer gas, live on prepared, predigested foods, and do not know what a corn pone tastes like are the men, naturally, that obtain a lopsided, unhealthy view of life, and consequently they embrace the single tax. They do not think the laws of nature have anything to do with people. Everything is artificial with them. They live on the curbstone. They are cliff dwellers in the large office buildings; they travel to and from their homes by artificial vehicles and have so little leg and lung power they could not run half a mile or climb a tree without dropping exhausted, and naturally they forget that old Mother Nature's laws are of eternal operation. It is well to remember that those laws will be in operation after the streets of New York and Chicago are crumbling dust and their mighty trade palaces have been swept to the four corners of the earth by its winds. They forget all that, and they run after these artificial ideas of the single tax, by which they will cure everything; and they have gotten down to the point now where they propose to join with Mr. Hoover and conquer Germany with the single tax.

The single tax is just what we need not only to conserve our present food supply but to produce a great deal more of it, and that is one of the fads that come along as a part of our preparedness program. We have with it more schemes for Government ownership than I ever saw before—Government ownership of steam railways, of traction companies, of street cars, of gas, electric lights, hydroelectric plants, steamship lines, steamboats, manufactured products, everything that can contribute to food, clothing, or shelter for the human family and supply the three great primary wants of our people. All those come along, and I have at different intervals received communications advocating Government ownership of all the various enterprises I have suggested.

Not only these Government ownership plans, but I have from my friends the scheme known as the socialistic state. It has been stated that we are engaged in a great war and we must utilize all our resources, we must be unanimous, our people must not divide, the middleman is a source of weakness, he produces nothing, he adds extortion to the ultimate consumer, he ought to go to something else that is more productive in character. I have heard all that. I have read it all in the correspondence that comes to me. So they argue that the socialistic state is the ideal state of society to put us in a proper war condition.

Then we have up here on the map these inland waterways, and national defense the same way. Everything is masquerading under the plea that it is needed for national defense. All we need to do is to adopt it and we will instantly grow strong and reach the stature of giants, and other nations will walk about under our huge legs and inquire what meat we feed on that we have grown so great, if we just adopt any one of these things.

The singular thing that inspires some doubt in my mind is that each one of the disciples believes in his fad, says that his is the only one that will produce the result, and when I compare notes on the various propaganda presented to me I have made up my mind that some one or all of them must be mistaken. They can not all be right. The situation is enough almost to resurrect Mulberry Sellers. A man can not have fifty-odd kinds of salvation; there is only one kind for him, and then when he finds that kind he does not need any more. The problem for us is to single out that particular salvation. It is not in the river and harbor bill. Running through the river and harbor bill is a sort of undercurrent, every once in a while a sort of claim, that in this condition created in the latter part of the bill, the new section of it by the Senate committee, that all of it is connected with the national defense. The indefensible parts of this bill are no more connected with the national defense than the last doctor bill I paid.

It may all be very remotely connected with the national defense. The healthier I can keep my person and my family the better off we are and the stronger we are and the more taxes I can afford to pay to the Government. Everything of that character is connected with the national defense, but it is so remote and inconsequential that it can not properly be made the subject matter of legislation.

Col. Townsend made a statement before the supporters of the river and harbor bill in 1916 in November, which I shall read. It was to that that I was directing my remarks awhile ago and what I have said is preliminary and introductory to his statement. I first read the following:

> The chief topic under discussion was a plan to obtain Government aid in completing levees between Rock Island and Cairo. This can be done, according to statements made at the meeting, with $4,000,000. It was pointed out that $60,000,000 has been appropriated by the Government for work south of Cairo and a very small amount for the river north of Cairo. It was decided to ask the next session of Congress to appropriate $1,000,000 a year for this work.

This is from the proceedings of the supporters of the river and harbor bill in November, 1916. Against this I now read the statement of Col. Townsend. He says:

Specifically the writer would not abandon any navigable stream in the Mississippi Valley that has been partially improved, but would leave 58 of them in their statu quo, confining operations to snagging and the maintenance of existing works and would concentrate appropriations on opening up a channel of the capacity of that existing on the lower and middle Mississippi to Chicago and Pittsburgh * * *.

If the facilities thus afforded by the Government are utilized, the upper Mississippi and the Missouri Rivers should then receive attention.

Here are some of the tables of the upper Mississippi showing their traffic. For the year 1915 there is a table; amount in tons 1,883,608, of a value of $52,000,000. That embraces everything from brick and brush for the Government, sand and dredging, down to wood and miscellaneous. For instance, in this is 3,186 tons of hay. The average haul on a ton of hay was 4.95 miles, less than 5 miles. Live stock, 39,968 tons. The total average of the haul was 1.4 miles, a very short haul. It shows that the transportation is little. The live-stock freight, an average of 1.4 miles, indicates that there is no general traffic, nothing that opens up the stretches of the river to any considerable length.

Mr. KENYON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Iowa?

Mr. SHERMAN. Certainly.

Mr. KENYON. The traffic the Senator speaks of as being for a mile and a quarter is practically just across the river, is it not?

Mr. SHERMAN. Yes, sir.

Mr. KENYON. They put that in to make a showing of commerce.

Mr. SHERMAN. That, in 1915, included ferriage.

Mr. KENYON. Just as in another case they put in cargoes in freight yards that are transported across one of the rivers to make a good showing in commerce.

Mr. SHERMAN. Yes; such practices are inexcusable. In later tables the ferry traffic, for instance, at one point, I think it is the Ohio River, is half a mile, on an average. All the ferry traffic carried in ferryboats on the different parts of the Ohio is included in the earlier tables. In the later tables the traffic by ferryboats is separated and put in a different tabulation, but this one of 1915 includes all the ferryboat traffic. So it seems to me that the traffic is of that inconsequential kind that does not justify an appropriation of these sums of money. Ferryboats do not need any appropriation. They are run by private enterprise all the way up and down the Mississippi and Ohio Rivers. It is a local travel and a local transportation of freight. Necessarily, unless a ferryboat plies between points where there is a great ebb and flow of trade, their business is confined to nothing more than local travel, with an occasional through travel as it comes along going to some distant point.

The Chief of Engineers in a table which he gives of the season of navigation of 1913, opened March 15 and closed November 30, says:

Deducting from the above table sand and 11,159 tons of ties and wood barged about 10 miles, leaves 24,000 tons of questionable commerce for which the Chief of Engineers gives $1,000,000 in 1915, or over $40 per ton 1913 expense for the waterway, including maintenance and interest on prior expenditures.

I want to quote here what Senator Burton said in March, 1915, in which opposition was made to a like bill by Senator Burton and his colleagues. He said:

You may spend $20,000,000—yes, $30,000,000—on this project, and in spite of that enormous amount the traffic will diminish, because you are facing a condition that no policy of river improvement can reverse—the loss of that class of river traffic and the utilization of other agencies for the carrying of freight. I wish it were not so, * * * but I am tired of "rainbow chasing," and that is what this is. It is much worse than "rainbow chasing"; it is pure, bald, unmitigated waste.

There are other tables, but I do not care to insert them in my remarks, because I want to be as economical of time as I can. We are reminded many times that Congress is delaying everything; that we are consuming a great deal of time talking. I gathered from much reading of the press last night and this morning that the best way to govern this country would be for Congress to pass a general act turning over all governmental functions, other than the Supreme Court possibly, to the President and the editors of the country. That would so simplify these processes. I doubt very much whether Senators can spend more time talking than editors do writing editorials. I would pit the CONGRESSIONAL RECORD against the average editorial columns of the country for composition, for sense, and for general utility on governmental questions.

I would take my chances on being annihilated by offended editors. I know something of their craft; and, really, Mr. President, they breathe the same air and eat the same food and have exactly the same kind of gray matter inside their pericraniums that we do. The only thing is they own a newspaper in which they can be heard every day. You can hear an editor every morning. If some of them only wrote three editorials a year and condensed what they say and meditated much in their closets about what they were going to say, it would improve the editorials mightily, because it is diluted so until, like many other things, it loses its savor.

We are told here that we are wasting a great deal of time. What would we be doing if we were not talking about the river and harbor bill to-day? I just ask all who are present—out of the 96 potential Senators who are here, constructively, and usefully absent, only a few of whom ever stay—what we would be doing if we were not talking about the river and harbor bill.

Mr. KENYON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Iowa?

Mr. SHERMAN. Yes, sir.

Mr. KENYON. Could we not be meditating on the methods of raising more taxes to cover such bills as this?

Mr. SHERMAN. Yes.

Mr. KENYON. Would not that be a good thing?

Mr. SHERMAN. That is a very pertinent inquiry and one that will be very practical before we march much further in the procession of things, because the Secretary of the Treasury has told us that with the new army we must raise he must have five billion more dollars. The five billion must come from some place. It will not drop down from above, but it must be drawn from below, from the visible resources of the taxpayer. We shall have to get into his pocket some way.

While angry gentlemen outside, some of whom are private citizens and some of whom are editors, will to-morrow and in the near future tell us that we are wasting time to-day in talking about the river and harbor bill, I anticipate that about all the river and harbor bill has been yesterday and to-day is a wind shield for the revenue bill. Nobody knows how to write a revenue bill yet, because every time the men begin to touch their toes on the bottom of the financial deeps along comes the department and says "Give us a few more billions, please." It is easy, of course, when we know how much they want, but nobody can tell yet how much we must raise.

I had a letter the other day from a high-class gentleman living in New York City. He said if we prohibitionists went on just a little further we would bankrupt and ruin the country. He said you can not expect people to fight without a little stimulant. The Germans are beer drinkers, and just see how they fight. The moral of it is, get drunk and conquer the world. Somehow it does not produce on me the effect it ought. I believe, all things being equal, if I had to engage in a combat I would rather fight with a drunken man than a sober one. I think when the fire in the furnace went out he would weaken. We are told on all these matters that we are delaying, that it has held up the food bill, that it may hinder in the revenue bill.

If the river and harbor bill had not been before the Senate yesterday and to-day there would have been no revenue bill to consider. What would we have done? All we could have furnished to the country would have been a horrible example of an idle Senate. Or we might talk about a corrupt-practices act. We could regulate people who run for office with a barrel, but after it all is summed up, whether it be the corrupt-practices act or whether it be the revenue act in contemplation here, the revenue act is not out and the other matters are not ones of pressing importance. Reforming the election laws could not be, because there are no elections until 1918 of a national character and the local ones we have nothing to do with.

So this clamor about the delay of Congress fills the public press. Opening my letters, I find the same thing this morning—some from my constituents and some from other States—saying "Quit consuming time in Congress by your eternal talk." The President could telephone the leaders what to do in a few minutes.

If the chairman of the Committee on Finance were here I would be moved to inquire whether he knows to-day just how, if he could write a revenue bill, he would report it in this body for sober deliberation. This is in the last days of July and by the 1st of September we might, if we had the bill out, in the ordinary course of forensic dispute get some kind of legislation if we knew how much we wanted. But if the gentlemen on the Russian front are not fortunate in rallying the broken lines, and the German drive goes on, England will likely ask for from two and a half to three billion dollars more money. We shall conscript more soldiers; we shall levy new taxes; we shall have to make good what has been lost on the Russian front. Nobody can yet tell just how much money we must raise by the revenue bill. It is possible that there will be other commissions from other lands here before the snow flies asking for additional loans. We all hope that on Germany's east front there will be better news, but the hope may be fallacious. It is better for us

in the long run to prepare for the struggle. When the revenue bill comes out on the floor of the Senate, I anticipate all other legislation will stand aside. We shall take it up and we shall prepare ourselves for a reasonable discussion.

On the subject of delay, I wish to comment on the House of Representatives, in which originates all money bills. Anything in the nature of the exercise of a taxing power must come from the House. I am not saying this in a critical mood at all; I am saying it in reply to the statement that the Senate delays legislation. There has not been a solitary piece of legislation come here to the Senate from the House that has not been improved by the deliberations in the Senate. The House hews it in the rough—and sometimes it is tolerably rough—they send it over here; they expect us to modify it, to perfect it. I do not blame them; they have to pass through the alembic of an election every two years. I would not serve in the other House myself—I have not time. I would not be continually engaged in primary fights, for nobody in Illinois ever gets a nomination without a primary fight. It is worse than the election.

The House is disposed to take the easy side of legislation. They send these bills over here with the expectation that the Senate can spend more time on them than they can, because only one-third of us go out every two years; the other two-thirds have some four and some six years to serve, and naturally they can stand in front of an agitation that may look threatening to-day and which a year from now is forgotten in the light of experience. So we in our deliberations here attend to the perfecting of some of the legislation which would never pass the other House in that form if they knew that it would be final and was to go into the statutes of the country. That much we know; that much we have learned to expect, and that much we are doing here in these deliberations.

I have not forgotten even our good President—whom we all revere, though in domestic affairs we criticize him, as we have a right to do, but whom we all respect in his handling of the momentous foreign problems that are now falling to his lot—even he said, as I have quoted here, I think, once before, that the discussions in the Senate and the long deliberations there were a very great benefit in the legislation of the country. In substance, that is found on a page of his book called "The New Freedom," and it recognizes the fact that the Senate is a council of revision. It is what it was intended to be. It may be less of that under the direct election of Senators than it was under the old way. It may be that we think about our constituents, with the direct election, with a little keener understanding than if we were relegated to the legislatures, as in the old days, but it is recognized that the delays in the Senate, such as debating the river and harbor bill, debating the food-control bill, debating revenue bills, are all of them in the nature of a deliberation that promises revision and improvement. Having that in mind, it seems to me, we are following out our legitimate functions here, what our forefathers intended when they created this body.

There are things in this bill that if I were engaged in a filibuster, Mr. President, I would take up in turn—some 400 items, I believe, altogether—and I would be moved to analyze them as they deserve. Some of them are meritorious; some are matters of indifference, involving comparatively small sums, some are ridiculous, and some are contemptible; so small that if it were in private life, without this solemnizing process of legislation, they would remind one of petit larceny, almost, because it is money thrown away without any possible good accomplished and the evil example remains.

There is a place, which has been referred to by the junior Senator from Iowa [Mr. KENYON], where there was not even water enough to promise navigation, where there was a 10-inch depth in a state of nature and a 20-inch depth after improvement; some place where facetiously, in some hearing before the Committee on Commerce or some other place, I have read where the suggestion was made that artesian wells be dug at the source of the river so as to increase the flow of water. Well, that will be improved. There will come a dry year. This year there is a reasonably good rainfall throughout the United States; all of the watersheds are giving up copiously that desired element; but some time a dry season will come along, and we shall have to have a sprinkling cart at some of these rivers to sprinkle the river bed in order to put down the dust when an investigating committee goes out to look at them. Otherwise, it will be very disagreeable.

There are some of these places as to which I am moved to read from an abstract that it seemed to me the statement of what they do ordinarily would be enough, but it is like old John Barleycorn, it survives year after year; "the wrecks of matter, and the crush of worlds," to use the poet's language, have no effect on them; they flourish in immortal youth. They may be down this year, but they will be up next year; and they will always come back. I intend to read now, not from somebody's statement but from the sober hearings before committees of Congress, which is set forth in public documents. I shall read now as to a place known as Toms River, in the neighboring State of New Jersey:

> Toms River is located on one of the principal automobile lines of travel. Suitable depth to the river would increase this traffic owing to the ease with which owners could communicate with their yachts at this point.

If I were inclined to be demagogical——

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER (Mr. KIRBY in the chair). Does the Senator from Illinois yield to the Senator from New Jersey?

Mr. SHERMAN. I do.

Mr. FRELINGHUYSEN. May I ask from what the Senator from Illinois is reading?

Mr. SHERMAN. I will give the Senator the number of the document. It is Document No. 346 of the Sixtieth Congress, first session, and I am reading from page 4 of Engineer Flagler's statement.

Mr. FRELINGHUYSEN. As I understand, that is with reference to the Toms River improvement?

Mr. SHERMAN. Yes, sir.

Again reading from Flagler's testimony in document 388, page 5, which is another hearing, referring to Cold Spring Inlet, he says:

> A good harbor would permit a resumption of the yacht races that were at one time sailed at Cape May and formed the most attractive event of the season.

Nearly a million dollars have been spent there, including what would be spent if the item of this bill should be allowed. Those are two subjects that are worthy of consideration, especially to the men who are not accessible by automobile road to their yachts and those who can not go and put up a friendly wager by way of interest on the yacht races.

Mr. FRELINGHUYSEN. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from New Jersey?

Mr. SHERMAN. Yes, sir.

Mr. FRELINGHUYSEN. I would be perfectly willing that Cold Spring Harbor should be used as an example, provided the statements made by the Senator from Illinois and those made yesterday by the Senator from Iowa were accurate. Cold Spring Harbor is now being used by the United States Government as a harbor to shelter some of its war vessels. At the present time the cruiser *Chicago* is there. The harbor is as large as New York Harbor from the Battery to Twenty-first Street; has a depth of 30 feet; and the channel has a depth of from 18 to 20 feet.

There are there now, I believe, a thousand or more men of the Naval Reserve, and the Government contemplates using that harbor as a submarine base and the shores around it as an aviation station. In addition to that, Mr. Ford has purchased a large tract of land on the opposite side of the harbor for the purpose of building a factory and using the harbor as an avenue of transportation for the manufactured articles to be made in that factory. I think the Senator is somewhat inaccurate when he ridicules the project for the improvement of that harbor as not being an advantageous development for the Government.

Mr. SHERMAN. The Senator says the channel now has a depth of 18 feet. An ocean-going ship draws about 28 feet as a minimum, and may draw more. It will take, then, at least 10 feet additional to make the harbor available. Besides, I am merely reading what some engineer says about it.

Thursday, July 26, 1917.

Mr. SHERMAN. Mr. President, I hope to bring my remarks to a very speedy conclusion. I was making some comments about certain of the improvements upon the New Jersey coast at the time of the recess last night. The junior Senator from New Jersey [Mr. FRELINGHUYSEN] spoke of the Cold Spring Inlet as being a point in which contemplated improvements relating to the public defense were to be made. I had no information of that kind, and it will be in order when the Senator has the floor to explain it in detail. If, as he has stated, it is to be made the base of a submarine station, I would be very glad to withdraw any criticism of this item. He stated that the depth is now 18 feet. It would require a considerable increase of depth to be utilized for that or similar purposes or to permit ocean-going ships to use it as a harbor.

Mr. FRELINGHUYSEN. Mr. President——

Mr. SHERMAN. I yield to the Senator.

Mr. FRELINGHUYSEN. The Senator is referring to the Cold Spring Harbor at the lower end of New Jersey?

Mr. SHERMAN. Yes, sir.

Mr. FRELINGHUYSEN. I understand that the basis of his remarks is a criticism of the depth of the channel at the present time. Repeating what I said yesterday regarding the harbor, I wish to say, in addition, that I find the channel leading into this harbor at present has a depth at high tide of 24 to 28 feet; that it is now being used by the Navy as a base for the cruisers and small boats used by the naval reserves; that they consider this harbor of great advantage at this time to protect Philadelphia; that they are contemplating building an aviation field there, and using this harbor as a submarine base; and that it is available for all cruisers now used in coast defense.

The statement of the Assistant Secretary of the Navy to me this morning was that there are at the present time some 2,000 naval reserves there, and that they consider it of great value as one of the means of defense of Philadelphia and Delaware Bay, because it is essential that the submarines and cruisers defending the coast should be at the mouth of the bay and not within the bay.

I feel that, while possibly in the past the use of this harbor for merchant-marine purposes might be questionable, at this time, when the whole system of naval warfare has changed, when the battleship has been abandoned and the small submarine chaser and the submarine have come into use as an effective means of coast defense, this harbor development at the lower end of New Jersey, the only harbor for 150 miles along the coast, the only harbor between New York Bay and Delaware Bay, is of great value to the Navy and to the defense of that section of the eastern coast. At the present time they are building cantonments and they are considering the location of from five to ten thousand naval reserves and marines in that section.

Mr. BRADY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Idaho?

Mr. SHERMAN. Certainly.

Mr. BRADY. May I ask the Senator from New Jersey if there has been any late report made by the engineers in reference to the harbor he speaks of?

Mr. FRELINGHUYSEN. Within the past three months, and I have a bill pending at the present time appropriating money for the purchase of an aviation field there which the Navy desires very much. Two Senators in this body as a subcommittee of the Naval Affairs Committee have investigated that location, and the Senator from Washington [Mr. POINDEXTER] told me that he considers the harbor to be one of great value.

Mr. SHERMAN. I am glad the Senator has added to the record of what he said on this the information. On page 7, lines 14 to 16, are the items in which this harbor is contained:

> Cold Spring and Absecon Inlets, Absecon and Tuckerton Creeks, and Toms River, N. J.: For maintenance, $35,000.

How much of it will be devoted to increasing the depth of Cold Spring Inlet would be in the discretion of the Board of Engineers. It would, of the $35,000, be possible to expend the whole of it, providing the other points for improvement were entirely deprived of funds. Otherwise the power of appropriating money is vested in the Board of Army Engineers. Whatever could be properly used for deepening the harbor, if it is to be made a place for the public defense, I would not oppose, but how much is to be used is a matter of discretion with the river and harbor engineers.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Utah?

Mr. SHERMAN. Yes, sir.

Mr. SMOOT. Was the Senator from Illinois referring to the Cold Spring Inlet of New Jersey?

Mr. SHERMAN. I was referring to Toms River. I read it in the item, but I have said nothing about it at this time. I did not connect that in any statement I made about the Cold Spring Inlet.

Mr. SMOOT. I think the Senate ought to know what the Cold Spring Inlet is; what it is asking money for; and if Congress appropriates the money, what the result will be. I hope the Senator will give it, for I know that he has the information.

Mr. SHERMAN. If out of this $35,000 any part of it were expended on Toms River, I think it would be a waste of so much of the funds.

Mr. SMOOT. The Senator knows that Col. Flagler stated in Document 388, at page 5:

> It would permit a resumption of the yacht races that were at one time sailed at Cape May and formed the most attractive event of the season.

That is what nearly $1,000,000 was spent for; and the project is again appropriated for in this bill.

Mr. FLETCHER. Mr. President, will the Senator from Illinois allow me to interrupt him?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Florida?

Mr. SHERMAN. Yes, sir.

Mr. FLETCHER. The Toms River is not estimated for, and does not share in the appropriation. The estimate is for Cold Spring and Absecon Inlets, $30,000, and Absecon and Tuckerton Creeks, $5,000, making up the $35,000 estimate. Toms River is not estimated for, and would not share in any of this appropriation at all, unless there would be some accidental filling up or something of that kind, in which case they might apply a dredge for a day or so to open it up, if the engineers found it advisable to do so.

Mr. SMOOT. What I stated referred to the Cold Spring Inlet and not to Toms River, although Toms River is included, as the Senator says, in the appropriation asked for of $35,000 under the provisions of the bill; and if the engineers wanted to spend all of the sum on Toms River, they could spend it on that, or they could spend it on Cold Spring if they so desired.

Mr. FLETCHER. They could not do that because the estimate is for the Absecon Inlet, $30,000. They could not divert that fund to Toms River. As to that inlet the statistics for 1915 show that the value of the tonnage for 1915 was $3,025,105.67.

Mr. SHERMAN. However, when we get the new legislation in this form, the power will be vested in the Board of Engineers in such a way that it will not be controlled by any presentation of evidence before the committee or any recommendations made. The law will be a finality. When it is once enacted by Congress, discretionary power will be vested in the Board of Engineers to use any part of the $35,000 that will be appropriated for the Toms River. Even if it were confined to that, I do not think the Toms River, from any evidence that I can discover, is a proper place for public expenditure. According to Document 346 of the Sixtieth Congress, first session, when a very full report was made on it by Engineer Flagler:

> It is located on one of the principal automobile lines of travel. A suitable depth of river would increase its traffic owing to the ease with which owners could communicate with their yachts at this point.

The commerce in 1914—and that is the basis on which we make this appropriation—was 92 tons. In 1915 it showed an increase to 4,990 tons. As to whether in 1916–17 any increase was shown we have no available figures at this time.

I wish when it comes to the matter of these inland waterways, whether connected in part with tidewater or whether entirely fresh-water inland waterways, to refer to one very large undertaking as a basis for estimating what some of these new projects would be worth. Some years ago a number of enthusiastic gentlemen in the Mississippi Valley conceived that there would be very great benefit if Chicago were joined with the Mississippi River. Surveys were made. The geological deposits were examined, and it was found that a limestone bench that acts as a watershed between the Mississippi River Valley on the west and the Great Lakes could be cut out. The expense was estimated, and so the Illinois and Mississippi Canal was projected. The first appropriations were made at a very early time, away back in August, 1882. Now, it is about 35 years ago since the initial appropriation was made for this project. It lies entirely in my own State.

There is another canal, known as the Illinois and Michigan Canal, that connected the Chicago River with the Illinois River. It was a land-grant concern. This Government made a considerable land grant for the purpose of aiding in the construction of the canal. It began away back in 1848. It had some misfortunes, but finally it was completed. It operated for a time, until steam-road development made it suffer the fate of all other waterways in that section of the country.

So we have two very large object lessons in my own State of the construction of inland waterways. They were both built under as favorable conditions as would be possible on any of the inland waterways. The Illinois and Michigan Canal began in 1848 and followed the development of the country. The Illinois and Mississippi Canal began in 1882 after the country was fully developed.

Those two great enterprises, as they were hoped to be, exist under as favorable conditions as any inland waterways away from tidewater in this country. There is a great agricultural country about them. The five primary food grains of the world find some of their largest areas of production within the carry-

ing area of those canals. The second largest commercial manufacturing and collecting point for merchandise in the Western Hemisphere is found within the same area of those canals. The greatest river in the Western Hemisphere for commercial purposes inland is found in the same area. The tributaries of those rivers are likewise of the same kind. The steam road transportation and the interurban electric lines that can bring freight to favorable points for water shipment are found under the most favorable conditions within the same area.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. SHERMAN. Yes, sir.

Mr. NORRIS. I want to ask the Senator a question. Perhaps he has already stated the answer to it; but my attention was diverted, and I did not hear him. Of what canals is the Senator speaking?

Mr. SHERMAN. I am speaking now of two canals—one known as the Illinois and Michigan Canal, an old canal, which was begun in 1848. The other is known as the Illinois and Mississippi Canal, the first appropriation for which was made in 1882, and it was open, I think, for traffic about 1912 or 1913, along there some time.

Mr. NORRIS. Will the Senator give us the terminii of those two canals? I want to know just where they begin and where they end, how long they are, and how much they have cost.

Mr. SHERMAN. Yes, sir. The Illinois and Michigan Canal begins at the south branch of the Chicago River. The Chicago River is made up of the north and south branches joining a considerable distance west of the Rush Street Bridge. The South Branch ran down and made the point that connected the Illinois and Michigan Canal with the Illinois River. From that point south it extended past the city of Joliet and the Desplaines River, taking its water from the Desplaines River until it reached the Illinois River. This early canal, begun in 1848, was a land-grant canal. There was considerable help given by the Government in the way of a land grant; I am unable to say from memory how much in actual value; but the canal was constructed and still is in partial operation. I am unable to say how much it has cost. I went into that matter with some detail one winter, spending the greater part of the winter in examining it in connection with a legislative investigation, but I can not say offhand now, without referring to the manuscript that I have at home, what the total cost was, but it ran up into some millions of dollars. As my recollection goes now, nearly $20,000,000 were ultimately expended on this canal. There were over $15,000,000 in actual appropriations, and afterwards some income was used.

Mr. NORRIS. What is the length of the canal?

Mr. SHERMAN. That canal is probably 90 to 95 miles long, estimating it roughly.

Mr. NORRIS. Well, with its connection with the river of which the Senator speaks, it connected the Great Lakes with the Mississippi River, did it not?

Mr. SHERMAN. Yes, sir; it connected the Great Lakes, and might have served the traffic that would go by way of Chicago and be diverted south to the Illinois Valley and to the Mississippi.

Mr. NORRIS. Is that the canal that runs parallel with the Rock Island Railroad?

Mr. SHERMAN. Yes, sir.

Mr. NORRIS. What is the tonnage on that canal now?

Mr. SHERMAN. Practically nothing.

Mr. NORRIS. The Government still maintains it?

Mr. SHERMAN. The State maintains it; but the traffic has reached a point where it is negligible. Grains are barged down the river and some up; some merchandise of a seasonal character is carried, but not much. A good deal of crushed rock, materials for cement making, and lime are carried, but, compared with the volume of traffic that goes up and down the Illinois and Mississippi Rivers, it is an infinitesimal part; it is a negligible factor in the freight problem of that section.

Mr. NORRIS. Mr. President, I should like to inquire of the Senator why, in his judgment, it is that this waterway connecting the Great Lakes with the Mississippi River, constructed at such an enormous expense, has not been utilized? What is the reason that there has been no use made of this canal?

Mr. SHERMAN. It is because of the superior facilities offered by the steam roads that cover all species of transportation in every area that could be affected by water transportation.

Mr. NORRIS. It certainly runs through one of the best portions of the United States.

Mr. SHERMAN. Yes, sir; the conditions are admirable.

Mr. NORRIS. It connects some quite large cities also.

Mr. SHERMAN. I know of no other canal, Mr. President, outside of the Erie Canal in New York State and its connections, that has advantages at all comparable to those possessed by these two canals.

The Illinois and Michigan Canal is owned by the State. The State since 1870 has had a railroad and warehouse commission that has controlled all strictly intrastate rates. The only time that we have had any interference is within the last two or three months, when the Interstate Commerce Commission made a ruling that was taken advantage of by the railroads and others acting in behalf of the steam roads, by which the 2-cent fare and, impliedly, all intrastate freights will be raised. The passenger fare was raised from 2 cents a mile to 2.4 cents a mile. Governmental interference with rates here at Washington has had the same effect that it has had in connection with coal.

I think in central and southern Illinois as great a tonnage of soft coal is produced as in any other place in the country, not even excepting Pennsylvania possibly. The bituminous coal goes from that district to all the manufacturing plants in the Mississippi Valley. There are veins of coal in that region that can be very profitably mined. I have seen borings when the prospector first put down a shaft showing a vein 14 feet thick. That was in southern Illinois. Coal found in veins of that thickness, of course, can be very profitably mined. The thicker the vein, of course the less the expense of mining.

Mr. NEW. Mr. President, I should like to ask the Senator from Illinois if it is not true that there is now a project on foot for the State of Illinois to spend something like $20,000,000 in the deepening of the channel of the Illinois River, in order to facilitate the handling of traffic?

Mr. SHERMAN. I will get to that in a moment. I do not desire to take much more time than I can help. I desire to conclude as to the coal question.

The bituminous-coal operators came to Washington and had a conference. They were authorized to fix the price of coal at the mine. The price of domestic coal was fixed, according to a circular I have, at $3.75 a ton. In the same conference they agreed that all the jobbers would be allowed 25 cents a ton for handling. I presume it is generally understood that you and I can not go to any of the principal coal operators in that section of the country, or in any other of which I know, and buy a single carload of coal. The operators do not engage in the retail trade. They sell the output of their mine to jobbers. They limit the commission of the jobber to 25 cents per ton. In Illinois the jobbers turn it over to the coal merchant and the consumer buys from the coal merchant. What he pays above $3.75 a ton, with the 25 cents commission of the jobber added, making $4 a ton, marks the profit made by the coal merchant in selling to him. If the coal costs a man $6.50 a ton, it means that $2.50 will go to the local coal merchant with whom he is in effect compelled to deal.

The Government so far, in dealing with the coal question, has done just what it has done with the railroad question in my State. Every time an order has been made, every time a conference has been held in this Capital, it has resulted in every instance in an advance in the price of the commodity or of the service over that prescribed by local regulations. I presume it looks small to the Government; I presume the Government looks at it in a much larger way; but the result is that the operator and the railway get the benefit of the Government interference. The consumer does not get any benefit out of it; certainly he has not done so up to this time, so far as I can see.

If the food-control bill operates as the efforts named and the pure-food bill of 1906 operated, it will work in just the same way. The pure-food bill did not give us any purer food in my section of the country than we got before under State regulation. All it did was to enable the food manufacturer to put a highly ornamental label on the bottle or the package, which contained printed matter of a highly laudatory character, reciting that the article was manufactured and sent into commerce under the auspices of the pure food and drugs act; but I got more unpalatable food with that fancy label on it after the law was passed in 1906 than I ever did before. At that time my habitat was a lunch counter. I was living then on the curbstone in the larger cities. I spent a good deal of time on the road and I know something about the character of the food that was put out for the consuming public to use under the pure-food act. My doubts about the efficiency of Federal legislation to benefit the ultimate consumer are based upon experience, not upon any mere theoretical argument that might be offered in this Chamber.

The junior Senator from Indiana [Mr. NEW] inquired about our $20,000,000 enterprise. In 1908 we developed the mania,

just like everybody else gets it. Whole communities and countries at times are just like infants emerging from the kindergarten. They are subject to all sorts of epidemics; among the complaints they get—a sort of a governmental mumps and measles and whooping cough—is periodically to take a notion that they can lift themselves over the fence by pulling on their boot straps and become rich by spending their own money.

We had it away back in 1827 in Illinois, when there was a series of internal improvements projected on which we spent $14,000,000, in a State that had only been in the Union nine years, and the debt stayed there for nearly 40 years. The members of the legislature, just as in the case of the food-control bill here when it was up, said, "Oh, it is an internal improvement scheme; we must be for it." I have an old certificate of it yet, finely engraved, with a vessel, full rigged, sailing down through the prairie of Illinois. It looks like an ocean-going sailing vessel in the old days that used to go from the coast of Maine across the ocean or around the Horn. I have that certificate yet. It calls for one share of stock in this improvement association. At no time since it was issued has its value ever changed. Its sole value is as a souvenir and a work of art. As a financial investment it represents nothing except the unfulfilled promises of the promoters.

That has nothing to do with the Illinois-Michigan Canal; but in later years you would think that communities would be immune from fresh attacks. One of the kindly offices that nature performs for us is that after we have a contagious disease ordinarily we are impervious to future attacks; but communities are not that way. In 1908 we had another attack, and we voted a constitutional amendment to spend $20,000,000 to realize the picture on this printed certificate I have described. They had the same epidemic again, because all of those that had paid the bills and indulged in this wild-goose chase of 1827 were dead.

It is one of the discouraging things attached to the human family and the highway of progress that financially and on schemes of that kind we never have any memory or history; and so the disease took us again. Both parties had their conventions and inserted resounding planks in their platforms. I compared one of the planks in the Republican platform with the records of the Illinois Legislature in 1827 and it was exactly the same kind of a complaint that they had. Experience does no good; taxpayers' outcries do no good; they had the same disease again, and it may cost $20,000,000 before they get through with it, unless some of us can head it off.

I have always stated publicly, when I was asked, that I was against it, although both parties—and even the Socialists—indorsed it. I think we have rudimentary vestiges of all the political parties on earth in that country. Everybody indorsed it. I did not say anything against it except when I was asked. Once in a while some hardened miscreant among my friends would ask if I was for the waterway improvement, and I always said "No." I voted against it, and said I intended to vote against it, and I did when I went into the polling places in the precinct where I lived. I never had any apologies for my attitude. I know what those things mean. But it passed, and was just like a good many things I see around this Chamber; it was a nice thing on paper, but statesmen who had practical friends began to write bills, after the amendment was adopted, at the ensuing session of the legislature, to spend the $20,000,000, and immediately various schisms arose. Divers schools of internal improvement began each to pursue his favorite phantoms.

There were the deep-waterway advocates, to which several Members of Congress fell victims. By some sort of a hallucination that I never was able to understand, they thought that a deep waterway was 14 feet deep. Now, where they got the 14 feet, the deponent saith not. I never could find it anywhere on the face of the earth, but it was 14 feet. They said nothing was deep unless it was 14 feet deep. "Well," I said, "if water is 8 feet deep, it is deep enough for me, if I can not swim and I am in it, because I am only a little lacking 6 feet tall." But they got the 14-foot depth started, and there was a school of that kind that went merrily about over the country making the welkin ring with their clamors for a great waterway. I noticed the contractors in the audience always started the applause. Then there were the little-waterway people that said 8 feet was enough, and they were ridiculed universally as a band of unprogressive gentlemen who were conservative to the point of inanition. I was regarded as one of them and a lamentable sample of a statesman who had petrified in his tracks.

We said: "Eight feet is enough, because the Mississippi River is only 8 feet deep, and when you get your commerce going down toward St. Louis, after you get out of the Illinois River Valley, you can not barge anything or run any water craft on the river that draws more than 8 feet." At the chain of rocks below St. Louis there is an 8-foot limit. It has been there ever since 1811, 106 years ago. There was then the New Madrid earthquake. The earthquake tore up the earth considerably in that part of the country, and, among other things, it heaved up the bottom of the Mississippi River and made this projecting chain of rocks that now stands as a barrier to an increased depth until it is blown out. It will take about as much money to blow that out as it will, according to a circular I received from an enthusiastic New York City gentleman, to "blow the hell out of Hell Gate." You remember that came to all your desks. I do not suppose he meant it to be profane. Nevertheless, it sounds that way when it is repeated by a profane historian.

Eight feet was said to be enough. Well, I belong to the latter school, because I thought: "If you are going to have the disease, get it in as mild a form as possible," and I would rather have 8 feet of it than to have 14 feet. So the controversy grew apace. I was over in the State senate at that time. They began to frame bills. I opposed the 14-foot waterway. I have a large set of files in a garret up in my house, containing the maledictions and the resolutions that were passed concerning myself and my friends. I was threatened with destruction. I have been threatened with destruction a great many times in my country, just as I am here. I have been killed so many times I yearn for more annihilation. I would rather be destroyed anyhow than survive as the price of the surrender of my convictions on anything of a local or a national character. I would rather be myself than somebody else. I am responsible for myself, but I am not and do not desire to be responsible for other people. So we revolted, and we beat their legislation.

Twenty million dollars is a considerable price for contractors. I have known people to come to Washington to try to get contracts for less money than that. The contractors were present, and they were, save the unseemly applause mentioned, discreetly neutral. They were willing to take an 8-foot contract or a 14-foot one, just as the powers that prevailed might make it possible to get any kind of a contract. But we beat it all, and suffice it to say it continued defeated until 1915. At that time we decided, on both sides, on a compromise. I left my seat here in this Chamber and went back to the Illinois Legislature on the request of a number of the authorities, and my colleague [Mr. LEWIS] went back. I am only saying this in view of the question asked by the junior Senator from Indiana. We compromised, and decided that instead of spending the whole $20,000,000 we would spend 25 per cent on it, on the idea that with an improvement that could be made with $5,000,000 we could try out the question of whether a waterway of the kind contemplated would be of any commercial value in that country. So it went through, and I stayed for several days and solicited members of the legislature to make the experiment and settle the question as far as a demonstration of this kind could do so; and a bill was finally passed by which the 42-mile strip that makes the intervening link between Chicago and the Mississippi River would be converted into an 8-foot barge channel connecting with the Illinois River that empties into the Mississippi at a point called Grafton. That would reach all of the traffic in the Mississippi River from that point to the Gulf.

Of course we had to get the permisssion of the War Department. I adverted to that here yesterday. Gen. Black and a number of distinguished river engineers who possess great wisdom sat in solemn conference. We appeared before them. I think our efforts were futile, from the findings they made at last; but the river engineers possess all sorts of information. First, I think they are abnormally impressed with the gravity of their own titles.

Most of them are colonels, to say the least; many of them are brigadier generals or worse; and they have a long roll of illustrious military titles that, I think, somewhat impair their efficiency, because I fear they contemplate the titles they bear in such a way that they forget that grass grows and water runs on earth just like it used to before they received such honors. I am not greatly impressed myself with the knowledge of many of these gentlemen who are on river engineer boards merely because they have the titles and are called engineers.

The word "engineer" has a fearsome sound to a man who does not know anything about it. You are apt to lose your self-possession when you are in front of them; but I can take old river captains, men who have haunted the Mississippi River and Illinois River bottoms every since they can remember, who can tell me more about the movement, the uses, and the value of these inland waterways than all the distinguished generals and colonels that ever got on the pay roll in this Capital.

I did not expect ever to get their consent when the delegation landed from the western country. St. Louis was quite anxious for it to be done. She is interested in it just as much as Chi-

cago; so we went before the board and presented the reasons at least all of one day. It did no good. It reminded me of Dickens's circumlocution office before we got through. One engineer passed it to another one; that engineer passed it to the Chief Engineer; the Chief Engineer passed it to the Secretary of War; the Secretary of War referred it to the legal counsel of the department to find what the Constitution permitted, or, if that document had a thing to do with it that we ought to consult it. Some even talked about the constitutionality of allowing such a thing as permitting a State to spend its own money on a waterway when all the moldy precedents showed it ought to try to spend the Government's money; and so, before it reached a conclusion, the merits of the proposition were quite lost. It was finally denied.

I said here the other day that probably it was such a novel question that was presented to the board that they have not yet gathered their faculties. They never heard of anybody that wanted to spend his own money before. They were always used to seeing a delegation come down here and demand money from the Government, so when we told them that we wanted simply leave to spend our own money, then they had a sort of dumb, inactive, stolid look, like we were speaking to them in strange tongues, just like a hod carrier at the Tower of Babel, I suppose. He got so mixed he could not carry mortar in the confusion of tongues that fell upon him.

That was the end of our application. The generals denied us. "Why," they said, "take this 42-mile link, and it will control a vast trade, a great volume of commerce, and be controlled by the State; and they might, standing at this gateway, put the rates so high that it would be a great burden upon the traffic of that country." Then I wrote an amendment here providing that it should be placed under the Interstate Commerce Commission to fix the rates on this waterway as they saw fit. I heard no more of the argument, but it did not reverse the order they had made. They next heard from Canada and discovered fresh doubts of a most distressing character. So they denied us the right to spend the $5,000,000 taken from our own taxpayers in order to open up the last remaining link that lies between Chicago and the Mississippi River and the Gulf traffic.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. SHERMAN. Yes, sir.

Mr. NORRIS. What connection has the canal the Senator is speaking of now with the one he was describing a while ago? Is it the same canal?

Mr. SHERMAN. Yes, sir; the old Illinois and Michigan Canal, together with the Sanitary District Channel.

Mr. NORRIS. The object of spending $20,000,000 was to deepen that old canal, already in existence?

Mr. SHERMAN. Yes, sir; and to deepen certain parts of the Illinois River.

Mr. NORRIS. The outlet is not the same as that of the old canal, is it? Does it not go into the Mississippi River at a different place?

Mr. SHERMAN. The Sanitary District Channel?

Mr. NORRIS. No; this canal of which the Senator was speaking.

Mr. SHERMAN. Oh, no. It runs in the same general direction, but it is not altogether the same right of way.

Mr. NORRIS. Was it contemplated to abandon the old canal, then?

Mr. SHERMAN. Most of it. The idea was to use some parts of it, but to abandon the rest. All the parts that lie between Joliet and Chicago would have been abandoned, because the Sanitary District Channel is a sufficient body of water for that purpose. The old canal below Joliet would have been partly abandoned.

Mr. NORRIS. What was its depth?

Mr. SHERMAN. Its depth was all the way from 4 to 7 feet originally. At some places, of course, it was deeper than others. It has filled up of late years. It has been practically useless for traffic for a good many years. There was no traffic on it that would make it worth while, and it fell into decay for a long time. The greater part of it, from Joliet south, would not have been used. Here and there there was a section of it that could be used on the plans that were presented to me. The part from Joliet into Chicago, some 30 or 35 miles, would not have been used at all.

Mr. NORRIS. I should like to ask the Senator at the time this other canal was originally built were there great promises made or great expectations held by the people, for instance, in Iowa? The original canal reached the Iowa line, did it not?

Mr. SHERMAN. Not the Illinois-Michigan Canal. This last one did. The one appropriated for in 1882 reached to the Mississippi River.

Mr. NORRIS. That is the one I referred to. That reached the Mississippi River?

Mr. SHERMAN. Yes, sir.

Mr. NORRIS. The theory was that all the produce from Iowa would have an outlet to go to the Gulf and to the Lakes through this canal?

Mr. SHERMAN. That was the claim which was presented in a great variety of methods.

Mr. NORRIS. What were the results?

Mr. SHERMAN. I will get to them in a very short time. I wish to finish this $20,000,000 John Law bubble before I leave it. We were denied the right to spend the $5,000,000. So the matter rested there and we never spent anything. We could not spend the $20,000,000 without the consent of the War Department. I very briefly sketched one argument the other evening. They denied us the right, among other things, because we would draw more water from Lake Michigan. That was wholly an erroneous statement. It would require no more water from Lake Michigan than we are drawing at the present time, coming down from the sanitary district channel. I do not want to repeat, but all the way from Quebec to the upper Lake region the cities, including some objections, even at Milwaukee and all along the lower region of the North, complained that it would impair the lake level. This was wholly an erroneous charge, because the same water going through there now would be available, and not a gallon more for making this 42-foot channel is available.

Mr. NORRIS. Was any other reason given for denying this?

Mr. SHERMAN. No; that is all that I heard. The real reason was none of what I have given. If in the bill we had said that the Government board of river engineers could spend this $5,000,000 there would have been no objection. That is the real reason. They do not propose for anybody to spend the money on any waterway unless it has the thumb print of their approval. That is what is the matter.

This 42-mile link, if filled in, would settle the question of whether there is any value in that kind of traffic and would leave $15,000,000 unexpended. Five million dollars, it is estimated by the engineers, is ample to complete this link, and if it was a failure it would save the other $15,000,000.

I now come to the Illinois and Mississippi Rivers as a canal project and the inquiry of the Senator from Nebraska [Mr. NORRIS]. This began with an appropriation August 2, 1882, of $30,000 for a preliminary survey. There had been considerable agitation before that, resulting in enough support to put the $30,000 appropriation through here. August 5, 1886, another appropriation of $15,000 was made for an examination. They had a survey, and after the survey they wanted an examination.

Mr. NORRIS. Before the Senator starts in on that I wish to ask him if that is what is ordinarily known as the Hennepin Canal?

Mr. SHERMAN. Yes, sir.

Mr. NORRIS. Why was it called Hennepin Canal?

Mr. SHERMAN. There is a city on the Illinois River called Hennepin, named after old Father Hennepin, who was a contemporary of La Salle and Joliet and Father Marquette. Two of these at least were Catholic priests of great renown in their times, who entered upon mission work among the Indians of the northwest tribes and have a most commendable record of pious sacrifice and a great literature in the history of that time.

You find quite an interesting account in Parkman's History of the Northwest. Father Hennepin was one of the early priests and the name is taken from him. Joliet, Ill., is named after one of those early explorers. Louis Joliet was a Frenchman, a blacksmith of Quebec, who came south with the trail finders in those days. The rest of it is a part of the history of the country and has no place here. But so it is called the Hennepin Canal from the city of Hennepin, which is the eastern terminus of this canal where it reaches the Illinois River.

Here is the amount of money that is put in to the 30th day of June, 1916. There was $7,657,803.46 expended in this enterprise. It is not as expensive as the $20,000,000 project for the deep waterway whatever it may mean, 14 feet or 8 feet. It is not so expensive, but it has cost the Government in the vicinity of $8,000,000 now.

Here are some of the results. I wish to preface before I take up the results by saying that for a good many years I fought the appropriation for the old Illinois and Michigan Canal. It had reached that degree of semirespectability that for a long time its pay roll was greater than its income. For many years it survived solely on the pay roll. It had engineers with titles that would have staggered a Russian duke. They had janitors in uniform. They looked as gorgeous and haughty as the elevator man in a high-class apartment house here in Washington. That is where I got my primary baptism in trying to destroy useless pay rolls, beginning over 20 years ago. In my innocence I saw the

pay roll ranged alongside of the income, and I made up my mind that it was like a lot of Government concerns here in this bill, that there was more appropriation than there was income or value, and I attacked it. The fight lasted for 11 years, and finally we put the decrepit, old bankrupt concern out of business. There was mourning on the pay roll and rejoicing among the taxpayers. Our State supreme court gave it a final blow in a case we took up and tranquillity settled on its remains.

That is all the matter with this bill. If it were not for the jobs of river engineers, for contractors who swarm here in this Capitol, everyone of them for the bill; if it were not for the local influences that sell supplies to the contractors and to have men on the pay roll this thing would lose its savor and would be like any other rank, decayed, useless sort of a Government job. It would die of its own putrescence. There is some virtue in here. It is like a man who puts apples in cold storage. He would sort out all of the rotten apples before he saved any of the good ones for the barrel. Here you are trying to save the rotten ones along with the good. It infects the whole barrel. That is what is the matter with this bill. I go back to the old spelling book. It is the case of dog Tray. He had his complexion spoiled because he was caught in bad company, not because he was not a virtuous dog.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Utah?

Mr. SHERMAN. Yes, sir.

Mr. KING. I stepped out of the Chamber for a moment. Is the Senator alluding now to the Hennepin Canal?

Mr. SHERMAN. The Hennepin. That is in my own State.

Mr. KING. Is there any appropriation in this bill for that defunct concern?

Mr. SHERMAN. No; I am using that as a horrible example.

Mr. KING. Was there any benefit whatever to the State or the Government from that $8,000,000 appropriation?

Mr. SHERMAN. I say not. I will answer candidly, and I expect to receive the fervid malediction of every fisherman and everybody who sails an ocean-going gasoline launch along that neck of water. I say that I think it is of no value whatever to the general commerce of the country. Nearly $8,000,000 of Government money has been stowed away.

Mr. NELSON. Is the Senator referring to what we call the Hennepin Canal?

Mr. SHERMAN. Yes, sir; that is the guilty party. It is possible when I came to the Senate Chamber and was sworn I was an unfit juror to sit in a case of this kind. I had seen so much of it that I had my mind made up. I think the greatest delusion there is in this country that manifests itself among otherwise sane people is this notion that we can resurrect the country by a great system of engineering waterways for connecting links between large bodies of inland water or where there are tidewater improvements. There is nothing worthy of the name outside of a few of the larger rivers.

I do not want to say anything about the Missouri River. What is the use of saying anything about it? The item will stay in. I was raised in the great Mississippi River country. My earliest recollection of the Missouri River is that it is more temperamental than a woman. It is never of one mind for more than 24 hours. To-day there will be a channel 20 feet deep some place on the Missouri River, and to-morrow morning there will be a sand bar there, with snipes on it. Still, we are going to put $20,000,000 in that river. If we spent it on the Mississippi River flood control and its tributaries, it would have some permanent result.

Mr. KING. Would it be inappropriate to say that that is a species of sniping against the Government at this particular junction?

Mr. SHERMAN. No; it would not; it is a very vicious piece of financial sniping that in the aggregate is like the many drops that make a flood. After a while there will be a flood of appropriation and a stupendous revenue bill, and taxes galore. It will in due time reach the taxpayer, and then there will be a ground swell.

I am reminded about taxpaying. I believe the junior Senator from Utah is thinking along the same line I am. I remember that some day the taxes must be paid. This Government never repudiated any of its obligations. Some day the taxpayer will be asked to contribute. The day of reckoning will come then. I have seen that several times in a smaller area, and I know just what an aroused, indignant, and vociferous taxpayer can do.

I remember of reading what to me is one of the most interesting of all histories of Motley, that History of the Netherlands, the low countries, and I recall from the question asked by the Senator from Utah a single statement made by Motley. Philip of Spain, he said, made one great mistake with the Dutch. He said that the Duke of Alva and his minions had burned at the stake, had buried alive, had confined in dungeons, had beheaded and shot and starved and persecuted and exiled the Netherlanders and they bore it, fighting, it is true, but they bore those brutal oppressions. At last, however, he taxed them every tenth penny of their income, and then the Dutchman rose in his might and it ended in the independence of the Netherlands and the defeat of the then greatest military power in the world. It was at the end of a taxpayers' fight.

If Charles I had had any sense of this innate objection among a free people, he could have saved his head. Nobody revolted at his spending money as long as he kept inside of grants from the Commons or the Crown incomes, but when he tried to collect ship money it invaded the powers of the House of Commons in levying taxes and he encountered difficulty because the Englishmen, from whom we inherit much of our habits of thought and our governmental instinct, would not permit a King to levy taxes. They suggested economy to the King at one time, sent him a message, a memorial. He paid no attention to it. He said it was a Crown prerogative to levy taxes. That is the last statement he ever made of that kind. The battle of Naseby and Chalgrove Field came. Some of the commonwealth troops were killed. The commonwealth indicted him for murder, and in an old book published that I have, dated in 1661, there are the affidavits of the officers and soldiers of the commonwealth forces in which they deposed in a written statement that they were at the battle of Naseby and saw after the discharge of firearms some of the commonwealth troops lying dead on the field, and they verily believed they died at the hands of Charles's soldiers.

In the indictment, the process, all in the old black letter and in the literature of that time, are found the same forms we follow in our indictments yet, our capias and our mittimus. Everything that is issued down to this day is like the writs used in substance in that struggle. That grew out of the taxpayer's fight.

This is a taxpayer's fight. I am willing to take a long-distance chance on it. If the good can not be segregated from the bad, as long as I am a Member of this body I intend to oppose river and harbor bills.

Now I refer to the original provocation, the Illinois and Mississippi Canal.

Mr. HALE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Maine?

Mr. SHERMAN. I yield.

Mr. HALE. I should like to ask the Senator a question. Yesterday in the debate the Senator stated that "the river and harbor bill is no more connected with the national defense than my last doctor's bill." I think the Senator did not understand all of the items in the bill when he made that statement.

Mr. SHERMAN. I made it with due deliberation, with malice aforethought, as the lawyers say.

Mr. HALE. On page 2 of the bill there is a provision for completing the improvement of Portland Harbor and providing for an appropriation of $300,000 for that purpose. Portland is the natural harbor for Canada. It is the nearest seaport to Montreal. It is 400 miles nearer than Halifax and about 160 miles nearer than St. John, the two great Canadian ports. The Grand Trunk Railroad has its terminal at Portland.

Portland is also the terminal of some of our American railroads. A great many of the munitions of war that have been sent abroad from Canada have been sent through the port of Portland. The harbor is one of the best in the country, but it is not deep enough to accommodate all the vessels that the Canadians have. The depth now is 30 feet. The appropriation will provide for deepening the harbor to 35 feet and for blowing up the rocks in the channel. If this appropriation goes through and these improvements are made, the harbor will be able to accommodate all the Canadian ships that could use it. During the last year we have had six or eight big Canadian ships that have come to Portland, which have loaded there, and have had to go out partially loaded or to wait for high tide in order to get off. It has caused a great deal of trouble and a great deal of confusion.

The provision in this bill was recommended by the Board of Engineers; it went into the bill as an emergency war appropriation. I have here a letter from the British ambassador stating that if the improvements were made the Canadian Government would be glad to make use of them. I will read the letter:

BRITISH EMBASSY,
Washington, May 14, 1917.

The Hon. FREDERICK HALE.

DEAR MR. SENATOR: I have informed the Canadian Government of the provision in the House river and harbor bill relative to improved facilities for Portland Harbor. The Governor General informs me that

the Canadian Government would be glad to make use of the facilities recommended by the Board of Engineers of the War Department during the continuance of the war, and that these facilities will be of great service during the time of navigation in the St. Lawrence being closed. They would be of great importance for the successful prosecution of the war.

Yours, sincerely, CECIL SPRING-RICE.

So I say that this is a piece of emergency legislation that will be of direct benefit to our allies in this war. I object to having this piece of legislation put in the same category as some of which the Senator has spoken.

Mr. SHERMAN. Mr. President, then I object to a meritorious proposition of this kind being caught in such company. I never saw among natural beings a respectable gentleman who was caught reposing among loafers and tramps. The trouble is a few meritorious propositions—take that for one, and I shall not controvert it in the face of what the Senator from Maine says—but it is caught among a lot of legislative panhandlers. It is strange that that could not have been included in some of these other bills. Of course we were not then at war, but there is a 30-foot depth there now, and this ought to have been done before. No doubt if the good people of the locality had been listened to, it would have been done long ago. I do not, however, want to enter on that phase of it.

The trouble is we must prepare now not only the harbors but everything else, even down to our Army rifles. We must depend on foreign nations to get army rifles to put into the hands of our soldiers. The Government does not have them. They have been made by munition manufacturers of our own country for other countries, but we have not got our own Army equipped with them.

Mr. KING. Mr. President, will the Senator from Illinois yield to me?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Utah?

Mr. SHERMAN. Yes, sir.

Mr. KING. Apropos of the suggestion just made by the Senator from Maine [Mr. HALE], if the Senator from Illinois will pardon me, I desire to say that if the only ground upon which this appropriation can be defended is a letter from the British ambassador, notwithstanding the English are our allies in this contest, I should not feel like voting for the measure. It seems to me that it is an impertinence on the part of the British ambassador to intrude into this matter, although he is our ally.

Mr. KNOX. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Pennsylvania?

Mr. SHERMAN. I yield.

Mr. KNOX. I think the Senator from Utah [Mr. KING] has, without proper consideration, used the expression of "impertinent" as applicable to this communication. As I gathered the sense of it, it only indicates that the Canadian Government would be glad to avail itself of the facilities of Portland Harbor if the channel were deep enough so that it could do so to advantage. I rather think the Senator from Utah should withdraw the observation, because the suggestion is useful as bearing upon the advisability of making an appropriation for that purpose.

Mr. HALE and Mr. KING addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Maine?

Mr. SHERMAN. Yes, sir.

Mr. HALE. I should like to state the circumstances under which the British ambassador wrote me this letter. This proposition was recommended by the Board of Engineers, but it would not have gone into the river and harbor bill unless it came under the head of emergency war legislation. When I was informed of that I took the matter up with the Board of Engineers, and they told me that they could not call it emergency war legislation unless it were in some way shown that it would help the British Government in the prosecution of the war. I then went to the British ambassador. I explained the circumstances of the matter to him, and asked that he take it up with his Government, and if they found that it was warranted that he would write me a letter stating that it would be beneficial to them if that provision of this bill went through. I see nothing in the letter which in any way reflects on the conduct of the British ambassador.

Mr. KNOX. Then as I understand, Mr. President, the letter from the British ambassador was invited by a Member of this Chamber?

Mr. HALE. The letter from the British ambassador was invited by me, sir.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Utah?

Mr. SHERMAN. I yield.

Mr. KING. It seems to me, if the British ambassador desires that there shall be some improvement in our harbors which will be advantageous to the Canadian vessels who seek them, that the appropriate method would have been for him to communicate that information to us through the State Department; and if the State Department felt that it was proper, by that department it could have been communicated to the War Department, and through the appropriate channel and in the appropriate way have reached the Senate of the United States.

Mr. HALE. The letter from the British ambassador was written to me and presented to the State Department before it could be in any way used, and the State Department consented to the use of the letter.

Mr. SHERMAN. Mr. President, this is not the first time that communications have come in this way. Of course, the Senator from Utah [Mr. KING] is familiar, being a member of the majority party, as I am a member of the minority party, about Lord Sackville West, who one time wrote a letter, which followed just the same channel as this does, and he was recalled by the British Government for that.

Mr. McCUMBER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from North Dakota?

Mr. SHERMAN. I yield.

Mr. McCUMBER. I think, in justice, the Senator from Illinois ought to recognize the tone of the letter. There is no suggestion whatever from the British ambassador as to whether or not this ought to be done. In answer to a question, the British ambassador simply says that he had written to the Canadian Government and had received the information that they would use the harbor, if it was improved, and they could use it to advantage. I can not see any impropriety or any impertinence in responding to a letter of that character from a Senator, asking merely for information as to whether the harbor could be used, and simply giving information as to what he ascertained, namely, that they would take advantage of it.

Mr. SHERMAN. That is possibly so, but we will waive that question. We have grown so accustomed to obtaining our directions from London that the mere fact of having a letter or two sent here suggesting what we must do will not make much difference; it will not make matters any worse. So we had just as well take it as being a direct invitation to accept that view of it, and vote the supplies accordingly. We shall be drinking ale and be wearing tweeds by the time frost comes; we shall be dropping our "h's," reading the London Times, and speaking about "dear old Lunnon," and wishing we could see such a fog as we used to have there. We have the complaint; we must, I suppose, pass through it; we are used to having it on the Atlantic seaboard, where people go across the ocean a good deal oftener than they go across their own continent; there is some excuse for that locality but I do not want the disease to spread farther west, for it may not be curable. I do not believe in Anglophobia nor do I yet believe in amalgamating ourselves with the British Empire. I have a different sort of inheritance in this country. I am willing to fight with them as an ally but I am not willing to take their advice on domestic affairs. That is where I think they are guilty of some impropriety. I am willing for them to take our money, but I am not willing to take their advice. So let us call it even in that way. I regard the letter as an improper communication to this body. Congress has, however, so invited humiliation and abdicated its powers as to excuse a diplomatist unfamiliar with our domestic affairs for such a letter. I have never known Congress fallen to such a dependent level as now. Independent action or originality of thought has quite disappeared. I am willing for England to spend the money she borrows from us, but do not take kindly to telling us how to spend our own.

Mr. FLETCHER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Florida?

Mr. SHERMAN. Yes, sir.

Mr. FLETCHER. I suggest to the Senator that aside from every other consideration and every species of counsel and advice, this is a most important harbor, and it is essential that its facilities be increased to accommodate the foreign trade that is passing through it. It ought to be made available for the largest ships. The project was adopted years ago; a depth of 30 feet was provided, and now there is need for a depth of 35 feet in order to accommodate the foreign trade.

To give an idea of the commerce through this harbor, I will say to the Senator that for the year 1915 it amounted to 2,990,076 tons, valued at $145,884,000. That commerce is increasing very largely, and would increase enormously if the additional depth could be provided. It is very important to

open that port for the commerce that is intended to be cared for at Portland. It is recommended by the department on its merits. Independent of whether any railroad or anybody else is interested, this whole country is interested, because it is an important port and an enormous foreign trade passes through it, which will be greatly facilitated by increasing the depth 5 feet. The appropriation of $300,000 will do that, and it is estimated that after the improvement is made the annual maintenance charge will be $1,000.

Mr. HALE. Mr. President, I should like to make a further statement, if the Senator will permit me?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Maine?

Mr. SHERMAN. I yield.

Mr. HALE. There has always been a great deal of jealousy between Portland and the Canadian ports. The Canadian ports have not wanted Portland to get this business, and the Canadian Government has heretofore backed them up. It is only in this time of stress, when the Canadian ports are so crowded that it is necessary to have some place to send their ships from that they have favored this improvement, which is against their ordinary interest.

Mr. SHERMAN. Let it be granted that there is merit in this item for deepening the harbor and for the improvements that are contemplated by the $300,000 expenditure, then why not put it in a separate bill and let it go through on its merits? Where these matters are recommended by the War Department or recommended by the British ambassador or by any other governmental authority, why not put them in a separate bill and pass or defeat them on their merits? It is brought in, however, under such suspicious conditions as to arouse a spirit of criticism. If it possesses merit—and for the purposes of what I have to say I am willing to concede that the Senator from Maine is correct—why not let it stand on its own merits? Why hook it up with these dubious enterprises, some of which are admitted to be without excuse, many of which are ancient friends known to Senators long before I reached this Chamber as utterly without merit and which have become mere jests?

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

Mr. SHERMAN. Yes, sir.

Mr. FLETCHER. The Senator says that some of the items in this bill are admitted to be without excuse. I would be very glad if the Senator would specify who makes any such admission and would indicate to what items he refers, because I do not know of any such items.

Mr. SHERMAN. Very well. I will get to them. I shall be glad to do so on some of these items, although time does not admit of going into detail. The junior Senator from Iowa [Mr. KENYON] gave a series of projects in this bill that are a travesty on public improvements. Why repeat them? They have been repeatedly pointed out by Representative FREAR, of Wisconsin, too.

To recur to the Illinois-Mississippi Canal, I wish to complete my comments on it. With the expenditure of a total of $7,600,000 and more, let us see what the commercial statistics are for 1915 on that waterway. I might make criticism in detail of matters away from home, for there is an abundance of material, but I would be accused, perhaps justly, of ignoring the mote in my own eye when there was such an enterprise as this in my own State. So I begin my ministrations at home. Here is the traffic statement for the canal for the calendar year 1915. It shows a total of commercial traffic of 11,279 tons for the entire year, and a Government traffic of 20,997 tons, making a total of 32,276 tons. Total ton-miles amounted to 1,055,952.

Here are the articles: Of grain there was transported east a total of 6,829 tons and west 440 tons, a total of 7,269 tons.

In a single box car of average capacity 20 tons are carried. Forty thousand pounds is not out of the way at all. The amount carried usually exceeds that, but I take the smaller figure of 20 tons for a single box car. The 7,269 tons of grain carried over that canal could have been transported in 360 box cars. That number would have carried all of the grain; and remember, too, that this waterway runs through the greatest grain-collecting point and the center of the greatest producing area for food grain in the world. This $7,600,000 canal has been open for several years for traffic, and see what has developed!

Of rock 60 tons were carried, and all of it on Government account. Of lumber there were 2 tons carried east and 20 tons west. That is how we are getting lumber to the interior cities of Illinois—a total of 22 tons.

I come now to the figures as to coal. Of the millions of tons of coal that are taken out of Illinois mines every calendar year, there were transported on this Government waterway 28 tons east and 194 tons west. I burn more coal at home in the furnace in my house than goes east on this $7,600,000 Government enterprise.

Mr. FLETCHER. Mr. President——

Mr. SHERMAN. I yield.

Mr. FLETCHER. Can the Senator advise me in what part of the bill this enterprise is taken care of?

Mr. SHERMAN. There is nothing now in the bill relating to it. I anticipated that question. I said that I was citing this as a "horrible example" of such schemes as are contained in the present bill. This is one of the dead; some of the quick are already in this bill and will be there for some time. They have been there ever since I have been here—four years. I recognize many old friends every time this bill comes up. They are constant mendicants knocking at the Senatorial door, at the committee and elsewhere, seeking at all times waterway alms, and they are getting them. The project I am speaking of is one of them. It is one that is certainly embalmed, encased, put away in the mausoleum of Government enterprises—a melancholy instance of crimes committed in the name of waterway improvement!

Now I wish to turn to another volume concerning this same enterprise. I have been reading from Part II of the report of the United States Engineers. I now turn to Part I, on page 1102, wherein are found some further statistics concerning this subject. These are most illuminating, Mr. President. They show how progressive waterways are. The only progressive thing about them in their lifetime is the constantly increasing appropriations. The only progressive thing about them after they are done and wrapped away for the ages is the constantly decreasing volume of traffic. They work in an inverse ratio, according to the square of the diameter of the pork barrel, if we may go back to our old mathematical lessons.

In 1913 the total value of the traffic on the Hennepin Canal was $83,595. In 1914 it fell to $80,568. It lost instead of gained. In 1915 it rose to $96,828 worth. This included all of the Government business. If I take the commercial business alone, in 1913 it hauled a total of 11,856 tons; in 1914, 12,222 tons; and in 1915 it fell lower than it ever had in the three years—11,279 tons, lower than it was in 1913.

If you take away the sand and brush and rock and silt and material that the Government hauls over the canal, there is not enough profit on the commercial business on the canal to pay for the axle grease that works the locks in it. If the Senators can extract any information or consolation from this type of a great Government inland waterway improvement, so as to justify some of the items in this bill, they are perfectly welcome to do so.

I have said all that time will permit about these two home enterprises, I should like to take more time, because there are many illuminating details.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. SHERMAN. I yield.

Mr. NORRIS. Before the Senator leaves those two canals, from what place on Lake Michigan do they start?

Mr. SHERMAN. Certainly the Senator asked for that and I am glad to give it. The Illinois and Michigan Canal starts at the Chicago River.

Mr. NORRIS. Where does the other one start?

Mr. SHERMAN. The other one begins at a point on the Rock River, which empties in the Mississippi River below Rock Island, Ill., and runs west until it reaches the Illinois River at the city of Hennepin, and from the Illinois River it passes up through what is operated as the old Illinois and Michigan Canal and the Chicago Drainage District Channel, until it reaches the Chicago River, and the Chicago River reaches Lake Michigan.

Mr. NORRIS. The point I wanted to get at is this: There is only one of them that reaches Lake Michigan?

Mr. SHERMAN. Only one of them.

Mr. NORRIS. They are connected?

Mr. SHERMAN. Yes, sir.

Mr. NORRIS. So that in reality they constitute one canal, do they not?

Mr. SHERMAN. They constitute one canal, and this 42-mile link that we intended, if permitted by the War Department, to open with the $5,000,000 appropriation, would have served both purposes. It would have served to connect Chicago directly, through the Hennepin Canal, with the Mississippi River by way of the Rock River, which discharges into the Mississippi River below Rock Island, and also would have opened the Illinois Valley and down through that valley into the Mississippi River, and so would have reached the lower Mississippi stretch in that way.

Mr. NORRIS. If that were done, would it be practicable? Would there be any traffic coming from the West? What route would traffic going from the West, toward the Gulf, take?

Mr. SHERMAN. If taking a water-borne way, it would go down the Mississippi River.

Mr. NORRIS. Oh, yes. That would not use the canal at all?

Mr. SHERMAN. It would not necessarily, any of it, west of the Mississippi River, reach either of these canals at all; but if it were eastbound, and seeking to reach any of the interior cities east of that or Chicago——

Mr. NORRIS. Or any lake port.

Mr. SHERMAN. Or any lake port, it would use one or both. It might use either, according to the convenience of access.

Mr. NORRIS. If it went first down the Mississippi River, it would be a roundabout way, would it not?

Mr. SHERMAN. Somewhat.

Mr. NORRIS. The direct route would be to come straight across the old canal?

Mr. SHERMAN. Yes, sir. All of the northwestern business that would be eastbound toward Chicago or way points would use this canal.

Mr. NORRIS. Yes.

Mr. SHERMAN. I will say to the Senator that that was the argument that was used for this great expenditure of money—that it would furnish a highway for a large part of the merchandise, especially the food grains, coming from the Northwest, that reached Chicago; that it would be a competitive line with the railways, and would help regulate rates.

Mr. NORRIS. Of course that is the argument used for the development of all these rivers; but does the Senator know of any other case in the United States where that argument is so well grounded? I mean, is there any other instance where any canal runs through a country so productive, so well settled, and so well developed in an agricultural manner and in manufacturing?

Mr. SHERMAN. I know of none except the Erie Canal that would at all compare with it. The Erie Canal has cost New York State, as I remember—I say this subject to correction, because I am only giving general recollection—over $100,000,000. It is an open waterway at this time, and I believe there is a considerable traffic, as it practically connects New York City with the Great Lakes traffic. Whether it pays or not, and what effect its operations have on freight rates, is a story by itself. There is a very large literature on that subject. Whether it has paid or not is another question, although New York State has recently spent a very large sum of money in the improvement of the canal in the hope that it will recover some of its former prestige and at last be a material link in the transportation system of that country.

Mr. RANSDELL. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON of California in the chair). Does the Senator from Illinois yield to the Senator from Louisiana?

Mr. SHERMAN. Yes, sir.

Mr. RANSDELL. I wish to ask the Senator what kind of connection there is between the eastern end of the Hennepin Canal and the city of Chicago? Is it not a fact that when boats get to the eastern end of the Hennepin Canal they are practically impeded and can not go on any farther toward Chicago? There is no real waterway between the point where the Hennepin Canal leaves the Illinois River in its westward course and the city of Chicago. Is not that true?

Mr. SHERMAN. It has some effect on the traffic passing through this canal; there is no doubt of it. This 42-mile stretch that we hoped to improve would have removed that obstacle, but we were not permitted by the War Department to make this improvement. If that had been put in, then the Hennepin Canal would have had the benefit of this improvement in reaching Chicago.

Mr. RANSDELL. I was just asking the Senator whether it is not very probable that there would be considerably more commerce on the Hennepin Canal if that link between the city of Chicago and the eastern end of the Hennepin Canal were in good shape? Would there not probably be considerably more commerce on the Hennepin Canal then than there is now if there were any way for the boats to get from the Hennepin Canal to Chicago, and vice versa?

Mr. SHERMAN. It would undoubtedly increase the traffic. If this link were filled in there would undoubtedly be an increase in the Hennepin Canal business. But the way is already open, and barges drawing 4 feet could now run in unlimited numbers from the city of Chicago to the Gulf of Mexico or to New Orleans if there were anybody who had sufficient faith in that kind of water transportation to put money in it.

Mr. RANSDELL. But is it not true that the Hennepin Canal is a very good 7-foot waterway, and boats prepared to draw 7 feet would hardly wish to run in a 4-foot waterway, which is the connection with the city of Chicago? I am trying to get that clear. I am not as well posted about it as the Senator is; but I believe that the only connection leading out of the city of Chicago down into the Illinois River and thence into the Hennepin Canal and thence over into the Mississippi River, for a number of miles there, is this obsolete Illinois Canal, which does not permit a draft of over 4 feet. Am I correct in that?

Mr. SHERMAN. I think so. I think it would improve at least the traffic through the Hennepin Canal.

Mr. NORRIS. Mr. President, may I ask the Senator a question? Is it possible now, or has it been when the Hennepin Canal was in its best condition, for a boat to reach Lake Michigan through the Hennepin Canal; and, if so, how large a boat could do it?

Mr. SHERMAN. Not through the Hennepin Canal. That is the new canal, the one built by the Government.

Mr. NORRIS. I do not know whether it was built by the Government or by the State. I mean this canal that the Senator was talking about.

Mr. SHERMAN. The Illinois-Michigan Canal—no; only a barge service could go through.

Mr. NORRIS. How much water is there?

Mr. SHERMAN. Possibly 4 feet.

Mr. NORRIS. How long has it been in that condition?

Mr. SHERMAN. It has been in that condition for probably 15 years.

Mr. NORRIS. When the Hennepin Canal was built and made to carry 7 feet of water, was it the intention to extend that depth clear through to Lake Michigan?

Mr. SHERMAN. Yes, sir; that was the intention. It was hoped further improvements would come.

Mr. NORRIS. And was the only reason why that was not done because the Government engineers refused to permit the action of the State of Illinois?

Mr. SHERMAN. Yes. It would have been under way by this time. It might not be done, but it would have been under way by this time. It has been two years since we entered upon it, and a year since the refusal.

Mr. NORRIS. The Hennepin Canal was built several years ago.

Mr. SHERMAN. Oh, yes.

Mr. NORRIS. Was it the original intention to have a water depth of 7 feet clear through to Lake Michigan?

Mr. SHERMAN. Yes, sir; and we wanted to make the experiment, and were willing, as I said a while ago, to spend $5,000,000 out of this $20,000,000 in order to fill in this remaining part, to give the experiment a fair chance and see whether that canal was of any account, as well as the other one.

Mr. NORRIS. Was the only reason why you did not get a 7-foot waterway clear through to Lake Michigan the refusal of the Government to permit the State of Illinois to go on as it intended to do?

Mr. SHERMAN. I know of no other reason, Mr. President. I will say to the Senator that I have given two reason for refusing a permit for the improvement which are fit to be preserved in the CONGRESSIONAL RECORD.

Mr. NORRIS. I do not think the Senator understood me.

Mr. SHERMAN. Maybe not.

Mr. NORRIS. Was there any reason why this was not completed as it was originally contemplated except that the Government of the United States, through its engineers, refused to permit it to be done?

Mr. SHERMAN. No; that is the only reason. It would have been done without any expense whatever to the Government and with safety to all interests concerned.

Mr. RANSDELL. Mr. President——

Mr. STERLING. Mr. President, may I ask the Senator a question?

Mr. SHERMAN. Yes, sir.

Mr. STERLING. What was the ground of the refusal on the part of the Army engineers?

Mr. SHERMAN. The first reason was that this 42-mile piece would have been wholly within the control of the State, and they could fix such rates as would strangle commerce, or be an undue burden. Then, as I said, there was an amendment offered to the item in the bill by which the Interstate Commerce Commission was to fix the rates on that waterway, as in the case of the railways.

Mr. RANSDELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Louisiana?

Mr. SHERMAN. Yes, sir.

Mr. RANSDELL. I was just going to ask the Senator if there were not some very serious water-power propositions in connection with the permit which was desired from the Government engineers, and also some question about possibly lowering the level of the Great Lakes? Did not those questions come into the whole question of giving a permit to the State of Illinois to construct that canal? My recollection is that there was a very serious water-power proposition connected with it, and a fear on the part of the residents of the Great Lakes section that the lake levels would be interfered with by drawing from the Great Lakes a much larger quantity of water than is now being drawn; and all of those things, as I understood—I may be wrong—were considered by the engineers in refusing this permit.

Mr. SHERMAN. I had hoped that the water-power matter would not be referred to. There are certain enthusiasts, both in the State and in the National Government, who think there is an untold fortune in the undeveloped water power connected with this project. There is a dispute as to whether the State ought to have it or the Government. If the Government can not do any better in handling electricity and hydroelectric power than it does with the finances of other similar projects, I should prefer not to discuss the question or let the Government have anything to do with it. It seems to me that it is pretty well loaded up with its obligations at this time. If we were out of the undertakings that the Government has already assumed, I should feel somewhat relieved personally, because the gravity of the undertaking weighs on all of us.

The hydroelectric power growing out of this matter has been in dispute for a long time. The same thing occurs all over the country. The Government has an idea that it ought to control. I do not want to undertake to argue that question now.

I am not in any way connected with the large electric companies; I have no interest at all in them; and I have heard a great deal by the Commonwealth-Edison people in Chicago and New York, and by others who assume to know all about it, to the effect that every time you oppose the Government ownership of this enterprise you are instantly charged with being in the pay of the Commonwealth-Edison Co., or some other sinister motive; and I do not want to discuss that. I have discussed it at many times among my associates and elsewhere with some asperity, I fear, when the charge was made; but I am steadfastly opposed to the Government taking over this enterprise at this time from the electric-power feature of it. I do not think that had very much to do with the denial by the engineers of this permit. The engineers, after the objection that I have mentioned had been covered by an amendment, then began to listen to complaints that came from Canada, from Quebec, and other points, and from the upper lake region. They said it would take an increased quantity of water from the Chicago River, and lower the level of Lake Michigan and the connecting links, and thereby would injure the commerce of the upper lakes. They were mistaken in that—I have made that statement since—because it would not have taken a cubic foot more of water for this enterprise, if it had been done, than it is taking now; nor is any injurious lowering of any of the lake levels in any of the harbors of the upper lake country attributable to the withdrawal of water through the sanitary district channel. What has lowered the lake levels is this, when you get at the truth of the matter—and when you confront a Canadian engineer with the facts, I have never yet heard it successfully answered. There have been many hearings in Chicago and elsewhere and before the War Department here in years past, and I have never heard them answer this—that when the depth of the St. Lawrence River at Quebec, at Montreal, and other places, was increased by river improvements, the depth was increased from 18 feet to more than 30 feet, the discharge of water was thereby increased and the Canadians themselves were responsible for the lowering of the levels of the upper lake country.

If there had been a mere cutting made some place else it would not have made any difference. Water always seeks its level, and the accumulated water discharges at a lower level where the channel was deepened, because when in the St. Lawrence River would necessarily lower the level in the upper lake country. That is a story of itself. I do not want to go into that. I only state it in view of the question asked by the Senator from Louisiana.

I have said all I care to say about these two shining examples of waterway improvement in my own State. Probably if they were all footed up it would be more than $30,000,000 that has been put into these two enterprises alone, and more than $40,000,000 have been put into internal waterway improvement in that State from 1827 down to the present date, and there is not any appreciable tonnage in any of them—Hennepin Canal, Lake Michigan Canal, Illinois River—and practically nothing of the ancient glory of the Mississippi is left.

The Senator from Louisiana asks a proper inquiry: What would be the effect on the Hennepin Canal if the eastern exit from the canal was improved so as to reach Chicago and its commerce? I reply to that query by saying what has become of the traffic at St. Louis both in and out bound freight on the lower Mississippi River in all this time. There is a beggarly 5 per cent left of the traffic of 1880. The glory of the old steamboat days in 1850 is long gone. On each side where the St. Louis Bridge or the Eads Bridge now stands in 1850 there would be 3 miles of steamboat on either side tied up on the levees. They represented the traffic of boats of the upper and lower Mississippi country, everything from the cotton, the sugar, the tobacco, and the manufactured merchandise and grain of the northern countries, that went north and south by this great channel of commerce. But in 1880 it reached its high water mark, and to-day there remains 5 per cent of all the traffic of the Mississippi River.

Steamboats can run during all the season except when closed by ice, and below the city of Cairo, after the Ohio River pours its volume into the Mississippi River, there is an open river for barge or steamboat or tug all the way until tidewater is reached. Steadily it has declined. If it were not for the coal coming down the Ohio River, it would be still more remarkable in its decline, but that has kept it alive to some degree.

Mr. NORRIS. Mr. President——

Mr. SHERMAN. I yield to the Senator.

Mr. NORRIS. In connection with his interesting statement can the Senator give us the amount of public funds that has been used in the improvement of the Mississippi River during that term of years?

Mr. SHERMAN. I could not separate it, Mr. President. I never have divided the tabulation from 1880 down to the present, and taking out of it the appropriations made prior to 1880, but all of the appropriations made for the Mississippi River, of which a great part has been made since 1880 to the Mississippi River Commission, together with the improvement for the lower Mississippi River, altogether aggregate, outside of what is contained in this bill or other bills pending, in an expended sum of more than $120,000,000, and in the face of all that, with the dredging, the diking, the improvement even of the jetties put in at the delta—in the face of all that there has been a steady decline of river traffic.

Mr. NORRIS. That has been from the beginning of the appropriations?

Mr. SHERMAN. Yes, sir; all told, from the first appropriation made down to the last.

Mr. NORRIS. When was it that the channel was completed as far up as St. Louis?

Mr. SHERMAN. I do not know just when, but I note here that with the chain of rocks it was limited to an 8-foot depth below St. Louis. I think it crosses about New Madrid, Mo. It runs clear across the river, and it would take a very large sum of money to blow that out and increase the depth; but there is an 8-foot depth above that and unless there is extremely low water it never interferes with the ordinary river traffic.

Mr. NORRIS. Eight feet would be considered a sufficient depth for all the boats that are plying on the river, would it not? What is the draft of those boats?

Mr. SHERMAN. The average river boat does not draw more than 4 or 5 feet. They are flat bottomed. They are like a scow. They are very broad. They do not draw much water and they will navigate in 4 feet. But an 8-foot depth is an abundant depth for all the boats that ply on the Mississippi River coming down and going to St. Louis. A profitable barge can be operated on 4 feet, river men tell me. Those of long experience have taken up modern methods, abandoning the steamboat and substituting the barge. If a tug is used a number of barges can be attached to the tug and they can be maneuvered in an ordinary channel in such a way as to make very cheap waterborne freight.

Since the use of internal-combustion engines the barges are self-propelled. They have gasoline engines and each barge carries its own motive power, and that is much easier for navigation purposes than the tow.

But in spite of these modern improvements that can be used with cheap power in tows or in self-propelled barges, this traffic has steadily declined. So I have not any superabundant hope of the Hennepin Canal, even when the link is filled in, of its being any factor in the transportation problem of that part of the country.

I now come to the question asked by the very competent chairman of our committee, the Senator from Florida [Mr. FLETCHER], to name some of these enterprises that are coming

properly within the classification as I have given it. My application of that description is entirely impersonal. I am speaking of geographic points. There is a difference between the geographic points and between personal point of view. I am speaking of these things in a geographical sense. I will say to the chairman of the committee I speak of Toms River as one that I think is utterly indefensible. That is one of the New Jersey improvements, it is true.

I wish now to turn to part 2 of the engineers' report on page 2252. Here is some of the information on an item in this bill. This is one of the live items:

Santee, Wateree, and Congaree Rivers and Estherville-Minim Creek Canal, S. C.

I have been confining my activities to Northern States. I intend to be entirely cosmopolitan in my criticisms on this question and not be confined by mere geographical locality. Wherever I find it I wish to make some adequate comment. Here are the appropriations. Altogether as they are all, and have been for some time, grouped in a single item there is a total of $670,044.44. The project is quite a hoary beneficiary. It began in 1886 and is entitled to sit on the platform at an old settlers' meeting in affairs of this kind.

Beginning in 1886 it runs down to the last item in the tabulation here of September 1, 1916, at which time this volume went to press. Here are some of the items. There is a total result out of this $670,000 of appropriations. The commercial statistics, which is not all, I want to be fair about it, is $770,902 worth. That is for a portion, not all of this enterprise. At another division of the improvement are some further, but altogether it does not total much over a million dollars.

Then here are some of the crafts that ply on the river:

List of vessels handling freight on Estherville-Minim Creek Canal.

Here is the *Nan Elizabeth*, 133 tons burden. Here is the *Dixie*, of 20 tons. Those are tremendous water crafts when you come to think about it. Here are the *W. H. Andrews*, of 39 tons, and the *Pathfinder*, of 6 tons.

Here is the number of trips they made: The *Nan Elizabeth* made 42 trips in a year. It needs repairs at that unusual speed. We grow accustomed to the activities of Government enterprises, but here is a Government boat that in 12 months made 42 trips—that is, three and a half a month—that is, one-tenth of a trip a day. This exceeds anything in governmental lethargy which I have discovered on record, except some of the records below here of these other vessels which can offer an improvement on even this inertia.

The *Dixie* made 26 trips. The *W. H. Andrews* made 19 trips, and there is a footnote to that showing how painfully accurate the river engineers have become. The footnote says of the *W. H. Andrews* this year, it made approximately 19 trips in a year; and as to the *Pathfinder*—if John C. Fremont never had beaten the *Pathfinder* he would never have gotten anywhere. The *Pathfinder* made six trips in a year. It no doubt died of exhaustion. Total number of tons carried in this part of the undertaking, 25,376. Then here is a footnote added by the engineers of this tabulation:

The decrease in tonnage and value of freight is due to a decline in the business of transporting logs, lumber, and timber products by water (steam railways being more economical), and also to decreased tonnage carried by steamboat between Columbia and Georgetown.

Everybody knows that, but I am glad to have some wise man on the Engineer Corps place in the Government records some place that the lumber and logs can be more economically carried by steam railroad than over a Government waterway costing $670,000.

Mr. STERLING. May I ask the Senator to which of the projects among these several projects he now refers?

Mr. SHERMAN. In the bill?

Mr. STERLING. Yes; to the Estherville-Minim Creek Canal?

Mr. SHERMAN. It is found, I think, on page 13, beginning at line 15, Wateree, Congaree, including the Estherville-Minim Creek Canal.

Mr. STERLING. Now, to which one of these streams does what the Senator read from the engineer's report refer?

Mr. SHERMAN. It refers to the Estherville-Minim Creek Canal.

Mr. STERLING. I should like to ask the Senator further if there is an estimate made for the Estherville Canal in the report separately?

Mr. SHERMAN. No, sir; they are all grouped together and it is all the same section, I understand, or a part of the same improvement. It is grouped together in such a way that it is necessarily connected in the improvement. I take that from the engineer's report that I find here to be true. This is one that I think is unjustifiable and would make it proper for me to apply the words of criticism that I have done.

Mr. STERLING. I suppose the Senator will have in mind what was stated by the chairman of the committee in discussing the bill, that where they are grouped in this way there are estimates often made for certain ones in the group, and that it is not probable that any money will be expended upon others named in the group, but for which no estimates were made, admitting, however, that the Board of Army Engineers would have some discretion in the matter and may spend something on a project for which no estimate was made?

Mr. SHERMAN. I have no doubt of it.

I turn now to part 2, page 2385, the Tombigbee River. In this there appears to have been during a series of years appropriations of a very large sum of money, probably half a million dollars from the summary on page 2389. I submit that, with the volume of commerce put alongside of the appropriations devoted to this purpose, there are utterly inadequate returns.

Mr. STERLING. If the Senator will pardon me, before he leaves the Santee, Wateree, and Congaree Rivers, I should like to ask if he has compared the estimate made for some of these projects with the commerce that is carried, for example, on the Santee or the Waterce or Congaree. They are grouped together here with the Estherville-Minim Creek Canal. That is the problem that is troubling me in regard to this grouping system.

Mr. SHERMAN. Yes, sir; I have, but I do not care to present the tabulation. It takes too long. It is out of all proportions. I want to generalize, because I do not want to prolong my remarks unduly, or many minutes more, but compare it with the appropriation. If you put the same amount of money in a roadbed, in a steam railway equipment, or an interurban line, you could transport more freight and more passengers more expeditiously and reach any place with railroad building by far than you can to take the sums of money in these appropriations and compare it with the actual freight carried. The electric or steam railroad freight has so vastly the advantage of any freight carried by some of the appropriations in this river and harbor bill that there is no comparison to be made. They can not be mentioned in the same business way.

I turn now to one other that I regard as justifying any criticism that I have made in part 2, page 2248. Here I find a geographic point known as Winyah Bay. The improvement at this point, Mr. President, has some chance, or ought to have, of developing a commerce. It is a tidewater point, and $3,242,393 has been spent at this point. The commerce I generalize, and I say it is entirely out of all proportion to the cost of the improvement. Here is some of the commerce, for instance. A total in 1915 of 17,842 tons inbound freight, and of 165,904 tons of outbound freight; the total value of $4,900,821, with an admitted expenditure of $3,242,000 and over, in order to move this much freight in a single year. The same amount of money spent in an electric or steam road improvement would gather this freight many times over and reach tidewater with it and deliver it to any ocean-going or coastwise vessel in that part of the country.

Here is a very singular thing for a prohibition State like South Carolina. The inbound freight contains 88 tons of whisky, wine, and beer. That is inbound freight; and the outbound freight contains 86 tons of clams. I note that commerce keeps pace with conviviality; 88 tons of whisky, wine, and beer coming in, and 86 tons of clams going out. That is the way it always happens. The whisky gets in, and then the clams come out.

I have far exceeded somewhat, Mr. President, by interruptions that have properly been made, the time in which I intended to close my remarks. I do not care to go more in detail, because it would serve no more useful purpose than to multiply these instances that I have given. Why multiply the record on such shameless schemes? I wish only to close here by calling attention to the letter read from Engineer Black—I think he is Chief Engineer of the board, if I remember correctly—in which he says these are the military necessities. He is speaking of the time when he writes the letter that they are now military necessities. If that is the Engineer's sober judgment that these are military necessities contained in this bill, I am just as well satisfied to have him to stay on the Board of Engineers rather than to engage in any of the military or naval undertakings of this country. If that is his judgment, keep him where he will do just as little damage as possible, and it may be at the end it will be economy to make some of these appropriations in order to keep Gen. Black busy in civil life. If his judgment is no better than that, keep him away from the military service in which this country is now engaged. I regard it as a proper matter of criticism for a Government officer, a river engineer, who will send a letter of that kind here, bracing up such a river and harbor bill and saying it is a military necessity. I feel

justified in any criticism that in a parliamentary way I can properly make here of such a statement to influence legislation in this body in favor of as many unmeritorious schemes as will be found within the limits of this river and harbor bill.

Here, Mr. President, while I am loath to close, I know it is my duty to take no more time. I only wish to voice my protest against it, and I intend so long as it appears in its present form to continue to voice that protest while I have a seat in this body. I do not hope the bill will be defeated. If there are meritorious measures let them be segregated. Let them be taken out and put upon their own merits, just as the Mississippi flood-control bill was at the last session, where it went out and stood upon its own merits, where if it had remained in this bill it would have been touched by the same weakness that manifests itself in so many of these enterprises.

The PRESIDING OFFICER (Mr. NEW in the chair). The pending question is on the amendment of the committee.

Mr. JONES of Washington. What is the committee amendment?

The PRESIDING OFFICER. It will be stated.

The SECRETARY. On page 2, beginning in line 6, insert the item for Cape Cod Canal, Mass.

Mr. JONES of Washington. The Senator from Iowa [Mr. KENYON] wants to be present when that amendment is voted on.

Mr. BORAH rose.

Mr. SMOOT. Does the Senator from Idaho desire to proceed now?

Mr. JONES of Washington. The Senator from Iowa asked me to suggest the absence of a quorum, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested, and the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones, Wash.	Page	Sterling
Bankhead	Kendrick	Phelan	Sutherland
Beckham	Kenyon	Poindexter	Swanson
Borah	King	Pomerene	Thompson
Brady	Kirby	Ransdell	Tillman
Calder	Lodge	Reed	Trammell
Chamberlain	McKellar	Robinson	Underwood
Fernald	McLean	Saulsbury	Vardaman
Fletcher	McNary	Shafroth	Warren
France	Martin	Sheppard	Watson
Frelinghuysen	Myers	Sherman	Weeks
Gerry	Nelson	Shields	Wolcott
Hale	New	Simmons	
Hollis	Norris	Smith, S. C.	
Jones, N. Mex.	Overman	Smoot	

Mr. CHAMBERLAIN. I am requested to announce that the Senator from Mississippi [Mr. WILLIAMS] is detained from the Chamber by official business.

The PRESIDING OFFICER (Mr. ASHURST in the chair). Fifty-seven Senators have answered to their names. A quorum of the Senate is present.

Mr. BORAH. Mr. President, there are some items in the pending bill which can undoubtedly be defended, and for which I think Congress should make appropriations. There are items which can very well be said to be necessary and essential in taking care of the situation which now devolves upon us by reason of the war, and if the measure could be confined to those items, if those in charge of the bill would accept an amendment which would confine the operation of the bill to those items necessary in the carrying on of the war, I should not oppose the bill. I am satisfied that anyone disinterested, who has listened to the Senator from Iowa [Mr. KENYON] and to the Senator from Illinois [Mr. SHERMAN], aside from any original investigation which he may have made, can not conclude otherwise than that there are many items in the bill which can not be justified, particularly at this time. They constitute that kind of expenditure and want of economy which, above all times, we ought at this time to avoid; that is to say, they are unnecessary expenditures. Whatever they may be worth in the future may be a matter of debate, but as to their immediate necessity there can be no debate. I do not believe that many of these items can be justified at any time; they are not only extravagant but unconscionable, and certainly they can not be justified at this time.

Aside, therefore, from the general principles which guide me in the opposition which I have heretofore interposed to river and harbor bills, I am particularly opposed to this bill at this time because a vast number of the projects can wait, and can wait without any detriment to the country, to commerce, or to the situation which is most immediate and imminent in the country—the war situation.

Aside, therefore, from the underlying principles which have heretofore been discussed, the manner in which the bill is always made up, the object and purpose of the bill in some respects, we ought to take into consideration the outlook of the taxpayers of this country, their undoubted discouragement when they see such things as this being done at a time when they have such tremendous burdens already. It must be a matter of grave concern to business, to labor, to capital, and to the patriot generally to see the Congress, after having put upon them billions in the way of burdens, to turn and add expenditures such as are found in this bill. I can not imagine anything more calculated to dull initiative and to discourage economy and energy than this heartless and unconscionable waste of public funds in an hour like this. It is not alone the amount appropriated, but it is this disposition to waste of public servants which is distinctly alarming.

Mr. President, it must be startling to contemplate the manner in which we are piling up expenditures at this time. I shall not go into the question as to the necessity for them, or as to whether or not some of the expenditures which are being provided for are unnecessary, or as to whether we could curtail, or as to whether there is waste, but I simply take the broad proposition as we find it in the record, and I call the attention of the Senate and of the country for a moment to the manner in which we are piling up expenditures and loading such tremendous burdens upon the already overburdened taxpayers of this country.

According to the figures which have been put into the RECORD, and about which there seems to be no dispute, we are now approaching an expenditure and an obligation of nearly $17,000,000,000. Within a few weeks after the declaration of war, before a gun has been fired and before a soldier has been placed in line, before we are actually in the war, we have placed upon the taxpayers of this country a burden approaching $17,000,000,000. Every dollar thus far provided for may be necessary; but certainly it behooves us, even if it is necessary, to trim at every possible point we can and to avoid imposing any burden that is not absolutely necessary. If we have any regard for public opinion—and upon public opinion, and public opinion alone, ultimately this war must be fought and won—if we have any regard for the great masses of the people upon whom this burden is ultimately to fall, we ought to scrutinize every measure that comes before this body with a view of exempting from its provisions, if possible, every single dollar that is not necessary in this great exigency. Will any Senator who honors me with his presence dispute that as a patriotic obligation?

If there are items in this bill—although they are small, but though small in their individual standing they become large in their collective standing—if there are items in this bill which can wait—and about that, Mr. President, it seems there can be no possible doubt—do we not owe it to the country, to the perilous situation in which we stand, and to those who must bear the burden of this war, to stop here as patriotic Senators and eliminate them from the bill? If not willing to do that, are you not willing to put into this bill a provision that no part of the money appropriated by it shall be expended except that part which those carrying on the war shall deem necessary and essential to the progress and the prosecution of the war? How can we escape the force of this solemn duty to those whom we represent? How shall we answer in the court of conscience when called to plead to the indictment of taxpayers of this country?

Mr. KENYON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Iowa?

Mr. BORAH. I yield.

Mr. KENYON. I should like to ask the Senator how he views the philosophy of appropriations, when we are appropriating so much money as $17,000,000,000, that a matter of $27,000,000 is too infinitesimal to think about?

Mr. BORAH. Of course, Mr. President, it is a perfectly vicious proposition, and I do not suppose that seriously it would be urged. I know it has been suggested; but I do not suppose it would be seriously and consistently urged that at a time when the burden is all that can be borne it is immaterial if we place a little more or, in other words, that it is immaterial that you put on the final straw which may constitute the disaster. To say that twenty-seven million is easily lost in a bulk of seventeen billion, and that therefore we can slip it over on the taxpayer, is to preach that theft is excusable if not detected.

Mr. President, I call attention to another phase of this situation. I want to say here from the floor of the Senate that the business men of this country had better take a keen interest in these propositions, and that speedily. We have reached the point where we must reflect upon this plan of issuing bonds ad libitum. We have got to raise money; we must have cash. There is only one way to get cash, and that is to go to those who have it.

England has up to the present time issued bonds to the amount of $18,740,000,000. France has issued bonds to the amount of $10,532,000,000.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Ohio?

Mr. BORAH. I yield.

Mr. POMERENE. Does the Senator from Idaho mean by that statement that that has been done by those countries since the beginning of the war?

Mr. BORAH. Yes. I am speaking now with reference to the war period and with reference to conditions which would be included in the war situation.

France has issued $10,532,000,000 of bonds, Germany has issued $13,400,000,000 of bonds, Russia has issued $7,896,000,000 of bonds, Italy has issued $2,520,000,000 of bonds, Austria has issued $3,659,000,000 of bonds, and the United States will add to it this year in the way of bonds in all probability to the amount of at least $10,000,000,000. You have, Mr. President, the stupendous, almost incomprehensible burden of $66,747,000,000 in the way of bonded indebtedness upon the countries named which are engaged in this war. Calculate the annual interest on this and you get some conception of this burden.

We can not any more than can a corporation or an individual continue to issue our notes and bonds without facing bankruptcy, without facing a breakdown and disaster. So, Mr. President, we in this country must face the proposition in the revenue measure which is to come along in a few days, not of raising the mere sum of $1,800,000,000 of money, but we must face the proposition of raising by this Congress in the way of taxes at least $3,000,000,000. There is only one place to go to get the $3,000,000,000, and that is to go to those, sir, who have the money. We must necessarily reach out to those places where wealth has been gathered and stored. Business ought therefore to be heard and heard quickly on these useless expenditures.

In view of the fact that the countries with which we are now allied are raising apparently every dollar that they can, but must necessarily vote these large issues of bonds, and in view of the fact that we have already incurred obligations or provided for expenditures approaching $17,000,000,000, as a matter of patriotism, in the simple discharge of the most simple duty which devolves upon us, we ought to insist that every item of appropriations which passes through this body shall have stamped upon it "necessity"; that no item which can not be said to be absolutely necessary to the successful carrying on of the war ought to pass, and that to pass it would be an act in disregard of the imminent urgency which confronts this country.

Mr. President, there never has been a time in this struggle, from the 1st day of August, 1914, until this present hour, when the outlook was so serious and menacing to the allies as it is at this time. There has never been an instant so calculated to call forth patriotic effort to enlist the unselfish zeal of those who have to do with the guiding of their country's affairs as this present time. Russia has for all practical purposes at this hour, for the present at least, passed out of the conflict. Her internal difficulties have made it practically impossible for her to be of effect upon the fighting line. That vast body of people, upon whom all interested in this war upon the side of the allies depended so much and from whom they expected so much, have by reason of the situation at home practically left the battle front.

What does that mean to the people of the United States? Could a more serious message come over the wires at any time, one involving more nearly the lives of millions of our boys, than the fact that Russia is breaking down? If there is efficacy in prayer in such things as these, the American people may well offer up a silent prayer at this hour for the guidance and the preservation and the success of Kerensky. If this gallant leader, standing now at the head of his disorganized forces, meets either the assassin's bullet or failure in other ways, it means a leaven which will disorganize and demoralize the situation beyond any power that language can portray. It means, Mr. President, that in all probability a million American boys in addition will find graves upon European soil.

No more serious situation, sir, could confront warring nations than that which confronts the allies at this hour. In the minds of some it may not be considered wise to say so, but the situation is here, and I am one of those who believe that we should speak truthfully and plainly to those who must pay our taxes and fight our battles. The hour of sacrifice has arrived, and, being here, will the Senate of the United States linger and parley, sir, over money to go into Fish Creek, Tombigbee Creek, or some other inconsequential and worthless waterways? Will the American Senate delay for a single hour to cut away all unnecessary and idle things which impede progress or add unnecessary burdens and meet this situation as it is necessary for us to meet it in order to solve the problem? Shall we rise to the invitations of this solemn and awful hour or shall we still trifle with selfish and immaterial matters as the storm comes on?

But that is not all, Mr. President. Not only has Russia for the present time passed out of this war, but the submarine problem, which, it was hoped a few weeks ago, might by this time be well upon its way to a successful solution, instead of being favorable to the allies is distinctly favorable to the Teuton powers. I read in the reliable papers this morning that, instead of the amount of tonnage sunk decreasing, it is increasing day by day, and thus, while the Russian forces are breaking away from the fighting line the submarines of the Teutonic powers are spreading havoc upon the seas, and France is being fought almost to her knees, though displaying again and again courage and heroism such as has never been excelled in the history of the world.

Sir, under conditions so unfavorable, America has entered the war. She is in the war now practically as the guarantor of the financial success of every ally; and so it seems it behooves us, sir, to conserve our energies, our financial ability, and our power in every conceivable way. We ought to waste nowhere and in no way. We ought to act with reference to every measure according to the seriousness of our task.

I want to call attention, Mr. President, to an article which appeared a few days ago in the New York Tribune, written by Mr. Pollen, upon the shipping conditions:

> According to the latest statistics Great Britain has lost since the beginning of April an average of 24 ships a week. The tonnage of these ships is not stated. We are not told what neutral shipping is lost. Only France and Italy publish weekly lists like the British list. Unofficial statements place the neutral and allied losses, not including British, at something like 50 or 60 per cent of the British losses. It has recently been stated in Washington that the figures for June show that the U boats are destroying tonnage at the rate of 9,000,000 tons a year.
>
> On the 1st of February of this year there were supposed to be about 40,000,000 tons available for all the world's needs in sea traffic. All the world's power of replacing the lost tonnage has also been stated to be equal to about 2,000,000 tons between February, 1917, and February, 1918, and about twice this for the period between February, 1918, and February, 1919.
>
> If the rate of losses continues, then there will be 18,000,000 tons destroyed and 6,000,000 tons replaced, or a net loss of 12,000,000 tons 18 months from now.

Will anyone tell me, as conditions are developing at this time, under those figures gathered by an accurate, conservative, and expert writer upon this subject, that we are going to win this war under the present program? Has the time not come, sir, when we should realize here and now, if we have never realized before, that indeed America is in this war and that, for weal or woe, it is our war. It is no longer a European war, sir; it is an American war. And with this condition of affairs confronting us it is necessary that we proceed to legislate here upon these respective measures as if the enemy were at our gates.

Mr. President, something was said a few days ago in the Senate about peace; peace was discussed. This is not a propitious time, generally speaking, to discuss peace or to propose peace if we intend to have that peace which is permanent and which endures. With an enemy that is apparently marching on to victory, we shall hardly be listened to upon their part; we can not discuss peace with them. Does anyone suppose that Germany at this hour would consider any proposal of peace other than the peace which takes care of Germany's interests as Germany alone sees those interests? Does anyone suppose the central powers, with Russia caving in, with the submarine war growing stronger and more effective apparently every day, with France, apparently at the height of her fighting power, not able in all probability to go beyond the point which she now holds—with those conditions presented to the German mind, does anyone suppose that we could discuss peace with them upon any basis whatever other than terms which Germany would practically dictate?

No, Mr. President; we have not arrived yet at the time when we can discuss peace with those powers against which we are arrayed; but I think this much ought to be said, lest I be misunderstood: I am not so sure but that the time has come when the American people should have presented to them more definitely and specifically the terms and conditions upon which we are fighting the war and the terms and conditions upon which we would cease to fight it. I believe that there ought to be laid before our people a more specific program as to what we propose to attain, as to what we propose to accomplish, and as to the terms and conditions upon which the war, so far as America is concerned, can end. I think we ought to say in as clear terms as possible just what America demands as a prerequisite of peace.

I say this, not, sir, with the view of dealing with Germany or with the expectation that she would accept from us at this time any proposal which we might submit, but I say it in behalf of our own people and of permitting them to know definitely and specifically the things for which they are expected to fight and the things which shall constitute the end of their task. We can not carry on this war, in my judgment, without a thoroughly aroused and sustained public opinion in favor of the war, which does not at this time exist; and one of the reasons, in my opinion, why it does not exist is because of the nebulous and uncertain terms and conditions upon which we are supposed to be in the war, and the utter want of knowledge as to what conditions will take us out of the war. No one seems to know what will constitute the end. America ought to hold the reins of peace every hour and at all times.

Mr. President, Viviani in that remarkable address bidding farewell to the American people told us that the great mistake the German Government made was in not knowing the French and English people; that they sent their ambassadors to France and England to study government and to practice the arts of diplomacy, but they misunderstood or did not read at all the noble qualities of the masses. Let us not as a Government make that same fatal mistake with reference to our own people. Let us keep in mind that the ways of government and the paths of diplomacy overshadowed by no sacrifice are often far from the sad and dusty lanes down which the people march to war. Government and diplomacy may be interested in the future of Constantinople and the Bagdad railway, but out yonder in the open where every move toward war means sorrow and sacrifice, where families are to be separated and broken, where husband and brother and son are to be offered upon the altar, that altar must be our country—you must speak to them of things of home and of the flag, you must give them an American issue for which to die.

After we have declared war and taken the steps upon the part of the Government which necessarily follow, we come then to deal with another world entirely. We leave the field of form and formality and find ourselves in the world of the concrete, of the real, where hearts throb and grieve and men are preparing to suffer and die. From this forward you must deal with the man on the street, in the field, and in the factory; the man of simple and fixed but noble national instincts; the man, bless God, in whose moral and intellectual fiber are ingrained the teachings and traditions and aspirations of a century of national life—a national life separate, distinct, exceptional, and sublime. You will not change these things overnight. The American citizen must live his character; you can not transplant in a few weeks the habits and ideas, the methods and ways, of other people. We have our allies, and with them a common purpose, but America is still America, with her own institutions, her individuality, the moral and intellectual conceptions of her own people; she is still a sun and not a satellite. Sir, if our own institutions are not at stake, if the security of our own country is not involved, if we as a people and as a Nation are not fighting for our own rights and the honor and lives of our own people, our declaration of war was a bold and impudent betrayal of a whole people and its further continuance a conspiracy against every home in the land.

Mr. POINDEXTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Washington?

Mr. BORAH. I yield.

Mr. POINDEXTER. I understand from the Senator's remarks a few moments ago that he is of the opinion that any attempt to arrive at such a basis of peace as he is now advocating would be perfectly futile because of the victorious position Germany is in. If that is true, does it not follow necessarily that the only basis upon which the United States can proceed is to change that victorious position of Germany? The only way in which that can be brought about is by victory, so that that constitutes the issue.

I would, furthermore——

Mr. BORAH. Just a moment, until I answer that. Of course, that constitutes the issue. That is what I am talking about. The Senator is greatly in error if he supposes that I have advocated peace upon any basis. I have simply advocated that the American people be advised as to the issues in this war from the American standpoint, and the issues which will have to be determined from the American standpoint before this war is closed. I am speaking to a proper preparation to carry on the war from the standpoint of the spirit and purpose of our own people.

Mr. POINDEXTER. Well, Mr. President——

The PRESIDING OFFICER. Does the Senator yield further?

Mr. BORAH. I yield.

Mr. POINDEXTER. Pursuing that argument one step further, if the situation is as the Senator describes it—and there is very much ground for his conclusions as to the present situation in Europe—I assume that the Senator would be of the opinion, but for the presence of the United States in the war, that Germany would be completely victorious, and assuming that that is the case, the American people would have very little difficulty in finding out what the issue of the war was. It seems to me to follow as a very obvious deduction that if Germany conquers Europe, as the Senator apprehends she would but for the presence of the United States, with the consolidated resources of England and France, with a navy far superior to ours, the war probably would be transferred from the plains of France to the territory of the United States, and we would then have an issue that the youngest child in the land could understand, and we would have a condition which some people seem to advocate, judging from the correspondence I have received—that we should fight this war upon our own territory, what they call a defensive war. They are not in favor of sending soldiers abroad, and they seem to prefer that this situation should come about.

Mr. BORAH. Of course, I do not want to curtail the Senator's statement, but I am at a loss now to know wherein the Senator from Washington differs with the Senator from Idaho. The Senator had just stated that this is an American war. I say so, too; but I am calling for a policy which will answer the correspondence which the Senator says he is receiving. That is the very situation which I would remedy.

Mr. POINDEXTER. I was simply attempting to point out, Mr. President, that there was an issue so plain that it seems to me that it is readily understood. I am delighted to know that the Senator from Idaho has the same view.

Mr. BORAH. The issue which the Senator states is the issue, but I think his correspondents, of which he speaks, may need attention before this war proceeds very much further. We have been supposed by many, even millions, of our people to be fighting for the rehabilitation of certain nations in Europe, for the redistribution of European territory, for the establishment of democracy in Europe.

Mr. POINDEXTER. For humanity.

Mr. BORAH. And for humanity, and so forth; but the imminent peril which confronts the American people, immediate and impending, has not been sufficiently accentuated; and we will realize that before we go much further.

Mr. POINDEXTER. Mr. President, I agree with the proposition of the Senator from Idaho, that it would not be justifiable war on the part of the United States if it were merely for an abstract principle. As I view this war, if the Senator will pardon just one word, it is not for democracy as a form of government, but it is for the right to establish such a government as a self-governing people choose. It is for the possibility of having any government at all. It is a war of self-defense. It is a war for the material welfare of the American people, and not for the spiritual ideals of the world.

Mr. BORAH. I venture to say, Mr. President, that if the Senator and his countrymen realized that this is an American war in the sense that it would be if France and England should break down, the Senate of the United States would not be sitting here passing upon the advisability of appropriating millions of dollars for creeks down which a duck can not float in some seasons of the year. There is no better proof, sir, anywhere to be found that we have not yet realized that this is an American war and that we are fighting for our own institutions than the method in which we are doing business here in the Senate at this time. It is distinctly a case in which the city is wrapped in conflagration while those in power continue to fiddle.

Mr. POINDEXTER Mr. President——

The PRESIDING OFFICER. Does the Senator yield further?

Mr. BORAH. I yield.

Mr. POINDEXTER. That raises quite a different issue from the general issues of the war. The proposition stated by the Senator——

Mr. BORAH. Excuse me; the Senator was not here when I started, I think, because that is the precise proposition which I submitted—that the fact of our dealing with these questions here as we are dealing with them, these matters which are not war measures at all, makes it manifest that we have not apprised ourselves of the situation in which we are placed.

Mr. POINDEXTER. I understand the Senator's proposition to be that no appropriation except for some necessary purpose

ought to be made. If that were applied generally in the affairs of the United States, the normal course of business and life of our people would be absolutely suspended, and it would be impossible for us to conduct a war or to conduct the affairs of peace.

Mr. BORAH. The Senator from Washington is certainly not sincere in comparing the appropriations for many of the creeks in this bill with the ordinary and necessary business affairs of the United States.

Mr. POINDEXTER. Mr. President, I was not conscious of being insincere. I did not intend to be so, and I was not discussing the merits of the creeks included in this bill, to which the Senator refers; but I was on the point of stating this as the general principle of appropriations upon that phase of the matter which the Senator was discussing.

This bill is supposed to be in aid of transportation. Now, if there are items in this bill which are not in aid of transportation, which are not justified as furthering the carrying of commerce upon the waters of the country, the appropriations ought not to be made, whether we are at war or at peace. On the other hand, if they are justified as an aid to navigation—and I have a great deal of data going to show the excess of the transportation business of the country over the capacity of the railroads—I fail to see any movement or activity on the part of the Government which would be more in the interest of a successful conduct of the war than such appropriations.

Mr. BORAH. Of course, Mr. President, the Senator is now referring to those things in the bill which are defensible. I take it that he is not referring to these little creeks around and through which these driblets go.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Florida?

Mr. BORAH. I do.

Mr. FLETCHER. I wanted to suggest to the Senator, in response to about the only reference he has made to the bill throughout his address, wherein he speaks about millions of dollars being provided in this bill for creeks down which a duck can not float, that I think it would be fair and just that he should specify, because, with all due respect to the Senator, I challenge that statement. I challenge the statement that there are insignificant and inconsequential creeks provided for in this bill, and I should like to have some information on that subject.

Mr. BORAH. If the Senator will read the speech of the Senator from Iowa [Mr. KENYON], in which he pointed out these specific creeks and the commerce and the appropriations, while he will not perhaps accept my figurative expression, he will be compelled as an honest Senator to admit that substantially I was correct. The Senator from Iowa has gone into this matter in convincing detail. If the Senator is not convinced, I could not convince him by repeating.

Mr. FLETCHER. I will say this in reply to that statement, if the Senator will allow me: I have not yet read the speech, because it has not been printed. I heard most of it, and I am at least, I think, within bounds when I say that the chief criticisms in that speech are with reference to items that are not in this bill at all.

Mr. BORAH. Mr. President, they have very deftly and expertly, as they have been passing these river and harbor bills for years, covered up, or attempted to cover up, a lot of these items. They have aggregated them and collected them together so that it is almost impossible for a man to get into them and to deal with them separately, and, in my humble judgment, it was done for the specific purpose of covering up indefensible items. That is the opinion of the Senator from Idaho, after considerable investigation.

Mr. FLETCHER. I will say, if the Senator will allow me, that that was done upon the recommendation of the engineers for the purpose of economical administration, and that only, and that there is absolutely nothing covered up.

Mr. BORAH. Mr. President, I do not care anything about the engineers. When it comes to the question of appropriations it is perfectly useless to say to me that it is necessary for the economical distribution of this money that a lot of small items should be aggregated and congregated, and then these items covered up in that way. I do not care whether the engineers said it or who said it. It is a dishonest and distinctly indefensible way of framing these bills.

Mr. FLETCHER. No; but there are specific estimates made for specific items in each of those improvements, and the report shows it.

Mr. BORAH. Mr. President, I will say to the Senator very frankly that it is practically impossible for the Senator from Idaho to express in parliamentary language his opinion of this bill. I think there are many items in it which are absolutely indefensible.

Mr. FLETCHER. All I am asking is that the Senator will point them out.

Mr. BORAH. I said when I opened my remarks that I was not going to repeat the items and the specific details mentioned by the Senator from Iowa, because it is perfectly useless to do so. The Senator from Florida is not in ignorance.

Mr. President, the Senator from Washington [Mr. POINDEXTER] seems to have misapprehended what the Senator from Idaho was attempting to say. The Senator from Idaho has not taken the position that the United States ought not to be in this war, or that there were not manifest reasons for our immediate interest why we should be in the war—not at all.

I did say, however, and I entertain no doubt about it at all, that we could not do anything more helpful to this war than to make it distinctly an American war, by making it clear how vitally we are now concerned, how our own safety, our own institutions, our own civilization are in the balance, so there can be no doubt in the mind of the man who runs that he may read.

Let me call your attention to an illustration. A few weeks ago Russia made a declaration in favor of peace based upon no indemnities and no annexations. It found no response from any one of her allies. In my humble judgment, the United States could not have taken a more important and effective step than to have indorsed the proposition which Russia at that time put out to the world. Some noted exceptions, some of which, I have no doubt, Russia herself would have accepted, could have been noted, but the principle maintained. It is my opinion that if the United States had taken a bold stand at that time in favor of that principle Russia would be in 100 per cent better condition as a fighting force to-day than she is. But the impression immediately obtained that certain influences prevented the United States from defining its position, waiting upon other powers which were directing the course of this war. And there is abroad in this land now, the belief that we must fight on and on until captured colonies and certain territory are adjusted. Sir, I warn you now do not let that idea become fastened in the minds of our people.

Mr. President, I can only speak for myself and for myself alone. But speaking for myself, I did not vote for war out of sympathy for France, much as I sympathize with and greatly as I admire that brave and chivalrous people. I voted for war because our own rights had been trampled under foot, because our own people had been murdered, and because we were warned that the slaughter was to be renewed. I could see nothing under those conditions in the future but continued wrongs, dishonor, and complete national degradation. I did not vote for war that we might spread democracy over Europe, though in common with all my countrymen, I presume, I would be glad to see every king and every emperor and every prince exiled from among men and the last vestige of dynastic power swept into the refuse of history. I voted for war to preserve and make safe our own blessed Republic, to give honor and dignity and security to this democracy of ours, and to keep it if we could as our fathers transmitted it, whole and triumphant. I felt that self-respect was the very breath of life of a democracy, that while other governments might continue on in humiliation, and even in degradation, without self-respect a democracy could not long endure. I felt that a free Republic living alone and existing only in the affection and the devotion of the citizen could not long survive the day when that Republic should refuse to defend the rights and protect the lives of its citizens. So I voted for war because the most vital thing in our national life was and is involved, and for no other reason on earth would I have cast that vote and aided in plunging our Nation into the midst of this world conflict. As I view it, from that hour this was no longer a European war to settle and adjust European affairs, to rehabilitate European nations, but an American war, to be carried on, prolonged, or ended according to American interests, and to be adjusted upon American principles, and to settle, once and we hope for all time, that while slow to wrath we are swift to avenge those wrongs which challenge national honor and imperil the security of our own people.

The PRESIDING OFFICER. The question is on the amendment of the committee.

Mr. WEEKS. Mr. President——

Mr. JONES of Washington. Mr. President, this is the amendment dealing with the Cape Cod Canal. The Senator from Iowa [Mr. KENYON] wanted to be present when this amendment was up for a vote, and he wanted to be present when the Senator from Massachusetts was discussing it, and I therefore suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Washington suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson, Cal.	New	Sherman
Bankhead	Jones, Wash.	Newlands	Shields
Borah	Kendrick	Norris	Smith, Md.
Brady	Kenyon	Overman	Smith, Mich.
Calder	King	Page	Smoot
Culberson	Kirby	Poindexter	Sterling
Cummins	La Follette	Pomerene	Swanson
Curtis	Lodge	Ransdell	Thompson
Fernald	McCumber	Reed	Trammell
Fletcher	McKellar	Robinson	Underwood
France	McNary	Saulsbury	Vardaman
Frelinghuysen	Martin	Shafroth	Weeks
Hollis	Nelson	Sheppard	Wolcott

Mr. THOMPSON. The Senator from Wisconsin [Mr. HUSTING] is necessarily absent from the Senate on important business. I will also state that the Senator from California [Mr. PHELAN] and the Senator from Rhode Island [Mr. GERRY] are detained on important business.

The PRESIDING OFFICER. Fifty-two Senators have answered to their names. A quorum of the Senate is present.

Mr. WEEKS. I offer the following amendment to the amendment of the committee.

The PRESIDING OFFICER. The Senator from Massachusetts proposes an amendment to the amendment, which the Secretary will read.

The SECRETARY. Amend the proposed amendment of the committee as follows: Page 2, line 6, after the words "Secretary of War," insert "Secretary of Commerce and a comma," and, in line 16, after the words "Secretary of War," insert a "comma and the Secretary of Commerce and a comma," so that it will read:

Cape Cod Canal, Mass.: The Secretary of War, the Secretary of Commerce, and the Secretary of the Navy are hereby authorized to enter into negotiations, etc.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Florida?

Mr. WEEKS. I yield.

Mr. FLETCHER. I am quite sure that the amendment offered by the Senator from Massachusetts would be agreeable to the Committee on Commerce, and I have no objection to it.

Mr. KENYON. I should like to inquire what the amendment is?

The PRESIDING OFFICER. The Secretary will again state the amendment to the amendment.

Mr. KENYON. The Secretary need not read it. The Senator from Massachusetts can state the purport of it.

Mr. WEEKS. The amendment to the amendment includes the Secretary of Commerce with the Secretary of War and the Secretary of the Navy to consider the proposition contained in the amendment reported by the committee.

Mr. KENYON. And the vote now is on the amendment to the amendment?

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Massachusetts to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment as amended.

Mr. KENYON. I should like to inquire, if it be in order, if I can have an explanation of this Cape Cod Canal project? I have not been in the room, and I do not know whether the Senator from Massachusetts explained it or not.

Mr. WEEKS. I have not explained it nor have I had an opportunity to do so. I am quite willing, if there are Senators who wish information, to explain it, although I had not intended to take the time of the Senate, because it seemed to me that on its face it explained itself and that its necessity is beyond question.

Mr. President, this amendment is for the purpose of giving the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce authority to negotiate with the owners of the Cape Cod Canal for its purchase, and if they determine that for military, naval, and commercial reasons it is desirable to make the purchase then they shall at the end of their negotiations report to Congress that fact, that the price at which they would recommend the purchase shall be named, and that until that is done Congress shall not take any further action in the matter.

The appropriation provided in this amendment is but $5,000. I wish frankly to say at this time that with the information that Congress has, if the appropriation had been required for the purchase of the canal without additional information I should not have pressed it, but the monetary consideration in this matter is of so slight importance that it did not seem to me there was any objection on that score.

This canal has been under consideration from colonial times.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Nebraska?

Mr. WEEKS. I yield to the Senator from Nebraska.

Mr. NORRIS. I was not in the Chamber when the Senator commenced. There was an amendment to the committee amendment offered and agreed to. That changed the committee amendment.

Mr. WEEKS. Only in that it provided that the Secretary of Commerce should join with the Secretary of War and the Secretary of the Navy in conducting the negotiations.

Mr. NORRIS. The committee amendment to which the Senator is addressing his remarks gives authority, does it not, to purchase without any further authorization of Congress?

Mr. WEEKS. It gives authority to contract, but not to purchase until Congress has authorized it and has appropriated the money for that purpose.

Mr. NORRIS. Of course the appropriation will be necessary to carry the contract out, but does it not go far enough so that it would bind the United States to carry out whatever contract it makes?

Mr. WEEKS. I do not think so, Mr. President. As I said, this canal has been under consideration for 250 years. The reason why it has been considered is because of the dangers incident to navigation around Cape Cod. It is the most dangerous part of the Atlantic coast, and there is, as I shall show, a material saving in time and saving in expense in connection with the use of the canal.

The Cape Cod Canal Co. was incorporated under the laws of Massachusetts about a dozen years ago and this canal was opened for operation in 1914. It has been operated continuously since. In 1915 about 4,000,000 tons of freight went through the canal, and the amount of tonnage using the canal has been constantly increasing from the beginning. The map behind me shows the situation so graphically that I want to call it to the attention of Senators.

All the coastwise shipping coming along the Atlantic coast follows this line going through Vineyard Sound, then Nantucket Sound, then Pollock Rip, and around Cape Cod to Boston and the northern New England points. The canal is at this point [indicating]. It is 8 miles long. Shipping will go through Buzzards Bay, where there is an ample depth of water, and then through the canal, saving this extended trip around the cape. The saving from a point here, from Boston lightship to Brentons Reef, will be 154 miles. From Boston lightship to that point [indicating], to the Sandy Hook lightship, it would be around in this direction a saving of 108 miles. From Boston lightship to Hampton Roads, 45 miles; from Race Point, Cape Cod, Race Rock, and Long Island Sound, 130 miles. That is one way.

The amount of tonnage that goes around the cape is easily obtainable, and it may be charged against this project that there is not sufficient tonnage to make use of it. The last figures I have before me are those for 1912. In that year 11,523,000 tons of coal, 900,000 tons of lumber, 300,000 tons of stone, 31,000 tons of cement, and other tonnage of various products aggregating fourteen and one-half million tons, and shipping aggregating 5,600,000 tons, or a total of 20,000,000 tons went around Cape Cod. Of course that has been very materially increased. I have no doubt but that this year there will be 15,000,000 tons of coal go to northern New England coasts from New York, Philadelphia, and Norfolk ports. That coal, under the charges made by the owners of the canal, pays 8 cents a ton for passage through. That is 5 cents a ton for barges loaded and 3 cents a ton for returning empty.

If 15,000,000 tons of coal were to go through that canal at 8 cents a ton it would amount to $1,200,000, which is the toll the manufacturing and other interests in northern New England are paying for the use of the soft coals in our industries and for transportation purposes. Presumably it would largely inure to the benefit of commercial interests and shipping interests if the canal were taken over.

Then, again, there is a very great delay in this route to Boston. There is more than twice as much in Nantucket Sound as in Buzzards Bay, and it is notorious that there are very considerable and frequently great delays for shipping in Nantucket Sound, because this point at Pollock Rip is an extremely dangerous point. It is literally a cemetery for shipping. Let me give you some idea of the losses that are incurred. From 1904 to 1913, 329 vessels of various kinds had trouble in passing around the coast. In the year 1914 there were 14 wrecks

and the lives of 747 people were involved. The loss of property was over $200,000, and the amount jeopardized was more than $3,000,000; and that was a comparatively good year. The losses that are incurred in going around the cape in actual monetary value would be sufficient to pay a fair interest on Cape Cod Canal itself, in addition to the loss of life and the very frequent delays.

The Committee on Commerce had before it a large number of shipping men who testified to the danger of this coast and the extra expense incurred both in time and in money. For example, the pilotage charge for conducting a ship around the cape is $75; for conducting a vessel through the canal it is $20; and that would inure to every ship that uses one or the other routes.

Then the actual loss of time is so considerable that the cost is very material. For example, a tug with three barges would lose something like $45 worth of time going around the cape, which would be saved if they went through the canal. So it is a question with every shipper whether he will go around the cape and take the chances of delay and loss or whether he will go through the canal and pay the charges which are incident to it.

I contend, Mr. President, that there are innumerable good projects in every river and harbor bill. There are some projects about which men might very properly disagree, but the purpose is to increase shipping and to facilitate as far as possible our commercial requirements.

This canal should have been constructed by the Government instead of by individuals. While it is not entirely comparable to the Soo Canal, it is to some degree. What would be said if every pound of coal and ore that goes through the Soo Canal were paying tribute to some one? The Government constructed that canal, and everybody agrees that it was a wise thing to do. The Government should have constructed this canal, because it does benefit not only the New England shipping interests and New England people but it benefits everyone who is engaged in any kind of traffic from Norfolk north.

Therefore, there appeared before the committee in one form and another very many interests in favor of this project, not alone shipping men but commercial bodies, the Merchants' Association of New York, one of the greatest commercial organizations in the country; the Boston Chamber of Commerce, with more than 5,000 members; the Massachusetts Board of Trade; and the Massachusetts Real Estate Association, with many thousands of members. There was no opposition to it before the committee, and I believe that there can be no opposition from any real commercial or industrial center.

Mr. NORRIS. Mr. President——

Mr. WEEKS. I yield to the Senator.

Mr. NORRIS. Can the Senator give the Senate the amount of tonnage that passed through the canal last year? He gave the tonnage that went around Cape Cod.

Mr. WEEKS. Not that year, because the canal was not open; but the first year it was open for the full year, about 4,000,000 tons.

Mr. NORRIS. How does the tonnage going through the canal compare with the tonnage going around?

Mr. WEEKS. I think probably about one-fifth.

Mr. NORRIS. What is the depth of the canal?

Mr. WEEKS. About 22 feet.

Mr. NORRIS. Are there any locks?

Mr. WEEKS. There are no locks. There are about 22 feet of water.

Mr. NORRIS. What can the Senator say about the maintenance of it?

Mr. WEEKS. I have here the figures of the annual cost of administration, maintenance, and repairs. It aggregated all told $196,000 in the second year the canal was opened, but a very considerable part of that was due to a wreck in the canal, and a large part of it to overhead or administration expenses. I do not know how they were divided up.

The canal is about 22 feet deep and is wide enough for any ship drawing that amount of water. The largest ship that has gone through the canal connected with the Navy was the *Salem*, which is a scout cruiser. I have forgotten the tonnage, but it is a ship of considerable size. I will say that the canal authorities did not think the *Salem* would go through there, but the Navy Department insisted that it should be done. The ship was being taken to Boston for repairs, and they did not believe she was in a condition to be taken around the cape if she could be gotten through the canal. So the department took the responsibility of sending her through the canal.

I am not arguing this question from the standpoint of military necessity as strongly as I am from the commercial necessity, and yet there are very important military reasons why the Government should control the canal and should widen and deepen it sufficiently so that it may be used by the largest ships. The project is indorsed by Admiral Knight, president of the War College, and by Gen. Wood, now in command of the Southeastern Department. Admiral Benson, Chief of the Bureau of Operations of the Navy, appeared before the committee and advocated taking over the canal. Col. Black, now Gen. Black, Chief of Engineers, stated in a report that such action should be taken. One of the first accomplishments of the present Acting Chief of Staff, Gen. Tasker H. Bliss, was to write a thesis on the subject of canals and other questions relating to waterways. In it he referred to the construction of the canal as an important military venture. That was in 1884, Gen. Bliss's first public appearance. I have not yet found any Army or Navy men who are opposed to the canal and who do not think it of military as well as naval importance.

Mr. SWANSON. I should like to ask the Senator if the canal is deep enough to be used if Boston or New York were assailed by an enemy and would it not be available for that purpose?

Mr. WEEKS. Undoubtedly.

Mr. SWANSON. In other words, the people of New York and the people of Boston could get through without danger from submarines or destroyers.

Mr. WEEKS. Undoubtedly.

Mr. SWANSON. And the Navy would have its effectiveness increased 50 per cent if that canal were made available for naval vessels to go through.

Mr. WEEKS. Admiral Benson called the attention of the committee to a point worth considering, because something happened in the Navy in the last two days which adds emphasis to it. He stated that if the fleet were in the locality of Point Judith or Montauk and were in an engagement with the enemy and our ships were more or less crippled, it was of vital importance that the largest man-of-war could go through Hell Gate to New York, and that this canal should be so deepened that the largest ship could go through it to the Boston Navy Yard, so that the facilities of these yards and the commercial yards near them could be used for repair purposes. Not very long ago—within two weeks—the *Olympia*, which was the mother ship of the coast-defense fleet, ran on an uncharted rock near Block Island at about this point [indicating] and was badly damaged. Fortunately there was a shoal near at hand, and the admiral on board directed that the ship be run onto it. That was the only thing which prevented the ship from sinking and is an example of what might happen if we were in a contest with the enemy, not that we would necessarily run on that particular shoal, but the necessity of getting a ship into a safe place until she could be convoyed to one or the other of the navy yards was immediately apparent. She was near enough to this shoal to save the ship although she was not more than 7 miles from shore, and if it had not been for that happy incident the *Olympia* would have gone down. This illustrates the desirability or the necessity of having both Hell Gate open and the Cape Cod Canal developed so that it can be used by the largest ship.

Mr. President, I do not care to take any more of the time of the Senate unless Senators wish to ask me questions about this matter. I am confident everyone who investigates every detail of this proposition will be satisfied that it is one of the most worthy of the items that have been proposed for legislation of this kind.

Mr. LODGE. I wish to ask my colleague one question before he takes his seat. The Chesapeake Canal was provided for by the House.

Mr. WEEKS. It was; that is, the Chesapeake Canal from Chesapeake Bay to the Delaware River.

Mr. LODGE. And, with the other, that is the whole chain of defensive waterways?

Mr. WEEKS. That is the Raritan Canal from New York Bay to Delaware River, and at that point the Chesapeake Canal from the Delaware River to the Chesapeake Bay, and the Cape Cod Canal from Massachusetts Bay to Buzzards Bay.

Mr. SWANSON. And the other one was around Cape Hatteras to Norfolk, which the Government has already bought.

Mr. LODGE. From Boston to Beaufort.

Mr. SWANSON. The Norfolk one has already been purchased. I know the Naval Committee last year very seriously considered this subject of acquiring this as necessary for naval defense to protect both Boston and New York in case of emergency or war.

Mr. WEEKS. If there were no other reason in favor of this, I am sure it could be sustained for naval reasons alone.

Mr. KING. Will the Senator yield for a question?

Mr. WEEKS. I yield to the Senator.

Mr. KING. Why does not the State enlarge the canal and take it over, I should like to ask the Senator?

Mr. WEEKS. Because the State is not engaged in interstate commerce. It is the National Government that is engaged in interstate commerce. The State of Massachusetts has spent more than $17,000,000 in the development of its rivers and harbors. It has a waterways commission which devotes its entire time to that purpose. It is not the habit of the Commonwealth of Massachusetts to run to the General Government for every item of expenditure which should be borne by the State. But this is an interstate matter. It is just as valuable from the standpoint of the coal miners of West Virginia as it is from the standpoint of the coal users in the interior of Maine.

Mr. SAULSBURY. Mr. President, I wish to say to the Senator from Massachusetts that I think he would desire one statement he made to be corrected. He fell into an error or inadvertence when he used the name in regard to the canal across New Jersey. That is a proposed canal which is new entirely. The Senator spoke of it as the Raritan Canal. The Raritan Canal does exist there, but the proposed canal across New Jersey is to be built through alluvial land, while probably the rockwork of the old canal would make it unavailable for a sea-level ship canal.

Mr. WEEKS. I supposed it was following the route of the old Raritan Canal.

Mr. SAULSBURY. No; as a matter of fact, it takes an entirely different route. I suppose the Senator would like to correct that?

Mr. WEEKS. I am very obliged to the Senator from Delaware.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

The next amendment was, on page 17, line 8, after the word "document," to insert "except as to pilotage and terminal facilities," so as to make the clause read:

Mobile Harbor and Bar, and channel connecting Mobile Bay and Mississippi Sound, Ala.: For maintenance of channel connecting Mobile Bay and Mississippi Sound, $5,000; for maintenance of Mobile Harbor and Bar and for improvement in accordance with the report submitted in House Document No. 1763, Sixty-fourth Congress, second session, and subject to the conditions set forth in said document, except as to pilotage and terminal facilities, $110,000; in all, $115,000.

The amendment was agreed to.

The next amendment was, on page 21, line 22, after the words "in all," to strike out "$153,500" and insert "$216,650," so as to read:

Toledo, Port Clinton, Sandusky, Huron, Vermilion, Lorain, Cleveland, Fairport, Ashtabula, and Conneaut Harbors, Ohio: For maintenance, $132,000; completing improvement of Lorain Harbor in accordance with the report submitted in House Document No. 980, Sixty-fourth Congress, first session, and subject to the conditions set forth in said document, $16,500; for completing improvement of Lorain Harbor in accordance with House Document No. 985, Sixty-fourth Congress, first session, $63,150; for improvement of Cuyahoga River, Cleveland Harbor, in accordance with the report submitted in House Document No. 707, Sixty-third Congress, second session, and subject to the conditions set forth in said document, $5,000: *Provided*, That the Government's share in the cost of the improvement in accordance with the final plans adopted shall not exceed $400,000; in all, $216,650.

Mr. KING. I should like to ask the Senator having the bill in charge whether any part of that is a new item or project, and if there has been an increase over the amount which the bill carried as it came from the House?

Mr. FLETCHER. There is no increase over the amount in the bill as it came from the House. There was a mistake in the addition in the amount, as I recall it, as it came from the House. This simply makes the addition correct. The items in this connection are precisely the same as in the bill when it came from the House.

Mr. KING. Is this a new project?

Mr. FLETCHER. There is a portion of it that is new in Lorain Harbor, but the Senate committee has not changed it, except to correct the addition; that is all. There is no new appropriation put on by the committee and no change in it whatever.

Mr. KING. What feature or part of the project is new and what justification is there for embarking upon a new project now?

Mr. FLETCHER. This portion is for completing the improvement of the Lorain Harbor in accordance with House Document No. 985, Sixty-fourth Congress, first session, $63,150. That part of this total appropriation is for a new project. Lorain Harbor itself is not a new project. It has been developed in the past and is very considerable, but this part of the bill is new, this $150,000. The Senator from Ohio [Mr. HARDING] can explain the conditions there perhaps better than I can. I see that he is present.

Mr. KING. I shall be glad to receive any explanation that the Senator from Ohio can offer in regard to this project as a war measure and as a work necessary for national preparedness.

Mr. HARDING. Probably, Mr. President, it is quite as much so as any interior harbor improvement contained in the bill. The Senator from Utah will recall, if he stops to think, that Lorain Harbor is one of the deep lake port harbors for the delivery of iron ore in the Northwest. My recollection is that Lorain Harbor transacts a business amounting to approximately fourteen or fifteen million tons annually.

This particular project is not distinctly new. It is a continuation of a jetty, if I remember correctly, which will protect a portion of the harbor from filling and give them ship room in that particularly important port.

I will say to the Senator from Utah that the House of Representatives thought sufficiently well of this particular amendment to put it in on the floor of the House after the bill had been formulated. It has the cordial indorsement of the Board of Engineers. This is an exceedingly important harbor. If the Senator is not agreeable to the amendment as provided by the House on this short statement, which I venture to offer, I shall be very glad to get the figures from the report of the engineers and also the points covered by the debate in the other House. I did not think it was going to be questioned, and have therefore given it no attention.

Mr. KING. Mr. President, the statement made by the Senator from Ohio indicates that probably this project is as meritorious, or more so, than are many of the projects in this bill. Nothing that the Senator has stated would induce me to vote for it; probably nothing the Senator could offer at the present time would induce me to vote for it at this session of Congress. I intend to vote against this bill as wholly indefensible, as reprehensible in the highest degree under present circumstances, as a measure which ought not to have found its way into the House and into the Senate; but, of course, I realize——

Mr. HARDING. Mr. President, if the Senator from Utah expects to get an argument out of me on that particular subject, I am obliged to disappoint him.

Mr. KING. I think, if the Senator will pardon me, that no one who is a proponent of this bill cares to argue the merits of it. Both the distinguished Senator from Illinois [Mr. SHERMAN] and the distinguished Senator from Iowa [Mr. KENYON] have challenged over and over again the many iniquities and infirmities of this bill, but no one cares to reply to them; and, of course, the learned and distinguished Senator from Ohio, I am sure, would not care to reply to anything that I might say.

Mr. FLETCHER and Mr. HARDING addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. HARDING. I yield to the chairman of the Committee on Commerce.

The PRESIDING OFFICER. Then the Senator from Florida is recognized.

Mr. FLETCHER. Mr. President, I simply want to say, in response to the remarks of my friend from Utah [Mr. KING], that when this bill was taken up several hours were spent in its explanation and discussion regarding its various details. The reports on the bill are before the Senate, going into every single project carried in the bill. Those reports are full and complete and comprise hundreds of pages. I venture to say that the gentlemen who have indulged in these general denunciations of the bill have never read the reports and do not care to read them. They have not considered the reports.

So far as the challenge that has been thrown out here, the challenge has come from this side to the Senator from Iowa, to the Senator from Illinois, and to every other Senator to point out the items to which they objected in this bill. They have failed to do it.

One of them says that the other has done it and that his speech has not been published, but that when his speech is published you will find it there; the other one says that he will get to it after awhile; he never gets to it, but talks about provisions which have been in previous river and harbor bills, and which are not in this bill at all; about something that has been done here years and years ago.

The argument is made by the Senator from Utah, on my right [Mr. SMOOT] that this is the time to economize; that appropriations ought not to be made for projects of this kind; that there are, as the Senator from Idaho [Mr. BORAH] said, creeks of no consequence, down which ducks can scarcely float, and all that sort of thing, and it is a matter which ought to wait.

Can we not learn something from the experience of countries which are engaged in this war to such an extent that we have not yet dreamed of? Those countries have not stopped the improvement of their waterways. France and Germany are spending more upon their waterways in the midst of the worst war in all history than they have ever before spent. Canada is doing the same thing. Is it possible that the United States

must take a backward step in a matter of this kind, get away from the position of every civilized country on earth, and abandon its waterways? Is that the argument?

There can be no question about what has been accomplished by the improvement of these waterways; there can be no question but what we have in the past improved more than 200 harbors in this country and more than 25,000 miles of navigable waterways, and made them serviceable and useful where they were of no use before; that upon their bosoms to-day float a commerce which aggregates more than 900,000,000 tons every year; that upon that tonnage we are saving to the people of this country from 50 cents to $1 a ton, and that the total amount of more than $450,000,000 is saved every year in the reduction of freight by reason of the facilities which enable them to enjoy water-borne commerce. Yet we hear people who talk about this bill as if it were a loot of the Treasury, as if it were a robbery of the funds of the American people; and the only logical conclusion from that argument is that we must abandon these waterways, and take a step which no civilized country in the world has ever taken.

In regard to this particular project at Lorain Harbor, I do not need to defend it. The commerce there in 1914 was 4,507,075 tons, of the value of $11,517,228. That is some commerce. That commerce consisted chiefly of the receipts of iron ore and the shipments of coal. I should like to know if it is not a wise thing to provide for the transportation of iron ore and coal in these days?

Mr. HARDING. I should like the Senator from Florida in reporting the commerce at Lorain Harbor to report it in a normal year of good fortune, and to supplement it with the estimated commerce of 1916, which is 15,000,000 tons. The normal commerce in Lorain Harbor, as reported by the engineers, was approximately 8,000,000 tons for 1912.

Mr. FLETCHER. I am very glad to have the Senator make that suggestion. I desire also to say that the commerce is of that particular kind and character that we need to provide the means of getting to market iron ore and coal. Those are the principal products moving by this waterway; but here the proposition is to appropriate $63,150 to make that improvement and to add to those facilities, as recommended by the Board of Engineers.

Mr. SMOOT. Mr. President, just such a speech as that which has been delivered by the Senator from Florida [Mr. FLETCHER] makes me feel like taking the time of the Senate, even though it might be for the balance of to-day and all day to-morrow, to point out in detail a number of projects in this bill which no living soul can defend, and I know if the American people knew what the character of the project was the Senator who votes for them would never be sustained by his constituents, but I told the Senator having the bill in charge that I would not stand in the way of this bill, rotten as it is, passing the Senate to-day, because I knew, Mr. President, that if we discussed it for a month, when it is voted upon, it would pass, and I did not want to take any of the time of the Senate, particularly under the conditions existing to-day, to discuss the bill at length.

The Senator from Florida says that the Governments of Europe have not stopped the improvements of their rivers and harbors. Of course they have not, nor has Europe ever undertaken to spend money upon projects such as are contained in this bill. When Europe expends money upon her waterways, it counts for something. Money is not appropriated by European countries for the sole purpose of having it spent in some particular State represented by a Congressman or Senator having a pull.

Mr. KING. Mr. President, will my colleague yield to me?

The PRESIDING OFFICER. Does the senior Senator from Utah yield to his colleague?

Mr. SMOOT. Yes.

Mr. KING. Is it not a fact that upon the Rhine River, which had an annual commerce before the war of more than 40,000,000 tons per annum, the expenditures have been very much less than have been the expenditures upon the lower thousand miles of the Mississippi River? Is it not also a fact that France, in the appropriations which she makes, requires of the Provinces that they appropriate as much as the parent Government appropriates for the improvement of the waterways?

Mr. SMOOT. Mr. President, the statement just made by my colleague is practically correct. Speaking of the River Rhine, the German Government, as you all know, protects and directs the shipments upon that river. The water rates on certain commodities are always higher upon the Rhine than the rates upon the railroads. If the German Government did not interfere to prevent it, the railroads in Germany would drive the commerce off the River Rhine, with the exception of a very few heavy commodities that are transported upon that river. The Government owns the railroads, and the Government controls the shipping upon all of her watercourses; and, as I said to the Senator from Michigan, the Government makes the railroads haul freight for less per hundred pounds than it makes the water carriers haul that same freight from the same point of beginning to its destination.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Washington?

Mr. SMOOT. I yield.

Mr. JONES of Washington. The Senator from Utah stated a while ago that there were several, if not many, items in this bill that were absolutely indefensible, and indicated that on account of the desire to get through the bill to-day he would not point them out. I think they ought to be pointed out; I think the chairman of the committee ought to welcome the pointing out of such items, even though it may take another day's time upon the part of the Senate. I understand it is contemplated that if this bill is put through to-day we shall adjourn over until Monday. I do not believe that it is treating the country fairly to say that in this bill there are many indefensible items and yet, simply in the interest of getting it through to-day, not point them out. If they are indefensible, they ought to be pointed out.

Mr. SMOOT. I will say to the Senator that I could stand upon this floor and talk until I was black in the face, and every other Senator opposed to these indefensible items could do the same thing, but when the vote was taken every one of them would be voted in the bill, and they will be to-day.

Mr. JONES of Washington. Mr. President——

Mr. SMOOT. Mr. President, the projects in this bill to which I have reference have been discussed upon this floor time and time again in connection with previous bills. Do Senators think that Germany, for instance, would appropriate money year after year for projects that it would be cheaper to purchase all commerce upon them and get it to the people?

I say now that it would be cheaper for the Government of the United States to buy the merchandise carried on some of these streams and deliver it to the port of destination free of cost to the people than to pay the amounts that have been appropriated for some of these so-called river improvements. Does the Senator want to know some of them? I can refer to them without going into details. This has been exposed time and time again, and yet they appear in every river and harbor bill; and every year there is an additional appropriation made for their so-called improvement. I tell the Senate of the United States, taking into consideration the money that has been expended for creeks and rivers in this country, taking into consideration all the commerce upon many of these streams, that it amounts to a charge paid by the Government of over $100 a ton. Can such an expenditure of public money be justified? I say that no man can justify it.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Washington?

Mr. SMOOT. Yes.

Mr. JONES of Washington. I am not justifying these expenditures——

Mr. SMOOT. I know the Senator is not.

Mr. JONES of Washington. But it occurred to me that, even though the Senator may be satisfied that if he points out these objectionable items, when it comes to a vote, they will be adopted, yet, in order that the country may become entirely familiar with these so-called indefensible items, they should be pointed out, and the fact that they may be voted in the bill, notwithstanding they are pointed out, should not deter the Senator from presenting the facts so that they may be available to the country.

Mr. SMOOT. I know this, I will say to the Senator, that the Senator from Iowa [Mr. KENYON] yesterday spoke perhaps four or five hours, and there were not in this Chamber on the average during that time more than four or five Senators. Such addresses are not listened to; and I will say to the Senator now that just as soon as the remarks of the Senator from Iowa have been printed in the RECORD, the fact will appear that many of the projects are indefensible, and I do not want to consume my strength in repeating and adding to what has already been said concerning those indefensible items when I know it will do no good.

Mr. JONES of Washington. Mr. President, I made my suggestion not because of the effect it might have upon Senators here, for I know that there are not enough Senators interested in this matter, perhaps, to have any effect upon the final result, but I made the suggestion in the interest of having these facts

before the country and the people. I would not want the Senator, of course, to consume even two or three hours, but I should think he might call attention to three or four of the items which are especially objectionable, and point out very briefly the reasons why they should not be in the bill. It would probably not take very much time to do that.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. I yield.

Mr. McCUMBER. I think the Senator should recall that the Senator from Florida [Mr. FLETCHER] just now challenged any Senator to select any item that was not feasible and that should be placed in the category of those which have been so forcefully assailed. Furthermore, he stated that while the Senator from Iowa [Mr. KENYON] had pointed out item after item that was indefensible, a glance at the bill itself would show that those items were not included in the bill. Again, he asked any Senator to suggest any indefensible items in the bill. Now, if the Senator can put his finger upon them, I think it is due to the Senate that he should do so.

Mr. SMOOT. Well, Mr. President, the Senator from Florida coupled that statement with the suggestion that he did not need to defend the projects in this bill. Of course he does not need to defend them, because it is known that they are going to be voted in the bill. I will say to the Senator that the projects to which the Senator from Iowa called attention can not be defended in any way, and even the statement that they have been approved by the Army engineers in many instances can not be sustained.

Mr. McCUMBER. Mr. President, it seems to me that the Senator from Florida has admitted that; but he says that, while they can not be sustained, they are not in the bill. That is what I want to get at.

Mr. SMOOT I will say to the Senator that the Senator from Iowa did not refer to a single solitary item that is not in this bill.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Florida?

Mr. SMOOT. I yield.

Mr. FLETCHER. I think the Senator is mistaken about that. Numerous items which are not specifically appropriated for in this bill are estimated for; but the Senator from North Dakota misstates my position also if he imagines that I have admitted that the items to which the Senator from Iowa directed the attention of the Senate were without merit. I have not attempted to present the facts in regard to those items because they are not involved in this bill. Some of those items were provided in the bill which failed last February, because it was not reached on the calendar of the Senate after it had passed the House. I can take care of those when we get to them, but I thought it was not worth while to take up the time of the Senate discussing matters which were in the bill that failed, because they are not before us now. My contention is that this bill has been reduced down to an emergency proposition, and that only such waterways as can be legitimately placed in that category are taken care of in the bill.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from South Dakota?

Mr. SMOOT. I yield.

Mr. STERLING. It seems to me that in this discussion one factor has been in a way lost sight of, and that is the matter of unexpended balances for many of these so-called improvements. The Senator in charge of the bill criticizes Senators somewhat for not having examined the items of the bill for which appropriations are asked. Mr. President, I have started on that investigation, but it is an investigation not of hours but of days to go through these several groups, as, for example, the one found on page 12, which includes 12 different projects, and find the unexpended balances, not for 1916, but the estimated unexpended balance March 1, 1917, and beyond that the unexpended balance for any of those projects on July 1 of this year as estimated by the Board of Engineers.

I think that highly important, and what I desire by this investigation, which my secretary and myself are now trying to carry on, is to find out with reference to Manteo Bay, Scuppernong, Pamlico, Tar, South Bay, Neuse, and Trent Rivers, Fishing, Contentnia, Swift, and Smith Creeks and waterway connecting Swan Quarter Bay with Deep Bay, N. C., all in one group and for all of which a lump sum of $15,500 is asked to be appropriated.

This is but one of many groups under this so-called grouping system, and I desire to ascertain what the estimated unexpended balances on July 1, 1917, would be in order to determine whether, in times like these, when we should appropriate for necessary improvements only, we are warranted in making an appropriation for such projects in addition to any unexpended balances.

Mr. KING and Mr. FLETCHER addressed the Chair.

The VICE PRESIDENT. To whom does the Senator from Utah yield?

Mr. SMOOT. I will yield in a moment. I want to say to the Senator from South Dakota [Mr. STERLING] that beyond question there is an unexpended balance of over $31,000,000 for the rivers and harbors of the country.

Mr. STERLING. Mr. President, if the Senator will permit me, I will call attention to the report of the minority of the House committee on that matter.

Mr. KING. Mr. President, before the Senator proceeds, will he permit me to interrupt him?

Mr. STERLING. Yes.

Mr. KING. In line with the information which the Senator is attempting to obtain, I want to state to the Senator that I have had my secretary and others at work for two days trying to discover upon the map, atlases, publications, and anything else that they could find, these imaginary creeks, bays, swamps, pools, and what not, for which appropriations are sought in this bill, and they have not yet been able to find any of them.

Mr. STERLING. Mr. President——

Mr. FLETCHER. Mr. President, I think I can answer the Senator's question for him, if the Senator from Utah will allow me.

Mr. SMOOT. If that is all the Senator desires, I will yield.

Mr. STERLING. I should like to call the attention of the Senate to the report of the minority of the House committee on this proposition while I am on the floor, if the Senator from Utah will permit me.

Mr. SMOOT. Very well, I yield.

Mr. STERLING. The minority of the House committee say:

> There is now in the hands of the Army engineers with which to meet emergencies an additional million dollars, which is a balance from the last lump-sum appropriation bill.

Mr. FLETCHER. I am familiar with that.

Mr. STERLING. The report continues:

> and which can be used for the necessary maintenance and improvement of such adopted projects as the judgment of the engineers may decide.

Mr. FLETCHER. I understand that; it is wholly fallacious.

Mr. STERLING. If the Senator from Florida will bear with me just a moment, I want to read this further:

> But of still greater significance are the sheets made up for office use by the engineers, a copy of which is in the hands of the minority. There is hardly an item for which there is not on hand an ample balance to care for the needs of the projects for which Congress has made appropriations.

I want to say in that connection that I have now in my office copies of those sheets, and my secretary is working over them, that I might from the facts obtained therefrom find some intelligent basis on which to vote on this bill. I quote further from the minority report of the House committee:

> These sheets, following the title of improvement, have three columns marked as follows: 2. Balance unexpended March 1, 1917. 3. Balance available, exclusive of outstanding liabilities and contract obligations, March 1, 1917. 4. Estimated balance available, exclusive of outstanding liabilities and contract obligations, July 1, 1917.
>
> The grand total under column 2, balance unexpended March 1, 1917, is $50,132,978.77; the grand total under column 3, balance available, exclusive of outstanding liabilities and contract obligations, March 1, 1917, $31,428,146.70; the grand total under column 4, estimated balance available, exclusive of outstanding liabilities and contract obligations, July 1, 1917, $19,838,432.37.

Now, Mr. President——

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Minnesota?

Mr. SMOOT. Yes.

Mr. NELSON. I should like to ask the Senator from South Dakota a question. Has the Senator from South Dakota examined the report of the majority of the committee?

Mr. STERLING. I have not read the report of the majority of the committee entirely through.

Mr. NELSON. Would it not be well to give some credit to the majority report as well as to the minority report?

Mr. STERLING. Oh, yes.

Mr. NELSON. If the Senator will turn to the majority report——

Mr. STERLING. I desire to say that I am going on the assumption that the majority report is a fair and correct report from their viewpoint. I am not criticizing the majority report; but I am trying to point out that the minority say—and I think their statement is indisputable—that certain unexpended balances exist. I desire to say further to the Senator from Minnesota that my object is to find out, if I can, what unexpended balances yet remain to the credit of any one of these projects.

It will help me to determine whether to support the appropriation for the project or seek to amend it or strike it out.

Mr. NELSON. I will read a brief extract from the majority report. If the Senator had read it himself he would not have made the statement he has made:

On July 1, 1917, there will be a balance, made up of 397 items, aggregating	$19,838,432.37
Now listen to this—	
210 of these items represent localities not appropriated for in pending bill and aggregating	10,019,984.59
This leaves a balance of	9,818,537.59

If the Senator from South Dakota had taken the pains to read the report of the majority of the committee, he would have found how mistaken was the report from which he has read. Of the items which make up the amount of nearly $20,000,000 referred to, 210 are not in this bill and are not covered by it. If the Senator has not a copy of the majority report, I will lend it to him, and he had better read it in connection with the minority report.

Mr. STERLING. I trust that the Senator from Minnesota——

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Florida?

Mr. FLETCHER. I merely want to add one word.

Mr. SMOOT. Mr. President, I desire to proceed now. I have stood here about 10 minutes without saying a word, and I desire to continue.

Mr. FLETCHER. If the Senator will let me interrupt him I will be brief.

Mr. NELSON. Mr. President, will the Senator from Utah allow me?

Mr. SMOOT. Yes.

Mr. NELSON. What is the Senator aiming at? Does he want the railroads to have a monopoly of all the transportation business of the country?

Mr. SMOOT. No, Mr. President.

Mr. NELSON. Does he want to join in a game of freeze out against river and harbor improvements just because there are no navigable rivers in Utah?

Mr. SMOOT. No, Mr. President. That statement of the Senator from Minnesota is uncalled for. The Senator from Utah has upon every occasion when he has spoken on a river and harbor bill made the statement that he is only too anxious to improve the navigable rivers and real harbors of the United States.

The Senator from Utah is perfectly willing to appropriate all necessary money for that purpose, but the Senator from Utah is not satisfied to appropriate public money for cleaning out a lot of little creeks with no commerce upon them and no chance of commerce ever being carried upon them.

As far as the railroads are concerned, I care no more about the railroads than I do about any other business in the country. I am just as much interested in water transportation as I am in railroad transportation, and I was rather surprised to hear the Senator from Minnesota make that statement.

Mr. President, I did not rise to discuss the details of this bill, as I said; but let me call attention to one thing: We are appropriating money now with a view of hiring men and to purchase and to use material on projects in this bill that never ought to have been undertaken at a time when material is at the highest prices that were ever known in the history of the world, at a time when wages are higher than at any former time in the history of our country, and at a time when every man can be employed in some other avocation that is absolutely necessary for the carrying on of the war in which we are now engaged. Why, Mr. President, if a business man were to undertake to invest in these projects, even though they were projects worthy of investment, he never would take the present time to do it; and, as we have this unexpended balance, it seems to me that appropriation is sufficient for most of the projects here; and where there are projects that are absolutely necessary to be improved—not only the rivers but the harbors of our country—that will assist in any way in carrying forward the commerce of this country, and particularly the commerce that is needed for the advancement of the war, I would say grant the appropriation without a question.

Every Army engineer ought to be with his command, and will necessarily be there, I am afraid, before the next 12 months pass. Why take these Army engineers, that will be so much wanted in the field, to spend their time in overseeing work upon creeks and streams that will cost the Government of the United States $50 to $100 a ton for all the commerce that passes over them? No one can justify a condition like that, Mr. President.

I have said time and time again that I do not believe in this piecemeal method of appropriation. I believe that wherever there is a project—and there are a great many of them in this bill—that ought to be appropriated for; we ought to appropriate enough money to finish it. I would even go so far in such cases as to appropriate more money, if it can be expended within the year; but the projects in this bill that are indefensible I think we ought to eliminate. I know, however, that it can not be done.

Now, Mr. President, I will say no more about the bill and allow it to pass, just as I know it will.

Mr. NELSON. Mr. President, I have sat here patiently and kept silent and avoided saying anything on this bill, but statesmen have lately made remarks that force me no longer to keep silent.

We are now in the midst of a great war. There are a great many styles and ways of putting monkey wrenches in the wheel, to use a slang expression. We had an illustration of that in the morning papers yesterday, in the form of an ostensible report from officers who had returned from Europe as to how dangerous the situation there was. So far as those newspaper accounts were concerned they aimed to put us into a state of gloom. Then we have another line of attack. It is to scare the country with the amount of appropriations—how much this is going to cost, how many bonds we have got to issue, how many taxes we will have to pay.

What is the object of that? What good can it accomplish except to unnerve and frighten the American people while they are engaged in a great war? If there ever was a time, Mr. President, when we needed water transportation more than ever, it is now. Our water transportation for the last few years, in spite of the improvements we have been making, has been hamstrung and knocked in the head by knockers of various kinds, especially on the part of the railroads, in order that they might monopolize the trade. The railroads have paralleled our great rivers; they have reached out in all directions; and their game from first to last has been a game of freeze out, to freeze out river transportation.

The other day I was down in one of the departments of the Government. I will not name the officer with whom I talked, but he had a patriotic view of the matter. He said: "If the railroads would coordinate and cooperate with our system of water transportation, there would not be the complaint of car shortage that there is now, but they will not do it; they will make such rates, where they control the sides of the river, that they drive the boats off the river. If it is a case of joint rates, although the distance by rail may be only a quarter of the aggregate distance, yet they will impose such rates for that quarter that the water end of it can not afford to run. Why," said he, "the coal from the Pennsylvania coal fields could be shipped to tidewater at Philadelphia and from there pass down by boat and be delivered at Norfolk, at Washington, at Baltimore, and at other points; but the railroads will not give such rates that the boats can afford to join them in carrying the coal on a through rate."

Less than 10 days ago a trainload of produce arrived at St. Paul from the West on one of the great transcontinental lines. The goods were to be forwarded down the river to points on both sides of the Mississippi. They tried to secure cars for shipping those goods, and they could not do it. Our people have been trying to establish, and have finally succeeded in establishing, a line of barges on the Mississippi River. They finally found that the man who ran those boats was willing to take the stuff. The next day the railroads had an ample supply of cars and took that stuff away from the barges. So the effect of the action of these gentlemen who are all the time knocking river improvements—I do not say they intend to do it; I do not accuse them of any bad motives—but I say the effect of their action is to play into the hands of the railroad companies.

Our people now, since we have gotten the big dam completed between Minneapolis and St. Paul, and the locks opened so that navigation extends up to the wharves of Minneapolis, have organized a barge line, and the Government engineers assigned to duty in connection with our river and harbor improvements have been kind enough to loan some of their barges for this transportation; and now, while we are unable to get sufficient coal from the ports on the Lakes up by way of Duluth, our people are reaching out to get Iowa and Illinois coal and Ohio coal by means of barges along the Ohio River and the Mississippi River. We feel the need of this water transportation. This war will work many changes. It will increase our shipping, and I have faith to believe that, if we do not check it or restrain it, it will be the means of increasing our water transportation, for we need it now more than ever.

Take a State like my State of Minnesota, for example, one of the great agricultural States of this Union, and, I want to say to my friends from Utah, one of the great mining States of this Union. We need water transportation as badly as any part of the country, and our people are not talking about "pork-barrel" legislation every time there is a river and harbor bill up. Over half of the iron ore—I do not know but 70 per cent of all the iron ore produced in the United States—comes from the mines of Minnesota. Unfortunately, we are not supplied with coal in Minnesota. Our iron ore is carried down the Great Lakes to the ports on Lake Erie and distributed at those ports. Among those ports is the one that the Senator from Ohio referred to, the harbor of Lorain, one of the greatest ore ports in that country. Our big ore-carrying boats have a tonnage of from ten to fifteen thousand tons, and they go down there with their iron ore and bring back coal to Minnesota. Unfortunately, however, while they bring the iron ore down there, they have not, in the last year nor this year, been able to secure a supply of coal for a return cargo; and because of that fact to-day the people of the Northwest are looking to the waters of the Mississippi River and to the advantages that that river gives us. We know that the railroads will continue to do as they have always done—to head off water transportation in every conceivable way.

Why, at St. Paul one of the railroads has the terminal facilities, the river facilities. Our steamboats are practically at the mercy of one of the old railroads there, because they own the water front. At Minneapolis fortunately the people have had the wisdom to secure the river front of the new navigation; and now to deprive us of this, just because of the war, seems to me cruel—as cruel as it can be. The idea that because a few of these engineers may be needed at the front in France all river and harbor improvements in the country must be suspended and at a standstill seems to me monstrous.

It is not only a question of the new works—and they are quite limited in this bill—but it is a question of taking care of the old works that have been completed. People ought to know that many of these improvements are completed, and it is a question of maintenance. You take a port on the Atlantic coast. It may have been dredged out to a sufficient depth. Take one of the tidal streams, what they call creeks or streams here. They are little tidal basins. Take one of those streams. It may be dredged out and put in a navigable condition, but because of the wind and tide it is continually filling up and it requires dredging.

The Senator from South Dakota [Mr. STERLING] referred to an item on page 12, embracing a lot of little streams on the seacoast. If he had read along, right at the end of that he would have found that the entire appropriation was only $15,000, and it was not to make these harbors, but simply to maintain them and keep them in working order, so as not to allow them to deteriorate.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from South Dakota?

Mr. NELSON. Certainly.

Mr. STERLING. It was just for that object that I spoke of unexpended balances; and I wanted to examine the record of the Board of Army Engineers for the purpose of determining what were the unexpended balances with reference to these 6 items of the 12 items in the list to which the Senator from Minnesota referred.

Mr. NELSON. The Senator will find that the balances are extremely limited, because in most cases there has been no appropriation, except for maintenance, for a number of years.

Mr. FLETCHER. Mr. President, if the Senator from Minnesota will allow me, I should like to answer the question of the Senator from South Dakota.

The Senator from South Dakota quotes from a minority report in the House of Representatives. Evidently he has not read the report of the majority of the Commerce Committee. There is no minority report as to that.

Mr. STERLING. I have read a good part of the report of the majority of the committee, and I have had it before me during the last two days, more or less, comparing it with the report of the Army engineers.

Mr. FLETCHER. What I want to say is this: If the Senator will refer to page 2 of that report he will find that specific question answered, not by the committee, not by me, not by any member of the committee, but by the Chief of Engineers himself. If the Senator will just turn to that, I will read the letter to Mr. SMALL, chairman of the Rivers and Harbors Committee of the House:

> In response to your letter of May 25 requesting a statement of the reasons why the existence of the available balances for river and harbor works on March 1, 1917, to which attention is called in the minority report on the river and harbor bill, does not affect the necessity for the additional appropriations proposed in the bill, I have to state that the main and sufficient reason is that these balances all contemplate different work from that proposed with the funds carried in the bill.

Now, that is conclusive. Why argue further about it? The statement is made that whatever these available balances may be, no matter whether you run them up to forty millions or forty billions, not a dollar of the amount is available for meeting the appropriations provided for in this bill; so it will not make any difference what that available balance may be.

Mr. STERLING. Mr. President, if the Senator from Minnesota will pardon me——

The PRESIDING OFFICER. Does the Senator from Minnesota yield further?

Mr. NELSON. Yes.

Mr. STERLING. Let me suggest to the Senator from Florida that I so frequently come across this statement in the report of the Army engineers with reference to any particular item. The statement is made that so much money—$1,000, $5,000, or $10,000, as the case may be—"may be profitably expended"; not that it is necessary, but that it "may be profitably expended"; and so on, item after item. That is the statement of the Board of Army Engineers. It is not quite satisfactory to me under existing conditions to have the statement simply that it may be profitably expended, without any further statement as to the need.

Mr. FLETCHER. That is not the statement, if the Senator will listen to it. The letter says distinctly:

> I have to state that the main and sufficient reason is that these balances—

These available balances that the Senator is troubled about—

> All contemplate different work from that proposed with the funds carried in the bill.

So that they are entirely outside of the items in this bill.

Mr. NELSON. Mr. President, it seems to me that now, while we are in the midst of this war, while there is a great shortage of coal throughout the country, while it is a question of distributing the iron ore and the supplies of this country, military and other supplies, we need water transportation more than ever.

The ore from our great mines on Lake Superior comes through the Soo Canal, goes down, and is distributed along the Lake ports. Even my good friends from Indiana—I do not see them on the floor at this time—have a harbor in their State, Indiana Harbor, which is quite a beneficiary of the Government improvement that has been made at that point, and which secures large quantities of the ore from Minnesota. Take the many harbors in the State of Ohio, Lorain, Toledo, and the other places farther east of that—I do not recall them at this moment—the ore from the great mines on Lake Superior is shipped to those ports, and the boats bring back coal. As I said a moment ago, unfortunately the boats can not secure now the supply of coal that we ought to have, and we are relegated now more than ever to the waters of the Ohio and the Mississippi Rivers, and even to the Missouri River.

Great improvements have been carried on upon the Ohio River by the Government, and great advantages will inure to the country by means of the shipment of coal. The coal from the mines of West Virginia and Ohio can be carried down the Ohio River and thence to the mouth of the Mississippi River and furnished to our Navy there as cheaply as the railroads can carry it over the Allegheny Mountains to the seaboard at Norfolk and other points.

I never could see any glory in knocking at our river transportation because of late years, owing to the fact that the railroads have been knocking it, it has not shown up as much as it ought to have shown up in the matter of tons carried on the water; but here is one benefit that has come to us, and it has come to all the shippers of the Northwest: The fact that these watercourses have been open, the fact that we have had these great navigable rivers, has compelled the railroads to give our people reduced rates, and we have had the benefit of it all over the country.

If the iron ore from Minnesota had to come all the way by rail to your great places in Ohio, just think in what a fix you would be. If all the coal from the Ohio and West Virginia mines had to come by rail to the Northwest, to Wisconsin and Minnesota, where would our people be? Why, Mr. President, there never was a time when we needed water transportation more than we do in the present emergency; and I am surprised that just because a few Army engineers may be needed in Europe men now advocate the idea that all our river improvements should be brought to a standstill, and everything should be at a deadlock, and our people should not have the advantage of what we have been struggling for years to secure, and what we need now more than ever.

Mr. HARDING. Mr. President, is there an amendment pending?

The PRESIDING OFFICER. There is; on page 21.

Mr. HARDING. I did not understand that that could be the case when we are considering the bill as it came from the House.

Mr. FLETCHER. The amendment on page 21, Mr. President, is really just to correct the addition of the House bill; that is all. It is on line 22.

Mr. HARDING. I will wait, then.

The PRESIDING OFFICER. The question is on the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 25, after line 23, to insert:

Provided, That there shall be expended, out of the $1,000,000 above appropriated, as soon as practicable, and, if possible, before June 1, 1918, $25,000, or so much thereof as may be necessary, at Cambridge Bend, near Glasgow, Mo., from the head of said bend to Bowlers Point, in constructing all necessary new works and in putting in thorough repair existing works, so that the same shall effectively protect the banks and confine the river to its channel at and along said bend: *And provided further*, That the Secretary of War is hereby authorized to transfer to the Missouri River for work thereon, free of cost, two dredges not necessarily employed elsewhere.

The amendment was agreed to.

The next amendment was on page 29, line 10, after the word "maintenance," to insert "in accordance with report submitted to Committee on Commerce on March 29, 1917, in Senate Document No. 57," so as to make the clause read:

Columbia and lower Willamette Rivers below Vancouver, Wash., and Portland, Oreg., and mouth of Columbia River, Oreg. and Wash.: Continuing improvement and for maintenance, in accordance with report submitted to Committee on Commerce on March 29, 1917, in Senate Document No. 57, $310,000: *Provided*, That of the funds herein appropriated $6,000, or so much thereof as may be necessary, may be expended in completing improvement at Cathlamet, Wash., in accordance with the report submitted in House Document No. 120, Sixty-third Congress, first session.

Mr. KING. Mr. President——

The PRESIDING OFFICER. The Senator from Utah.

Mr. KING. Did the Senator from Ohio desire to address the Chair? If so, I will yield.

Mr. HARDING. Not at this point. I want to offer an amendment presently.

Mr. KING. I wanted to ask the chairman of the committee, if he will kindly answer the interrogatory, whether or not any provision is made in this bill where a so-called waterway is purely local for the State to contribute anything for its maintenance or for the construction of any of the new projects which are purely intrastate?

Mr. FLETCHER. In some instances where new projects are adopted here, and reference is made to a House document of such and such a number, local contribution is provided for. That depends on the report of the engineers. Where a survey is ordered, and the report comes in, and the engineers consider that local interests are such that they ought to cooperate, they so recommend. Then, when the project is adopted, it is adopted with that condition in it, and the reference to the document carries with it that condition, just the same as if it were set forth in the act.

There is no provision in this bill requiring the States in every instance to contribute or to take care of the project, or to do anything of that sort. What is required depends on the provisions of the document that is referred to.

Mr. JONES of Washington. May I suggest that there is a general law which requires that engineers in reporting on these surveys shall make such recommendations as they deem advisable for cooperation by the locality?

Mr. FLETCHER. That is quite true; and I will illustrate what I mean to the Senator from Utah. You will find, for instance, in the bill on page 18:

For completing improvement from Mermentau River to Sabine River, La. and Tex., in accordance with the report submitted in Senate Document No. 705, Sixty-fourth Congress, second session, and subject to the conditions set forth in said document.

Mr. RANSDELL. There is a contribution of $230,000 by the local people. The Government provides $230,000 and the local people put up $230,000. It is thought the local people, having some direct interest in it, should contribute an equal amount.

Mr. FLETCHER. There is such a requirement, as the Senator from Washington says, and generally they state that such local cooperation shall be required as the circumstances justify.

Mr. KING. I wish to say to the Senator in charge of the bill that I have made some examination in the limited time that has been at my disposal and I can not find that any substantial contribution has been made by any State to the large number of little petty streams and streamlets for which appropriations have been made. For instance, in the numerous little streams in the State of Florida I can not find, with respect to those streams, that the State of Florida has made any substantial appropriation, and I do not find in this bill or in any other of the bills any provision looking to a proper and a broad and comprehensive plan of activity by which the States within which the local projects are being constructed shall make annually a certain contribution for maintenance and to pay a certain proportion of the cost of the construction of the project. Does not the Senator think, if he will permit an interrogation based upon that statement, that the committee ought to have evolved some plan and submitted it here as a part of a comprehensive system of dealing with this important question, by which the States that are aided, if there is any aid at all from any of these little streams, shall make a part of the contribution for the building of the project and pay a part of the expenses for maintaining it?

Mr. HARDING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Ohio?

Mr. FLETCHER. I yield to the Senator.

Mr. HARDING. I wanted to answer the Senator from Utah with respect to two of the improvements carried in the bill located in the State of Ohio. There is a survey provided for the harbor of Cleveland which contemplates in the engineers' report an expenditure on the part of the Government not to exceed $400,000. It is not contained in this bill, however. The expenditure of the city of Cleveland in connection with that same improvement is expected to reach in excess of $3,000,000. On Lorain Harbor, which has raised more or less controversy, the municipality of Lorain has expended more than eight times the sum proposed in this bill in bringing about the improvement.

Mr. SHAFROTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Colorado?

Mr. FLETCHER. I yield to the Senator from Colorado.

Mr. SHAFROTH. I wish to ask the Senator from Ohio whether it would not be very equitable and fair to the people of Ohio that there should have been a certain percentage provided for in the bill, so that Ohio would not be required to put up $3,000,000 in one instance and eight times the amount in the other, when other projects that are no more meritorious than the Cleveland project and the Lorain project are paid for out of the General Treasury of the United States?

Mr. HARDING. I can only answer the Senator from Colorado very briefly. I say I think our whole policy is wrong and ought to be modified.

Mr. SHAFROTH. Does not the Senator believe there ought to be some fixed proportion between the States in which the improvement is to be made or the county or the city and the General Government, so that there will be equitable treatment all around instead of this haphazard manner of allowing at the instance of an engineer or some one else a large amount in one instance and a very small amount in another, and in another nothing at all?

Mr. HARDING. I do not think that a statutory limit could be established, nor do I think Congress is capable of equitably adjusting such allotments.

Mr. SHAFROTH. If they were to make the percentage reasonably small——

Mr. FLETCHER. Mr. President, I wish to answer the Senator from Utah before we get too far away from that point.

Mr. SHAFROTH. Very well. Inasmuch as this matter comes up on an amendment which I shall propose, I will defer what I have to say.

Mr. FLETCHER. I simply want before we get clear away from the specific question asked by the Senator from Utah to answer it. He asked me about the little creeks and streams and rivulets of Florida, why they should not pay some part by local contributions. I am unable to find any of those little creeks and streams mentioned in this bill or any other bill I have ever seen providing an appropriation for any waterway in Florida.

I presume the Senator refers, as the Senator from Iowa [Mr. KENYON] seems to think, to some of the waterways there which are classified as creeks and streams. I think the Senator from Iowa made some reference a few days ago to Banana Creek as if it was a very insignificant proposition, even though it involved the mere survey. Banana Creek happens to be three-eighths of a mile wide, and it connects a little waterway known as Indian River, which is about 3 miles wide at that point, and it is over a mile wide throughout over its entire length of almost 300 miles, connecting inland waterways extending over 500 miles. That was one of those little streams in Florida averaging a width of over a mile, and extending nearly 500 miles in length. Banana Creek happens to connect the little waterway with another small waterway known as Banana River, which is about a mile and a half wide and connects with Indian River.

Those are the sort of little creeks in Florida that have been mentioned here.

As to contributions, the first item on page 16, for the St. Johns River, the county bonded itself years ago for some $500,000 as a first contribution toward deepening the St. Johns River. The county of Duval, of which Jacksonville is the county seat, issued its bonds and commenced that improvement. The other items in that paragraph is the Oklawaha River, for which there are only $5,000 provided in the way of maintenance in this bill. That is all, $5,000, to maintain a waterway 117 miles long, connecting five or six lakes 6 or 8 miles across, carrying products from that vicinity of the farm, and agricultural stuff as well as vegetables, fruit, and the like, breaking bulk but once—namely, when getting to a larger port at Jacksonville, and from there to Boston, New York, Philadelphia, and all parts of the world. That waterway connects it.

These other items are of no consequence; for instance, half a dozen of them carrying an appropriation of $10,000 for maintenance. That is all that is appropriated for maintaining these waterways for a year.

I want to say in regard to the small creeks of Florida, which are spoken of as if they amounted to nothing, I do not feel that I ought by my silence to admit the justice of any such implication as to those streams. Sometimes a stream is called a creek, which would be called in some parts of the world a tremendous river.

I do not know that there is anything further to say except on this matter of contribution that it is largely based upon what the engineers pass upon when they report on a project.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment of the Committee on Commerce was, on page 33, after line 22, to strike out:

Inland water route along the southern shore of Long Island, N. Y., from Jamaica Bay to Peconic Bay, with a view to providing a channel of adequate width and depth.

and to insert:

The item for preliminary examination of Jamaica Bay with a view to obtaining a channel 100 feet wide and 6 feet deep to and through Great South Bay to Peconic Bay, including channels to Parsonage and Sumpawans River and Freeport and Massapequa Creeks, in the river and harbor act approved March 2, 1907, is modified to permit the consideration of a channel of suitable depth and width.

Mr. KING. I should like to ask the chairman in charge of the bill the scope of this amendment, whether or not it contemplates the entering upon a new project; and if so, the estimated cost of the same?

Mr. FLETCHER. It is merely for a survey. It does not call for any appropriation at all. It depends altogether on whether the engineer will report that it is worthy of investigation and survey. He then estimates the cost and they make the estimate of the cost finally and decide whether a commercial justification exists for it or not, and make their report upon the project to Congress. It is merely calling for an investigation as to a survey.

Mr. KING. I so understand; but is it not a fact that in the overwhelming majority of instances wherever a survey is ordered it is followed by the adoption of the project later on by the Government?

Mr. CALDER. If the Senator from Florida will permit me——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from New York?

Mr. FLETCHER. No; the Senator is entirely wrong about that.

Just in answer to this one question, I will say the facts are given in a communication from the Chief of Engineers on that very point. I am very glad the Senator alluded to it, as perhaps there is some misunderstanding about it, and this letter ought to go into the RECORD. It is as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, July 25, 1917.

Hon. DUNCAN U. FLETCHER,
Chairman Committee on Commerce,
United States Senate.

MY DEAR SENATOR FLETCHER: 1. In response to a request by telephone received from Senator RANSDELL, a member of the Committee on Commerce, I take pleasure in furnishing the accompanying memorandum showing the number of examination and survey reports ordered by Congress from and including the river and harbor act of June 13, 1902, the number of reports submitted thereon, and the number of these reports which were favorable and unfavorable. In the time allotted it has not been practicable to extend the table to include the examinations and surveys ordered by the act of March 3, 1899, the one preceding that for 1902.

2. As the act for 1902 is the one creating the Board of Engineers for Rivers and Harbors, all reports made since that date have been subjected to the same test, and it is believed that any figures given for a period prior to the above date would not be comparable, as the method of passing upon projects was under a different system.

3. I trust that the foregoing may serve all your needs.

Very sincerely, yours,

W. M. BLACK,
Brigadier General, Chief of Engineers.

Memorandum in re reports on examinations and surveys ordered by Congress.

Authority for investigation.	Investigations ordered.	Reported on to June 30, 1917.	Favorable.	Unfavorable.
Act of—				
June 13, 1902	170	170	52	118
Mar. 3, 1905	176	176	74	102
June 28, 1906	2	2	1	1
Mar. 2, 1907	200	200	108	92
May 28, 1908	1	1	1	
Mar. 3, 1909	274	274	120	154
June 25, 1910	187	187	62	125
Feb. 27, 1911	90	90	28	62
July 25, 1912	226	220	70	150
Mar. 4, 1913	122	116	43	73
Mar. 4, 1915	219	186	36	150
July 27, 1916	128	65	8	57
Total	1,795	1,687	603	1,084

	Per cent.
Unfavorable reports	64¼
Favorable reports	35¾

That is the actual record, and I now yield to the Senator from New York.

Mr. CALDER. Mr. President, just a word as to what the Senator from Florida has said in reply to the inquiry of the Senator from Utah. You will observe that the method of making this survey has been changed. There was a survey authorized for this improvement many years ago for a 6-foot channel. The engineers were about to report against it, because 6 feet were of no value. The Legislature of New York State took the matter up this year, and they have provided for an expenditure of $1,000,000 for this waterway improvement, if the War Department recommends it and Congress finally approves the project. It is expected that the improvement recommended and authorized will cost in the neighborhood of $3,500,000, of which our State will pay substantially one-fourth.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 34, after line 22, to insert:

Northwest River, Va.-N. C.

Mr. MARTIN. I move to add an amendment giving some particulars about that survey. I send to the desk an amendment to follow it in addition to the amendment proposed by the committee.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. It is proposed to add at the end of the amendment the following:

From at or near Woodward's bridge up stream, so flat lighters, etc., may ascend, with a width of channel of not less than 40 feet, as far as the Cornland Causeway Road or beyond that point as far as practicable, and to take into consideration any proposition for the cooperation on the part of local or State interests for the payment of one-half the expense of this project, and to report the possible utility of the whole river, from its mouth to its source, if adequately improved to meet the requirements of its connecting waters, for the national defense.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Virginia to the amendment of the committee.

Mr. FLETCHER. I think that amendment is entirely proper. It merely makes the amendment a little more specific.

Mr. KING. I should like to ask the Senator from Virginia if this is a new project and what the necessity of it is at this time as a part of our preparedness program?

Mr. MARTIN. I do not know that it has any relation to our preparedness program. It is a new project. This is simply for an investigation by the engineering department of the Government to report to Congress that we may later on determine whether it ought to be undertaken by the Government or not.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, at the top of page 37, to insert:

Tchula Lake, tributary of the Yazoo River, Miss.

The amendment was agreed to.

The next amendment was, on page 38, after line 3, to insert:

Black River, Ark. and Mo., above Black Rock, Ark., an instrumental survey with a view to preparing plans and estimates of cost for caring for flood waters in said river and to determining whether a portion of the flood waters of the St. Francis River should be diverted to the

Black River, and what additional cost such diversion would involve in connection with the works on the Black River. The report of survey shall also include consideration of any proposition by local interests for participation in the expense of said project on account of the reclamation of contiguous lands or other lands subject to overflow by said streams.

The amendment was agreed to.

The next amendment was, at the top of page 40, to insert:

Petaluma Creek, Cal.

The amendment was agreed to.

The next amendment was, on page 41, after line 2, to insert:

East Channel, Coos River, Oreg.

The amendment was agreed to.

The next amendment was, on page 41, line 16, after the word "no," to insert "examination," and in line 18, after the word "shall," to insert "direct," so as to make the proviso read:

Provided, That no examination or survey herein provided for shall be made until after the close of the war with Germany except such as the Secretary of War shall direct.

The amendment was agreed to.

The next amendment was, on page 41, after line 18, to insert as a new section the following:

SEC. 5. That the Secretary of War is hereby authorized and empowered to grant leases or licenses to municipal corporations and to public service or other corporations for the use of the surplus water not needed for purposes of navigation at the United States Government dams constructed at Lake Winnibigoshish and at Lake Pokegama, in the State of Minnesota, at such rates and compensation as he may deem just and reasonable, giving to municipal corporations the preference. That such leases or licenses shall not extend beyond the period of 50 years, and that the moneys paid for the same shall go into the Treasury of the United States, to be used for the maintenance of the dams and the improvement of navigation in said river. The Secretary of War shall make such rules, regulations, and conditions as he may deem necessary to protect the interests of navigation and the United States, and the same shall be incorporated in the leases or licenses.

The amendment was agreed to.

The next amendment was, on page 42, after line 10, to insert as a new section the following:

SEC. 6. That Congress hereby consents that the States of Minnesota, North Dakota, and South Dakota, or any two of them, may enter into any agreement or agreements with each other to aid in improving navigation and to prevent and control floods on boundary waters of said States and the waters tributary thereto. And said States, or any two of them, may agree with each other upon any project or projects for the purpose of making such improvements, and upon the amount of money to be contributed by each to carry out such projects. The Secretary of War is authorized and directed to make a survey of any project proposed, as aforesaid, by said States, or any two of them, to determine the feasibility and practicability thereof and the expenses of carrying the same into effect and what share of such expenses should be borne by the respective States, local interests, or by the National Government. If the Secretary of War approves any such projects, he may authorize the States to make such improvements at their own expense, but under his supervision. That the sum of $25,000, or so much thereof as may be necessary, is hereby appropriated, out of any funds in the Treasury of the United States not otherwise appropriated, for the purpose of enabling the Secretary of War to make the surveys and estimates herein contemplated.

Mr. KING. As I understand this amendment—and I ask the Senator having the bill in charge if my understanding is correct—it is to provide a lump sum for making a survey for such new projects as have been included in the bill.

Mr. FLETCHER. The amendment under consideration is section 6.

Mr. KING. Yes.

Mr. FLETCHER. That has reference to particular projects.

Mr. KING. It is limited, then, merely to the two projects referred to in the section?

Mr. FLETCHER. Yes.

Mr. NELSON. If the Senator from Utah wants an explanation, I can give it.

Mr. KING. I would be very glad to receive an explanation from the Senator from Minnesota.

Mr. NELSON. I will simply say that the Red River of the North and its tributaries are the boundary waters between the States of Minnesota and North and South Dakota. They have a lot of low and wet land they want to drain into that river, and the question is how they can utilize that river, together with the Minnesota River, which is close to it. The States proposed to make the improvement, but, inasmuch as the question of navigation may be involved, they want the Government to lay out the work and have the work done under its supervision. That is all there is in it. Otherwise, if a part of it were not a navigable stream and a boundary water, the States would go on of their own accord and do it.

Mr. KING. Will the Senator permit an inquiry?

Mr. NELSON. Yes; certainly.

Mr. KING. This does not involve any further expenditure on the part of the National Government looking to the reclamation of the lands of the State?

Mr. NELSON. No. The States will reclaim the land. They simply want it determined how the Red River of the North and the Minnesota River can be utilized to take off the surface water. That is all there is in it.

Mr. McCUMBER. Mr. President, I think that it ought to be stated, in addition, that by reason of a drainage system, already adopted not only in Minnesota but in North Dakota, a greater amount of water was thrown from the lowlands into the tortuous Red River than the river was capable of handling. The result was that vast stretches of that land have been overflowed with water after the grain had been seeded, destroying hundreds of thousands of acres. Neither Minnesota, North Dakota, nor South Dakota is asking one dollar's aid on the part of the Government on account of this damage; but they do ask that they may act together, even though the work covers a navigable stream over which the United States claims jurisdiction and has jurisdiction, to the end that they may at their own expense prevent a recurrence of such floods as this and may contribute to the expense of the project such amount as may be agreed upon by all three of the States, the work to be supervised by the Federal Government.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Commerce was, on page 44, after line 9, to insert:

That, in the interest of the national defense and for the better protection of life and property on said waters, the Secretary of War is hereby authorized and empowered to prescribe such regulations as he may deem best for the use and navigation of any portion of areas of the navigable waters of the United States or waters under the jurisdiction of the United States endangered or likely to be endangered by Coast Artillery fire in target practice or otherwise, or by the proving operations of the Government ordnance proving ground at Sandy Hook, N. J., or at any Government ordnance proving ground that may be established elsewhere on or near such waters, and of any portion or area of said waters occupied by submarine mines, mine fields, submarine cables, or other material and accessories pertaining to seacoast fortifications, or by any plant or facility engaged in the execution of any public project or river and harbor improvement; and the said Secretary of War shall have like power to regulate the transportation of explosives upon any of said waters.

The amendment was agreed to.

The next amendment was, on page 45, after line 3, to insert:

That to enforce the regulations prescribed pursuant to this act the Secretary of War may detail any public vessel in the service of the War Department, or, upon the request of the Secretary of War, the head of any other department may enforce, and the head of any such department is hereby authorized to enforce, such regulations by means of any public vessel of such department.

The amendment was agreed to.

The next amendment was, on page 45, line 11, to change the number of the section from "7" to "9."

The amendment was agreed to.

The next amendment was, on page 47, line 3, to change the number of the section from "9" to "11."

The amendment was agreed to.

The next amendment was, on page 47, line 10, to change the number of the section from "10" to "12," and, in line 12, after the words "Betterton-Morgan Company," to strike out the word "Incorporated" in parentheses and insert "Inc.," so as to read:

SEC. 12. That the Secretary of War is hereby authorized, under such terms, including a reasonable rental, to be approved by him, to permit the Betterton-Morgan Company (Inc.) to construct a dock or docks upon lots 1, 4, and 5, block 6, Seattle tidelands, or upon such portions thereof as he may designate, the construction of said docks to be under the supervision of and all material used therein to be approved by the Secretary of War, and the necessary expenses of such supervision and construction to be borne by said company.

Mr. JONES of Washington. Mr. President, I want to carry that amendment a little further. I want the parentheses stricken out; but it seems as though the printer must have changed this to suit himself. The letters "Inc." are a part of the name of the company. I therefore want the parentheses also stricken out.

Mr. FLETCHER. It seems almost impossible to get that printed correctly. We have had it several times, and the printers either insert the word "incorporated" in full or put it in parentheses, neither of which is warranted. The amendment suggested by the Senator from Washington, of course, is entirely proper.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Commerce was, on page 48, after line 8, to insert as a new section the following:

SEC. 13. That amounts hereafter paid by private parties or other agencies for rental of plant owned by the Government in connection with the prosecution of river and harbor works shall be deposited in each case to the credit of the appropriation to which the plant belongs.

The amendment was agreed to.

The next amendment was, on page 48, line 14, to change the number of the section from "11" to "14."

The amendment was agreed to.

The next amendment was, on page 50, after line 4, to insert as a new section the following:

SEC. 15. That Mosquito Creek, in Colleton County, S. C., be, and the same is hereby, declared to be a nonnavigable stream within the meaning of the Constitution and laws of the United States.

The amendment was agreed to.

The next amendment was, on page 50, after line 8, to insert as a new section the following:

SEC. 16. That a commission, to be known as the waterways commission, consisting of seven members to be appointed by the President of the United States, at least one of whom shall be chosen from the active or retired list of the Engineer Corps of the Army, at least one of whom shall be an expert hydraulic engineer from civil life, is hereby created and authorized, under such rules and regulations as it may adopt, to bring into coordination and cooperation the engineering, scientific, and constructive services, bureaus, boards, and commissions of the several governmental departments of the United States and commissions created by Congress that relate to study, development, or control of waterways and water resources and subjects related thereto, or to the development and regulation of interstate and foreign commerce, with a view to uniting such services in investigating, with respect to all watersheds in the United States, questions relating to the development, improvement, regulation, and control of navigation as a part of interstate and foreign commerce, including therein the related questions of irrigation, drainage, forestry, arid and swamp land reclamation, clarification of streams, regulation of flow, control of floods, utilization of water power, prevention of soil erosion and waste, storage, and conservation of water for agricultural, industrial, municipal, and domestic uses, cooperation of railways and waterways, and promotion of terminal and transfer facilities, to secure the necessary data, and to formulate and report to Congress, as early as practicable, a comprehensive plan or plans for the development of waterways and the water resources of the United States for the purposes of navigation and for every useful purpose, and recommendations for the modification or discontinuance of any project herein or heretofore adopted. Any member appointed from the retired list shall receive the same pay and allowances as he would if on the active list, and members selected from civil life shall receive compensation of $7,500 per annum.

In all matters done, or to be done, under this section relating to any of the subjects, investigations, or questions to be considered hereunder, and in formulating plans, and in the preparation of a report or reports, as herein provided, consideration shall be given to all matters which are to be undertaken, either independently by the United States or by cooperation between the United States and the several States, political subdivisions thereof, municipalities, communities, corporations, and individuals within the jurisdiction, powers, and rights of each, respectively, and with a view to assigning to the United States such portion of such development, promotion, regulation, and control as may be undertaken by the United States, and to the States, political subdivisions thereof, municipalities, communities, corporations, and individuals such portions as belong to their respective jurisdictions, rights, and interests.

The commission is authorized to employ, or retain, and fix the compensation for the services of such engineers, transportation experts, experts in water development and utilization, and constructors of eminence as it may deem necessary to make such investigations and to carry out the purposes of this section. And in order to defray the expenses made necessary by the provisions of this section there is hereby authorized to be appropriated such sums as Congress may hereafter determine, and the sum of $100,000 is hereby appropriated, available until expended, to be paid out upon warrants drawn on the Secretary of the Treasury by the chairman of said commission.

The commission shall have power to make every expenditure requisite for and incident to its authorized work, and to employ in the District of Columbia and in the field such clerical, legal, engineering, artistic, and expert services as it may deem advisable, including the payment of per diem in lieu of subsistence for employees engaged in field work or traveling on official business, rent of offices in the District of Columbia and in the field, and the purchase of books, maps, and office equipment.

Nothing herein contained shall be construed to delay, prevent, or interfere with the completion of any survey, investigation, project, or work herein or heretofore or hereafter adopted or authorized upon or for the improvement of any of the rivers or harbors of the United States or with legislative action upon reports heretofore or hereafter presented.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. LODGE. Before the vote is taken on the amendment, I should like to ask if this is what is known as the Newlands amendment?

The PRESIDING OFFICER. The Chair is informed that it is.

Mr. FLETCHER. It is very different from what was known as the Newlands amendment as presented in a former bill, I will say to the Senator.

Mr. LODGE. It commits us to an expenditure of about $600,000,000, does it not?

Mr. RANSDELL. It does not commit us to anything.

Mr. FLETCHER. This is merely an investigating commission. It does not commit us to anything. It is altogether different from the former proposition.

Mr. LODGE. It is the beginning of a $600,000,000 expenditure.

The PRESIDING OFFICER. The question is on the amendment of the committee.

Mr. KING. Mr. President, before the amendment is agreed to I want to ask the chairman of the committee whether it is his purpose to obtain a vote upon this bill this evening? The reason that I make the inquiry is that I had intended submitting some observations upon the bill and upon the general policies of the Government in dealing with these projects. I want to state to the Senator that if I adhere to my present purpose it will take perhaps an hour or an hour and a half for me to present my views upon these matters, but if we shall adjourn until to-morrow it may be that I will defer speaking at all upon the bill. My intention is, if I speak to-day, to discuss at some length the unwise course pursued by the Government in dealing with the important subject of harbors and waterways, and to point out the millions, if not hundreds of millions, of dollars wasted under the present system, and also to condemn this bill and suggest reasons why it should be defeated.

Mr. FLETCHER. I desire to say to the Senator that if I can—it is only now half past 4 o'clock—I desire to get through with the bill this evening. I see no good reason why we can not do so.

Mr. MARTIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Virginia?

Mr. KING. I am very glad to do so.

Mr. MARTIN. I merely want to say, for the information of the Senator and for that of other Senators, that there has been a very general desire expressed to have the Senate adjourn over until Monday, which can not well be done unless this bill is completed. So, while I have no desire whatever to curtail the remarks of the Senator from Utah, I think it very desirable that he should make them this evening, and that the Senate should remain in session until this bill is finally voted on, in order that we may adjourn over until Monday.

Mr. KING. Would the Senator permit me to inquire what great harm would ensue to the country if this bill should not be passed to-night?

Mr. MARTIN. I do not know that any great harm would ensue; but we are here to pass laws; this one is ready for the consideration of the Senate; and I think it is up to us to proceed to consider it and dispose of it. We have nothing else to do this afternoon; it is just half past 4 o'clock, and there is no reason why the Senator from Utah should not address the Senate for such length of time as he desires. The Senate could then vote on the bill and adjourn over until Monday.

Mr. KENYON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Iowa?

Mr. KING. I do.

Mr. KENYON. I desire to ask the Senator from Virginia, who is the leader on the Democratic side, if he thinks the Senate should adjourn over until Monday, in view of the fact that the conferees may report on the food-control bill?

Mr. MARTIN. If I thought it was possible that the conferees would report on the food-control bill I should certainly be opposed to adjourning over; but there is not the remotest possibility of a report on the food bill before Monday, from all the information that I have.

Mr. KENYON. I do not agree with the Senator as to that.

Mr. MARTIN. I do not know whether there are any conferees on that bill present, but that is what the conferees with whom I have talked told me, that they expected a very tedious and protracted conference before they could reach an agreement.

Mr. VARDAMAN. Mr. President, I understand the Senator from Iowa [Mr. KENYON] himself is a member of the committee of conference on that bill.

Mr. MARTIN. All of the conferees who have spoken to me on the subject have expressed the opinion that it would take a good many days to reach an agreement. I have not heretofore heard it suggested as remotely possible that the conferees would agree between this time and Monday.

Mr. KENYON. The conferees expect to work to-night far into the night to endeavor either to agree or report back that they can not agree. While I can not speak at all for the conferees, I am inclined to believe that there will be some kind of report here before the week is over, and I do not think the Senate ought to adjourn.

Mr. MARTIN. I respectfully submit that the questions in difference will require more time for deliberation than exists between now and Monday.

Mr. SMOOT. The report must be submitted to the House first, at any rate.

Mr. SHAFROTH. Mr. President, the committee amendments have all been disposed of, have they not?

The PRESIDING OFFICER. No. The question is on agreeing to the last committee amendment.

The amendment was agreed to.

Mr. FLETCHER. I have an amendment which I desire to offer on behalf of the committee.

Mr. SHAFROTH. Very well.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. FLETCHER. The Senator from Tennessee [Mr. McKELLAR] really presented the amendment, but the committee has agreed to it. I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 24, at the bottom of the page, it is proposed to insert the following:

The Mississippi River Commission shall forthwith make an examination of the Memphis Harbor, on the Mississippi River at the mouth of Wolf River, and at the earliest practicable moment make such plans and take such steps, to be approved by the Chief of Engineers, as will remove the large sand bar in front of Memphis to such an extent as may be necessary in the interest of navigation at that point, such improvements to be paid out of any funds heretofore or hereafter appropriated for the work of the Mississippi River Commission, not to exceed, however, the sum of $250,000 for the current year.

Mr. McKELLAR and Mr. SMOOT addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. McKELLAR. Mr. President, the amendment that has just been read is the one that the committee has already agreed to. I desire to state to Senators that the amendment requires no additional appropriation at all. It merely directs the Mississippi River Commission to take such steps and prepare such plans, to be approved by the Chief of Engineers, as will result in removing a very large sand bar that has formed within the last four or five years in front of the city of Memphis and which virtually shuts off the city from the river front. As all the Senators know, Memphis is one of the most important cities on the Mississippi River. At present the only way that the steamboats can get up to the wharves is through a small channel that has been dug next to the bank. The steamboats have to come up that channel one at a time and load and then unload one at a time and then go out.

Gen. Black, the Chief of Engineers, has given it as his opinion that the bar can be removed without any serious difficulty, if done now. There is, however, some difference of opinion between him and the members of the Mississippi River Commission. The commission has made a recommendation in the matter, which has not yet been approved by the Chief of Engineers.

This provision will settle that difficulty. The commission is directed to go on and do the work and pay for it out of an appropriation that has already been made or which will hereafter be made for the Mississippi River Commission under a bill that has heretofore been passed by Congress. I do not want to go into the matter in any unnecessary detail, but I feel sure that it is a matter of such very great importance that the Senate will not object to the insertion of the amendment in the bill.

Mr. SMOOT. Mr. President——

Mr. KIRBY. Mr. President, I desire to ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Tennessee yield; and if so, to whom?

Mr. McKELLAR. I yield first to the Senator from Utah, as I believe he addressed the Chair first.

Mr. SMOOT. Do I understand the Senator to say that this improvement is to be paid for out of a lump-sum appropriation that has already been made?

Mr. McKELLAR. Yes; in part; the remainder, if any, to be paid out of similar appropriations hereafter to be made.

Mr. VARDAMAN. Mr. President, I should like the Senator from Utah to understand that this money is to be paid out of the appropriation for the Mississippi River contained in the so-called flood-control bill.

Mr. McKELLAR. I now yield to the Senator from Arkansas. I beg his pardon for not having yielded before.

Mr. KIRBY. Mr. President, I understood that this appropriation was to be paid out of the money already appropriated, but that there was to be a limitation of $250,000. I do not see any limitation in the amendment as proposed.

Mr. McKELLAR. I will tell the Senator why that is. The Chief of Engineers has just telephoned me that it is impossible to fix a limitation. There was a limitation originally in the proposed amendment that not more than $250,000 should be expended this year on this particular work out of the appropriation which has already been made. The memorandum which has just been sent by Gen. Black did not have that limitation in it. I thought that it would be better to have the matter left generally without limitation, and if more money is required than now contemplated it can be expended under a subsequent lump-sum appropriation.

I will say to Senators that I thought the committee had agreed to that change as indicated by Gen. Black. If the committee did not so understand, I am perfectly willing to have the limitation of $250,000 go in the amendment. I do not want any misunderstanding about it.

Mr. RANSDELL. Mr. President, I have to say that the committee did not so understand. We understood that there was to be a limitation and that the words "not to exceed, however, the sum of $250,000 for the current fiscal year" would be added. If that is agreeable to the Senator, we will make no objection.

Mr. McKELLAR. After the statement made by the Senator from Louisiana I will accept that amendment.

The PRESIDING OFFICER. The question is on the amendment as modified.

Mr. NORRIS. Mr. President——

Mr. McKELLAR. Does the Senator from Nebraska desire to ask me a question?

Mr. NORRIS. I desire to get some information.

Mr. McKELLAR. I will be very glad to give the Senator such information as I have.

Mr. NORRIS. As I understand, this amendment provides for this improvement to be paid for out of a fund that has heretofore been appropriated?

Mr. McKELLAR. To the extent of $250,000.

Mr. NORRIS. Well, that is the limitation now in the amendment.

Mr. McKELLAR. Yes.

Mr. NORRIS. I was not so much interested in that as I was to find out just exactly what this particular fund was, and whether it is under the control of the Mississippi River Commission.

Mr. McKELLAR. Yes; a fund of $6,000,000 was appropriated in the flood-control bill for the Mississippi River, and it is out of that fund or some subsequent fund of like kind that this improvement is to be paid for.

Mr. NORRIS. Then, why is it necessary to appropriate for it in this bill?

Mr. McKELLAR. It is not appropriated for at all in this bill, but directions are merely given to the Mississippi River Commission to proceed to do the work under the direction of the Chief of Engineers. Not an additional dollar is appropriated in this bill. There has been some difference of opinion about the matter between the Mississippi River Commission and the Chief of Engineers, and it has been hanging fire for about four or five years—I think now for about five years.

Mr. NORRIS. Why is it necessary to give any direction to the commission? Do they not have authority to do it without a specific direction?

Mr. McKELLAR. The commission has authority to do it, it is true, but they have not done it, although it has been pending for a long time. There is a difference of opinion between the Chief of Engineers, who has rather a veto power over the allotments of the money made by the commission, and the commission itself, with the result that no work has been done, and the city of Memphis has practically been left high and dry, without access to the river. We want to get access, and that is the object of this instruction from Congress. I have never understood the attitude of the Mississippi River Commission on this subject.

The commission has uniformly ever since I have been in public life, been opposed to any project in or around Memphis. I sincerely hope the members of the commission will not any longer feel this antagonism against one of the two best cities within their jurisdiction.

Mr. NORRIS. Is the Mississippi River Commission opposed to this work?

Mr. McKELLAR. Well, I can not say that. All I can say is that there is a disagreement between the Mississippi River Commission and the Chief of Engineers, the Chief of Engineers believing that the bar can be removed with comparative ease and without any great expense. It seems that some members of the commission, at any rate, believe that a channel there will be sufficient and that no further steps need be taken to remove the bar.

Mr. NORRIS. I want to get the exact situation, Mr. President.

Mr. McKELLAR. I am trying to give it to the Senator to the best of my ability.

Mr. VARDAMAN. If the Senator will yield to me, I think I can explain the matter.

Mr. McKELLAR. I will yield to the Senator in a moment.

Mr. NORRIS. Mr. President, I desire to ascertain if the Senator knows whether the commission itself has turned down this proposition, and, if they have not turned it down, why they do not do the work?

Mr. McKELLAR. I can say that since I have been a Member of the Congress, which has now been about six years, counting House and Senate service, I have been steadily, in season and out of season, trying to get the commission to do this work. My colleague [Mr. SHIELDS], since he has been in the Senate, has also been very busily engaged in the same good work, but up to date we have been wholly unable to get the commission to proceed to remove that bar.

Both of us think we should have some action. There is no possible excuse for this plain neglect of the Memphis Harbor. We are entitled to relief as a plain matter of right. Now, when we investigated it in its latest phase we found that there was a difference of opinion existing between the Mississippi River Commission and the Chief of Engineers.

The manner in which the money is allotted for work there is this: When a lump sum is appropriated, the Mississippi River Commission undertakes to allot the money to the various projects along the river, apportioning it to the various points and to the various objects and purposes the commission has in view. When they have allotted the various funds, those allotments are forwarded to the Chief of Engineers for his approval or disapproval. In this particular instance they were sent to the Chief of Engineers, and only $69,000 was allotted for the purpose not of removing the sand bar but for dredging—purely a temporary work—the channel which is already there.

The Chief of Engineers disapproved of that allotment, and it is in that unfortunate situation to-day. Now, the object and purpose of this amendment is simply to settle that difficulty—that is all—to settle that difficulty and direct the Mississippi River Commission to proceed with the work. I think, Mr. President, that it is a very proper and certainly necessary piece of work to be done. Memphis, as the Senator knows, is the most important city on the river between St. Louis and New Orleans. In its present situation its wharf has been entirely removed from the river, and the only way in which it can be remedied is by the removal of this bar, which can be done with a great deal of ease and apparently a great deal of quickness, if we can just get action—we are entitled to immediate action.

Mr. SHIELDS. Mr. President——

Mr. McKELLAR. I yield to my colleague.

Mr. NORRIS. I thought I had the floor, Mr. President. Maybe I have lost it under the statute of limitations.

The PRESIDING OFFICER. The junior Senator from Tennessee has the floor.

Mr. NORRIS. Then I have lost the floor, Mr. President. All right.

The PRESIDING OFFICER. The Senator will be recognized soon.

Mr. McKELLAR. No; it is purely a misunderstanding. I had not yielded the floor; but I yield to the Senator from Nebraska with a great deal of pleasure.

Mr. NORRIS. I am perfectly willing that the Senator should have the floor. I have lost it by not claiming it.

Mr. SHIELDS. Mr. President, I wish to say to the Senator from Nebraska that I had no intention of taking him off the floor. I was simply going to suggest to my colleague to state some further facts concerning the obstruction in the Memphis Harbor that would be of interest to the Senator from Nebraska. My colleague [Mr. McKELLAR] resides in the city of Memphis and has thorough knowledge of the subject, and I merely desired that he state some additional facts to which I would call his attention.

Mr. McKELLAR. I take pleasure in yielding to my colleague for any question that may be asked or to any other Senator.

Mr. SHIELDS. I will wait until the Senator from Nebraska yields the floor.

Mr. McKELLAR. I now yield to the Senator from Nebraska.

Mr. NORRIS. I am not asking anyone to yield to me.

Mr. McKELLAR. I yield the floor, then.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. McKELLAR. I yield the floor to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. VARDAMAN. Mr. President, having lived since my infancy very near the city of Memphis, in the neighboring State of Mississippi, and being entirely familiar with all the facts connected with the subject matter of the controversy, I shall make a very short statement to the Senate in answer to the inquiry made by the able Senator from Nebraska [Mr. NORRIS].

The Congress passed a bill some months ago providing for the expenditure of $45,000,000 for the control of the floods of the Mississippi River. The terms of that law provide that the money then appropriated should be disbursed under the direction of the Mississippi River Commission, with the approval of the Secretary of War and the Chief of Engineers. The Mississippi River Commission, I am advised, has made allotments for the improvement and maintenance of the river. Of these allotments sixty-odd thousand dollars are set aside for digging a canal in front of the city of Memphis, which has become necessary to commerce on account of the formation of a sand bar in the river in front of the city.

Recognizing the importance to the commerce of that splendid little city, the Chief of Engineers has insisted all along that this bar should be removed. Just why the Mississippi River Commission has opposed the removal of this bar and its failure to have it done is an inscrutable mystery to me and to every other person who lives near the city of Memphis who is familiar with conditions there. The Senators from Louisiana, Arkansas, Tennessee, and Mississippi, who have had an opportunity to observe conditions, all, I think without exception, recognize the importance to the city of Memphis and the urgent necessity for removing this bar, which year by year is growing in area and throwing the river some distance away. If the matter is not remedied at once, the business interests of the city will be seriously affected.

Now, the Chief of Engineers has no power to initiate, but he is vested with the power to veto. He can not compel the Mississippi River Commission to have this work done, but he can prevent the Mississippi River Commission from doing anything until it clears away this obstacle from the channels of commerce. There is a conflict of authority, a tangle that must be unraveled.

The committee thought it wise and prudent for Congress to cut the Gordian knot by directing that this bar be removed, and be removed as early as practicable.

Now, this amendment does not take one additional dollar out of the Treasury of the United States. It merely directs the use of the appropriation already made, and I sincerely hope that the Senate will agree to this amendment. It is entirely meritorious. If it were not meritorious, Mr. President, I can assure the Senate, being so deeply interested in the control of the floods of the Mississippi River and the prudent use of the funds already appropriated by Congress for that purpose, that I would not consent for even this much of the appropriation or for the control of the floods of the Mississippi River to be devoted to this particular project. But the city of Memphis is the largest port on the Mississippi River between St. Louis and New Orleans. It is a city composed of enterprising, wide-awake business men. Its commerce grows larger every day. It is the distributing point for probably the most fertile section of the entire southern part of this Republic—probably the most fertile soil in all the cotton-growing sections of the world. And I think it would be very unfortunate if anything should be done by Congress, or shall be left undone, which would interfere with or hinder the growth of this splendid city.

I do not think a more meritorious measure has engaged the attention of this honorable body since I became a Member of it, and I sincerely hope that the amendment may be adopted.

Mr. NORRIS. Mr. President, I hope that during the next hour or two of my remarks I shall not be interrupted, because this is the second time on this legislative day that I have had the floor on this question, and if I lose it again there will be no power on earth that can restore it to me. So I want to give this notice now, at the beginning of my remarks, so that no Senator will undertake to ask me a question or in any way take me off the floor.

Mr. THOMPSON. Mr. President——

Mr. NORRIS. I decline to yield to the Senator from Kansas.

Mr. THOMPSON. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMPSON. Under the statement made by the Senator from Nebraska, having had the floor twice to-day, he would not be entitled under the rules to speak.

Mr. NORRIS. The Senator from Kansas has not quoted the Senator from Nebraska correctly. I regret now that I can not be sufficiently courteous to the Senator from Kansas to permit him to interrupt me, but the facts are that the Senator from Kansas has not stated what I said. I said that this was the second time I had had the floor on this legislative day on this same question; and under the rules of the Senate, as I have read them in the days of my youth, a good many years ago, that would make it impossible for me again to address the Senate, although the Senate might be ever so anxious to have me do it. That is the excuse I am giving now when I say I must necessarily decline all interruptions.

Mr. President, I asked in the best of faith the question that has brought on this debate. It seemed to me, although I was not familiar with the law, that the Mississippi River Commis-

sion had a right, without any action on the part of Congress—and, in fact, it would be their duty without any action on the part of Congress—to handle this fund as they saw fit, and, if they believed it ought to be done, to remove this bar from the river and pay for it out of the appropriations. As nearly as I can gather the situation, the Mississippi River Commission is opposed to doing this, and this is a reversal on the part of Congress of the action of the Mississippi River Commission in this particular instance. I presume that means that when the Mississippi River Commission is asked to do something that it does not want to do, Congress will necessarily step in and compel it to do it; but if it does do it, no action on the part of Congress will be necessary.

I have been rather convinced, from what the Senator from Tennessee said and what the Senator from Mississippi said, that this work ought to be done. I only asked for information. I want to get the true situation. I am willing to take the word of the Senator from Tennessee, who lives there, and the Senator from Mississippi, who has personal knowledge of the conditions, and to vote in favor of the amendment on their statement, and I am going to vote for it. I am for it. Of course that announcement is sufficient assurance that it will pass the Senate, so that probably no further debate will be necessary.

Mr. VARDAMAN. Mr. President, may I ask the Senator a question?

Mr. NORRIS. I can not yield to the Senator, Mr. President.

Mr. VARDAMAN. I just wanted to know when it will pass the Senate?

Mr. NORRIS. I can not yield to the Senator, because I have hardly started yet on the remarks that I think ought to be made on the question. [Laughter.]

The PRESIDING OFFICER. The question is on the amendment of the Senator from Florida.

The amendment was agreed to.

Mr. JONES of Washington. Mr. President, I desire to have an amendment made on page 47. I want to say to the chairman that the War Department has called my attention to the fact that the description of the lots in section 12 is a mistake, and that instead of lots 4 and 5, mentioned in line 14, on page 47, the description should be lots 2 and 3. Therefore I move to strike out the words "four and five" and to insert "two and three."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 47, line 14, it is proposed to strike out "four and five" and to insert in lieu thereof "two and three."

The amendment was agreed to.

Mr. McCUMBER. Mr. President, I offer an amendment on page 25; and I especially call the matter to the attention of the chairman of the committee who is in charge of the bill, and the Senator from Minnesota [Mr. NELSON], who, I think, is rather thoroughly acquainted with the upper Missouri.

On page 25 I move to strike out, at the end of line 23, the words, "in all, $1,085,000" and to insert in lieu thereof:

For continuing revetment on both sides of the river below the bridge at Bismarck, N. Dak., $50,000, and for removing channel snags and rocks in the channel between Fort Benton, Mont., and Pierre, S. Dak., $25,000, or so much thereof as may be necessary; in all, $1,160,000.

That will be an increase—and I desire the attention of the Senator—of $75,000.

I want to call the Senator's attention also to the fact that the provision reads as follows:

For maintenance and continuing improvement with a view to securing a permanent 6-foot channel between Kansas City, Kans., from the upper end of Quindaro Bend, and the mouth of the river, $1,000,000; for snagging and maintenance between Kansas City and Sioux City, $35,000; for maintenance between Sioux City and Fort Benton, $50,000.

The Senator will observe that there is not one dollar granted here for any new work, no matter how much it may be needed; and I want to call the Senator's attention to the fact that the only freight that is now carried to any extent at all on the Missouri River is practically between Fort Benton and Bismarck. A company of Bismarck, N. Dak., are operating, I think, some dozen or fifteen boats from Fort Benton down to about the center line of the State of North Dakota. There are numbers of elevators where they take grain and other products along the banks of the Missouri all the way from Fort Benton down.

The river itself, as is well known, often shifts its channel from one point to another, which results in the inability of boats to reach the several points of discharge. This has been met by revetting both above and below wherever these landing places are. There are a number of places, however, where the revetment has not been completed, and the river, striking the bend below the revetment, creates a swirl, and that begins to undermine the revetment.

I have a letter from the president of the navigation company there calling my attention to the necessity for this protection. We are not asking for much. It involves an expenditure of some $75,000, mostly for revetting—$50,000 for revetting and about $25,000 for snagging.

I repeat, this is the only stretch of the Missouri River that is being used at all for commercial purposes, other than the little amount of sand that is taken for building purposes below this point; and while we are appropriating $1,000,000 again for this Kansas City project—a project which I am fearful will never amount to anything, and in which we have already put many millions of dollars—we are neglecting the present necessities of the only stretch of the river that is at present being used for commercial purposes.

If I may again have the attention of the Senator in charge of the bill, after receiving the information from the president of the company, I introduced this amendment and immediately sent it down to the engineering department for such information as they might give me concerning it. I have received no word yet from the engineering department. Undoubtedly they have been very busy, and they could not attend to this matter at the time.

I want to say to the Senator that I hope he will accept this amendment carrying the small amount, and when the bill goes to conference undoubtedly we will have the report from the engineering department. If my suggestions are not borne out entirely by the letter, which, I am sorry to say, I did not keep a copy of when I sent it down to the department, I shall be satisfied with whatever is done by the conferees in the matter. But I should like to have it go into the bill so that it may be protected until we can secure the information.

I ought to add here that in all these improvements I think an average of more than 50 per cent of all the expenses has been borne by local companies—by railroad companies and others—who are interested in the projects. I understand there is provision now for such distribution as may to the engineers seem proper and just, and that whatever is appropriated here will probably be apportioned between those who have heretofore given a portion of the expense of all these projects.

Mr. FLETCHER. This would appear to be a new project entirely. I ask if it has yet been passed upon by the engineers?

Mr. McCUMBER. No; Mr. President, it is not true that it is a new project. The Senator will find, on pages 436 and 437, and following down to page 438, that the project was started July 24, 1912, and it is stated what the project is covering 807 miles, and regularly there has been a small amount appropriated again and again to take care of the maintenance.

Mr. FLETCHER. Appropriated for the stretch of the river described in the amendment?

Mr. McCUMBER. Yes.

Mr. FLETCHER. I think, in view of the Senator's statement that the letter may satisfy the conferees, I will not object to the amendment going into the bill.

Mr. McCUMBER. I am perfectly willing to leave it to the conferees.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROBINSON. I offer an amendment to come in at page 50. At the end of line 8 I move to insert:

That Bayou Meto, in the State of Arkansas, be, and the same is hereby, declared to be a navigable stream within the meaning of the Constitution and laws of the United States.

I submitted this amendment to the chairman of the committee, and I am advised that he will make no objection to its adoption.

I ask to have printed in the RECORD in connection with my amendment a letter to me from a Representative in Congress from the district in which the stream is located.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter referred to is as follows:

COMMITTEE ON RIVERS AND HARBORS,
HOUSE OF REPRESENTATIVES, U. S.,
Washington, D. C., June 27, 1917.

Senator JOE T. ROBINSON,
Washington, D. C.

MY DEAR SENATOR: The inclosed clipping is taken from the rivers and harbors bill.

It passed out yesterday on a point of order on the ground that the Committee on Interstate and Foreign Commerce had jurisdiction of it, notwithstanding more than a half dozen such items have heretofore been carried in the rivers and harbors bill. Some citizens in Lonoke County and many landowners in Jefferson want this item passed, to the end that the legislature may authorize the creation of an improvement district and the sale of bonds to build locks and dams to hold back the flood waters on this stream, so that many thousand acres of lands may be reclaimed for agricultural purposes. As you know, this bayou has never been adopted by the Government as navigable; but

Gen. Black informed me that all streams are in a sense navigable in so far as its waters may flow into a navigable river like the Arkansas, but that he could not see why the waters of this bayou might not be controlled as a conservation proposition. If you see proper to place the amendment on the bill when it reaches the Senate, it will, in my judgment, be of great value to the lands, which are very rich and may be brought into a high state of cultivation.

I am advised that a point of order will not lie against it if it is put on in the Senate when it comes back to the House.

I hope you are well.

Your friend, S. M. TAYLOR.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Arkansas.

The amendment was agreed to.

Mr. SHAFROTH. I desire to offer an amendment to the bill.

The PRESIDING OFFICER. It will be stated.

The SECRETARY. Insert a new section in the bill, to be known as section 16, as follows:

SEC. 16. That each of the appropriations herein made shall become available only in the event States, counties, cities, corporations, copartnerships, associations, or individuals shall pay into the Treasury as part of the same one-third of the amount thereof: *Provided, however,* That the provisions of this section shall not apply to those items requiring contributions from other sources.

Mr. FLETCHER. Mr. President, I do not want to have the amendment acted on without saying that I think it would be very unwise to adopt such an amendment. I am strongly opposed to it. I think the whole committee, as far as it has studied this subject, is opposed to any such amendment. It would be unfair to distribute the contributions in that way or in any definite way. One community, one State, one county, one city, one locality or district might contribute half of what the project would cost and another a third and another a tenth and so on, depending altogether on conditions. You can not make one rule that would apply to the whole country and to conditions everywhere. We are already taking care of the matter under the law; it depends upon the decision of the engineers; and I hope the Senator will not press his amendment.

Mr. SHAFROTH. Mr. President, I feel that I ought to press the amendment, because we have arrived at that time in regard to river and harbor bills when some kind of a provision ought to be made by which pork shall be eliminated, and there is nothing which eliminates pork in a bill as much as an appeal to the pocketbook.

Mr. President, the Senator from Florida says that it would work an inequality. It would not work one-tenth of the inequality that has been shown by the testimony that has been given by the various Senators this afternoon. The Senator from Ohio [Mr. HARDING] said that Cleveland, a port which receives the commerce of various States, has been compelled to put up $3,000,000, when the Government only put up, I think, $500,000. He said the town of Lorain had appropriated eight to ten times as much as the Government had appropriated for their project. The very illustration we have had a few minutes ago shows the inequality of the way in which the river and harbor bills have been operating. Here comes the Memphis appeal that by reason of the fact that the river has changed its channel the city is likely to lose its boat landing, which is of great value to that city, and yet there is a provision in the bill which requires that the United States Government shall pay every dollar of the amount required to remedy the condition. We find that last year the same thing occurred to the city of St. Joseph, Mo., and in last year's river and harbor bill there was a provision that the city of St. Joseph should pay 40 per cent, or two-fifths, of the amount necessary to restore the channel to its usual place. Do you call that equal treatment?

Mr. President, the various enterprises that have been undertaken by the Government and by the States show the absolute anarchy in which the river and harbor appropriations are. Here arises the Senator from Iowa [Mr. KENYON] and makes a statement that the bill is full of pork. He instances a number of cases where he thinks that is the case. I have absolute confidence in his integrity. The Senator from Florida [Mr. FLETCHER] rises and says that those are meritorious measures. I have absolute confidence in the Senator from Florida, and I know that he is saying just what he believes. But, Mr. President, it is the viewpoint from which they see these things, and what appears to be pork to one appears to be a just appropriation to the other.

Mr. VARDAMAN. Mr. President——

Mr. SHAFROTH. I can not yield right now. I will yield later, but I want to lay down the premises for my amendment.

Mr. President, I want to ask with relation to this matter how can I, a disinterested party, determine which of these gentlemen is correct? I can not go into this matter in detail, and if I did, I would not have much of an opinion concerning it, based upon the fact that I have no knowledge concerning what is proper in the way of a river or harbor improvement. But I find that the great mass of the people are insisting that in every river and harbor bill there is what is called the "pork barrel."

Mr. President, I do not know how to vote; but if you put in this bill a provision that there shall be paid by the parties in interest, the States, counties, cities, corporations, and individuals, one-third of the amount thereof—or make it one-fourth, or make it one-fifth of the amount thereof—I would, without any hesitation, say that I will vote for the bill, because I have absolute confidence that when it comes to putting up money for an unmeritorious enterprise the people who know the conditions will not advance the money. The pocketbook test is the acid test, and it is superior to the judgment of any Senator either upon one side or the other of this controversy.

Mr. President, the appropriations are unequal the way they have been voted heretofore. Senators say that States and communities should not be required to contribute to interstate enterprises. The great Erie Canal was built by New York State. That is an interstate-commerce enterprise. Yet we find that that State alone undertook that project. If it was a matter of interstate commerce it ought to have had some aid from the United States Government. We find that many other enterprises have been undertaken by States. As the Senator from Ohio has said, the great interstate port of Cleveland put up $3,000,000.

It is not right that those ports should put up large amounts of money and then get only a mere driblet from the river and harbor bill and at the same time others get more by reason of the fact that they have very influential Senators or by reason of the fact that they may present their claims to a committee in a more impressive manner or get less because they may not have the advantage of some advocate able to present their claims in as persistent or enticing a way.

Mr. President, from these facts it does seem to me that we ought to have a test and that test is an appeal to the pocketbook. Every time that you test it that way you will determine whether the enterprise is a meritorious one or not.

Mr. President, this proposition is not without precedent. The bill that was passed last year contained appropriations that were conditioned upon the communities, the State, or the counties advancing in some instances as much as 50 per cent of the cost of the works. The State of California was compelled to put up in one instance dollar for dollar with the National Government. In the great harbor at Los Angeles they were required to buy certain property which cost them $900,000, I was told, and they obtained an appropriation of $1,100,000. Is it right that those interested in some harbors should pay large amounts and for other harbors should pay nothing? Is it possible that those interested in some rivers should pay large amounts and for other rivers should pay nothing?

It may be that this amendment will not produce an equal distribution of favors, but it will eliminate every instance of "pork" in the river and harbor bill, and it will come nearer equalizing the various appropriations.

Mr. President, this is the way it is done in a great portion of the world. Take the harbor improvements at Antwerp, costing $30,000,000: That city was required to put up 40 per cent and the Kingdom of Belgium 60 per cent of the cost thereof. That is a world commerce port, but there were local benefits, as there are always local advantages, and the Parliament of Belgium provided that the city should pay for two-fifths of those improvements.

Mr. President, the people who are interested will pay for them. If you find that by the construction of certain works your freight rates would be cheaper, you will find the people and cities that will get the benefit of those rates will offer a contribution of a fair part. You will find that steamship companies will see that they can get certain facilities by these improvements and will contribute something. You will find that railroad companies that need terminal facilities at ports will aid. The Atchison, Topeka & Sante Fe did so for its Pacific coast harbor. Railroad companies will contribute money whenever there is provided a meritorious enterprise that will benefit them. Where there is a benefit, the people reaping that benefit will do their share.

Mr. President, take the great Manchester Canal in England. That canal cost $30,000,000, I believe, and yet Manchester put it up alone without the aid or assistance of Great Britain, and she is requiring tolls by which she will get back revenue from the shipping interests.

Mr. President, these inequalities in doing such things are not right. When we have a Nation that is composed of States that contribute and help with relation to their rivers and harbors, it is right that appropriations made to the rivers or harbors of other States should if they want the aid of the Federal Government be required to contribute for the benefit received. We

are not saying that one-third is the equitable amount. It may be it would be wiser to put it at one-fourth or even at one-fifth, but it should be something substantial.

Mr. President, that is the way we are doing as to our public roads. We passed a bill here for that purpose. Did anybody say that there should be $100,000 appropriated for roads in Maryland? No; they said we propose to put up dollar for dollar with the State, city, and county government, or whoever wants to contribute; and that is fair. That requires a contribution for benefits.

You will get a great deal more river and harbor improvements if you adopt such a policy. Every Senator in this Chamber would want to vote for a river and harbor appropriation if they were sure it was worthy and that the State or the community was sharing the expenses.

Mr. President, it seems to me we ought to adopt some rule, and I can not see a better rule than that of one-third for the community, State, county, and individual, and two-thirds for the Nation.

In last year's appropriation bill we had an appropriation for Trinity River, and we required the people of the locality to put up, I think, 20 or 30 per cent of the cost of the improvement. We required the city of Galveston to construct so many thousand feet of a sea wall for the purpose of improving that harbor before the appropriation for that harbor should be available. Yet when we came to other appropriations in that bill we did not require a single dollar to be expended by the locality. That is not right and is not an equal distribution of the burdens and benefit of Government.

For these reasons, Mr. President, I submit that this amendment should be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Colorado. [Putting the question.] The noes seem to have it.

Mr. SHAFROTH. I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment was rejected.

Mr. TRAMMELL. Mr. President, I offer the following amendment.

The PRESIDING OFFICER. It will be stated.

The SECRETARY. On page 14, line 16, after the figures "$40,000," insert a new paragraph, as follows:

For maintenance and improvement of those certain parts of the Indian and Halifax Rivers of Florida which constitute links connecting and forming a part of the Florida East Coast Canal, which extends from Jacksonville, Fla., to Miami, Fla., the sum of $50,000: *Provided*, That said sum shall be expended only upon that part of the said canal which constitutes Government waters and is not privately owned.

Mr. SMOOT. Do I understand that this is a committee amendment?

Mr. FLETCHER. No.

Mr. SMOOT. It is offered by whom?

The PRESIDING OFFICER. It is proposed by the junior Senator from Florida.

Mr. TRAMMELL. I offered the amendment, and I can explain it in a moment.

Mr. SMOOT. I can not hear a word the Senator says.

Mr. TRAMMELL. The amendment was offered by the junior Senator from Florida, and we may dispose of it very quickly in one way or the other. Have I the floor?

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

Mr. SMOOT. All I want to ask of the Senator who has the bill in charge is if this amendment was before the committee for consideration?

Mr. FLETCHER. No; I was not advised of the amendment until it was read here.

Mr. SMOOT. Is there an engineer's report upon it?

Mr. FLETCHER. The committee have not considered it.

Mr. SMOOT. Have the engineers made a report on it?

Mr. FLETCHER. There is no engineer's report on it, I understand.

Mr. SMOOT. No recommendation of it?

Mr. FLETCHER. I am inclined to think the bill already provides for what the amendment is intended to cover. That is my impression. I think it is already taken care of, but I am not quite sure. My colleague did not show me the amendment, and I am not clear as to it.

Mr. SMOOT. It makes an appropriation of $50,000.

Mr. FLETCHER. If my colleague desires to make a statement——

The PRESIDING OFFICER. Does the Senator from Utah yield to the junior Senator from Florida?

Mr. SMOOT. Certainly; I will yield the floor if the Senator desires to explain the amendment. I should like to hear what he has to say.

Mr. TRAMMELL. Mr. President, I have not had time to confer with the chairman of the committee in detail relative to this amendment. I will briefly state, however, the object and purpose of the amendment.

I will state that we have a canal which runs through the territory from Jacksonville, Fla., to Miami, Fla., a distance of 366 miles. This canal has been constructed by a canal company, which received from the State at least two or three million acres of land as a contribution from the State for the purpose of encouraging a canal through that particular section, the main object, of course, being to give the people of that section transportation competition as well as to assist in developing that part of our State. This canal connects with the Indian River at certain points and with the Halifax River at certain other points.

The law under which the canal was constructed required that the canal be maintained at an average depth of 5 feet and at an average width of from 60 to 70 feet. During my tenure as governor of the State we found it necessary to force the canal company to place the canal down to the proper depth. We did so, but during the past few months it has been found that the canal has not been maintained at the standard depth. The attorney general of the State has instituted mandamus proceedings to require the canal company to comply with the act under which the canal was constructed and under which they received certain land benefits. A communication from the attorney general of the State of Florida advises me that the court has held that the canal company can be forced to place the canal at the proper depth upon all those portions which are not held to be waters controlled by the United States Government.

The object and purpose of this amendment is that there may be an appropriation under which the Government can have its part of this waterway maintained at the same standard which the State is seeking to have the remainder of the 366 miles of the canal maintained.

I feel that this is a very meritorious proposition. It is useless, of course, to have the canal company maintain possibly 300 miles of its canal at the proper depth when the waters under the control of the Government are not maintained at an equal depth.

Mr. VARDAMAN. May I ask the Senator from Florida a question?

Mr. TRAMMELL. Certainly.

Mr. VARDAMAN. Has the Board of Engineers made any investigation or report on this project at all?

Mr. TRAMMELL. Mr. President, I do not know that they have. This question has arisen within the last two or three months in court proceedings there, and the court has held that the court would not compel the canal company to improve certain parts of the river now under Government control and supervision.

Mr. VARDAMAN. I have no doubt that this is a meritorious project, but the Senator understands that it is an invariable rule, as I understand, that projects of this kind are never adopted by Congress until the Board of Engineers have made a survey and have reported to Congress.

Mr. TRAMMELL. Well, Mr. President, I have voted for one or two amendments here, I think, that were not recommended by the engineers.

Mr. VARDAMAN. I can not recall an instance where a project of this character has been adopted by the Congress without having first been investigated by Government officials.

Mr. TRAMMELL. This is a question that has arisen so recently that I dare say the Board of Engineers have not had an opportunity to go into it. I only had an opportunity for a brief conference a few moments ago with my colleague [Mr. FLETCHER], the chairman of the Committee on Commerce, and his advice from the engineers was that they could take care of this under some other appropriation, possibly under some other provision for the Indian River. When I look at the bill I find that the Indian River provision for maintenance is only $6,000. If there is any other provision in the bill for the maintenance of the Indian River, I can not find it. Six thousand dollars for maintenance would be of no value whatever in the maintenance of this waterway from Jacksonville to Miami. This canal is of great value, or can be made of great value, to the people of the State of Florida. It has cost the people of that State millions of dollars in legislative land grants made many years ago.

Mr. SHEPPARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Texas?

Mr. TRAMMELL. I do.

Mr. SHEPPARD. I suggest to the Senator that he ask for a survey to determine the advisability of the expenditure he requests. It can then be incorporated in this bill.

Mr. TRAMMELL. I offer the amendment. Of course, I appreciate the suggestion of the Senator, but this is a proposition where there is a great public demand for aid, and I think the project an exceedingly meritorious one.

By maintaining this canal the east coast of Florida will derive a great benefit from having competition with the only railroad company which traverses that part of the State of Florida. We can have it maintained at a proper depth under the order of the court, so far as that part which it is the duty of the canal company to maintain; but it is connected more or less with the two rivers. The rivers, too, should be maintained at the proper depth. I had very much hoped that the special merit and the conditions existing there would justify the appropriation of a fund of $50,000 for this project.

This canal runs through one of the most prosperous and rapidly developing sections of my State. The people of that section need the additional transportation facilities and the competition which is possible by opening for them the entire waterway to required depth.

Mr. RANSDELL. Mr. President, I sincerely hope this amendment may not be agreed to. The committee did not have an opportunity to investigate it, and there has been no recommendation by the engineers as to it.

Mr. SMOOT. Mr. President, I think I shall settle the question. I make the point of order that the amendment is not in order. It is not a proper amendment on a general appropriation bill.

The PRESIDING OFFICER. The Senator will state the rule to which he refers.

Mr. SMOOT. I refer to Rule XVI, which provides that—

No amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill or to add a new item of appropriation.

This is one ground. Another is:

Unless it be made to carry out the provisions of some existing law or treaty stipulation or act or resolution previously passed by the Senate during that session—

That is another reason—

or unless the same be moved by direction of a standing or select committee of the Senate or proposed in pursuance of an estimate of the head of some one of the departments.

That is another reason.

The PRESIDING OFFICER. The point of order is sustained, taken in connection with Rule XVI.

Mr. HARDING, Mr. MYERS, and other Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. HARDING. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment proposed by the Senator from Ohio will be stated.

Mr. TRAMMELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Florida?

Mr. HARDING. I do.

Mr. TRAMMELL. Has the amendment which I offered been ruled out of order?

The PRESIDING OFFICER. The Chair did not have an opportunity to state, in view of the rule cited by the Senator from Utah [Mr. SMOOT], which prohibits any amendment providing for an appropriation unless it shall have been estimated for, taken in connection with the provision of Rule XVI, which specifically classifies the river and harbor bill as a general appropriation bill, that the Chair is bound to declare the point of order made by the Senator from Utah well taken.

Mr. TRAMMELL. A parliamentary inquiry, Mr. President. Would it be in order to offer an amendment to provide for a survey to investigate the particular objects covered by the amendment which I have offered?

The PRESIDING OFFICER. The present temporary occupant of the chair is not advised as to that.

Mr. FLETCHER. An amendment providing for a survey would be in order, of course, because that does not call for an appropriation.

The PRESIDING OFFICER. The Chair takes the view suggested by the Senator from Florida that the amendment would be in order.

Mr. TRAMMELL. Then I move that amendment, Mr. President.

Mr. SMOOT. It can only be in order if it carries no appropriation.

The PRESIDING OFFICER. That is true.

Mr. FLETCHER. Certainly.

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. HARDING. I ask that the amendment which I sent to the desk be stated.

The PRESIDING OFFICER. The amendment proposed by the Senator from Ohio will be stated.

The SECRETARY. It is proposed to insert in the bill a new section, as follows:

That St. Marys River, Ohio and Ind., be, and the same hereby is, declared to be a nonnavigable stream within the meaning of the Constitution and laws of the United States.

Mr. HARDING. Mr. President, I do not desire to take up the time of the Senate to commend this amendment. The St. Marys River was investigated by the Board of Engineers as far back as 1880, and I will ask unanimous consent to print in the RECORD a letter from Gen. Black, Chief of Engineers, in which he recites the report of the engineers at that time, saying that the river could not be made navigable even by slack water. I may say for the benefit of the Senate that the river rises in Auglaize County, Ohio, and flows into the Maumee at Fort Wayne, Ind., and at the mouth of the river the stream is 9 inches deep.

Mr. KENYON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. HARDING. I yield.

Mr. KENYON. I should like to ask the Senator how much money the Government has expended on that stream?

Mr. HARDING. There has never been any Government money spent on it.

Mr. KENYON. None at all?

Mr. HARDING. No; and since the Senator has asked that question I will say that I am asking for this action on the part of Congress so that the landowners along the river may spend some money of their own to deepen and widen it to avoid the floods which bother them every year.

Mr. KENYON. The purpose is not to prevent its inclusion in another river and harbor bill?

Mr. HARDING. The Senator from Iowa is determined to be a little bit ironical with me, and I can not consent that the discussion on this item take that trend. I hope the Senate will adopt this amendment.

In addition to the letter of Gen. Black, to which I have referred, I also ask unanimous consent to put in the RECORD a letter from the governor of Ohio confirming the statements made in regard to the St. Marys River.

The PRESIDING OFFICER. Without objection, that order will be made.

The letters referred to are as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, July 24, 1917.

Hon. BENJAMIN F. WELTY,
House of Representatives.

SIR: 1. I have the honor to reply to your letter of the 17th instant regarding the question of the navigability of St. Marys River, Ohio.

2. An examination of this stream was made by this department in 1880 pursuant to a provision in the river and harbor act of June 14, 1880. It appears that the people interested in securing this legislation desired the improvement of the river, not with the view of providing facilities for navigation, but for the purpose of fixing the shore lines forming the boundaries of adjacent farms and of removing impediments and obstructions to the flow of the stream, which, in their opinion, superinduced miasmatic and other conditions deleterious to the health of communities.

3. The results of the examination are set forth in the Annual Report of the Chief of Engineers for 1881, pages 2343–2347, and the following is extracted therefrom:

"The river can in no sense be called a navigable stream, as its depth at the time of the examination prohibited its descent even in a rowboat, making it necessary to drive along its banks in a wagon. At the town of St. Marys it was found to be 55 feet wide and 12 inches deep; about 10 miles below it was 10 feet wide and 3 inches deep; 30 miles below it was 60 feet wide and 12 inches deep, while at its mouth at Fort Wayne it was 85 feet wide and 9 inches deep. The most that is claimed for it is that at a remote period, before the introduction of roads and canals, the first settlers used to convey their products by flat boats in times of high water down the river to a market, selling both flat boats and produce and not attempting to bring the boats back. The river then would naturally hold its water longer than now and freshets were probably less violent and of longer duration. Now the timber has been cut away, the land is under cultivation, many ditches have been dug, and every means afforded for the rapid flowing off of the water, so that high water, which generally comes in February and June usually lasts but four days—two in rising and two in subsiding. It is not claimed that the river could be made navigable, even by slackwater, and there are good grounds for doubting that the water, if collected into one channel, would afford a supply over evaporation and percolation sufficient for boating purposes."

4. Upon the submission of this report no further action was taken by Congress, and so far as known there has been no change in navigable conditions since that time; certainly none have been brought about by any Federal improvement.

5. Based upon the information furnished by this examination, I am of the opinion that the river is not a navigable water of the United States, and your proposed amendment declaring it nonnavigable is hardly necessary. I see no objection, however, to Congress declaring it to be not a navigable water of the United States, if this is deemed desirable, in order to clear up the situation.

Very respectfully,

W. M. BLACK,
Brigadier General, Chief of Engineers.

STATE OF OHIO,
EXECUTIVE DEPARTMENT,
Columbus, July 14, 1917.

Hon. B. F. WELTY,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: There has been brought to my attention the desire of the farmers of Auglaize and Mercer Counties, Ohio, to improve the St. Marys River by deepening, widening, and straightening the channel, because their crops are constantly damaged by floods. I understand that a permit from the Federal Government is necessary for this purpose.

I am thoroughly familiar with the topography of the country through which the St. Marys River passes. The river itself, though listed as such, in my opinion, is not a navigable stream; its sole use seems to be that of drainage and water supply.

I trust there will be no difficulty in securing the proper permit to allow the improvement of the river desired by the farmers contiguous thereto.

Very truly, yours,

JAMES M. COX.

Mr. FLETCHER. Mr. President, I think the amendment offered by the Senator from Ohio is an entirely proper one.

The PRESIDING OFFICER. The question is on the amendment presented by the Senator from Ohio.

The amendment was agreed to.

Mr. McNARY. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 33, after line 20, it is proposed to insert the following:

The Secretary of War is directed to make a survey and submit a report to Congress with a view to securing a channel 35 feet deep in the Lower Columbia and Willamette Rivers below Portland, Oreg

Mr. FLETCHER. As I understand, that amendment simply calls for a survey, and I have no objection to it.

Mr. VARDAMAN. I suggest to the Senator from Oregon that the survey be provided for in such language as will bring it under the terms of the provision for other surveys in the bill, to the effect that no survey shall be made during the war unless the Secretary of War directs.

Mr. FLETCHER. That necessarily will be the effect of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

Mr. STERLING, Mr. SHAFROTH, and Mr. RANSDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. STERLING. Mr. President, I submit the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 11, line 24, it is proposed to strike out "$26,000" and insert "$15,000," and, in line 25, of the same page, to strike out "$72,000" and insert "$61,000."

Mr. FLETCHER. Mr. President, will the Senator state what is the object of that amendment?

Mr. STERLING. Mr. President, in regard to this amendment let me say that the amount carried in the item proposed to be amended is $11,000 more, as I compute it, beyond the estimates. The item is found in the last paragraph, on page 11 of the bill. That paragraph includes the James, the Nansemond, the Pagan, and the Appomattox Rivers. For the Nansemond and Pagan Rivers no estimate whatever has been made. For the James River, instead of $46,000, the total estimate is $56,000. In offering this amendment I allow for that estimate of $56,000, but for the Appomattox River $5,000 is the only amount estimated, and hence the reduction of the amount. The amendment is to make the paragraph conform to the estimates made by the Board of Engineers, and that is all.

Mr. FLETCHER. Mr. President, the items are exactly as they came in the bill from the House. They were reported on by the Chief of Engineers, and I do not understand that there is any discrepancy between the amount proposed to be appropriated and the estimates. I think the Senator must be mistaken in regard to the item.

Mr. STERLING. If the Senator will turn to page 119 of the report of the committee he will find that the estimate for the James River is, all told, $56,000. That includes maintenance and dredging a channel at and below Richmond. Hence I include $10,000 in the provision for maintenance in my proposed amendment.

On page 121 is found the estimate for the Appomattox, and it is stated:

Amount that can be promptly expended in fiscal year ending June 30, 1918, for maintenance of improvement, $5,000.

The other two rivers included in this group are not estimated for at all, so far as I can find.

Mr. FLETCHER. I am perfectly willing, if those figures are correct—of course we can check them up in conference, for it is a mere matter of figuring out the items constituting the lump sum——

Mr. STERLING. I tried to examine it very carefully with this amendment in view, I will state to the Senator.

Mr. FLETCHER. I will accept the amendment, with the understanding that we will check it up when we have time and reach it in conference.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from South Dakota.

The amendment was agreed to.

Mr. MYERS. I offer the amendment I send to the desk.

The PRESIDING OFFICER. The Senator from Montana proposes an amendment, which the Secretary will state.

The SECRETARY. It is proposed to insert the following as a new section:

SEC. 19. That the Auditor of the Treasury is hereby restrained from allowing the Secretary of the Treasury, and all other officials of the Treasury Department are hereby restrained from paying any claims against the Government on account of labor, supplies, materials, or cash furnished to the contractor or the subcontractor and used in the construction of the Corbett Tunnel, a part of the Shoshone irrigation project, in the State of Wyoming, until the provisions of this section are complied with. The Secretary of the Interior shall investigate and hear evidence and determine what may be reasonable compensation to reimburse Mrs. Katherine Macdonald for time and service devoted to procuring an appropriation by Congress for the payment of such claims, and when he may so determine such sum shall be deducted pro rata from all such claims as have been or may be allowed and paid to the said Mrs. Katherine Macdonald and the residue thereof paid pro rata to the persons holding such claims.

Mr. MYERS. Mr. President, I will briefly state the nature and object of the amendment. Senators who have been here several years are familiar with the claim of Mrs. Macdonald, of Montana. The provision embodied in the amendment has passed the Senate two or three times, on the last occasion having been unanimously recommended by the committee and unanimously passed by the Senate; but the House has always rejected and refused to allow it.

Mrs. Macdonald spent about six or seven years here, as well as a great deal of time, money, and effort, and was the sole cause of the legislation being enacted by Congress providing for the payment of the claims, amounting to about $50,000. If it had not been for her interested efforts there never would have been a penny appropriated by Congress. When, however, an appropriation, coupled with a provision similar to the one I have presented, proposing to recompense her, has been passed by the Senate it has always been rejected by the House. At the close of the last Congress an amendment was put on the deficiency appropriation bill to pay these claims, but it took no cognizance of Mrs. Macdonald's efforts. That amendment became a part of the law. I did not know anything about it when it passed the Senate. Now the money is being paid out, or is about to be paid out, and soon will be all disbursed. This is simply a final effort to do justice to Mrs. Macdonald. The woman has been denied the fruits of all her labors. The Senate has gone on record several times in favor of compensating her, and this is her last opportunity. If the House does not this time make provision to compensate her, all the money for the payment of the claims will soon be paid out and she will be without any remedy whatever.

The circumstances are so well known to Senators and are so appealing to their sense of justice that I hope the amendment will be adopted and put on this bill and that we may have a chance to try to get it brought out of conference and concurred in by the House.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Montana. [Putting the question.] By the sound, the noes seem to have it.

Mr. MYERS. I ask for a division, Mr. President.

On a division, the amendment was agreed to.

Mr. RANSDELL. Mr. President, I offer an amendment in the nature of a survey, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to add to the survey items the following:

On page 37, after line 2, insert:

"Atchafalaya River, and Bayous Courtableau, Teche, and Vermilion, with a view to forming navigable connections between said streams, including consideration of any propositions for cooperation on the part of local interests."

Mr. SMOOT. Mr. President, there was so much confusion that I could not hear the reading of the amendment. I ask that it be read again.

The PRESIDING OFFICER. The Secretary will again state the amendment.

The Secretary again stated the amendment.

Mr. FLETCHER. Mr. President, that is merely an order for a survey. I will say to the Senator that it is very much needed in connection with a food problem down there, as well as navigation.

Mr. SMOOT. Oh, yes; of course the survey will do a great deal toward producing food next year! Of course it is only the beginning of another appropriation, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Louisiana.

The amendment was agreed to.

Mr. POINDEXTER. Mr. President, some days ago I offered and had printed a proposed amendment to the bill authorizing the county of Okanogan, in the State of Washington, to erect bridges across the Okanogan River in that State without regard to the navigability of the stream. There is no actual navigation on the stream, and the requirement of the Army engineers in such cases of draws in bridges, or of sufficient height of the bridge above the water to allow steamboats to pass underneath, is actually unnecessary and entails a great expense upon the people of the county. But upon taking up the matter with the Army engineers I have received a letter from the Acting Chief of Engineers of the Army which indicates a very liberal attitude on the part of the engineers toward a stream with conditions such as I have stated, in which there is no actual navigation, and no intention or prospect of improvement for navigation at an early date, so that it is probably not necessary to enact the legislation which I proposed. Therefore I will not offer the amendment, but will ask to have this letter from the Acting Chief of Engineers printed in the RECORD.

The PRESIDING OFFICER. In the absence of objection, the letter will be printed in the RECORD.

The letter is as follows:

OKANOGAN RIVER BRIDGES.

WAR DEPARTMENT,
OFFICE OF CHIEF OF ENGINEERS,
Washington, July 23, 1917.

Hon. MILES POINDEXTER,
United States Senate.

DEAR SIR: 1. In reply to your letter of this date, inclosing copy of an amendment which you propose to offer to the pending river and harbor bill, I desire to say that although this amendment has not been forwarded to this office for report by the chairman of the Committee on Commerce, I see no objection to my giving you in an informal way my views in regard to the contemplated amendment.

2. In its present form the amendment does not meet the approval of this office in that it proposes to abandon altogether the safeguards which have been provided by law in regard to the construction of bridges across the navigable waters of the United States. The Okanogan River is a single State stream, so that under the provisions of section 9 of the act of Congress approved March 3, 1899, it is not necessary to secure an act of Congress to authorize the construction of bridges across it. It is merely necessary to secure the assent of the State authorities expressed in proper form and to make application direct to this department. Thereafter no difficulties will be experienced in securing the requisite authority for the construction of any desired bridge.

3. Furthermore, assuming that the channel of the Okanogan River is as described by you, there is no reason to apprehend that the War Department will make any unusual exactions in the case of applications of this sort. The rule has been merely to ask of those who propose to construct bridges the minimum accommodations necessary for such navigation as exists or is reasonably prospective. When there is no navigation no particular requirements are imposed other than those which are necessary for the protection of the community from floods or similar dangers.

4. In view of the attitude of the department as herein outlined, it seems to me that the amendment is unnecessary and that the best course will be to bring to the attention of the local officer at Seattle each case in which it is desired to construct a bridge. He will be furnished with a copy of this letter and will undoubtedly exercise due discrimination in arriving at his recommendations.

Very respectfully,

H. C. NEWCOMER,
Colonel, Corps of Engineers,
Acting Chief of Engineers, United States Army.

Mr. POINDEXTER. Mr. President, there is another amendment which I had intended to offer and have had printed, providing for an appropriation for restoring a dike which has been washed away at the mouth of the Cowlitz River, in the State of Washington. It is an appropriation for maintaining the channel, which has already been improved. In regard to that matter I have a letter from the Acting Chief of Engineers in which he states that there is a general fund from previous appropriations intended to take care of existing projects in the case of emergency; that if the pending bill, with the various appropriations which it contains, is enacted that other fund intended for the maintenance and protection of existing channels will be available for such purposes as the restoring or protection of the channels from the mouth of the Cowlitz River. That being the case, it is not necessary to urge the amendment referred to, and I will not offer it; but I ask to have this letter printed in the RECORD.

The PRESIDING OFFICER. In the absence of objection, the letter will be printed in the RECORD.

The letter is as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, July 23, 1917.

Hon. MILES POINDEXTER,
United States Senate.

DEAR SIR: 1. In response to your letter of July 20, 1917, inclosing copy of your amendment proposing an additional appropriation of $5,000 for restoring the dike and maintaining the channel near the mouth of Cowlitz River, and requesting the recommendation of this office in the matter, I have the honor to state that, while the appropriation of this additional amount would doubtless have been requested by the Department in its annual estimates if the need had arisen before the estimates were prepared, so that the appropriation of this additional amount would be in line with the policy upon which the bill is framed, including necessary amounts for maintenance, it so happens that the proposed amendment is not necessary in order to provide the small amount of additional funds required in this case. There is still a balance of nearly $1,000,000 remaining from the lump-sum appropriation of March 4, 1915, which has been held to take care of Government plant and such emergency work as the limited amount would permit in case the pending river and harbor bill should fail. If the bill passes, this fund will become available for allotment, and the additional $5,000 required for the Cowlitz River can be provided from that source.

2. In view of the effort that has been made to avoid amendments to the bill and of the practicability of supplying the additional amount needed in this instance from another source in case the bill passes, it is believed that action on the proposed amendment is not necessary or advisable at this time.

Very respectfully,

H. C. NEWCOMER,
Colonel, Corps of Engineers,
Acting Chief of Engineers, United States Army.

Mr. POINDEXTER. At the time the bill was introduced, Mr. President, I proposed an amendment asking for a survey of the Columbia River from the city of Vancouver, in the State of Washington, to the main channel of the Columbia River from the sea to the city of Portland, with a view of securing a 40-foot channel, which was the depth advocated by a number of commercial bodies there. On examining the bill, however, I find that on page 40, in lines 13 to 20, there is a provision which I think adequately covers this matter, so I will not offer the amendment referred to.

Mr. CHAMBERLAIN. Mr. President, in view of the fact that the Senate has adopted an amendment proposed by my colleague with reference to a survey of the Columbia River from Portland to its mouth, I move to strike out, on page 40, lines 4, 5, and 6, which embody substantially the same provision, though providing for a survey for a lesser depth.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 40 it is proposed to strike out lines 4, 5, and 6 in the following words:

Columbia River, from Brookfield, Wash., to the mouth, with a view to securing a channel depth of at least 30 feet.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CHAMBERLAIN. Mr. President, I had intended to propose an amendment to this bill providing for an appropriation for the improvement of Yaquina Bay, Bar, and Harbor, Oreg.; but I know the temper of the Senate and the temper of Congress with reference to appropriations in this bill at this time, and I am not going to ask the consideration of the amendment now because of that feeling. I want to say, however, that here is an improvement that has been recommended by the district officer, the division engineer, the Board of Engineers, and the Chief of Engineers as well, providing for the expenditure of $836,000.

The watershed and the neighboring country within 15 or 20 miles of Yaquina Bay is hilly and covered for the most part by brush and small trees. The original stand of timber was burned off many years ago, and the drainage basin is neither populous nor rich in undeveloped natural resources or agricultural products.

There are two towns on the bay. Newport, a summer resort near the entrance, with a permanent population of about 700; and Toledo, the county seat, on the railroad, with 800 inhabitants, situated on Depot Slough at its mouth. Besides these, there is a village of about 100 people at Elk on the river 20 miles from the entrance, and a small settlement at Yaquina, about 3 miles above Newport.

Of the local industries the most important are a sawmill at Toledo and a smaller one at Elk, with a combined capacity of about 200,000 feet board measure per day. Since the improvement of the river channel the Toledo mill has shipped several cargoes of lumber to California points in vessels carrying from 600,000 to 650,000 feet board measure on a draft of about 14 feet. Shipments are not being made at present on account of the depressed condition of the lumber market. There is a creamery at Toledo and a small salmon cannery situated above Yaquina, but no fish have been packed for two years. The run of salmon in the bay, however, is not large. A good many

oysters are obtained near Oysterville and shipped to market. The country is especially adapted to stock raising and dairying, and these industries are increasing. The narrow bottoms of the streams are fertile and produce good crops of vegetables, hay, and fruits.

Many halibut are taken on the fishing banks off the coast 15 or 20 miles from Yaquina Bay, and a small cold-storage plant has been established at Newport to care for the catch.

Yaquina Bay is the terminus of the Corvallis & Eastern Railroad, now a branch of the Southern Pacific Railway. This road runs from Yaquina to Hoover, in the Cascade Mountains, a distance of 142 miles, and crosses the main line of the Southern Pacific at Albany, in the Willamette Valley. The railroad owned several steamers in the eighties and operated them to San Francisco; among which were the *Yaquina City*, of 1,200 net tons and 14 feet draft, also the *Willamette Valley*, *Eastern Oregon*, and *Yaquina Bay*, drawing 15 feet, which was wrecked in entering the bay in 1888. Several years ago the *Francis Leggett* made one voyage from the bay, drawing 16 feet and carrying nearly 1,000,000 feet board measure of lumber.

At the time the railroad was built it was hoped by those interested that the improvement of Yaquina Bay would develop an important water route to California ports from the Willamette Valley. These hopes were not realized.

The water-borne commerce is chiefly carried on now by gasoline schooners of from 100 to 300 tons, but vessels drawing as much as 14 feet can safely use the harbor at present at high tide. The freight rate by sea between bay points and Portland, Oreg., is $6 per ton. The rate on lumber from Toledo, Oreg., to San Francisco, Cal., is $4 per 1,000 feet, board measure.

The future great resource of the region is the standing timber of the Siletz Valley, which lies from 10 to 20 miles to the north and which is reported to contain 12,000,000,000 feet, board measure, of the finest fir, spruce, and hemlock, the natural water outlet for which is Yaquina Bay.

There are two port districts in the locality, formed under State laws, the port of Toledo, with an assessed valuation of $1,364,612, which cares for the waterway above Oysterville to Toledo and has bonded itself for $50,000 for improving the river to Toledo, and the port of Newport, with an assessed valuation of $1,109,104, which attends to the commercial welfare of the bay proper. The latter port has not bonded its district, but has constructed a public wharf at Newport from direct taxes. The timber interests of Siletz Valley are not organized, but it is believed they will eventually act with these two ports in the improvement of the entrance. The total assessed valuation of Lincoln County for the year 1914 is $10,187,235, with an area of 643,000 acres.

The local interests are all desirous of having the ocean bar improved by the restoration and extension of the jetties and the removal of obstructing rock.

On September 18, 1915, a mass meeting of the citizens of Lincoln County, including the commissioners of the ports of Newport and Toledo, was held in Newport for the purpose of taking steps to secure the improvement of Yaquina Harbor. Although no definite offer of cooperation was made, this meeting, representing the local interests, resolved that the sense of the meeting was that if a feasible project at a reasonable cost can be adopted a liberal percentage of the cost of said improvement will be contributed by local interests; also that they were willing to bear one-half of the cost of a survey.

The only railroad in the vicinity is the Corvallis & Eastern, which runs down the valley of the Yaquina River from its source and terminates at Yaquina, about 3½ miles from the entrance, where vessels can be loaded directly from the cars on the company's private wharf.

The port of Newport has constructed a public wharf with 140-foot face, on 600 feet of public water frontage in the town of Newport, at a cost of about $6,000.

The port of Toledo purchased about 400 feet of water frontage on the improved channel of Depot Slough and has built a wharf with a 200-foot frontage at a cost of about $3,000. The track of the Corvalis & Eastern Railroad passes very close to this wharf, and a spur track could be run onto it at slight expense.

A charge of about 25 cents per ton is made for handling freight over these wharves, which are open to all on equal terms. There are no mechanical appliances for handling freight at either of these wharves.

The fresh-water discharge of the Yaquina River is very small, and there are no water powers in the locality that could be coordinated with any improvement of the bar or bay in this locality.

The people of the port district come here with a proposition tendering to the Government of the United States one-half of the total cost of $836,000, and offer to put up dollar for dollar with the Government for the improvement they desire. It is a very important port, Mr. President, and I call attention to it now, not insisting upon my amendment, but promising to insist upon it at the next session of Congress. In view of the fact that nothing has been done in reference to this very important improvement and others in Oregon that I might mention, I may insist later that the same conditions ought to prevail with reference to other appropriations for other sections, and that communities that are asking for large appropriations ought to do as Oregon has almost universally done—put up dollar for dollar with the Government for the improvements that are made.

I ask, Mr. President, that the amendment which I intended to propose be printed in the RECORD, and also a set of resolutions adopted by the commercial bodies in the neighborhood where this improvement was contemplated.

The PRESIDING OFFICER. In the absence of objection the matter referred to will be included in the RECORD.

The matter referred to is as follows:

Amendment intended to be proposed by Messrs. CHAMBERLAIN and MCNARY to the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, viz: Insert the following:

"Yaquina Bay, Oreg.: For improvement in accordance with the report submitted in House Document No. 109, Sixty-fifth Congress, first session, and subject to the conditions set forth in such document, $100,000."

Resolution.

Whereas the improvement of Yaquina Bar in Oregon to a mean lower low water of 20 feet has been regularly and favorably submitted by the district and division engineer officers to the Board of United States Army Engineers at Washington, D. C., and approved and recommended by them, through the Secretary of War, to Congress for appropriation on condition that the port districts of Toledo and Newport jointly meet one-half of the total cost, which total cost is estimated at $836,000; and

Whereas it is of great commercial importance to Benton County and the Willamette Valley, as well as all of Oregon, to have this work commenced at an early date, and the ports of Toledo and Newport are willing (in the event Congress should fail to appropriate its portion thereof) to furnish the funds for immediate prosecution of the work, provided the Government supervises the work and said ports are given credit against the appropriation to be made by Congress for amount advanced by the ports therefor: Now, therefore, be it

Resolved, by the Corvallis Commercial Club, That through the Oregon Senators and Representatives Congress be urged to appropriate the sum of $418,000 (as recommended by the United States Army Engineers) for the prosecution and completion of the Yaquina Bar project, but that if on acount of war or for any other reason it is deemed inadvisable to make the appropriation at this time that there be then added an amendment to the river and harbor bill allowing said ports of Toledo and Newport to raise their portion of the cost of said improvement and start the work in the year 1917, under the direction of the United States engineers, and that the Government provide the remaining $418,000 at a later date by appropriation: Be it further

Resolved, That a copy of this resolution be forwarded to each of the Oregon Senators and Representatives forthwith.

Adopted at a meeting of the Corvallis Commercial Club this June 14, 1917.

WALTER KLINE, *President*.
J. A. FRIES, *Secretary*.

Mr. KENYON. Mr. President, I offer as a new section at the close of the bill the matter which I send to the desk and ask to have read by the Secretary.

The PRESIDING OFFICER. The Senator from Iowa proposes an amendment, which will be stated.

The SECRETARY. It is proposed to add a new section at the end of the bill, as follows:

SEC. —. That no appropriation contained in this bill shall be available if the President of the United States, on or before September 1, 1917, shall file a statement with the Secretary of War that such particular project for which said appropriation is made is not one of a public necessity.

Mr. KENYON. Mr. President, I am not going to take any time to discuss that amendment. It gives the President the right to end any work under this bill that may not be of a public necessity in his opinion. I merely ask for the yeas and nays on the question.

Mr. FLETCHER. Mr. President, I hope the amendment will not be agreed to.

The PRESIDING OFFICER. The Senator from Iowa asks for the yeas and nays on the amendment offered by him.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FLETCHER (when his name was called). I transfer my pair with the Senator from New Hampshire [Mr. GALLINGER] to the Senator from New Jersey [Mr. HUGHES] and vote "nay."

Mr. KING (when his name was called). I have a pair with the junior Senator from Minnesota [Mr. KELLOGG], who, I understand, is unavoidably detained on account of illness. If he were present and voting, I should vote "yea."

Mr. MCCUMBER (when his name was called). I have a pair with the senior Senator from Colorado [Mr. THOMAS], who is

sick and absent from the Chamber. I therefore withhold my vote.

Mr. ROBINSON (when his name was called). I am paired with the junior Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the senior Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. SAULSBURY (when his name was called). I transfer my general pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Kentucky [Mr. JAMES] and vote "nay."

Mr. SMITH of Maryland (when his name was called). I transfer my pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. TILLMAN (when his name was called). I transfer my pair with the senior Senator from West Virginia [Mr. GOFF] to the junior Senator from Wisconsin [Mr. HUSTING] and vote "yea."

Mr. CALDER (when Mr. WADSWORTH's name was called). I announce the absence from the city of my colleague [Mr. WADSWORTH] on important business.

The roll call was concluded.

Mr. CHAMBERLAIN. I transfer my pair to the Senator from Oklahoma [Mr. OWEN] and vote "nay."

Mr. PAGE. I wish to announce the necessary absence of my colleague [Mr. DILLINGHAM]. He has a general pair with the senior Senator from Maryland [Mr. SMITH]. I should like to have this announcement stand for the day.

Mr. JONES of Washington. I desire to announce that the junior Senator from Kansas [Mr. CURTIS] is necessarily absent on public business. He is paired with the Senator from Georgia [Mr. HARDWICK]. If the Senator from Kansas were present, he would vote "yea."

Mr. FRELINGHUYSEN. I have a general pair with the junior Senator from Montana [Mr. WALSH] and therefore withhold my vote.

Mr. FERNALD. I have a pair with the junior Senator from South Dakota [Mr. JOHNSON]. I transfer that pair to the junior Senator from Louisiana [Mr. BROUSSARD] and vote "nay."

Mr. RANSDELL. I wish to announce the unavoidable absence of my colleague [Mr. BROUSSARD].

Mr. MYERS. Has the Senator from Connecticut [Mr. MCLEAN] voted?

The PRESIDING OFFICER. He has not voted.

Mr. MYERS. I have a pair with the Senator from Connecticut [Mr. MCLEAN], which I transfer to the Senator from Nevada [Mr. PITTMAN], and vote "nay."

Mr. KENDRICK (after having voted in the affirmative). I have a general pair with the senior Senator from New Mexico [Mr. FALL]. I have no knowledge as to how he would vote on this question, and I therefore desire to withdraw my vote.

Mr. THOMPSON. The junior Senator from Wisconsin [Mr. HUSTING] and the senior Senator from California [Mr. PHELAN] are necessarily absent on public business.

Mr. GERRY. I wish to announce the unavoidable absence on official business of the senior Senator from Mississippi [Mr. WILLIAMS], and to state that he has a pair with the senior Senator from Pennsylvania [Mr. PENROSE].

Mr. KING. I transfer my general pair with the Senator from Minnesota [Mr. KELLOGG] to the Senator from California [Mr. PHELAN] and vote "yea."

The result was announced—yeas 26, nays 36, as follows:

YEAS—26.

Ashurst	Harding	Norris	Sutherland
Borah	Heflin	Page	Thompson
Brady	Kenyon	Pomerene	Tillman
Calder	King	Shafroth	Warren
Cummins	La Follette	Sheppard	Watson
France	McNary	Smoot	
Gore	New	Sterling	

NAYS—36.

Bankhead	Jones, N. Mex.	Poindexter	Smith, Md.
Beckham	Jones, Wash.	Ransdell	Smith, Mich.
Brandegee	Kirby	Reed	Smith, S. C.
Chamberlain	Lodge	Robinson	Stone
Fernald	McKellar	Saulsbury	Swanson
Fletcher	Martin	Shields	Trammell
Gerry	Myers	Simmons	Underwood
Hale	Nelson	Smith, Ariz.	Vardaman
Johnson, Cal.	Overman	Smith, Ga.	Wolcott

NOT VOTING—34.

Broussard	Fall	Hardwick	Johnson, S. Dak.
Colt	Frelinghuysen	Hitchcock	Kellogg
Culberson	Gallinger	Hughes	Kendrick
Curtis	Goff	Husting	Knox
Dillingham	Gronna	James	Lewis
McCumber	Penrose	Thomas	Weeks
McLean	Phelan	Townsend	Williams
Newlands	Pittman	Wadsworth	
Owen	Sherman	Walsh	

So Mr. KENYON's amendment was rejected.

Mr. TRAMMELL. I should like to offer an amendment to the survey items.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In the survey items, on page 36, after line 9, insert:

Indian and Halifax Rivers, Fla.

The amendment was agreed to.

Mr. KENYON. The Senator from Kansas [Mr. CURTIS] is unable to be here and I offer this amendment at his request. It is along the line of the amendment just voted on, and in view of the vote on that amendment I shall not ask for the yeas and nays.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. Add to the bill a new section, as follows:

SEC. —. That during the continuance of the war in which the United States is now engaged no work shall be done or money expended on public works on rivers and harbors, except for absolutely necessary repairs thereto or preservation thereof, or for surveys, construction, or completion of public works of immediate military necessity, to be determined and specially designated by the President.

Mr. BORAH. I ask for the yeas and nays on agreeing to the amendment.

Mr. FLETCHER. I would say that that would exclude some of the projects that have been determined by the War Department, as well as the Navy, as being military necessities.

The PRESIDING OFFICER. The yeas and nays are demanded on agreeing to the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a pair with the junior Senator from Pennsylvania [Mr. KNOX], which I transfer to the Senator from Oklahoma [Mr. OWEN], and vote "nay."

Mr. JONES of Washington (when Mr. CURTIS's name was called). The Senator from Kansas [Mr. CURTIS] is necessarily absent on public business. He is paired with the Senator from Georgia [Mr. HARDWICK]. If the Senator from Kansas were present and permitted to vote, he would vote "yea."

Mr. FERNALD (when his name was called). I make the same announcement as before of the transfer of my pair with the junior Senator from South Dakota [Mr. JOHNSON] to the junior Senator from Louisiana [Mr. BROUSSARD], and I vote "nay."

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. GALLINGER], which I transfer to the Senator from New Jersey [Mr. HUGHES], and vote "nay."

Mr. FRELINGHUYSEN (when his name was called). I am paired with the Senator from Montana [Mr. WALSH] and withhold my vote.

Mr. KENDRICK (when his name was called). I have a pair with the Senator from New Mexico [Mr. FALL], and therefore withhold my vote.

Mr. KING (when his name was called). I have a pair with the junior Senator from Minnesota [Mr. KELLOGG]. I transfer that pair to the senior Senator from California [Mr. PHELAN] and vote "yea."

Mr. MCCUMBER (when his name was called). Announcing my pair as before, I withhold my vote.

Mr. MYERS (when his name was called). I make the same announcement of the transfer of my pair as on the last vote, and vote "nay."

Mr. SAULSBURY (when his name was called). I make the same announcement of the transfer of my pair, and it will stand for the rest of the session to-day. I vote "nay."

Mr. SMITH of Maryland (when his name was called). Making the same announcement of the transfer of my pair as on the last vote, I vote "nay."

Mr. SMITH of Michigan (when Mr. TOWNSEND's name was called). I desire to announce the unavoidable absence of my colleague [Mr. TOWNSEND]. He is paired with the Senator from Arkansas [Mr. ROBINSON]. If my colleague were present, he would vote "yea."

The roll call was concluded.

Mr. FRELINGHUYSEN. I transfer my pair with the Senator from Montana [Mr. WALSH] to the junior Senator from Massachusetts [Mr. WEEKS] and vote "nay."

Mr. ROBINSON. I am paired with the Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the Senator from Illinois [Mr. LEWIS] and vote "nay."

The result was announced—yeas 23, nays 37, as follows:

YEAS—23.

Ashurst	Harding	Norris	Sterling
Borah	Jones, Wash.	Overman	Sutherland
Brady	Kenyon	Page	Thompson
Cummins	King	Shafroth	Warren
France	La Follette	Smith, Mich.	Watson
Gore	New	Smoot	

NAYS—37.

Bankhead	Johnson, Cal.	Pomerene	Smith, Md.
Beckham	Jones, N. Mex.	Ransdell	Smith, S. C.
Calder	Kirby	Reed	Swanson
Chamberlain	Lodge	Robinson	Trammell
Fernald	McKellar	Saulsbury	Underwood
Fletcher	McNary	Sheppard	Vardaman
Frelinghuysen	Martin	Shields	Wolcott
Gerry	Myers	Simmons	
Hale	Nelson	Smith, Ariz.	
Hollis	Poindexter	Smith, Ga.	

NOT VOTING—36.

Brandegee	Gronna	Knox	Sherman
Broussard	Hardwick	Lewis	Stone
Colt	Hitchcock	McCumber	Thomas
Culberson	Hughes	McLean	Tillman
Curtis	Husting	Newlands	Townsend
Dillingham	James	Owen	Wadsworth
Fall	Johnson, S. Dak.	Penrose	Walsh
Gallinger	Kellogg	Phelan	Weeks
Goff	Kendrick	Pittman	Williams

So Mr. CURTIS's amendment was rejected.

Mr. SHAFROTH. I desire to offer an amendment.

The PRESIDING OFFICER. It will be read.

The SECRETARY. It is proposed to insert as a new section the following:

SEC. 16. That each of the appropriations herein made shall become available only in the event States, counties, cities, corporations, copartnerships, associations, or individuals shall pay into the Treasury as part of the same one-fifth of the amount thereof: *Provided, however*, That the provisions of this section shall not apply to those items requiring contributions from other sources.

Mr. SHAFROTH. I ask for the yeas and nays on agreeing to the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FERNALD (when his name was called). I make the same announcement of my pair and its transfer as before, transferring my pair with the Senator from South Dakota [Mr. JOHNSON] to the junior Senator from Louisiana [Mr. BROUSSARD]. I vote "nay."

Mr. FLETCHER (when his name was called). Making the same announcement as to the transfer of my pair as before, I vote "nay."

Mr. KENDRICK (when his name was called). I am paired with the Senator from New Mexico [Mr. FALL] and withhold my vote.

Mr. KING (when his name was called). I have a pair with the junior Senator from Minnesota [Mr. KELLOGG]. I transfer that pair to the senior Senator from California [Mr. PHELAN] and vote "yea."

Mr. McCUMBER (when his name was called). Again announcing my pair, I withhold my vote.

Mr. MYERS (when his name was called). Making the same announcement and transfer of my pair as before, I vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "nay."

Mr. SMITH of Maryland (when his name was called). Making the same transfer of my pair as on the last vote, I vote "nay."

The roll call was concluded.

Mr. JONES of Washington. The Senator from Kansas [Mr. CURTIS] is necessarily absent on public business. He is paired with the Senator from Georgia [Mr. HARDWICK]. If the Senator from Kansas were present, he would vote "yea."

Mr. KENYON. I wish to announce that my colleague [Mr. CUMMINS] is absent from the Chamber necessarily. If he were present, he would vote "yea."

Mr. LODGE. My colleague [Mr. WEEKS] is necessarily absent. If present, he would vote "nay." He has a general pair with the Senator from Nebraska [Mr. HITCHCOCK], but that applies only to the passage of the bill.

Mr. CHAMBERLAIN. I desire to make the same transfer of my pair as on the previous vote, and I vote "nay."

Mr. FRELINGHUYSEN. I transfer my pair general with the Senator from Montana [Mr. WALSH] to the junior Senator from Massachusetts [Mr. WEEKS] and vote "nay."

The result was announced—yeas 18, nays 42, as follows:

YEAS—18.

Ashurst	Hollis	New	Thompson
Borah	Jones, Wash.	Norris	Warren
Brady	Kenyon	Shafroth	Watson
Calder	King	Smoot	
Gore	La Follette	Sterling	

NAYS—42.

Bankhead	Johnson, Cal.	Poindexter	Smith, Md.
Beckham	Jones, N. Mex.	Pomerene	Smith, Mich.
Brandegee	Kirby	Ransdell	Smith, S. C.
Chamberlain	Lodge	Reed	Sutherland
Fernald	McKellar	Robinson	Swanson
Fletcher	McNary	Saulsbury	Trammell
France	Martin	Sheppard	Underwood
Frelinghuysen	Myers	Shields	Vardaman
Gerry	Nelson	Simmons	Wolcott
Hale	Overman	Smith, Ariz.	
Harding	Page	Smith, Ga.	

NOT VOTING—36.

Broussard	Gronna	Knox	Sherman
Colt	Hardwick	Lewis	Stone
Culberson	Hitchcock	McCumber	Thomas
Cummins	Hughes	McLean	Tillman
Curtis	Husting	Newlands	Townsend
Dillingham	James	Owen	Wadsworth
Fall	Johnson, S. Dak.	Penrose	Walsh
Gallinger	Kellogg	Phelan	Weeks
Goff	Kendrick	Pittman	Williams

So Mr. SHAFROTH's amendment was rejected.

Mr. KENYON. I offer an amendment, but I shall not ask for the yeas and nays upon it. It is to strike out all of page 9 and page 10 down to line 9. It is the proposition known as the Chesapeake & Delaware Canal. I merely ask for a vote on it.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Iowa.

The amendment was rejected.

Mr. KENYON. On page 32, in section 4, I move to strike out the figures "$200,000" and insert "$50,000." I will say in explanation of that that it is the survey item now carrying $200,000 in the bill. I do this to try to aid in a mild way the Committee on Finance in cutting down some of their labors in trying to find things to tax to make up the $5,000,000,000, and no injury would seem to result to Banana Creek and to others of these consolation prizes that are found in the surveys of this war measure. On this amendment I ask for the yeas and nays.

Mr. FLETCHER. I do not think it would cost 10 cents to make a survey of Banana Creek. That can be done from the maps and plans in the office of the surveyor of the district. This is the estimate fixed by the chief of engineers as to the cost of the surveys, and, of course, if it is not necessary to use it all, it will not be used. Still it ought to be provided as they estimated, and I hope the amendment will be defeated.

The PRESIDING OFFICER. The Senator from Iowa asks for the yeas and nays on agreeing to his amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. JONES of Washington (when Mr. CURTIS's name was called). The Senator from Kansas [Mr. CURTIS] is necessarily absent on public business. He is paired with the Senator from Georgia [Mr. HARDWICK]. If the Senator from Kansas were present, he would vote "yea" on this amendment.

Mr. FERNALD (when his name was called). I make the same announcement of my pair and its transfer as before and vote "nay."

Mr. FLETCHER (when his name was called). Making the same announcement as before regarding my pair and its transfer, I vote "nay."

Mr. KING (when his name was called). I have a pair with the junior Senator from Minnesota [Mr. KELLOGG]. I transfer that pair to the senior Senator from California [Mr. PHELAN], and vote "yea."

Mr. McCUMBER (when his name was called). Again announcing my pair, I withhold my vote.

Mr. MYERS (when his name was called). I make the same announcement of my transfer as before, and vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same transfer of my pair as on the previous vote, I vote "nay."

Mr. SMITH of Maryland (when his name was called). Making the same transfer of my pair as on the last vote, I vote "nay."

The roll call was concluded.

Mr. CHAMBERLAIN. Making the same transfer of my pair as before, I vote "nay."

The result was announced—yeas, 15, nays 43, as follows:

YEAS—15.

Borah	Kenyon	Norris	Smoot
France	King	Page	Sterling
Gore	La Follette	Pomerene	Watson
Jones, Wash.	New	Smith, Mich.	

NAYS—43.

Ashurst	Fernald	Johnson, Cal.	Martin
Bankhead	Fletcher	Jones, N. Mex.	Myers
Beckham	Gerry	Kirby	Nelson
Brady	Hale	Lodge	Overman
Calder	Harding	McKellar	Poindexter
Chamberlain	Hollis	McNary	Ransdell

Reed	Shields	Stone	Underwood
Robinson	Simmons	Sutherland	Vardaman
Saulsbury	Smith, Ariz.	Swanson	Warren
Shafroth	Smith, Md.	Thompson	Wolcott
Sheppard	Smith, S. C.	Trammell	

NOT VOTING—38.

Brandegee	Goff	Knox	Smith, Ga.
Broussard	Gronna	Lewis	Thomas
Colt	Hardwick	McCumber	Tillman
Culberson	Hitchcock	McLean	Townsend
Cummins	Hughes	Newlands	Wadsworth
Curtis	Husting	Owen	Walsh
Dillingham	James	Penrose	Weeks
Fall	Johnson, S. Dak.	Phelan	Williams
Frelinghuysen	Kellogg	Pittman	
Gallinger	Kendrick	Sherman	

So Mr. KENYON's amendment was rejected.

Mr. THOMPSON. Mr. President, before voting on this bill I desire to make a brief statement in explanation of my vote. I have in the past never been favorable to river and harbor bills because they have contained so many items that were objectionable and questionable. While this bill may be subject more or less to the same objections, yet I think it is freer from such objections than any other river and harbor bill upon which we have been called to vote. In the course of the debate the senior Senator from Florida [Mr. FLETCHER], having charge of the bill, has assured us that there is not a single item or project in the bill that has not been approved by the Board of Engineers, and that they have all been recommended by them as emergency measures and as necessary to be taken care of now. He has also stated that there is not a single item in the bill, except those purely for maintenance, that is not, either directly or indirectly, connected with the national defense.

In view of those facts, Mr. President, and not being desirous of placing anything whatever in the way of the successful prosecution of the war, I shall vote for the bill, although it is not entirely satisfactory to me, as there are a number of items I can not approve; but I regard the interest of the whole country in the present emergency as of far greater importance than the mere expenditure of money. I have voted for every amendment presented which in my judgment would have made a better bill, but simply because they have failed to pass I do not feel I would be justified in voting against the entire bill. It is conceded by all that there are many good things in the bill, and as they so much overbalance the bad things in it, I shall vote for the bill on the final vote.

Mr. KING. Mr. President, I rise primarily to inquire of the chairman of the committee, who has charge of this bill, whether he will permit us to have a yea-and-nay vote on the passage of the bill?

Mr. FLETCHER. I shall welcome it, and shall be very glad to do so.

Mr. KING. I make this inquiry because I know the bill will receive so overwhelming a vote that it is very doubtful whether its opponents can secure the requisite number to entitle them to a record vote.

I had intended speaking at some length against this bill and pointing out many of its features that I regarded as highly improper and indefensible, and also giving my views on the policy underlying river and harbor bills—a policy condemned by every fair and sincere investigator of waterway problems—and suggesting a course for the present and future which I believe would be rational and productive of much needed reforms. However, it has been predetermined that this bill will pass. No argument, no opposition, whether just and reasonable or otherwise, can hinder its passage. The handful of Senators who oppose it are bound and helpless. We can only protest and register our votes in opposition. The demand is imperative for an immediate vote, so I shall not now discuss this measure. Upon some other occasion I may have the opportunity to fittingly characterize this bill and denounce its iniquities.

Mr. President, I rise for another purpose, and that is to express my hearty approval and earnest commendation of the splendid and patriotic services rendered to the country by the distinguished Senator from Iowa [Mr. KENYON] in the able and fearless manner in which he has attacked this bill and the Government's policy in dealing with appropriations for rivers and harbors. I wish there were more Senators who had the courage and the patriotism to denounce this bill as he has denounced it and to call the country's attention to the history of legislation of this character.

I hope the day will come, Mr. President, when we will adopt a broad, enlightened, and rational policy with respect to harbors and inland waterways, a policy that will produce adequate results, provide suitable harbors, and develop internal commerce. We want a program calling for results, for efficiency, and for an abolition of the effete, condemned, and indefensible course now obtaining in our country. The present system is iniquitous and calls for some one who has power and courage enough to destroy it. Now, when we are at war and must conserve our resources, the passage of this bill, calling for millions, can not be defended. It is the rankest kind of hypocrisy to-day, as has been stated here, that this is a war measure. It is the same old wolf in sheep's clothing; it seeks to link itself to patriotism and hide its deformity behind the soldiers and the ships and the dangers of our country. I certainly shall have great pleasure in voting against a measure so unworthy.

Mr. CALDER. Mr. President, I ask unanimous consent to insert in the RECORD a telegram, signed by the president of the New York Produce Exchange, in reference to certain items in this measure. This telegram was adopted by the special action of the board of managers of the produce exchange. All of the items mentioned in the telegram have been included in the bill, and the telegram commends those items.

The PRESIDING OFFICER. The Senator from New York asks unanimous consent to insert a certain telegram in the RECORD. Is there objection? The Chair hears none.

The telegram referred to is as follows:

NEW YORK, N. Y., *July 24, 1917.*

Hon. W. M. CALDER,
United States Senate, Washington, D. C.:

The following preamble and resolutions were adopted by special action of the board of managers of the New York Produce Exchange this day:

Whereas the members of the New York Produce Exchange are directly and vitally interested in all improvements in New York Harbor that will provide better facilities for the operation of the United States naval forces and for the handling of the large and increasing commerce of the port of New York: Be it

Resolved, That the board of managers of the New York Produce Exchange hereby indorses and urges the immediate enactment of the provisions of the rivers and harbors appropriation bill that authorize the removal of Diamond Reef from New York Harbor, the deepening of the channel through Hell Gate to a depth of 40 feet, thereby establishing a minimum depth of 40 feet for the entire channel from the upper bay of Long Island Sound and the removal of shoal obstructions from the Hudson River and widening and deepening the Ambrose Channel;

Resolved, That copies of these resolutions be forwarded to the United States Senators representing New York State requesting that they put forth every effort to bring about these improvements in the interest of the Nation as well as the State and port of New York.

R. A. CLAYBROOK,
President New York Produce Exchange.

Mr. SHEPPARD. Mr. President, I ask Senators to remain for a few moments after the final vote is taken on the river and harbor bill. I intend to submit a request for unanimous consent in connection with a vote on the Nation-wide prohibition amendment, which I think will meet with no objection.

Mr. FLETCHER. Mr. President, I desire to insert in the RECORD a telegram in regard to Banana Creek. I took occasion to telegraph the clerk of the court down there to ask him about this creek, and he has sent certain information in reference to it, which I desire to put in the RECORD.

The PRESIDING OFFICER. The Senator from Florida asks unanimous consent to insert certain matter in the RECORD. Is there objection? The Chair hears none.

The telegram referred to is as follows:

TITUSVILLE, FLA., *July 25, 1917.*

Senator DUNCAN U. FLETCHER,
Chairman, Washington, D. C.;

Replying to your wire this date, the United States Coast and Geodetic Survey chart 161, Canaveral, shows Banana Creek averages three-eighths mile wide, 30 inches deep, 10 miles in length. Creek connects waters of Indian and Banana Rivers at northern end of Merritt Island, which is 36 miles in length. At present creek is used only by very light-draft boats of fishermen, fruit and truck growers, and boat from Coast Guard station at Chester Shoals. Commerce is limited partly on account of shoal water. Fishermen have lost many loads of fish through boats grounding in creek. If channel 5 feet deep, 50 feet wide was dredged through the creek the commerce of the whole district would be improved through better transportation, as loaded boats from all parts of Banana River must go around south end of Merritt Island, 40 miles south of here, for railway connections. During the past three years nearly all vacant Government land on each side of the creek has been homesteaded, and the only outlet for these entrymen is the creek, the waters of which at certain times are as shallow as 20 inches, making navigation almost impossible.

J. F. MITCHELL, *Clerk Circuit Court.*

Mr. KENYON. Mr. President, I wish to put into the RECORD a telegram from the chairman of the Taxpayers' Association—a much-neglected class in this country—of Richmond, Cal., concerning the harbor there.

The PRESIDING OFFICER. It will be inserted in the RECORD, in the absence of objection. The Chair hears none.

The telegram referred to is as follows:

RICHMOND, CAL., *July 25, 1917.*

Hon. WILLIAM S. KENYON,
United States Senate, Washington, D. C.:

On behalf of a large number of taxpayers of Richmond, Cal., we invite your attention to the remarks made by Representative FREAR in the CONGRESSIONAL RECORD of June 28 last on the subject of an item in the rivers and harbors appropriation bill called the Richmond inner harbor project. Representative FREAR protests vigorously against the expenditure of Government funds in the project on the grounds that

it is unnecessary and unworthy. He has visited Richmond and made a personal independent investigation of the project, and his adverse report is based on facts and a clear understanding of the whole situation. We hope you may feel like bringing to the attention of the Senate at the proper time the facts and conclusions which Mr. FREAR has set forth. The making of the appropriation would serve no important purposes whatsoever, save those of certain real estate speculators.

LEVI BOSWELL,
Chairman Taxpayers' Association.

Mr. KENYON. Mr. President, I now desire to ask a parliamentary question. Is the substitute which I intend to offer for the pending bill now in order?

The PRESIDING OFFICER. It is in order at this time.

Mr. KENYON. If the other amendments are concluded, I offer the amendment which I send to the desk as a substitute for this bill, and I ask for the yeas and nays on it. I think we are entitled to have a yea and nay vote on the substitute.

The PRESIDING OFFICER. The substitute proposed by the Senator from Iowa will be stated.

The SECRETARY. It is proposed to strike out all after the enacting clause of the bill and to insert the following:

That there is hereby appropriated, out of any money in the United States Treasury, for the maintenance and improvement of rivers and harbors, $15,000,000, to be expended by the Secretary of War in such way as he may deem best upon such projects as have been approved by Congress or may be deemed necessary by him for war purposes.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Iowa, upon which he asks for the yeas and nays.

Mr. STONE. Mr. President, I will ask the Secretary to again read the first line or two of the proposed amendment.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

That there is hereby appropriated, out of any money in the United States Treasury, for the maintenance and improvement——

Mr. STONE. I will say to the Senator from Iowa that the amendment should contain the words "not otherwise appropriated."

Mr. KENYON. I thank the Senator for that suggestion, and I desire to modify the amendment to read in that way.

The PRESIDING OFFICER. The Secretary will state the amendment as proposed to be modified.

The SECRETARY. After the words "United States Treasury" it is proposed to insert "not otherwise appropriated," so as to read:

That there is hereby appropriated, out of any money in the United States Treasury not otherwise appropriated—

And so forth.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified, on which the yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). Making the same transfer of my pair as heretofore, I vote "nay."

Mr. KENYON (when the name of Mr. CUMMINS was called). I desire to announce the necessary absence of my colleague [Mr. CUMMINS], and to state that if present he would vote "yea."

Mr. JONES of Washington (when the name of Mr. CURTIS was called). The Senator from Kansas [Mr. CURTIS] is necessarily absent on public business. He is paired with the junior Senator from Georgia [Mr. HARDWICK]. If present, the Senator from Kansas would vote "yea."

Mr. FERNALD (when his name was called). I make the same announcement as heretofore as to my pair and vote "nay."

Mr. FLETCHER (when his name was called). Making the same announcement as before, I vote "nay."

Mr. FRELINGHUYSEN (when his name was called). I transfer my pair to the junior Senator from Massachusetts [Mr. WEEKS] and vote "nay."

Mr. KENDRICK (when his name was called). I again announce my pair with the senior Senator from New Mexico [Mr. FALL] and withhold my vote.

Mr. KING (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG]. I transfer that pair to the senior Senator from California [Mr. PHELAN] and vote "yea."

Mr. McCUMBER (when his name was called). Again announcing my pair, I withhold my vote.

Mr. MYERS (when his name was called). Making the same announcement as to my pair and its transfer as heretofore, I vote "nay."

Mr. PENROSE (when his name was called). I am paired with the senior Senator from Mississippi [Mr. WILLIAMS], who is absent, but, being informed that if present he would vote against this amendment, I shall vote. I vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the previous votes, I vote "nay."

Mr. SMITH of Maryland (when his name was called). Making the same transfer of my pair as heretofore, I vote "nay."

The roll call having been concluded, the result was announced—yeas 17, nays 45, as follows:

YEAS—17.

Ashurst	Hollis	Norris	Warren
Borah	Jones, Wash.	Pomerene	Watson
Brady	Kenyon	Shafroth	
France	King	Smoot	
Gore	La Follette	Thompson	

NAYS—45.

Bankhead	Jones, N. Mex.	Poindexter	Smith, S. C.
Beckham	Kirby	Ransdell	Sterling
Brandegee	Lodge	Reed	Stone
Calder	McKellar	Robinson	Sutherland
Chamberlain	McNary	Saulsbury	Swanson
Fernald	Martin	Sheppard	Trammell
Fletcher	Myers	Shields	Underwood
Frelinghuysen	Nelson	Simmons	Vardaman
Gerry	New	Smith, Ariz.	Wolcott
Hale	Overman	Smith, Ga.	
Harding	Page	Smith, Md.	
Johnson, Cal.	Penrose	Smith, Mich.	

NOT VOTING—34.

Broussard	Gronna	Knox	Thomas
Colt	Hardwick	Lewis	Tillman
Culberson	Hitchcock	McCumber	Townsend
Cummins	Hughes	McLean	Wadsworth
Curtis	Husting	Newlands	Walsh
Dillingham	James	Owen	Weeks
Fall	Johnson, S. Dak.	Phelan	Williams
Gallinger	Kellogg	Pittman	
Goff	Kendrick	Sherman	

So Mr. KENYON's amendment was rejected.

Mr. FLETCHER. Mr. President, I understand the name "Contentnia" on page 12, line 13, is misspelled. The final letters should be "ea" instead of "ia." I therefore ask that the spelling be corrected.

The PRESIDING OFFICER. The name will be corrected according to the spelling indicated by the Senator from Florida.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. FLETCHER. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KENYON. Mr. President, I desire to say just a word. Of course the bill will pass. The Senate can go on, and Congress can go on, throwing away the people's money, but this fight is not over; it will continue until the time comes when there will be some decent regard paid as to how the people's money is spent in this country. I ask for the yeas and nays on the passage of the bill.

The PRESIDING OFFICER. The yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). Making the same transfer of my pair as heretofore, I vote "yea."

Mr. JONES of Washington (when the name of Mr. CURTIS was called). The Senator from Kansas [Mr. CURTIS] is necessarily absent on public business. He is paired with the Senator from Georgia [Mr. HARDWICK]. If present, the Senator from Kansas would vote "nay."

Mr. FERNALD (when his name was called). Making the same announcement as heretofore in regard to the transfer of my pair, I vote "yea."

Mr. FLETCHER (when his name was called). Making the same announcement as to my pair and its transfer as heretofore, I vote "yea."

Mr. FRELINGHUYSEN (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WALSH] and therefore withhold my vote. If I were permitted to vote, I should vote "yea."

Mr. KENDRICK (when his name was called). Again announcing my pair with the senior Senator from New Mexico [Mr. FALL], I withhold my vote.

Mr. KING (when his name was called). I have a pair with the junior Senator from Minnesota [Mr. KELLOGG]. I transfer that pair to the senior Senator from California [Mr. PHELAN] and vote "nay."

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Colorado [Mr. THOMAS]. I am informed that the senior Senator from New York [Mr. WADSWORTH], were he present, would vote in the affirmative.

I therefore transfer my pair to the senior Senator from New York and vote "yea."

Mr. MYERS (when his name was called). Making the same announcement as to the transfer of my pair as heretofore, I vote "yea."

Mr. NORRIS (when his name was called). Upon the vote on the passage of the bill I am paired with the Senator from Massachusetts [Mr. WEEKS], who has been called from the Chamber. If he were present, he would vote "yea," and I would vote "nay."

Mr. OVERMAN (when his name was called). I have a pair with the senior Senator from Wyoming [Mr. WARREN], but I have an understanding that I may vote on this question. I therefore vote "yea."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on previous votes, I vote "yea."

Mr. SAULSBURY (when his name was called). The transfer of my pair to the senior Senator from Kentucky [Mr. JAMES] applies to this as to other votes during the progress of the bill. I vote "yea."

Mr. SMITH of Maryland (when his name was called). Making the same transfer of my pair as on the previous votes, I vote "yea."

The roll call was concluded.

Mr. RANSDELL. I desire to announce the unavoidable absence of my colleague [Mr. BROUSSARD].

Mr. GERRY. I desire to announce that the Senator from Mississippi [Mr. WILLIAMS] is detained on official business. He is paired with the Senator from Pennsylvania [Mr. PENROSE].

I also wish to announce that the Senator from California [Mr. PHELAN] is detained on official business.

Mr. THOMPSON. I desire to announce the unavoidable absence of the junior Senator from South Dakota [Mr. JOHNSON]. If he were present he would vote "nay."

The result was announced—yeas 50, nays 11, as follows:

YEAS—50.

Bankhead	Jones, N. Mex.	Page	Smith, S. C.
Beckham	Jones, Wash.	Penrose	Sterling
Brandegee	Kirby	Poindexter	Stone
Calder	Lodge	Ransdell	Sutherland
Chamberlain	McCumber	Reed	Swanson
Fernald	McKellar	Robinson	Thompson
Fletcher	McNary	Saulsbury	Trammell
France	Martin	Sheppard	Underwood
Gerry	Myers	Shields	Vardaman
Hale	Nelson	Simmons	Watson
Harding	New	Smith, Ariz.	Wolcott
Hollis	Newlands	Smith, Ga.	
Johnson, Cal.	Overman	Smith, Md.	

NAYS—11.

Ashurst	Gore	La Follette	Smith, Mich.
Borah	Kenyon	Pomerene	Smoot
Brady	King	Shafroth	

NOT VOTING—35.

Broussard	Goff	Kendrick	Thomas
Colt	Gronna	Knox	Tillman
Culberson	Hardwick	Lewis	Townsend
Cummins	Hitchcock	McLean	Wadsworth
Curtis	Hughes	Norris	Walsh
Dillingham	Husting	Owen	Warren
Fall	James	Phelan	Weeks
Frelinghuysen	Johnson, S. Dak.	Pittman	Williams
Gallinger	Kellogg	Sherman	

So the bill was passed.

NATION-WIDE PROHIBITION.

Mr. SHEPPARD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate joint resolution 17, for the purpose of endeavoring to agree on a date for a vote upon it.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution (S. J. Res. 17) proposing an amendment to the Constitution of the United States.

Mr. SHEPPARD. Mr. President, I send to the desk a request for unanimous consent which I should like to have read for the information of Senators, in order that they may have an opportunity to make any suggestions as to the language before we have the roll call provided for under the rule.

The PRESIDING OFFICER. The proposed agreement will be read.

The SECRETARY. The Senator from Texas asks unanimous consent that at 2 o'clock p. m. on the calendar day of Tuesday, July 31, 1917, the Senate will proceed to the consideration of Senate joint resolution 17, proposing an amendment to the Constitution of the United States, and that on the calendar day of Wednesday, August 1, 1917, at 4 o'clock p. m., the Senate will vote without further debate upon any amendment that may be pending, any amendment that may be offered, and upon the resolution (S. J. Res. 17) through the regular parliamentary stages to its final disposition.

Mr. PENROSE. Mr. President, do not the rules require a roll call before the agreement is made?

Mr. SHEPPARD. I asked that it be read informally in order that Senators might make any suggestions that may occur to them.

Mr. PENROSE. It simply occurred to me that even the discussion of the proposed unanimous-consent agreement ought to be after a roll call.

Mr. BORAH. Mr. President, that is not necessary.

Mr. PENROSE. I may be wrong.

Mr. BORAH. If we finally come to the point where we are practically agreed upon it, before it is finally submitted and agreed to there must be a roll call.

Mr. SMITH of Georgia. If there is objection in advance, it is not necessary to have the roll call.

Mr. PENROSE. I do not say it is. I was only asking. I should like to have the request read again. I was interrupted when the reading occurred.

The PRESIDING OFFICER. The Secretary will read the proposed agreement again.

The Secretary again read the proposed unanimous-consent agreement.

Mr. STONE. Mr. President, I suggest to the Senator that he include an expression substantially to this effect: That during the time intervening between the taking up of the resolution on Tuesday at 2 o'clock and the time it is voted upon it shall be the unfinished business.

Mr. SHEPPARD. I understand that to be the effect of the language used. It says that the Senate will proceed to the consideration of the joint resolution at 2 o'clock on Tuesday. If that is done, it can not be displaced unless a motion is made and carried to displace it.

Mr. STONE. If that is the effect, I have nothing further to say.

Mr. PENROSE. Mr. President, what is the hour fixed on Wednesday for voting?

Mr. SHEPPARD. Four p. m. I ask then that the agreement be formally presented.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. BRANDEGEE. Mr. President, this idea occurs to me and I want to suggest it to the Senator from Texas: I do not know that I care to offer any remarks upon the resolution when it comes before the Senate, but would it not be wise to have a provision in the agreement that no one Senator shall speak more than a certain length of time?

Mr. SHEPPARD. I think that matter will regulate itself.

Mr. BRANDEGEE. That may be the Senator's guess about it; but certain Senators are very well prepared with voluminous documents and data upon this question, and for their own purposes might obtain the floor and keep it for the entire time, and those on the other side might have no chance to express their views.

Mr. SHEPPARD. I have no objection to the addition of a provision embodying the suggestion of the Senator from Connecticut.

Mr. BRANDEGEE. Perhaps some Senators will want a good deal of time, and others will want very little. I suggest that it might be well if it could be arranged so that each Senator could have at least five minutes if he desired it.

Mr. PENROSE. Mr. President, I think the suggestion of the Senator from Connecticut is well worth consideration. It occurred to me when the agreement was read that the time for consideration was quite limited. I do not believe any Senator wants to make a long speech on this joint resolution, but it certainly is one of very great importance, suggesting a very radical departure from the structure of the Federal Government as it has always existed. I know that personally I want a short time in which to express my views as to the constitutional aspects of the matter, regardless of the question of prohibition or anti-prohibition.

Mr. SHEPPARD. Mr. President, would the Senator object to a provision to the effect that no Senator shall speak more than once or longer than one hour?

Mr. PENROSE. I was going to suggest that the joint resolution be taken up for consideration on Monday. It can be laid aside temporarily, if no Senator wants to speak on it, and other matters taken up.

Mr. SHEPPARD. I accept that suggestion.

Mr. PENROSE. I would suggest that it be taken up on Monday at 2 o'clock, immediately after the close of the morning business.

Mr. SMITH of Arizona. Next Monday?

Mr. PENROSE. Yes; but not voted on until Wednesday, and that after Tuesday no Senator shall speak more than 10 minutes.

Mr. SHEPPARD. I accept that proposition. I ask that the Secretary make the necessary changes.

The PRESIDING OFFICER. The Secretary is now rewriting the proposed agreement.

Mr. PENROSE. It ought to be that after Monday no Senator shall speak more than once, and so on.

Mr. STONE. Leave it Tuesday.

The SECRETARY. The Senator from Texas asks unanimous consent that immediately upon the conclusion of the routine morning business on Monday, July 30, 1917, the Senate will proceed with the consideration of the joint resolution, and so forth, and at the end of the agreement add this:

And further, that upon Tuesday, July 31, 1917, no Senator shall speak more than once or longer than five minutes.

Mr. BRANDEGEE. After Tuesday, I think the Senator said.

The SECRETARY (reading)—

And that after Tuesday, July 31, 1917, no Senator shall speak more than once or longer than five minutes.

Mr. PENROSE. Ten minutes.

Mr. WATSON. Mr. President, I thought the proposed agreement was that on Monday and on Tuesday no Senator should speak more than once nor longer than one hour, but that after Tuesday no Senator should occupy the floor for more than 10 minutes.

Mr. PENROSE. I think that would be all right.

Mr. SMITH of Arizona. Mr. President, I am very much interested in this matter; not with the idea of interfering with the agreement now before the Senate or preventing in any way by any objection of mine a vote on the constitutional amendment proposed, but I should like an understanding that something will be done to carry out the treaty that has been pending for something like a year at our suggestion. Laws have been passed on the part of Great Britain as to the treaty, and they are wondering why we, who proposed it, have not acted in accordance with the proposition we have already made to them.

I will ask, then, respectfully, that I may have that matter up on Monday. I am extremely anxious to get away from town, if I can; and I should like, on Monday morning, up to the hour of beginning the consideration of the joint resolution in regard to prohibition, to have an opportunity of submitting to the Senate, with a view to securing a vote, the proposition I have just referred to.

Mr. PENROSE. Let us do that in the morning hour.

Mr. SMOOT. At the close of the morning hour.

Mr. SMITH of Arizona. I said, in the morning hour on Monday; but then they will raise some question on me on Monday, as they have done for three different morning hours, and resolutions of inquiry and other things have constantly delayed me. If I can get two morning hours during this debate, if an adjournment is taken, I have no objection or further request to make.

Mr. PENROSE. I am unwilling to concede more than the morning hour on Monday. If this unanimous-consent agreement is made, as far as I am concerned, it is of enough importance to justify an opportunity for its consideration. If the Senator wants to have two morning hours, I should have to object.

Mr. SMITH of Arizona. I only want one, if I can get it.

Mr. PENROSE. I thought the Senator said something about two morning hours.

Mr. SMITH of Arizona. That was only in case I failed, by the opposition to the bill of a few Senators, that I might have a second one. I am not asking the Senate to agree to that; I am only trying, as more of a personal matter than anything else, to get the matter off my hands. It has been committed to me by the Committee on Foreign Relations.

Mr. PENROSE. Let the agreement read that after the morning hour on Monday the consideration of the joint resolution shall be proceeded with.

Mr. SMITH of Arizona. I shall be very glad if I can get an opportunity, after the routine morning business, in the two hours, to take up the bill to which I refer. Of course, I have no objection to any unanimous-consent agreement about a vote on the amendment to the Constitution, but in the meantime I am extremely anxious to get this particular matter off my hands. It has been pending for something like a year.

Mr. SMITH of Georgia. Mr. President, I do not like the idea of tacking two different bills together in one of these unanimous-consent agreements.

Mr. PENROSE. This does not require a unanimous-consent agreement, as I understand. The Senator from Arizona will be satisfied if the unanimous-consent agreement on the Sheppard joint resolution does not begin to run until the close of the morning hour on Monday. He will have to take his chances on getting in on that morning hour. I might want to move to take up the Creel resolution during that time.

The PRESIDING OFFICER. Is there objection to the request proposed by the Senator from Texas?

Mr. UNDERWOOD. Mr. President, let it be stated again.

The PRESIDING OFFICER. The Secretary will state the proposed agreement as modified.

The SECRETARY. The Senator from Texas asks unanimous consent that immediately upon the conclusion of the morning hour on Monday, July 30, 1917, the Senate will proceed to the consideration of Senate joint resolution 17, proposing an amendment to the Constitution of the United States, and that on the calendar day of Wednesday, August 1, 1917, at 4 o'clock p. m., the Senate will vote without further debate upon any amendment that may be pending, any amendment that may be offered, and upon the resolution (S. J. Res. 17) through the regular parliamentary stages to its final disposition, provided that on Monday, July 30, 1917, no Senator shall speak more than once or longer than one hour upon the resolution or any amendment offered thereto, and that on Tuesday, July 31, 1917, no Senator shall speak more than once or longer than 10 minutes upon the resolution or any amendment offered thereto.

Mr. UNDERWOOD. Mr President, I do not understand that that carries out the agreement.

Mr. STONE. No; it does not.

Mr. UNDERWOOD. I am opposed to this joint resolution. I have always been opposed to it, and I expect to vote against it, but I do not desire to use any obstructive tactics to prevent a vote, and I thought we had reached a very reasonable agreement to allow it to be voted on in three days. I understood that the agreement was that on Monday and Tuesday we should have general debate, with a limitation that no Senator should speak more than once or more than one hour on those two days, and that on Wednesday the debate should be confined to the 10-minute rule. I am willing to agree to that, but I am not willing to agree——

Mr. SHEPPARD. That was the agreement.

Mr. STONE. After Tuesday.

Mr. UNDERWOOD. The proposed agreement did not read that way.

Mr. PENROSE. Mr. President, I think the Senator from Alabama is entirely right. The agreement ought to be altered so as to permit a Senator to speak only one hour on this subject. Otherwise, frivolous amendments could be offered to permit him to occupy the whole day.

The PRESIDING OFFICER. The proposal will be altered so that each Senator will be limited to one hour.

Mr. PENROSE. Let it be read as amended.

The PRESIDING OFFICER. Will the Senator from Pennsylvania state the amendment for the benefit of the Secretary?

Mr. PENROSE. That part of the agreement which applies to the proceedings on Monday, as I understand the Senator from Alabama—and I agree with him—should be worded so that no Senator shall speak more than one hour or more than once on that day.

Mr. WATSON. And also on Tuesday.

Mr. PENROSE. And also on Tuesday.

Mr. WATSON. All you need is the 10-minute rule on Wednesday up to the time the vote is taken, so that it will be one hour on Monday and one hour on Tuesday.

The PRESIDING OFFICER. Is there objection to the agreement in the present form?

Mr. PENROSE. Let it be read, now, as finally amended.

The PRESIDING OFFICER. The Secretary will read the proposed agreement as amended.

The Secretary read as follows:

Provided, That on Monday, July 30, and Tuesday, July 31, 1917, no Senator shall speak more than once or longer than one hour upon the resolution, and that after Tuesday, July 31, 1917, no Senator shall speak more than once or longer than 10 minutes upon the resolution, or any amendment offered thereto.

Mr. PENROSE. On Monday and Tuesday it ought to be one hour on the resolution or any amendment thereto, to make it correspond.

The PRESIDING OFFICER. Is there objection to that modification? The Chair hears none, and it will be made.

Mr. PENROSE. Mr. President, before the agreement is made I only want to state that I intend to vote against this resolution, but I am fully aware of the fact that there is a majority in the Senate which can vote to bring the resolution up for consideration and proceed with it at any time the Senator from Texas has it in mind to make the effort. Realizing the present emergency in the country and the importance of hastening legislation, I do not intend to make any personal

opposition to the consideration of the measure, although, as I said, I intend to vote against it.

The PRESIDING OFFICER. The Chair has been advised that a roll call is necessary. In the opinion of the Chair the roll should be called.

Mr. SHAFROTH. Let the roll be called.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Harding	Norris	Smith, S. C.
Bankhead	Hollis	Overman	Smoot
Beckham	Jones, N. Mex.	Page	Sterling
Borah	Jones, Wash.	Penrose	Stone
Brady	Kendrick	Poindexter	Sutherland
Brandegee	Kenyon	Pomerene	Swanson
Calder	King	Ransdell	Thompson
Chamberlain	Kirby	Robinson	Trammell
Fernald	Lodge	Saulsbury	Underwood
Fletcher	McKellar	Shafroth	Vardaman
Frelinghuysen	Martin	Sheppard	Watson
Gerry	Myers	Shields	
Gore	New	Smith, Ariz.	
Hale	Newlands	Smith, Ga.	

Mr. CHAMBERLAIN. My colleague [Mr. MCNARY] is temporarily out of the Senate on official business.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness.

Mr. JONES of Washington. I desire to announce that the Senator from Kansas [Mr. CURTIS] is necessarily absent on public business.

The PRESIDING OFFICER. Fifty-three Senators have answered to their names. There is a quorum present. Is there objection to entering into the unanimous-consent agreement? [After a pause.] There being none, it is so ordered.

The unanimous-consent agreement is as follows:

It is agreed by unanimous consent that immediately upon the conclusion of the morning hour on Monday, July 30, 1917, the Senate will proceed to the consideration of Senate joint resolution 17, proposing an amendment to the Constitution of the United States, and that on the calendar day of Wednesday, August 1, 1917, at 4 o'clock p. m., the Senate will vote, without further debate, upon any amendment that may be pending, any amendment that may be offered, and upon the resolution (S. J. Res. 17), through the regular parliamentary stages to its final disposition: *Provided*, That on Monday, July 30, and Tuesday, July 31, 1917, no Senator shall speak more than once or longer than one hour upon the resolution and amendments offered thereto, and that after Tuesday, July 31, 1917, no Senator shall speak more than once or longer than 10 minutes upon the resolution and amendments offered thereto.

ADJOURNMENT TO MONDAY.

Mr. MARTIN. I move that the Senate adjourn until 12 o'clock on Monday next.

The motion was agreed to; and (at 7 o'clock and 5 minutes p. m., Thursday, July 26, 1917) the Senate adjourned until Monday, July 30, 1917, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

THURSDAY, *July 26, 1917.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

With profound faith in Thee, O God, our Father, the same yesterday, to-day, and forever, whose mercy is from everlasting to everlasting, we come with blessings upon our lips for the past, and hope in our hearts for the future. May the achievements of the past and present under Thy guidance be the incentives to greater exertions on our part in the present crisis, that we may further our conditions as a people, and the conditions of all lovers of liberty. For Thine is the kingdom and the power and the glory, forever and ever. Amen.

The Journal of the proceedings of yesterday was read and approved.

ADJOURNMENT UNTIL MONDAY.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Monday next.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet on Monday next. Is there objection?

Mr. NORTON. Mr. Speaker, reserving the right to object, it is understood that I shall have 10 minutes to-day?

Mr. KITCHIN. I am not going to move to adjourn right away.

The SPEAKER. Is there objection?

Mr. MCKENZIE. Mr. Speaker, reserving the right to object——

Mr. KITCHIN. I will state to the gentleman that I am not going to move to adjourn until gentleman here make their requests for unanimous consent.

Mr. MCKENZIE. Mr. Speaker, reserving the right to object, is it not possible that the conferees upon the food bill might agree by Saturday?

Mr. KITCHIN. What! [Laughter.]

Mr. MCKENZIE. Is it not possible?

Mr. KITCHIN. I do not think it is within the range of possibility.

Mr. MCKENZIE. It seems to me that we have no right to assume that these gentlemen can not agree, and it does seem to me that if such a thing is possible we ought to meet on Saturday, in order that the conference report may be received and printed, so that we can take it up on Monday.

Mr. KITCHIN. I can say to the gentleman that I have talked with some of the conferees, and they have no idea that they can possibly get together by that time.

Mr. GARRETT of Tennessee. Which House acts first?

Mr. MANN. This House acts first. We agreed to the conference.

Mr. KITCHIN. My understanding is there is no possible chance of their agreeing within that time.

Mr. MCKENZIE. Of course, if there is no possible chance of agreement, I do not want to object; but there are some of us who have been here for several weeks waiting for the disposition of this bill.

Mr. FITZGERALD. Some of us have been here for seven or eight months.

Mr. KITCHIN. Some of us have been here for months waiting for the Senate to get through certain bills and conference reports.

Mr. MCKENZIE. But some of them have not been here in the city.

The SPEAKER. Is there objection?

Mr. MADDEN. Mr. Speaker, reserving the right to object, I desire to call the attention of the House to the fact that while we were in a great rush yesterday to send the food bill to conference, and statements were made to the effect that it would be impossible to give consideration to it in the House without having the public all over the United States complain about the dilatory tactics of the House, yet there is no Member who is able to say how many months, or weeks at any rate, it will be discussed behind closed doors. There does not seem to be any disposition whatever to get quick action when you get away from the House. Members of the House do not seem to have any right to consider or discuss any proposition that comes before it any more, though it can be discussed and delayed and fooled about as much as desired when it leaves here.

Mr. KITCHIN. That is natural. It is almost impossible to get the Senate conferees or the Senate to do the right and proper thing, and I think the conferees on the part of the House are going to stay there and make them do the right thing, even if it takes all summer.

The SPEAKER. Is there objection?

Mr. AUSTIN. Mr. Speaker, reserving the right to object, may I have the attention of the gentleman from North Carolina [Mr. KITCHIN] for a moment? I think it is pretty well understood that we will be here for a couple of months longer.

Mr. MADDEN. We will be here until next October, a year.

Mr. MANN. Let us hope not.

Mr. AUSTIN. Well, two or three months or longer. Why not proceed to get all of the committees of the House busy and let us get to work and accomplish as much as we can in the way of general legislation, and have that much behind us, so that at the next session of Congress we may be able to get through early next year? [Laughter.]

Mr. KITCHIN. Oh, the gentleman ought to have intelligence enough to know, having been so long in this House, that it takes two bodies to pass a law. We have already passed enough in the House to take the Senate three or four months to understand and get at the bottom of right now.

Mr. AUSTIN. Mr. Speaker, I am sorry that I have disappointed the gentleman from North Carolina [Mr. KITCHIN] in the amount of intelligence I have, after a service here of eight years, but there is hope, if I remain in Congress as long as the gentleman, that I shall measure up then to his expectations. But here we are, wasting time, and dillydallying in the House. Why not go to work and get through with it—do something?

Mr. KITCHIN. Does the gentleman put himself in as being a party with the Senate? The gentleman means the Senate is wasting time; the House is not.

Mr. AUSTIN. We are adjourning over three days at a time.

Mr. KITCHIN. Waiting on the Senate.

Mr. AUSTIN. Why not get to work, as many of us stay around here for three days at a time with nothing to do except work in our offices and before the departments. I think we ought to get down to work and do all the people's business.

Mr. MANN. Mr. Speaker, reserving the right to object, I think in some respects the less we do the better, myself, but when we meet on Monday, if we adjourn over until Monday, what will be the program then?

Mr. KITCHIN. Unless there are some little unanimous-consent requests, we will have still to wait on the Senate and on conference reports.

Mr. MANN. There will be no other business of importance——

Mr. KITCHIN. Unless there are conference reports.

Mr. MANN. Of course, conference reports would have to be printed and go over.

Mr. KITCHIN. Of course, the gentleman from Tennessee [Mr. AUSTIN] was joking a while ago. He knows there is nothing in the world for us to do here, that we have done everything we have to do.

Mr. MANN. The gentleman is facetious.

Mr. AUSTIN. The gentleman from Tennessee believes in working. [Laughter.]

Mr. KITCHIN. Has the gentleman just come to that conclusion after about 50 years?

Mr. ROBBINS. If the gentleman will permit, there is a very important bill pending here before the Committee on Immigration, a bill to compel foreigners who are registered and not amenable to the draft to be drafted, and alien enemies who are registered to be drafted into the civil service. Now, I would like to inquire when that bill will be brought up.

Mr. KITCHIN. As I said, it can only be brought up either by a rule or by unanimous consent, and that can be done on Monday. If it is reported, it can be brought up by unanimous consent.

Mr. ROBBINS. I greatly desire to be present when that bill is considered.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. LONDON. Mr. Speaker, reserving the right to object——

The SPEAKER. The regular order has been called for.

Mr. LONDON. The regular order is to object, I suppose?

The SPEAKER. If the gentleman desires to do so.

Mr. LONDON. I do object, and I want to state why——

LEAVE TO ADDRESS THE HOUSE AND EXTENSION OF REMARKS.

Mr. NORTON. Mr. Speaker, I ask unanimous consent that I may be permitted to proceed out of order for 10 minutes.

The SPEAKER. The gentleman from North Dakota asks unanimous consent to proceed for 10 minutes. Is there objection?

Mr. LONGWORTH. Mr. Speaker, reserving the right to object—and I shall not object—I ask that I may proceed for 10 minutes at the conclusion of the gentleman's remarks.

Mr. SHACKLEFORD. Mr. Speaker, reserving the right to object, I want five minutes.

Mr. HEFLIN. Mr. Speaker, reserving the right to object, I want to extend my remarks in the RECORD.

The SPEAKER. That is a different thing. The Chair will put the request of the gentleman from Alabama first.

Mr. HEFLIN. And the reason I make that request is that I have to go to a committee of conference.

The SPEAKER. The gentleman from Alabama [Mr. HEFLIN] asks unanimous consent to extend his remarks in the RECORD, and gives as a reason for it that he is on the food-control conference committee. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, may I inquire on what subject?

Mr. HEFLIN. On the subject of the necessity of speedy action by Congress, backing up the President in these war measures.

The SPEAKER. Is there objection?

Mr. KNUTSON. Mr. Speaker, I object.

Mr. HEFLIN. Then, Mr. Speaker, I shall object to all the other requests.

Mr. KNUTSON. Mr. Speaker, I will withdraw it.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none.

Mr. HAMLIN. Mr. Speaker, I desire to make the same request—to extend my remarks in the RECORD.

Mr. DYER. I ask unanimous consent——

The SPEAKER. Let the Chair put the request of the gentleman from North Dakota first. Is there objection to the gentleman from North Dakota [Mr. NORTON] speaking for 10 minutes? [After a pause.] The Chair hears none. Is there objection to the gentleman from Ohio [Mr. LONGWORTH] speaking for 10 minutes? [After a pause.] The Chair hears none. Is there objection to the gentleman from Missouri [Mr. SHACKLEFORD] speaking for five minutes? [After a pause.] The Chair hears none.

Mr. DYER. Mr. Speaker, I ask unanimous consent to speak for five minutes following the gentleman from Missouri [Mr. SHACKLEFORD].

The SPEAKER. The gentleman from Missouri [Mr. DYER] asks for five minutes following the gentleman from Missouri [Mr. SHACKLEFORD]. Is there objection? [After a pause.] The Chair hears none. The gentleman from Missouri [Mr. HAMLIN] asks leave to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. RUSSELL. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes when these other gentlemen have finished.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. McCULLOCH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. MORIN. Mr. Speaker, I ask unanimous consent for five minutes.

Mr. ASWELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Louisiana asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, will the gentleman from Louisiana state on what subject?

Mr. ASWELL. It is on the food situation.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. JONES of Texas. Mr. Speaker, I desire to ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, may I inquire on what subject?

Mr. JONES of Texas. On the food bill.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. MORIN. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to proceed for five minutes after these other gentlemen get through. Is there objection? [After a pause.] The Chair hears none.

ADJOURNMENT UNTIL MONDAY.

Mr. KITCHIN. Mr. Speaker, I wish to renew my request that when the House adjourns to-day it adjourn until Monday next.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet next Monday. Is there objection? [After a pause.] The Chair hears none.

EXTENSION OF REMARKS.

Mr. SEARS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by having printed two bills passed by the Florida Legislature at the last session.

The SPEAKER. The gentleman from Florida asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. WALSH. Mr. Speaker, I object.

PROTECTION OF DESERT-LAND ENTRYMEN.

Mr. RAKER. Mr. Speaker, I desire to call from the Speaker's table the bill H. R. 3331, and ask the House to agree to the Senate amendment.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 3331) for the protection of the owners of desert-land entrymen who enter the military or naval service in time of war.

Mr. BORLAND. Mr. Speaker, I would like to ask the gentleman what the Senate amendment is?

Mr. RAKER. The Senate amendment simply strikes out of the title the words "of the owners of." That is all. It is a proper correction of the title.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amend the title so as to read:

"An act for the protection of desert-land entrymen who enter the military or naval service of the United States in time of war."

The SPEAKER. The question is on agreeing to the Senate amendment.

The amendment was agreed to.

LEAVE OF ABSENCE.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent for leave of absence for a period of 10 days for my colleague from Michigan [Mr. SCOTT], owing to a death in his family.

The SPEAKER. The gentleman from Michigan asks unanimous consent for leave of absence for 10 days for his colleague [Mr. SCOTT of Michigan], on account of death in his family. Is there objection? [After a pause.] The Chair hears none.

NORTH DAKOTA.

The SPEAKER. The gentleman from North Dakota [Mr. NORTON] is recognized for 10 minutes.

Mr. NORTON. Mr. Speaker, my attention has been called this morning to an editorial in the Des Moines Capital, of Des Moines, Iowa, a paper owned and edited by former Senator Lafayette Young, who for five months, during 1910 and 1911, represented the State of Iowa in the United States Senate. This editorial falsely reflects upon the loyalty and patriotism of the people of the State which I have the honor in part to represent. Ordinarily I would not dignify with denial the many extravagant and foolish falsehoods shallow-minded and provincial people in certain sections of the country are wont to recount concerning North Dakota, but during the past few months there seems to have been a premeditated propaganda by a certain class of reactionary newspapers to discredit the farmers of my State in the mind of the rest of the Nation and to hold them up to criticism and contempt, and for this reason this lying editorial from the Des Moines Capital, a copy of which I hold in my hand, I can not permit to go unchallenged. The editorial is as follows:

The Council of Defense for the State of Nebraska has issued an address, calling attention to the prevalence of disloyalty in that State. The council says that the German-Lutheran preachers are unpatriotic. We are not surprised at this assertion. During the first year of the war the Capital considered it a dull day when no letter was received from a German Lutheran preacher. The preacher generally devoted himself to asserting that the Capital was in sympathy with England. This used to be the general charge against a thoroughly American newspaper. But the German-Lutheran ministers have subsided, so far as we are concerned. They are not wasting any postage. But in Nebraska there seems to have been a lack of patriotic leadership early in the fight. We do not know what course the Nebraska newspapers have taken; therefore we do not know what responsibility rests upon the press. But we know that the general statement is true that on this loyalty question, wherever the newspapers have been right, the people have been right.

No man desires to see his name in print as a possible traitor, but in North Dakota, we are told, there is distinctly a new breed of disloyalty with which the Germans have little or nothing to do. The farmers of North Dakota are composed of Scandinavians. They have organized a political party and at the election last year swept the State. They elected their governor and filled practically every other office. A few days ago a special election was held in one of the North Dakota districts for the purpose of filling a vacancy in Congress.

Again the farmers' party was triumphant. A traveling man who lives somewhere in Iowa tells the Capital that North Dakota does not take any interest in the war and does not care who wins. They just want to live in North Dakota; to own their own elevators; to sell their own wheat at $2 per bushel; and they do not care if Germany sweeps over the entire United States.

This farmers' party is regularly organized with campaign headquarters all the year round. The movement is spreading into Minnesota, also into South Dakota and Nebraska, and the organization is soon to tackle the political situation in Iowa. The agricultural newspapers are feeling their way and winking at this big organization. Some of the agricultural newspapers have sent correspondents to North Dakota to tell all about the farmers' political organization. Our Iowa traveling man says that it sounds to him more like anarchy than politics. He says the movement is only one removed from I. W. W.ism.

This land of the free has some strange experiences. While our boys are going out to fight to make this a safe place for democracy, thousands of people who ought to have more sense are determined to make it a safe place for anarchy.

Thousands of the farmers of North Dakota have gone into this movement with perfectly patriotic aims. They do not mean to be disloyal; but in politics they have been unable to distinguish between the good and the bad. All the politicians are glib with promises, and the farmers have learned to doubt the whole bunch. We are not going to condemn the farmers' movement in North Dakota. On patriotic lines it ought to be continued. If it has reached the hands of grafters who are even worse than the politicians whom they supplant, the real honest people of North Dakota will find it out and will retrace their steps. But the farmers of North Dakota and Nebraska have no right to select this war time as a fit opportunity for the settlement of local grievances.

I have no information as to the charges made in the first paragraph of the editorial against the German-Lutheran preachers of Nebraska, but if this charge is no more true than the charge made in the succeeding paragraphs of the editorial against the loyalty of the people of my State, there is not a scintilla of truth in it. Mr. Young, the editor of the Des Moines Capital, does not live so far from the borders of North Dakota but that he must have some fair acquaintance with the people of my State, and so I am amazed that he should have permitted the maliciously false statements and innuendoes contained in this article concerning North Dakota to be given circulation in his publication. The chief false indictments in the article are contained in the following:

No man desires to see his name in print as a possible traitor. But in North Dakota, we are told, there is distinctly a new breed of disloyalty, with which the Germans have little or nothing to do. The farmers of North Dakota are composed of Scandinavians. They have organized a political party, and at the election last year swept the State. They elected their governor and filled practically every other office. A few days ago a special election was held in one of the North Dakota districts for the purpose of filling a vacancy in Congress.

Again the farmers' party was triumphant. A traveling man who lives somewhere in Iowa tells the Capital that North Dakota does not take any interest in the war and does not care who wins. They just want to live in North Dakota, to own their own elevators, to sell their own wheat at $2 per bushel, and they do not care if Germany sweeps over the entire United States.

I have lived in North Dakota since the time when I was a very small boy. I have grown up among the people of that State. I know the people there, not only in the congressional district which I represent, but I know them from one end of the State to the other. I know how the people of my State think and I know how they feel. I have eaten, drunk, slept, and worked with them all the years of my active life. I have labored early and late on farms and on ranches in the State. I have lived in some of the largest and in some of the smallest towns in the State. I know the innermost thoughts of the great mass of the farmers in my State. I know their joys and their sorrows. I know their pleasures and their griefs. I know their successes and their failures. I know their yearly springtime hopes and expectations in newly sown fields. I know their autumnal gloom, disappointment, and final resignation when the season has been unfavorable and there is little or nothing to harvest. I know their joyful and happy plans for all the household, even to the tiniest tot, when the granaries have been filled with bounteous crops. I know their bravery, their courage, and their hardy character.

And knowing my people as I do, I feel deeply that no more foul or malicious slander could be heaped upon them than the charge that they are unpatriotic and disloyal to their country in this great war in which our Nation is engaged defending the inviolable rights of our citizens against the ruthless attacks of unbridled autocracy. No more utterly false and no meaner indictment could be made against the people of my State than to say, as has been said in this editorial, that—

North Dakota does not take any interest in the war and does not care who wins; they just want to live in North Dakota, to own their own elevators to sell their own wheat at $2 per bushel; they do not care if Germany sweeps over the entire United States.

No more brave, no more loyal, no more patriotic, and no truer American citizens can be found anywhere in this Nation than the farmers of my State. They have evidenced that at all times and they have proven it beyond any shadow of doubt whenever opportunity offered to do so——

Mr. PLATT. Will the gentleman yield?

Mr. NORTON. I shall be pleased to yield to the gentleman from New York.

Mr. PLATT. I am very glad to hear what the gentleman says concerning the farmers of North Dakota, but what about that which a Senator says about a certain public officeholder in that State?

Mr. NORTON. I will say to the gentleman from New York, and I trust that he is not one of those who takes all the loyalty and patriotism of the country unto himself, that I know nothing of the case to which he refers, but it would be a very unusual flock of good sheep where one black sheep might not be found. I think the gentleman might find such among the population of the great State of New York. [Applause.]

Prior to the beginning of this war and since the organization of North Dakota our country has been engaged in one war—the Spanish-American War. In that war the men of the North Dakota National Guard were among the first to be called to the colors and among the first to quickly respond to that call. The record of the First Regiment of North Dakota Volunteers in the Spanish-American War in the field of actual fighting is second to none of the other forces engaged in that war. It is a record which has not only done honor to the State of North Dakota, but to the Nation. The First Regiment of North Dakota Volunteers was sent to the Philippine Islands at the beginning of the war. They were not parade soldiers; they were fighting men, every one of them.

From August 13, 1898, until May, 1899, the men of the First North Dakota carried the flags of their regiment and their country to victory in 37 actual engagements with the enemy, among these engagements being the most sanguinary that took place during the entire war. No braver, no more courageous men ever

faced a line of battle than the officers and privates who composed the First North Dakota Volunteers of the Spanish-American War of 1898. And they, remember, nearly every one, were North Dakota farmers and North Dakota farmers' sons.

Many brave men who saw service in that war can testify to this. Only last week, in conversation with that distinguished Spanish-American War veteran of Kansas, Col. LITTLE, who so creditably and ably represents the second congressional district of his State in this body [applause], and who in his short service here has already won the highest regard and confidence of many of the Members of the House, mentioned to me the superior service of the First North Dakota Volunteers in the Philippines and the splendid work of Col. Treuman, Maj. Fraine, Maj. White, and Lieut. Lonnevick, of the regiment. During the Philippine insurrection Col. LITTLE was next in command to "Fighting Fred Funston," and I consider that no higher praise could be given to the officers and men of the North Dakota Volunteers than the commendation of Col. LITTLE, who knows whereof he speaks. A great many of the North Dakotans who saw service in the Philippines are now members of the North Dakota National Guard. Maj. Fraine is colonel of the First North Dakota Regiment, now in the service of the Federal Government. Maj. White is colonel of the Second North Dakota Regiment, now in the Federal service, and Lieut. Lonnevick is captain of one of the companies in the Second North Dakota Volunteers, now in the Federal service.

To-day and through all the trying period of this war the people of my State have stood and are standing loyally behind the President of this Nation and are giving him every reasonable support. They have responded to the fullest extent of their labors for greater agricultural production for the Nation this year. They have responded freely to the extent of their means in the purchase of liberty bonds.

They have given liberally and generously to the Red Cross organization. They are giving generously and patriotically, both of men and money, to the end that the part of this Nation in the war may be carried to final success.

The First North Dakota Regiment has for some time been in the Federal service. Only a few days ago the President authorized the organization of a second regiment of the National Guard in North Dakota. Within an almost incredibly short time the 15 new companies of volunteers authorized to be enlisted have been organized and now are in the service of the Federal Government, awaiting equipment and orders.

If former Senator Lafayette Young or the slimy saurian who gave birth to this editorial had taken the trouble to become really acquainted with the farmers of North Dakota he would have discovered that their loyalty and patriotism is in no way and in no degree less in this war than the loyalty and patriotism of the best farmers of Iowa, and would have found that, as a matter of fact, the loyalty and patriotism of the farmers of North Dakota averages higher than the loyalty and patriotism of a like number of people in almost any other section of the country.

An attempt is made by innuendo in this editorial to charge discredit and disloyalty to the people of North Dakota on account of the result of the recent election in North Dakota in the first congressional district, in which Hon. JOHN M. BAER, whose candidacy had been indorsed by the farmers' organizations, known as the Nonpartisan League, was elected by a large plurality over the other candidates at the election for this office. On account of the reflections in this editorial, and also on account of similar slurring reflections that have recently appeared in Washington and New York papers in reference to Mr. BAER'S election, I am impelled to say a few words in regard to the election of Mr. BAER and in regard to Mr. BAER himself, who will soon take his place in this body.

I had hoped that Mr. BAER would be here this week to speak for himself, but I am advised that certain important engagements will prevent him from reaching Washington for several days, and since he is not going to be here for some time I can not longer pass without notice the unfair comments and references that have been made as to the reasons for his election. I have known Mr. BAER personally for about 10 years. He is a splendid type of young American manhood, who is in every way worthy of a seat in this body. [Applause.] His loyalty and patriotism needs no defense from anyone. To those who know him it speaks for itself. He comes from a long line of fighting rather than talking patriotic Americans. His father was one of those brave men who assisted in saving the Union. His father, although a staunch Democrat, carried his rifle in the front of battle, and gave the fullest measure of his support to the plans of President Lincoln for carrying on the war between the North and the South to final success. [Applause.] His brother sacrificed his life for his country as a soldier in the Spanish-American War. JOHN M. BAER himself has been, as long as I have known him, a loyal and intensely patriotic young American. His election was not won, as has been suggested, on any pacifist platform. [Applause.] His election was not won on any platform in opposition to the present war. He advocated in his campaign, as far as I know, nothing un-American and nothing disloyal or unpatriotic. In his campaign Mr. BAER announced time and again that he was in favor of conscription of men and the carrying on of this war to an early success, but that he was equally in favor of the conscription of property to meet the needed expenses of this war. [Applause.] Mr. BAER during his campaign strongly supported the plan that a large part of the revenue for the expenses of the present war should be derived from taxes on large incomes and on excess profits. This plan of financing the war is one in which the rank and file of the people of my State and of many other States as well are much interested. This plan for financing the war has been advocated by myself and by my colleague [Mr. YOUNG of North Dakota] and by a number of others in the House and Senate since the war began.

It is an issue to which the country is much alive. It is a practical and feasible way of financing the war. It is a fair and just way of securing the revenues necessary to carry on the war. It involves the policy of distributing as equitably as it is humanly possible to do so the burdens of the war among our people. It involves a fundamental principle of taxation to which I trust a majority in the Congress will give favorable heed in the final consideration of all revenue bills to provide money for meeting the expenses of the war. [Applause.]

In conclusion, let me say to the editor of the Des Moines Register and to other editors of like kind who have recently taken it upon themselves to freely criticize the patriotism and loyalty of the farmers of North Dakota, that the farmers of North Dakota need no precepts of patriotism or loyalty from them. On the other hand, these verbosely self-acclaimed patriotic editors might, to the better welfare of their country, follow the example of patriotism and loyalty already set by thousands of North Dakota farmers and North Dakota farmer boys and girls since the beginning of the war in their real contribution of those things which will most aid in bringing success to our cause in this war.

If the people throughout the rest of our country do their part in this war as well as the farmers of North Dakota are certain to do their part, there will be no occasion for anyone to fear but that monarchy and autocracy will receive a final deathblow in this war, and that a reign of real democracy will have a new birth throughout the nations of the earth, and that after the war the whole world will be a happier, safer, and better place for the rank and file of humanity in which to live. [Applause.]

The SPEAKER pro tempore (Mr. MARTIN of Louisiana). The time of the gentleman from North Dakota has expired. The gentleman from Ohio [Mr. LONGWORTH] is recognized for 10 minutes.

THE PROPOSED COMMITTEE ON THE CONDUCT OF THE WAR.

Mr. LONGWORTH. Mr. Speaker, to the Lever food bill, now in conference, the Senate added an amendment to create a committee on the conduct of the war. It puts into effect, in substance, the provisions of the bill introduced into this House by the gentleman from Illinois, Mr. MADDEN. It was offered in the Senate by Senator OWEN and passed by a large majority, a majority consisting of both Democratic and Republican votes, and therefore no one, I assume, will hint that there is any sort of partisanship about it.

Mr. AUSTIN. Mr. Speaker, will the gentleman yield?

Mr. LONGWORTH. For a question?

Mr. AUSTIN. Is it not a fact that Senator WEEKS introduced the bill in the Senate?

Mr. LONGWORTH. Yes, originally; but the amendment that was adopted was offered by Senator OWEN and is to all intents and purposes the same proposition.

The President, however, has announced his opposition to it, and in a letter to the chairman of the Committee on Agriculture, Mr. LEVER, published yesterday in the newspapers, he states his objections in vigorous terms. Among other things he says that—

> Section 23, if enacted into law, would render my task in conducting the war practically impossible.

Then again:

> The constant supervision of Executive action which it admits amounts to nothing less than an assumption on the part of the legislative body of the Executive work of the administration.

And he concludes by saying:

> I sincerely hope that upon reconsideration of this matter both Houses of Congress will see that my objections rest upon indisputable grounds, and I could only interpret the final adoption of section 23 as arising from lack of confidence in myself.

But the main ground of the President's opposition rests upon this sentence:

There is a very ominous precedent in our history which shows how such a supervision would operate. I refer to the Committee on the Conduct of the War constituted by Congress during the administration of President Lincoln. It was the source of constant and distressing harassment and rendered Mr. Lincoln's task all but impossible.

The pertinency of this parallel between the Civil War Committee on the Conduct of the War and the proposed committee on expenditures in the conduct of the war seems to me decidedly open to question. The functions of the committee proposed in section 23 are greatly limited. They relate only to the expenditure of appropriations bearing upon the conduct of the war and the contracts relating thereto, made by officers of the executive departments, with a view to safeguarding expenditures. The functions of the Committee on the Conduct of the War in 1861 to 1865 were practically without limit and related to the entire war policy of the administration.

I do not propose to argue whether the committee was in fact the cause of "constant and distressing harassment and rendered Mr. Lincoln's task all but impossible," as the President says, but certainly there is ample authority to the precise contrary. I read the following from The Life of Lincoln, written by W. O. Stoddard, one of the secretaries at the White House during the Lincoln administration:

It was not long before the "legislative branch" of the Government began to interfere with the "executive branch" in military matters. It was little more patriotic than constitutional, but Mr. Lincoln had no manner of objection. When, in December, 1861, Congress appointed a strong and capable "Committee on the Conduct of the War," its members were at once taken into hearty and intimate consultation. What would surely have been a peril or a hindrance to a weak or selfish ruler was transformed at once into an additional and powerful guaranty of congressional cooperation. It was not so much thenceforward that Congress had assumed a part of the Executive province, but that the Executive had deftly provided himself with personal and official representatives upon the floor of Senate and House.

This committee, constantly advised with, cordially invited to investigate, to consider, to come and to go, and to know everything before it happened, became a priceless safety valve for the growing discontent over inexplicable delays. Without it there can now be little question that Mr. Lincoln would have been more seriously misunderstood and even antagonized by the body of men nominally represented by the committee.

The President of the United States is constitutionally the Commander in Chief, and Abraham Lincoln was also actually dictator; but he was entirely at ease as to all his rights and dignities when a joint committee of Senators and Representatives freely summoned before them his military officers by the dozen, and called for their views of things in general and their professional opinions of battles and campaigns. He knew beforehand that the sure result would be the strong and unanimous sympathy of that "jury" of clear-headed men, with him personally, and their approval of the general outlines of his policy, however much they might disagree among themselves or with him as to details of specific operations.

But whether the facts stated by Mr. Stoddard may be true or not, I want to point out that there is no parallel between the functions of that committee and the functions of the proposed committee. I hold in my hand the report of the Civil War committee, signed by Senator Benjamin F. Wade, and submitted at the second session of the Thirty-eighth Congress. That the scope of their activities was practically unlimited is evidenced by a number of statements contained in that report. For instance, the following:

The investigations of your committee have embraced many subjects. The results of their investigations under the directions of the Thirty-seventh Congress have already been made public. The subjects of their inquiry under the directions of the Thirty-eighth Congress, some of which have already been reported upon, include the following: Army of the Potomac, Battle of Petersburg, Red River Expedition, Fort Fisher expedition, massacre at Fort Pillow, heavy ordnance, light-draft monitors, rebel treatment of prisoners, and massacre of Cheyenne Indians, all of which are or have been specially reported upon. Testimony has been taken upon other subjects which is submitted without reports, either because of the incomplete character of the evidence or because special reports were not necessary.

A committee armed with such powers as these might be a peril and a hindrance to a President provided, as Mr. Stoddard suggests, he were a weak or selfish President, which, of course, our present Chief Executive is not. [Applause.] But no such thing is remotely contemplated in the creation of the committee we are now considering.

Mr. SHERWOOD. I should like to ask the gentleman a question.

Mr. LONGWORTH. I yield to my colleague.

Mr. SHERWOOD. Is there any record anywhere where Lincoln objected to this committee?

Mr. LONGWORTH. I believe not. On the contrary, I have always understood that he welcomed it rather than objected to it. Here is one statement by the committee:

They have taken the testimony of nearly 200 witnesses, almost entirely men in the military service of the Government, including about 100 generals.

Of course this committee is not going to take the testimony of generals. That committee even went so far as to send written questions to every general, I believe, in the Union Army, and one of the questions was this:

Q. Please state such particulars as you may deem necessary to a proper understanding of the several campaigns in which you have been engaged, setting forth the orders and instructions under which those campaigns were conducted and the principal orders and instructions given by you, with such incidents and circumstances as you consider will be of interest to the public, appending to your statement copies of your reports and those of your principal subordinates and keeping the account of each campaign by itself as far as convenient.

Now, it might be, gentlemen, that a committee which took and published testimony like this was, as the President says, a cause of constant and distressing harassment and rendered Mr. Lincoln's task all but impossible, but there is no parallel whatever between that case and the one now before us. We may or may not agree with the comments of Gideon Wells on the report of the Committee on the Conduct of the War, published in his diary, that—

this method of supervising military operations by legislative committees is of more than questionable utility. They are partisan and made up of persons not very competent to form correct and intelligent opinions of Army and Navy operations or administrative purposes.

But whether we do or not, the committee we propose is not to be a partisan one and will have nothing whatever to do with "supervising military operations or administrative purposes."

The President, I think, has not been particularly fortunate in the selection of this precedent as an argument against the creation of a committee on expenditures such as we propose. Why should not Congress, through such a committee, keep itself advised as to the expenditure of the appropriations it is called upon to make? In this session alone we have already appropriated more than $9,000,000,000. The newspapers this morning tell us that we are to be called upon for not less than $5,000,000,000 more. Is it not our duty to our constituents and to the country to keep ourselves advised as to how and where this money is spent? No man here, I am assured, wants to do anything to embarrass the administration or to render the task of conducting the war more difficult. We upon this side of the House from the outset have sought no partisan advantage, though upon some occasions opportunities have been obvious. From the beginning we have cooperated with this administration in everything it asked, and no one knows better than the President of the United States that without our cooperation his task would, indeed, have been impossible. [Applause.] In asking for the creation of this committee the country will understand that we are only asking that information to which we and the people we here represent are plainly entitled. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. PLATT. I ask unanimous consent that the gentleman may have half a minute in which to answer a question.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent that the gentleman from Ohio may have one-half minute in which to answer a question. Is there objection?

There was no objection.

Mr. PLATT. Mr. Wilson is himself a historian, and has written pretty largely on the Civil War. Is there any place in his book where he expresses any objection to the committee of Congress to supervise the conduct of the war? I have looked for any such statement, and have not been able to find it.

Mr. LONGWORTH. I must confess that I have not been a very strenuous student of the work to which the gentleman refers [laughter], but I have never heard that in that work objection was made to the committee on the conduct of the war.

Mr. PLATT. I do not believe there is any.

Mr. COOPER of Wisconsin. Mr. Speaker, a parliamentary inquiry. Has any agreement been entered into as to debate to-day?

The SPEAKER pro tempore. Certain time has been allotted to various gentlemen.

Mr. GARNER. There has been unanimous consent to give a number of gentlemen certain time.

Mr. COOPER of Wisconsin. I ask unanimous consent that at the conclusion of their remarks I be allowed to speak for 10 minutes.

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent to address the House before the adjournment for 10 minutes. Is there objection?

There was no objection.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. SHACKLEFORD] is recognized for five minutes.

THE FOOD BILL.

Mr. SHACKLEFORD. Mr. Speaker, our country faces a crisis which calls for immediate and vigorous action.

I voted against the war. I believed that our country had more to lose than gain by entering into the horrible conflict which is blighting the hopes of all of the white races of the earth. I thought with Washington that our safety demands that we should not engage in the broils of Europe, nor become entangled in alliances with other nations. In that view I did everything in my power to keep the United States out of the war. I was outvoted and Congress declared war against Germany. That declaration was the voice of my country, and of course when I hear my country's voice I must answer her call.

Congress declared war and directed the President to use all of the men and all of the resources of the country necessary to carry that war to a successful end. It is too late now to be talking about whether we should have entered the war. We are already in it. There are only two possible ends for us. One is victory, the other defeat. Victory must be ours. [Applause.]

I am amazed when I look around me and find that some who were loudest in their cries for turning loose the dogs of war are now those lagging and holding back in providing the things that are necessary to make the war a success. When it came to declaring war they were frantic in their promptness. When it came to conscripting our boys for the trenches of Europe they responded with great alacrity. But now when it comes to providing the money, the iron and steel, the arms and ammunition, the clothing and food necessary to sustain our boys whom we are sending out to fight and die in foreign lands, these men are quibbling over details.

Starvation is one of the weapons used on both sides in this appalling struggle. We must see to it that our soldiers are not made its victims. They must have the necessary food and clothing.

The President tells us that an early passage of the food-control bill is an absolute necessity to our success. We must rely upon what he says. On his representations I will vote for the bill. I am ready to vote now.

In giving my support to this measure it must not be understood that I approve all of its provisions. I do not. Nevertheless, I will vote for it as a war measure.

When this bill was reported to the House wheat was selling at $3.25 a bushel. In a few weeks it declined $1 a bushel. This was just at thrashing time. So the reduction in price fell on wheat in the farmers' hands. Assuming the crop for sale to be 600,000,000 bushels, the loss to the farmers by this bill on wheat alone will be $600,000,000. The loss on corn will be even greater. Heavy losses will fall on oats, barley, rye, hay, and other farm products. It would be safe to say that the losses to the farmer in the reductions in prices of his products enforced by this bill will be a billion and a half or two billion dollars. But if such conscription of the products of the farm shall be necessary to our success in the war, I am sure the farmer will not complain. He has already loyally yielded to the conscription of his boys. I believe he also stands ready, if it shall be necessary, to sacrifice himself and the fruits of his toil upon the altar of his country. [Applause.]

But I do not approve that feature of this bill which requires only the farmer to make such sacrifices. It seems to me that it would have been more just if this measure, while cutting down the prices of what the farmer has to sell, had also cut down prices of what he must buy. I have a letter from a manufacturer of machinery in which it is stated that an amount of steel which could have been bought for $25 at the beginning of the war would now cost $200, an increase of 700 per cent. This increase in the price of steel is carried into the nails, wire fencing, horseshoes, wagon tires, tools, machinery, and the hundreds of other things which the farmer must have to be a successful producer.

Another feature of the bill which causes some uneasiness is the person who has been chosen to administer it. Of course, the bill provides that the President shall have control, but everybody knows he has not the time to look after the details. Mr. Hoover has been chosen for that task. From what I have been able to learn of him he has very great ability and exalted character. But while born in this country, he has not lived here for 25 years. During all of that time he has been in the employ of the English in foreign lands. He has amassed a very great fortune and has chosen London for his home. He has a very handsome residence in that great city, to which I presume he will return as soon as he finishes his work here as food dictator. He has no particular knowledge of the farming business of this country which is to be placed so completely in his hands. It is natural that fear should be felt that in the exercise of the very autocratic powers conferred upon him by this legislation he may feel more concern for English consumers than for American farmers. It would have been gratifying if some genuine American thoroughly familiar with our agricultural interests had been selected for this post. [Applause.]

Of course, the United States and England are making war against the same country, and any strength given to the English arm would tend to weaken the common enemy. We must be careful, however, that we do not unduly weaken ourselves. I would beg our English friends to keep in mind that England has much more at stake and much more to gain in this war than have we. We went into the war simply to vindicate and enforce our rights at sea. President Wilson stated for us that we seek neither annexations nor indemnities. On the other hand, England seeks to rearrange the maps of Europe, Asia, and Africa, and make large additions to her own already vast empire.

In a recent speech her prime minister outlined what England expects as a result of this war. Among other things she is to annex Mesopotamia and the African colonies of Germany and establish a protectorate over Syria, Armenia, and Palestine. In the aggregate these territories are 18 times as large as the State of Missouri. In the face of these facts it ought not to be expected that we should impoverish our farmers to furnish cheap food for England. We should place at her disposal any surplus we may have after providing for our own people, but she should be willing to pay a fair price for it. Especially is this true in the face of the fact that our taxpayers are furnishing her the money to buy her supplies.

I realize how impossible it would be to properly balance legislation in an emergency like this. We must speed along. For the present let us rely upon the President to see to it that we are not betrayed. He has the ability, firmness, and patriotism to give us assurance that we may trust him.

Just now let us put everything else aside until we have brought this war to an honorable end. When peace shall have again spread her white wings over the world we can then take our bearings and make proper adjustments. [Applause.]

THE PROHIBITION LOBBY.

Mr. DYER. Mr. Speaker and gentlemen of the House, it ought not to be necessary to call the attention of the American people to the necessity and importance of personal sacrifice at this time. We ought to—and we will, if we are decent citizens of this country—give up personal aims and ambitions, partisan advantages, and the like, for the greater interest and greater welfare of all Americans, and which is to win at the earliest possible time the war in which we are engaged, and thereby do a real service to the people of the world by ending this horrible and inexcusable European war at the earliest possible time. Yet, Mr. Speaker, notwithstanding that we ought to be patriotic and well meaning for the common good of our land and the world, there are stalking about the Halls of Congress and the corridors and rooms of the House and Senate offices the representatives of the prohibitionist organizations seeking to stir up hate, envy, jealousy, sectional, racial, and all kinds of animosity. They want to turn Americans against Americans, because it will possibly help the cause of the prohibitionists They try to create the impression that citizens of this country of German birth or descent are not patriotic. It is easy for such un-American and unpatriotic people to ply their trade of this nature and to cause trouble because we are now at war with the German Empire. Yet the President said, when he asked us to declare war on the German Imperial Government, that we were not going to war on the German people of the German Empire, much less the citizens of our own country of German blood. Yet what care these fanatics, hypocrites, and the like for the United States of America? It is prohibition they want above everything else. They care not what the result of this war is so long as they fasten upon the people of this land their selfish prohibition ideas. The President of the United States, the Commander in Chief of the Army and the Navy, the one who has the supreme responsibility in this war so far as this country is concerned, asked that these prohibitionists stop interfering with Congress and let us legislate for the whole people. He asked them to withdraw their opposition to the manufacture of beer and wine during the war.

They—the officers of the Anti-Saloon League—promised they would, but they did not keep their word. They have been lobbying just the same, but under different names, perhaps, so far as the public is concerned; but they can not fool those who are onto their workings. They are now working under the name of the International Reform Bureau, and a representative of this antisaloon, prohibitionist, and anti-American organization only a few days ago called upon me and handed to me in my office in the House Office Building a circular or bulletin, as it is called, dated July 20, 1917, and having as a lead line "Prohibition up

again in the House of Representatives." This circular was taken around and handed to the Members personally for the purpose of trying to influence their votes on the amendments pending to the food-control bill as it came into the House for reference to the conferees a few days ago. They hoped to stir up enough feeling to cause the Members of the House to vote to instruct the conferees to insist upon the discontinuance of grain, and so forth, in the manufacture of beer. They want to kill beer. They knew it could not be done upon merit, so the "pro-German beer saloon" was originated with them. Without excuse, without reason—just to put one nationality against another of American citizens. Let me invite your attention to this circular.

Among the statements in it, Mr. Speaker, are, in several places, the words "pro-German beer saloons." In other words, in order to prejudice Members of the House and of the Senate against allowing the manufacture and sale of beer during the war they have coined the words "pro-German beer saloons." For what purpose, gentlemen? For no other purpose than to try to set one class of people in this country, in these serious times, against another class of people. These men representing the prohibition forces, going about trying in these serious times to put one nationality against another, and especially when we are at war with Germany, are not patriots, are not good Americans at all, and the President could do no better than to have all these people—these fanatics, these prohibitionists before they are Americans—interned during the war. [Applause.]

I told this gentleman who brought this circular to me that he was an enemy of the Republic in going about at this time charging men with being pro-German because they happened to be saloon keepers. But the fact is, Mr. Speaker, that more of the saloon keepers in this country to-day by far are of other nationalities than they are German. To try to set up a hatred and enmity to people of this country who are of German birth and ancestry, for the only purpose of gaining personal ambition and desire, regardless of justice, regardless of what the President says, regardless of the interests of the country, is low, mean, and contemptible. Those who do this are not Americans, and, Mr. Speaker, they ought to be driven out of the Capitol instead of being allowed to hang around Members of Congress while we are considering these important matters.

I saw the very man who brought the circular to me afterwards talking with a Member of the House while we were trying to get the food-control bill in conference, trying to persuade him, no doubt, to ask that the House conferees be instructed to disregard the best interests of the country. They have even passed around the Capitol statements that the breweries of the United States are owned by citizens of the German Empire. They have charged that publicly, when, as a matter of fact, Mr. Speaker, I do not believe it is so in any particular. I have inquired of the brewers in my city whether any of their stock was owned by any citizen of the German Empire, and I have received answers to the effect that not one dollar was invested in their business by any citizen of the German Empire. On the other hand, a great part of the stock of the breweries of this country is owned by people of the British Empire. We have English syndicates which control strings of breweries all through the country. So there is no excuse, Mr. Speaker, for making so false and villainous a charge as that, and their only object and purpose can be, and is, to try to incite enmity and ill feeling against people of this country of German blood, and who have been always and are now genuine and true-blue Americans. These citizens have bought the bonds of the liberty loan in abundance, they have subscribed to the Red Cross fund most freely, and their sons have gone to the front in the Army and Navy in large numbers. They will continue to go as long as men are needed to fight for the United States. They are not cowards. They are Americans of the right sort, and not the kind that try to undermine, deceive, and disrupt.

Yet, Mr. Speaker, these honorable and brave people must suffer at the hands of these small Americans all kinds of insults during this war simply because they are of the same blood as the Imperial German Government with which we are at war. Lies will be circulated to harm them. If a farmer's hogs get the cholera, some one will say a German poisoned them. If cattle get diseases, it will be said that Germans are responsible, and there are some people fools enough to believe it.

It is just like the stories that people of Germany own the breweries in the United States. Nobody believes it, of course, after the facts are known, but that does not stop these lies being circulated and the great harm they do before the truth is known.

To show, Mr. Speaker, how false are these charges let me call your attention to a few telegrams from breweries in my city, as follows:

ST. LOUIS, MO., *July 10, 1917.*

Hon. L. C. DYER, M. C.,
Washington, D. C.:

Replying to telegram, you are informed we know of no brewery stock owned by citizens of Germany. Practically all brewery stock, with the following exception, is held by citizens of the United States: English syndicates, which own millions upon millions of stocks and bonds of brewery organizations in Missouri, Ohio, Chicago, New York, and elsewhere. As an example, the St. Louis Brewing Association in St. Louis is familiarly referred to as the English syndicate. Please disseminate this information thoroughly, and oblige,

ANHEUSER-BUSCH BREWING ASSOCIATION,
OLIVER T. REMMERS, *Attorney.*

—

ST. LOUIS, MO., *July 10, 1917.*

Hon. L. C. DYER, M. C.,
Washington, D. C.:

Every share of Lemp Brewing Co. stock owned by residents and citizens of the United States, to the best of my knowledge and belief. Large blocks of so-termed brewery syndicates in the United States are held by British subjects. Never heard that citizens of the German Empire owned American brewery stock worth speaking of. Mr. Lemp out of the city.

HENRY VAHLKAMP.

—

ST. LOUIS, MO., *July 10, 1917.*

Hon. L. C. DYER, M. C.,
Washington, D. C.:

Our Mr. Koehler on way home from New York, possibly stopping off at Washington to-day. Of the 450 stockholders in Independent Breweries Co. every one is an American citizen, and all our 13 directors are American citizens by birth. We employ 750 men, belonging to organized labor unions, the rules of which require their members to be American citizens under penalty of loss of membership by any foreign-born member who fails to become fully naturalized. It is absolutely untrue that the breweries of this country are practically owned by citizens of the German Empire as alleged. On the contrary, they are owned by American citizens.

FRED GAST,
Secretary and Treasurer the Independent Breweries Co.

—

ST. LOUIS, MO., *July 10, 1917.*

Hon. L. C. DYER, M. C.,
Washington, D. C.:

My company, St. Louis Brewing Association, has a capital of $5,000,000, all of which is held in England; and of the four and a half million outstanding bonds over two million are held in England. In other words, my company is owned and financed by citizens of England. There are a number of large breweries all over the country, from Boston to San Francisco, also owned and financed by citizens of Great Britain.

HENRY NICOLAUS.

—

ST. LOUIS, MO., *July 10, 1917.*

Hon. L. C. DYER, M. C.,
Washington, D. C.:

In my telegram of this morning I forgot to mention that to my knowledge practically all the stocks and bonds in the American breweries are held by citizens of the United States and Great Britain. Being in this business for nearly 50 years, I am pretty well acquainted with the brewing industry in this country.

HENRY A. NICOLAUS.

—

ST. LOUIS, MO., *July 10, 1917.*

Hon. L. C. DYER, M. C.,
Washington, D. C.:

Every dollar invested in my brewery is mine personally. English capital controls a very large percentage of American brewing companies. German capital does not control one single plant to my knowledge.

OTTO F. STEIFEL.

—

ST. LOUIS, MO., *July 11, 1917.*

Hon. L. C. DYER, M. C.,
House of Representatives, Washington, D. C.

DEAR SIR: In answer to your telegram of July 9, beg to inform you that no citizen of the German Empire owns any interest in this brewery, nor is there any citizen of the German Empire employed in this brewery.

Yours, very truly,

HY. W. KOLKSCHNEIDER.

—

ST. LOUIS, MO., *July 19, 1917.*

Hon. L. C. DYER, M. C.,
Washington, D. C.

MY DEAR MR. DYER: Glad to receive your letter of the 17th instant, concerning falsehoods being circulated by the prohibition lobby as to the ownership of stocks and bonds in the breweries of the United States. These reports have been bobbing up all over the country, and just yesterday a prominent prohibitionist in Kansas City, Mo., made similar utterances. Some people swallow this fable as gospel, but as a rule, after the noise is over, there is a revulsion of feeling and the effect the prohibitionists attempted to produce is lost, together with a slice of their own small stock of self-respect.

Respectfully,

OLIVER T. REMMERS.

Mr. RUSSELL. Mr. Speaker, the so-called food-control bill is now pending before a conference committee composed of members of the Committees on Agriculture of the House and the Senate. I regret that the parliamentary situation was such that I was not permitted to discuss the provisions of this bill, or of the Senate amendments to it, before it was so referred; but as I was not permitted to do so then, I desire now, with the permission of the House, to briefly discuss one of the Senate amendments.

The primary purposes of this bill as applied to food were, as I understand, first, to stimulate and to increase the production of wheat; second, to furnish consumers of this and the allied countries food at a reasonable price. There are some who

seem to think that the purposes of the bill were, first, to urge farmers to produce large crops of wheat, and second, to penalize them for complying with the request. The first essential recognized and contemplated by the proposed legislation was to encourage next year the production of a large crop. To do that you must all know that the wheat farmers of the country will expect to be assured that they will be able to sell their wheat at a fair if not a remunerative price; that is, at or above the cost of raising it.

I have had some considerable experience as a wheat farmer and know something of the cost of its production. I know that some years ago I have raised and sold wheat at less than $1 per bushel at a fair profit, but know equally as well that it can not be done now. The cost of everything that goes into the production of wheat is much higher than a few years ago, and the price of some of them, including land, seed, and labor, have more than doubled in price.

Mr. QUIN. Mr. Speaker, will the gentleman yield?

Mr. RUSSELL. For a question.

Mr. QUIN. Taking into consideration the value of the land, the farmer's implements, and the high overhead charges, what does it cost to raise a bushel of wheat?

Mr. RUSSELL. In my opinion, not less than $1.75 per bushel.

Mr. W. L. Nelson, assistant secretary of the Missouri State Board of Agriculture, has made a careful investigation of the cost of raising the present crop of wheat in that State, and says that it was more than $1.75 per bushel. In this estimate he values the land at $75 per acre, while I personally know that a great majority of the land in my district upon which wheat was grown is worth in cash an average of more than $100 per acre, which, at 6 per cent on the increased valuation of the land above Mr. Nelson's estimate, would increase the cost price of the wheat 10 cents per bushel, and thus raise the estimate to $1.85 per bushel. Some insist that the minimum price fixed by the present bill of $2 per bushel is unreasonable in amount, and to those who so contend permit me to call their attention to the fact that wheat shipped from my district sold in the St. Louis market on last Saturday at $2.43 per bushel, and in the face of the passage of this bill, that had already resulted in lowering the market price of wheat throughout the country and in the midst of large deliveries of the present crop of wheat from the South and Southwest.

Mr. BOOHER. Mr. Speaker, will the gentleman yield?

Mr. RUSSELL. For just a moment. I have only 10 minutes.

Mr. BOOHER. I would like my colleague to state, from his knowledge, whether he thinks it has ever cost $1.75 a bushel to raise wheat?

Mr. RUSSELL. I do, on land worth $100 or $125 per acre and at the present high prices of food, feed, labor, and farm machinery.

Mr. SMITH of Idaho. Will the gentleman yield?

Mr. RUSSELL. I will.

Mr. SMITH of Idaho. Are not the farmers being treated fairly when we place in the food bill a minimum price of $2 a bushel for wheat?

Mr. RUSSELL. Yes; I think so; but we do not know that provision will be in this bill when it passes the House, and that is the very thing I am now talking about. I believe it ought to be retained, and I hope when the conference committee reports it back to the House that their report will retain the amendment placed in this bill in the Senate, which provides for a minimum price for wheat until the 1st of July, 1919, at $2 per bushel. That is the very thing I think ought to be done, and I think it will be unfair and discourage the production of wheat next year unless we have in it some assurance of that kind.

Mr. SMITH of Idaho. I agree with the gentleman and shall vote for that amendment to the bill.

Mr. RUSSELL. I am glad to know that the gentleman favors it.

Mr. MORGAN. I ask the gentleman if he does not believe the men here representing the wheat farmers ought to refuse to vote for the bill unless that provision of $2 as a minimum price for wheat is retained in the bill?

Mr. RUSSELL. Every man must judge that for himself. As far as I am concerned, I think I will vote for the bill whether that provision is retained in it or not. I have great confidence in the President of the United States, and I believe that he will have something to do with the naming of the price which the farmers will get for their wheat next year, and I hope if this provision is not retained that the President and whoever represents him, either upon the board or individually, in fixing the price of wheat will see that the wheat producers of this country are treated fairly. At the same time I think it is of importance enough that the farmers ought to be protected by the written provisions of this bill.

The farmers are asked by increased efforts to produce a large crop next year, so as to guarantee bread for our own country and her armies, and also for our allies and their armies, while fighting to a successful finish this world-wide war, and it is not unreasonable that they should want some assurance if they do so to receive at least within 43 cents per bushel of the present price paid in the open, unrestricted markets of the country. A large crop of wheat next year we all recognize as a matter of grave importance; but if you expect to successfully encourage the farmers to extraordinary efforts to produce such a crop you must expect to treat them fairly.

I am heartily in favor of this bill as a war measure and recognize it as a necessity in order to protect the American people against exorbitant war prices now paid for food, feed, and fuel by the consumers of the country. Flour has this year sold as high as $17 per barrel, but I am informed that this bill, which provides for $2 per bushel for wheat, should reduce the price of flour to $10 or $11 per barrel, which will furnish some relief.

For my part, I am not able to understand how the poor laboring man with a family who has during the last year worked for $2 per day, as many have done, has been able to pay rent and keep the wolf from the door. My sympathy is always with the man who makes his living by honest toil and who "eats his bread in the sweat of his face." I not only sympathize with him and am anxious to do what I reasonably can for his relief, but I suggest that we begin by crushing the unreasonable profits of the coal barons, the middlemen, and the speculators, who have been largely responsible for the increased cost of living of all the consumers of the country, including farmers. I warn you not to begin your reform for lower prices by inflicting injustice upon the farmers of the land by requiring them to produce larger crops and to sell them at unreasonably lower prices, while giving them no relief against exorbitant prices that they must pay for the necessaries of life that they must buy.

I am for this bill or any other bill that seems to be necessary to successfully fight, and to speedily win the present war. I am willing to make any reasonable sacrifice myself and willing to vote for any reasonable sacrifices to be borne by the American people that will help us to speedily win the war and bring back to us in the near future the blessings of peace, but I am not willing by solemn legislative act to punish our farmers, to whom we must all look for bread, by requiring them to put forth extraordinary efforts to supply wheat or other foodstuffs at prices below the cost of production.

I hope the conference committee will approve of and retain in the bill the Senate amendment providing for a minimum price of $2 per bushel for wheat and that the bill as thus amended will be promptly passed.

Mr. QUIN. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman from Mississippi rise?

Mr. QUIN. I want to have permission to make a little speech. [Laughter.]

The SPEAKER pro tempore. Does the gentleman make a request?

Mr. QUIN. Mr. Speaker, I would like to have 10 minutes.

Mr. MANN. Mr. Speaker, there will be no more talk on the food bill to-day. This House would not let us talk on it yesterday when it was up, and you will not talk on it any more to-day when we have passed the bill to conference.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. QUIN] asks unanimous consent to address the House for 10 minutes after the gentleman from Wisconsin [Mr. COOPER]. Is there objection?

Mr. MANN. Mr. Speaker, I object.

Mr. COOPER of Wisconsin. Mr. Speaker, I voted for the food and fuel control bill. I have long been in favor of enacting some legislation to effect the purpose of the bill, and especially so since a Member of the House, who is now on the floor, told me a few weeks ago that a man prominently interested in a coal mine had, in a then recent conversation, said to him: "If only this can go on as it is now for another year or two, I do not care what becomes of the mine. I shall have what I want." That anecdote merely increased my already strong desire to help enact, as soon as possible, some law to protect people who must buy food and fuel against the demands of rapacious, heartless greed. Yesterday, however when the distinguished gentleman from Illinois [Mr. MANN] made a motion by which he sought to secure a separate vote on a new section—section 23—of the bill as it came back from the Senate, I was one of the 101 Members

who voted for his motion. I so voted not with any desire to delay the enactment of the bill into law, nor in even the slightest degree to interfere with the President in the discharge of his duties as Commander in Chief of the Army and the Navy and as head of the executive department of the Government, but simply because I thought that Members of the House and of the Senate, chosen by the American people to represent them, and vested by the Constitution with sole power to appropriate the public money, have a right during the progress of this most gigantic of all wars to know how the money which they appropriate is being expended. I thought that by passing section 23 Congress would be doing only its duty to itself and to the country.

I then thought, and still think, that the President erred in two statements in his letter to the honorable chairman of the Committee on Agriculture. One mistake has, in my judgment, been clearly brought out by the gentleman from Ohio [Mr. LONGWORTH]. I shall not refer to it except to say that the duties of the committee of 1861 to 1865 were of far greater scope than are the proposed duties of the committee suggested by the amendment, section 23, passed by the Senate and sent here—a committee to be composed of three Democratic Senators, two Republican Senators, three Democratic Members of the House, and two Republican Members of the House, merely to keep watch during the present terrific war of the way in which the money we appropriate—the people's money, taken from them by taxation—is being expended. And yet the President says, in effect, that for us to adopt that would be a reflection upon his ability and integrity.

I could only interpret—

Says the President—

the final adoption of section 23 as arising from lack of confidence in myself.

Why, Mr. Speaker, if the President's attitude is the correct one, then the Bill of Rights in the Federal Constitution and the bill of rights in each State constitution, and every other safeguard thrown around the exercise of the power of Federal or State executive, is a direct reflection upon every President and Cabinet officer, and Member of the Senate and of the House and every governor ever in office since the adoption of the Constitution and the first elections under it. Is it possible that for the legislative department to keep track of the expenditure of the public funds constitutes a reflection upon the Executive?

Now, I speak with entire respect of the President. He is our President, and at this awful juncture no Senator or Representative wishes in any respect to interfere with him in the discharge of his onerous duties. But we have duties as well. And, in this connection, I may be permitted to say that to me the President seems mistaken in his views as to the theory upon which laws ought to be passed in a republic. He appears to think that for Congress to keep watch over the expenditure of money which it itself appropriates would be a reflection upon him.

Now, to show the other, and as I feel sure the correct view, I direct attention to a very famous authority, one with which, doubtless, Members are familiar—a master logician, Jeremy Bentham, whose famous work, the Book of Fallacies, has been so widely productive of good in legislation.

I pause here to say that one of the greatest benefits that could be conferred upon the American people would result if some competent educator were to take Bentham's Book of Fallacies, exclude all irrelevant matter, make simple some of his more involved sentences, and then the revised, simplified book were to be read generally by the people of the country, and especially by every lawmaker in the Nation.

This profound thinker gives to various fallacies various names. One he terms the "self-trumpeter's fallacy," and I ask attention to a part of what he says concerning it:

There are certain men in office who in discharge of their functions arrogate to themselves a degree of probity which is to exclude all imputations and all inquiry; their assertions are to be deemed equivalent to proof; their virtues are guaranties for the faithful discharge of their duties; and the most implicit confidence is to be reposed in them on all occasions. If you expose any abuse, propose any reform, call for securities, inquiry, or measures to promote publicity, they set up a cry of surprise, amounting almost to indignation, as if their integrity were questioned or their honor wounded.

Mr. KNUTSON. Will the gentleman yield for a question?

Mr. COOPER of Wisconsin. I regret that I can not yield. I have only a few minutes.

Hear him in a few words present a truth of vital importance:

If there be any one maxim in politics more certain than another, it is that no possible degree of virtue in the governor can render it expedient for the governed to dispense with good laws and good institutions.

Let us, as American citizens, now and always remember that vital truth:

No possible degree of virtue in the governor can render it expedient for the governed to dispense with good laws and good institutions.

And now, in conclusion, and as directly pertinent to the discussion concerning this Senate amendment, I ask that you listen to this clear, powerful statement of the true theory upon which legislation must proceed in every free country that hopes to continue free. He says:

In every public trust the legislator should, for the purpose of prevention, suppose the trustee disposed to break the trust in every imaginable way in which it would be possible for him to reap, from the breach of it, any personal advantage. This is the principle on which public institutions ought to be formed; and when it is applied to all men indiscriminately, it is injurious to none. The practical inference is to oppose to such possible (and what will always be probable) breaches of trust every bar that can be opposed consistently with the power requisite for the efficient and due discharge of the trust. Indeed, these arguments, drawn from the supposed virtues of men in power, are opposed to the first principles on which all laws proceed.

[Applause.]

That is the judgment of a world-famous authority, and his logic is unmistakable and likewise unanswerable. [Applause.]

The SPEAKER. The gentleman from Pennsylvania [Mr. MORIN] is recognized for five minutes.

Mr. MORIN. Mr. Speaker, in introducing a resolution at this time for the home rule of Ireland opposition is expected from those who will say we have assembled here in session extraordinary for the discussion of measures that pertain alone to the war. And that is true. It is because this is a question that is vitally connected with the final outcome of this war that it should now be considered.

In order to rightly estimate the future our judgment must be based on the facts disclosed by the past and the happenings of to-day. Lincoln, standing on the field of Gettysburg, viewing the greatest conflict that had ever then occurred, predicated his immortal address on the fundamental truth that no nation can exist that is half slave and half free, and in words that ever echo he reiterated the principles on which democracy must rest. Those principles were the tried corner stone on which the superstructure of our Nation was laid, and time has proven that storm may beat and break but our Nation stands and will ever stand, because it is founded on eternal right.

To-day we are standing in the shadow of a great victory. We know that what has been proven true for our country will prove equally true for the nations of the world. Stability of government can only be looked for when it rests upon laws administered through the consent of the governed. We are contending for such government of the nations of the world, for we are confident in that way only can we hope for an enduring peace. Our President has said:

We are glad * * * to fight thus for the ultimate peace of the world and for the liberation of its peoples, the German peoples included; for the rights of nations great and small and the privileges of men everywhere to choose their way of life and of obedience.

Our stand has been frankly taken, widely heralded abroad, and our allies have given, through acquiescence, their fullest indorsement to the principles we are advocating. It would therefore seem fitting at this time to urge that England should now grant to Ireland the home rule for which she has so long struggled. Then when the day comes that the nations now at war begin the consideration of world peace and broader democracy the force of England's contentions will not be diminished by these words of criticism—"Physician, heal thyself."

The "Irish question" has perplexed and vexed our British allies for more than a thousand years, and it is still unsettled. During that period it has assumed different forms and its attempted solutions have at times been marked with oppression, suffering, and bloodshed. When Rome first entered upon her career of conquest the British Isles, in common with France and Spain, were inhabited by what is known as the Celtic branch of the Caucasian race. These Celts, or Gauls, had constituted a powerful empire covering parts of Asia Minor and all of southern Europe except the peninsula of Greece and Italy. Twice they threatened the destruction of Rome itself, but finally they had withdrawn to western Europe, where they were attacked by the Roman power. First Spain was made subject to Rome; next France, or Gaul, as it was then termed, was subdued by Julius Cæsar, who, in 55 B. C., carried the Roman arms into the British Isles.

While the Celts constituted a single branch of the Caucasian race, they were divided into two classes by physical characteristics, one, the Brachycephalous—broad-headed, and the other Dolichocephalous—longheaded. The former usually have dark hair and eyes and the latter light hair and blue eyes. Sometimes these two types lived together and sometimes formed separate communities.

At the time Cæsar crossed over from the Continent there were four distinct communities—all, however, Celts—in the British Isles. They were in substantially what are known to-day as England, Wales, Scotland, and Ireland. The people were designated as Picts, Scots, and Bretons, and later as Welsh, Scotch,

Irish, and English. The Romans conquered only England and Wales. The Norman conquest, too, was virtually confined to these two divisions. Still, even on the island of Great Britain there was no close union for centuries and wars were frequently waged between them until finally Wales and Scotland were united with England in what has since been known politically as Great Britain. This union was partly dynastic. Henry Tudor was a Welshman, who became Henry VII of England and founded the Tudor dynasty. The union between England and Scotland was cemented when James VI of Scotland became heir to the English throne and was crowned as James I of Great Britain.

Unhappy Ireland, however, has had a sadder fate. While among the nations of northern Europe, she first accepted Christianity and became a missionary center whence was diffused both to Great Britain and the countries on the Continent the light of both Christianity and culture, she herself, enthralled in wars, has suffered spoliation and oppression for almost a thousand years. First came the Danish Rovers, in 968, overrunning the land; then, 200 years later, the Normans undertook the conquest of the island, thus beginning the struggle which is not yet ended. To the desolation of war and the spoliation of conquest were added the rapacity of absentee landlords and the restrictions on commerce, which ground the people into abject poverty. Religious bigotry and ecclesiastical intolerance added to the bitterness of the cup that was pressed to the lips of Ireland.

Yet through it all she added to the strength and renown of Great Britain. Her poets and scholars helped render English literature illustrious. Her soldiers were among the bravest, and her generals among the ablest that fought the battles of the British Empire; and through it all, until a little over a century ago, the Irish people had a nationality of which they were proud. In matters of local government they had nominally home rule. The Irish Parliament stood for government of the Irish people by themselves. The Green flag of Erin was a symbol of a political entity. It meant that although in affairs affecting the whole Empire Ireland was a subordinate part, still it had an individuality which meant much to its sons, while in local affairs it was independent. It is true that by successive acts under the German Georges of England this home parliament was shorn of many of its powers; but in 1783 it was reinstated in its full authority. "The King, Lords, and Commons of Ireland" constituting the Irish Parliament was declared to be an "independent legislature."

It is true that with the religious intolerance and bigotry of that age, a majority of the people of Ireland were excluded from the suffrage and from a right to participate in the government. The qualifications were the same as in England—none but members of the established church could vote or hold office. But in England only a few were thus debarred, while in Ireland it shut out four-fifths of the people. Naturally the people were not wholly satisfied. The old abuses were not at once abolished, nor old wrongs redressed. Still there was a feeling of national pride that was working to bring about better feeling and friendly cooperation between the people of the two islands.

The Napoleonic wars came on, and Napoleon, like Germany to-day, attempted to profit by stirring up the unrest in Ireland. Then the younger Pitt, prime minister of England, conceived the idea of destroying the autonomy of the island and making it like Scotland and Wales, a part of Great Britain, to be governed by the British Parliament, in which it would have representatives according to its population. The plan looked fair—to Englishmen—but it filled the hearts of Irishmen with despair and hatred, as it involved the loss of the individual nationality which they prized. To make the change, however, required the consent of the Irish Parliament, and Pitt, by the most gigantic bribery and corruption, bought up this Irish Parliament and thus caused it to sell out the freedom of its own country.

The "act of union" took effect in January, 1801, and the old contest was renewed with added bitterness. Since then many a noble Irish patriot has fallen a martyr to the cause of Irish nationality. With the broadening sympathy of advancing civilization Great Britain has within the last half century done much to ameliorate social and economic conditions in Ireland. But she has not yet found the way to satisfy the Irish longing for home rule.

Now, Mr. Speaker, as I have said before, this time does indeed seem most opportune for England to take such action. It will relieve her of the charge of inconsistency which her enemies now hurl at her when she asserts her purpose to fight with us for world-wide democracy and the freedom of nations, large or small, to govern themselves. It would at once relieve a large army which she has to keep in Ireland as a safeguard against insurrection, and, still more, it would bring perhaps a million of grateful Irishmen, volunteers, to aid in fighting her battles in the war. In this country, too, there are millions of the sons and daughters of Ireland who, while at present as loyal Americans are earnestly supporting the Government, would have their hearts filled with increased joy and their zeal kindled with a new ardor in the knowledge that the great country with which we are now in alliance had proven the consistency of its proclaimed purpose and had evidenced this by beginning at home and granting home rule to long-oppressed Ireland.

The deathless cause of Ireland
Has lived through many ills.
And dauntless souls, and fearless hearts,
Strong hands and stubborn wills,
Are linked to-day
To force their way
Through gloom to freedom's light.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had agreed to the amendments of the House to the bill (S. 2106) to authorize the county of Cass, in the State of Indiana, to construct a bridge across the Wabash River east of the city of Logansport, at a point known as Cedar or Rock Island, in said Wabash River.

LEAVE OF ABSENCE.

Mr. GALLIVAN, by unanimous consent, was given leave of absence, indefinitely, on account of illness.

Mr. DRANE, by unanimous consent, was given leave of absence for 15 days, on account of important business.

ENROLLED BILLS SIGNED.

The SPEAKER announced his signature to the following enrolled bills:

S. 2667. An act granting the consent of Congress to the Pritchard-Wheeler Lumber Co., of Wisner, La., to construct a bridge across Bayou Macon, in Louisiana, at a point east of the town of Wisner, La.;

S. 2666. An act granting the consent of Congress to the Sebastian bridge district to construct a bridge across the Arkansas River at the foot of Garrison Avenue, at Forth Smith, Ark.;

S. 1811. An act for the relief of homestead entrymen or settlers who enter the military or naval service of the United States in time of war; and

S. 2106. An act to authorize the county of Cass, in the State of Indiana, to construct a bridge across the Wabash River east of the city of Logansport, at a point known as Cedar or Rock Island, in said Wabash River.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

Mr. LONDON. Mr. Speaker, will the gentleman reserve his motion for a moment? I have a resolution to offer.

Mr. KITCHIN. Yes.

Mr. LONDON. I ask unanimous consent, Mr. Speaker, for the consideration of the resolution of inquiry which I send to the Clerk's desk.

Mr. MANN. If it is a bill, I shall object.

Mr. LONDON. No; it is a resolution of inquiry.

Mr. MANN. Oh, everybody understood that there would be no business to-day. I do not think this is fair to the House.

The SPEAKER. Is the gentleman from Illinois objecting or not?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois objects. The gentleman from North Carolina [Mr. KITCHIN] moves that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 32 minutes p. m.) the House, pursuant to the order previously made, adjourned until Monday, July 30, 1917, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination and survey of Columbia Slough, Oreg., with a view to the improvement of the same in cooperation with local interests (H. Doc. No. 289); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

2. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of War submitting deficiency and supplementary estimates of appropriations required by the War Department for the fiscal year ending June

30, 1918 (H. Doc. No. 290); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of channel connecting York River, Va., with Back Creek to Slaights Wharf, with a view to securing a depth of 10 feet and widths of 200 and 100 feet, respectively (H. Doc. No. 291); to the Committee on Rivers and Harbors and ordered to be printed.

4. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on reexamination of Saugatuck River and Kalamazoo River, Mich. (H. Doc. No. 292); to the Committee on Rivers and Harbors and ordered to be printed.

5. A letter from the Secretary of Agriculture, transmitting draft of tentative provision to be inserted in the urgent deficiency bill relating to vocational education (H. Doc. No. 293); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. RAYBURN, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 5431) to authorize the construction, maintenance, and operation of a bridge across the Saline River at or near Suttons Ferry, Ark., reported the same with amendment, accompanied by a report (No. 111), which said bill and report were referred to the House Calendar.

He also, from the same committee, to which was referred the bill (H. R. 5336) to authorize the construction, maintenance, and operation of a bridge across Little River at or near the foot of the gar hole about one-half mile south of the Jonesboro, Lake City & Eastern Railway bridge across Little River, Ark., reported the same without amendment, accompanied by a report (No. 112), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HARRISON of Mississippi: A bill (H. R. 5534) establishing standard grades of naval stores, preventing deception in transactions in naval stores, regulating traffic therein, and for other purposes; to the Committee on Agriculture.

By Mr. SMITH of Idaho: A bill (H. R. 5535) to add certain lands to Minidoka National Forest; to the Committee on the Public Lands.

By Mr. HAYDEN: A bill (H. R. 5536) reserving a right of way across lands within national forests for ditches, canals, roads, trails, and telephone lines; to the Committee on the Public Lands.

By Mr. SWIFT: A bill (H. R. 5537) to purchase a site for the erection of a post office building in the section of the Burough of Queens, City of New York, N. Y., known and designated as Richmond Hill; to the Committee on Public Buildings and Grounds.

By Mr. CRAGO: A bill (H. R. 5538) to provide for the granting of commissions in the reserve of the Army, in the various staff corps and departments in which they are employed, to certain honorably discharged soldiers of the United States Army who have had active service in time of war, and who are now filling positions in the various administrative offices under the War Department; to the Committee on Military Affairs.

By Mr. McLEMORE: Resolution (H. Res. 125) permitting Congressman LAGUARDIA to serve as aviator in the United States Army without forfeiting his seat in the House of Representatives; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. MORIN: Joint resolution (H. J. Res. 129) relating to the granting of home rule for Ireland; to the Committee on Foreign Affairs.

By Mr. DILLON: Joint resolution (H. J. Res. 130) to provide further for the national security and defense by insuring the supply and equitable distribution of print paper; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FULLER of Illinois: A bill (H. R. 5539) granting a pension to Margaret E. Bradford; to the Committee on Invalid Pensions.

By Mr. GLYNN: A bill (H. R. 5540) granting a pension to Jane S. Elwell; to the Committee on Invalid Pensions.

By Mr. JUUL: A bill (H. R. 5541) for the relief of heirs of Mrs. Ellen Kehoe; to the Committee on War Claims.

By Mr. MONTAGUE: A bill (H. R. 5542) to promote on the retired list of the United States Army Brig. Gen. Horatio Gates Gibson, United States Army, retired; to the Committee on Military Affairs.

By Mr. ROBBINS: A bill (H. R. 5543) granting a pension to Kate A. Lozier; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5544) granting a pension to Sylvester Lane; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5545) granting a pension to Simeon D. Morrison; to the Committee on Pensions.

Also, a bill (H. R. 5546) granting a pension to William J. Jackson; to the Committee on Pensions.

Also, a bill (H. R. 5547) granting a pension to Harry L. Wilson; to the Committee on Pensions.

Also, a bill (H. R. 5548) granting a pension to Samuel Burket; to the Committee on Pensions.

Also, a bill (H. R. 5549) granting an increase of pension to George W. Alms; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5550) granting an increase of pension to Joseph A. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5551) granting an increase of pension to George W. Walters; to the Committee on Invalid Pensions.

By Mr. WATKINS: A bill (H. R. 5552) for the relief of First Lieut. Sydney Smith; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of the Trades' Union Liberty League of Wisconsin, protesting against prohibition of any kind; to the Committee on the Judiciary.

Also (by request), memorial of Christian Endeavorers, of Vallejo, Cal., favoring prohibition as a war measure; to the Committee on the Judiciary.

Also (by request), petition of sundry suffragists, of Morristown, N. J., protesting against the arrest and imprisonment of the suffrage pickets and urging the passage of the Susan B. Anthony amendment; to the Committee on the Judiciary.

Also (by request), memorial of the Amerigo Vespucci Club, protesting against exempting aliens from the draft; to the Committee on Military Affairs.

Also (by request), memorial of National Conference for Extension Education, relative to interest in campaign for food conservation; to the Committee on Agriculture.

Also (by request), petition of Wagoner Undertaking Co., of St. Louis, Mo., favoring passage of the purple-cross bill, House bill 5410; to the Committee on Military Affairs.

By Mr. ANTHONY: Petitions of Ira M. Benham, Mrs. Charles Bridgeman, Abe Long, Jacob McEnen, W. B. Hoffnell, Mrs. M. E. Hartley, John Rick, Iva I. Smith, and B. H. Smith, all of Horton, Kans., for national prohibition amendment; to the Committee on the Judiciary.

By Mr. AUSTIN: Petition of the Southern Newspaper Publishers' Association, indorsing and urging adoption of the plans for release and development of the water power of the United States; to the Committee on Rivers and Harbors.

Also, petition of the Southern Newspaper Publishers' Association, urging adoption of plans of the print-paper committee of the American Newspaper Association to empower the Federal Trade Commission to control production of news-print papers; to the Committee on Interstate and Foreign Commerce.

By Mr. DOOLING: Memorial of immigration conference of the national board of the Young Women's Christian Association, asking appropriation for a nation-wide Americanization program; to the Committee on Appropriations.

By Mr. DRUKKER: Petition of Mrs. J. H. Robertson, president of the Woman's Christian Temperance Union of Passaic County, N. J., urging national prohibition as a war measure; to the Committee on the Judiciary.

Also, petition of Anna T. Waller, Mary P. Parsons, Mrs. George G. Scott, Mary Howard Keasbey, Beatrice R. Kinkead, Cora A. Welsh, Mrs. Dora Foster, Mrs. G. L. Macdonald, Mrs. Julia W. Lacey, Florence J. Lacey, Miss Mary Burr, Mrs. H. E. Reed, Mrs. Suzanne M. Swing, Frank A. Pattison, J. A. H. Hopkins, Dora Floyd Dodman, and Clausine M. MacNeille, all residents of New Jersey, protesting against the arrest and imprisonment of suffrage pickets and favoring the Susan B. Anthony Federal suffrage amendment as a war measure; to the Committee on the Judiciary.

By Mr. DUNN: Petition of Mr. Clinton N. Howard (chairman), Dr. H. H. Ogden, Rev. A. W. Beaven, Rev. H. H. Bar-

stowe, and 3,193 other citizens of Rochester, N. Y., asking that legislation be enacted prohibiting the manufacture and sale of intoxicating liquors for the period of the war, opposing a separate peace for beer, and asking that the House bone-dry amendment be restored to the Lever bill when returned from the Senate; to the Committee on the Judiciary.

Also, petition of sundry citizens of Rochester, N. Y., urging prohibition as a war measure; to the Committee on the Judiciary.

Also, petition of Jacob Schnorr and about 100 others, of Werner Park, Rochester, N. Y., protesting against any kind of prohibition; to the Committee on the Judiciary.

By Mr. ESCH: Memorial of National Conference for Extension of Education, relative to handling entire problem of food production; to the Committee on Agriculture.

By Mr. FOSS: Petition of employees of Irving Post Office Station, Chicago, Ill., urging the passage of the Tague resolution, House joint resolution 121; to the committee on the Post Office and Post Roads.

By Mr. FULLER of Illinois: Memorial of American Drug Manufacturers' Association, concerning tax on nondenatured alcohol; to the Committee on Ways and Means.

By Mr. HARRISON of Mississippi: Memorial of women of Gulfport and others of Mississippi, favoring passage of the Anthony amendment for suffrage; to the Committee on the Judiciary.

Also, memorial of Young Men's Christian Association, of Cohay, Miss., favoring prohibition as a war measure; to the Committee on the Judiciary.

By Mr. LUNDEEN: Petition of members of the congregation of Christ Church, Minneapolis, Minn., Rev. O. H. Schmidt, pastor, urging the passage of an amendment to the act of March 3, 1917, allowing the mails to carry such mailing matter as is unconditionally necessary to enable churches, one and all, to secure the wine needed for sacramental purposes; to the Committee on the Judiciary.

Also, resolutions of the City Council of Minneapolis, Minn., transmitted by H. G. Benton, assistant city clerk, urging that Congress take immediate action to bring relief to the people of the United States from the exorbitant prices charged for foodstuffs, coal, and building material; to the Committee on Agriculture.

Also, resolutions of South Minneapolis Total Abstinence Society, Frederick Kavli, secretary, Minneapolis, Minn., urging that the manufacture of intoxicating liquors from foodstuffs be prohibited during the war; to the Committee on Agriculture.

By Mr. SANDERS of New York: Petition of citizens of Geneseo, N. Y., in mass meeting in the Methodist Episcopal Church, favoring prohibition of sale and manufacture of all intoxicants, the redistillation of liquors in bonded warehouses, and the removal of the tax on intoxicating liquors; to the Committee on the Judiciary.

Also, petition of 21 members of a committee of women of Brockport, N. Y., representing about 1,000 women in different organizations in that vicinity, in favor of the prohibition clause in the food bill as passed by the House; to the Committee on Agriculture.

Also, petition of 9,580 citizens of Rochester, N. Y., in a series of mass meetings, protesting against the elimination of beer and wine from the Lever bill, and favoring its passage as passed by the House; to the Committee on Agriculture.

Also, petition of the Central Labor Union of Batavia, N. Y., indorsing the food administration bill; to the Committee on Agriculture.

Also, petition of citizens of Rochester, N. Y., in three mass meetings, attended by 4,000, unanimously asking for the suppression of the entire liquor traffic for the period of the war and for the passage of the Lever bill as passed by the House; to the Committee on the Judiciary.

By Mr. SNELL: Petition of citizens of St. Lawrence County, N. Y., favoring national enfranchisement of women; to the Committee on the Judiciary.

SENATE.

MONDAY, *July 30, 1917.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we have come into the possession of a glorious heritage. Lest we forget that it is by Thy grace that we have come into this possession, we continually make mention of Thy name. We come with adoration and praise before Thee, God of all the earth, and pray Thee to lift up the light of Thy countenance upon us. Give to Thy servants in this Senate the clear discernment of the divine purpose and will. Give them the spirit to execute Thy will among us as a Nation, that the laws they write may be a transcript of the divine mind, and that the destiny awaiting us may be the fulfillment of the divine plan. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Tuesday, July 24, 1917, when, on request of Mr. MCCUMBER and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

FINDINGS OF THE COURT OF CLAIMS.

The PRESIDENT pro tempore laid before the Senate a communication from the chief clerk of the Court of Claims, transmitting a certified copy of the findings of fact and conclusion filed by the court in the cause of Sara F. Cox, heir and legal representative of James J. Cox, deceased, *v.* The United States (S. Doc. No. 68), which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by G. F. Turner, one of its clerks, announced that the House agrees to the amendment of the Senate to the bill (H. R. 3331) for the protection of the desert-land entrymen who enter the military or naval service of the United States in time of war.

PETITIONS AND MEMORIALS.

The PRESIDENT pro tempore. The Chair lays before the Senate a communication signed by Gustave Hafer, president of the Farmers' Feed Co., of New York, in which he states that a petition from that company, of which he is president, was accredited with approval of national prohibition as a war measure. He desires to state that the Farmers' Feed Co. is irrevocably opposed to prohibition, both in times of peace and war. The communication will be placed on the files of the Senate.

The Chair also lays before the Senate a communication from Ernest Bohm, corresponding secretary of the Central Federated Union of Greater New York and vicinity, stating that a petition sent by them to Congress on June 27, 1917, and presented to the Senate stated that they were in favor of national prohibition as a war measure. The fact is that they are opposed to national prohibition most determinedly and request that the RECORD show that the Central Federated Union of Greater New York and vicinity is opposed to national prohibition as a war measure. The communication will be filed.

Mr. SHEPPARD. Mr. President, I desire to present petitions in behalf of the nation-wide prohibition amendment, representing some ten to twelve million people. The petitions were prepared and circulated under the supervision of Miss Anna Gordon, the able and devoted president of the Woman's Christian Temperance Union, assisted by Mrs. Ellis, the faithful and effective national legislative representative. I ask that the petitions may be received and lie on the table.

Mr. POMERENE. I have received a large number of memorials signed by citizens of Cincinnati, Ohio, remonstrating against national prohibition. I ask that the memorials be received and appropriately referred.

The PRESIDENT pro tempore. The memorials will lie on the table.

Mr. PHELAN presented a petition of the Southern District of California Federation of Women's Clubs of Colton, Cal., praying for the establishment of a moral zone around the concentration camps of the Army, which was ordered to lie on the table.

Mr. MCKELLAR. I present a resolution of the Southern Newspaper Publishers' Association, which I desire to have printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

ASHEVILLE, N. C., *July 9, 1917.*

The Southern Newspaper Publishers' Association, composed of 105 of the leading daily newspapers of the South, in convention assembled, to-day unanimously passed a resolution expressing the keenest sympathy with the Government's needs in the present extraordinary financial situation; the most cordial willingness to cooperate in raising the necessary additional revenues; and their desire to stand their just and fair proportion of the increased taxation. The convention, however, unanimously voiced the opinion that the proposed extra tax on the net revenues of newspapers, which does not apply to other lines of business, is unjust, unfair, and discriminatory.

In reference to the proposed increase in second-class postage rates, this association believes that it has no place in a revenue bill, and the proper rate or rates should be determined by an impartial investigation. If, however, an increase in postage rates is absolutely necessary at this time, this association believes that the only fair and equitable basis is the zone system, the theory of which is fully outlined in Senator MCKELLAR'S amendment, with the present rate applying for the first 300 miles, which investigation has shown already affords the Government a profit, and increasing rates for longer distances in proportion to the cost to the Government for services rendered publishers.

SOUTHERN NEWSPAPER PUBLISHERS' ASSOCIATION.

Resolutions adopted by the Southern Newspaper Publishers' Association, in convention at Asheville, N. C., July 9–11, 1917.

Resolved, That the Southern Newspaper Publishers' Association, representing 105 leading daily newspapers of the South, in convention assembled, unqualifiedly approves and strongly urges the immediate adoption of the complete plans of the print paper committee of the

American Newspaper Publishers' Association to empower the Federal Trade Commission by legislative enactment to control the production of news-print paper, to pool its distribution, and to fix its price.

This action is absolutely necessary to conserve the best interest of our Government and our people under the present extraordinary emergency.

* * * * * * *

Resolved, The Southern Newspaper Publishers' Association, representing 105 leading daily newspapers of the South, in convention assembled, unanimously indorses and urges the adoption of the plans for the release and development of the water power of our country as proposed in the Walsh bill in the Senate and the Reed bill in the House.

We believe that the adoption of such measures insures the development of our country along industrial lines, and especially do they promise permanent relief to the newspapers of the country from the oppressive condition brought about by the News-print Manufacturers' Trust.

ELECTION OF PRESIDENT AND VICE PRESIDENT.

Mr. JONES of Washington. I have a petition prepared by Julius A. Coleman, of Seattle, Wash., suggesting a plan for the direct election of President and Vice President of the United States. The petition shows a great deal of research and study, and I think, in connection with the amendments that are now pending relating to this matter, it would furnish some very valuable information and suggestions. I ask that the petition may be printed in the RECORD. I will also state that the petition is signed by about 30 very representative men from my State, and as the number of petitioners is limited to that small number, I ask that the signatures may also be printed with the petition in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The petition is as follows:

To the honorable the Senate of the United States of America:

Privileged by his country's Constitution, your petitioner braves the criticism of presumption in praying your consideration of the following plan to remove and prevent occasions for hurtful evil permitted in that Constitution, universally considered supreme, and, God grant, of always reverential honor.

At the same time, assuming sole responsibility for errors and imperfections in this proposal and in the argument in support thereof, he voices his petition in no tone of supplication, but with all the confidence that belongs to a coruler of a common country.

Should this proposal have the honor of your consideration, it is made with no thought that it will be submitted to the people as drawn, but to awaken your wiser effort to better its purpose in substance, phrase, and form.

To amend the Constitution of the United States so as to elect President and Vice President by a direct vote of the people.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That in lieu of section 1 of Article II of, and the twelfth amendment to, the Constitution of the United States, and to stand as section 1 of Article II of the Constitution, the following be proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part thereof when ratified by the legislatures of three-fourths of the States:

"ARTICLE XVIII.

"SECTION 1.

"CLAUSE 1. The executive power shall be vested in a President of the United States of America. He shall hold his office for the term of six years, beginning the 4th day of January next following his election, and shall be elected by the people of the United States. At the same time, for the same term, and in the same manner, there shall be elected a Vice President of the United States of America, upon whom, as President, shall devolve the powers and duties of the said office in case of the death or constitutional disability of the President to discharge the powers and duties thereof, or of his resignation or removal therefrom.

"CLAUSE 2. No person shall be eligible to the offices of President and Vice President except a natural-born citizen of the United States who has attained to the age of 35 years and been 14 years a resident in the United States; neither shall an inhabitant of the same State as the President be eligible to the office of Vice President; nor shall a person who has held the office be eligible to the office of President.

"CLAUSE 3. The legislature of each State shall by law provide for the establishment therein of election districts for such election, which districts shall, as nearly as practicable, be of contiguous territory and of equal population, and, as to such arrangement thereof, subject to the approval of the Congress; and, unless the Congress shall otherwise by law provide, shall be equal in number to the whole number of Senators and Representatives to which the State may be entitled in the Congress. Citizens of the United States in each district who have the qualifications requisite for electors of the most numerous branch of the legislature of such State, or who have the right in such State to vote for President, Vice President, Senators, or Representatives in the Congress, shall have the right to vote therein at this election, or at any election preparatory therefor that the Congress may by law provide to be held; they shall vote by ballot, and shall name in their ballots the person voted for as President and the person voted for as Vice President.

"CLAUSE 4. The Congress shall determine the day on which the election shall be held for President and Vice President, which day shall be the same throughout the United States; shall make uniform laws, regulations, and provisions for such election and for ascertaining and declaring the results thereof, which the authorities of each State shall carry into execution, but which in their default the Congress shall carry into execution; shall fix the day on which and the method whereby the votes, by districts, in all the States shall be counted at the seat of government and the results thereof declared; and shall, every sixth year, not less than one year before the date of such election, establish or cause to be established in each State a tribunal, which shall be chosen, designated, and compensated as the Congress may by law provide, but shall have as members thereof at least one of the judges of a United States court then established in such State, and at least one of the judges of the supreme court of such State, which tribunal shall have exclusive jurisdiction over all controversies and contests as to such election, shall immediately hear and finally determine such as are brought before it, and shall keep and publish a record of its proceedings.

"CLAUSE 5. The executive in each State shall, within 10 days after the results of such election are ascertained, make in quadruplicate distinct lists of all persons voted for as President, and of all persons voted for as Vice President, and of the number of votes for each in each of said districts in such State, which lists he shall sign and certify to under the seal of the State and dispose of as follows: One list he shall transmit sealed to the seat of government of the United States, by registered letter, directed to the President of the Senate; one list he shall transmit, in the same manner, directed to the Secretary of State of the United States; one list he shall deliver to the judge of the district court of the United States for the district in which the seat of government of the State is located; and one list he shall deposit in the archives of his office.

"CLAUSE 6. The President of the Senate on the day fixed by the Congress, which day shall not be later than 30 days prior to the date of inaugurating the President, shall, in the presence of the Senate and House of Representatives, open all the certificates, and the votes of all the districts as certified to shall then be counted.

"The person having the votes of the greatest number in each district for President shall have the vote of such district for President, and the person having the votes of the greatest number of districts for President shall be declared the President, if such number be a majority of all the districts.

"CLAUSE 7. If no person have such majority, the House of Representatives elect shall be immediately convened in special session solely for such purpose, and from the persons, not exceeding three, having the highest numbers on the list of those voted for as President shall choose immediately by ballot the President.

"In case of the death or permanent disability of either of such three persons, in his stead one of the three persons from whom such choice shall be made shall be the person voted for as Vice President in association with such person as President; and in case of either calamity to that person the person nominated by the organized national authority of the body of the people who voted for them for President and Vice President in said election.

"A quorum for this purpose shall consist of two-thirds of the whole number of Representatives elect, and in so choosing the President a majority of the whole number shall be necessary to a choice.

"CLAUSE 8. In case, however, of the death or permanent disability to discharge the powers and duties of the said office of the person so shown to have been elected President by the people, then the person shown to have been elected Vice President by the people as hereinafter provided shall be declared the President.

"And in case the House of Representatives shall not choose a President, whenever the right of choice shall devolve upon them, before the 4th day of January next following, and the right to choose a Vice President shall at the same time devolve upon the Senate, as hereinafter provided, the Vice President chosen as so provided shall be declared to be the President, as in the case of the death or other constitutional disability of the President.

"CLAUSE 9. The person having the votes of the greatest number in each district for Vice President shall have the vote of such district for Vice President, and the person having the votes of the greatest number of districts for Vice President shall be declared the Vice President, if such number be a majority of all the districts. If no person have such majority, then from the two highest numbers on the list of those voted for as Vice President, in case of the death or permanent disability to discharge the powers and duties of the said office of either of such two, in his stead, the person nominated, either by his associate voted for as President, or, if he do not act, by the organized authority of the body of the people who voted for them, the Senate shall choose by ballot the Vice President. A quorum for this purpose shall consist of two-thirds of the whole number of Senators and a majority of the whole number shall be necessary to a choice.

"CLAUSE 10. In case, however, of the death or permanent disability to discharge the powers and duties of the said office of the person so shown to have been elected Vice President by the people, or thereafter holding the said office, the President in office for the term wherein such vacancy shall occur, shall nominate and, by and with the advice and consent of the Senate, appoint a Vice President.

"CLAUSE 11. The Congress shall by law provide who shall temporarily discharge the powers and duties of the said offices in case of the death or permanent disability of both persons so shown to have been elected President and Vice President, or of both, while in office, and their titles, and shall fix the day on which the election of a President and Vice President to fill the unexpired terms occasioned by such calamity shall be had, which day shall not be later than six months after the date that such vacancies occur, the day on which the votes of all the said districts shall be counted at the seat of government, and the results thereof declared, and such other proceedings had, as are herein provided for, that may then be necessary, but no such election shall be had in case the date of the same would fall within one year of the date of the regular succeeding election of President and Vice President by the people of the United States.

"CLAUSE 12. The President and Vice President shall, at stated times, receive a compensation for their services, which shall neither be increased nor diminished during the period for which they shall have been elected or chosen, and they shall not receive within that period any other emolument from the United States, or any of them.

"CLAUSE 13. After the expiration of their terms of office and during their lives each of them shall be privileged to frank all correspondence through the United States mail, and shall be paid a pension as their compensations have been paid; to the former, of an amount not less than one-third the compensation paid the President; to the latter, of an amount not less than the compensation paid the Members of the Congress; which amounts the Congress shall determine: *Provided*, That in case either of such persons shall hold an office of profit under or be paid any other pension by the United States his pension herein provided for shall cease and abate during such time to the extent of the emolument of such office or the amount of such pension, and one-half of such pension shall be so paid to their widows, if any, during their widowhood.

"CLAUSE 14. The provisions of this amendment shall apply to all persons who have filled or now fill either of said offices, and to their widows, if any, who are not now paid a pension by the United States.

"CLAUSE 15. Before either enters upon the execution of his office he shall take the following oath or affirmation: 'I do solemnly swear (or affirm) that I will faithfully and impartially execute the office of President (or Vice President) of the United States, and will to the

best of my ability obey, preserve, protect, and defend the Constitution of the United States.'"

PROPOSED AMENDMENT TO THE CONSTITUTION.

While the test of time, its use as a pattern by every Republic and federation formed since its adoption, and the consensus of earth's ablest opinion stamp our Constitution as the wisest document ever framed by man, that part of it which earliest provoked complaint, and sought remedy in the twelfth amendment to it, is yet a matter of debate—the method of electing our President and Vice President.

Even more widespread and constant has been the discussion by, and the deep interest of, the people in the proposal to limit the tenancy of any individual to one term for President.

ONE TERM FOR PRESIDENT.

Since President Jackson in his every annual message urged one term of six years for President, his ineligibility thereafter, his election direct by the people, sentiment in favor thereof has constantly grown. The presidential year is dreaded by every business interest; its less frequent recurrence desired for universal tranquillity. The great majority feel that a term of six years is long enough to test a proposed policy and prompt its preservation, yet a term within which both Senate and House can be so changed as to check, if not wholly change, mistaken policy, while ineligibility to a second term would choke off the mortal greed for personal power that has ever gained appetite on what it fed, and insure patriotic effort for permanent good, instead of scheming for reelection.

Mankind has seen earth's apostles netted from common fishermen, a surveyor boy father of his country, a rail splitter rescue it from destruction. There never has been, never will come, a day when the American people can not say, as our second martyr said when the great grasp of the first was stricken from the helm of our ship of state, "God rules, and the Government at Washington City still lives." As long as liberty and culture last this country will be crowded with splendid capacity for presidential or any other exalted service. As long as the people rule and follow the lead of the Statesman of all time—the Nazarene—from the people will come the needed leaders when the crisis calls for their coming. God Almighty knows what He is about, and His children never did and never will need to rest their safety, their continued progress, on any one man.

History rings no truth in louder tone than that the most consuming curse of all time has been hero worship, the frenzied following of the one-man power. It has dragged nations to dishonor of plighted faith, drenched them with blood, and devastated them with wreck and ruin. It is doing this to-day.

The most nagging detriment to, unmitigated nuisance in, every business, organization, and community is the unfortunate who opinionates himself into the delusion that he is indispensable to it; and when a country reaches the stage where it imagines any one man indispensable it has ripened to the rottenness that is ready for despotism.

Self-educate, community-educate or people-educate a man to that delusion and he is given a diploma for universal fitlessness for public or for any other service.

No man ever has been or ever will be blunderless; no pattern mortal framed to form the flawless man; no vital service needed for man by man that man's Creator left, either to one alone or to the few of asserted nobility or of claimed superiority.

Obsess a people with the faith that there is but one man to lead, and the first foundation stone is laid for autocratic government—for a dictator or a monach.

These historic teachings of common knowledge and of spreading sentiment tell the doom of autocracy and plutocracy—the destiny of democracy.

With the same emphasis they tell that the check for and cure of autocracy is in the limitation of highest authority in any individual; that such authority is ever prone to dethrone the best judgment of, and to enthrone in, the man a conceit disastrous to him and hurtful to his fellows; and, if long continued, to debauch the spirit of independence and of self-reliant confidence on the part of the people in their own ability for self-government.

This must have been the reason, when providing for a vacancy in the office of President, for inserting in clause 6, section 1, of Article II of the Constitution the word "removal" first, both as a protective provision and as a reminder that the people retain the right to remove one who might forget that the rule of "masters not men" can never exist in this country.

The same is retained in the proposed amendment, but the abhorrent thought of removal placed last instead of first.

This provision, coupled with the pension provision of this proposal, would make our ex-Presidents more serviceable servitors of our country than when in office.

Let one of them go where he will among us, and throngs of honoring fellows will greet him with heartiest and sincerest acclaim; yet, at the same time, his potential power for good will be neutralized if not killed, if the impression prevails that he is an aspirant for office, for it is impossible to prevent those of hereditary or other convincing sentiment from feeling—the maggot-minded from vociferating—that all he says and does is tainted with a personal political purpose.

He may have given the most unquestionable proof of patriotic devotion in having staked his life, and readiness to stake it again, for his country's ideal of service for humanity; there may be superlative wisdom in what he advocates; still, when the telepathic fervor of the throng has faded, this home second thought will arise, will persist, and will damn his actions and his utterances.

There is not one of you but knows and laments this fact.

These men have been schooled and fitted for advice to and service of our country; been informed in national and international affairs as but few others could possibly have been; they carry a gratitude obligation of ever-glorious burden that no man could ever discharge. We should put them where no one could feel or say they "would wade through slaughter to a throne," not to "shut the gates of mercy on mankind," but to glut, though never sate, an insatiable ambition. Put them where what they said or did for avowed public good could be neither misinterpreted nor impugned. Put them where their suggestions would be given utmost service as the suggestions of unselfish and impersonal patriotism. Put them where, if beneficent public results appealed to them more than the pomp and power of official place they would know the supreme stimulus for effort and supreme satisfaction in making it. Put them above rivalries, beyond envies, and on the highest plane of public service we could place any private citizen.

ABOLISH ELECTORS; ELECT BY THE PEOPLE.

The amendment changes what is far more important than the term or reeligibility of the President—the method of his election.

Do not electors of unlimited and unlimitable powers, as now, create a menace to national welfare that demands removal? Should not that menace be removed before the explosion comes rather than then, mid blinding smoke and falling débris, rush to repair the rents in our national walls?

Our presidential electors are our only national officials for whom, by our national authority, no qualifications are prescribed, no oath or bond binds, no precedents guide. To permit the limitless power that they possess to exist in any other, from President to poundkeeper, would be thought the limit of madness. Not even citizenship is made a qualification. Any incompetent from Alaska to Cape Horn, or anywhere else, is eligible, if his bray be loud enough, political pull be strong enough to land the prize, and there is no legal hand to stay his kicking over the traces of instruction or scotch any other outbreak of inborn asininity. The national risk is too great to permit such power in incapacity; still more dangerous to permit it in unscrupulous or designing capacity.

In the last election there were 531 electors and not 10 men in all the country can to-day name the electors of his own State. We are trusting the election of our highest officials to men no one ever heard of before or will hear of again unless for conduct that provokes humor or indignation. Could the qualifications of these electors within living memory be collected it would raise a roar of ridicule from border to border. But the continued farce some day may—will—turn into a tragedy.

Is it not high time that we cart off in some garbage can and dump in a place of safety these dynamite sticks of transient, irresponsible, unqualified, autocratic electors of unlimited powers, bury them beyond the power of harm, and give to the owners of our Union home the safe and sane right to choose the chief stewards thereof that they have to choose in the Congress the best qualified, the mightiest ministers of their lawmaking?

This amendment will for the first time require by national authority qualifications for presidential electors.

It is economy. It would wipe out all the expense of the election of these worse than useless electors, and of transportation to herd them in some common corral for action, while it would cost less to transmit the two certificates of the people's election by the governor than it now costs to send the straw-drawn messenger of a motley body with its certificates 1 mile, and be less risk. At the same time, it would relieve our Representatives wasting valuable time in what we, the people, sent them to do, over the nagging for office by the misfit whose only recommendation was the windfall of some political gust.

When Horace Greeley died the electors chosen by the people who voted for Greeley and Brown, instead of obeying their voice, voted 3 for Greeley, 42 for Hendricks, 18 for Brown, 2 for Charles J. Jenkins, 1 for David Davis.

This established a precedent, not contrary to the Constitution, however contrary to any sort of intelligence, but consonant to the eternal fitlessness of electors destitute of all qualifications, so far as any national law was concerned. A precedent that they could vote for whom they pleased, dead or alive, nominated or not, and regardless of the people's vote—a precedent from which evil will flow unless the system be changed.

HISTORIC EXAMPLES OF RISKS RUN.

Under the present system the following States have been disfranchised by the throwing out of their electoral votes: Indiana, in 1817; Missouri, in 1821; Wisconsin in 1857; Georgia, in 1869 and 1881; Arkansas and Louisiana, in 1873; while the same year Texas lost half of her electoral vote. A snowstorm prevented the meeting of the electors of Wisconsin on the day fixed; probably the intelligence of the electors in some States during the reconstruction days made it difficult for them to understand when, where, or how to cast their ballots, for no national law required or presumed them to have qualifications for anything.

In 1820 a "Monroe" elector voted for John Quincy Adams in order that Washington should live as the only unanimously elected President.

In 1892, one North Dakota Republican elector voted for Cleveland and another for Weaver.

This last year, in Washington, Mr. Stream, Democratic nominee for elector, died during the campaign, and Mr. E. M. Connor was placed on the ticket in his stead. Mr. Stream received 47,977 votes; Mr. Connor, 134,481; Mr. Warren H. Lewis, highest Republican elector, 167,244. This gave Mr. Lewis the seventh highest vote for this State's electors. He, while convinced that he was legally elected, displayed an American manhood and patriotism worthy the Nation's honor by refusing to attend on the day of casting the State's electoral vote, the other electors filling the vacancy by the selection of Mr. Connor. Can this country endure a system where either accident to or ignorance of (unqualified) electors shall disfranchise the intelligent people of a State?

ABSURD DISQUALIFICATIONS.

Disqualifications were designated. Any Member of Congress who had made and was making glorious history, or any citizen who had brains enough to hold an office of trust or profit under our Government was, and yet is, barred—as near as possible assurance that no judgment or discretion should ever be expected of or exercised by an elector. In view of their faithful living up to the specifications of their political architecture in these latter years, it may be a merciful provision that such was the case, but most of us deem it an unwise oversight.

In an election as close as that of the Tilden-Hayes day, where one vote would decide the election, suppose one bought or bull-headed elector should exercise his uncontrollable constitutional power to vote for whom he pleased, what are we going to do about it? Dare we continue such risk? Not by congressional enactment, solely by constitutional provision, can we avert it.

REPRESENTATIVES WITH DISCRETION AGAINST AUTOCRATIC ELECTORS WITH NO DISCRETION.

There is sense in sending to legislate for us men of gained and gaining wisdom, special qualifications, who will have time and opportunity to study great questions of public concern, ferret through the plausible pretexts of seductive self-interest to the very bottom for accurate information, and from the clash and conference of kindred competence and character evolve laws of lasting and equal benefit to all. They can phrase our wishes as we can not. They can pour into the mold of cast and enacted law the melted heart hopes and wants of the people as we can not. They can make us profit by that Pilate who might have had eternal honor, instead of eternal infamy, had he coupled the courage of his own conviction with the matchless justice that could say, "Father, forgive; they know not what they do." Their informed conscientious courage can resolve us from frenzied, thoughtless mobs of thinking men. It was the greatest of Lawgivers who earned and has the lasting gratitude of mankind for rebuking the call

for a golden calf. The truth is not a golden nugget for which the lone prospector with bare hands digs, but the fairest of all the fair in all life's castles, for whom the days of chivalry never die, devoted suitors ever abound, and for whose winning the best and bravest of knight-errants must forever fight, and fight with best and bravest rivals. They must strain not only the born strength of strongest muscle, but be armored with the equipment of best advancement, and must ever carry the consciousness that no weak-hearted wavering ever won. The Representative who has given matters of universal concern that study that we have had neither time, environment, nor opportunity to give and stands by and tells us his honest convictions, gives reasons for his stalwart stand, has been, is, and will be the sheet anchor, the salvation of republican institutions.

This is utilizing the same developed skill and ability that is utilized in every business. There is much sense in it. But there is no sense in delegating to others the power to reexpress the expressed decision of the people. When they have made a choice, what need to have that choice retold by indiscriminate third parties whom we do not know, never heard of before, and most probably will never hear of again? Worse, what sense in setting aside our choice and giving another, and independent, irresponsible, autocratic choice to 531 out of a hundred million people? Should not such impeachment of the sense of the people for self-government, such denunciation of the very theory of government that we so loudly proclaim as the best, that is so repugnant to our entire political sentiment, existence, and experience, be eliminated from the Constitution?

Will not the adoption of this amendment do it?

"MAKE REVERENCE FOR THE LAW THE POLITICAL RELIGION OF OUR COUNTRY."

There is another reason for the change of tremendous moral significance, of governmental significance.

A law that is a dead letter is a detriment. A law that is universally disregarded, a more dangerous evil. It teaches to despise and disregard all laws.

Our Constitution says that our electors shall choose our President and Vice President—commands them to do it.

Our practice says that they are so many automata—wooden Indians—to register the vote of the people.

We disregard and trample upon the letter and spirit of our highest law in the most mighty act of a great people. Our Government itself is teaching contempt and disregard of the law.

None of our statesmen ever left us wiser advice than Abraham Lincoln when he said: "Make reverence for the law the political religion of our country." Clothe our laws with sanctity and there will be fewer infractions of them. Let us either follow and enforce this law or repeal it.

We preach that government of, by, and for the people is the best of governments, yet make our Constitution say that the people are unfit, incapable of themselves, to choose their own President.

If incapable of themselves to choose their own President, they are unfit for, incapable of, self-government.

We are making our constant and continued practice give the lie to our professions; something that our Government can not, our people will not, stand for.

PROMPTINGS OF OFFICIAL POWER.

No possessor of power ever studied over that possession without a growing disposition to exercise it, especially if that power be official.

Energize that disposition by coupling with the official power the command of the supreme voice of the entire country that conferred it, and what have you?

These electors have the right to say that our supreme law—our Constitution—imposes upon them an exalted obligation, a duty next to divine delegation, and that they should discharge both with the same patriotic independence that you should, and generally do, discharge yours.

We, the people, at times may chafe under and cruelly criticize your independence, due to your better information; yet at the same time we glory in it, and know in our hearts that in it you are giving our country its best and most needed service.

Such action on the part of our electors would naturally lead to the disregard of all party dictation, and the exercise of their conferred powers, the discharge of their directed duties according to the very letter of the supreme law that commands their manliest, most independent, and patriotic action.

Would the people of this country suffer that? Do not these possible and probable perils loom larger and larger with every year's renewed study of our Constitution as it stands?

On the other hand, with growing indignation, will the people feel that empowering the "chosen," the "select," the "elect" to choose the people's highest officials is the only

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that crept into their Constitution; and more and more insistent will be their demand to remove that blot from the supreme law of the land.

HISTORIC TEACHING.

Never since the parable of the "wise and foolish virgins" was pronounced has the need and power of preparedness so appealed to all mankind; preparedness, not only to promote progress, but also to preserve achievement and to prevent wrong.

Never since our Government was founded has there been such study of democracy on the one hand, plutocracy and autocracy on the other, of our own governmental system and history.

This will force an enlarged recall of these almost forgotten facts.

The Congress of the Confederation never sought, but always strenuously fought such convention as framed our Constitution, the Magna Charta of Magna Chartas to confirm the rights of the "common people"; to set and mark the limits of executive, legislative, and judicial powers; to people-control the control of the powers that be.

After the people had forced the call of that convention, despite their Congress; after its assembling was a foregone conclusion and beyond the control of that Congress, that Congress ignored all recognition of that convention and called a convention of proclaimed kindred purpose to meet at the same time and place, restricting its functions to "revising the Articles of Confederation," thus sending a sort of notice or message of limitation of authority to that inevitable convention, and making such proposed "revision" effective only "when agreed to in the Congress," as well as by the legislatures of the several States.

They did not propose to loosen the collar they had on the country's neck, and they accurately foresaw what might and did result. For under the then supreme law—the Articles of Confederation—any agreement to amend or revise that law had to be by the unanimous approval of the States; and Rhode Island never had anything to do with that convention; North Carolina rejected its work; that Constitution came into being by the actual secession of 11 of the original 13 States—by a peaceful revolution.

When the immortal work of that Convention was most respectfully, if not humbly, submitted to the people, and submitted to them not directly but through their State legislatures, led by two men of our country's lasting and deserving honor—Richard Henry Lee, who made the motion for the Declaration of Independence; and Nathan Hale, the New Englander of masterly ability and merited power—for eight days the opponents of even such submission bitterly fought it and did their utmost to defeat the work of that Convention, and continue in the hands of your congressional predecessors—and of you—the legislative control of the country.

At last, grudgingly, not daring to denounce, unwilling to commend, the proposed constitution was, without note or comment, so submitted by that Congress; and, opposed by Patrick Henry and copatriots of power, it never would have been ratified but for the promise to speedily incorporate therein the people's part thereof—the first ten amendments that redeemed that promise and stand as monuments to the people's wisdom.

When the "people's" convention assembled, the vast majority thereof dreaded as much the rule of the people as they did the creation of a supreme central Government. Many of its most eminent members desired the election of the President by the Congress and for life; the election of Senators by the House of Representatives and for life; even the choice of governors of the States by the Congress.

The entire trend of thought of those then in authority was to keep the rule of the country in their control. The question, with many conscientiously and patriotically, with others cunningly, was, How could this be done?

In some States the Senate was chosen by a select body of "electors" whose personal contact and acquaintance with the leading men of their State qualified them to judge of the qualifications of their fellows for the upper house of their legislature. This had worked well, and such selection of our President and Vice President by the select appealed to those who had never known and had no historic or home precedent to prove the worth of the rule of the people at large, and so could not weigh its value.

To some of the far-sighted and cunning, this plea made a different appeal, and opened a door that their fellows never saw. This enabled the creation of an "electoral body" from which were carefully excluded the very men who would have had that personal contact and acquaintance with public characters that enabled them correctly to choose, to "size up," the men most fit for these exalted stations. They secured the further hedging of their (apparently covert) desires by compelling the electors to meet and cast their ballots on the same day in their several States, thus barring them from that common conference absolutely essential for national action.

Had the anticipations of the artful who cunningly enwebbed to their aid the honest doubters of the safety of the people's rule been realized, what would have been the result?

Uninformed of the qualifications of leading characters without their own States, there would have been balloted for as many "favorite sons" as there were States, no election by the electors, and the two Houses of the Congress made the resultant choosers of our President and Vice President.

Is it not plain, that if this was so planned, and had worked out as planned, and had been kept up, your predecessors, you and your successors, would have "divided the spoils," giving the election of the President to the House of Representatives, the election of the Vice President to you? That, thus, the Congress would have had their prepromised and suppliant tools in these great offices, and the people shorn of their apparent "select" choice of their highest officials?

It was a very "smooth" proposition, but "The best laid schemes o' mice and men gang aft a-gley." It failed to work.

Concede to these framers of our Constitution, meriting immortal and grateful memory not only by our own country, but by all mankind, the most conscientious of motives, we must, at the same time, concede the view of the vast majority—indeed almost all—of them, that the masses were not qualified for, were not capable of, self-government, and government by the country's best ability was the best for all. They must have felt that that "best ability" would always be found in the Congress, as they had found it.

Of the framers, 55 of whom attended the convention, 42 remaining to its close, 18 then were, and 12 had been, Members of the Congress; two, Nathaniel Gorham and Thomas Mifflin, former presidents thereof; two, Washington and Madison, became our Presidents; Oliver Ellsworth a candidate for President in 1796; Charles Cotesworth Pinckney such candidate in 1800, 1804, and 1808; Elbridge Gerry our sixth Vice President; Jared Ingersoll a candidate for Vice President in 1812, and Rufus King the same in 1816; 19, Abraham Baldwin, Richard Bassett, Pierce Butler, Jonathan Dayton, Oliver Ellsworth, William Few, Nicholas Gilman, John Langdon, Alexander Martin, Robert Morris, Gouverneur Morris, William Paterson, George Read, Charles Pinckney, Roger Sherman and Caleb Strong, became Members of your illustrious body; while Abraham Baldwin, Daniel Carroll, George Clymer, Jonathan Dayton, Thomas Fitzsimmons, Elbridge Gerry, Nicholas Gilman, James Madison, John Francis Mercer, Charles Pinckney, Roger Sherman, Richard Dobbs Spaight, and Hugh Williamson served in the House of Representatives; and a large number became Federal judges (Oliver Ellsworth, Chief Justice of the Supreme Court), Cabinet members, governors, and holders of other distinguished positions.

These men are not alone in American history of those eminent in place and in achievement who fancied the Nation unable to dispense with their official services. In our own day some are obsessed with the same conceit, though our ballots show the people's sentiment is generally in inverse ratio to their obsession. Nor can we forget that among them were the shrewdest of partisan manipulators. For instance, while John Jay was governor of New York the legislature elected these electors, and the Federalists in legislative majority, the anti-Federalists proposed a law whereby the electors should be elected by districts (as is proposed in this amendment.) The Federalists, confident of a majority in the coming legislature, defeated this. When it was seen that the next legislature would be anti-Federalist, Alexander Hamilton wrote to Gov. Jay urging him, for this very reason, to convene the legislature and have it pass that law. After Gov. Jay's death, that letter was found among his papers indorsed "Proposing a measure for party purposes, which I think it would be unbecoming in me to adopt."

It may not be far-fetched to feel that in this electoral provision our Constitution, with sincere intent for good, was actually degraded by what, in common parlance, is called a "joker."

The unsafe, impolitic part of clause 3, section 1, of Article II of the Constitution, awarding the Presidency to the person receiving the highest number of electoral votes, the Vice Presidency to the person next in number of such votes, provided the same were a majority of all such votes, taught such a dangerous lesson in the Jefferson-Burr contest, wherein Alexander Hamilton rose from transient partisan to always patriot and became a leading factor in favor of his old-time enemy, Thomas Jefferson, that your predecessors started the reform that was consummated in the twelfth amendment to the Constitution; but they did not touch the election of Senators of the United States by "the chosen," "the elect," "the select." This grew to be so rank in offense that you yourselves initiated the movement that, speediest of all our constitutional amendments, ended in your election by the people, who honor you and whom you honor.

If the people are the fittest to elect you, are they not equally the fittest to elect those who outrank you in, and only in, the dignity of station?

Are you content to adhere to an unused, useless, and dangerous system whose establishment was due to lack of example, historic or at home, if not to the cunning of those who anticipated and calculated upon control of our country's destinies in its Congress; a system that had, and yet has, all the possibilities of being so worked out as to have kept your predecessors, and to keep you and your successors, in masterful control of a free and a competent people? With the glorious home history of over a century blazing in your faces, will not your self-respect indignantly recoil from longer maintenance of a system that would give occasion for such a reproach upon a congress that we, the people, pay our heartfelt homage to, and proudly hold as the manliest, noblest legislative body that honors and serves this globe?

If you are not in favor of a system that could, and may, lead to such result, then help to change that system, as this amendment proposes, or, as you doubtless can, devise a better system to effect that change. Do something that will enable an apprehensive people to act toward an end universally desired before such exasperation as drove them to the Constitution's framing drives them to its amendment.

In this world struggle between democracy and twin-cursed autocracy and plutocracy that may last beyond the next national election, we can not stand any internecine conflict at home.

This is a nonpartisan affair, a people's affair, a home affair, a measure from start to finish to preclude and prevent many preventable occasions and opportunities for inflamed controversies; a measure to preserve the people's control, to insure obedience to the people's voice from primary ballot to final result, however that result may be accomplished; and right now, when preparedness is the theme of every tongue, is the time to put our house in order.

As time has worn on the people have moved up in your esteem, oh worthily honored and trusted Members of our American Congress!

Manhood has more and more appealed to your confidence, you to its.

In the immediate view our people may magnify the Congresses of other days, but from future historic heights they will give the Congress of to-day the same honor—homage that you and they give to the cherished line that goes before you—that glorifies our congressional history.

One and all, people and Congress, have moved up in the comprehension of national affairs; the people in an intimacy of understanding of their Representatives in the Congress, whether Senate or House.

Even better than you, yourselves, vision obscured by contact with the charm of personal virtues, they clearly see the motives that move your advocacy of or opposition to public measures; whether or not you would rather be right than Senator—are counting on the country's present and historic approval, or the local vote that will (may) keep you where you are.

Through the flames of the Civil War you—all of us—saw the fidelity of a race enslaved to the masters who owned them; a race that never knew a Judas Iscariot or a Benedict Arnold; a race that never, even when agonized by galling shackles, betrayed the trust of "their people"; their people who left their wives and children in the keeping of these sons of fidelity; a fidelity that never failed while their mental and moral systems were free from the infection of the parasites of partisan demagoguery; a race that has its Washington as well as ours.

While partisanship had, probably, more to do with it than gratitude or patriotism, you initiated the call to the ballot of millions of these men who, not to their discredit, did not know the difference between the Constitution and a concordance for the doctrines of some creed.

Nearly half a century later it began to dawn upon "us lords of creation" that our mothers, wives, and daughters who had managed and made our American homes, our American manhood, our American character, were about as fit for the ballot as the men we had, larger and larger, called to its exercise.

May we not, with national profit, recall the preacher's one-sentence prayer that rescued a synod from turmoil—the wisest prayer, save one, ever uttered—"O Lord, give us more common sense!"

This amendment retains the same qualifications for electors of President and Vice President that have always been required "for electors of the most numerous branch of the State legislature"; and, in addition, in those States wherein women are given the right to vote for National, but not for State, officials, it bows to the conceded right of the State to exalt its own, and without wounded pride accepts that State's estimate of those competent to vote for the Nation's highest in station.

DATE OF INAUGURATION.

We all agree that amendment of our Constitution should be dictated by only long-debated and disclosed imperative demand, and never even attempted when there is already a provision to accomplish what such amendment would; and we are all fully aware that clause 2, section 4, of Article I of the Constitution empowers the Congress to change its date of assembling. The only need, therefore, is your own action in accordance with your own oft-repeated, and the country's unanimous, opinion. Win that country's applause by exercising the courage of your own convictions.

The whole country has come to realize that the inauguration in March is a menace to comfort, to health, to life. That the assembling of Congress in December, with the confusion of the holiday break, is a waste of time and money. Should Congress, as it can, change the day of assembling to January, uninterrupted work would supplant the always useless effort of the short December session, which could be held only every six years and solely to count the Presidential vote, and declare the result.

ELECTION DISTRICTS.

All recognize that we hold a dual citizenship, National and State, and vote accordingly. This election is a matter not of State but of National concern. Therefore the common, universal—the national—authority should make the laws and regulations therefor the same in each and every State. The one common action of the whole people should be uniform. The dignity of the State, the universal convenience, are subserved by leaving the execution of these provisions to the States, respectively, but keeping the power of self-preservation in national hands should any State prove derelict in this high duty.

It is impossible to hold an election, National, State, or county, without election districts.

This amendment provides for the establishment of election districts in and by each State, but of a common uniformity throughout the whole country, which, "unless the Congress shall otherwise by law provide, shall be equal in number to the whole number of Senators and Representatives to which the State may be entitled in the Congress."

This gives a wide range to the tested and honored discretion of our Congress.

Requiring that such districts "shall, as nearly as practicable, be of contiguous territory and of equal population" appeals to fairness and propriety; and making "such arrangement thereof subject to the approval of the Congress" enables the correction of such "gerrymanders" as have dishonored the partisan powers that made them.

To make this election decisive by a plurality or a majority of the entire country's vote makes strong appeal to many of the most thoughtful, and might be best. The better ability of the Congress, and the still better ability of the press and people of the country, should debate this.

In such method is there not this danger: A populous State of large majority, or two or three States of such majority with special interests in common, could so pile up the majority as to overwhelm the small majorities in 20 or more smaller States, or as many of such States wherein the respective majorities were small.

The country-wide sentiment is what is wanted. Is it not better that this choice should be made by the major diverse sentiment of all than the congested and controlled sentiment of one, or of a few States, whose special interests dictated their votes for local advantage and thus made this more of a State than a national election?

This would give the sentiment of large parts in every State, whose expression would otherwise be suppressed, and of every section, and more nearly represent the major sentiment of the separate, yet entire, country.

It is far easier to swell majorities in particular States, to debauch and corrupt the electorate of one State than to do the same thing in so many districts. The people of districts in small States having only three votes would thereby find expression of their sentiments which an entire State vote would suppress, and the very same thing would be the case in the more populous States. The tremendous vote of New York has been decided by a majority of but little over a thousand, or wherein a change of 500 votes would settle the election for over a hundred million people.

These districts, being distinct from State and congressional districts, give a more distinct character to the vote, and prevent those local combinations that carry the election of either State or congressional candidates. Then, too, witness the diverse votes for President and Vice President and for United States Senators in California and Washington in the 1916 election.

There will be frauds, controversies, and contests in this election. In districts so arranged, under the proposed system of election tribunals, home tribunals in each State could more promptly, nonpartisanly, and justly adjust these; the final result be more readily ascertained and established.

All maintain that ours is a Union of indestructible States as well as an indivisible Union. Where the line of demarcation between the rights and functions of the two can be clearly drawn, does it not behoove us to draw that line? Can it not be clearly drawn here?

The people of the Nation at large have no business to meddle with the elections of State officials; per contra, they should equally distinguish between their functions as national and State citizens, functions entirely different though inseparably interblended and perpetually interdependent.

PRIMARY ELECTIONS.

President Wilson has suggested a primary law to more definitely decide the people's choice. This would be wise were this amendment in force, but as no law of Congress can abridge or enlarge constitutional powers, so long as presidential electors have the constitutional power both to nominate and elect President and Vice President, they can defy such primary instruction and set at naught even the ultimate voice of the people.

Under clause 3 of this amendment primary laws could be enacted that would bar betrayal thereof, and which, if preventive provisions against fraud and cunning were escaped, could undo such designing schemes when discovered.

It would make the primaries decisive, bar all opportunity for a recreant representative to crucify the hopes of a community that had long heard his loud advocacy of honor for the expressed will of the people, and stay the hand that would Arnold-encrown a State's entrusted agency, a party's basic principle and an American confidence.

It would preclude place for one who would pervert an intrusted vote, not because of personal preference for another than instructed for (whom, with impartial treachery, he would equally betray; with habitual blunder, only move to mislead) but because of cold-blooded calculation upon resultant service to a morbid ambition, oblivious of gratitude, incapable of instruction by uniform disaster, and, consumed with greed for self-glory, grown callous to the fate of a loyal faith dragooned into a disheartened following.

ELECTION TRIBUNALS.

The Tilden-Hayes eight-to-seven tribunal, a resort to avert revolution, had no warrant in law. It disclosed the explosive perils that yet confront us—the risk of the last resort by an outraged electorate. It reiterated the lesson of all time—a tribunal hastily instituted at a time of universal, intense excitement is certain to be the subject of intrigue for present advantage, of action for the occasion, and to have carried into it the passions and partialities of the hour.

Some tribunal of highest qualification that would command the confidence of all should be prearranged to settle the always heated questions over this election that are certain to arise and to stir States and Nation in the future as they have in the past.

Should the Congress, or designated national or State authorities, a year in advance of this election select in each State a tribunal of five, seven, or nine members, to be composed of one judge from a Federal court, one from the State supreme court, the others from those benches or from citizens of the State of equally eminent qualifications who held no office, we would have at trifling expense tribunals whose decisions would command universal confidence and avert partisan contests and decisions in the Congress called to count the votes of these districts.

It could be made too large to tamper with; its proceedings, made of record, would be an additional safeguard for honesty and independent

intelligence; and its immediate action subserve a demand always of urgency. Its home composition would appeal to the universal sentiment of the country, no matter of what political complexion, and it would start with such exalted character as to assure independent and honest action by tested learning.

If absence of provision for appeal from the decision of such tribunal be error, that error can be readily remedied in the fourth clause by striking out the word "finally" and adding to that clause:

"Appeals may be taken from the decisions of such tribunal to the Congress in the manner that the Congress may by law provide."

The records of such tribunals would certainly lessen the labor of and furnish aid to prompt justice by the Congress, as well as prerebuke partisan action.

This clause leaves the major construction of this tribunal to the best thought we have—the advised discretion of our Congress.

RISK REVEALED BY THE 1912 ELECTION.

It was the evident intent, and is yet the universal desire, that both high offices should not be held by inhabitants of the same State, yet the provisions of the Constitution, instead of precluding, make this calamity possible and probable. Instance the 1912 election.

The Democratic Party had 40 States; could easily have spared the electoral vote of any one State. Had the electors exercised their constitutional power both to nominate and elect President and Vice President, those from 40 States could have voted for Marshall for President; those from Indiana for some equally eminent statesman for Vice President; those from the other 39 States for Kern for Vice President; and thus *lawfully elected both from the same State.*

Had either wing of the divided Republican Party nominated an inhabitant of New Jersey for Vice President, and, as was much dreaded and predicted, the election been thrown into the House for President, the Senate for Vice President, the House being Democratic would have elected Wilson President, and, had the divided Republicans united in the Senate, they would have elected the New Jersey nominee Vice President, electing both from the same State, for the only prohibition on the Senate in such case is, not that the man it votes for shall not be an inhabitant of the same State as the President, but that he shall not be "constitutionally ineligible to the office of President," and the only qualifications of eligibility therefor are that he shall be native born, 35 years of age, a resident within the United States for 14 years, and not come under the inhibition of the fourteenth amendment.

The proposed amendment settles that intent and universal desire.

That this will never be done is no answer. What can lawfully be done will be done, if the occasion calls for it. Indeed, like conditions as above would compel partisan policy to do this very thing.

ANOTHER PERIL.

This election also disclosed a far more ominous, more probable, and a hitherto unconsidered impending injustice, if not peril.

In event the failure of an election by the electors forced the choice of the President by the House of Representatives, their ballot is limited to "the persons having the highest numbers, not exceeding three, on the list of those voted for as President."

After the electors had cast their ballots and their powers had become functus officio, had either of the three leading presidential candidates in that election died or suffered permanent disability, this choice would have been limited to the other two. Had either calamity befallen Mr. Wilson, a Democratic House would have been compelled to choose between two candidates, both of eminent ability, but neither of whom represented the political convictions of that House.

In event the same conditions compelled the Senate to choose the Vice President (similar calamity to either of the two persons having "the two highest numbers on the list" of those voted for as Vice President), the Senate would have had no choice and been compelled to vote for the survivor.

Under this amendment both misfortunes are averted. In case of the President, his vice presidential associate would be one of the three persons for the House of Representatives to choose from; and in event of either calamity to him, the national committee of his party would have the right to name the third person from whom that House should make its choice.

In case of such calamity to one of the two candidates for Vice President, should the presidential candidate of that party survive, he would have the first right to nominate the candidate to be voted for by the Senate, and if he declined to exercise that right it would be vested in the same national committee.

Is not this a needed provision, if such occasion arise, in case of a contested election?

CALAMITY WHEN ELECTION NOT CONTESTED.

In case of the death or permanent disability of the President elect after the vote had been cast, the Vice President elect is given the vote and the voice of the people obeyed the same before as after the inauguration of their choice.

THE VICE PRESIDENT.

In case of either calamity to the Vice President, the President elect is empowered, when he comes into office, to nominate and, by and with the advice and consent of the Senate, to appoint a Vice President, and is also empowered so to do in event of a vacancy in that office at any time thereafter.

This provides for the continuous occupancy of the office by a method that has worked well with the Federal judiciary and the Cabinet.

The President now so appoints a Cabinet, seven members of which may succeed him in event of his death, and there being no Vice President. There is no greater risk in so appointing a Vice President who may in a similar, yet more definite manner, succeed the President.

We have elected 28 Vice Presidents of the United States. Of these, five—John Tyler, Millard Fillmore, Andrew Johnson, Chester A. Arthur, and Theodore Roosevelt—by reason of the death of the President, became President; seven—George Clinton, Elbridge Gerry, William R. King, Henry Wilson, Thomas A. Hendricks, Garret A. Hobart, and James S. Sherman—died while in office; and one—John C. Calhoun—resigned when elected United States Senator.

Thirteen vacancies out of 28 incumbencies!

Does not this large proportion of vacancies call for either abolition of the office or provision for keeping it filled?

If this office is superfluous and merely ornamental it should be abolished. If not so, the Constitution should provide for keeping it filled. It will never be abolished. Too many in Congress hope—expect—to get it to ever start such proposal. The same reasons exist for its continuous filling as do for the continuous filling of our other offices. The office has its essential and important duties, and the people should have some say beyond the life of one man for their President.

These offices are simply cogs in our national wheel that should never lack a single cog, nor have one too many. If this be one too many, let us save material and complication of machinery by recasting the wheel without the needless cog and get simpler machinery. If not too many, provide means for prompt replacement in case of loss.

The whole history and teaching of our Government is that, while man is everything, the man is but little, purposes much; that the best are but mites in an Almighty hand, giving place to others when the purposes of their creation are accomplished.

OATH OF OFFICE—COMPENSATION.

There is no provision now, either for the oath of office or the compensation of the Vice President. This amendment provides for both. The induction into both great offices should be directed with the same solemnity.

SETTLING A MINOR DISPUTE.

The twelfth amendment provides, where there is no election of a Vice President by the electors, and such election is had by the Senate, that the person elected Vice President shall "act as President," and there has been debate as to his title and attestation of documents, whether as President or as Acting President. This amendment removes that debate.

INTERREGNUM—SPECIAL ELECTION.

In the same accident, 2 of President Tyler's Cabinet and 12 others were killed. Such repeated calamity might wipe out the executive authority and all succession, as at present provided for. The act of 1886 provides, in case of Cabinet succession, if Congress is not and will not be in session within 20 days, a special session thereof shall be called, but it does not say what for, nor does it say for how long this succession shall last. A capital arrangement for a political squabble that would convulse the whole country and stir up all manner of schemes, hurtful to every interest. Yet this was the best that could be done by Congress without more definite constitutional authority.

In event that, pending the election and the date of declaring the result, or of the inauguration of the newly elected officials, or of both President and Vice President while in office their death should occur, election by the people can be had, provided the same shall not occur within one year of the next regular election by the people. This gives a speedy restoration to the people of their chosen, at the same time avoids the turmoil and expense of near elections.

PENSIONS FOR BOTH.

It adopts the growing practice in the business and industrial world as well as with the educational world, of life pensions for deserving service. When learning, labor, and capital practice a policy, government may well take heed to it.

It is the sentiment of by far the majority of the American people to-day. They are as free from snobbery as any people, yet they do not wish to see those whom they have chosen to head the Government mix in the common struggle to maintain their families any more than set an example of stilted idleness.

They have reached the places where they belong more to the people than to themselves and should be kept in a more exalted service than even when in office. Were they to devote their after lives to travel among the different States, and the dissemination of trustworthy information about each to all, they would render one of the most needed and useful services to this country. Despite the facilities of travel and communication, how little the people of the different States and sections, even, know of each other!

Their visits would make them missionaries for American patriotism, for fair play, for better understanding by the people of each other, for study of our great system of government.

They would differ on policies to remedy what was esteemed evils in the different States. All the better. Men of similar minds learn but little from each other. The people would get what was better than from either, what was best from both.

There is not a toil-hardened hand in a factory or industrial enterprise in all this country but would applaud this policy as a teaching example to the industries to which they were giving their lives.

Continuing a proportional share of these pensions to their wives comports with both American chivalry and American discretion. From Martha Washington and Abigail Adams until to-day, with scarce, if any, exception, these women have been exemplars to American—aye, to world-wide womanhood—have been women whose unaffected American simplicity, domestic devotion, Christian character, and gracious womanly graces have made the home lives of our highest honored ideal home lives of honor to and honored by a whole home-loving country that would gladly give them the tenderest devoted adoption if bereft of their stay and support.

IN CASE OF CONTEST, WHICH HOUSE SHOULD CHOOSE THE PRESIDENT?

The House elect will represent either ratification or rebuke of the sitting House.

If ratification, its choice of the President would be a more fitting and emphatic voicing of the people's vote than the choice of the sitting House.

If rebuke, a displaced and resentful House would naturally choose a President who stood with it, rather than with the people who condemned it, and would, wholly or partially, thwart the final voice of the people and balk their desired change of policy.

Of necessity the House elect will represent that final voice, and its choice give the incoming President one House in harmony with the policies the people and he stood for.

Whether ratification or rebuke, the choice by the latest elect of the people conforms to our theory of obedience to the voice of the people.

Therefore this amendment changes the existing rule and transfers such choice from the sitting House to the House elect.

The majority of the House elect always has, and probably always will, come from the sitting House, be on hand ready for instant action, and the temporary organization of the new House for this one purpose be of prompt and economic accomplishment.

There could be no conflict between the two Houses, for the House elect would be convened for the sole purpose of choosing the President—have no powers of legislation.

NO BELL OF ALARM.

This petition seeks to ring no bell of needless alarm. The marvel of our country's progress and prosperity has given scant time, the personal and political fidelity of our people have given scarce occasion, to consider the "might have beens" and the "might bes" in our national life.

The starting step of our Nation in 1776 was made with primal recognition of the people's power in the heart avowal of "a decent respect to the opinions of mankind," to which our "fathers" made that first appeal for judgment upon the step wherein they pledged their lives, their fortunes, and their sacred honor.

Then and there we cornered our national creed on the eternal foundation "that all men are created equal; that they are endowed by their

Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed."

We created the complement of the enabling supplement to this creed in our fundamental law to "establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity."

With unswerving and unswervable faith, our people look for guidance, not to the arrogant egotism, the sacrilegious and vaulting vanity of any mortal claim to rule "by the grace of God," but to that Creator Himself to whom alone they bend their knee of adoration and in deathless gratitude charge the gift of the unsellable rights of our highest and our humblest.

Our Nation, so beginning, has continued its career. It may point with truthful finger to this bloodless history—that it never fired a shot to shackle the independence of another nation, to enforce its rule upon another people, and, at the same time, to those blood-written pages that tell where American valor has, in unstinted measure, poured out its blood and its treasure for the God-given rights of humanity, for the common good of the human race, to its oft-tested pledge to sister American Republics that it would stake its all with them in the maintenance of their governments of, by, and for their people with the same fervor and fidelity that it would battle for its own.

It does not need, it will never need, clangor or note of any bell of frightening alarm.

This petition seeks to point, however feebly point, to the pebbles in the path of its governmental machine—pebbles that may jar and transient scar but never fracture that machine—and seeks their brushing aside for a smoother running, for a better example to peoples of kindred faith and common purposes.

The Congress guiding our destinies in this crucial hour of the world's onward progress feels the great responsibility that rests upon this Nation; see the globe study that will be given its Constitution by mankind grappling for government of the people, by the people, and for the people; the need to make it as free from flaws as it can be made.

Our Nation claims, and will ever claim, its leading place among the noblest, the proudest nations of this earth; but it ever claims, not place ahead, but place aside its sister nations in an equal and independent march up being's piled gradation to the realization of a perfect government that is by all and for all and is just to all at home and abroad.

It seeks leadership, if leadership at all, in a common world progress; in an appeal by precept and example to the ripened conscience, the refined intelligence of mankind; and to make this appeal disdaining hope or wish for mastery of any nation.

This petition prays for this precept and example in what will prove a

PROCLAMATION OF EMANCIPATION

not for a part of but for all our people; a declaration of the complete rule of the people in this the country of their proclaimed rule.

It is made in the faith that this amendment will simplify and make safe our electoral system; give us a more nonpartisan and independent Executive; lessen the frequency of country-wide agitation; be a measure of economy in dispensing with the expense of a useless and dangerous piece of electoral machinery; dispose of menacing questions of dispute; provide tribunals of highest character to settle electoral disputes in the States of their origin, and keep them from the broader and more dangerous theater of national controversy; give a settled system for the continuous filling of our highest offices, bar an interregnum that could only excite and injure; continue in our service the schooled ability that has been nearest the head and heart of our Government; make our Constitution and our national conduct voice the same sentiment—the people are competent to rule, and they do rule—self-government is not a veiled profession but an actual fact; make our Government teach respect for and obedience to law, and increase the reverence in which all law should be held in making our highest law say what it means and mean what it says; put this election where it belongs—in the direct hands of the people.

JULIUS A. COLEMAN,
Seattle, Wash.

We, the undersigned, citizens of the United States and of the State of Washington, join in the foregoing petition to consider the proposed amendment.

John Arthur, first president Washington State Bar Association; Henry Hewitt, jr., landowner and capitalist; Richard T. Buchanan, editor Tacoma News-Ledger; E. J. Rathbone, naval constructor; John P. Hartman, former member board of regents State university; Joseph M. Hawthorne, former president King County Democratic Club; W. H. Parsons, vice president Dexter Horton National Bank; Robert Bridges, president port of Seattle; Wm. Hickman Moore, former judge superior court, mayor of Seattle; T. H. Bolton, city councilman, Seattle; W. C. Gray, workman; Frank Pierce, compiler Federal code and Washington code; M. F. Brown, president Seattle Daily Bulletin; P. J. Smiley, president American Railway Publishing Co.; Will D. Wilson, manager book department, Lowman & Hanford; H. W. Mason, editor and owner Washington Democrat; Chas. W. Lane, market proprietor, great-grandson Joseph Lane, of Oregon; F. R. Marshall, printer, member National Typothetæ of America; Edgar C. Snyder, State chairman Progressive Party 1912; Joseph A. Sloan, shipbuilder, presidential elector 1916; Robert B. Bell, general manager Sinclair Island Canning Co.; A. Warren Gould, architect; H. C. Pigott, publisher; A. G. McBride, editor Seattle Examiner; B. J. McMahon, acting editor Seattle Union Record (labor journal); J. T. Cronin, carpenter contractor; J. A. Madsen, president Pacific Coast Longshoremen's Association; F. C. Harper, chairman Republican State committee; John D. Wenger, former president King County Democratic Club; T. J. Thorsen, vice president and manager Washington Shoe Co.; Paul Land, president Vashon Island Sand & Gravel Co., delegate national Democratic convention; William Z. Kerr, lawyer; Robert E. Jarvis, librarian, King County Law Library; Robert L. Proctor, president Central Labor Council; Ernest C. Wheeler, president Tacoma Commercial Club and Chamber of Commerce; Herbert S. Griggs, former president Tacoma Bar Association; John D. Fletcher, lawyer, Tacoma.

WAR WITH GERMANY.

Mr. SMITH of Michigan. I have an editorial from the Detroit News of July 28. This paper holds a leading place in American journalism and represents a circulation daily of 234,800. The editorial bears upon the present international situation and deals with the question in a large and patriotic spirit. I should like to have it printed in the RECORD for the information of the Senate.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IS THERE NO VOICE FOR PEACE?

Is there nowhere in this world a strong voice that dares raise itself for peace?

Has it become a crime to deplore the death of human beings?

Is it cowardice to have a living hope that 600,000 young men of this land may be saved from death in the trenches?

We, the people of the United States, through our representatives in Washington, have declared that we must fight back at Germany. We are taking 600,000 of our best young men, picking them from the arts of peace, and pushing them to the front to fight our fight, if needs be to die for us.

Theirs not to say aye or nay; theirs but to go forth to kill and be killed.

There is civilization left in the world.

Is it unpatriotic to say that all this slaughter is needless?

Have Governments so failed that they can do naught but set men at each others' throats to take life?

Does real service to humanity—to one's country—lie in taking life or in saving life?

Has every last effort to secure an honorable peace been exhausted? Are any efforts at all being put forth now to secure an honorable peace?

Are we so taken up with our preparations to kill that we give no thought to efforts to spare?

Are we sure that we are right in the belief that there is nothing left to this Nation but sacrifice—the sacrifice of 600,000 of our best young men, and 600,000 more to follow them, and they to be followed by still another 600,000, and each of these 600,000 to take a life for a life?

Are we sure that we are doing our full duty to our God, to our country, and to ourselves when we accept it as settled that there can be a lasting peace only through the shedding of more rivers of blood?

Has it become a disgrace to love to live, to want to save those near to us? Is there nothing left that is ennobling except to pierce a man's heart, to gouge out an eye, or to blow off a leg or an arm?

We, the people of the United States, are a self-governing Nation. We have the right and the power to have our Government conducted as we wish. Let us make our representatives at Washington understand that we have no hatred in our hearts, no false pride to be gratified, no desire but that of service to humanity.

Hatred others may have, but it is not for them to say to us: "The killing must go on; this is no time to talk peace."

Let our President and our Congress understand that they can have back of them an army of 600,000 men, or 1,200,000 men, or 1,800,000 men, or 2,400,000 men, but it must be an army that demands peace and is ready to back the demand with arms. Let the preparations for war go forward on even a greater scale, that the nation which understands the language of war better than any other language may know that our efforts toward peace are not efforts of weakness nor cowardice, but of a deep love for humanity.

Let those who represent us understand that while we will give of manhood and money for war it is done only to secure a lasting and honorable peace, with the least possible sacrifice of manhood, let the cost in money be what it may.

Is Germany ready for a peace that should be acceptable to other nations, a peace that means a drawing back of the German militaristic arm?

Germany started out with its junkerism with its pan-German policy, a policy that would have Germany control to the sea every river that rises in Germany, with its hand of trade and commerce grasping everywhere for more.

In the Reichstag Germany now declares that it wants peace without indemnity and without conquest.

Let us reason it out.

In Germany the family tie is as strong as in any other nation. The love for father and son and brother is as great as in any other people.

While Germany has been reducing the man power of France the French fighters have been hitting blow for blow and have reduced the man power of Germany. England, too, has killed hundreds of thousands of Germans; so has Russia.

Behind Germany are the rivers of blood that we see rising before us. With Germany are the dead, the maimed, and the blind.

With three great armies and some lesser ones in the conflict Germany sees rising before it another nation that can send 10,000,000 men against its army, if need be, and furnish countless supplies.

Sturdy young men in Germany have been killed or crippled to a number that runs into the millions. She must send her youth and her older men also against our Army, if they are not already in the trenches.

Germany must be weary of the slaughter, of the privation and suffering, of the debt mounting higher and higher.

We know in our hearts that we are not a blood-lusty people.

We know in our hearts that we would not kill if killing could be avoided.

Do we know in our hearts that we have done all we can do to avoid killing?

Provocations? Yes.

Patience tried? Yes.

Time for calling to arms? Yes.

Time to fight? Yes; if necessary.

But while shouldering the arms should we not still let it be known that we would prefer to stop the flow of blood rather than to cause more to flow; that we would prefer to heal the wounds rather than to cause fresh wounds; that, rather than take life, we would prefer saving the lives of our enemy, as well as the lives of our own young men?

We know that we would rejoice with all the world if peace were declared.

While encouraging our officials in equipping armies and navies and ambulance corps, let us encourage them also in steps of peace, steps that will avoid the heavy toll of lives that war exacts.

PROHIBITION IN PORTO RICO.

Mr. GRONNA. I have here an editorial from the Washington Evening Star, under date of July 24. This is a very able editorial, and I wish to have it read.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Secretary will read the editorial.

The Secretary read as follows:

[From the Evening Star, Tuesday, July 24, 1917.]

PORTO RICO SHOWS THE WAY.

Porto Rico has just voted by a large majority for prohibition. The wets made their campaign largely on the economic feature of the question. Eleven millions of revenue are necessary for the annual support of the government. Estimates placed the collections from the drink traffic at two millions—almost a fifth. And so the wets asked the drys—as they thought, triumphantly—"Where else will you turn for this money?"

The drys, nothing daunted, thought they could find it elsewhere. For one thing, they declared a purpose to lay a heavier tax on tobacco. They easily carried the day, dwelling on the evils of drink and urging their extinction in the island.

The result is ascribable to American influence. It is not easy to imagine a dry Porto Rico under any other influence.

Shall continental American learn from this small ward in the sea? The drink paragraph in the food-control bill goes to conference with the economic feature uppermost and emphasized. The wets insist that the Government must have the revenue assessed against the drink traffic; that the sum is so large that finding it elsewhere would be difficult, if not impossible, at a time when assessments on other things are heavy.

The sum is large and assessments on other things are heavy. But, relatively, the sum is not much larger than that involved in the case of Porto Rico. The evils of drink are the same in both countries. If, in order to banish those evils, the Porto Ricans are willing to assess themselves heavily, should not we?

The economic feature of the question is all that remains to the wets. Every other feature has been decided against them in this country. A long campaign has been waged, and State after State has declared against drink. Churches, social organizations, political organizations, and business organizations have thrown their influence against the barroom and all that it represents.

But, notwithstanding, the traffic has hopes centered in the conference. It will fight there to save something for itself. Just how much is not known, but enough probably to answer as a foundation for the post-war efforts which will be inaugurated to restore the traffic to its old power and make it again a financial and political influence throughout the United States.

ADDRESS BY WALTER LIPPMANN.

Mr. FLETCHER. I have here a copy of an address delivered by Mr. Walter Lippmann, taken from the Annals of the American Academy of Political and Social Science on the subject of the world conflict in its relation to American democracy. It is a very admirable address on the larger issues, and I think it ought to be printed as a public document. I ask to have it referred to the Committee on Printing for action.

The PRESIDENT pro tempore. The address will be referred to the Committee on Printing.

PETITION OF ALIENS.

Mr. SMOOT. Mr. President, on Tuesday, July 24, 1917, as appeared in the CONGRESSIONAL RECORD, the senior Senator from Illinois [Mr. LEWIS] presented "a petition signed by Edward de Valéra, member elect of the British Parliament, and other officers of the Irish republican army, praying for the complete liberation of the Irish nation." That petition was printed in the RECORD. Such action was contrary to paragraph 5, of Rule VII, and therefore, Mr. President, I ask that in the make-up of the permanent RECORD this petition be eliminated.

The PRESIDENT pro tempore. Without objection, it is so ordered.

DRAFT FOR ALIENS.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which was referred a joint resolution (S. J. Res. 84) authorizing the drafting of aliens, except alien enemies, into the military service of the United States, reported it with amendments and submitted a report (No. 94) thereon.

ENLISTMENT OF ALIENS.

Mr. McCUMBER. I am directed by the Committee on Foreign Relations, to which was referred Senate joint resolution 83, looking to the enlistment of certain alien residents in the Army of the United States, to report as a substitute the following Senate resolution, and I submit a report (No. 93) thereon.

The resolution (S. Res. 108) is as follows:

Whereas there are in the United States a vast number of subjects and citizens of the several European nations now waging war against the allied central powers of Europe; and

Whereas nearly all of said subjects and citizens have emigrated to this country either for the purpose of becoming citizens thereof or for the purpose of securing the benefits of the greater wages and better opportunities afforded in this country, which opportunities have been created, defended, and maintained by the energies and sacrifices of the American people; and

Whereas it is the moral and patriotic duty of said subjects and citizens to support the several Governments to which they owe allegiance in the desperate warfare in which such Governments are engaged; and

Whereas the United States is also engaged in war against the said central powers for the protection of the rights of the several nations so waging war against the said central powers as well as its own sacred rights; and

Whereas it is most unjust to ask or require the American people to sacrifice their sons, their brothers, and their treasure in battling for the mutual rights and welfare of all the other nations prosecuting this war against the said central powers while their own subjects and citizens in vast numbers enjoying in this country the special and wonderful industrial opportunities which this war affords them are wholly relieved from service or sacrifice: Now, therefore, be it

Resolved, That the President of the United States be, and he is hereby, requested to propose to all European nations engaged in war against the said central powers and, if possible, secure from them an agreement authorizing and empowering the United States to apply the provisions of the act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917, to all such subjects and citizens domiciled in this country in the same manner and to the same effect as such provisions are applied to the citizens of the United States in selecting and raising an army or navy for service in the present war.

The PRESIDENT pro tempore. The report will be placed on the calendar.

Mr. McCUMBER. I ask that a letter from Hon. Frank L. Polk, Counselor for the State Department, concerning the resolution, be printed as a part of the report of the committee.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LITTLE RIVER BRIDGE, ARK.

Mr. SHEPPARD. From the Committee on Commerce I report back favorably without amendment the bill (S. 2695) to authorize the construction, maintenance, and operation of a bridge across Little River, Ark., at or near the foot of the gar hole about one-half mile south of the Jonesboro, Lake City & Eastern Railway bridge across Little River, Ark., and I submit a report (No. 91) thereon. I ask for the immediate consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent the second time, and referred as follows:

By Mr. BRADY:

A bill (S. 2698) granting an increase of pension to Charles Richter (with accompanying papers); and

A bill (S. 2699) granting a pension to Sarah Van Doozer (with accompanying papers); to the Committee on Pensions.

By Mr. CUMMINS:

A bill (S. 2700) for the relief of the Philippine Scouts; to the Committee on Military Affairs.

By Mr. NEW:

A bill (S. 2701) to provide for the awarding of campaign badges to the members of the Dental Corps, United States Army, and fixing the regulations for awarding same; to the Committee on Military Affairs.

By Mr. SMOOT:

A bill (S. 2702) to reimburse Susan Sanders for expenditures and expenses incurred in prosecuting the intermarried white cases on behalf of the Cherokee Indians; to the Committee on Indian Affairs.

DONATION OF FLAGS.

Mr. POMERENE. I introduce a bill authorizing and directing the Secretary of War and the Secretary of the Navy to make and furnish to the households and families of soldiers, sailors, and marines flags emblematic of said service. I ask that the bill be printed in the RECORD and referred to the Committee on Military Affairs.

The bill (S. 2703) authorizing and directing the Secretary of War and the Secretary of the Navy to make and furnish to the households and families of soldiers, sailors, and marines flags emblematic of said service was read twice by its title and referred to the Committee on Military Affairs.

PAPER ON PROHIBITION BY HON. JAMES T. LLOYD (S. DOC. NO. 67).

The PRESIDENT pro tempore. Concurrent and other resolutions are in order.

Mr. STONE. Mr. President, under that head perhaps as well as any other, I ask leave to have printed a paper presented to me by Hon. James T. Lloyd, formerly Member of the House of Representatives from Missouri. After some 18 or 20 years' service in that body he voluntarily retired from the service at the end of the last Congress. The paper is a discussion particularly of the constitutional features of the amendment for national prohibition which is to come before the Senate to-day, giving some sort of a historic résumé of other amendments that have been proposed and acted upon. I ask that this paper may be printed as a Senate document. It will not cover more than six or seven pages, and if this request is agreed to I should like to have the young gentlemen who have charge of the pages have this document laid on the desks of Senators to-morrow morning.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Missouri?

Mr. SMOOT. I could not hear the Senator very well. He presented a paper on the general prohibition question?

Mr. STONE. Yes.

Mr. SMOOT. Of course, as that question is to be considered to-day and voted upon not later than Wednesday, I have no objection to the paper being printed at the request of the Senator, but the Senator knows that the rule generally is that such matters go to the Committee on Printing. However, I have no objection under the circumstances.

The PRESIDENT pro tempore. If there is no objection, it will be so ordered.

ORDER OF BUSINESS.

Mr. SMITH of Arizona. I move that the Senate proceed to the consideration of the bill (S. 1553) to give effect to the convention between the United States and Great Britain for the protection of migratory birds, concluded at Washington, August 16, 1916, and for other purposes.

The PRESIDENT pro tempore. The Senator from Arizona moves that the Senate proceed to the consideration of Senate bill 1553, known as the migratory-bird bill. Is there objection? The Chair hears none.

Mr. REED. What is the bill?

The PRESIDENT pro tempore. The bill known as the migratory-bird act.

Mr. REED. I object.

The PRESIDENT pro tempore. The Senator from Arizona moves that the Senate proceed to the consideration of Senate bill 1553. The question is on agreeing to the motion.

Mr. REED. Is the morning business closed?

The PRESIDENT pro tempore. The morning business has closed.

Mr. STONE. Will both Senators who are standing yield to me for a moment?

Mr. SMITH of Arizona. I yield to the Senator.

AURELIO COLLAZO (S. REPT. NO. 92).

Mr. STONE. Mr. President, the President of the United States sent a communication to the Senate some days ago transmitting a request from the Cuban Government that a certain young man, a citizen of Cuba, might be received at the Military Academy at West Point for instruction. This has been done frequently, both with respect to the Military and Naval Academy. The Committee on Foreign Relations, having considered it, directed me to report the joint resolution, which was introduced in compliance with the recommendation to which I have alluded. It will take only half a minute, and in order that it may be sent over to the House and considered there, so that the young man be received at the academy when the next session begins, I ask that the joint resolution may be considered and disposed of.

Mr. SMITH of Arizona. Mr. President——

The PRESIDENT pro tempore. If there be no objection, the Chair will receive the report from the committee and put the request of the Senator from Missouri, and he will then recognize the Senator from Arizona. Is there objection?

Mr. SMITH of Arizona. The only point I would like to make in this connection is, if no objection was made and the Chair decided no objection had been made to taking up the treaty bill, and, if I have the floor, I would be very glad to yield it to the Senator from Missouri for this purpose, not displacing the order that had been made by the Chair.

The PRESIDENT pro tempore. It is not the case that the Chair decided conclusively that there was no objection. The Senator from Missouri [Mr. REED] addressed the Chair before the Chair made that decision.

Mr. SMITH of Arizona. I have no objection, then, to the request of the senior Senator from Missouri.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Missouri [Mr. STONE]? If not, the Secretary will read the joint resolution reported from the Committee on Foreign Relations.

The Secretary read the joint resolution (S. J. Res. 86) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point Aurelio Collazo, a citizen of Cuba, as follows:

Resolved, etc., That the Secretary of War be, and he is hereby, authorized to permit Mr. Aurelio Collazo, a citizen of Cuba, to receive instruction at the United States Military Academy at West Point: *Provided*, That no expense shall be caused to the United States thereby, and that the said Aurelio Collazo shall agree to comply with all regulations for the police and discipline of the academy, to be studious, and to give his utmost efforts to accomplish the course in the various departments of instruction, and that the said Aurelio Collazo shall not be admitted to the academy until he shall have passed the mental and physical examinations prescribed for candidates from the United States, and that he shall be immediately withdrawn if deficient in studies or conduct and so recommended by the academic board: *Provided further*, That in the case of the said Aurelio Collazo the provisions of sections 1320 and 1321 of the Revised Statutes shall be suspended.

Mr. SHAFROTH. I desire to ask the Senator from Missouri a question. Is it contemplated that this cadet shall pay to the Naval Academy the amount which foreigners whom we have heretofore admitted to the academy have been required to pay?

Mr. STONE. The joint resolution expressly provides that there shall be no expense to the United States.

Mr. SHAFROTH. Well, does that mean that the cadet shall pay his pro rata of the cost of tuition there? At the Naval Academy at Annapolis, I will say to the Senator, I understand that to foreigners who are permitted to enter there the cost is about $13,500 for a four years' term.

Mr. STONE. I know nothing about that, Mr. President.

Mr. SHAFROTH. I think at West Point it is considerably less than that amount.

Mr. STONE. I know that the Committee on Foreign Relations since my service on that committee has reported bills or joint resolutions similar to this on several occasions, and they have been considered and passed without objection, as I supposed would be the case with this joint resolution.

Mr. SHAFROTH. I suppose it is the intention that this cadet shall pay his tuition?

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Missouri [Mr. STONE] for the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Sharkey, one of his secretaries, announced that the President had approved and signed the following acts:

On July 27, 1917:

S. 2666. An act granting the consent of Congress to the Sebastian bridge district to construct a bridge across the Arkansas River, at the foot of Garrison Avenue, at Fort Smith, Ark.

On July 28, 1917:

S. 1811. An act for the relief of homestead entrymen or settlers who enter the military or naval service of the United States in time of war;

S. 2106. An act to authorize the county of Cass, in the State of Indiana, to construct a bridge across the Wabash River east of the city of Logansport, at a point known as Cedar or Rock Island, in said Wabash River; and

S. 2667. An act granting the consent of Congress to the Pritchard-Wheeler Lumber Co., of Wisner, La., to construct a bridge across Bayou Macon, in Louisiana, at a point east of the town of Wisner, La.

PROTECTION OF MIGRATORY BIRDS.

Mr. SMITH of Arizona. Mr. President, I move that the Senate proceed to the consideration of the bill (S. 1553) to give effect to the convention between the United States and Great Britain for the protection of migratory birds concluded at Washington August 16, 1916, and for other purposes.

Mr. REED. Mr. President, is that motion subject to discussion?

The PRESIDENT pro tempore. Under the rule the motion is not open to debate.

Mr. REED. Very well.

The PRESIDENT pro tempore. The Chair will refer the Senator from Missouri to Rule VIII, where provision is made that—

All motions made before 2 o'clock to proceed to the consideration of any matter shall be determined without debate.

The question is on the motion of the Senator from Arizona to proceed to the consideration of the bill named by him. [Putting the question.] The ayes seem to have it.

Mr. REED. I ask for the yeas and nays, Mr. President.

The yeas and nays were ordered and the Secretary proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. GALLINGER]. I transfer that pair to the Senator from New Jersey [Mr. HUGHES] and vote "yea."

The roll call was concluded.

Mr. SMITH of Maryland. I transfer my pair with the Senator from Vermont [Mr. DILLINGHAM] to the Senator from Illinois [Mr. LEWIS] and vote "yea."

Mr. UNDERWOOD. I transfer my general pair with the junior Senator from Ohio [Mr. HARDING] to the senior Senator from Oklahoma [Mr. GORE] and vote "yea."

Mr. CHAMBERLAIN. I have a general pair with the junior Senator from Pennsylvania [Mr. KNOX]. In his absence I transfer that pair to the Senator from Kansas [Mr. THOMPSON] and vote "yea."

Mr. WATSON (after having voted in the affirmative). I am informed that the junior Senator from Delaware [Mr. WOLCOTT], with whom I am paired, is not present, and I therefore withdraw my vote.

Mr. GERRY. Has the junior Senator from New York [Mr. CALDER] voted?

The PRESIDENT pro tempore. He has not voted.

Mr. GERRY. I transfer my pair with that Senator to the Senator from Nevada [Mr. NEWLANDS] and vote "yea."

Mr. SUTHERLAND. I am paired with the Senator from Kentucky [Mr. BECKHAM], but I transfer that pair to the Senator from Connecticut [Mr. BRANDEGEE] and vote "yea."

Mr. GERRY. I desire to announce that the junior Senator from Kentucky [Mr. BECKHAM] and the senior Senator from Kansas [Mr. THOMPSON] are necessarily detained on important business.

I also wish to announce that the senior Senator from Arkansas [Mr. ROBINSON] is detained on official business.

Mr. SHEPPARD. I desire to announce that the senior Senator from New Jersey [Mr. HUGHES] is detained from the Senate on account of illness. I ask that this announcement stand for the day.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Arkansas [Mr. ROBINSON]; and

The Senator from Connecticut [Mr. MCLEAN] with the Senator from Montana [Mr. MYERS].

The result was announced—yeas 53, nays 4, as follows:

YEAS—53.

Ashurst	Jones, Wash.	Page	Smith, S. C.
Bankhead	Kellogg	Penrose	Smoot
Brady	Kendrick	Phelan	Sterling
Chamberlain	Kenyon	Pittman	Stone
Cummins	Kirby	Poindexter	Sutherland
Curtis	La Follette	Pomerene	Swanson
Fletcher	Lodge	Ransdell	Trammell
France	McCumber	Saulsbury	Underwood
Gerry	McKellar	Shafroth	Vardaman
Gronna	Martin	Sheppard	Weeks
Hale	Nelson	Sherman	Williams
Hollis	New	Smith, Ariz.	
Johnson, Cal.	Norris	Smith, Md.	
Jones, N. Mex.	Overman	Smith, Mich.	

NAYS—4.

Hardwick	King	McNary	Reed

NOT VOTING—39.

Beckham	Frelinghuysen	Knox	Thomas
Borah	Gallinger	Lewis	Thompson
Brandegee	Goff	McLean	Tillman
Broussard	Gore	Myers	Townsend
Calder	Harding	Newlands	Wadsworth
Colt	Hitchcock	Owen	Walsh
Culberson	Hughes	Robinson	Warren
Dillingham	Husting	Shields	Watson
Fall	James	Simmons	Wolcott
Fernald	Johnson, S. Dak.	Smith, Ga.	

So the motion of Mr. SMITH of Arizona was agreed to, and the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1553) to give effect to the convention between the United States and Great Britain for the protection of migratory birds concluded at Washington August 16, 1916, and for other purposes.

The PRESIDENT pro tempore. The bill is before the Senate, as in Committee of the Whole, and open to amendment.

Mr. REED. Mr. President, I inquire why this bill is not read?

The PRESIDENT pro tempore. The Chair will reply to the Senator from Missouri that the bill has been read twice, once on June 28 and again on July 9, and also an amendment has been adopted by the Senate. The bill is still before the Senate, as in Committee of the Whole, and open to amendments.

Mr. REED. I desire to inquire of the Senator in charge of the bill whether the Canadian Parliament has passed an act in conformity with the treaty in pursuance of which this present pending bill is offered?

Mr. SMITH of Arizona. The whole action of the Canadian Parliament was printed in the RECORD the other day. That action is of record in this body now.

Mr. REED. Mr. President, what evidence has the Senator that the Canadian Parliament has taken any action at all? Has the Government received any official notice?

Mr. SMITH of Arizona. I do not know.

Mr. REED. I saw a document which was offered here and sent to the desk as indicative of the action of the Canadian Parliament, at the top of which in pencil was a notation indicating that it was a draft of a bill as introduced. I should like to have that paper presented to me.

Mr. SMITH of Arizona. I have a telegram from Mr. E. W. Nelson, chief of the biological survey, under date of July 23, as follows:

HON. MARCUS A. SMITH,
United States Senate.

DEAR SENATOR: I take pleasure in informing you that I have this morning received a telegram from Canada announcing that the migratory-bird treaty enabling act finally passed both houses of Parliament July 21 without amendment. I inclose herewith a copy of the telegram.

Mr. REED. Now, Mr. President, I am inquiring for the document that was sent to the desk, and which purported to be the act passed by the Canadian Parliament. [A pause.]

Mr. SMITH of Arizona. I ask for the regular order.

The PRESIDENT pro tempore. The Chair will say that——

Mr. SMITH of Arizona. I do not think a Senator has the right to occupy the floor in absolute silence.

The PRESIDENT pro tempore. The Chair will say that he has instructed the Secretary to procure from his files the paper desired by the Senator from Missouri. The Chair does not think that a Senator has a right to occupy the floor when he makes a request of this kind in silence while the officers of the Senate are attempting to supply the paper.

Mr. SMITH of Arizona. They may be two hours getting it.

Mr. REED. Mr. President, I am getting so accustomed to reprimands from the Chair that I take them quite as a matter of course. I maintain that any Senator has the right to rise in his place and call for a document which was filed at the desk only a few days ago, and which touches directly and immediately upon the matter under consideration, when he does it in good faith, and I take it that my good faith in this inquiry will hardly be challenged. I believe that I have a fair knowledge of the rules of the Senate and of the rights of debate; and, among things, when I make an inquiry as a Senator from this floor, I have the right to a courteous reply.

The PRESIDENT pro tempore. The Chair thinks that the Chair may say properly, when the Senator from Missouri makes such a statement, that if he had observed the RECORD and knew what order had been made by the Senate, it was that the document he desired was ordered printed in the RECORD. Under the rules and practices of the Senate in such cases the document is sent to the Public Printer and is printed in the RECORD; and the Chair now has knowledge that the RECORD has been pointed out to the Senator from Missouri by one of the secretaries. The paper is not in the possession of the Senate at this time, except possibly by construction.

Mr. REED. Mr. President, I am very much obliged for that illuminating statement. I called attention to the document which was filed, and a copy or purported copy of which now appears printed in the RECORD, and to the fact that there was upon it a pencil notation tending to show that the substance of the document had not yet been made a law by the Parliament of Canada, but that it was a preliminary draft which had been forwarded here to some Senator and sent forward and by him presented at the desk. That original document, with that original memorandum on it, I wanted. I did not need to have the Chair tell me that a document presented at the desk and read at the desk would appear in the CONGRESSIONAL RECORD; neither did I need to have the Chair tell me or tell the country that the Chair now had official knowledge that the CONGRESSIONAL RECORD had been presented to me. I wanted that original document. I have inquired from the Senator in charge of this bill whether there was any evidence that the Canadian Parliament had ever ratified or confirmed our treaty by enacting a law in pursuance of that treaty, and the Senator replies that he has seen a telegram sent to some subordinate in the Agricultural Department to the effect that the Canadian Government has acted.

Now, Mr. President, I should like very much, if I can, to get the attention of the Senate to what I regard as a very material matter in connection with this legislation; and I do not care how much you may be in favor of legislation of this character, or how earnestly you may desire the immediate enactment into law of a statute ratifying and confirming our treaty with Canada and carrying it into effect by statute. Indeed, the more you may be in favor of legislation of that character, the more

the appeal I am about to make to you ought, it seems to me, to address itself to your judgment. It is this:

We have made a treaty with Canada by which it is agreed that Canada shall pass a certain class of legislation to carry out the provisions of that treaty, and to stop the slaughter or the killing of certain birds, migratory and otherwise; and now we are asked to pass a statute carrying out what it is claimed is our part of that agreement. We are asked to do that, not upon the receipt of a certified copy sent here by the Canadian Government to advise us what the action of the Canadian Government has been, but we are asked to do it upon a fugitive paper that was presented by a Senator, and upon the strength merely of a telegram received by a subordinate in the Agricultural Department stating that the Canadian Parliament has acted.

The ordinary and proper method of procedure, as everybody must know, would be to await the receipt of a certified copy from the Canadian Government, and then to refer that document to the Committee on Foreign Relations and let the Committee on Foreign Relations examine and determine whether or not the Canadian Government had passed a statute in conformity with our treaty and of such a character as to require legislation by this body.

Mr. President, whenever we fail to proceed in that way we are bound to fall into all kinds of error. Understand, if we were proceeding regardless of the action of Canada, if we were taking the initial step, and if we were legislating from that standpoint, what I may say now might not be of any considerable force; but this question is presented to us now to be acted upon on the basis that Canada has acted, and that we are to take the second step, responding to the action of the Canadian Government, and yet there is no official notice here from the Government of Canada. There is no kind of notice whatever except that which comes in this irregular way, and there has been no reference of the action of the Canadian Government upon this legislation to the Foreign Relations Committee, where it ought to go for the sake of checking up the two bills, for the sake of ascertaining whether their legislation fits our legislation; because, if that is not done, it may appear that Canada has not carried out her part of this treaty. Moreover, it may appear, even if Canada has carried out her part of this treaty, that the pending bill does not properly articulate and fit into the Canadian legislation.

So, Mr. President, I move that this bill be recommitted to the Committee on Foreign Relations, with instructions to that committee to ascertain whether or not the Canadian Government has acted in ratification of our treaty and to report to the Senate whether the present bill articulates with the Canadian legislation, if such legislation shall have been had.

Mr. LODGE. Mr. President, the Committee on Foreign Relations—I see the chairman is here——

Mr. STONE. Go ahead.

Mr. LODGE. The Committee on Foreign Relations considered this bill carefully and reported it. I can see no reason for its recommittal. So far as what the Canadian Government have done is concerned, if they had done nothing it would be just as much incumbent upon us to carry out the treaty we had agreed to; and as for getting certified copies of the laws of another country, there are some things of which courts take judicial notice and I think we might take judicial notice. There is no doubt whatever of the fact, and I see no possible reason for referring this bill again to the Foreign Relations Committee.

Mr. REED. Mr. President, will the Senator permit me to ask him a question?

Mr. LODGE. Certainly.

Mr. REED. There are some things, as the Senator says, of which courts and legislative bodies take judicial notice, although a legislative body can hardly be said to take judicial notice of anything; but I know how the Senator employs the term.

Mr. LODGE. I use that as a simile.

Mr. REED. But does the Senator from Massachusetts mean to say that a legislative body ought to take notice that a bill has been passed by the legislative body of a foreign country when there is not a living man in the body who can say that he knows the legislation has been effected?

Mr. LODGE. I understood differently, and I understood it had been printed here.

Mr. REED. I know; but that has been explained. If the Senator——

Mr. LODGE. And I understood the department had been informed of it, and I do not think there is any doubt of the fact. But when we dealt with the question of the fisheries we did not require certified copies of the acts of Canada. We took them as a matter of public information, and dealt with them accordingly, and legislated.

Mr. SMITH of Arizona. Mr. President, if I will get the information that the Senator wants within 30 minutes, will he let us have a vote on this bill?

Mr. REED. Mr. President, that sort of bargaining on the floor of the Senate does not appeal to me.

Mr. SMITH of Arizona. A man is justified in doing any sort of bargaining under conditions of this kind. I certainly am not violating any rule or infringing on the courtesy or dignity of the Senate or kind feeling toward my friend. I recognize his rights. I am extremely anxious, as he knows, to pass the bill; and I would suggest to the Senator another proposition:

Inasmuch as we were the proponents of this treaty, inasmuch as the United States initiated it, why should we wait for Canada's action in that case? We proposed it. Whether Canada has acted or not, it is our duty to carry it out; but we are informed that she has acted, and the Canadian bill has been printed in the RECORD.

Mr. REED. Mr. President, that is a point that I have made perfectly plain. If we initiated the treaty, it might be said that we ought to follow it by taking the first legislative action, and that thereupon Canada, having our action before it, would act in the light of our legislation and would make its legislative act fit onto or coordinate with our legislative act. That, of course——

Mr. STONE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Missouri yield to his colleague?

Mr. REED. I do.

Mr. STONE. If my colleague will permit, I would like to say that it is not so much a question as to whether acts passed by the Canadian Parliament and by the Congress of the United States coordinate or articulate, as he expresses it, as it is whether they coordinate and articulate, both of them, with the provisions of the treaty itself. If they do not do that, if either is not in accord with the treaty, and especially if either is in contravention of the treaty, then one or both, as the case may be, will not conform to the treaty, and the act not so conforming would be ineffective, in so far as the treaty is concerned, for the treaty is the foundation, the basis, upon which the legislation in both countries would be constructed. Now, if the act that we are proposing is in accordance with the terms of the treaty, is not that all we have to do? We perform our part. Canada must take care of her own legislation. If Canada has passed or should pass a law that does not conform with the treaty, it would be of no effect, so far as this country is concerned.

Mr. REED. I do not agree with all that my distinguished colleague says. I hold, of course, that if this treaty has any binding force, and in so far as our Government could make it without impinging upon the Constitution itself, it is our duty, having made the treaty, to enact legislation in accordance with it; and it may have been, in due course, a sort of obligation upon us to act before Canada acted. But if Canada has acted, we have an interest in knowing whether the action of Canada is in conformity with the treaty, if it is desired to put it in that form. There is not a man in the Senate who can stand here and say that he knows what Canada has done; and we are asked to pass a law here in relation to a solemn treaty, thought to be of sufficient importance to negotiate, without any official notification and without any of that kind of notification which the Senator from Massachusetts calls judicial notice, because judicial notice is based upon a common and general understanding of matters, and not upon a condition such as we find here this morning, when no man can say that the act has taken place, and where there is no common or general understanding about it.

There is not any doubt in my mind, notwithstanding all the efforts that have been made on the side for this bill, notwithstanding the temper of many Senators here to press it through without consideration, that the proper course for this bill to take is to go to the committee, and let the Committee on Foreign Relations tell us what the Canadian Government has done, and tell us whether the bill, if any was passed by the Canadian Government, does conform to the treaty, because if it does not conform to the treaty, then it would become perfectly manifest that we would be interested in knowing what the intentions of the Canadian Government might be.

So, Mr. President, I insist upon my motion.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Missouri to recommit the bill to the Committee on Foreign Relations, with instructions.

Mr. REED. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a pair with the Senator from New Hampshire [Mr. GALLINGER]. Not knowing how he would vote, I withhold my vote.

Mr. SUTHERLAND (when Mr. GOFF's name was called). I desire to announce the absence of my colleague the senior Senator from West Virginia [Mr. GOFF] on account of illness. I will let this announcement stand for the day. My colleague has a general pair with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. SUTHERLAND (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. BECKHAM] and therefore withhold my vote.

Mr. VARDAMAN (when his name was called). I desire to inquire if the junior Senator from Idaho [Mr. BRADY] has voted.

The PRESIDENT pro tempore. He has not voted.

Mr. VARDAMAN. I have a general pair with that Senator. In his absence I withhold my vote.

Mr. WEEKS (when his name was called). Has the senior Senator from Kentucky [Mr. JAMES] voted?

The PRESIDENT pro tempore. He has not voted.

Mr. WEEKS. I have a general pair with that Senator and withhold my vote.

The roll call was concluded.

Mr. GERRY. I have a general pair with the junior Senator from New York [Mr. CALDER]. I transfer that pair to the junior Senator from Louisiana [Mr. BROUSSARD] and vote "nay."

Mr. SUTHERLAND. I will transfer my pair with the junior Senator from Kentucky [Mr. BECKHAM] to the senior Senator from Connecticut [Mr. BRANDEGEE] and vote "nay."

Mr. ROBINSON (after having voted in the negative). I transfer my pair with the Senator from Michigan [Mr. TOWNSEND] to the Senator from Wisconsin [Mr. HUSTING] and let my vote stand.

The result was announced—yeas 7, nays 43, as follows:

YEAS—7.

Gore	Hardwick	King	Reed
Gronna	Johnson, Cal.	McNary	

NAYS—43.

Ashurst	Kendrick	Page	Simmons
Bankhead	Kirby	Penrose	Smith, Ariz.
Cummins	La Follette	Phelan	Smith, Ga.
Curtis	Lodge	Pittman	Smith, Mich.
France	McCumber	Poindexter	Smith, S. C.
Gerry	McKellar	Pomerene	Smoot
Hale	Martin	Robinson	Sterling
Hollis	Nelson	Saulsbury	Stone
Jones, N. Mex.	New	Shafroth	Sutherland
Jones, Wash.	Norris	Sheppard	Trammell
Kellogg	Overman	Shields	

NOT VOTING—46.

Beckham	Fletcher	Lewis	Townsend
Borah	Fredinghuysen	McLean	Underwood
Brady	Gallinger	Myers	Vardaman
Brandegee	Goff	Newlands	Wadsworth
Broussard	Harding	Owen	Walsh
Calder	Hitchcock	Ransdell	Warren
Chamberlain	Hughes	Sherman	Watson
Colt	Husting	Smith, Md.	Weeks
Culberson	James	Swanson	Williams
Dillingham	Johnson, S. Dak.	Thomas	Wolcott
Fall	Kenyon	Thompson	
Fernald	Knox	Tillman	

So the Senate refused to recommit the bill.

Mr. REED. Mr. President, the motion which I made, and which has been so overwhelmingly voted down, was made in good faith and not for delay. It is absurd, in my humble judgment, to the last degree to ask the enactment of a law to carry out the purposes of a treaty which requires similar action on the part of a foreign Government and to take that action upon a mere rumor that the foreign Government has passed a certain law, a true copy of which no man can assert has arrived at the Senate. It is not in accordance with the dignity and decencies of governmental action, in my humble opinion.

If this bill were presented wholly regardless of the Canadian Government's action, presented upon its merits and in disregard of anything the Canadian Government had ever done, I would not make the remark I have made; but it has been asserted and argued here that we ought to pass the bill at this time because Canada has taken certain action, and yet nobody can vouch for the fact that Canada has taken that action. If we are to take into consideration any action by the Canadian Government, then what the Canadian Government did ought to be before us in some authentic form, and that should be referred to the proper committee of the Senate, to the end that when we come to act we shall act in the full light of what the other Government shall have done. But that was submitted to the Senate, and it has not been the opinion of the Senate that that course should be followed. Consequently, I have no further complaint to make about it. If the Senate wants to transact its business in that way, it is for the Senate to say; and, of course, no one Member can prevent it. I venture the hazard of the prediction that if that sort of loose way of doing business is followed, there will come a day when we shall regret having adopted that method of doing business.

Mr. President, I am perfectly aware that my opposition to this bill and this class of legislation has been regarded as somewhat stubborn, and I am going to say now for the relief of the Senator in charge of the bill that I am going to give him a vote before 2 o'clock, because I shall have done my full duty, and I only want time enough to make my position perfectly clear.

This legislation is the result of a persistent lobby that has been at work for a number of years; that has been backed undoubtedly by a large amount of money. The evidence of that I put in the RECORD many months ago. It has been put before the people of the United States upon a false basis from the first. Paid agents have haunted the corridors of this Capitol to advocate this legislation, and some of them have been called by name from this seat. They have not hesitated to defame and malign every man who has opposed their purposes. They have asserted that every man who opposed this class of legislation is a game hog; that he desires to slaughter all the game there is. They have described him as a pothunter, and so forth.

The originator of this legislation I portrayed from his own book in the Senate, where I read passages in which he described the great glee he experienced when he was skinning an orang-utan and told what a thrill went through the heart of the hunter of orang-utans as the knife pierced down through their flesh, and at the same time he described the orang-utan as so nearly a human being that the mothers carried their young as a woman carries her babe, and set forth other human attributes.

The fact is there are two classes of men opposed to this legislation. One of them is that class of sportsmen who believe that when you undertake to turn over to the Agricultural Department of this country the right to make rules and regulations prescribing when and how and where game can be killed, you have put the job into the hands of incompetents, who do not know how to administer it. The demonstrations up to this day are to the effect that the Agricultural Department do not know how to administer this law, a fact which they confess by going outside of the departments of the Government and outside of any authority of law and organizing what they please to term an advisory council. This advisory council has undertaken to divide the country into zones and to specify when it shall be legal and when it shall not be legal for a sovereign citizen of a sovereign State of the United States to take game within the boundaries of his own State.

The PRESIDENT pro tempore. The Chair desires to inquire of the Senator if he still desires the paper he requested to be brought to the Secretary's desk?

Mr. REED. I do.

The PRESIDENT pro tempore. The officers of the Senate have just been able to procure the paper returned from the Printing Office. The Chair will send it to the Senator, if he desires.

Mr. REED. I thank the Chair.

This advisory committee is composed of men the majority of whom, if I recall aright, live in the city of New York. I have no doubt that a number of them have never visited the important States which they have assumed to divide into zones and precincts. Some of these men are connected with the manufacture of shotguns and other hunting paraphernalia. Funds to carry on this propaganda were gathered from the great manufacturers of arms in the country, a fact which I have also demonstrated, and in demonstrating it I did no very great task, for the evidence was furnished to me by others, but it has never been disputed, and I challenge any man to dispute it now.

Mr. SMITH of Arizona. I do not know anything about it, but I suggest that if the men who manufacture shotguns were doing that they were acting very much against their own interests.

Mr. REED. Oh, no; not at all.

Mr. SMITH of Arizona. Because if you allow shooting all the year, summer and winter, I imagine what they manufacture would be in great demand.

Mr. REED. Oh, no; these gentlemen have plenty of ways to make money out of it, and one is this: During the close season they sell vast quantities of clay pigeons for trap shooting to people who can not be permitted to get into the field. The correspondence is extant, showing how they expected to make the money and where they expected to line their purse through this legislation.

Mr. President, the principal opposition to this bill coming from sportsmen has come from that class of men who advocated remedial and protective legislation for game when Hornaday was hunting monkeys and orang-utans and boasting of the pleasure he obtained from killing them. They comprise that body of men in my part of the country who have been the advocates of stringent legislation in the State legislature; but they comprise also a body of men who have insisted that a man who will make the rules and regulations promulgated by the Department of Agriculture giving an open season for ducks at a time when every pond is frozen over and every river frozen 8 or 10 inches thick is not competent to make regulations.

But there is another class who have opposed this legislation, and in that class I include myself. It is that class of men who hold that there are certain fundamental rights and privileges and duties which belong to the several States of the Union, and that those rights and duties under the Constitution of the United States can not be taken away, and that when Congress undertakes to take them away Congress violates the Constitution that it ought sacredly to uphold.

This legislation is akin and apiece with the bill that was passed some months ago in Congress, a bill to which I have already referred. That bill was believed to be unconstitutional by a great many lawyers; I will not say by every lawyer in the United States, but I think by nearly every good lawyer. Of course, I must make some exceptions among the good in order to allow the few advocates of this bill who are lawyers to be classed as good lawyers. It was held by those lawyers that the bill was unconstitutional, first, because it had been decided time out of mind that game, until taken, is the property of the State, and not of the Federal Government. The authorities with reference to this point I have already given to the Senate, and I shall not weary the Senate by again referring to them more than in this passing way?

It is sufficient to say that that principle of law was established more than 50 years ago—I think, if my recollection serves me aright, quite 75 years ago—and it has been steadfastly adhered to from that day to this. Therefore the men who believe that the Constitution ought to be upheld and who believe that the Federal Government ought not to try to take over to itself rights and powers that belong to the respective States have contended against this class of legislation. That they were warranted in their contention is demonstrated by the fact that three Federal courts, having this question presented squarely to them, have held the law unconstitutional, and that no Federal court of record up to this time, to my knowledge, at least, has ever held otherwise.

The principal one of these cases arose in the State of Arkansas before the Federal court of that State, and in an illuminating decision the judge of that court, citing authorities running back almost to the very origin of our Government, held the statute unconstitutional and void; held it unconstitutional and void upon the broadest grounds, and in the most certain terms. The same question came before his honor, Judge Pollock, of the Federal court, sitting for the State of Arkansas, and in a decision equally lucid Judge Pollock held the doctrine I have just announced. The case in the State of Arkansas was entitled "United States against George L. McCullagh." Now, observe what the court has to say with reference to this matter. The court does not treat it as a trivial thing that can be passed upon by Senators who refuse to hear argument and who leave the Chamber. I say it now, in all pleasantness, and by way of parenthesis, the day is going to come—and come soon—when men who do not stand by the Constitution of the United States will find other men occupying their seats in Congress, for, just as certain as the old sun will lift its head in the east and disappear at eventide in the west, just as certain will the day come when the people of the United States will discover that this much-maligned Constitution is their Constitution; that it is their charter of rights; that it is their harbinger of safety; and that those who strke it down or lay unholy hands upon it are worse than anarchists, because the anarchist parades his infamy in the open, while those who undermine the Constitution do it under the pretense of performing a public service; but whoever undermines the Constitution will some day find that the people will rise and say: "This was our Constitution; we wrote it in blood and in tears; we inscribed it as the charter of our rights; and we demand that obloquy and disgrace shall be visited upon every man who has assisted in debasing that Constitution." Make no mistake. We shall be held to a strict accountability.

Now, let me call attention to just a phrase of this opinion of his honor, Judge Pollock:

> In ruling this question certain fundamental principles so firmly established in the laws of this country as to become truisms must be borne in mind. As the act assailed on constitutional grounds expresses the deliberate action and intent of a coordinate branch of government, it must be either upheld and enforced or its invalidity must be made to appear so clearly as to be beyond all question of doubt.

Omitting part of the opinion, it continues:

> In the present case the Government asserts the power by Congress exercised in the passage of the act challenged is found in either what is commonly called the general-welfare clause, subsection 2 of section 3, Article IV, of the Constitution, which reads as follows:
>
> "The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State."
>
> Or to be authorized by the commerce clause, which reads:
>
> "To regulate commerce with foreign nations, and among the several States, and with the Indian tribes."
>
> It is quite evident the thought in the mind of Congress which gave rise to the passage of the act in question, and the common good thereby sought to be accomplished, was the preservation of the migratory bird life of the country from extermination as has in past been the lot of some species of its wild game, animals, and birds. However, no matter how laudable the purpose of Congress in the passage of the act in question may have been, or how great the ultimate end sought thereby to be attained for the common good, such end does not justify the means employed if it be found on examination to lie beyond constitutional bounds. In such event the only proper course lies in amendment of the Constitution.

Mr. President, I do not intend to read this very learned opinion, although it is not very long, in which the court goes over the entire line of authorities. It is sufficient for me to say that the court expressly holds that the act is violative of the Constitution. The concluding paragraph of the opinion is as follows:

> Not only is this true, but the argument of necessity, so strongly urged on the part of the Government at the hearing, to preserve the migratory-bird life of the country from extinction, would seem to the thoughtful mind more fanciful than real, and for this reason: The several States, as has been seen, possess the most absolute and plenary power of control over the subject matter of wild-animal and wild-bird life within their territorial domains it is possible to either conceive or to grant. In the exercise of this unlimited power the States acting together may, beyond all question, prohibit absolutely and unconditionally the taking of any such wild life in any part of this country either temporarily or for all time. Hence, it turns out, the argument of necessity for action on the part of the Government arises not so much from any want of power to control on the part of the several States as from dissatisfaction as to the manner in which such plenary power possessed by the several States is exercised. It is quite obvious differences of opinion and difficulties of the nature involved are inherent in the very form and structure of this Government, subject to change or correction, however, only in the manner prescribed by its founders.

And the same decision entered in this case, which was that a demurrer to the information be sustained, was rendered in another case then pending.

Mr. President, the Arkansas case in due course reached the Supreme Court of the United States. Something over a year ago I believe it was argued, and the court took the question under consideration, as is customary. After having held it for some months, the court asked a reargument of the case. That reargument took place, and the question is now in the mind of the court. The decision may be expected within the next 90 days. If the decision should be that the States have control of bird life and that the question, therefore, is not one for the consideration of Congress, this bill can not, of course, be enacted in its present form. It might be that some power could be exercised by the Federal Government touching the matters named in the treaty, but they would be of an entirely different character from those which are now written in this bill. If, upon the other hand, the Supreme Court should hold the law constitutional, overturning the decisions of all the Federal courts that have decided the question up to this time, then, of course, we would understand what has never been understood in the history of the world before, namely, that the wild birds of this country belong to the Federal Government, and not to the several States. Then we would be in a position to legislate in the light of that revolutionary decision.

But the advocates of this bill, Mr. President, are not willing to wait. I know why they are not willing to wait, and they know why. They fear that the Supreme Court of the United States will declare that law unconstitutional. They hope by some process of reasoning—I do not know what it is—that the United States Supreme Court, in deciding the case now before it, will in some way take into consideration the fact that we have made a treaty with Canada. They seem to be obsessed with the idea that Congress can do by treaty an act in violation of the Constitution of the United States which it can not do by statute—a remarkable kind of logic, which, I think, can only be indulged in by a man who has become thoroughly obsessed with this bird legislation.

Mr. President, we are passing through a time when every man who ventures to mention the Constitution makes of himself in a way a subject of ridicule. We are passing through a time, which I hope and pray we shall pass through safely, when the ordinary rules of life are brushed aside, when the ordinary powers of government are treated as though they could be extended without limit. We are passing through a time when men are permitted to stand on the floor of the Senate, without rebuke, and

practically to declare that the Constitution of the United States has ceased to be.

I am not a pessimist or alarmed because of this, for I know that the great American people always discover the virtues of a question in the end. It may take two or three months for the truth to filter out; it may take six months or a year, but in the end the facts reach the brains of the American people, and when the facts do reach the brains of the American people the decision is nearly always, if not quite always, a wise one; at least, it is one which we all must cheerfully accord with and obey.

But I protest that it is a pitiable thing that there can be created in Congress a spirit that seems to be willing to ignore the Constitution whenever, in the opinion of some Member of Congress, it is for the public welfare, the Congressman forgetting that it is not for him to decide whether a thing prohibited by the Constitution be for the public welfare or not; that the very purpose of all written constitutions is to make a rule for the people that can not be set aside by men who are temporarily invested with the powers of government.

In the vast majority of cases the liberties of the peoples of various countries who have had liberty and have lost it by men who permitted the rights of the people to be impinged, and who at the time thought they were doing a good service; but, sir, they made a precedent that lived to become the instrument in the hands of others to bring about evil for their country. And so I still have the temerity to stand here, although I stand alone, with nothing back of me except the unbroken decisions of half a century of the courts of the United States and the courts of the several States, with nothing back of me but the decisions of at least two Federal courts rendered recently with reference to a law exactly like the one now before us—I have the temerity to stand alone and to protest against this legislation.

It is called up here in the morning hour. I could talk for 15 or 20 minutes longer, and the bill would go over, but the Senate, by an overwhelming vote, has expressed its desire to vote upon this bill. I have never yet engaged in a filibuster. I hope I shall never be obliged to do so. So, with what I have said, registering my protest not only to deaf ears but to ears of those who leave the Senate and refuse to listen; with the fact before me that the only Senators paying any attention are the Senator from Texas [Mr. SHEPPARD], the Senator from Florida [Mr. TRAMMELL], the Senator from Wyoming [Mr. KENDRICK], the Senator in charge of this bill [Mr. SMITH of Arizona], the Senator from North Dakota [Mr. GRONNA], the Senator from Washington [Mr. JONES], the Senator from West Virginia [Mr. SUTHERLAND], and the Senator from Indiana [Mr. NEW]; knowing that the Senate does not intend to consider this bill, that it has not considered this bill, that it does not know what is in the bill, and that it proposes to pass it non obstante, I close my remarks, and let the vote be taken.

The PRESIDENT pro tempore. The bill is still in Committee of the Whole and open to amendment. If there be no further amendment to be proposed, the bill will be reported to the Senate.

The bill was reported to the Senate as amended.

Mr. SMITH of Arizona. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Brady	Kellogg	Overman	Smith, Md.
Chamberlain	Kendrick	Page	Smith, Mich.
Cummins	Kenyon	Poindexter	Smith, S. C.
Curtis	King	Ransdell	Smoot
Fletcher	McCumber	Reed	Sterling
Gerry	McKellar	Robinson	Stone
Gronna	McNary	Saulsbury	Sutherland
Hardwick	Martin	Shafroth	Swanson
Hollis	Nelson	Sheppard	Trammell
Johnson, Cal.	New	Sherman	Underwood
Jones, N. Mex.	Newlands	Shields	
Jones, Wash.	Norris	Smith, Ariz.	

The PRESIDENT pro tempore. Forty-six Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absentees.

The Secretary called the names of the absent Senators, and Mr. FERNALD, Mr. HALE, Mr. WARREN, and Mr. WATSON answered to their names when called.

Mr. FRANCE, Mr. LODGE, Mr. BANKHEAD, Mr. PITTMAN, Mr. PHELAN, Mr. WEEKS, Mr. POMERENE, Mr. LA FOLLETTE, and Mr. VARDAMAN entered the Chamber and answered to their names.

Mr. KING. I desire to announce that the Senator from Illinois [Mr. LEWIS] is necessarily absent on account of public business. I will let this announcement stand for the day.

The PRESIDENT pro tempore. Fifty-nine Senators have answered to their names. There is a quorum present.

Mr. REED. Mr. President, just one word before we vote.

I called for the original of a document that was sent here, and it reached me during the latter part of my remarks, and therefore I was not privileged to say why I wanted it. I want the Senate to understand that I did not call for this document out of any mere caprice. I had a reason for wanting the original, and it is this:

At the head of the document which is presented as the act of the Canadian Legislature is this pencil memorandum, which has since been erased, but, nevertheless, it can be read:

Advance copy of Canadian migratory bird treaty enabling act. Introduced in Parliament June 21, 1917.

If the bill was only introduced on the 21st of June, the inquiry naturally would arise whether it had been enacted into a law; and it was because of this memorandum being on the original papers that I desired their production. However, I have said now all that I wanted to say in reference to this bill, which I believe to be unconstitutional, and I am willing that the vote shall be taken.

The PRESIDENT pro tempore. The question is on concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

The bill was ordered to be engrossed and to be read a third time.

The bill was read the third time.

Mr. KING. Mr. President, I should like to ask the Senator having charge of this bill whether section 5 was amended in consonance with the suggestions made by the Senator from Idaho several days ago?

Mr. SMITH of Arizona. Yes; that amendment was agreed to. The Senator from Missouri, the Senator from Idaho, and myself took up the matter, and it has been agreed to.

The PRESIDENT pro tempore. The question is, Shall the bill pass?

The bill was passed.

NATION-WIDE PROHIBITION.

Mr. SHEPPARD. I ask unanimous consent that the joint resolution providing for nation-wide prohibition be laid before the Senate.

The PRESIDENT pro tempore. The Senator from Texas asks unanimous consent that Senate joint resolution 17, subject to the unanimous-consent agreement which goes into effect at 2 o'clock, shall be laid before the Senate. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (S. J. Res. 17) proposing an amendment to the Constitution of the United States, which was read, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of the Constitution when ratified by the legislatures of the several States as provided by the Constitution:

"ARTICLE —.

"SECTION 1. The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, and the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes are hereby prohibited.

"SEC. 2. The Congress shall have the power to enforce this article by appropriate legislation, and nothing in this article shall deprive the several States of their power to enact and enforce laws prohibiting the traffic in intoxicating liquors."

The PRESIDENT pro tempore. There are several amendments proposed by the committee.

Mr. SHEPPARD. Mr. President, as I understand, under the unanimous-consent agreement we are to vote on the joint resolution and the amendments at 4 o'clock Wednesday afternoon.

Mr. CURTIS. Mr. President, was it the understanding that the votes on the amendments were to be had to-day, or are the votes to be taken Wednesday after 4 o'clock p. m.?

The PRESIDENT pro tempore. The Chair does not think there is anything to prohibit a vote being taken before that time.

Mr. SHEPPARD. I ask unanimous consent that we take the resolution up now for the purpose of discussion until 2 o'clock, and after 2 o'clock the unanimous-consent agreement will be in force.

Mr. GRONNA. Mr. President, I trust the Senator will not insist upon taking up the amendments at this time.

Mr. SHEPPARD. I do not. On the other hand, I suggested that we do not consider the amendments until 4 o'clock on Wednesday afternoon.

Mr. GRONNA. I did not hear the Senator.

Mr. CURTIS. I did not hear the Senator make that suggestion, either. I think that is the proper course.

Mr. SHAFROTH. Mr. President, I think the amendments ought to be considered before 4 o'clock, but ought not to be voted upon until the day of Wednesday.

Mr. SHEPPARD. That was what I meant to say—to vote on them at 4 o'clock. Of course, they may be discussed between now and then.

Mr. UNDERWOOD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Alabama?

Mr. SHEPPARD. Certainly.

Mr. UNDERWOOD. We have come to a definite agreement for the consideration of this measure. I do not think it ought to be changed in any respect; and, although I do not desire to propose any amendment myself, I understand that at least one important amendment will be proposed. I think it ought to come up at a time when it can have some discussion and consideration; but, without changing the agreement, I think it would be very well if we reached an understanding—not an agreement but an understanding—between ourselves that the general debate shall run to-day and to-morrow, and when we reach the 10-minute rule on Wednesday that the amendments shall be considered. As I understand, the unanimous-consent agreement which has already been made contemplates that procedure.

Mr. SHEPPARD. It is contemplated under this agreement that all amendments and the joint resolution itself may be discussed until 4 o'clock on Wednesday afternoon.

Mr. STONE. It is understood, I presume, that amendments may be offered at any time, to be pending.

Mr. SHEPPARD. That is correct.

Mr. STONE. From this date until the final disposition of the bill.

Mr. SHEPPARD. That is true; until 4 o'clock Wednesday afternoon.

The PRESIDENT pro tempore. The Chair will state that any question regarding what this unanimous-consent agreement provides for, the present occupant of the chair, if in the chair, will leave to the Senate for determination under the rule.

Mr. SHEPPARD. Mr. President, this is a historic occasion. For the first time in its annals the Senate is to vote on the submission of a constitutional amendment for nation-wide prohibition. The method ordained by the Federal Constitution for its own alteration is being strictly followed. If the proposed amendment should be adopted by three-fourths of the States, the traffic in intoxicating liquors for beverage purposes would be forbidden anywhere within the American Republic. Prohibition would be imbedded in the organic law of the Nation.

At the outset an inquiry may arise as to why a subject of this kind should have assumed such importance as to justify the proposal of an amendment to the Federal Constitution.

Let Abraham Lincoln give answer:

> The liquor traffic is a cancer in society, eating the vitals and threatening destruction, and all attempts to regulate it will not only prove abortive but will aggravate the evil. There must be no attempts to regulate the cancer. It must be eradicated, not a root must be left behind, for until this is done all classes must continue in danger of becoming victims of strong drink. * * * Slavery is abolished. The next great question would be the overthrow of the legalized liquor traffic. And you know, Merwin, that my head and my heart, my hand and my purse, will go into that work. In 1842, less than a quarter of a century ago, I predicted that the day would come when there would be neither a slave nor a drunkard in the land. I have lived to see one prediction fulfilled; I hope to see the other realized.

Senators, a vote for the amendment now pending will help to realize the dream of Lincoln.

Let one of the foremost scientific and professional bodies of the Nation, the American Medical Association, give answer. At its sixty-eighth annual session in the city of New York, in June of this year, the following resolutions were adopted:

> Whereas we believe that the use of alcohol as a beverage is detrimental to the human economy; and
> Whereas its use in therapeutics, as a tonic or a stimulant, or as a food, has no scientific basis: Therefore
>
> *Resolved*, That the American Medical Association opposes the use of alcohol as a beverage; and be it further
>
> *Resolved*, That the use of alcohol as a therapeutic agent should be discouraged.

To make the second resolution plainer, let it be said that therapeutics is that branch of medicine dealing with the treatment of disease.

Let Arthur Mee and Stuart Holden, noted students of the drink problem in England give answer:

> The drink trade in these 50 years has deprived the country of man power equivalent to the whole of the British Army under arms. * * * If you would know how we destroy our children, there is a little new book that will tell you. It is Dr. Norman McLean's noble book, "Stand Up, Ye Dead." * * * You will learn from it that we sacrifice one-third of our possible growth of population losing in the way of France, which cries in vain to-day for her best men. There are other causes than drink for these things, but there is tragic meaning in the words of one of our great medical officers of health, Dr. Millard, of Leicester, which says that were he offered the abolition of drink alone or of all the other enemies of public health put together, he would choose the abolition of drink. * * * Is it nothing to us that these social Zeppelins of ours, not content to have stolen our man power in the past, not content to imperil our land to-day, not content to turn the happiness of millions into misery through all the years they live, saps the very foundations of our future and writes across the entrance of the world for millions of children who come through its gates—"All hope abandon, ye who enter here"?

Let the New York Tribune give answer:

> Upon what does the liquor traffic depend? Upon debased manhood, wronged womanhood, and defrauded childhood. It holds a mortgage on every cradle, a deed written in the heart's blood on every human life.

Let Dr. Howard A. Kelly, medical professor of Johns Hopkins Hospital, give answer:

> (1) Alcohol is nonefficient as a food, a most awful, wasteful substitute.
> (2) May be classed as a drug and a poison.
> (3) Has no rightful position as a medicine.
> (4) Destroys individual, domestic and civil felicity.
> (5) Increases taxation by filling prisons, madhouses, and workhouses.
> (6) Greatest foe to civilization in heathen lands.
> (7) Therefore could be wholly abolished with profit.
> (8) Therefore, as one of the human family, an individual member has no right to introduce into the household or use for his own pleasure that which hurts even one other member or set at work an evil influence he has no well-grounded hope of controlling. * * * It is clear in the light of experience and of recent research work that alcohol ought to be classed in the list of dangerous drugs, along with morphine, cocaine, and chloral, a drug which may so affect the will power as to gain the complete mastery over a patient and in the end destroy him. * * * As a citizen, I note that it is alcohol which fills our prisons, whether taken in the form of a strong beverage as whisky, or beer, as a representative of milder beverages. It is at the bottom of most crimes, domestic infidelity, poverty, seductions, murders: it is allied to all that is evil and destructive of the high aims of civilization.

Let Rudyard Kipling give answer. He had seen two young men in a concert hall in one of our American cities get two young women drunk and then take them into a dark street. He had not been a total abstainer himself, nor had he commended temperance in his writings, but he wrote as follows of that scene:

> Then, despite previous opinions, I became a prohibitionist. Better it is a man should go without his beer in public places and content himself with swearing at a narrow-minded majority; better it is to poison the inside with very vile temperance drinks and to buy lager furtively at back doors than to bring temptation to the lips of young fools such as the four I had seen. I understand now why the preachers rage against drink. I had said: "There is no harm in it, taken moderately;" and yet my own demand for beer helped directly to send these two girls reeling down the dark street to—God alone knows what end.

Let the following facts also give answer:

Alcohol is a liquid poison. It attacks the tissues that compose the various parts of the human organism. These tissues are immersed in water containing salts, and from the water and the salts the organs of life obtain nutrition. Alcohol absorbs this vital fluid, without which there can be no normal life, and then attacks the organ itself. It thus disturbs, impairs, and finally destroys the vital functions, the process being slow or rapid in proportion to the amount consumed, the regularity and persistence of the drink habit. Six or eight ounces taken at one time may produce death very shortly, even in those long accustomed to intoxicating liquors. It produces structural changes in the tissues, making them more and more dependent on its presence, as disintegration and decay proceed. A forced and abnormal activity follows, a temporary sense of warmth, vigor, comfort, congeniality, requiring larger and larger quantities to restore it. And what is at first a mere craving for this drug becomes in the end a clamor so resistless that the victim would sacrifice anything—honor, hope, self-respect, position, wife, children—for its satisfaction.

The most delicate tissues are those composing the brain and nerves. Here alcoholic poison works especial havoc. It impairs the highest functions of the brain, the sense of right, of moral conduct, of proper obligation to society and to God. It thus imperils virtue, integrity, respect for law and order—all that is sacred and pure in civilization. It is a chief source of immorality and crime.

Madame Tarnowsky, in her famous study of "female offenders," says that 82 per cent of fallen women were brought to ruin by alcohol. In a recent investigation the Massachusetts Bureau of Labor Statistics found that 84 per cent of the convicted criminals of that State were made criminals by drink. A lord chief justice of England said that if sifted, nine-tenths of the crime of England and Wales could be traced to drink. Col. L. Merwin Maus, who served 41 years in the Medical Corps of the United States Army, who organized the Public Health Service in the Philippines, and who has made a profound study of the effect of alcoholic liquors on the human race, says that probably

all the crime committed in the Army, directly or indirectly, can be traced to alcohol. He says, further, that nearly all crime may be traced to alcoholic drink. He calls alcohol "our racial poision" and holds it mainly responsible for our 200,000 insane, our 250,000 feeble-minded, our 100,000 deaf and dumb, our 100,000 blind, our 50,000 juvenile delinquents in institutions, our 100,000 paupers, our 150,000 prisoners and criminals. Vance Thompson, who has written a stirring and impressive indictment of alcohol under the ironical title "Drink and be sober," says:

But alcohol is a curious thing. It is often as erratic in its manifestations as electricity. Its ordinary way of work is to degenerate its man, making for general organic degeneracy, with progressive waning of the intellectual faculties. Now and then it has another way. Instead of slowly murdering its man it attacks him furiously at intervals. Now and then, at an unforeseen moment, out of the blue a drinkstorm beats upon him and sweeps him away from his usual moorings. * * * The best man who drinks is never sure that crime may not get him; that when his moral discrimination is put to sleep by the drug a strange new criminality may not start up in him. The chance is one in a hundred? If it be only one in a thousand it is a bad chance to take, and it is on the edge of this peril that one finds the most awful and the most sad tragedies of life. One such adventure in life haunts me. The youth I loved most was an undergraduate at one of the English universities. Destiny had given him birth in a famous English family—near the head of it. * * * Once, I remember, we had wandered far afield, debating the old Utopian idea, and a winter night shut down on us. We went into a little wayside inn for dinner and took what we could get. It was an alehouse and there was no wine to be had. And I remember his pathetic exclamation, "How can a gentleman dine without a half pint of claret?"

Let me interrupt here to say that a few days ago a Senator who has everything the world can give to make life beautiful, useful, inspiring, and worth while, who has eloquence, genius, and charm, who has in him the making of a President, said in my hearing, "What possible harm can come from a glass of sherry in the home?" And that Senator is going to vote against this amendment. He is going to vote to continue a traffic which will send millions of men and women to careers of crime and shame because personally he can see no harm in a glass of sherry in his palatial home.

But let us return to Vance Thompson and the story of his ill-fated friend. He continues:

Now, in the horoscope of this grave and gentle lad was the maddest night ever written by the stars. I did not witness it. I was not even in England, but what happened I know, and I know the end. He had been studying hard and late and in the afternoon he rode out for an hour or so—those were the days when youth took its pleasure on a horse—and he came back and dressed to dine in town with some friends. There you have him at a trifle before 8 o'clock. He had never been drunk in his life; he was the half pint-of-claret sort of a man; the man who wets his pipe with a glass or two of whisky and soda; a clean-mannered man who had as soon think of drinking to excess as of rolling in the kennel like a dog. Where he went that evening I do not know. The bolt from the blue struck him. At 10 o'clock he was a drink-mad maniac, scouring the streets of the town with an American revolver—Heaven knows where he got it; I have forgotten—in his hand, and five minutes later he shot and killed a constable who expostulated with him in the kindly British way. They hanged that boy. In spite of the mighty weight of his family name, in spite of his dazed defense, in spite of the evident madness of that drink storm they hanged him on a gallows. "I don't remember anything about it" was all he could say. How could he? Science would have made clear to-day that he was in an alcoholic trance. When he went out to kill the real man in him—the man I knew and loved, the dreamer of Utopia—was deaf and blind. I do not care to write any more about this boy's life and death, only this: No man who plays with the lawless force of alcohol knows when or where the bolt from the blue will strike. No man knows. For inexorably as a triangle is imbedded in a circle there is hidden in alcohol the swift potentiality of crime.

Other disasters follow the presence of alcoholic poison in the brain tissues. Quickness and accuracy of judgment, memory, perception, coordination, ability to receive and transmit impulses, appreciation of the highest standards and motives of human conduct, faculties of initiative and originality, thrift, energy, all are affected at the very fountains of their being. The resulting loss to the individual and to society is beyond all estimation. In an age of machinery and of business transactions on a scale more enormous and complicated than ever before the clear eye, the quick brain, and the steady nerve are imperatively demanded. Society is more dependent to-day on the man at the machine than at any previous period. We are coming to understand that the engine of the body must have the same care as the engine of the aeroplane, the battleship, the railway train, the steamship, or the automobile; that the trade in alcohol is a form of sabotage which the human machine can not endure; that it is no more to be tolerated than would be the business of making and selling scrap iron to be dropped into the delicate and complex machinery of modern manufacture, transportation, and commerce.

But alcohol does not confine its devastations to the brain. Nor are its ravages limited to the production of inefficiency, immorality, and crime. Permeating all the organs of the body and attacking their component tissues it weakens them to such an extent as to invite and hasten the inroads of disease. It finds its way into the blood vessels that carry nutriment to every part of the human anatomy. It paralyzes, more or less, both the red and white corpuscles in the blood, injuring the disease-resisting power of the former, the microbe-destroying function of the latter. Entering the stomach, it produces, with continued use, gastric catarrh and disturbs the entire digestive apparatus. It alters the tissues of the liver, dilating the cells, interfering with the liver's basic functions, producing cirrhosis, with possible complications of dropsy, swollen veins, and jaundice in its train.

A prominent authority tells us that regular and moderate drinkers are more liable to cirrhosis than those who indulge in occasional sprees. It attacks the tissues of the heart, causing in time a fatty degeneration and leaving that vital organ weakened and imperiled. In the kidneys it becomes one of the principal agencies of Bright's disease. According to Prof. Woodhead diseases of the heart, arteries, and kidneys are usually found in moderate drinkers. Prof. Strumpell avers that to alcohol may be traced nearly all cases of chronic inflammation of the stomach and intestines. Passing into the lungs it again begins its war on the normal tissue. Here it becomes the principal ally of tuberculosis, which is also engaged in tearing down the tissues. By the same process everywhere it leaves the entire body not only without the natural weapons against disease, but especially susceptible to contagious maladies of every sort. Perhaps it is most effective in the encouragement and transmission of venereal trouble. It destroys self-control, unleashes the savage passions, goads them to satiety which, in a climax of deviltry, it crowns with foul contagion. It makes the moderate drinker and the saloon as well a breeder and a carrier of communicable disease. It is a menace to the health as well as the morals of the Nation, and should be abated like any other nuisance or any other malignant plague.

The indictment is not yet complete. This alcoholic drug adds poverty of the blackest, dreariest, and most hopeless sort to the list of its offenses. Such is its power that men will take bread money from their families and make it blood money for drink. Such is its power that the American people are expending two and a half billion dollars for it every year, an average consumption of about 22 gallons for every man, woman, and child in the Republic. Nearly all of the American people must earn a living with the labor of their hands. Keep in mind the fact that those who bear most of the Nation's burdens, produce most of the Nation's wealth, and constitute the chief source of the Nation's vitality are the individuals, male and female, who earn a living by manual labor.

It is not generally realized how large an element of our population they represent. With their families they compose about five-sixths of the American people, and many of them begin work at as early an age as 10 years. Of these manual laborers over eleven and a half millions are engaged in agriculture. I do not refer to the million large farmers who either do not or need not perform the actual labor of the farm. Over 10,000,000 are at work in manufacturing and mechanical industries. Over 900,000 are laboring in the mines and in the oil, gas, and salt wells. Over two and a half millions are engaged in the different forms of transportation and communication, such as water, road, street, railway, express, mail, telegraph, and telephone. Over 3,250,000 are workers in the wholesale and retail trades, including the small merchants. Over 330,000 are in the official service of county, State, and Nation. Over three and a half millions are doing domestic and personal service. Nearly a million and three-quarters are in the clerical occupations. There should be included the millions of women and children who comprise the households and toil in the homes of these workers.

These figures are taken from the last census and refer to persons over 10 years of age in occupations requiring manual labor. They account for practically 34,000,000 people, about 7,000,000 of whom are women and girls, and these 34,000,000, with their families, make five-sixths of the Nation. They produce, prepare, and deliver for consumption the commodities that sustain the lives, clothe the bodies, and make possible the occupations of the entire American population. An analysis of the country's wealth will show that it is mainly the concrete expression of the muscle and sweat of these manual laborers. Indeed, they are the bulk of society itself and form the buttress of those social conditions, such as observance of law, preservation of order, recognition of property, respect for individual rights and contract obligations, which are essential to the peaceful accumulation and undisturbed possession of wealth. And yet these workers, the principal pillars of this Republic, the main factors in the creation of its wealth, whose bodies must be its chief defense in time of war, get an average gross return of less than $700 a year.

Mr. President, with returns so small that they can barely provide their families with life's necessities, the laboring mil-

lions can not afford to waste over two billions a year on a beverage that impairs strength, undermines health, corrupts morals, and sends an ever-widening stream of defectives and incompetents to the asylum, the penitentiary, the hospital, and the grave. Add to this the fact that even the moderate drinker transmits the alcoholic taint to the unborn child, predisposing the helpless little being to disease, to shame, and to sin, and the horror of it all will begin to appear.

In view of the fact, Mr. President, that the toiling millions are to be the principal beneficiaries of the abolition of the liquor traffic, is it not astounding that there should have been a definite effort to enlist organized labor in behalf of this traffic? The laboring hosts of America, with their families, seventy-five or eighty millions strong, are asked to oppose prohibition, presumably because 100,000 bartenders have a union, as well as probably most of the 62,000 brewery, distillery, and other beverage-factory operatives. Labor is asked to imperil its very existence, to take food from the mouths and clothes from the backs of men, women, and children, to sustain a traffic meaning hunger, disease, insanity, and death for the masses, while liquor barons thrive in luxury, on account of these few men who would be infinitely better off in some other line. Also workers in certain occupations, such as paper hangers, plumbers, carpenters, teamsters, gas fitters, blacksmiths, boiler makers, iron-ship builders, joiners, carriage and wagon workers, coopers, electrical workers, steam engineers, stationary firemen, journeymen horseshoers, leather workers on horse goods, machinists, and so forth, are urged to take an active interest for the liquor traffic because some of them are employed to a greater or less degree in connection with the 68,000 saloons and the less than 2,500 breweries, distilleries, and vinous liquor plants in the United States.

Let me again quote from Vance Thompson:

Taking five leading industries in this country, namely, textiles and the finished products, iron and steel and their products, lumber and its manufactures, leather and its finished products, and paper and printing, and comparing them with the liquor business (including the malting industry) with regard to the number of wage earners employed, capital invested, and wages paid, we arrive at some interesting conclusions. Based upon the figures found in the Abstract of Statistics of Manufacture we discover that the number of wage earners for each $1,000,000 invested in each of these industries was as follows: Liquor, 77; textiles, 578; iron, 284; lumber, 579; leather, 469; and paper, 367.

In plainer words, every million dollars invested in the drink industry gives employment to only 77 men, while a similar sum invested in lumber, for example, gives a living to 579 men.

What is all this boast about what the liquor industry is doing for labor? The ratio of wages paid to the workers in proportion to the capital invested is so criminally small that it should not stand for an hour in the face of this sociological investigation which Mr. Stelzle and his associates have made. In the textile industries—and that fairly represents all the other industries—the ratio of wages paid to capital invested is 23.9 per cent, a fair ratio; in the liquor business the ratio is 5.6 per cent.

It is not much that the laboring man gets out of the millions invested in alcohol. Small, indeed, is the financial harm he would suffer were it taken away.

What of the two billions the country spends a year in drink?

Simply this: Were it spent for food and clothing it would give employment to nearly eight times as many workers, who would receive collectively five and a half times as much in wages.

Another charge against beverage alcohol must now be added—that of economic waste. Over a hundred million bushels of grain and vast quantities of other foodstuffs intended by nature to be used in supporting life are converted into a beverage that corrupts and destroys it. Millions of tons of coal are employed in the processes of distillation and fermentation while human being are suffering for lack of warmth. Thousands of freight cars are required to haul the brew of death while legitimate industries suffer from lack of transportation. Hundreds of thousands of laborers are engaged in the liquor business when they could be contributing to the supply of genuine economic needs. Lumber, glass, all other forms of building material, warehouses, stores, autos, teams, wagons, could all be enlisted in the promotion of some necessary industry instead of an enterprise that answers no proper requirement.

Finally, the constant activity of the liquor interests in the politics of the country is another peril to free institutions. They understand that their business has no inherent constitutional right of existence, that it continues purely by tolerance, and that it may be destroyed by an aroused electorate at any time. They know that the agitation against it will persist as long as humanity is able to protest against the traffic in broken hearts and ruined homes. Therefore self-preservation keeps them always on the alert. They are thoroughly organized for the making and unmaking of men and Congresses and legislatures. There can be no satisfactory solution of legitimate public questions so long as this formidable force measures men by their attitude on liquor and endeavors by the lavish use of money to bring about their success or defeat.

As an illustration of this pernicious activity let me quote various paragraphs from a memorandum furnished a few months ago by the Hon. E. Lowry Humes, United States district attorney, to the court at Pittsburgh, in the case of the United States against the United States Brewers' Association et al.:

In a report to the trustees of the United States Brewers' Association it is said:

"The organization bureau: This department, which is our fighting field force, is financed by a voluntary fund. It has taken an active part during the past two years in State and local campaigns throughout the country. No less than 46 States and Territories have had the personal service of the bureau. The statement with regard to the elections of November 8, 1910, which has gone out to our members, indicates the extent of the recent work. There were 27 State campaigns in which we were interested, and we won substantial victories in all except one of them. Surely this speaks for itself."

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And again, under the heading "Federal relations," the report says: "Our counsel has guarded our interests in the matter of Federal legislation with most remarkable success. During the last two sessions in Congress over 200 bills adverse to our interest have been introduced, many of which have had the backing of the entire prohibition and temperance organizations in this country. Only one measure affecting our interest has passed Congress in this period, and that went through with our assent. You can readily imagine what this has meant in winning and keeping friends in congressional districts. It is also literally true that Congress has been kept from doubling the tax on beer by our unaided efforts." * * *

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"In addition to this the labor bureau might be of very great value in our political organization by establishing a permanent working connection with the other labor bodies who make up the American Federation of Labor." * * *

At about this time Mr. Percy Andreae became president of the Interstate Executive Association. One of the representatives of the organization bureau of the United States Brewers' Association said in his report to the head of that bureau in referring to a particular State: "I went over the State more with a view of meeting with the most influential labor men and in securing their support now and in the fight that may come, and I am sure that, if it is necessary, we can muster to our support all the labor men in the State, with one or two exceptions, and they believe they can deliver the union-labor vote."

* * * * * * *

The financial activities of the National Association of Commerce and Labor, in carrying out this comprehensive plan of Mr. Andreae, are most interesting. During the year 1914 the United States Brewers' Association turned over to Mr. Andreae the sum of $330,138. The Wholesale Liquor Dealers' Association paid him $90,000. These items and miscellaneous contributions which he received aggregated in that year $525,116.28. The only activities of Mr. Andreae and his associates were political in nature. They participated extensively in numerous State campaigns concerning themselves and using their funds to influence the election of governors, lieutenant governors, United States Senators, Members of Congress, and members of State legislative bodies. * * *

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The extent of the operations of the United States Brewers' Association in 1914 reached startling proportions. Because of the alleged destruction of records, the Government has no assurance that it has a complete record of the funds raised and distributed by that association. We do, however, have an absolute record of the collection by the United States Brewers' Association in 1913 of $755,385.18, a considerable portion of which remained in the treasury of the association at the close of its fiscal year. In 1914 we have an absolute record of collections aggregating at least $999,300.88. How much more was collected during that year, of which we have no knowledge because of the destruction of the association records, we can make no estimate. We do know, however, that the bank accounts which we have thus far succeeded in discovering show an aggregate in the neighborhood of a million and a half of dollars. The Pennsylvania State Brewers' Association was one of the associated organizations which constituted the general scheme of the defendant brewing companies and their association to control the political affairs of the Commonwealth of Pennsylvania. * * *

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The defendant companies, through the association, undertook to control the nominations and election of practically every public officer elected within the Commonwealth of Pennsylvania from governor down, including Members of Congress and United States Senators. At a conference called by its representatives in 1914, candidates for legislature and State senate, for Members of Congress, for United States Senator, and for governor were selected, and not only the individual effort but the moneys contributed to this association by the brewing companies who have entered pleas in this case were used to put through the slate thus selected.

As a result of the cases in connection with which the above memorandum was filed the brewer defendants practically pleaded guilty to violations of the Federal corrupt-practices act and paid enormous fines.

That the United States Government helps pay the freight in the political campaigns of the brewers comes out in a statement of United States District Attorney Humes in a brief to the United States Circuit Court of Appeals in re application of Hugh F. Fox, secretary of the United States Brewers' Association, for writ of habeas corpus, 1916. Mr. Humes says:

The Government had information that brewery corporations for many years past had been making illegal money contributions in connection with national elections, and also, in order to cover up their crimes, had been deducting from their tax returns sums equivalent to the amounts thus criminally expended in connection with elections, thereby adding crime to crime and cheating the Government out of a large amount of revenue.

The Supreme Court of the United States in the case of Crowley *v.* Christenson (137 U. S., 86) has the following to say regarding the liquor traffic:

By the general concurrence of opinion of every civilized and Christian community there are few sources of crime and misery to society equal to the dramshop, where intoxicating liquors in small quantities, to be drunk at the time, are sold indiscriminately to all parties applying. The statistics of every State show a greater amount of crime and misery attributable to the use of ardent spirits obtained at these retail liquor saloons than to any other source. * * * There is no inherent right in a citizen to sell intoxicating liquors by retail. It is not a privilege of a citizen of the State or of a citizen of the United States.

That the trade in a poison like alcohol should have reached the proportions it has assumed in the United States, and that its promoters should have acquired the influence they possess is a matter no less of amazement than of humiliation. It is a menace to the Nation's health, the Nation's morals, the Nation's efficiency, and it is a stain on the Nation's name.

Is it not time that the Federal Government, the largest social unit we have, should take a hand when the traffic in a poisonous drug is taking from the earnings of the American people six times as much as they expend for bread, ten times as much as they expend for furniture, twice as much as they expend for clothing? The Federal Government has already established nation-wide prohibition as to other narcotic drugs through the Harrison law, prescribing the minutest regulations as to its sale for medicinal purposes, punishing violations with rigorous and effective penalties.

Prohibition by State or local option now prevails in an area equal to two-thirds of the United States, and that area contains more than half of the American people. Millions of American people have petitioned Congress to submit an amendment to the Federal Constitution destroying the liquor traffic in every part of the Nation. It has obtained such a hold on some of the larger States that it can never be ousted from this Republic by State action alone. No State has the right to harbor a traffic which is a menace and a disgrace to the Republic. For that matter, neither the Federal Government nor any State may claim the right to license a wrong. In Stone *v.* Mississippi (101 U. S., 816), the United States Supreme Court uses this language:

No legislature can bargain away the public health or the public morals. The people themselves can not do it, much less their servants. * * * Government is organized with a view to their preservation and can not divest itself of the power to provide for them.

The pending amendment, therefore, violates the rights of neither State nor Federal Government. It deprives both of the power to authorize an immoral, unhealthful, corrupting, and dangerous traffic, and leaves both with an equal power to destroy it. It is a declaration of truth and right and duty for Nation and for State. Such are the facts which call for joint national and State action against the liquor traffic and justify at least the consideration of the necessary means to such an end in the manner provided by the Federal Constitution for its amendment.

If the liquor traffic is to be eradicated, the aid of the Federal Government must be invoked. I believe in fighting it in every political division from precinct to Nation, but I realize that its roots are in the Capitol at Washington. The partnership between the liquor traffic and the Federal Government is one of the most frightful heritages of the Civil War. In order to obtain revenue in that national crisis the Federal Government assumed jurisdiction over the liquor traffic for purposes of taxation, and has shared in its proceeds ever since. It now receives about two hundred and thirty million tear-stained dollars a year in revenue from this traffic, and thus reaps a sinister harvest from the chief agency of despair and ruin within its borders. In order to make sure of its shameful toll it keeps its hand on the deadly stuff from the still to the bar and no State can take it off. No citizen can make an ounce of liquor without the permission and supervision of the Federal Government, although his pockets may be bulging with licenses from his State authorizing him to do so. A citizen with a State license alone attempting to manufacture liquor within the State granting the license would be put in a Federal jail, and if a State officer should interfere to protect that citizen in the exercise of the authority conferred by the State, he would be jailed also. The Federal Government already prohibits the manufacture and sale of intoxicating liquors anywhere in the country except on its own terms, and has thus instituted nation-wide prohibition to that extent. The Federal Government taxes the manufacture of stills, and no still can be set up for the purpose of distilling without its consent. Every still must be registered with the Federal Government, whether intended to be used or not, and no matter for what purpose it is to be used. Every person desiring to become a distiller, or to continue as a distiller after the 1st of May of each year, must give a notice to the Federal Government containing a minute description of his business, machinery, and premises. The Federal Government may confiscate the land on which a distillery is situated for unpaid liquor taxes, regardless of what taxes that land may owe the State. The Federal Government requires the furnace of every still to be so constructed that a Government lock may be successfully attached; that there shall be painted on the fermenting tubs their numbers and cubic contents in gallons in oil colors and in figures not less than 3 inches in length and 2½ inches in breadth; that cisterns of a certain capacity shall be constructed in a room so built that no person can enter it in the absence of the Government gauger; that office accommodations shall be provided for Government officials who weigh out the mash and supervise every stage of distillation.

The Federal Government requires every distillery and wholesale liquor dealer to keep a conspicuous sign on the outside of the establishment with letters not less than 3 inches in length, painted in oil or gilded, containing name and business, under penalty of $500 for not doing so. The Federal Government limits the height of the fences that may be placed around distilleries and requires distillers to furnish revenue collectors with as many keys to gates and doors of distilleries as they may demand, and to keep the distilleries always accessible to officers with such keys. The Federal Government requires every distiller at his own expense to provide a warehouse for the storage of distilled spirits, which is to be under the direction and control of the Government revenue collector and in charge of a Government storekeeper, with no locks on its doors but Government locks, which are at all times in the possession of the storekeeper. Neither the distiller nor anyone else may enter except in the presence of the storekeeper. No liquor may be taken from the warehouse except by permission of the Federal Government. Distillers must keep books in the form and manner prescribed by the Federal Government. The Federal Government prescribes the hours of fermentation and requires all locks and seals in a distillery to be procured by Government officials and placed wherever they may deem necessary. The Federal Government prohibits rectifiers, wholesale or retail liquor dealers to purchase or receive distilled spirits in quantities exceeding 20 gallons from any person not authorized by it to distill, rectify, or sell at wholesale, except at judicial sales or sales by an authorized auctioneer; it prescribes the books to be kept by rectifiers and wholesalers and permits no retail dealer to sell in quantities of more than 5 gallons. The Federal Government forbids the distillation of alcoholic spirits except in a distillery it has authorized or the use of the said spirits unless produced in such distillery on penalty of fine or imprisonment. Similar Federal regulations exist as to the brewing of malt liquors, although they are not quite so elaborate.

And yet with the Federal Government exercising this minute and rigid control of the liquor traffic at every step, we are gravely told that the States through their police powers have exclusive control of the production and sale of liquor and that nation-wide prohibition deprives the States of such function. Where are those police powers to-day, in so far as the liquor trade is affected, when a State can not enable its citizens to make or sell liquor unless he first secures permission from the Federal Government and can not interfere with the extensive jurisdiction now held by the Federal Government over the traffic? If a State should attempt to go into the liquor business itself, it would have to pay a tax to the Federal Government. This was settled in a case before the Federal Supreme Court involving the status of the South Carolina dispensary system. What nation widers want is to stop this superior control by the Federal Government and compel it to join with the States in eradication of the liquor traffic on equal terms. The elaborate supervision of the liquor traffic by the Federal Government, of which I have given only a few illustrations, requires a larger and more complex Federal machinery than absolute prohibition could possibly require.

The nation-wide amendment puts the States in a far more dignified position in regard to the liquor traffic than that they now occupy. At present the power of the States to authorize, control, and regulate is secondary to that of the Federal Government. The nation-wide amendment clothes the Federal Government with a jurisdiction and power to prohibit and does not in any way deprive the State of an equal power of prohibition which they already exercise within their respective borders. It deprives both the Federal Government and the States of the power to authorize the liquor traffic, treating the Nation and the States absolutely alike. The amendment reads as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of the Constitution when ratified by the legislatures of the several States as provided by the Constitution:

"ARTICLE —.

"SECTION 1. The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

"SEC. 2. The Congress shall have power to enforce this article by appropriate legislation * * *."

But they say that under our Constitution no State should be deprived against its consent of power to authorize the liquor traffic. I say that such a statement is contrary to the language and the spirit of the Constitution. When the States met in convention at Philadelphia in 1787 to frame the present Constitution the question arose as to how it should be amended if at any subsequent time any change should be demanded by the public welfare. A provision was submitted to the effect that the Constitution might be amended by a vote of three-fourths of the States. A motion was made to strike out the words "of three-fourths," so that the consent of all the States would be required. Every Southern State voted "No" on this motion, namely, Delaware, Maryland, Virginia, North Carolina, South Carolina, and Georgia, the only northern State voting with them being Pennsylvania. The three States voting for the motion were Massachusetts, Connecticut, and New Jersey. To make the issue clearer a motion was then made that no State should, without its consent, be affected in its internal police or deprived of its equal representation in the Senate, and every Southern State, except Delaware, voted "No." Later a provision that no State should, without its consent, be deprived of equal suffrage in the Senate was added to the amending clause. Thus by the votes of Southern States the power to amend the Federal Constitution was vested in three-fourths of the States, the only exception being the matter of equal representation in the United States Senate.

In his famous reply to Webster in the United States Senate on February 26, 1833, John C. Calhoun, the greatest exponent and defender of State rights in American history, said in regard to the action of the States in framing the Constitution:

In this compact they have stipulated, among other things, that it may be amended by three-fourths of the States; that is, they have conceded to each other by compact the right to add new powers or to subtract old by the consent of that proportion of the States without requiring, as would have been otherwise the case, the consent of all—a modification no more inconsistent with their sovereignty than any other contained in the compact.

In his notable work on Government, written shortly before his death, he explained at length and with characteristic clearness why three-fourths of the States had the right under the Constitution to bind all the States. He said that it was as necessary to guard against too much facility as too much difficulty in amending it, that "if to require the consent of all the States for that purpose would be in effect to prevent amendments which time should disclose to be, or change of circumstances make necessary, so, on the other hand, to require a bare majority only, or but a small number in proportion to the whole, would expose the Constitution to hasty, inconsiderate, and even sinister amendments on the part of the party dominant for the time"; that the proportion of three-fourths was sufficiently large to prevent the dominant portion of the Union or combination of the States from opposing the weaker portion of the Union or a majority of the States. Nothing can be clearer, therefore, than that the expressions "State rights" and "State sovereignty" mean under our Constitution no such thing as the right of one State or any number of States not exceeding three-fourths to oppose the will of the remainder of the States in the matter of amending the Constitution, except only as to equal representation in the Senate. If it is wrong for one State to say what another State shall do, then it was wrong to have adopted the amendment to the Federal Constitution providing a Federal income tax. Two States rejected it, namely, Connecticut and Rhode Island. It was imposed on them without their consent. One of the highest forms of State rights under the Constitution is the right of the States, acting through three-fourths of their number, to change, add to, or take from the powers and functions of the Federal Government, or to pass upon the advisability of so doing. If, when the States pass upon the prohibition amendment, three-fourths can not be found to favor it, their constitutional function will have been exercised, and their action will be final until proper time arrives for another trial. Until, however, they are permitted to judge its merits, they will have been deprived of one of their most fundamental capacities.

Permit me now to say that not only did the Southern States in the convention that created our present system vote solidly for the right of three-fourths of the States to amend the Constitution, but also that all the 11 Southern States that seceded from the Union and for four years yielded up their blood and treasure in defense of their conception of State rights, gave majorities in the National House of Representatives for the submission of the nation-wide prohibition amendment with only the two exceptions of Louisiana and Texas. South Carolina, the first State to secede, the very cradle of State rights, voted solidly to submit the amendment. Arkansas and Tennessee, where southern ideals are worshipped with a devotion unsurpassed, did likewise. Virginia, State of Washington and Jefferson, Madison and Monroe, Jackson and Lee, stood 8 for to only 2 against. North Carolina, the State claiming to have been first at Bethel, farthest at Gettysburg, and last at Appomattox, stood 7 for to 2 against, with 1 not voting and unpaired. Mississippi, the State of Jefferson Davis, stood 7 for to but 1 against. Georgia, State of Alexander H. Stephens and John B. Gordon, stood 8 for to 2 against, with 1 not voting and unpaired. Alabama, State of Pelham and Semmes, was equally divided. Florida, as deeply attached to southern traditions as any other State, stood 3 for, with 1 not voting and unpaired. Texas, with seven-eighths of its territory under prohibition, stood only 4 for to 13 against, with 1 not voting and unpaired. A different story will be told as to Texas, however, when the vote is taken in the House again. It is true that the Texas State Democratic convention in 1916 declared against nation-wide prohibition, but the question had not figured in the primaries and the people had given no instructions. We have in Texas an election law providing for instructions on public questions by the voters at primaries to convention delegates. In Texas 180 counties are totally dry, 22 counties wholly wet, 49 counties partially dry. In the 251 Texas counties there are 2,002 post offices in dry territory and 528 in wet territory.

Having vested the power of amending the Constitution in three-fourths of their number, the States provided that Congress, whenever two-thirds of both Houses should deem it necessary, should propose amendments, meaning, of course, whenever two-thirds of Congress should deem proposal necessary. The States would have no more delegated the amending power, or any substantial part thereof, to the Federal Government—that is, to Congress—than they would have delegated to it the right to make the Constitution in the first instance. By reserving to themselves the unqualified and exclusive right of amendment they kept intact their sovereign capacity in so far as the organic law of the Nation was concerned. The Member of Congress who will not vote for the submission of a constitutional amendment to the decision of the States, where it belongs, unless he personally believes it should become a part of the Constitution usurps the function of the States, arrogates to himself and the Federal Government a prerogative that belongs to the States and violates the very essence of their sovereignty. Furthermore, over 12,000,000 of the American people have petitioned Congress to submit the prohibition amendment to the States. In refusing these people the right to appeal to the only tribunal having the power of amendment, the tribunal of the States, for the redress of what they consider one of the most terrible grievances in the Republic, Congress would deny to them one of the most sacred of all popular rights—the right of petition. Were I opposed on principle to nation-wide prohibition, I would vote to submit the amendment to the States in order that they might exercise one of their fundamental rights. An issue is thus presented by the nation-wide amendment entirely independent of prohibition, and that issue is expressed in two questions:

(1) Shall Senators and Representatives in Congress, either wholly or partly, substitute themselves for the States as the amending power of the Constitution, thereby centralizing sovereignty at Washington to a degree threatening the extinction of the State?

(2) Shall they refuse the people the right of petition?

Senator GEORGE, of Mississippi, a vigorous and outspoken antiprohibitionist, was a member of the Senate Committee on Education and Labor, to which was referred a national prohibition amendment some 40 years ago. He joined in a favorable report for its submission on the ground that to do otherwise would be to deny to millions of people the right of petition. Let me quote from that report, which was signed by both antiprohibitionists and prohibitionists:

It is proper to say that there are members of the committee who concur in the report recommending the submission of the proposed amendment to the States who do not, by such action, indicate their approval of the adoption of the amendment as a part of the Constitution, nor that they would themselves advocate its ratification by the legislatures of the States; but in deference to the immense mass of petitions for this amendment of the organic law, coming from the people in all parts of the country, and believing that an opportunity should be given to them to be heard upon the merits of their cause in the forum of the States, where alone it can be heard and decided, the majority of the committee would deem a refusal to submit the proposed amendment to the State for consideration analogous to the denial of the right of a party to be heard in court upon a question of private right. The method provided in the Constitution for its own peaceful amendment would be destroyed by failure to submit the proposition for amendment in cases of grave moment involving the approval and prayers of multitudes of the people, for where the remedy sought

is admitted to be without the jurisdiction of the fundamental law, the petition is really addressed to the only tribunal which can enlarge that jurisdiction—that is to say, to the States themselves. Should, then, Congress in such case refuse to submit the proposal to the States, such refusal would constitute a substantial denial of the right of petition itself

The changes in the National Constitution, made indispensable by the development of the Nation, can only be peacefully accomplished by a judicious and liberal exercise of the power of Congress to propose amendments to the States upon the petition of those who desire to be heard in the great court of the people exercising their sovereignty through the States, as in the formation of the Constitution.

It is well known that but for the belief in the conventions of the States that the opportunity to amend the Constitution would be most liberally afforded by Congress in accordance with the forms provided in that instrument, the original ratification never would have been obtained.

While the committee would by no means justify the submission of trifling or uncalled-for propositions for the consideration of the States, yet they firmly believe that the perpetuity and peace of the country under the forms of constitutional government demand that there be no captious or arbitrary denial of the right of petition for the amendment of the fundamental law through the forms of Congressional submission to the tribunal of the people in the States.

The issues involved in the submission of the amendment are by no means similar to the constitutional issues of the American Civil War. At no time during the controversies leading to that conflict was the right or power to abolish slavery through an amendment to the Constitution, submitted and considered in the manner provided therein, questioned either at the South or at the North. The Southern States seceded because they believed that guaranties already embodied in the Constitution were being nullified and could no longer be preserved within the Union. The Northern States believed that the South should have fought out its problems inside the Union, and that secession at any time should be forcibly prevented. It is entirely probable that if there had been an easier way of amending the Constitution, the slavery question might have been submitted and settled long before the terrible tragedy of the Civil War.

At the close of this debate we will have an opportunity to enable the States to exercise their highest function—the right to shape, alter, and develop the Federal Constitution. They are the proper tribunal to decide the fate of this amendment. They compose the mightiest array of free Commonwealths united in a federated whole the world has ever seen. There are chapters in the history of each that add honor to American citizenship. If there is anything in the amendment subversive of their liberties and their welfare, they can be trusted to condemn it. Let not Congress assume to judge for them. Let Congress discharge its preliminary task of submission and stand aside. Let it put in motion the referendum provided by the Nation's organic law—the method of amendment the States themselves established when they created the Constitution. Let the States perform the duty which remains the sole instance of their sovereignty over the Federal Government itself. If the State and Nation may each retain the attributes contemplated in the Constitution, if each shall be kept within its sphere and permitted to perform its appointed agency—the most beneficent system of government yet devised will be strengthened and glorified for all time.

As I view the matter, the member of either branch of the American Congress who denies the power of amendment to the States, especially an amendment which vast numbers of the people desire the States to consider, violates the basic principles both of the Constitution and of popular government, repudiates the fundamental rights of the States and overturns the two most sacred privileges the people possess, the privileges of referendum and of petition.

Mr. SHAFROTH. Mr. President, before the Senator from Texas takes his seat I should like to ask him a question.

The PRESIDING OFFICER (Mr. POINDEXTER in the chair). Does the Senator from Texas yield to the Senator from Colorado?

Mr. SHEPPARD. I do.

Mr. SHAFROTH. Before I ask the question, I want to congratulate the Senator upon the powerful speech which he has just delivered.

Mr. SHEPPARD. I thank the Senator.

Mr. SHAFROTH. What I desire to say, however, is that I notice the Senator has collated a great many statistics relative to the pernicious effect of alcohol upon the human system. I some time ago heard, but I can not recall exactly where, that the War College of the United States had estimated the number of persons who had been killed in battle from the birth of Christ until about 1910, and I saw the further statement somewhere to the effect that the use of alcohol had killed five times as many men in one year as had been killed in battle in that long period of time. I should like to ask the Senator whether he has investigated that subject, and whether he can give to the Senate light upon the verity of those figures?

Mr. SHEPPARD. I have heard of the statement to which the Senator refers, but I have never seen the original,

Mr. SHAFROTH. Has the Senator any statement in regard to the number of people who are killed each year in the United States by the use of alcohol?

Mr. SHEPPARD. I have not; but that phase of the subject has been thoroughly discussed in speeches of Mr. Hobson in the House of Representatives and on the lecture platform. I think he gave the figures to which the Senator from Colorado refers, as well as the authority for them.

Mr. UNDERWOOD. Mr. President, the questions involved in the consideration of the pending resolution, to establish the prohibition of the manufacture and sale of alcoholic beverages in the United States, involves the fundamental principles of our Government and reaches far beyond the question as to whether the ideals of the temperance advocate can be obtained by statutory enactment or constitutional restrictions.

It is difficult to approach the consideration of the question in a judicial way, because the prejudice that surrounds the subject makes it almost impossible to fully and fairly discuss it without having your motives misconstrued by those who have already attained a finality of judgment.

In the discussion of the question many unfair and unjust statements have been made without warrant of fact to sustain them, and fundamental principles that involve the life of the Nation are swept aside "as mere scraps of paper" in the mad rush to establish high moral life for men and women by the law's enactment.

If the lives of men could be saved and the souls of men could be redeemed by governmental action the world would not have waited 2,000 years to find it out, but there are undoubtedly governmental restrictions that lessen immorality.

The extreme advocate, from the beginning of time, has always been prepared to use the sword to force other men to accept his views of moral questions, regardless of the momentous consequences that may follow his action to the people he desires to serve.

The statesman can only attain the ends of good government by laying aside passion and prejudice, with the realization that the accomplishment of high ideals must come through an enlightened public sentiment, carrying with it the acquiescence of the people in the laws that are written for their government.

If there is general assent among all good people to the ultimate object that the prohibition advocate desires to accomplish there is pronounced dissent from the people of many States in the Union as to the ways and means of achieving it, but it would be unjust to hold the mass of prohibitionists accountable for the extreme position of their leaders.

The criticism of personal motives will accomplish nothing for good. We can try this case only on what will probably be the inexorable consequences that will result from the passage of the pending resolution.

It has been said by another that—

In the comfortable glow of reform people are apt to forget that in combating oppression by an overreaching traffic it is possible to invite another species of tyranny more inimical to government because it is subtler, less tangible, and more enduring in its effect—the tyranny of political and social coercion exercised in the name of public morals. The use of force to obtain a "sanctified" end is as ancient as history, soiling the pages of Christianity itself. The prohibition propaganda merely illustrates a phase of such coercion, and the application of methods that are more dangerous because of their apparent innocence. A slight reflection on our theory of government should make this clear.

The sound and underlying theory of democracy "that a just form of government requires the consent of the governed" is often subject to perversion. President Hadley, of Yale University, in his Standards of Public Morality, says:

Not content with saying that all just government is based on the consent of the governed, the enthusiastic advocates of democracy hold that if you could only find what a majority of the governed wanted you could easily incorporate it into law. Never was there a greater practical error. Public law, to be effective, requires much more than the majority to support it. It requires general acquiescence. To leave the minority at the mercy of the whims of the majority does not conduce to law or good government or justice between man and man. Even Rousseau, the leading apostle of modern democracy, saw this most clearly. He said in substance: "A majority of the people is not the people and never can be. We take a majority vote simply as the best available means of ascertaining the real wishes of the people in cases when it becomes necessary to do so."

Mr. President, political principles such as I have just read, although elementary in their nature, are often brushed aside by those who advocate sumptuary legislation. It does not forgive the error of government to be able to command majorities in legislative bodies when a vast number of people stand in opposition to statutes which they feel and believe trench on their personal rights and endanger their personal liberty.

The great difficulty in the past in enforcing prohibition laws in many communities has been due to the fact that the laws were not in accord with the sentiments of the people who were compelled to live under them. Enact a law by insecure majorities in any State in the Union and its fate is fore-

doomed in advance. Let the law represent the enlightened and universal sentiments of the community and its enforcement will take care of itself. How often has an obnoxious law, ill-advisedly written by legislatures, become a dead letter, and its nonenforcement publicly advocated, bringing the entire body of law into disrespect and disrepute.

Real temperance has made great advances in the United States through laws allowing local communities the privilege of determining for themselves whether sumptuary rules should be adopted for the government of the liquor trade, where the sentiment of the community has been behind the law. In such cases the law has been effective and accomplished good results, but almost universally where laws of this kind have been forced upon an unwilling people the result has been disastrous, and no real good has been born of the legislation.

Let us analyze the purpose of the pending resolution. It proposes to submit not to the people but to the legislatures of 48 States the ratification of a constitutional amendment that will give the Federal Government, and not the State governments, control over police regulations relating to the manufacture and sale of alcoholic liquors used for beverage purposes. The adoption of this amendment will undoubtedly be favorable to the sentiment of the people in some of the States. It is equally sure that it will be contrary to the sentiment of the people in a number of other States.

In the latter case it will be necessary to enforce obnoxious police regulations upon an unwilling people. The amendment may be adopted without the consent of the States representing a majority of the population in the Union. It will require three-fourths of the 48 States to secure its ratification. There are 12 States that could not prevent the ratification of this amendment if it were agreed to by the other 36. They are Massachusetts, New York, New Jersey, Pennsylvania, Ohio, Indiana, Michigan, Missouri, Illinois, Kentucky, Tennessee, and California, that under the census of 1910 had a population of 50,556,065 out of a total, as given by that census, of 91,972,266. These 12 States have 238 Congressmen in the House of Representatives and the other 36 States have only 197. If this amendment is adopted, it may be ratified without the consent of the States I have just named. The result of its adoption would be to in part destroy the principle of local self-government that our people have cherished and protected since the beginning of the Government. It would take away in part the State sovereignty from the States. It would have a tendency to centralize our Government under a police autocracy such as exists in Germany and Austria-Hungary. It would entrench national authority and weaken the sovereignty of the people in the several States. It would disregard entirely the habits of life, circumstances, and conditions that surround the inhabitants of the different States.

I see no reason myself why we can not now trust, as we have in the past, the enlightened electorate of each State to pass the necessary laws for the domestic control of their own people. I see no reason why the people of Alabama or New York should be haled before judges appointed by the President of the United States instead of being tried by magistrates of their own choosing. I see no reason why it should be necessary to establish any army of United States deputy marshals to enforce the law in the Federal courts that can be as satisfactorily enforced in the State courts if the people of the several States are in favor of it.

If the Federal Government is once called on to enter the field, apprehend, and punish the petty vices of the citizens of the States in respect to the matters authorized by this resolution, it will not be long before efforts will be made to further extend the police powers of the Federal Government and result in destroying State boundaries and the abolition of State governments.

When that time comes we will have abandoned the great principle that enables 100,000,000 people of divergent views, dissimilar modes of life, different political, climatic, and industrial surroundings to live in harmony in one great Republic.

We will have broken down the principle of local self-government. A national force bill providing for the supervision of State elections by United States marshals was at one time proposed in the Congress of the United States. The theory of this bill and the one now under consideration are identical. It was an attempt on the part of the Federal Government to interfere with the sovereign power of the States, and was repudiated by the unanimous sentiment of the constituency that I have the honor in part to represent.

Let me call to your attention what was said on this subject by the foremost democrat of his day. Gen. Andrew Jackson said:

In the domestic policy of this Government there are two objects which especially deserve the attention of the people and their representatives, and which have been and will continue to be the subjects of my increasing solicitude. They are the preservation of the rights of the several States and the integrity of the Union.

These great objects are necessarily connected, and can only be attained by an enlightened exercise of the powers of each within its appropriate sphere in conformity with the public will constitutionally expressed. To this end it becomes the duty of all to yield a ready and patriotic submission to the laws constitutionally enacted, and thereby promote and strengthen a proper confidence in those institutions of the several States and of the United States which the people themselves have ordained for their own government.

My experience in public concerns and the observation of a life somewhat advanced confirm the opinion long since imbibed by me that the destruction of our State governments or the annihilation of their control over the local concerns of the people would lead directly to revolution and anarchy and finally to despotism and military domination. In proportion, therefore, as a general government encroaches upon the rights of the States, in the same proportion does it impair its own power and detract from its ability to fulfill the purposes of its creation.

In my humble judgment, no man has ever lived within the confines of this Republic who has had a clearer conception of the great principles of democracy and the right of a free people to govern themselves than did the author of the Declaration of Independence.

Bearing on the subject before us, Thomas Jefferson said:

Our country is too large to have all its affairs directed by a single government. Public servants at such a distance and from under the eyes of their constituents must from the circumstance of distance be unable to administer and overlook all the details necessary for the good government of the citizens, and the same circumstance, by rendering detection impossible to their constituents, will invite the public agents to corruption, plunder, and waste.

It is not by the consolidation of centralization of powers but by their distribution that good government is effected. Were not this great country already divided into States, that division must be made that each might do for itself what concerns itself directly and what it can so much better do than a distant authority.

When all government, domestic and foreign, in little as in great things, shall be drawn to Washington as the center of all power, it will render powerless the checks provided of one government on another and will become as venal and oppressive as the government from which we separated.

I do not believe there is such threatened danger from intemperance that it is necessary for us to take from our States their control over local affairs and lodge the power with the Government in Washington. Such principles up to this time have never been entertained by the great men who have presided over the destinies of the Nation.

President Wilson expressed himself clearly and forcefully on the subject some years ago when he said:

I am in favor of local option. I am a thorough believer in local self-government, and believe that every self-governing community which constitutes a social unit should have the right to control the matter of the regulation or withholding of licenses. But the questions involved are social and moral, and are not susceptible of being made parts of a party program. Whenever they have been made the subject matter of party contests they have cut the lines of party organization and party action athwart to the utter confusion of political action in every other field. They have thrown every other question, however important, into the background, and have made constructive party action impossible for long years together.

If the people of my State desire to prohibit the manufacture and sale of alcoholic beverages within the confines of the State, it is their right and privilege to do so, but I can see no reason why they should desire to invade the lives and homes of the people of a sister State and force upon them a law that they are as yet unwilling to accept.

The people of the State of Colorado may have a very firm conviction that all the inhabitants of their State over the age of 21 years, male or female, white or black, should have an equal right to exercise the right of franchise and vote at all elections. If that system of government has proven satisfactory to the people of Colorado, no one can complain that their laws have the breadth and scope that they now have. On the other hand, if the people of Alabama believe that a somewhat restricted suffrage guards their civilization, protects their homes, and establishes a safer and sounder government, should they be compelled to change their present ideas as to their local government because they are not satisfactory to the people in other States?

There are some who would have us believe that no one is concerned about this matter except the prohibitionist on the one hand and the people who make money out of the liquor trade on the other. Such an assumption is not only untrue but is so monstrously false that it is amazing that men can be found to discuss the question solely from that standpoint.

The contention that the Members of Congress should abandon their individual responsibility on this subject under the idea that they can shift that responsibility to the shoulders of the people in the several States is so subversive of the spirit of representative government in relation to the most solemn responsibility that the Constitution itself places upon the Members

of this body that it is difficult for my mind to grasp the viewpoint of those who believe they have the right to abandon their personal and representative responsibility to the legislatures of States which may or may not voice the sentiments of their constituencies.

The police power is inherent in the States. It was reserved to them when the Constitution of the United States was adopted and is necessary to their existence as organized governments.

I do not see how it can be maintained in its sovereign integrity when it is proposed to abandon it in part. It can not be contended that there is an excuse for the adoption of this amendment, because the laws of the Federal Government prevent the States from exercising full and complete control over the question of prohibition of the manufacture and sale of alcoholic beverages in the several States.

The Congress of the United States has passed every law that the most extreme prohibition advocate has demanded to enable the States to enforce their laws at home.

We not only have a Federal Statute that prohibits the shipment of alcoholic beverages into dry States, but we have a recent enactment of the Federal Congress that under severe pains and penalties prohibits the shipment of liquor into States where its sale is prohibited, even where the State statute did not prevent the citizens of the State from obtaining a limited quantity of beverage alcohol from States where the manufacture and sale was not inhibited.

In my judgment, it is the part of wisdom to leave this question solely for the determination of the States. The cause of temperance can and will be satisfactorily regulated and advanced in this way. The injection of the national police power into the homes of the people will undoubtedly lead to an oppression of our people and the overthrow of the principles of government in which we believe.

I therefore can not support the amendment. I am not prepared to place the consciences of the people in matters moral and religious in the keeping of Government officials. A free people will be no longer able to exist if their personal affairs must be governed by an army of Federal spies.

Mr. President, I am willing to trust the people of Alabama to live moral and righteous lives. I am confident that they will place on the statute books of their own State all laws necessary to protect their homes against intemperance and immorality. I do not believe for one moment it is necessary for the Federal Government to inject itself into the police jurisdiction of the State of Alabama for the improvement or the moral upbuilding of the people of my State, and I am not willing to reflect on the peoples of other States by assuming that they are not equally as capable and willing to maintain honest laws, just conditions, and temperate surroundings as are the people who constitute my own constituency.

Mr. ASHURST. Mr. President, I will occupy the time of the Senate for a brief period and will discuss not only this proposed amendment but also the polity of the American system with respect to constitutional amendments.

I believe I can truly say that the distinguished junior Senator from Texas [Mr. SHEPPARD] has given to us an example of statesmanship of a high order. He has pressed this great reform—national prohibition—sedately and wisely, and it is pleasing to all who desire to see this amendment submitted to the States that the labor has been done without heat, without malice, and in a way that challenges, and I believe ought to challenge, the admiration of all persons, whatever position they may take and from whatever angle they may view the amendment.

I expect, of course, to vote for the amendment.

I did not hear all of the speech of the distinguished Senator from Alabama [Mr. UNDERWOOD]. It is my loss, because I know he always speaks interestingly and is well informed upon any subject upon which he speaks; but there is one point to which I wish to advert with reference to the Senator's very able speech, namely:

This proposed amendment is not an attempt to force upon a State something it does not want. It is, and only is, a great referendum giving the various States an opportunity to say, in the manner prescribed by the Constitution, whether or not they wish this particular change in organic fundamental law.

Only a short time since some of the wisest and most profound citizens of this Republic believed that by reason of the complicated procedure and large majorities required it was difficult, if not impossible, to amend the Constitution of the United States, and some eminent statesmen even urged that strained constructions should be placed upon the Constitution so as to change somewhat the structure of our political system, bring it into conformity with the dynamic conditions of the day, and thus secure needful reforms.

But, contrary to the opinion which a few years since prevailed among many thinking people, within the past four years two amendments to the Constitution of the United States have been proclaimed.

The framers of the Constitution were not sanguine enough to suppose that the organic law which they framed was so perfect that it would never be altered. The experience under the Articles of Confederation had produced the belief that there was need of a system of amendment by which the Constitution could be made to conform to the requirements of future times.

The idea that some provision should be made in the instrument of government itself for the method of its amendment is peculiarly American. Provision for the regular and orderly amendment of an instrument of government first appears in the Pennsylvania frame of government of 1683. A similar provision reappears in the act of settlement of 1683, in the Pennsylvania frame of 1696, and in the Pennsylvania charter of privileges of 1701. Each of these documents provides that it shall not be altered, changed, or diminished "without the consent of the governor" "and six parts of seven of the assembly."

It is difficult to avoid the conclusion that it was the expectation of the members of the Federal Convention that a frequent use of the amending power would be exercised. They doubtless thought that the plan adopted would secure the desired end whenever the popular will would justify a change.

When our Federal Constitution was written in 1787 two methods of amending it were provided; and, unless I am mistaken, it was the first written Constitution in history which provides for two methods of amendment.

I am in favor of this proposed amendment and believe it will be ratified by the requisite number of States if submitted, and believe it will be ratified at an early date. The Senate must pardon me if I indulge in the discussion of a matter which may not seem to be at all relevant to this question, but which is in truth a very important question in discussing constitutional amendments.

It seems to me some provision ought to be proposed, not only to this amendment but to all other proposed amendments, limiting the time within which a submitted constitutional amendment could be adopted or ratified by a State; and I think we ought to begin, as a part and a parcel of our great civil and constitutional polity, to set a time within which constitutional amendments may be or may not be ratified. Mr. President, it is startling to investigate and then reflect for a moment as to the abuses that have come and that may in the future come by a failure or a refusal to set a time within which an amendment may be adopted. I am delighted now to see that I have the attention of the Senators, and especially the distinguished Senator who presides temporarily [Mr. JONES of Washington], because he has been a great leader for this reform, and his temperateness and his sanity in this reform reflects credit upon him.

On September 15, 1789, 12 constitutional amendments were presented by the first Congress to the various States for their adoption or their ratification. I ask leave to incorporate the first thereof in the RECORD at this point without reading.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

ARTICLE 1. After the first enumeration required by the first article of the Constitution there shall be one Representative for every 30,000 until the number shall amount to 100, after which the proportion shall be so regulated by Congress that there shall be not less than 100 Representatives, nor less than one Representative for every 40,000 persons, until the number of Representatives shall amount to 200, after which the proportion shall be so regulated by Congress that there shall not be less than 200 Representatives, nor more than one Representative for every 50,000 persons.

Mr. ASHURST. The first two amendments were not adopted. No. 1 failed by one State to secure ratification. The second amendment then proposed—and I will read it—was:

ART. 2. No law varying the compensation for the services of the Senators and Representatives shall take effect, until an election of Representatives shall have intervened.

That was known as amendment No. 2. The other 10, numbered from 3 to 12, inclusive, became a part of our governmental system and a part of our Constitution, and they may be found on page 97 of the First Statutes. Opposite amendments Nos. 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12 is marked by the early printers the word "Adopted"; "Adopted"; and so forth; but after the first two that were proposed to the Constitution there is a blank, indicating to us, of course, that those two amendments are still pending. They are before the American people now and have been for 128 years, and are subject to ratification or rejection by the States. And now, Mr. President, after those two proposed amendments, to wit, Nos. 1 and 2, had been in nubibus, "in the clouds," for 84 years, the State Senate of the State of Ohio in 1873 resurrected

amendment No. 2, that was proposed in 1789, and passed a resolution of ratification through the Senate of the State of Ohio. It would seem to me that a period of 128 years or 84 years within which a State may act is altogether too long, and I am prepared to and will support an amendment limiting the time in the case of this amendment or any other amendment to 10, 12, 14, 16, 18, or even 20 years, so that we will not hand down to posterity a conglomerate mass of amendments floating around in a cloudy, nebulous, hazy way, which a State here may resurrect and ratify and a State there may galvanize and ratify. I believe that we ought to have a homogeneous, constant, united exertion and certainly a contemporaneous action with reference to these various proposed amendments.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Nebraska?

Mr. ASHURST. I yield to the Senator from Nebraska.

Mr. NORRIS. I am very much interested in the historical account which the Senator from Arizona is giving us; but I should like to suggest to him that it does not seem to me to be fair to attach to any particular amendment such a provision. That ought to be, I should think, an independent, separate amendment, and become part of our Constitution, so that it would apply to all amendments. I agree with the Senator that there ought to be some limitation.

Mr. ASHURST. The Senator is entirely correct about that; and while I would probably vote for an amendment limiting the time within which this amendment may be adopted, provided the time is reasonably long, I do believe that a general amendment to the Constitution should be adopted limiting the time on all amendments, especially when we remember that Congress is in session every year, and can resubmit the same amendment again and again at any time it pleases.

Mr. President, I have pointed out two amendments, floating around about us for 128 years, and have stated that one of them, after having reposed for 84 years by reason of a great burst of indignation that swept over the land regarding the "back-salary grab" in 1873, was picked up by the State of Ohio, through its State senate, and passed through the Ohio Senate.

There is yet another reason why I think a reasonable time limit should be set:

When the 12 amendments were submitted in 1789, when there were only 13 States, Vermont had not yet been admitted, if I remember correctly. Should three-fourths of the States then in the Union, or three-fourths of those now in the Union, be the test as to what shall be the number required for ratification?

In 1810 the following amendment was proposed to the Constitution of the United States by a joint resolution of both Houses of Congress, and that joint resolution was submitted to the States under one of the most interesting and peculiar set of auspices that ever came before a legislative body. The proposed amendment was passed by the two Houses of Congress on May 1, 1810, and it read:

If any citizen of the United States shall accept, claim, receive, or retain any title of nobility or honor, or shall, without the consent of Congress, accept and retain any present, pension, office, or emolument of any kind whatever, from any emperor, king, prince, or foreign power, such person shall cease to be a citizen of the United States, and shall be incapable of holding any office of trust or profit under them, or either of them.

Unfortunately, the annals of Congress and contemporary newspapers do not give any of the debate upon this interesting proposition. The only light thrown upon the subject by the annals is the remark of Mr. Macon, who said "he considered the vote on this question as deciding whether or not we were to have members of the Legion of Honor in this country." What event connected with our diplomatic or political history suggested the need of such an amendment is not now apparent, but it is possible that the presence of Jerome Bonaparte in this country a few years previous, and his marriage to a Maryland lady, may have suggested this measure.

An article in Niles's Register (vol. 72, p. 166), written many years after this event, refers to an amendment having been adopted to prevent any but native-born citizens from being President of the United States. This is, of course, a mistake, as the Constitution in its original form contained such a provision; but it may be possible that the circumstances referred to by the writer in Niles relate to the passage of this amendment through Congress in regard to titles of nobility. The article referred to maintains that at the time Jerome Bonaparte was in this country the Federalist Party, as a political trick, affecting to apprehend that Jerome might find his way to the Presidency through "French influence," proposed the amendment. They thought the Democratic Party would oppose it as unnecessary, which would thus appear to the public as a further proof of their subserviency to French influence. The Democrats, to avoid this imputation, concluded to carry the amendment. "It can do no harm" was what reconciled it to all.

I see no harm in the proposed amendment. That amendment was submitted 107 years ago, and it was ratified within two years by Maryland, Kentucky, Ohio, Delaware, Pennsylvania, New Jersey, Vermont, Tennessee, Georgia, North Carolina, Massachusetts, and New Hampshire. It was rejected by two or three of the States, and when the last State that acted favorably upon it ratified that amendment it only lacked the vote of one State of becoming a part of our organic law; and, indeed, Mr. President, for years the schoolbook histories and the public men believed that it was a part of our organic law, because in the early days of our Government the Secretary of State did not send messages to Congress or promulgate to the public any notice whatever as to when an amendment became a part of the Constitution. Indeed, I have caused the journals, records, and files in the Department of State to be searched, and there can not be found any notice of any proclamation or promulgation of the ratification of the first 10 amendments to the Constitution. It was not an unwarranted or violent assumption, hence the States assumed that when the requisite number of States—the last one was Virginia—had ratified this amendment it was then and there a part of our organic law. So we find that schoolbook histories and journals published years after 1810 believed that this amendment which was proposed in 1810 was a part of the polity and policy of our constitutional form of government.

Mr. President, when the great conflict known as our War between the States began to throw its dark shadow over the people of this land, men rushed with a compromise here and with compromise there to heal the breach and tried to avert the shock that was apparently about to come to our structure. Compromise after compromise was proposed, and just before the adjournment of Congress, to wit, March 2, 1861, the following amendment to the Constitution of the United States, known as the Corwin amendment, was proposed to the States and was submitted to them for their ratification or adoption. It read as follows:

No amendment shall be made to the Constitution which will authorize or give to Congress the power to abolish or interfere, within any State, with the domestic institutions thereof, including that of persons held to labor or service by the laws of said State. (12 Stat., 251.) Proposed by Congress March 2, 1861.

That was submitted by Congress on the 2d of March, 1861. I warrant there are not 5,000 people in the United States today who know that that amendment is now pending before the various States of our Union for their adoption or ratification. That amendment was ratified by the State of Ohio, it was ratified by the State of Maryland through the State legislature and by the State of Illinois in 1862 by a convention.

So I say a system which permits of no limitation as to the time when an amendment may not be voted upon is not fair to posterity. It keeps historians, publishers, and annalists, as well as the general public, constantly in doubt.

Having searched closely as to whether there is in the Constitution itself any expressed or implied limitation as to when an amendment may not be adopted, I am driven irresistibly to the conclusion that once having proposed an amendment to the Constitution, though it were proposed September 15, 1789, it could not be recalled even by the unanimous vote of both Houses, if Congress wished it recalled, because the power to submit an amendment is specifically pointed out, no power being given to recall it, and when power is denied, silence is negation.

Mr. President, I am not without authority on this subject, and I wish for a moment to read from Jameson on Constitutional Conventions, paragraph 585, fourth edition:

DISCUSSION OF CONSTITUTIONAL QUESTIONS INVOLVED.

(Jameson.)

SEC. 585. VI. Two further questions may be considered: (1) When Congress has submitted amendments to the States can it recall them, and (2) How long are amendments thus submitted open to adoption or rejection by the States?

* * *

1. The first question must, we think, receive a negative answer. When Congress has submitted amendments, at the time deemed by itself or its constituents desirable, to concede to that body the power of afterwards recalling them would be to give to it that of definitely rejecting such amendments, since the recall would withdraw them from the consideration of the States and thus render their adoption impossible. However this may be, it is enough to justify a negative answer to say that the Federal Constitution, from which alone Congress derives its power to submit amendments to the States, does not provide for recalling them upon any event or condition, and that the power to recall can not be considered as involved in that to submit as necessary to its complete execution. It therefore can not exist.

2. The same consideration will, perhaps, furnish the answer to the second question. The Constitution gives to Congress the power to submit amendments to the States; that is, either to the State legislatures or to conventions called by the States for this purpose, but there it stops. No power is granted to prescribe conditions as to the time within which the amendments are to be ratified, and hence to do so would be

to transcend the power given. The practice of Congress in such cases has always conformed to the implied limitations of the Constitution. It has contented itself with proposing amendments, to become valid as parts of the Constitution, according to the terms of that instrument. It is, therefore, possible, though hardly probable, that an amendment once proposed is always open to adoption by the nonacting or nonratifying States.

The better opinion would seem to be that an alteration of the Constitution proposed to-day has relation to the sentiment and the felt needs of to-day, and that, if not ratified early, while that sentiment may fairly be supposed to exist, it ought to be regarded as waived and not again to be voted upon unless a second time proposed by Congress.

SEC. 586. In discussing the question of the right of the States to vote upon proposed amendments at any time after the date of their proposal it is proper to look into the consequences of such a right. If they have the right there are now floating about us, as it were, in nubibus, several amendments to the Constitution proposed by Congress which have received the ratification of one or more States but not of enough to make them valid as parts of that instrument. Congress could not withdraw them, and there is in force in regard to them no recognized statute of limitations. Unless abrogated by amendments subsequently adopted they are, on the hypothesis stated, still before the American people to be adopted or rejected.

In 1873 the Senate of Ohio, acting upon the theory that once proposed an amendment to the Constitution is always open to ratification, adopted a joint resolution ratifying the second of the 12 amendments submitted to the States by Congress in 1789, but then rejected, providing that "no law varying the compensation of Members of Congress shall take effect until an election for Representatives shall have intervened." This resolution, prepared by Madison, was an excellent one; but suppose it had been unjust, proposed, perhaps, in the interest of a section or of a party, and, failing at the time to receive the requisite majority, it had subsequently by a concerted rally of those interested in its adoption, been carried without discussion or a clear express of the existing public will; is that a true construction of the Constitution which may be followed by so dangerous consequences? And, supposing the right referred to exists, by what majority shall the resurrected amendments be adopted? If proposed in 1789, when the States numbered but 13, and when a majority of 10 States might have ratified the amendment, how many would have been requisite in 1873, when there were 38 States which would have been called upon to vote? If the answer should be that 29 States must have voted to ratify, since that number was three-fourths of all the States in 1873, however reasonable such an answer might seem, it would be founded upon no statute or custom of the country, and therefore different opinions as to its reasonableness might well be entertained. Hence the danger of confusion of conflict. We discuss this question here merely to emphasize the dangers involved in the Constitution as it stands and to show the necessity of legislation to make certain those points upon which doubts may arise in the employment of the constitutional process for amending the fundamental law of the nation. A constitutional statute of limitation prescribing the time within which proposed amendments shall be adopted or be treated as waived ought by all means to be passed. (Jameson, John A. A treatise on constitutional conventions (4th ed., 1887), pp. 634–636.)

I ask consent to incorporate in the RECORD without reading some copious extracts on this subject.

The PRESIDING OFFICER. Without objection, leave will be granted.

The matter referred to is as follows:

AMENDMENTS TO THE CONSTITUTION OF THE UNITED STATES PROPOSED BY CONGRESS BUT NOT RATIFIED BY THREE-FOURTHS OF THE STATES.

APPORTIONMENT OF REPRESENTATIVES.

After the first enumeration required by the first article of the Constitution, there shall be one Representative for every 30,000 until the number shall amount to 100; after which the proportion shall be so regulated by Congress that there shall be not less than 100 Representatives nor less than one Representative for every 40,000 persons, until the number of Representatives shall amount to 200; after which the proportion shall be so regulated by Congress that there shall not be less than 200 Representatives nor more than one Representative for every 50,000 persons. (1 Stat., 97.) (Submitted at the same time as those which became part of the Constitution as Amendments I to X.):

Proposed by Congress September 25, 1789.

Ratified by the following States:

New Jersey, November 20, 1789. (Senate Journal, p. 199, 1st Cong., 2d sess.)

Maryland, December 19, 1789. (Senate Journal, p. 106, 1st Cong., 2d sess.)

North Carolina, December 22, 1789. (Senate Journal, p. 103, 1st Cong., 2d sess.)

South Carolina, January 19, 1790. (Senate Journal, p. 50, 1st Cong., 2d sess.)

New Hampshire, January 25, 1790. (Senate Journal, p. 105, 1st Cong., 2d sess.)

New York, March 27, 1790. (Senate Journal, p. 53, 1st Cong., 2d sess.)

Rhode Island, June 15, 1790. (Senate Journal, p. 110, 1st Cong., 2d sess.)

Virginia, October 25, 1791. (Senate Journal, p. 30, 2d Cong., 1st sess.)

Pennsylvania, September 21, 1791. (Senate Journal, p. 11.)

Vermont, November 3, 1791. (Senate Journal, p. 98, 2d Cong., 1st sess.)

Pennsylvania had first rejected the proposed amendment March 10, 1790.

Rejected by Delaware January 28, 1790.

The Journals give no record of the action of the Legislatures of Massachusetts, Connecticut, and Georgia. (Ames, Proposed Amendments, p. 320.)

COMPENSATION OF MEMBERS OF CONGRESS.

No law varying the compensation for the services of the Senators and Representatives shall take effect until an election of Representatives shall have intervened. (1 Stat., 97.) (Submitted at the same time as those which became part of the Constitution as Amendments I to X:)

Proposed by Congress September 25, 1789.

Ratified by the following States:

Maryland, December 19, 1789. (Senate Journal, p. 106, 1st Cong., 2d sess.)

North Carolina, December 22, 1789. (Senate Journal, p. 103, 1st Cong., 2d sess.)

South Carolina, January 19, 1790. (Senate Journal, p. 50, 1st Cong., 2d sess.)

Delaware, January 28, 1790. (Senate Journal, p. 35, 1st Cong., 2d sess.

Vermont, November 3, 1791. (Senate Journal, p. 98, 2d Cong., 1st sess.)

Virginia, December 15, 1791. (Senate Journal, p. 69, 2d Cong., 1st sess.)

Rejected by New Jersey, November 20, 1789 (Senate Journal,, p. 199, 1st Cong., 2d sess.); New Hampshire, January 25, 1790 (Senate Journal, p. 39, 1st Cong., 2d sess.); New York, March 27, 1790 (Senate Journal, p. 53, 1st Cong., 2d sess.); Rhode Island, June 15, 1790 (Senate Journal, p. 110, 1st Cong., 2d sess.).

The Journals give no record of the action of the Legislatures of Massachusetts Connecticut, and Georgia. (Ames, Proposed Amendments, p. 317.)

TITLES OF NOBILITY.

If any citizen of the United States shall accept, claim, receive, or retain any title of nobility or honor, or shall, without the consent of Congress, accept and retain any present, pension, office, or emolument of any kind whatever, from any emperor, king, prince, or foreign power such person shall cease to be a citizen of the United States and shall be incapable of holding any office of trust or profit under them or either of them. (2 Stat., 613.):

Proposed by Congress May 1, 1810.

Ratified by the following States:

Maryland, December 25, 1810.

Kentucky, January 31, 1811.

Ohio, January 31, 1811.

Delaware, February 2, 1811.

Pennsylvania, February 6, 1811.

New Jersey, February 13, 1811.

Vermont, October 24, 1811.

Tennessee, November 21, 1811.

Georgia, December 13, 1811.

North Carolina, December 23, 1811.

Massachusetts, February 27, 1812.

New Hampshire, December 10, 1812.

Rejected by New York (senate) March 12, 1811; Connecticut, May session, 1813; South Carolina, approved by senate November 28, 1811, reported unfavorably in house and not further considered December 7, 1813; Rhode Island, September 15, 1814. (Ames, Proposed Amendments, pp. 329, 330.)

AMENDMENT ABOLISHING OR INTERFERING WITH SLAVERY PROHIBITED (CORWIN AMENDMENT).

No amendment shall be made to the Constitution which will authorize or give to Congress the power to abolish or interfere, within any State, with the domestic institutions thereof, including that of persons held to labor or service by the laws of said State. (12 Stat., 251.)

Proposed by Congress March 2, 1861.

Ratified by the following States:

Ohio, March 13, 1861.

Maryland, January 10, 1862.

Illinois (convention), February 14, 1862.

(Ames, Proposed Amendments, p. 363.)

Mr. ASHURST. So, Mr. President, I believe if we should begin and lay down as a part of our organic law and a part of the policy of our Government the limit of time within which an amendment under a particular submission may be adopted, we would be doing a public service.

I have pointed out already that there are now pending before the States four amendments for their action, for ratification or rejection. The whirlwinds, simooms, and siroccos of politics do strange things. I advert for a moment to what happened in one of the sovereign States of this Union, now so well represented by her two Senators—the State of Delaware. Mark you, the fifteenth amendment to the Constitution of the United States was, by proclamation of the Secretary of State, declared adopted March 30, 1870. The requisite number of States ratified the same, for by that time the Secretary of State had begun the wise policy of announcing by proclamation when the required number of States, the requisite three-fourths, had ratified amendments. Yet in the turmoil, struggle, and the tumult of a political situation in the State of Delaware it seems that the State got temporarily under the dominion of the Addicks "machine," and that that "machine," thinking to flatter, thinking to pander to, and do what we call "catch" the negro vote, dealt with the fifteenth amendment to the Constitution, which had already been ratified for 31 years. Delaware ratified that amendment solemnly and gravely on the 12th day of February, 1901—adopted a proposed amendment which had been a part of our system since 1870.

So I say there ought to be a limitation on the time when an amendment should be ratified. We ought not to have a State waiting 84 years and then pass a resolution or wait until an amendment is adopted for 31 years and then solemnly pass a brutum fulmen, a harmless thunderbolt.

Mr. President, I have some copious data in relation to this subject which I wish to incorporate into the RECORD. I shall not detain the Senate by reading the same at this time, but I ask to be allowed to incorporate it in the RECORD. It gives the history and the dates of ratification of the various amendments. It sets out in extenso those now pending and, I think, shows the necessity and the need for setting up some sort of a statute

of limitation as to when a State may no longer act favorably or unfavorably upon a submitted amendment.

Personally, as I said in the beginning of my remarks, I would be glad for a limitation of 12, 14, 16, 18, or 20 years, but I think that when the State acts it should act in the light of the evidence and discussion before it. It should act contemporaneously in some degree, at least, with the resolution of Congress.

ATTEMPTS TO REGULATE RATIFICATION.

On May 23, 1866, when the resolution proposing the fourteenth amendment was under consideration, Mr. Buckalew, of Pennsylvania, submitted an amendment to add to the resolution the following additional section:

"SEC. 6. This amendment shall be passed upon in each State by the Legislature thereof which shall chosen, or the members of the most popular branch of which shall be chosen next after the submission of the amendment, and at its first session; and no acceptance or rejection shall be reconsidered or again brought in question at any subsequent session; nor shall any acceptance of the amendment be valid if made after three years from the passage of this resolution." (Cong. Globe, vol. 36, p. 2771.)

When the fifteenth amendment was before the Senate on February 3, 1869, Mr. Buckalew, of Pennsylvania, proposed to add to the resolution submitting it to the States the words:

"That the foregoing amendment shall be submitted to the legislatures of the several States, the most numerous branch of which shall be chosen next after the passage of this resolution." (Cong. Globe, vol. 40, p. 828.)

His speech in support of this proposal on February 5, 1869, is reported in the Congressional Globe, volume 40, pages 912 to 913. On February 9, 1869, this amendment was rejected—yeas 13, nays 43.

On February 17, 1869, an amendment practically identical with the above was offered by Mr. Hendricks, of Indiana, and the constitutionality of such a limitation was discussed by Senators Morton, Bayard, Buckalew, Dixon, and Yates. The question being taken, the amendment was rejected—yeas 12, nays 40. (Cong. Globe, vol. 40, pp. 1311–1314.)

On January 30, 1882, Mr. Berry, of California, introduced a joint resolution (H. J. Res. 116, 47th Cong, 1st sess.) proposing an amendment to the Constitution to regulate ratification, as follows:

"SECTION 1. The legislature of a State shall not vote upon a proposed amendment to the Constitution of the United States except at a regular session held following an election of the members of the most numerous branch of the State legislature, which election must take place subsequent to the time of submission by Congress or a convention of the proposed amendment.

"SEC. 2. This amendment shall not take effect until the 5th of March, 1885."

On March 17, 1869, Mr. Morton, of Indiana, introduced in the Senate, and on March 29, 1869, Mr. Shanks, of Indiana, introduced in the House identical joint resolutions (S. J. Res. 32 and H. J. Res. 57, 41st Cong., 1st sess.) which read as follows:

"*Be it resolved, etc.*, That on the sixth legislative day of a regular session, or of a legally called special session, of any State legislature, each house of said legislature, at the hour of 12 meridian, shall proceed to the consideration of any amendment of the Constitution of the United States that may have been submitted by the Congress of the United States to the legislatures of the several States for ratification, according to the provisions of the fifth article of the Constitution of the United States: *Provided*, That such amendment may not have been acted upon at any preceding session of said legislature. And if, upon the consideration of such amendment, it shall receive the votes of a majority of the members elected to each house of said legislature, it shall be held to be duly ratified by such legislature. And if final action is not taken upon the first day, then the house shall meet the next day at the same hour and so continue to meet from day to day (Sundays excepted) until final action is taken upon such amendment. Nor shall the action of either house of said legislature upon such amendment be hindered or prevented by the resignation or withdrawal, or the refusal to qualify, of a minority of either or of both houses of said legislature.

"SEC. 2. *And be it further resolved*, That if such amendment or amendments shall be ratified according to the provisions of the preceding section, the same shall be duly certified by the officers of each house and shall be transmitted by the governor of the State to the President of the United States."

(Cf. Ames, H. V. The proposed amendments to the Constitution of the United States during the first century of its history. pp. 287–292.)

Mr. SHAFROTH. Mr. President, I did not think of addressing the Senate to-day upon the prohibition constitutional amendment, but the reference of the Senator from Alabama [Mr. UNDERWOOD] to the laws of the State of Colorado has made me believe that I ought to put into the RECORD, following his speech, something with relation to the operation of the State constitutional amendment for prohibition in Colorado, which was adopted by the people at an election and took effect January 1, 1916.

The Senator from Alabama has said that if Colorado is satisfied with the laws which that State makes, it is all well and good, but that when it comes to Colorado attempting to interfere with the laws of the State of Alabama, it is all wrong.

Mr. President, we have found from comparing the result of carrying out the amendment to the Constitution in the State of Colorado with the previous condition that great good has been produced in that State. I hold in my hand a collection of some of the facts with relation to the effect of prohibition in Colorado.

There were 1,615 saloons closed and 17 breweries by that act, which took effect January 1, 1916. Denver is a city of 250,000 population.

The arrests during the year 1915, which is termed the wet year, were for drunkenness in that city 3,219, but in the year 1916, which was the first year of the operation of the prohibition law, the number was reduced to 1,549. In other words, more than half of the arrests for drunkenness in 1915 were caused by the fact that we did not have a prohibition law in the State of Colorado.

The arrests for vagrancy in Denver dropped from 3,714 in 1915 to 1,148 in 1916. In other words, by the passage of that constitutional amendment the cases of vagrancy were reduced more than two-thirds.

The arrests for gambling in Denver decreased from 515 in 1915 to 252 in the prohibition year of 1916. In other words, gambling was not indulged in to the extent of more than one-half. A person can readily see the reason. As long as the saloons were open the games were going on; if not openly, they were being played in a back room; and while the arrests would not represent the violations of the law in every instance, it shows that there was considerably less gambling in the prohibition year of 1916 as contrasted with the wet year of 1915.

The average number of arrests for all offenses in the city of Denver for the six years preceding the adoption of the prohibition amendment were 13,922. The total number of all arrests during the dry year was 9,985; in other words, they were reduced about one-third.

Before prohibition was adopted in Colorado 402 cells in the city and county jail were occupied nearly all the time. Since prohibition the daily average number of prisoners has fallen to approximately 75. Thus the number of those who were guilty of all offenses punishable by the laws of the States was diminished more than two-thirds by the enactment of that law.

In the State penitentiary the record is startling. Prohibition has reduced, according to the warden of the penitentiary, Mr. Tynon, the prisoners committed to that institution by 40 per cent.

The prison population dropped from 782 on May 5, 1916, to 676 April 11, 1917. In other words, while discharges are being made from the penitentiary the number that are sent back to the prison is not nearly equal to the number of discharges.

Mr. President, it is a little misleading to refer to the per cent of decrease in the population of the penitentiary, because many are in the penitentiary for life and many are in for long terms of years, and, of course, they must be counted in the population during the wet year and also during the dry year. So the statement of the warden to the effect that the decrease is fully 40 per cent is undoubtedly correct. One entire wing of the cell house of the State penitentiary of Colorado has been closed. That speaks for itself of the great good that is resulting from prohibition in that State.

Upon the other hand, we find that the amount of savings accounts in the State of Colorado has increased enormously since prohibition has been adopted. There was an increase of 26 per cent in the amount of savings-bank deposits in Denver alone for the first nine months of the year 1916 compared with the same period of the wet year 1915. New savings-banks accounts were opened in Denver the first dry year in a larger number than in any similar period of the city's history. There was an increase of more than 16 per cent in deposits in the banks and trust companies of Denver compared with the same period in the previous year.

Mr. President, when it was proposed to adopt prohibition in the State of Colorado the predictions were made that particularly Denver would be wiped off the map. The prediction was made that there would be vacant stores throughout all the business portion of the city and that the places made vacant by the numerous saloons would not be filled by those engaged in any other business. In fact, it was predicted that bank accounts would not be so numerous; that deposits would not be so great, and that business would be stagnant. Yet the very statement that I have read shows that there was a large increase instead of a decrease in business.

In the first dry month the Denver Gas & Electric Co. increased its gas and electricity current sales more than $10,000, whereas it had figured upon a probable loss of $15,000. In other words, they argued with themselves, no doubt, that as the saloons were brilliantly lighted, each of them having a brilliant electric-light sign, there would be a great loss in the amount of electricity sold. Yet during that first month the amount sold was increased instead of decreased. It was the same way with the building permits. The building permits for the year 1916 were almost double those of 1915 in the city of Denver. The financial transactions of the Denver post office indicated the enormous increase of $1,258,000 over the year 1915.

But, Mr. President, there was one thing that was said with a great show of reason, namely, that there would be a falling off in the tourist trade of Colorado. It was said people will not come to a State where they can not buy liquor, and there seemed to be perhaps some reason in that declaration and prediction. But, Mr. President, when we compare the number of tourists to Colorado for the year 1916 with that of 1915 we

find that directly the opposite occurred. In other words, we find that the number of tourists who visited the Rocky Mountain National Park in Colorado in 1915 was 31,000 and in the dry year of 1916 the number increased to 51,000—nearly double the number. It was found that the men who wanted to take their families concluded that they would rather go to a dry State than to go to resorts where there might be carousing produced by the use of intoxicating liquors. Thus the tourist trade which it was predicted with absolute confidence would be ruined, as a matter of fact almost doubled the very first year of prohibition. The reports this year indicate that the tourist travel to Colorado is still greater than in 1916.

Mr. President, I wish to read right here a statement which I clipped from a paper the other day as to the attitude of the mayor of the city of Denver on this question. This is his statement:

BOB SPEER CONVERTED.

At last Mayor Speer, of Denver, has come out for prohibition. Here is an extract from what he said in a recent public address:

"I voted against prohibition when the question was before the people. Yet, notwithstanding what I have said, if the question were submitted again I would vote for it. The success of no city depends upon the sale of liquor, and Denver to-day is better off than it was when saloons were running.

"About $6,000,000 was spent for liquor in Denver during the year 1915, when saloons were running; about $2,500,000 was spent for it in 1916, being for liquor shipped into Colorado for private use, a saving of $3,500,000 a year.

"The shipments last year were generally made to people who could afford to buy it and the saving of $3,500,000 was largely to those who could least afford to spend their money in that way. What became of this large amount saved? Many men who formerly spent their evenings in saloons can now be seen taking their entire families to moving-picture shows at a less cost than they formerly spent in saloons. The sun is now shining in many homes of Denver where gloom and fear formerly shut it out."

Mr. President, it seems to me that that testimony of a man who had been upon the other side of the question and who voted against the prohibition constitutional amendment of Colorado ought to have great weight in the determination of this question.

There is one fact that is lamentable but nevertheless true. While Colorado is a prohibition State, there is a large quantity of liquor that has been coming into that State by shipments from a neighboring State. It seems almost impossible to stop the shipment of liquor to Colorado from outside of the State. Shipments to the extent of at least $2,500,000, according to the statement of the mayor of Denver, came from outside sources.

Mr. President, the very fact that large quantities of liquor have gone into the State of Colorado, most of it illegally, is the clearest proof why an amendment to the Constitution of the United States is absolutely imperative.

States can not fully enforce their constitutional prohibition amendments; States are powerless to do so, except to a limited degree. When a prohibition State has across its border, as is the case in Colorado, a State that does not at all prohibit the use of intoxicating liquors, it can readily be seen that absolute prohibition is impossible.

Mr. President, it is not the fault of the laws of Colorado, and it is not the fault of those who administer the laws of the State of Colorado, that prohibition in that State is not as effective as it should be. It is almost impossible to discover every individual sale of liquor and every illegal importation of liquor from one State to another. The line between States might almost be said to be imaginary so far as the enforcement of liquor laws.

Mr. President, that is the reason I have always believed that an amendment to the Constitution of the United States would stop the use of intoxicating liquors and bring the beneficial effect prohibition is designed to accomplish.

This joint resolution is not to enforce a law except in a legitimate way; it is not to make a law for one State by singling it out. That State has joined in the ratification of a constitution which provides that an amendment applying to all the States of the Union can be submitted to the States, and if ratified by three-fourths thereof, shall become binding on each State. I can not see how anyone can contend, under the mode of procedure prescribed by our national Constitution, that we are impairing or annulling any right of a State.

I can say that Colorado has found it beneficial to have even partial prohibition, and I must say that we can not have prohibition to the extent that we should have, without a United States constitutional amendment. It is for Colorado's own protection, as well as for the beneficial effect which will be the result in other States that we desire the amendment. We know the Federal courts would more effectively enforce such a measure. Violators of the law fear the Federal courts more than the State courts. We can not in Colorado get absolute prohibition without the aid of a national constitutional amendment, and consequently when we vote for this joint resolution we believe it to be for the purpose of accomplishing that enforcement. We therefore believe that it should be adopted and should become a part of the Constitution of the United States.

Mr. SHEPPARD. Mr. President, it seems that no other Senator desires to speak this afternoon. I therefore move that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock and 3 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, July 31, 1917, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

MONDAY, *July 30, 1917.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We come to Thee Almighty God our heavenly Father, with glad hearts, rejoicing in the possession of life, and its splendid environments, its lofty hopes and glorious aspirations which leap like angels from the temples of our hearts, and which are ever leading us onward and upward to greater heights of manhood and glory. Increase our faith in Thee, so that when sorrows gather like clouds thick and fast about us we shall not fail; when the storms of adversity break upon us we shall be firm; when temptations come rolling in upon us like the mighty waves of the ocean we shall be strong to resist, forgetting not that "he that dwelleth in the secret place of the most high shall abide under the shadow of the Almighty." This we ask in the spirit of the Lord Jesus Christ. Amen.

The Journal of the proceedings of Thursday, July 26, 1917, was read and approved.

LEAVE TO ADDRESS THE HOUSE.

Mr. McLAUGHLIN of Pennsylvania. Mr. Speaker, I ask unanimous consent for 15 minutes to speak on a resolution which I introduced last Wednesday.

The SPEAKER. The gentleman from Pennsylvania asks leave to proceed for 15 minutes on a resolution which he introduced last Wednesday. Is there objection?

Mr. HEFLIN. Reserving the right to object, Mr. Speaker, what is the resolution about?

Mr. McLAUGHLIN of Pennsylvania. The resolution is in reference to freedom for Ireland, and I believe it is also very essential in the winning of this war.

The SPEAKER. Is there objection?

Mr. SMALL. Reserving the right to object, I will not object if the gentleman will permit me to submit a request for unanimous consent before he begins his address.

Mr. MADDEN. I will object to unanimous consent on the river and harbor bill.

The SPEAKER. You can not object until it is asked. Is there objection to the request of the gentleman from Pennsylvania [Mr. McLAUGHLIN] to speak for not more than 15 minutes?

Mr. SMALL. Mr. Speaker, I will not object if the gentleman will permit me to submit a request for unanimous consent before he begins.

Mr. McLAUGHLIN of Pennsylvania. I certainly will.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its reading clerk, announced that the Senate had passed, with amendments, bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 4285. An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message from the President of the United States, by Mr. Sharkey, one of his secretaries, announced that the President had approved and signed bills of the following titles:

On July 24, 1917:

H. R. 5326. An act to authorize the President to increase temporarily the Signal Corps of the Army and to purchase, manufacture, maintain, repair, and operate airships, and to make appropriations therefor, and for other purposes.

On July 27, 1917:

H. R. 646. An act for the relief of Mrs. Nancy E. Mullins;

H. R. 4892. An act authorizing the President to take possession, on behalf of the United States, for use as sites for permanent aviation stations for the Army and Navy and for aviation school purposes, of the whole of North Islands in the harbor of San Diego, Cal., and for other purposes; and

S. 2666. An act granting the consent of Congress to the Sebastian bridge district to construct a bridge across the Arkansas River at the foot of Garrison Avenue, at Forth Smith, Ark.

On July 28, 1917:

S. 1811. An act for the relief of homestead entrymen or settlers who enter the military or naval service of the United States in time of war;

S. 2106. An act to authorize the county of Cass, in the State of Indiana, to construct a bridge across the Wabash River east of the city of Logansport, at a point known as Cedar or Rock Island, in said Wabash River; and

S. 2667. An act granting the consent of Congress to the Pritchard-Wheeler Lumber Co., of Wisner, La., to construct a bridge across Bayou Macon, in Louisiana, at a point east of the town of Wisner, La.

RIVER AND HARBOR APPROPRIATIONS.

Mr. SMALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the river and harbor bill, disagree to all the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take from the Speaker's table the river and harbor bill, disagree to the Senate amendments, and ask for a conference. Is there objection?

Mr. MADDEN. I object.

Mr. SMALL. Will the gentleman reserve his objection in order that possibly we may be able to satisfy him?

Mr. MADDEN. No; I think I will object.

The SPEAKER. The gentleman objects. Is there objection to the request of the gentleman from Pennsylvania [Mr. McLAUGHLIN]?

There was no objection.

LEAVE TO ADDRESS THE HOUSE.

Mr. POWERS. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes on the coal situation at the conclusion of the address of the gentleman from Pennsylvania [Mr. McLAUGHLIN].

The SPEAKER. The gentleman from Kentucky [Mr. POWERS] asks unanimous consent that at the close of the remarks of the gentleman from Pennsylvania [Mr. McLAUGHLIN] he be permitted to address the House for 15 minutes on the coal question. Is there objection?

There was no objection.

Mr. SCHALL. I ask unanimous consent to proceed for three or four minutes on the food situation.

The SPEAKER. The gentleman from Minnesota asks unanimous consent that at close of the remarks of the gentleman from Kentucky he be permitted to proceed for five minutes on the food bill. Is there objection?

There was no objection.

Mr. SWEET. I ask unanimous consent to address the House for 30 minutes immediately following the gentleman from Minnesota.

The SPEAKER. The gentleman from Iowa [Mr. SWEET] asks unanimous consent that at the close of the remarks of the gentleman from Minnesota [Mr. SCHALL] he be allowed to address the House for not more than 30 minutes. Is there objection?

Mr. TOWNER. On what subject?

Mr. SWEET. On a general subject.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Pennsylvania [Mr. McLAUGHLIN] is recognized for 15 minutes.

Mr. McLAUGHLIN of Pennsylvania. Mr. Speaker, the resolution that I have introduced in the House, House joint resolution 127, is presented under the firm conviction that the successful prosecution of the war in which we are engaged makes action such as indicated therein an imperative need of the times. In offering the resolution I am prompted by an unshaken belief that its adoption, and its fulfillment in fact, would contribute tremendously to the victorious issue of American arms in the war we are now waging.

No observing man can be blind to the events in Ireland; to the unrest among the Irish race throughout the world; to the disheartening effect of the refusal of the British Government to put into immediate operation that limited home-rule act now on the statute books; and to the alienation of millions of men who are loyal to the cause of freedom by heritage and education, but who remain more or less inactive because freedom is denied to the land of their fathers.

In a world war such as we have entered the smallest factor may decide for victory or defeat. It is a phenomena of this war that the rulers of every country in the combative alliances are ever vigilant regarding the conditions existing in the realms of their allies. We are now as much concerned in the internal affairs of Great Britain as we are in the operation of the processes of law and order in California or in the Philippines. It has been stated with vehement logic that the fates of Great Britain and America in the present war are bound together in a common peril. Any weakness which develops among the inhabitants of one country is a menace to the safety of the other.

The question of Ireland, therefore, is not merely an English question. It is an international question. The United States has as much right to share in the settlement of this question as England has. The world apparently is in process of reorganization, and the Irish people form a powerful part of this world. The fate of Ireland can be fixed in this House and the cause of the allies rendered a service far greater than can be measured by the wisest statesmen of our time.

It has been said that America will be saved on the fields of France, just as Pitt, the Earl of Chatham, said, after Braddock's defeat, that he would win America on the sands of Germany. The axiom that "history repeats itself" is presented once more to the mind in a most powerful manner, for now the cause of freedom can be saved on the hills of Ireland. This House, which has declared that the freedom of small nations was a thing worth going to war for, can thrill the world with a new declaration of independence. And just as the course of history has declared that the liberation of the American Colonies inspired the world to establish the magnificent system of republican government, so also will the liberation of Ireland fortify the faith of all free people in the eternal justice of the right of a people to govern themselves. [Applause.]

The winning of the war is a mighty duty that arouses America. The Irish race has prepared itself for this duty and grasps the weapons for the combat. But can not that race rightly ask, before its sons go forth to die, "May not this blood be shed also for Ireland?" In the cause of freedom Irish soldiers have melted in the blasts of death on every field on this continent. They have never asked why—it was theirs but to do and die. They have ever been eager to serve as Americans, to bear the burden as citizens, and to guard with their lives the destiny of this great Republic. But they have never, while doing their duty to their country, forgotten their origin. With the high spirit of a proud race they have been proud of their warlike deeds and have cherished the memory of those achievements which mark them as a separate unit of the human family. They can not forget the ties of consanguinity. They can not break those ties of blood—the blood of its sturdy manhood and womanhood which has contributed much to invigorate the American stock and to enrich the heart of this great Commonwealth, though this contribution impoverished the land of their fathers. They can not forget a line of the splendid story of the Irish in America during the last 200 years. It is the proudest page in the annals of the Irish race. And as multitudes of youth—youth of the Irish race—now assemble for the conflict in the armies and fleets of their country, there are millions who will read the Irish names on the muster roll in this war, as did Gen. Charles Lee in the War of the Revolution, when he said, "Half the Continental Army is Irish."

They can not forget a longer and more glorious story, a story gleaming with triumph and dark with defeat, but cherished nevertheless by the Irish race with a devotion unexampled in the record of nations, with a love like that of mothers for their children, with a reverence such as is given to religion exalted through generations of persecution and disaster, and with that lofty idealism that is imperishable amid decay. For 800 years the Irish race has cherished the dream of freedom. Before the President of the United States uttered those fateful words on the second day of last April they had been uttered by nearly forty generations of Irishmen. Before the Congress of the United States declared for the freedom of small nations countless millions of the Irish race had registered a vow to live and die for the freedom of their own small nation. When this Government chose the path of war and announced to the world that the sword would not be sheathed until Belgium, Serbia, Roumania, and Poland were free, can you not understand how the millions of the Irish race on this continent were struck with an unexpressed wonder? Can you not imagine—at least vaguely—the chill at the heart, the shattering of a hope, when yearning eyes failed to find the name of Ireland among the small nations that were to be redeemed?

It is no light thing for a powerful race to surrender its dream. Yet the Irish race will gladly and trustingly surrender the dream of eight centuries in order to insure the safety of America. But the spirit that won independence in a long and bloody revolution, the sympathy that has united the people of Ireland and the people of America for more than a hundred

and fifty years, can not be ignored even in the face of a crisis that divides and all but paralyzes the world.

The principles of the Irish race are not written on a "scrap of paper." They can not be torn from the heart of the race. The race can not be asked to perish, to consume its soul, to pile its treasures on the altar of expediency, and to light the sacrificial pyre of its liberty to win the freedom of other nations and entirely disregard their own.

There is unswerving loyalty at this moment in every man and woman of Irish blood who owes allegiance to this Government and to its flag. But there is also a longing that this Government shall wield its mighty influence—speak its fateful words—for Irish liberties. Those whose fathers have been so often betrayed are searching their souls and asking if once again the race is to lose its cherished dream of freedom. They look back over the past and reflect with bitterness that on the fields of Flanders, on the plains of France, on the hills of Austria, the young men of Ireland have laid down their lives—but not for Ireland. They ask in the silence of their own hearts, "Are we always to die and never to gain the object of our devotion?"

Let this Congress ask that Ireland, too, shall be free—shall be as free as Belgium, as Montenegro, as Serbia, as Roumania, as Poland, as Greece. Then will a change come over the face of this war. A cheer will rise that will be heard around the world, because it will come from the lips of the Irish race in every land where constitutional justice holds its place, and from the lips of every people who wish to be free.

It is, however, not a question of conciliating the Irish race. The lives, the fortunes, the honor of that race are pledged to America. But there are more powerful bonds of fealty than pledges. There are more binding ties than those of birth, than oaths of allegiance, than convictions of the justice of a cause. Touch the deep emotions of a race and that race will feel a deathless pride in having been given the opportunity of showing its devotion to the cause to which the country is pledged. [Applause.]

Not only in the marts of commerce, in the great cities, over the wide plains of America will such a declaration be hailed with delight, but across the border into Canada, over the bush of Australia, the veldts of South Africa, on the hills and vales of Ireland, and in the mills and mines of Great Britain herself will the glad tidings go that the American Congress, toward which the yearning gaze of the Irish race is now turned, has spoken the words of destiny, and that Ireland shall be a self-governing nation.

The action that this House is asked to take has been taken by other Governments in other crises. It would be possible to enumerate instances from the records of other nations. But it is worth while recalling at this time the action of this Government in the case of Texas in 1847, and of the British Government in the case of Greece in 1822. In both of these cases the hand of a powerful Government was extended to a small nation struggling for its freedom.

Another principle of statesmanship practiced since the earliest times is that of concession to the prejudices of its own citizens. In applying this principle Lincoln disarmed the prejudices of the army of McClellan by assuring the men of that army that the Civil War was not being waged to impose negro domination upon the southern people, but to save the Union. Is it not worth while to assure the Irish race that this war is being waged to establish freedom in those countries that have been deprived of it?

Every Government exists and flourishes through the sentiment of its people. Those that seize power by force of arms will not long maintain it before the advance of unconquerable democracy. The exception to this rule is the case of Ireland. In that country there are protests; there are immense meetings addressed by leading public men; there are insurrections and bloodshed; there are arrests and imprisonment for defiant citizens; there are areas of martial law and all its consequent petty tyrannies—all indicating that the cause for which America is fighting is imperiled by the oppression of a race whose sons at this very hour are marshaled to achieve the victory which shall result in establishing the rights of small nations.

Mr. HULBERT. Will the gentleman yield for a question?

Mr. McLAUGHLIN of Pennsylvania. Not just now. Is it not a strange spectacle—an embattled Irish race striving to break the shackles of every enslaved people except those shackles which bind the people of their cradle land to the chariot of the conqueror?

We declare that we are now repaying the debt of gratitude to France for her aid in the Revolution. Is it forgotten that the people of Ireland sent a message of good will and encouragement to the Continental Army, and that not alone was the army of Washington half Irish but that the army of France in America at that time was also half Irish? We waged a war for the freedom of Cuba, and we protect that small nation in its right to freedom. For a century we have guaranteed the sovereignty of the South American Republics. Is it to be recorded on the annals of civilization—is it to be written in the record of this Nation—that small nations, alien in blood and language, strange in customs, and foreign in character, shall receive from the generous hand of America the dearest of all possessions—freedom—and that this priceless treasure is to be denied to that small nation whose blood has been shed in torrents for the defense of America, whose speech is our speech, whose character is the American character, whose customs are our customs, and who have never been foreigners since the first ship sailed across the sea with the soldiers who were even then fighting the battles of liberty, as they have ever fought them, and as their descendants are recrossing that sea to fight them again? I am fully convinced that the American Congress can answer the question. [Applause.]

Mr. HULBERT. Will the gentleman yield for a question?

The SPEAKER. The time of the gentleman has expired. The gentleman from Kentucky [Mr. POWERS] is recognized for 15 minutes.

Mr. POWERS. Mr. Speaker and gentlemen of the House, I want to make a few remarks touching the attitude of the present administration and the Government toward the coal producers of the country. I am not a coal producer. I hold no brief to speak for them. As a matter of fact a majority of them have always been against me in my congressional campaigns down in my district. The miners, in the main, have been for me. The interests of the miners and operators are so closely allied that you can not injure the one without hurting the other. The miners know I have stood by them all along the line.

It seems that the coal operators have few friends and no advocates in this Chamber. In justice to them, I want to make a few statements regarding their situation. The price of "free coal"—that is, coal not under contract—so far as the consumers of the country are concerned, is enormously high. I might say that the price that the consumers have to pay is outrageously high. But if the coal producers alone were responsible for this entire situation—a thing which they are not—even in that event there would be at least some justification for their position. I lay down this proposition, which I do not believe any gentleman here will deny, and that is that from 1900 to 1916, inclusive, 16 long years, there was not a single new dollar made by the producers of bituminous coal in the entire United States. The figures of the Federal Trade Commission, as well as the figures of the Commerce Department, fully sustain this statement. I am taking the Government's own figures for it.

It is true that some of the operators made money, others lost. I am speaking of the operators as a whole. The Federal Trade Commission, in a recent report made by them, I believe on the 20th of June, makes this statement:

> For several years prior to 1916 it has been a matter of general knowledge that the bituminous coal industry of the United States was in an unsound condition.

There is no doubt about the unsound condition of the bituminous coal industry from 1900 to 1916. I know of my own personal knowledge that for the last 8 or 10 years many of the coal operators in my district—and it is fast becoming one of the great coal-producing districts of this country—were in a state of bankruptcy. I am speaking up to 8 or 10 months ago. Many of them were being forced to the wall. Others were forced to the verge of ruin. I know that of my own personal knowledge. So that if the coal operators were responsible for the high price of coal that has been prevailing for 8 or 10 months, there is at least some justification for their position, because for the last 16 years their industry in this country has been making no money. In the main, during that length of time the country has been at the high tide of prosperity with a few minor exceptions. The other industries have been making money hand over fist. During all this time the coal industry has been losing money, many of them, as I say, being forced to the wall. So that if they were responsible for it all there would at least be some justification. But are they responsible? The Federal Trade Commission, in its report of June 20, states that at least 70 to 90 per cent of the coal produced in this country is produced under contract. That is to say, railroad companies, the great steel mills, the great iron factories, the cotton mills, and so forth, which consume 80 per cent of the coal produced in the United States, buy their coal under contract.

Many of the contracts made years ago are not out of existence now. Many of the contracts have been fulfilled. In fact, nearly

all of them have been in course of fulfillment by the coal operators during the high price of coal. That is, these contracts were made at a time when wages were not as high as now, when materials were not as high as now, when coal could be produced at a much cheaper cost. And while the coal operators have been fulfilling the contracts, many of them have been doing so at a loss to themselves. It is the so-called "free coal," the panicky condition of buyers, the disreputable conduct of a few middlemen, together with the new routing of coal, which are responsible for the fluctuation of price. It is not the producers; it is not the shortage.

During 1916 there was no shortage of coal—only about 4,000,000 tons short in the anthracite output. They produced 509,000,000 tons of bituminous coal—the biggest output in the history of the country—so that the high prices of coal have not been due to the coal shortage, but have been due largely to the fear, the terror, of shortage, along with the other things to which I have just called attention. The operators could have refused to have accepted, at the mouth of their mines, the high prices offered them for about 20 per cent of their coal—that is, the so-called "free coal"—and if they were the only persons in the world getting high prices for their products such conduct might be reasonably expected of them, but not so with the world gouging them at every turn of the road. The price of coal is too high, but the price of everything else is too high.

The operators are willing to come down in the price of their products if the other fellows will. They are willing to sacrifice as much for the Government and the public as anybody else, but they object to being made the "goat." A crisis, however, is on, and certain members of the Cabinet, high-minded men, realizing that the price of coal is too high, realizing that the price of coal is hampering the Government in the proper prosecution of the war, realizing that the householder and the consumers, the wage earners, men working on salaries are paying enormously high prices for coal, realizing that there ought to be some remedy for the situation, Secretary Lane, of the Cabinet, Commissioner Fort, of the Federal Trade Commission, the coal production committee of the Council of National Defense, Mr. Manning, of the Bureau of Mines, called the bituminous coal operators of the United States to assemble here in Washington the latter part of June. They did come, and assembled through their representatives, more than 400 of them. Mr. Lane, of the Cabinet, said to these men that a national crisis is at hand. "We want you to put down the price of coal at the mouth of the mines to a reasonable figure. We want it for $3 a ton, and we want to give you less than that if the Federal Trade Commission, now conducting an investigation, says that $3 is too much." The coal operators agreed to take $3 a ton at the mouth of the mines for the next 30 days and thereafter to take whatever the Federal Trade Commission said was a reasonable profit, charging the Government and everybody else only what the coal actually costs to produce. In other words, the coal producers of this country, the only men called upon to make any such sacrifice said: "We are willing, we will charge everybody what our coal actually costs to produce, and all we want above that is a fair profit, and we are willing for the Government to fix the price and the profit." The matter was agreed to.

Secretary Lane complimented the coal operators for being big men and doing a big thing in a big way. He said that they had "reason to be proud of what they had done" and that "they had worked in a spirit that makes for the success of our country.' The operators went to their homes. They agreed to this thing notwithstanding the fact that 80 per cent of their output goes to the railroads, the cotton mills, the steel mills, the factories, the foundries, the munition plants of the country, all of which have been making enormously greater profits than the coal producers ever dreamed of. None of these men were called upon by the Government, or by any man connected with it, to make a similar sacrifice on their part, and yet the coal producers agreed to do this.

Mr. NORTON. Will the gentleman yield?

Mr. POWERS. Yes.

Mr. NORTON. Does the gentleman have in mind what the price of coal was per ton in Kentucky at the mouth of the mine in 1914?

Mr. POWERS. I do not remember the exact figure.

Mr. NORTON. Approximately.

Mr. POWERS. I can hardly answer that question. I am not sure what it was.

Mr. NORTON. One dollar and twenty-five cents?

Mr. POWERS. Possibly so; maybe a little higher than that.

Mr. LANGLEY. I think it was between $1.40 and $1.50.

Mr. NORTON. What does it sell for now at the mouth of the mine?

Mr. POWERS. About $4.

Mr. NORTON. What was day labor worth in the mines in 1914?

Mr. POWERS. I can not give you the figures, but it has been greatly increased since that time, and the miners are demanding a further increase, and they have got to have good wages or they can not live.

Mr. NORTON. The price of coal at the mine has increased 400 per cent.

Mr. POWERS. That is the free coal that I am talking about, and that is only 20 per cent of the output, and I have explained about that increase. Most of the coal goes by contract. I am not trying to absolve the coal operators from blame, in so far as blame should attach to them, but they are entitled to fair and just treatment, and they are not getting it.

Mr. NORTON. The gentleman says that in 1914 coal at the mouth of the mine sold for $1.40 or $1.50.

Mr. POWERS. I do not know. I say this: That so far as "free coal" is concerned, which is 20 per cent of the output coal not under contract, the coal operators for the last 8 or 10 months have been making money hand over fist, and the price has been outrageously high, and to the extent that the coal operators may be to blame for this, I am not trying to absolve them.

Mr. NORTON. And wages have increased 25 per cent.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. POWERS. Yes.

Mr. BLANTON. Coal to-day in the District of Columbia is bringing $8.50 a ton.

Mr. POWERS. I do not know what it brings here.

Mr. BLANTON. Can the gentleman state what that coal is worth at the mouth of the mine?

Mr. POWERS. I can not tell.

Mr. COOPER of Wisconsin. What kind of coal is that?

Mr. BLANTON. Furnace coal; what they put into the stoves here to-day.

Mr. COOPER of Wisconsin. That is anthracite.

Mr. POWERS. There is no anthracite produced in my district. Virtually all the anthracite coal is produced in the State of Pennsylvania. I am not personally acquainted with the price of that coal, but let me read you what the Federal Trade Commission has to say about some of it. I read from page 3 of this report of June 20:

> For years the prices received for anthracite steam sizes have not been sufficient to pay the cost of production.

Mr. GRAHAM of Illinois. Mr. Speaker, will the gentleman yield?

Mr. POWERS. Yes.

Mr. GRAHAM of Illinois. Is the scale of wages of the miners of the gentleman's State fixed until July, 1918, by agreement with the operators?

Mr. POWERS. In my district they have mostly had independent labor until recently when the miners have made an organization. They have organized and they are demanding an increase in wages. A big strike is impending.

Mr. GRAHAM of Illinois. I understand that the soft-coal miners throughout most the country are under a contract or fixed scale of wages until June, 1918?

Mr. POWERS. That may be true generally, but it is not true in my district. I shall have to decline to yield further, as my time is about up.

After these operators had come here to Washington and made the agreement of which I have spoken, they returned to their homes no doubt feeling that they had made a great sacrifice, especially in view of the fact that nobody else had been called upon to make any, and in view of the further fact that neither the Government nor the public had come to their relief in the days of their sore trial and threatened destruction. To this magnanimity on the part of the operators, what has been the attitude of the Federal Government and this administration since that time? It is common knowledge, of course, that the good work of Secretary Lane, Commissioner Fort, and Mr. Manning have been knocked into a cocked hat by Secretaries Baker and Daniels and President Wilson. So the real answer of the administration to the magnanimous conduct of the coal operators is found in the provisions of the food-control bill now before us.

The SPEAKER pro tempore (Mr. HEFLIN). The time of the gentleman from Kentucky has expired.

Mr. POWERS. Mr. Speaker, I ask unanimous consent to continue for 10 minutes more.

The SPEAKER pro tempore. The order is that the gentleman from Minnesota [Mr. SCHALL] shall proceed for 5 minutes following the gentleman from Kentucky [Mr. POWERS], having 15 minutes.

Mr. POWERS. I know that is the order, but I submit my request.

The SPEAKER pro tempore. The gentleman from Kentucky asks unanimous consent to proceed for 10 minutes more. Is there objection?

There was no objection.

Mr. POWERS. Mr. Speaker, I want to take up now the attitude of the administration to the coal trade and the coal operators of the country, as we can judge it from the provisions contained in the food-control bill, and of necessity I must be brief. Let us take section 4 of both the Senate and the House bills. We find this, that general provision is made for governmental control of apparently all necessaries, although the title to the bill does not cover any such thing. Under section 4 it is provided that there shall be no monopoly of the necessaries of life. Further it is provided that it shall be unlawful to make any unjust or unreasonable rate or charge. This of course includes coal, because if there is any commodity that touches the public weal at as many angles as coal touches it I do not know what it is. Coal is absolutely essential to the transportation facilities of the country. It is absolutely essential to the great industrial world. It is absolutely essential to the household welfare of the land. Coal must be included in this provision of the bill. The section further provides that no one shall enhance the price or exact excessive prices for any necessaries. That provision covers coal. The administration is not content with putting coal on the same footing as some other things, so in section 5, which is the license section of the bill, it is provided that if, in the opinion of the President, it is necessary to require the coal operators of the country to get out a license, under such rules and regulations as he may prescribe, in order that they may operate the coal mines at all, that shall be done. That is section 5 of the bill. Section 6 is the hoarding section. It is a mighty good section, one of the best sections in the entire bill. It provides that you can not either hoard coal or other necessaries, and I indorse nearly all of that section. But section 8—why, they strike at coal operators in almost every section of this bill, and chase them like they were a band of malefactors. Section 8 provides that the President, if in his judgment it is necessary, may commandeer the fuels of the country, may take over all the coal produced. Section 9 provides that the President, if he desires to do it, may force the coal operators of the country to sell their coal only to the Federal Government through an agency to be established. And will it not be some job to establish an agency to handle the 2,000,000 tons of coal daily produced in this country?

Section 10 provides that the President may commandeer, if he sees fit to do it, all the coal mines of the country, take them with all their equipment. How would he operate them if he had them? Section 22 provides—and that is the Pomerene amendment—that the President of the United States shall be empowered to fix the price of coal and coke, and I notice from the morning's papers that the conferees have broadened that provision so that the President may not only fix the price, so far as the Government is concerned in its needs in this war, but may fix the price for everybody. If a price is fixed for the Government, the same price certainly ought to be fixed for the consuming public. The President is to fix the price and establish the rules and regulations under which the operators are to operate the mines, and if they do not operate the mines as the President believes they ought to be operated, out they go. I will just read the language of the Senate bill:

If, in the opinion of the President, any such producer or dealer fails or neglects to conform to such prices or regulations and conducts his business efficiently, etc.

Why, the President has got the power to take over the coal mines and all the coal of the country. My understanding is, as I gather from the public press, that it is the purpose of the President to fix a uniform price of coal at the mouth of the mine. He expects thereby, it is said, to solve the high price of coal to the ultimate consumer, to increase the output of the mines, to greatly strengthen our national defense, and to bring unalloyed relief and joy to the citizenry of the entire country, save and except the operators themselves. Delusive dreams, Mr. President, delusive dreams. Judging from the statements in the public press, the President has said that $1.50 per ton ought to be the price of coal at the mouth of the mine. I want to say this, that if the President of the United States fixes a uniform price of coal at the mouth of the mine at $1.50 per ton, or anything akin to that price, I predict for this country the greatest calamity that it has ever had. Such a course will put the operators of small veins of coal and many small operators out of business, if not many larger ones. The small operators produce about 50 per cent of the entire output. What will this country do with its output of coal reduced 50 per cent? The production of coal is the crying need of the hour. While the price of coal ought to be reduced, the production of it is the real demand of the times; and you can get more milk by feeding the cow than you can by twisting her tail.

What will become of this country from the standpoint of the home user of coal? What will become of it industrially, what will become of it in the conduct of the war if such action is taken here as will materially reduce the output of coal? Out of 300 working days, the mines run last year but 230. By permitting them to run at their full capacity 259 days this year they will produce enough coal to supply the needs of this country generally, and the needs of the allies in the conduct of the war. But you have got to permit them to run. The operators have got to have men and they have got to have cars. They have got to have such a price for their coal as will permit them to operate. Does the President mean to fix the price of coal at $1.50 per ton at the mouth of the mine? Does the President propose to fix the same price for all the mines, not taking into account the quality of coal, not taking into account the thickness of the vein, not taking into account the labor conditions; is the price going to be uniformly fixed? If so, the plan is already doomed to failure. Let me read to you part of the Federal Trade Commission's report of a few days ago:

All the nations at war have relieved coal miners from military duty, urging that their greatest service to the State can be performed by remaining at their regular employment.

Let me pause long enough to say that the nations at war, whether on the side of the allies or whether on the side of the central powers—all the countries engaged in the war—if the report of the Federal Trade Commission can be relied upon, have relieved from military duty the coal miners of those various countries. But the attitude of this Government toward the coal miners of our country is upon an entirely different footing. In other words, they are not relieved from military duty under the conscript law passed by this Congress, over my protest some time ago. The ranks of the miners are already being seriously depleted by the lack of steady employment, by big wages paid in munition plants and other employments; and now you propose to further deplete them, contrary to the policy and experience of every other country engaged in the war, by sending them to the front to shoot and be shot at. Let me read you further what the Federal Trade Commission says about this:

Already in this country the ranks of the miners are being seriously depleted by enlistment.

Many remedies have been urged upon the commission. Government ownership or at least Government operation is argued by many, but perhaps the most common is the suggestion that the Government fix prices at the mines. This suggestion has been carefully considered and it seems clear that unless a uniform price is fixed each ton of coal will have to be followed through to the consumer lest any given ton be retailed at a price based upon the price fixed for the highest cost mine.

If a uniform price were fixed, many mines will be shut down unless the price is high enough to make the highest cost mine profitable. Such a price, in operation, might be found unfair as to the public and especially as to the railroads. No remedy will be effective that does not include constant employment to labor and at fair wages; maximum production of all equipped mines, fair profits to all mine owners, and prompt, equitable, and economical distribution to all consumers, both domestic and industrial.

It would seem that steady employment, fair compensation to labor and capital, equitable distribution, and stable prices could be secured by pooling all coal and coke production in the hands of the Government.

If the producer at each mine were paid his full cost of production with allowance for depletion, maintenance, upkeep, and all the usual items, and to this were added a fixed and uniform net profit per ton, with due regard to quality, the coal thus produced at widely varying costs, if pooled, could be sold through the Government at an average and uniform price, quality considered, which would be entirely tolerable to the consuming public, and a price much lower than could be fixed if an effort were made to fix a uniform price to the producer.

Such a method would require careful supervision as to economical operation, but this task and the expense involved in performing it will be very small in proportion to the net saving gained to the Nation. As a matter of practice, many large contracts are being made on a basis of cost or production plus an agreed profit.

It will be observed that the Federal Trade Commission strongly advises against attempting to fix a uniform price of coal at the mouth of the mines, as is the intention of the President, if he has not been misrepresented and misunderstood.

It would mean ruin to the coal industry, and therefore ruin to the country, to fix a uniform price at the mouth of the mines unless that price was fixed sufficiently high to save the small producers and the operators of small veins of coal. To do this, the price would be so high as would likely work some hardship on the country generally.

There seems to me to be but few solutions to this coal problem: One is for the Government to pool all the coal at a fixed net price, but pay each operator "his full cost of production, with allowance for depletion, maintenance, upkeep," and a "fair profit," as the Federal Trade Commission recommends, but in order for this plan to work there would have to be both a maximum wholesale and retail price; and another is to leave

the trade to the law of supply and demand. But neither of these methods will prove effective if left solely to themselves, as this bill proposes to leave the price fixing. The mere fixing of a price of coal per ton is not enough, even if the price fixed were satisfactory. The operators have got to have men, and they have got to have transportation. Without these no price fixing will amount to anything. Let me read to you what the Federal Trade Commission says on this subject:

The pooling of coal in the hands of a Government agency would still be ineffective either as to distribution or as to the promotion of a maximum of production unless similar control extended over all means of transportation, both rail and water, and to meet this the pooling of railroads and boat lines is clearly indicated. The railroads of the country, if operated as a unit and on Government account, could be used to transport coal and other products by the most direct route to their point of destination, and the efficiency of the roads themselves, and of existing rolling stock and of motive power would be vastly increased.

The operation both of the mines and of the transportation agencies could be carried on by the present employees and officials, and after the war they could be returned unimpaired to private operation.

In other words, the coal operators have got to have railroad cars in which to ship their coal. They must have cars on the spot as the coal is gotten out, because they have no facilities for storing the coal. In fact, there is no storage room anywhere for 90 per cent of the coal produced.

And let me say here that there are plenty of cars if the operators could only get hold of them; and there are operations a plenty to produce all the coal we need if they were but given a chance. What the Federal Trade Commission says on this subject after full investigation ought to carry great weight. Let me read from their report of June 19, 1917:

The present production of bituminous coal the country over is about 40 per cent short of the possible maximum, and this limitation is solely to be charged, as to primary cause, to faulty rail transportation. The present demand for coal is unprecedented, but the mines now open are capable of filling this demand if adequate car supply is furnished.

It is a fact in the bituminous industry that the capacity of a mine for production and the capacity of labor is limited absolutely by the supply from day to day of coal cars for the moving of the product. Thus we have found that, with the market at unheard-of prices, labor is often standing idle at the mines and production is limited as compared with the possible productive capacity.

We find that mine labor is being disorganized by reason of irregular employment and forced idleness, and that in some fields bituminous mines are working only three or four days a week and that willing labor and willing operators are standing idle half the time.

In other fields where there is now a more nearly adequate car supply the irregularity of car supply in months past has so disorganized and discouraged labor that these mines are not now nearly at full capacity of production. The irregularity and uncertainty of employment has caused the miners to be tempted to leave the mines and go into other employment, and, having left, it is difficult to bring them back.

The commission believes that there are enough coal cars in the country but that there are not enough coal cars delivered to the mines, and that, an adequate supply having been delivered to the mines and loaded, these cars are not moved to the point of consumption either with the greatest of expedition nor are they promptly discharged upon their arrival at their destination.

The commission has much testimony of widespread abuse in the use of coal cars by speculators for the storage of coal for speculative purposes, and that the practice of reconsignment is wasteful and a cause of delay and market manipulation.

The commission finds that coal is not sent to the point of consumption by the most direct route, and that coal cars are being used for transportation of many other sorts of product.

Here we have the trouble in a nutshell. Listen further to what the Federal Trade Commission says:

The coal problem can not be worked out so long as the railroads are permitted to divide and allot traffic; to lay embargoes without regard to their immediate effect upon industry or upon the systematic distribution of coal; to give priority to the movement of high freight rate commodities; and to use the device of "long haul."

How do you expect and how does the President expect to solve the coal problem by merely fixing a price on coal? This bill does not attempt to solve the problem of transportation, yet the coal problem can not be solved without it. My district is rich in coal. My constituents are vitally interested in the coal provisions of this bill; the operators are interested; the miners are interested; the farmers are interested; the owners of land having coal under it are interested; my district generally is interested; and I shall do all I can to have eliminated from this bill its unfair provisions. Many of them, if the bill comes to final passage as it now stands, I do not feel like I can afford to vote against; some of them I do not feel like I can afford to vote for; but I will have to vote either for or against when the time comes. [Applause.]

Mr. SCHALL. Mr. Speaker, the present moment is big with the future. The Nation waits expectant, breath holding. Our glance is forward; the past has no precedent. Our burdens as a Nation seem almost greater than we can bear. Everywhere undercurrents of bitter feeling. Strife secretly festering. Greed taking new and ugly forms. Revolt and overthrow of all manner of oppression in the very air. All around distrust and suspicion.

The blanket charge is made on every hand that Congress is fiddling, wasting time. The man in the street does not know that the House has passed in record time the war resolution, the selective-conscription bill, the revenue bill, the aviation bill, trading with the enemy, the espionage bill, the food-survey and food-control bills; in short, every one of the administration's war measures, with the utmost minimum of debate consistent with honest endeavor to frame bills that would bear the weight of the future. If the critics would refer their charges specifically to the Senate instead of blanketing Congress, it would let the country know where the hitch is. The food, feeds, and fuel bill was ready for the Senate in plenty of time for it to be passed by July 1. Yet, with the certain knowledge that every day is a day of gold to the enemy, there has been this indefensible delay. If their deliberation were to the improvement of the people's condition it would be endurable. But nearly every change in the revenue measure has been to the detriment of the plain people. Instead of remedying the defects in their proposed revenue bill (which they virtuously claim is the reason for delay), instead of removing the injustices with which it is full, they are only serving to heap further the burden on the shoulders of the poor and take away from the obligation of the rich in their attempt to usurp the functions of the House in originating revenue measures. They make of it a rich man's bill. Those who can afford it should pay for this war.

My heart sickens at the thought of millions of people waiting patiently, hoping against hope that something will be done by the men they sent down here to care for their interests, while the disgusting spectacle of personal squabbles and persistent obstruction continues. The lower House was through weeks ago with the war legislation; we are now compelled to mark time waiting for the Senate to catch up. Having completed our bit, having done our uttermost, we say, "We are helpless. Our hands are tied. We have finished our work and can do nothing more." But the people do not like helpless Congressmen. All they know is that the revenue bill has not been passed and the loan is almost gone; the food-survey bill, passed weeks ago by the House, is still hung up; the aviation bill was allowed to drag along, though France is imploring us to send aviators to save her. And, worst of all, there is a bitter struggle in conference, further delaying the food bill, already delayed six weeks, with its provision for cheaper food and fuel, though July 1 is passed and the southern crops are moving into the speculators' hands, for the troublesome Members of the other body have thrown a monkey wrench into the machinery. Food gamblers have already cornered the tin-plate output. Canned goods to-day are higher than fresh. Overnight, without reason, they vault upward. And now, instead of proceeding with the revenue bill, which would net the Treasury better than $500,000 a day, clear the streams of trade, settle the method of raising the revenue, and put business on a firm foundation, they took up the river and harbor bill and squabbled over the distribution of "pork," when there is still in the Treasury unexpended for river and harbor purposes $33,000,000—plenty of money for emergency care of navigable rivers and harbors.

And with but two days' discussion, passed it last Thursday, 50 to 11, with 35 not voting. Exhausted with lugging large burdens of "pork" to their respective States, they feel it incumbent to take two days' rest, adjourning over till to-day, though the country is demanding their immediate consideration of the revenue bill.

It is the House every time that has sustained the President, and vigorously and with patriotic promptness pushed his measures to decision.

What does it profit us to pass remedial measures here in the House when they must be turned and picked and prodded an endless time at the other end of the Capitol, then be returned to us with every particle of effectiveness extracted, every chance of benefit crushed?

The food, feed, and fuel bill contains a provision that holds out a hope for the relief of the fuel situation of the Northwest, acutely threatening to-day. The coal supply at the head of the Lakes is over 2,000,000 tons short. Many boats come empty to Duluth. There should be 10 cargoes a day, whereas only 3 are received. If the needs of the northwestern winter are to be met, the Northwest must be supplied while boats can ply the Lakes. Unless the docks are filled up by the beginning of September, the chances of accumulating enough coal before the close of navigation are small. There must be sufficient freight cars released by the railroad committee of the Council of National Defense to enable mine operators to supply northwestern needs.

The people are clamoring for relief. If the Government can not get action from the railroads, or a decent price per ton for soft coal and bituminous coal, it had better take over mines and railroads, and take a hand at running the business itself. For four months Great Britain has controlled the coal mines.

There is no reason for a great increase per ton at the mines. The report of the Federal Trade Commission on the coal situation shows that in 13 companies the increase in operating costs and general expense has been 28 cents since 1913, most of it since April, 1916, namely, increase in labor is 15 cents; supplies, 2 cents; general expense, 11 cents. An increase of 28 cents does not justify a leap to $4.50 to $5 per ton at the mouth of the mines. The cost of production has increased less than 25 per cent, while the selling price has increased 300 to 400 per cent. The mines threaten to close if they are not given their price. More "pay"-triotism. Let them close. The Government should find a way to open and run them. The dollar mania enfrenzies these men. They can see nothing but their dream of wealth. No consideration of suffering in their fellow creatures or necessity of their Government appeals to them. The only club they can feel is a hit at their own interest. They will bow to nothing but fear. Traitor is not too strong a word for them, and a traitor's punishment is their dessert.

What will the Northwest face this winter if the coal famine is not averted? Schools and factories must shut down, factories that supply war material and necessities and furnish labor must suspend, apartment houses will suffer lack, and the misery among the poor is unbearable to contemplate.

What matter if food and fuel be denied the weary laborer? There is no more burning necessity in America to-day than the question of food and fuel investigation and control. There should have been, months ago, action on this question to alleviate the suffering increasing from day to day. The people back home will not be fooled by the wolves of Wall Street. The philanderers and slackers and players of party politics shall feel the whip of public scorn and obloquy and impatience for obstructing this measure.

It is amusing to hear Wall Street come to the aid of the farmer. I got a letter from a Wall Street firm this morning crying out against the quack legislation of the food bill that was going to harm the poor farmer. The farmer has nothing to lose but everything to gain. He is assured of a minimum price of $2 in this bill; he is not obliged to sell. It is not the farmer that objects; it is Wall Street that objects. But it is not Wall Street we want represented so faithfully. We, the American people, do not believe that it is our duty to let our property and our lives be confiscated by these great combinations and money powers, these trusts, these monopolies.

All over the country the greed and selfishness of the food pirates is the cause of untold suffering and misery among the poorer classes. There is no punishment too great for him who coins his countrymen's necessity into gold, who is so devoid of conscience as to ruthlessly involve his country, already in deep peril, in worse danger.

There is no hope for that national spirit we need so much, for that broad democracy and equitable distribution of wealth that is the dream of those who love their fellow men, while speculators and food hoarders continue to gouge the public to the tune of $110,000,000 a month, while good food is permitted to rot to boost up the price, though the plain people starve. Bread can be bought in France, 35 ounces for a little over 8 cents in our money; in Belgium, 35 ounces for 11 cents; and in England, 4 cents a pound, all of which is made from our grain, while we are being gouged 10 cents for a supposedly 14-ounce loaf.

It is not alone the food of the plain people that is being boosted out of reach by the frenzied, money-mad ring; their very means of livelihood is in jeopardy. By an underground concerted movement in every field clothing, manufactured articles, every necessary, has been artificially, without rhyme or reason, raised to the "nth" price. Every article and material needed in the building and allied trades has been advanced, in some cases, up to 300 per cent. People are not building. They can not afford to have remodeling or painting done.

The architects and builders already feel the slump. Carpenters and painters are out of work and have a prospect of remaining so when nails and laths and plaster, lumber and paint and glass and steel are flying up, up, up.

The price of food went up 9 per cent in the month of April, and has been steadily going higher. In the absence of food control corn went from $1.60 to $2.25 a bushel since the last of June. There will be a day of reckoning for the dilly-dallying failure to enact legislation that will check these pirates. The children of America are undernourished; they are crying for bread. Will it make their fathers more patriotic when they feel little hands tugging at their coats and hear hunger in little voices, when they realize that Uncle Sam can hear the voices of babies across the sea but is indifferent to the wail of his own little citizens?

Patriotism does not thrive on an empty stomach. This is a war of defense. Our defense should begin while we can fight it out in the other fellow's back yard before it can spread to our shores. The people, owing to the peculiar diplomatic relations of the world, do not grasp that our own hide is ultimately at stake; hence this is not a popular war, and its popularity is little enhanced by the actions of the body at the other end of the Capitol who are so careful to protect the pocketbook and the income and the business of the poor, unfortunate rich.

This maddening and deadly delay is putting it further and further out of power to remedy the situation. It is so much easier to initiate an abuse than it is to stop it. It takes raw, bald effrontery and initiative to do what the food gamblers are doing. It will take centralization, one man, a man of successful experience, keen initiative, with ample authority back of him, to cope with them.

In Herbert Hoover there is such a man, to our hand, trained by the providence of circumstance; who brought order out of one chaos; who has already made a success in managing a nation's food supply. What difference does his previous experience make against the big fact that he has done and done well this one thing we now need to have done in America? No one needs be jealous of the appreciation this man has earned.

There has not been one act of patriotism to thrill the blood in all this machine-made war. How far we have strayed into lip service when we contrast our terms of patriotism with those in the warring nations on the other side. Perhaps, when we feel the whip of necessity, we shall awaken. The only hopeful thing, the only redeeming ray in all this national sordidness, scramble for place, and general inefficiency is the glorious response of the majority of our youth to their country's call. Last Friday I visited our boys at Quantico; 556 from the North Star State, together with 3,500 other marines. Have you seen the ranks of splendid boys, springing along in their strength and pride? Have you seen them drilling with stern, set purpose? What did their faces tell you? The sturdy tread, the click and stamp of their guns, the crash of their bare palms in the setting-up exercises to me spell devotion, consecration, patriotic love for this old country of ours; this country, good enough for any man to die for. Can a man have greater love than this, that he be willing to lay down his life for his country; that he sacrifice his future prospects in business, in education, in family, and all he holds dear? Wealth ought never to hesitate to weigh itself in the balance with such red-blood sacrifice! There are worse things than death. What good is life if we can not live it and be free?

The only remedy for a hideous gathering abscess is the surgeon's lance. Will the war be a lance to the grievous sores of our modern life? We can not go on in this way. It is inconceivable that as the masses of the people wax more and more intelligent they will endure to be entangled more and more in the chains of economic slavery.

We thought the war impossible. "England will never go to war," we said. And then we whispered in our hearts, "The United States will never be dragged into this conflict." Perhaps we are even now saying the Russian disintegration will never find a counterpart here. It should not require a prophet to see that certain things must be provided before grim winter adds its terrors to the already too hard life of the poor, namely, the cost of the war must be laid on incomes, liquor, and excess and war profits; drastic regulation of food gambling must be enacted; fuel must be restored to its normal price; high prices that have been artificially made must be cut; greed must be bankrupted or put behind bars.

What is the good of telling the housekeeper to save a teaspoonful of beef roast when at 40 cents a pound beef roast is hard to come by? The laborer needs no advice to put a meatless day in his already meatless week. It does not save the consumer's purse to add 10 cents to his restaurant bill for bread and butter.

Industrial and commercial abuses to-day permitted to go unthrottled are so great that the integrity of this Nation is menaced. The resources of this rich, rich country are being diverted into the capacious maw of a few corporations. These same corporations reach their long, grizzly arms in, make and control too many lawmakers, both State and National. Big business is all powerful. They suggest legislation. Shall we wait until the aggression, becoming too open and shameless, the people raise a mighty uproar at the high-handed piracy? Shall we suffer the senseless, devastating sweep of anarchy when just a little forethought, just a little prescience, just a little con-

sideration for our brother man would suffice? It takes very little to satisfy him.

Simple justice is all he asks. The law of compensation is bound to have its toll, and through the very streets that Siberian exiles were knouted on their way the aristocrat now slinks and shivers. Will power be as stupid in its exercise of autocracy as mob violence ever shows itself to be? Power wastes our human wealth, outraged and exploited masses wreak their fury on material wealth.

We must learn the lesson of renunciation, or the bold leader of the Industrial Workers of the World may seek to carry out his threat that his troop shall take a hand at misrule. The difference between the privateering of his class and the present robber band is that in his case universal and undiscriminating destruction rages, and no one is benefited. At least, under the present methods a remarkable system of efficiency is growing up, without wasting material; a curse this system is unless it shall be tempered with the quality of mercy. It is easy to believe, in these days of cataclysmic changes, that all that does not adapt itself to the world good shall pass away.

True greatness is true service in humanity's onward course. The effort of the human race has always been for liberty. As the deeds of a nation aid or antagonize progress, so is it glorified or cursed by the judgment of time.

And the greater need right now is that the soul of us all shall be quickened to the absolute need of sacrifice. Things seen are mightier than things heard. As long as the tragedy of battle is distant from our shores it is hard to sense its actualities.

We have a long way to go to understanding. We devise fine-sounding slogans, and repeat them. Our women, fashionably gowned and jeweled, gather around the tea table and make bandages or knit. But when it comes to real sacrifice, we have not tasted it; we are not considering it; it has become no part of our national life. Our energies are content to be dissipated in futile fads. Why is it that Germany is licking the world? It is because every man, woman, and child within her borders feels that they are at war. Whether anybody is watching them or not, they are devoting their life to the nation at war. "Du sollst entbehren, sollst entbehren!" (Sacrifice, sacrifice!) Goethe's immortal refrain beats out in their daily lives. There the war is the nation's business, to which every energy, every nerve, is strained. Here the war is the treasure ground of certain members of big business, the speculator in foodstuffs. If this war weeds out the drones in this country, from I. W. W. hobo to society trifler, it will be a precious thing. The day of trivial things is passing. Nonessentials must drop below the surface. This is not a war of conquest. America has nothing to gain from entering the war, except the preservation of her codes of liberty, and her influence to that end among the nations of the world. And we must not let party questions rise up between us and our patriotic duty.

Let us be thrifty, frugal, patriotic, ready to sacrifice. Let selfishness and individualism bow to the good of the whole Nation. Let us leave nothing to chance, and let the prime business of each of us be waging and winning the war. Let us bear necessary suffering cheerfully, but do not let us endure, nay, invite, unnecessary suffering for the poor by delaying any longer to take this most necessary step. American energy can make possible the impossible. It is necessary for us to realize our dangers, abandon our narrow, selfish horizon. The miracle has been wrought in France; it must take place here.

Wars have been won heretofore by the superiority of one instrument, a catapult, a musket, an infantry or cavalry formation, a monitor, a knived chariot has spelled victory. This war to the uttermost of mechanical invention digs into the earth, lurks beneath the sea, weaves into the clouds, and lays tribute not on one weapon, but on every form of activity that can be focused on an enemy. It is the migration of nations to the front. It will be won by superior mechanism, supported by supremest courage and supremest faith and sacrifice. [Applause.]

Mr. SWEET. Mr. Speaker, at the outset I wish to express my profound appreciation to those who so graciously granted me time to speak on this occasion.

We are now engaged in the greatest conflict of all the ages. The issues at stake are tremendous and of far-reaching influence on our country and all mankind. The welfare of every inhabitant of the globe is dependent upon the outcome. We have been overwhelmed by the mighty and ever-advancing tide of human affairs. We have been borne forward on the surge and flow of the great ocean of events in this and other countries for the last three years.

The situation in the main is not of our own making. Yet, we are destined to play a heroic part in the greatest drama of recorded time. To our care and keeping, largely, have been confided the perpetuation of the principles of free institutions among the sons of men.

A spirit of uncertainly now broods above a troubled world. For weal or woe, for good or ill, the die has been cast. Diplomacy has failed. The time for polished phrases and glowing rhetoric has passed. The hour for action is at hand.

The deathless memories of heroic achievements that hover over our historic battle fields beckon us on. The sacred traditions that almost deify the fathers, the saviors and the soldiers of the Republic call us to duty. The strains of discord that now and then arise from the crowded thoroughfares of our great cities will ultimately be lost in the grand refrain of a unified country as the war progresses.

This generation will not be found recreant to the trust confided to it. When the history of this period is written I am sure that it will be recorded as in the days of the past, "The American Republic never retreats." [Applause].

Since the fateful 6th day of April Congress has dealt with some of the most momentous legislation in the history of the Republic; in fact, in the annals of all time. Many of the questions have been new and of far-reaching influence on the welfare and destinies of our people.

The legislation that has been passed during the last four months affects directly or indirectly every inhabitant of the Republic. It touches "every living heart and hearthstone all over this broad land" of ours.

Never has a greater task confronted a legislative body. In the turmoil and the excitement of the hour it is important that we do not loose sight of the fundamentals that underlie the foundations of free institutions.

Never has preparation for war been inaugurated on so gigantic a scale.

Billions of dollars have been appropriated. Millions of men have been provided for.

Never before has important legislation passed Congress with greater facility and with less factional friction.

Many propositions have been urged and debated. Many schemes have been suggested. Many plans, the products of many minds, have been presented.

Some have been slow to enter this war, but this in itself should not be a ground for condemnation.

As one of America's greatest patriots said on the floor of this House on a similar occasion:

> Surely there was more evidence of the patriotism of the man who, doubting the expediency and even the entire justice of the war, nevertheless supported it because it was the war of his country. In the one it might be mere enthusiasm and an impetuous temperament; in the other it was true patriotism, a sense of duty. Homer represents Hector as strongly doubting the expediency of the war against Greece, gave his advice against it, had no sympathy with Paris, whom he bitterly reproached, much less with Helen; yet, when the war came and the Grecian forces were marshaled on the plain and their crooked keels were seen cutting the sands of the Trojan coast, Hector was a flaming fire; his beaming helmet was seen in the thickest of the fight. There are in America many who have the spirit of Hector, who strongly doubt the propriety of war, and especially the manner of its commencement, who yet are ready to pour out their hearts' best blood like water and their lives with it on a foreign shore in defense of the American flag and American glory.

Some have differed with the President as to the policies to be pursued after the war was declared.

They have felt that while it is necessary to cooperate with the entente powers that "entangling alliances" should be avoided if possible, thus keeping in mind the Farewell Address, the last public admonition, of Washington to his countrymen before he stood in the presence of his Maker.

Some have thought that the President should state more clearly the objects and aims of the war.

In this respect the President complied with this general sentiment in his message to Russia, made public June 10; and on June 15 the Committee on Public Information, consisting of the Secretary of State, the Secretary of War, the Secretary of the Navy, and George Creel, issued a pamphlet entitled "How the war came to America."

Some of the great patriotic newspapers of this country still believe, and now advocate, that there should be a revision of the war aims of the entente powers.

They urge that "the effect, not only in Russia but in America, would be to drive indifference and opposition out of camp." They believe that our Government should take the initiative in this matter.

They realize that this Nation is now engaged in a world movement and that oneness in thought and action among our people is essential. We should be masters of the situation; we should be directors of the storm.

We have been called upon in the name of "freedom" to assume the dual rôles of the advocates of war, as a means to an end, and of the devotees of peace, as the spirit of our age, in the

greatest drama of world events ever staged on the theater of human action.

Some believe that in downing autocracy abroad we should not jeopardize the freedom of the free at home.

Some believe that free speech and liberty of the press should remain inviolate as guaranteed by the Constitution o our country.

That the people should know the truth, and the truth will keep them free.

A majority of the Members of Congress have already voiced their adherence to this doctrine.

Some believe that those who are being daily enriched by this war should bear a large part of the financial load instead of imposing it upon the ordinary man, those who really bear upon their shoulders the burdens of the world in war and peace. In short, that every inhabitant of the Republic should bear his equitable burden of taxation.

Some believe that the Constitution of our country is in force at all times and under all circumstances; that it is a bulwark of safety in times of peace and a citadel of refuge in times of storm.

This position finds confirmation in a decision of the Supreme Court of the United States. In the case of Ex parte Milligan it is written:

> Every act of Congress passed during war times must square with the Constitution.
> The Constitution of the United States is a law for rulers and people, equally in war and in peace, and covers with the shield of its protection all classes of men, at all times and under all circumstances.

Some believe that the executive branch of our Government has of late in some instances been encroaching upon the legislative branch.

Some believe that these two great branches should work in harmony, and yet that each branch should exercise the functions and perform the duties under the authority and within the limitations granted to each by the Constitution.

All agree, or should agree, that our gallant troops now on foreign soil are entitled to and should receive the support and protection of the American Congress and the American people to the uttermost. [Applause.]

It should be further understood, and all should have faith, that this solemn guarantee is behind all those who are now engaged in or may hereafter be a part of the Military and Naval Establishments of this Government in the further progress of the war.

Some believe that in a number of instances the administration forces have asked for too much power. Others believe that the Executive should be granted all the power demanded during the present war.

All agree, or should agree, that the Executive should be granted the necessary and proper authority and power as President of the United States and as Commander in Chief of the American forces to carry on and prosecute the war to an early and successful termination. [Applause.]

To grant more would tend to usurpation. To grant less would be evidence of weakness and in the end suicidal.

The President said, "This is a people's war." Ah, Mr. Speaker, how true this is! Whatever may be done by the President and Congress as public servants must finally be reviewed by the sovereign people.

All great questions in this country must have the approval or disapproval of an enlightened public opinion. Its decrees are inexorable. It is no respecter of persons, fame, or fortune. It can not be restrained. Its presence can not always be detected or felt. It evades close analysis and investigation. Yet on its footsteps millions wait, and on its decisions momentous questions hang. [Applause.]

Not here in the Halls of Congress during these momentous days is the fate of nations to be ultimately determined. Not here in the stately mansions of place and power is the destiny of the Republic to be finally decreed. Not here in Washington in the sweltering heat of summer are all these great measures to be fully settled; but by the firesides of twenty millions of homes, scattered all over this great Republic—on the broad prairies of the West, and in the hamlets and cities throughout the land, away from the roar and tumult incident to the preparations for war, in the seclusion of the household, in the quiet eventide, with father and mother surrounded by their children, with the thoughts of loved ones and country, with reverence for the fathers and saviors of the Nation and their mighty deeds, with solicitude for the present and future of our Nation's welfare, with the fires of patriotism aglow in their hearts, is to be found the serenity of mind, the communion of souls, the sincerity of purpose, the absence of guile, where God in His infinite mercy, justice, and wisdom finally prepares and decrees the destiny of all mankind, living under the banner which exemplifies the freedom of the free, wherever it floats, the whole wide world around. [Applause.]

In this troubled hour may the American people rise serenely to the supremest test ever imposed upon a democracy. [Applause.] May we go courageously forward to the end.

Mr. Speaker, to me "Americanism" is one of the grandest words in the English language. It has become symbolical of civil and religious liberty on the Western Continent. It represents the shining goal toward which the human race has been tending since time began. [Applause.]

We find epitomized in it the struggles, the hopes, the dreams, and the aspirations of man for better days and better things since the time when he cringed and crawled in the dens and caverns of barbarism, and groped and felt his way through the long night of the stagnant centuries toward the dawn of a grander day up to the present hour when we behold him revealed, standing upright, with the sunlight of heaven in his face, or walking with uncovered head beneath the silent stars, contemplating as to the handiwork of the Creator and the betterment of the human race.

The true fundamentals of Americanism are based upon the teachings of the Lowly Nazarene.

In fact, a quarter of a century ago it was said by one of America's greatest statesmen:

> When Christ proclaimed to the world the fatherhood of God and the brotherhood of man, and the priceless value of the humblest human soul, He made tyrants and despots tremble on their thrones.
> He laid the foundations of democratic self-government and the sovereignty of the people. From His teachings have come the emancipation of childhood, the elevation of woman, and our rich and splendid heritage of religious, civil, and constitutional liberty.

Americanism is the new civilization.

Americanism has become synonymous with the spirit of civil and religious freedom throughout the world. With us and all thinking men Americanism has become like a mighty and ever-widening stream. Its source lies hidden somewhere in the swamps and lowlands of barbarism. Its origin is coeval with the human race. It has been fed by passing clouds that drop their garnered fullness down, by innumerable rills that gush from the mountainside, by springs that well up into its unseen depths, and by subterranean rivers that joyously swell its ever-increasing volume as it moves on in solemn majesty toward the eternal sea.

It wanders through every land, permeates every soil, and touches all the shores of thought. Sometimes its course has been through pleasant fields bestrewn with Nature's rarest gifts. Sometimes it has been o'erhung with embowering trees that fleck its surface with tremulous and ever-changing shadows.

Sometimes it flows through the forest depths, by cave and woodland dell. Sometimes through deep morass, or canyon wild, or plunges over the cataract's brink to the level far below. Sometimes it has been temporarily dammed or obstructed by driftwood or débris, but the ever-swelling tide, chafing at delay, finally overcomes all obstacles and throws off all restraint. Sometimes it flows by the princely palaces of the rich or the straw-thatched cottages of the poor. Its course is ever onward.

At its touch parched areas blossom and become fertile again. Upon its borders grow every flower that graces a true Christian civilization; and there, too, may be found the full fruitage of every plant and shrub and tree which springs spontaneous from the soils of equal opportunity and individual effort.

"On its broad bosom float a thousand barks. There genius spreads its every purpling sails. There poetry dips its silver oar." There opportunity sparkles from the crest of every wave. There art, invention, discovery, science, morality, and religion may safely and securely float.

On its surface serenely rides our ship of state, amid the storms of war, unchecked by devious currents or adverse winds that blow. "The hopes of humanity are hanging breathless on its fate." The waters at times seem troubled, but our course is plain. An enlightened public opinion is our pilot and our grand Constitution is our chart and compass. I trust that the fine conception of the great poet may be realized:

> Thou, too, sail on, O ship of state!
> Sail on, O Union, strong and great!
> Humanity with all its fears,
> With all the hopes of future years,
> Is hanging breathless on thy fate!
> We know what Master laid thy keel,
> What Workman wrought thy ribs of steel!
> Who made each mast, and sail, and rope,
> What anvils rang, what hammers beat,
> In what a forge and what a heat
> Were shaped the anchors of thy hope!

[Applause.]

Let the stream of Americanism flow on until it engulfs the world. Let it flow on until all the races and all the children of

men shall receive its blessings and enjoy its energizing and revivifying influences. Let it flow on until it ends with the consummation of all things earthly at the throne of God. [Applause.]

Mr. BORLAND. Mr. Speaker, I ask unanimous consent to proceed for 15 minutes, subject to any business which may come up in the House.

The SPEAKER pro tempore (Mr. BOOHER). The gentleman from Missouri asks unanimous consent to proceed for 15 minutes. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, upon what topic?

Mr. BORLAND. On the topic of daylight saving.

Mr. DOWELL. Mr. Speaker, what was the request?

Mr. BORLAND. I asked unanimous consent to proceed for 15 minutes.

Mr. LONDON. Reserving the right to object, I understand that the gentleman from Missouri has no objection to my making a request at this time?

Mr. BORLAND. None whatever, Mr. Speaker. I yield to the gentleman for that purpose.

PRIVILEGES OF THE MAILS.

Mr. LONDON. I ask unanimous consent for the present consideration of a resolution of inquiry, which I send to the Clerk's desk.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent for the present consideration of a resolution which the Clerk will report.

The Clerk read as follows:

House resolution 115.

Resolved, That the Postmaster General furnish the House with the following information:

Has any print, newspaper, circular, periodical, or other publication been denied the privileges of the mails in the enforcement of the espionage law (public act No. 24, 65th Cong., "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes") ?——

Mr. MOON. Mr. Speaker, let the Clerk suspend for a moment. Enough of that resolution has been read to identify it as a resolution that has been adversely reported to the House, and I object to its consideration.

The SPEAKER pro tempore. The gentleman from Tennessee objects.

Mr. POU. Mr. Speaker, I offer a privileged resolution from the Committee on Rules.

The SPEAKER pro tempore. The gentleman from North Carolina offers a privileged communication from the Committee on Rules, which the Clerk will report.

Mr. LONDON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

Mr. CROSSER. Will the gentleman withhold that a moment?

The SPEAKER pro tempore. The gentleman from North Carolina moves that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 23 minutes p. m.) the House adjourned until to-morrow, Tuesday, July 31, 1917, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Acting Secretary of the Treasury, transmitting schedules of claims allowed by the several accounting officers of the Treasury Department under appropriations the balances of which have been exhausted or carried to the surplus fund (H. Doc. No. 294); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting an estimate of appropriation for an additional force of one clerk of class 4 and one clerk of class 3 in the office of disbursing clerk, Treasury Department, for the fiscal year ending June 30, 1918 (H. Doc. No. 295); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of the Treasury, transmitting copy of a communication of the Acting Secretary of State submitting an estimate of deficiency in the appropriation for relief and protection of American seamen for the fiscal year ended June 30, 1917 (H. Doc. No. 296); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of the Treasury, submitting copy of a communication of the Secretary of Commerce submitting an estimate of appropriation for construction of a fireproof radio laboratory building, Bureau of Standards (H. Doc. No. 297); to the Committee on Appropriations and ordered to be printed.

5. A letter from the Acting Secretary of the Treasury, transmitting a list of judgments rendered by the Court of Claims which have been presented to this department and require an appropriation for their payment (H. Doc. No. 298); to the Committee on Appropriations and ordered to be printed.

6. A letter from the Acting Secretary of the Treasury, transmitting a communication from the Attorney General, submitting a list of judgments rendered by the Court of Claims in favor of claimants in Indian-depredation cases (H. Doc. No. 299); to the Committee on Appropriations and ordered to be printed.

7. A letter from the Acting Secretary of the Treasury, transmitting a list of judgments rendered against the Government by the district courts of the United States, as submitted by the Attorney General and which require an appropriation for their payment (H. Doc. No. 300); to the Committee on Appropriations and ordered to be printed.

8. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Indian Bayou, from Sunflower River, Miss., to Indianola, including consideration of any proposition for cooperation by local interests (H. Doc. No. 301); to the Committee on Rivers and Harbors and ordered to be printed.

9. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Flint River, Ga., from Albany to the limit of practicable navigation above said city (H. Doc. No. 302); to the Committee on Rivers and Harbors and ordered to be printed.

10. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Willis River, Va. (H. Doc. No. 303); to the Committee on Rivers and Harbors and ordered to be printed.

11. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Cape Vincent Harbor, N. Y. (H. Doc. No. 304); to the Committee on Rivers and Harbors and ordered to be printed.

12. A letter from the Secretary of Commerce, transmitting petitions by certain lighthouse keepers stationed in the State of California for an increase of compensation; to the Committee on Interstate and Foreign Commerce.

13. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of inland waterway on the Gulf coast of Florida, connecting St. George Sound with Tampa Bay (H. Doc. No. 305); to the Committee on Rivers and Harbors and ordered to be printed.

14. A letter from the Acting Secretary of the Treasury submitting result of investigation relative to loss of documentary stamps in the office of the collector of internal revenue, second district of New York, and tentative draft of legislation for relief (H. Doc. No. 306); to the Committee on Claims and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. BARKLEY, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 5335) to extend the time for constructing a bridge across the Tug Fork of the Big Sandy River near Warfield, Ky., and Kermit, W. Va., authorized by an act approved January 28, 1916, reported the same with amendment, accompanied by a report (No. 113), which said bill and report were referred to the House Calendar.

Mr. POU, from the Committee on Rules, to which was referred the resolution (H. Res. 126) providing for the consideration of House bill 4285 as amended by the Senate, reported the same without amendment, accompanied by a report (No. 114), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HERSEY: A bill (H. R. 5553) to provide for the erection of a public building at Dover, Me.; to the Committee on Public Buildings and Grounds.

By Mr. NOLAN: A bill (H. R. 5554) to commission acting assistant or contract surgeons of the United States Army who have served in the Army for a period of at least three months to be first lieutenants in the United States Medical Reserve Corps, and to add to the Medical Corps of the Army in case of necessity; to the Committee on Military Affairs.

By Mr. KRAUS: A bill (H. R. 5555) to conserve the seniority rights, service-pension rights, interest in pension, and insurance funds that employees of certain employers may have at the time they enter the armed forces of the United States; to the Committee on Military Affairs.

By Mr. LONERGAN: A bill (H. R. 5556) to provide that duly certified letters of soldiers, sailors, and marines in the service of the United States during the present war be forwarded without payment of any postage whatever; to the Committee on the Post Office and Post Roads.

By Mr. FISHER: A bill (H. R. 5557) to amend section 11 of the act approved December 23, 1913, known as the Federal reserve act, as amended by the act of September 7, 1916; to the Committee on Banking and Currency.

By Mr. THOMPSON: A bill (H. R. 5558) to amend section 101 of the Judicial Code; to the Committee on the Judiciary.

By Mr. TAYLOR of Colorado: A bill (H. R. 5559) to authorize a preference right of entry by certain Carey Act entrymen, and for other purposes; to the Committee on the Public Lands.

By Mr. ANTHONY: A bill (H. R. 5560) to extend the benefits of the act of June 27, 1890 (as amended by the act of May 9, 1900), granting pensions to soldiers and sailors who served in the military or naval forces of the United States, their widows, minor children, or dependent parents, and the act of February 6, 1907, granting pensions to certain enlisted men, soldiers, and officers, who served in the Civil War and the War with Mexico; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5561) authorizing the Secretary of War to donate one cannon, with its carriage and cannon balls, to the city of Horton, Kans.; to the Committee on Military Affairs.

Also, a bill (H. R. 5562) authorizing the Secretary of War to donate one cannon, with its carriage and cannon balls, to the city of Nortonville, Kans.; to the Committee on Military Affairs.

Also, a bill (H. R. 5563) to place the National Home for Disabled Volunteer Soldiers under the administration of the War Department; to the Committee on Military Affairs.

Also, a bill (H. R. 5564) providing for military highways between Forts Leavenworth and Riley, Kans., and between Fort McPherson and the Government rifle range near Waco, State of Georgia; to the Committee on Military Affairs.

Also, a bill (H. R. 5565) authorizing the Secretary of War to donate one cannon, with its carriage and cannon balls, to the city of Wathena, Kans.; to the Committee on Military Affairs.

By Mr. HULBERT: A bill (H. R. 5566) to remove the restrictions on advance payments imposed by section 3648 of the Revised Statutes, or by any other act, as they apply to the expenditure of appropriations contained in the act entitled "An act to authorize the President to increase temporarily the Signal Corps of the Army, and to purchase, manufacture, maintain, repair, and operate airships, and to make appropriations therefor, and for other purposes," approved July 24, 1917; to the Committee on Military Affairs.

By Mr. ANTHONY: A bill (H. R. 5606) for the erection of a public building at Holton, Kans.; to the Committee on Public Buildings and Grounds.

By Mr. SMALL: Resolution (H. Res. 126) for the consideration of H. R. 4285 as amended by the Senate; to the Committee on Rules.

By Mr. HULBERT: Resolution (H. Res. 127) authorizing, empowering, and directing the Committee on Expenditures in the War Department to make full inquiry into any expenditures upon the part of the Government under, and pursuant, to any appropriation heretofore made by this Congress for the account of the War Department; to the Committee on Expenditures in the War Department.

By Mr. DILLON: Joint resolution (H. J. Res. 132) to encourage foreign trade and to create uniformity in weights and measures; to the Committee on Coinage, Weights, and Measures.

By Mr. HOUSTON: Concurrent resolution (H. Con. Res. 18) authorizing the printing of the report of the Alaskan Engineering Commission for the year ended December 31, 1916; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANTHONY: A bill (H. R. 5567) granting a pension to John Groth; to the Committee on Pensions.

Also, a bill (H. R. 5568) granting a pension to Carl S. Jones; to the Committee on Pensions.

Also, a bill (H. R. 5569) granting a pension to William Sommers; to the Committee on Pensions.

Also, a bill (H. R. 5570) granting a pension to Alexander R. Banks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5571) granting a pension to Thomas Maginnis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5572) granting a pension to Edward J. Meacum; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5573) granting an increase of pension to John R. Meredith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5574) granting an increase of pension to Lilly Ann Newberry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5575) for the relief of Maude Craig Smyser; to the Committee on Claims.

Also, a bill (H. R. 5576) for the relief of Hugh Cameron; to the Committee on Claims.

By Mr. DALLINGER: A bill (H. R. 5577) granting a pension to Mamie E. Carruthers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5578) for the relief of Preston D. Alden; to the Committee on Military Affairs.

By Mr. DUPRÉ: A bill (H. R. 5579) granting a pension to Lulu Mahler; to the Committee on Pensions.

By Mr. FRENCH: A bill (H. R. 5580) granting an increase of pension to David Chapman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5581) granting a pension to Thomas Phillips; to the Committee on Invalid Pensions.

By Mr. HADLEY: A bill (H. R. 5582) granting a pension to Ernst A. Selander; to the Committee on Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 5583) granting a pension to Fidelia A. Baker-Boyd; to the Committee on Invalid Pensions.

By Mr. LONERGAN: A bill (H. R. 5584) granting a pension to Charles C. Dougherty; to the Committee on Pensions.

Also, a bill (H. R. 5585) granting a pension to Frank Crane; to the Committee on Pensions.

Also, a bill (H. R. 5586) granting a pension to Sheldon S. S. Campbell; to the Committee on Pensions.

Also, a bill (H. R. 5587) granting a pension to John F. McCarthy; to the Committee on Pensions.

Also, a bill (H. R. 5588) granting an increase of pension to Emma M. Nicholson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5589) granting an increase of pension to Julia Rosenthal; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5590) granting an increase of pension to Fairfield Dresser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5591) granting an increase of pension to George W. Daniels; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5592) granting an increase of pension to James Dagnan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5593) granting an increase of pension to Lucinda Atwood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5594) granting an increase of pension to Betsey La Joy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5595) granting an increase of pension to Robert Liddell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5596) granting an increase of pension to Elizabeth Martin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5597) granting an increase of pension to Charles F. Robinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5598) granting an increase of pension to Horace F. Walker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5599) granting an increase of pension to Kate I. Hill; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5600) granting a pension to Mary Kostenbader; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5601) for the relief of William Dixon; to the Committee on Military Affairs.

Also, a bill (H. R. 5602) granting an increase of pension to George Newschafer; to the Committee on Invalid Pensions.

By Mr. RAMSEYER: A bill (H. R. 5603) granting an increase of pension to Seth W. Gray; to the Committee on Invalid Pensions.

By Mr. TILLMAN: A bill (H. R. 5604) granting an increase of pension to W. C. Roberts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5605) granting an increase of pension to Rebecca M. Bearden; to the Committee on Pensions.

By Mr. HULBERT: Joint resolution (H. J. Res. 131) to grant citizenship to Charles E. Beck, jr.; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of Mississippi State Bar Association, urging passage of a bill for additional United States district judge for Mississippi; to the Committee on the Judiciary.

Also (by request), memorial of common council of the city of Schenectady, N. Y., asking independence for Bohemia; to the Committee on Foreign Affairs.

Also (by request), memorial of women of the State of Mississippi, favoring immediate passage of suffrage amendment; to the Committee on the Judiciary.

By Mr. DALE of New York: Petition of New York State Pharmaceutical Association, against tax on alcohol; to the Committee on Ways and Means.

Also, petition of G. T. Moss, of Amsterdam, N. Y., favoring bill for osteopathic doctors to serve in Army and Navy; to the Committee on Military Affairs.

By Mr. FULLER of Illinois: Petitions of the National Sewing Machine Co., of Belvidere; the J. D. Tower & Sons Co., of Mendota; the Valley Chemical Co., of Chicago; the Western Glass Co., of Streator; and the Illinois Valley Manufacturers' Club, of La Salle, all in the State of Illinois, protesting against the sliding-scale rate on excess profits as proposed in the war-revenue bill, the elimination of the Jones amendment, and the substitution of a flat rate on the net earnings of business enterprises, with the allowance of at least 8 per cent on minimum profits; to the Committee on Ways and Means.

By Mr. GARD: Petitions of Engineers and Firemen, Local Union No. 255, and Central Labor Union of Dayton, Ohio, against national prohibition; to the Committee on the Judiciary.

By Mr. HAYES: Memorial of members of the Woman's Christian Temperance Union of Cupertino, Cal., favoring a protective zone about military camps; to the Committee on Military Affairs.

By Mr. HULBERT: Memorial of citizens of New York, favoring food-control bill; to the Committee on Agriculture.

Also, memorial of sundry citizens of United States, favoring change in patent law relative to manufacture of medicines and chemicals; to the Committee on Patents.

By Mr. KALANIANAOLE: Petitions of Woman's Guild of St. Andrews Cathedral and Main Branch of Woman's Board of Missions, of Honolulu, Hawaiian Islands, favoring zone around military camps; to the Committee on Military Affairs.

By Mr. LUNN: Petition of Charles H. Bennett and citizens of Broadalbin, N. Y., asking for prohibition of the manufacture, sale, and transportation of intoxicating liquors during the war; to the Committee on the Judiciary.

Also, resolution of Misha Applebaum, representing the Humanitarian Cult, and favoring the immediate enfranchisement of women as a necessary development of democracy in this hour of stress; to the Committee on the Judiciary.

Also, petition of Roe Reamy Mitchell and citizens of Sprout Brook, Cherry Valley, and town of Canajoharie, asking for immediate prohibition of the manufacture and sale of alcoholic liquors as a measure of food conservation; to the Committee on the Judiciary.

Also, petition of Rev. Thomas Stevenson and citizens of Long Lake, N. Y., asking for prohibition of the manufacture and sale of alcoholic liquors as a means of food conservation during the war; to the Committee on the Judiciary.

By Mr. MOTT: Memorial of Jefferson County Suffrage Organization, favoring woman suffrage; to the Committee on the Judiciary.

Also, petitions of citizens of Adams and members of the Baptist Church of Oneida, N. Y., favoring prohibition as war measure; to the Committee on the Judiciary.

Also, petition of united churches of Black River, N. Y., against polygamy in the United States; to the Committee on the Judiciary.

Also, petitions of members of North Hannibal Grange, No. 672; Copenhagen Grange, No. 90; and Brookfield Grange, No. 1235, all of the State of New York, against passage of the food-control bill; to the Committee on Agriculture.

By Mr. PLATT: Petitions of sundry citizens of Middleton, Clinton, and Montgomery, N. Y., favoring national prohibition; to the Committee on the Judiciary.

SENATE.

TUESDAY, *July 31, 1917.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, Thou hast called us into being as a Nation. Thou hast gathered together many of the different kindred and blood of the peoples of the earth and shaped and fashioned them into a mighty Republic of the west. We thank Thee that the inspirations which are before us are not limited to the traditions of any line of blood, but that the passions of humanity are the passions of our great Nation. Grant us, we pray Thee, to see with clear vision the path over which Thou wouldst lead us, and that out of this Nation Thou wouldst send forth a mighty force to gather the nations into the larger brotherhood and lift the world to a higher life. May we feel that there is a divine mission and purpose in our national life. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. VARDAMAN and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by G. F. Turner, one of its clerks, announced that the House had passed the bill (S. 2695) to authorize the construction, maintenance, and operation of a bridge across Little River, at or near the foot of the gar hole about one-half mile south of the Jonesboro, Lake City & Eastern Railway bridge across Little River, Ark.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. SMALL, Mr. BOOHER, and Mr. KENNEDY of Iowa managers of the conference on the part of the House.

ENROLLED BILL SIGNED.

The message further announced that the Speaker of the House had signed the enrolled bill (H. R. 3331) for the protection of desert-land entrymen who enter the military or naval service of the United States in time of war, and it was thereupon signed by the President pro tempore.

PETITIONS AND MEMORIALS.

Mr. CUMMINS. I present two resolutions of the General Assembly of the State of Iowa, one relating to universal military training and the other relating to the term of enlistment of the National Guard. I ask that they be printed in the RECORD and referred to the Committee on Military Affairs.

The resolutions were referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

Concurrent resolution.

Be it resolved by the senate (the house concurring):

Whereas this Nation must at last face the stark and naked truth that to-day we are virtually at war with a foreign power; and

Whereas the one great principle that is to be determined in the stupendous conflict that is now devastating the civilized world is whether or not government of the people, by the people, and for the people shall not perish from the earth; and

Whereas the blood of our breed, all the way from Bunker Hill to Appomattox Courthouse and Manila Bay, has been gladly, willingly, and joyously spent in the preservation and defense of the God-given principle that the people and not the kings or classes shall rule: Therefore be it

Resolved by the senate (the house concurring), That at this moment in the world's history, when the inevitable conflict between democracy and despotism has arrived at its supreme test, and with as full a realization of the import and solemnity of our action as that which inspired our forefathers who enunciated the Declaration of Independence that has made this world a livable place for the common people, we, the senators and representatives in the Thirty-seventh General Assembly of Iowa, conscientiously believing that we hereby express the will and sentiment of our State, call upon the Congress of the United States at once, and before it is too late, to enact into law a bill that provides for such general military training in this Nation to the end that the blood of our forefathers shall not have been shed in vain and that constitutional government, bought by that blood, may yet survive; be it further

Resolved, That engrossed copies of this resolution be, and they are hereby, ordered transmitted to the President of the United States, to the Hon. ALBERT B. CUMMINS and the Hon. WILLIAM S. KENYON, Senators of the State of Iowa, and to each of the Members of Congress from the State of Iowa.

ERNEST R. MOORE,
President of the Senate.
M. B. PITT,
Speaker of the House.

I hereby certify that this concurrent resolution originated in the senate.

THOMAS WALTERS, Jr.,
Secretary of the Senate.

Approved by the senate, March 29, A. D. 1917.
House concurred, April 2, A. D. 1917.

Concurrent resolution.

Be it resolved by the Senate of the General Assembly of the State of Iowa (the House concurring), That—

Whereas, under section 69 of chapter 134 of the first session of the Sixty-fourth Congress of 1916, it is provided as to enlistments in the National Guard that the same shall be for six years, the first three of which shall be in the active organization and the remaining three in the National Guard Reserve; and

Whereas this long period of enlistment is deterring many from enlisting in the service who otherwise would gladly enlist for the period of the world-wide war in which we are engaged: Be it

Resolved by the Senate of the General Assembly of the State of Iowa (the House concurring), That we hereby respectfully petition Congress, at present in special session, to promptly amend the said law by striking out the six-year period of enlistment and substituting therefor provisions for enlistment in the National Guard service during the period of our present war with Germany;

And that an engrossed copy of this resolution be sent to the Hon. A. B. CUMMINS and Hon. W. S. KENYON, United States Senators from Iowa, and to each of the honorable Representatives in Congress from the State of Iowa.

ERNEST R. MOORE,
President of the Senate.
M. B. PITT,
Speaker of the House.

I hereby certify that this concurrent resolution originated in the senate.

THOMAS WALTERS, Jr.,
Secretary of the Senate.

Adopted by the senate, April 10, A. D. 1917.
House concurred, April 10, A. D. 1917.

Mr. SMITH of Michigan. I send up a telegram in the nature of a memorial, and I ask that it be read for the information of the Senate.

The PRESIDENT pro tempore. Without objection, the Secretary will read it.

The Secretary read the telegram, as follows:

DETROIT, MICH., *July 30, 1917.*

Hon. WM. ALDEN SMITH,
Washington, D. C.:

Please insist on heavy dog tax in revenue bill.

COMFORT A. TYLER,
Secretary American Hampshire Sheep Association.

Mr. FERNALD. I present resolutions adopted at a meeting of the board of the Free Baptist Woman's Missionary Society, of Ocean Park, Me., which I ask to have printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

FREE BAPTIST WOMAN'S MISSIONARY SOCIETY,
Ocean Park, Me., July 28, 1917.

To the SENATE (by courtesy of the Hon. B. M. FERNALD):

The board of the Free Baptist Woman's Missionary Society, in session at Ocean Park, Me., July 27 to August 2, a body representing several thousand women throughout the United States who are heroically giving husbands, brothers, sons to the service of our country, hereby—

Resolve, To most earnestly request that the Senate of the United States shall, as a war measure, prohibit the manufacture and sale of alcoholic liquors in the interest of our food supply and of the morale of our Army and Navy of the Nation.

Also, we most earnestly request of the Senate that the military camps and naval stations be so safeguarded and extended as to protect adequately our sons and brothers from the assaults of clandestine or commercialized vice.

The members of this organization throughout our land unite in asking you to safeguard their precious members whose welfare is to them and to the Nation of the utmost importance.

Respectfully submitted.

LENA S. FENNER,
Corresponding Secretary of the Free Baptist Woman's Missionary Society.

Mr. SHEPPARD presented a petition of Local Division No. 187, Brotherhood of Locomotive Engineers of Fort Worth, Tex., praying for equality in taxation and remonstrating against an increase of taxation on fraternal organizations, which was referred to the Committee on Finance.

He also presented a petition of the Woman's Methodist Missionary Society, of Dodsonville, Tex., and a petition of the Woman's Missionary Society of the Methodist Episcopal Church South, of Alba, Tex., praying for national prohibition as a war measure, which were ordered to lie on the table.

Mr. POMERENE. I have received a large number of memorials from citizens of Cincinnati, Ohio, remonstrating against the adoption of the national prohibition amendment. I ask that the petitions be received and appropriately referred.

The PRESIDENT pro tempore. The petitions will lie on the table.

Mr. POMERENE. I have also received a large number of telegrams in the nature of memorials from labor organizations, brewers, manufacturers, bankers, liberty leagues, and citizens in the State of Ohio, remonstrating against national prohibition, which I ask may be received and appropriately referred.

The PRESIDENT pro tempore. The telegrams will lie on the table.

Mr. POMERENE. I have also received telegrams from Henry and Fannie Fleek, of Newark; from D. A. Greene, of Newark; from sundry churches of Croton; from 200 members of the Federated Clubs of Newark; from Clara Moore Ogden, of Greenville; from the congregation of the First United Brethren Church of Akron; and from the Woman's Christian Temperance Union of Burghill, all in the State of Ohio, praying for national prohibition.

The PRESIDENT pro tempore. The petitions will lie on the table.

Mr. FRANCE presented a petition of the preachers' meeting of the Methodist Episcopal Church of Baltimore, Md., praying for the adoption of the prohibition features of the so-called food bill as a measure of food conservation, which was ordered to lie on the table.

Mr. WILLIAMS presented a petition of the Woman's Missionary Council of the Methodist Episcopal Church South, of Columbus, Miss., praying for national prohibition as a war measure, which was ordered to lie on the table.

ALLEN M. SUMNER.

Mr. GERRY, from the Committee on Naval Affairs, to which was referred the bill (S. 2117) to appoint Allen M. Sumner a captain on the active list of the United States Marine Corps, reported it with an amendment and submitted a report (No. 95) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 2704) for the acquisition of additional land at the Leon Springs Military Reservation, Tex.;

A bill (S. 2705) to create the Air Board and provide for its maintenance; and

A bill (S. 2706) for the acquisition of land for mobilization, aviation, maneuver, training, and supply purposes in El Paso county, Tex.; to the Committee on Military Affairs.

By Mr. HALE:

A bill (S. 2707) granting an increase of pension to George H. Fogg (with accompanying papers); and

A bill (S. 2708) granting an increase of pension to Charles F. Ward (with accompanying papers); to the Committee on Pensions.

RIVER AND HARBOR APPROPRIATIONS.

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives, disagreeing to the amendments of the Senate to the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, disagreed to by the House, and requesting a conference of the Senate on the disagreeing votes of the two Houses thereon.

Mr. FLETCHER. I move that the Senate insist upon its amendments, agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to, and the President pro tempore appointed Mr. FLETCHER, Mr. RANSDELL, and Mr. NELSON conferees on the part of the Senate.

ENLISTMENT OF ALIEN RESIDENTS.

The PRESIDENT pro tempore. The morning business is closed.

Mr. STONE. I ask unanimous consent to call up Senate resolution 108 and have the same laid before the Senate.

The PRESIDENT pro tempore. The Secretary will read the resolution.

The Secretary read Senate resolution 108, reported yesterday by Mr. MCCUMBER, from the Committee on Foreign Relations, as follows:

Whereas there are in the United States a vast number of subjects and citizens of the several European nations now waging war against the allied central powers of Europe; and

Whereas nearly all of said subjects and citizens have emigrated to this country either for the purpose of becoming citizens thereof, or for the purpose of securing the benefits of the greater wages and better opportunities afforded in this country, which opportunities have been created, defended, and maintained by the energies and sacrifices of the American people; and

Whereas it is the moral and patriotic duty of said subjects and citizens to support the several Governments to which they owe allegiance in the desperate warfare in which such Governments are engaged; and

Whereas the United States is also engaged in war against the said central powers, for the protection of the rights of the several nations so waging war against the said central powers, as well as its own sacred rights; and

Whereas it is most unjust to ask or require the American people to sacrifice their sons, their brothers, and their treasure in battling for the mutual rights and welfare of all the other nations prosecuting this war against the said central powers while their own subjects and citizens in vast numbers enjoying in this country the special and wonderful industrial opportunities which this war affords them are wholly relieved from service or sacrifice: Now, therefore, be it

Resolved, That the President of the United States be, and he is hereby, requested to propose to all European nations engaged in war against the said central powers and, if possible, secure from them an agreement authorizing and empowering the United States to apply the provisions of the act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917, to all such subjects and citizens domiciled in this country in the same manner and to the same effect as such provisions are applied to the citizens of the United States in selecting and raising an army or navy for service in the present war.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution? The Chair hears none.

Mr. STONE. I ask that the Secretary may read the report submitted by the Senator from North Dakota [Mr. McCUMBER], who offered the resolution and made the report. I think it unnecessary in reading the report to read the resolution copied into the report, but just the remainder of it.

The PRESIDENT pro tempore. Without objection the Secretary will read as requested by the Senator from Missouri. The Chair hears none.

Mr. CHAMBERLAIN. May I ask what is before the Senate?

The PRESIDENT pro tempore. At the request of the Senator from Missouri [Mr. STONE] the Senate has proceeded to the consideration of Senate resolution 108, a resolution relating to alien residents.

Mr. CHAMBERLAIN. Was unanimous consent given to take it up, and if so is it too late to object? I did not hear the question stated.

The PRESIDENT pro tempore. Unanimous consent was given, the Chair hearing no objection.

Mr. CHAMBERLAIN. It was probably my fault. There is another resolution pending upon the same subject. I think it would be very much better to have them considered together, if it is not too late.

Mr. LODGE. It is on the calendar and can be taken up on motion.

Mr. CHAMBERLAIN. The Senator means the one now before the Senate is on the calendar?

Mr. LODGE. The one now before the Senate is on the calendar and can be taken up on motion.

Mr. CHAMBERLAIN. I know it can be taken up on motion, but I understand that unanimous consent was asked.

Mr. LODGE. Unanimous consent was asked and granted, undoubtedly.

Mr. CHAMBERLAIN. I desire to object.

The PRESIDENT pro tempore. If the Senator from Missouri will permit, the Chair will consider it as a motion to take up the resolution.

Mr. STONE. I would like very much to have the resolution considered, for the reason that if it is to be agreed to it is important that diplomatic negotiations should be speedily hastened. I think the Senator from Oregon will not object to this resolution. This is simply a Senate resolution. If he cares speedily to press his joint resolution, he can do so and it can be considered. The joint resolution to which the Senator from Oregon refers is, of course, in substance a statute; it is legislation.

Mr. FLETCHER. May I inquire of the Senator from Missouri whether there is not this difference between the resolution proposed by the Senator from Oregon and this resolution: Does not this resolution apply to citizens and subjects of other countries domiciled in the United States, whereas the proposal of the Senator from Oregon is to reach the citizens of the United States who have for the purpose of joining the army in other countries taken the oath of allegiance to other Governments? The Senator from Oregon, I understand, proposes to provide that those persons who have taken such an oath for the purpose of joining the military forces of other countries shall be still regarded as citizens of the United States. This resolution seems to have reference to citizens of other countries residing in the United States, making our laws apply to them, as far as military service is concerned. So there might not be any conflict between the two resolutions.

Mr. STONE. The Senator has correctly stated the scope of the Senate resolution. At all events, it is not legislation; it is a mere suggestion to the President of the United States, and I can not see that it interferes with what the Senator from Oregon has in mind.

Mr. CHAMBERLAIN. May I interrupt the Senator for a moment? The position assumed by Senate joint resolution 84 is that it is not necessary to take up this question or any allied question with foreign Governments, but that the Congress of the United States has power to act in the first instance. If that position be true, and I think it is sustained by the authorities, then there will not be any necessity for having the President take this matter up with foreign Governments with a view of obtaining some sort of treaty stipulation upon the whole subject. I maintain and insist that the Congress of the United States has jurisdiction to do all that Senate joint resolution 84 authorizes to be done, and that it is not necessary to waste time in this crisis in taking up diplomatic negotiations. I hope that both measures may be considered together, if they are going to be considered.

Mr. STONE. I do not see how we can consider the Senate resolution and a bill at the same time. I think it would be very confusing. In my time I ask that the report made by the Senator from North Dakota may be read with the exception of the part that contains the resolution.

The PRESIDENT pro tempore. Unanimous consent was given to the reading of the report by the Secretary.

Mr. LODGE. I suppose the Senator does not ask for the reading of the whole report, but just page 2, not the appendices, and not rereading the resolution.

Mr. STONE. I said that.

The PRESIDENT pro tempore. The Secretary will read as requested.

The Secretary read as follows:

The preamble of the resolution describes the persons whom it is intended to have enlisted into the military forces of the United States, and gives the reasons why these persons should bear their proportionate share of the burdens of this war.

It is well established under international law that aliens domiciled in any country are not subject to enforced military service. In addition to this well-established fact, we have a number of treaties with different countries, some of which are now at war with the central powers, which expressly provide against such compulsory military service. We have treaties with other countries containing the "favored-nations" clause, which in effect prohibit such compulsory service.

In the opinion of your committee the only proper course is by securing through regular diplomatic procedure such release from these treaties, and the general principles of international law as will enable this country to utilize in the common cause the great army of aliens, subjects, and citizens of allied powers, now domiciled in this country. The subject therefore, in its initiation at least, is one for Executive diplomacy rather than legislative action. Any action by the Congress before the President has attempted to secure agreements with the countries referred to, authorizing us to bring their subjects into the fighting forces of the United States, would seem to be not only premature but also an invasion of the field of Executive authority.

It is proper here to note another most important suggestion against the advisability of proceeding by legislative enactment which shall be dependent upon obtaining in the future the sanction of the Governments affected.

This Government must make separate agreements with each independent power. It is hardly probable that such agreements would be alike in all their details. Each nation might call for the insertion in such agreements of conditions which might be peculiar to its own situation. No legislation, it seems to the committee, could anticipate the divers conditions that might be imposed in the several new agreements. As the legislative enactment must conform to the diplomatic arrangements made with the several powers, it would seem to be the much wiser course that it should follow rather than precede such arrangement as the President might conclude with each country.

In view of the fact that the treaty-making powers are vested in the Executive and the Senate, the committee is of the opinion that the Senate resolution is more appropriate to secure the desired end, hence the recommendation that the joint resolution be changed to a Senate resolution.

For the information of the Senate we attach a table showing the total registration, the number of aliens, of alien enemies, and percentage of aliens to total population in each of the States.

Mr. McCUMBER. It is not necessary to read the portion of it which follows, but I should like to have the Secretary read the letter from the Department of State of July 28, the very last paragraph on page 10.

The PRESIDENT pro tempore. The Secretary will read as requested.

The Secretary read as follows:

There is hereby submitted the following letter from Hon. Frank L. Polk, Solicitor of the State Department, which is made a part of the report:

DEPARTMENT OF STATE,
Washington, July 28, 1917.

Hon. WILLIAM J. STONE,
United States Senate.

MY DEAR SENATOR STONE: Referring to your letter of July 20, in regard to S. J. Res. 83, introduced in the Senate by Mr. McCUMBER, and to the department's telephone communication to your secretary on July 25, to the effect that this resolution, together with other bills on the same subject, had been laid before the President for his consideration, I beg now to advise you that the President informs me that, of the bills before the Congress relating to the enlistment or drafting of alien residents in the United States, S. J. Res. 83 (or H. J. Res. 115, which appears to be identical) seems to him most appropriate in the circumstances, as, in his opinion, the matter is properly a subject for negotiation with the countries concerned.

Very sincerely, yours, FRANK L. POLK.

The report entire is as follows:

[S. Rept. No. 93, 65th Cong., 1st sess.]

LOOKING TO THE ENLISTMENT OF CERTAIN ALIEN RESIDENTS IN THE ARMY OF THE UNITED STATES.

Mr. MCCUMBER from the Committee on Foreign Relations, submitted the following report to accompany Senate resolution 108:

The Committee on Foreign Relations, to which was referred the Senate joint resolution (S. J. Res. 83) looking to the enlistment of certain alien residents in the Army of the United States, having had the same under consideration, report the following resolution, with the recommendation that it do pass:

"Whereas there are in the United States a vast number of subjects and citizens of the several European nations now waging war against the allied central powers of Europe; and

"Whereas nearly all of said subjects and citizens have emigrated to this country either for the purpose of becoming citizens thereof, or for the purpose of securing the benefits of the greater wages and better opportunities afforded in this country, which opportunities have been created, defended, and maintained by the energies and sacrifices of the American people; and

"Whereas it is the moral and patriotic duty of said subjects and citizens to support the several Governments to which they owe allegiance in the desperate warfare in which such Governments are engaged; and

"Whereas the United States is also engaged in war against the said central powers, for the protection of the rights of the several nations so waging war against the said central powers, as well as its own sacred rights; and

"Whereas it is most unjust to ask or require the American people to sacrifice their sons, their brothers, and their treasure in battling for the mutual rights and welfare of all the other nations prosecuting this war against the said central powers while their own subjects and citizens in vast numbers enjoying in this country the special and wonderful industrial opportunities which this war affords them are wholly relieved from service or sacrifice: Now, therefore, be it

"Resolved, That the President of the United States be, and he is hereby, requested to propose to all European nations engaged in war against the said central powers and, if possible, secure from them an agreement authorizing and empowering the United States to apply the provisions of the act entitled 'An act to authorize the President to increase temporarily the Military Establishment of the United States,' approved May 18, 1917, to all such subjects and citizens domiciled in this country in the same manner and to the same effect as such provisions are applied to the citizens of the United States in selecting and raising an army or navy for service in the present war."

The preamble of the resolution describes the persons whom it is intended to have enlisted into the military forces of the United States and gives the reasons why these persons should bear their proportionate share of the burdens of this war.

It is well established under international law that aliens domiciled in any country are not subject to enforced military service. In addition to this well-established fact, we have a number of treaties with different countries, some of which are now at war with the central powers, which expressly provide against such compulsory military service. We have treaties with other countries containing the "favored-nations" clause which in effect prohibit such compulsory service.

In the opinion of your committee the only proper course is by securing through regular diplomatic procedure such release from these treaties and the general principles of international law as will enable this country to utilize in the common cause the great army of aliens, subjects, and citizens of allied powers now domiciled in this country. The subject, therefore, in its initiation at least, is one for Executive diplomacy rather than legislative action. Any action by the Congress before the President has attempted to secure agreements with the countries referred to authorizing us to bring their subjects into the fighting forces of the United States would seem to be not only premature but also an invasion of the field of Executive authority.

It is proper here to note another most important suggestion against the advisability of proceeding by legislative enactment which shall be dependent upon obtaining in the future the sanction of the Governments affected.

This Government must make separate agreements with each independent power. It is hardly probable that such agreements would be alike in all their details. Each nation might call for the insertion in such agreements of conditions which might be peculiar to its own situation. No legislation, it seems to the committee, could anticipate the divers conditions that might be imposed in the several new agreements. As the legislative enactment must conform to the diplomatic arrangements made with the several powers, it would seem to be the much wiser course that it should follow rather than precede such arrangement as the President might conclude with each country.

In view of the fact that the treaty-making powers are vested in the Executive and the Senate, the committee is of the opinion that the Senate resolution is more appropriate to secure the desired end, hence the recommendation that the joint resolution be changed to a Senate resolution.

For the information of the Senate we attach a table showing the total registration, the number of aliens, of alien enemies, and percentage of aliens to total population in each of the States.

	Total registration.	Aliens.	Alien enemies.	Percentage of aliens to total population.
Alabama	179,828	1,173	80	0.7
Arizona	36,932	14,052	193	38.6
Arkansas	147,522	566	98	.4
California	297,552	67,464	3,948	22.7
Colorado	83,038	9,027	372	10.9
Connecticut	169,761	58,519	1,126	36.6
Delaware	21,864	2,883	92	13.2
Florida	84,683	5,682	208	6.7
Georgia	231,418	1,224	120	.5
Idaho	41,150	3,883	193	9.4
Illinois	672,498	95,145	6,051	14.2
Indiana	255,145	13,651	1,149	5.4
Iowa	216,594	11,788	1,862	5.4
Kansas	150,029	6,359	911	4.2
Kentucky[1]	187,573			
Louisiana	157,827	2,966	216	1.9
Maine	60,176	10,043	120	16.7
Maryland	120,458	7,387	912	6.1
Massachusetts	359,323	106,014	1,508	29.5
Michigan	372,872	69,282	3,021	18.6
Minnesota	221,715	24,599	1,971	11.1
Mississippi	139,525	567	45	.4
Missouri	299,625	10,992	1,008	3.7
Montana	88,273	11,790	687	13.4
Nebraska	118,123	5,044	1,156	4.3
Nevada	11,821	3,670	87	31.0
New Hampshire	37,642	9,507	70	25.3
New Jersey	302,742	77,372	4,956	25.6
New Mexico	32,202	4,324	108	13.4
New York	1,054,302	233,906	30,807	22.2
North Carolina	200,032	560	73	.3
North Dakota	65,007	7,205	615	11.1
Ohio	565,384	82,408	6,189	14.6
Oklahoma	169,211	2,947	219	1.7
Oregon	62,618	6,131	577	10.0
Pennsylvania	830,507	174,898	12,674	21.1
Rhode Island	53,415	15,043	126	28.2
South Carolina	128,039	447	58	.4
South Dakota	58,044	2,606	484	4.5
Tennessee	187,611	1,030	85	.6
Texas	408,702	26,029	1,834	6.4
Utah	41,952	7,145	344	17.0
Vermont	27,658	3,487	72	12.6
Virginia	181,826	2,575	179	1.4
Washington	108,330	16,001	791	14.8
West Virginia	127,409	10,678	1,003	8.4
Wisconsin	240,170	5,588	23,121	2.3
Wyoming	22,848	3,353	329	14.7
District of Columbia	32,327	1,570	79	4.9
National parks	85	4	2	4.7
Indians	6,001			
United States	9,650,382	1,239,179	111,933	12.7

[1] Kentucky complete figures not yet received.

We also attach, under the headings of "D," "E," "F," "G," "H," a statement of our treaties and the general principles of international law governing the case, which was reported and printed by Mr. ROGERS in the CONGRESSIONAL RECORD of July 13.

APPENDIX D.

PROVISIONS IN TREATIES ENTERED INTO BY THE UNITED STATES WITH OTHER COUNTRIES RELATING TO THE RIGHT OF EITHER COUNTRY TO EXACT COMPULSORY MILITARY SERVICE OF CITIZENS OF THE OTHER COUNTRY RESIDING THEREIN.

Article 10 of the treaty between the United States and the Argentine Confederation (1853) provides in part as follows: "The citizens of the United States residing in the Argentine Confederation and the citizens of the Argentine Confederation residing in the United States shall be exempted from all compulsory military service whatsoever, whether by sea or by land."

The treaty between the United States and the Independent State of the Kongo (1891), article 3: "The citizens and inhabitants of each of the high contracting parties shall be exempt in the territories of the other from all personal service in the Army, Navy, or militia, and from all pecuniary contributions in lieu of such."

The treaty between the United States and the Republic of Costa Rica (1851), article 9, provides: "The citizens of the United States residing in the Republic of Costa Rica and the citizens of the Republic of Costa Rica residing in the United States shall be exempted from all compulsory military service whatsoever, either by sea or by land, and from all forced loans or military exactions or requisitions."

The treaty between the United States and the Dominican Republic (1871), terminated January 13, 1898, on notice from the Dominican Government, article 2, provides: "The citizens of each of the high contracting parties residing or established in the territory of the other shall be exempt from all compulsory military service by sea or by land, and from all forced loans or military exactions or requisitions."

The treaty between the United States and France (1788), abrogated by act of Congress of July 7, 1798, article 14, provides: "The subjects of the Most Christian King and the citizens of the United States who shall prove by legal evidence that they are of the said nations, respectively, shall in consequence enjoy an exemption from all personal service in the place of their settlement."

The treaty between the United States and the Republic of Haiti (1864), denounced by Haiti to take effect May 7, 1905, article 5, provides: "The citizens of each of the high contracting parties residing or established in the territory of the other shall be exempt from all compulsory military duty by sea or by land and from all forced loans or military exactions or requisitions."

The treaty between the United States and the Republic of Honduras (1864), article 9, provides: "The citizens of the United States residing in the Republic of Honduras and the citizens of the Republic of Honduras residing in the United States shall be exempted from all compulsory military service whatsoever, either by sea or by land, and from all forced loans or military exactions or requisitions."

The treaty between the United States and His Majesty the King of Italy (1871), article 3, provides in part: "The citizens of each of the high contracting parties shall * * * be exempt in their respective territories from compulsory military service, either on land or sea, in the Regular forces, or in the National Guard, or in the militia."

The treaty between the United States of America and the Emperor of Japan (1894), superseded by the treaty of 1911, infra—article 1, provides: "The citizens or subjects of either of the contracting parties

residing in the territories of the other shall be exempt from all compulsory military service whatsoever, whether in the Army, Navy, National Guard, or militia; from all contributions imposed in lieu of personal service; and from all forced loans or military exactions or contributions."

The treaty between the United States and the Emperor of Japan (1911), article 1, provides: "The citizens or subjects of each of the high contracting parties shall * * * be exempt in the territories of the other from compulsory military service, either on land or sea, in the Regular forces, or in the National Guard, or in the Militia; from all contributions imposed in lieu of personal service; and from all forced loans or military exactions or contributions."

The treaty between the United States and the United Mexican States (1831)—terminated in 1881 by virtue of notice given by Mexico—article 9 provides: "The citizens of both countries, respectively, shall be exempt from compulsory service in the Army or Navy."

The treaty between the United States and Paraguay (1859), article 11, provides: "The citizens of the United States of America residing in the territories of the Republic of Paraguay, and the citizens of the Republic of Paraguay residing in the United States of America, shall be exempted from all compulsory military service whatsoever, whether by sea or land, and from all forced loans or military exactions or requisitions."

The treaty between the United States and Serbia (1881), article 4, provides: "Citizens of the United States in Serbia and Serbian subjects in the United States shall be reciprocally exempted from all personal service, whether in the Army, by land or by sea; whether in the National Guard or Militia; from billeting; from all contributions, whether pecuniary or in kind, destined as a compensation for personal service; from all forced loans, and from all military exactions or requisitions."

The treaty between the United States and Spain (1902), article 5, provides: "The citizens or subjects of each of the high contracting parties shall be exempt in the territories of the other from all compulsory military service, by land or sea, and from all pecuniary contributions in lieu of such, as well as from all obligatory official functions whatsoever."

The treaty between the United States and Tonga (1886), article 9, provides: "All citizens of the United States residing in the Tonga Islands, and Tongan subjects residing in the United States, shall be exempted from all compulsory military service, whether by sea or land, and from all forced loans, military requisitions, and quartering of troops."

The treaty between the United States and the two Sicilies—rendered obsolete by the consolidation of the two Sicilies with the Kingdom of Italy in 1861—article 5, provides: "The citizens or subjects of one of the high contracting parties, traveling or residing in the territories of the other, shall be free from all military service, whether by land or sea, from all billeting of soldiers in their houses, from every extraordinary contribution, not general and by law established, and from all forced loans."

The treaty between the United States and Venezuela (1860)—terminated in 1870 pursuant to notice from Venezuela—article 2, provides: "The citizens of each of the high contracting parties, residing or established in the territory of the other, shall be exempt from all compulsory military service by sea or by land, and from all forced loans or military exactions or requisitions."

It will thus be seen that in at least 17 treaties entered into between the United States and foreign Governments the policy of mutual exemption from compulsory military service of the citizens or subjects of one of the contracting parties, residing in the territories of the other, has been established. At least 10 of these treaties are still in full force and effect.

The following treaties between the United States and other countries contain a "most-favored-nation" clause, which would probably be deemed to include a similar exemption from compulsory military service even if not otherwise existing by treaty or by international law:

Algiers, 1816, article 12.
China, 1858, article 30.
Korea, 1882, article 14.
Hanseatic Republic, 1827, article 9.
Japan, 1854, article 9.
Morocco, 1880, article 17.
Persia, 1856, article 3.
Samoan Islands, 1878, article 6.
Spain, 1902, article 2.
Tonga, 1886, article 3.
Japan, 1911, article 4.

NOTE.—Several of the above treaties have been abrogated or been rendered obsolete; and several of the "most-favored-nation" clauses are, in this particular connection, rendered unnecessary by inclusion in the same treaty of a specific exemption against the imposition of compulsory military service by either country upon the citizens or subjects of the other.

APPENDIX E.

MAY THE UNITED STATES, EVEN WHEN TREATY STIPULATIONS DO NOT PREVENT, EXACT COMPULSORY MILITARY SERVICE OF ALIENS?

Under this head, for the purposes of this phase of the discussion, I define "alien" to mean a citizen of some country other than the United States who has not in the United States declared his intention to become a citizen thereof. I shall later consider the availability for compulsory military service of an alien who has so declared his intention to become a citizen of the United States.

The precedents of this and other countries show some confusion as to the right of a nation to exact military service of the citizen of another who is domiciled or temporarily residing within its territories.

I shall first set forth some of the precedents which deny the right; then those which assert, at least qualifiedly, the right; and finally attempt to indicate what seems to be the true rule.

In 1804 Mr. Madison, then Secretary of State, wrote to Mr. Monroe, then our minister to England: "Citizens or subjects of one country residing in another, though bound by their temporary allegiance to many common duties, can never be rightfully forced into military service * * *."

Naturally many cases involving the question arose during the Civil War. Secretary Seward had occasion to express himself a number of times. In 1862 he said: "I can hardly suppose that there exists anywhere in the world the erroneous belief that aliens are liable here to military duty." Later the same year he wrote to the governor of Indiana: "There is no principle more distinctly and clearly settled in the law of nations than the rule that resident aliens not naturalized are not liable to perform military service. We have uniformly claimed and insisted upon it in our intercourse with foreign nations." In 1864 he wrote to Mr. Stanton, Secretary of War: "In a case of alleged fraudulent enlistment of an alien his Government has an undoubted right and duty to ask for a prompt investigation and satisfactory answer; and if it appears that he was improperly enlisted and he has fallen in battle, his family ought to have some compensation." In Halleck's Internation Law it is stated: "In 1861, during the American Civil War, the British Government declared that if enforced enlistments of British subjects for the war were persisted in, the Government would be obliged to concert with other neutral powers for the protection of their respective subjects, but neither in the Northern or Southern States was the discharge of any British subject enlisted against his will refused on proper representation." (Vol. 2, p. 6.)

In 1874 Secretary Fish wrote: "We did not claim the right to impress aliens into our forces during the late Civil War, but it is understood that in one instance at least, in the case of a siege, we sought to justify such an impressment."

The United States has been very positive indeed in its action when Mexico has sought to impose military service upon citizens of the United States. The most notable cases, however, occurred in 1880, at the time when the treaty of 1831, forbidding compulsory military service, was still in force. The American authorities, however, appear to have put their protest upon grounds of international law as well as upon treaty obligations. The American minister to Mexico was instructed that there was "scarcely any act of which a nation should be less tolerant than that of a neighboring power forcibly impressing its citizens into their military service, perhaps to be obliged, at some future time, to fight against their own flag." Mr. Evarts later in the same year wrote that whenever protest was made by Mexico during our Civil War, it was the practice of the State Department to bring the subject at once to the attention of the Secretary of War, and that "no single instance is met with in which the Mexican citizen's claim to exemption from military service in the armies of the United States was not promptly recognized and respected by this Government." The following year Mr. Blaine, then Secretary of State, wrote: "It is notorious that the impressment of American seamen into the naval service of a foreign power was at one time a serious grievance, not to be acquiesced in, and raised a question upon which all parties in this country were unanimous in regarding as one of international character. Public sentiment here in regard to that subject was borne in mind during the late Civil War. The number of persons of foreign birth, especially in the large cities, led to the accidental or involuntary enrollment of unnaturalized aliens in the military or naval service. These, however, as is shown by the large space in the records of the department at the time, were at once discharged upon complaint made and in the absence of proof of their naturalization. It is hoped, therefore, that in considering this subject the Mexican Government will not only have due regard to the unlawfulness of the impressment, but to the universal and strong sentiment upon the subject which pervades this country."

In 1888 Mr. Bayard summed up the situation thus: "It is well settled by international law that foreigners temporarily resident in a country can not be compelled to enter into its permanent military service. It is true that in times of social disturbance or of invasion their services in police or home guards may be exacted, and that they may be required to take up arms to help in the defense of their place of residence against the invasion of savages, pirates, etc., as a means of warding off some great public calamity by which all would suffer indiscriminately. The test in each case, as to whether a foreigner can properly be enrolled against his will, is that of necessity. Unless social order and immunity from attack by uncivilized tribes can not be secured except through the enrollment of such a force, a nation has no right to call upon foreigners for assistance against their will."

So much for the cases in which the propriety of exacting military service has been negatived. Let me now cite a few cases where the right, at least, whatever the considerations of comity and reciprocity, was maintained. Secretary Seward, in 1868, wrote: "This Government is not disposed to draw in question the right of a nation in a case of extreme necessity to enroll in the military forces all persons within its territories, whether citizens or domiciled foreigners."

The following year Secretary Fish wrote: "This Government, though waiving the exercise of the right to require military service from all residents, has never surrendered that right, and can not object if other Governments insist upon it." And again in 1871 Secretary Fish wrote: "I must decline to enter into the question to what extent and under what circumstances do our citizens, native or naturalized (in the absence of treaty stipulations), owe military service to a foreign Government in whose dominions they are domiciled for commercial or other purposes. They certainly do not stand on the same footing as mere travelers or temporary sojourners."

Assistant Secretary Davis in 1873 wrote: "There is no treaty stipulation between the United States and Great Britain which exempts the citizens or subjects of either party from military duty in the forces of the other, either in peace or war. Consequently we can not claim such exemption as a matter of right. As a matter of comity and reciprocity, however, we certainly can claim them."

Although it will be observed that there is some conflict of opinion indicated in the above extracts (oftentimes doubtless to be partially or wholly explained by the nature of the correspondence or the addressee of the letter), the general rule would seem to be that in the absence of treaty stipulations a country has the right to impress for military service those within its territory, even though citizens of another power. But this right is on grounds of comity and reciprocity to be exercised sparingly, because almost certain to be followed by urgent representations by the Government of the citizens concerned. Only in case of urgent necessity and for service coterminous in time and nature with the necessity will enforced military service willingly be tolerated without protest by the other Government. The right, then, exists, but its exercise is so fraught with difficulty that without the express and explicit consent of the other Government concerned it is doubtful if this exercise would often be wise.

APPENDIX F.

MAY THE UNITED STATES, EVEN WHEN TREATY STIPULATIONS DO NOT PREVENT, EXACT COMPULSORY MILITARY SERVICE OF ALIENS WHO HAVE DECLARED THEIR INTENTION TO BECOME CITIZENS OF THE UNITED STATES?

Revised Statutes of the United States, section 2165, provides in part as follows: "An alien * * * shall declare on oath * * * two years at least prior to his admission that it is bona fide his intention to become a citizen of the United States, and to renounce forever all allegiance and fidelity to any foreign prince, potentate, state, or sovereignty, * * *."

It will be observed from the language of the above statute that a declarant for citizenship neither takes a present oath of allegiance to the

United States nor disclaims allegiance to the country of his origin. It would seem natural to expect, therefore, that the authorities would regard his citizenship status as absolutely unaffected and would settle the question of his liability to compulsory service exactly as if he had never taken even the first step toward becoming a citizen of the United States.

Mr. Seward wrote to the governor of Indiana in 1862: "The law of Great Britain holds that a native British subject owes allegiance to the British Government until he has completely effected his naturalization in the United States under the laws of Congress. * * * From the foundation of the Government the Department (of State) had refused to grant passports as citizens to aliens who had merely filed the preliminary declaration of intention and who had not effected their naturalization under the United States laws, and had informally recognized the passports granted to them by the proper authorities of the Governments of which they had been born subjects."

In 1863 Mr. Seward stated the rule as follows: "No alien-born person is liable to render military service unless either he has been naturalized on his own application or has made a voluntary declaration, on oath, of his intention to become a citizen by naturalization according to law, or has claimed and actually exercised the political right of voting as a citizen of the United States."

While this language does not expressly state that a declarant is liable to render compulsory military service, it evidently squints in this direction. Doubtless Mr. Seward, in writing it, had in mind the language of the act of Congress of March 3, 1863—the conscription act—which expressly declared that the levy should include "all persons of foreign birth who shall have declared on oath their intentions to become citizens."

In 1863 certain able-bodied male persons of foreign birth, who had declared, on oath, their intention to become American citizens, were called upon for military duty by the United States. The British Government suggested that British subjects who had merely declared their intention to become American citizens but had not exercised any political franchise in consequence of such declaration ought to be allowed a reasonable period after the passing of the act to exercise the option of leaving the United States or of continuing residing therein with the annexed conditions. The United States Government thereupon allowed 65 days to such persons to exercise their option, and the British Government refused to interfere on behalf of any intended citizens who had not availed themselves of the opportunity. (Parliamentary Papers, 1863, No. 337.)

By the act of March 3, 1863, aliens who had made a declaration of intention and who were under specified conditions liable to military duty were permitted to obtain passports, but this privilege was repealed in 1866. Switzerland objected to President Lincoln's proclamation concerning the liability of Swiss in the United States to perform military service. Mr. Seward suggested that a just interpretation of the war measures of Congress constituted a new and additional law of Federal naturalization. "But," he adds, "it was foreseen that some emigrants who had declared their intention might complain of surprise if they were immediately subjected to conscription. To guard against this surprise the proclamation was issued, giving them ample notice of the change of the law, with the alternative of removal from the country if they should prefer removal to remaining here on the footing on which Congress had brought them. Surely no foreigner has a right to be naturalized and remain here in a time of public danger and enjoy the protection of the Government without submitting to general requirements needful for his own security.

In Moore's Digest of International Law, volume 3, pages 336 to 353, will be found the precedents conclusively establishing that the declaration of intention to become a citizen neither confers citizenship in the United States nor divests citizenship in the country of origin.

It will be seen from this review of the authorities that the status of a declarant for citizenship is legally in no way different from that of an alien who has not made declaration. But it is natural that the country of origin should feel somewhat less interested and concerned in behalf of the former than of the latter. He has shown his wish to throw off his old allegiance, and there is no very evident reason why the mother country should go out of her way to protect him. As we have seen, there is a right, aside from treaty stipulations, to impress any alien into the military service of the country where he has gone to reside. This right is controlled by considerations of comity. But in the case of a declarant the considerations of comity are, for the reasons just indicated, much weaker. Therefore it follows naturally that military service is more likely to be successfully exacted of an alien who has declared his intention to become a citizen than of an alien who has not so declared. Great Britain in the precedent cited above doubtless did her full duty in securing for her citizens, declarants for American citizenship, a period of 65 days within which to leave the United States on pain of being subjected to military service if they remained. It is doubtful if any country would do more to-day; many might do less

The recently enacted selective-draft law (an "act of Congress to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917, sec. 2) follows the selective-draft law of the Civil War by including in the liability to military service "male persons not alien enemies who have declared their intention to become citizens." No good reason is perceived why at least a contingent liability—conditioned, perhaps, upon their preferring to remain in this country after opportunity to leave has been afforded them—should not be exacted of these declarants.

Of course, it should be understood that this suggestion is predicated upon the absence of any treaty stipulation, effective and unwaived, standing in the way.

APPENDIX G.

Joint resolution (H. J. Res. 115) requesting the Secretary of State to open diplomatic negotiations with certain Governments with a view to obtaining their approval and sanction for action by the United States permitting the inclusion in the armed forces of the United States of such citizens of the countries of such Governments as are within the United States.

Whereas by section 2 of the act of Congress approved May 18, 1917, and entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," it is provided that the draft "shall be based upon liability to military service of all male citizens, or male persons not alien enemies, who have declared their intention to become citizens, between the ages of 21 and 30 years, both inclusive"; and

Whereas the effect of this provision will be to exempt from military service all aliens except those who, not being alien enemies, have declared their intention to become citizens of the United States; and

Whereas under the principles of international law, the treaties of the United States, and the rules and precedents established for many years by the Department of State of the United States the right of the United States to require military service of the nationals of other nations, whether or not declarants for United States citizenship, may be questioned by those nations; and

Whereas it is reported that the President, in order to avoid the raising of any question by other nations, will, notwithstanding the provisions of said act of May 18, 1917, cause to be exempted from military service under said act those aliens also who have declared their intention to become citizens; and

Whereas in a report to the Senate of the United States, dated June 22, 1917, the Secretary of War has stated that the registration prescribed by said act of May 18, 1917, discloses that 1,239,179 persons who have not declared their intention to become citizens of the United States, and who are not citizens of a country with which the United States is at war, so registered on June 5, 1917, which number is over one-eighth of all who registered; and

Whereas a large number of persons who, not being citizens of the United States, have declared their intention to become citizens, also registered on June 5, 1917; and

Whereas under the law and under the reported decision of the President no person of the 1,239,179 and no one of the large number of declarants for citizenship will be held for military service, although all of them have in many cases for many years enjoyed the privileges and protection of citizens of the United States; and

Whereas a large number of these persons are citizens of countries at war with a country with which the United States is at war; and

Whereas because of their present residence such persons are enabled to avoid military service against the enemy of the United States for which they would otherwise be liable or available; and

Whereas it is repugnant to justice and equity that such persons should be wholly exempted from military service while citizens of the United States are held to military service: Therefore be it

Resolved, etc., That the Secretary of State be, and he is hereby, requested to open diplomatic negotiations with the Governments of the several countries at war with a country with which the United States is at war with a view to obtaining their approval and sanction for action by the United States looking to the imposition upon such citizens of those countries as are within the United States of the liability to and performance of military service in the armed forces of the United States during the continuance of the present war between the United States and Germany, and to report to the Congress of the United States as soon as practicable the result of such negotiations.

APPENDIX H.

I append resolutions dated July 10, 1917, signed by Mr. E. W. Dunbar, chairman of the committee on public safety of Hudson, Mass., which read as follows:

"The committee on public safety for the town of Hudson have adopted the following resolutions, which are meant to convey to you the general feeling of the citizens of this town:

"'Whereas a certain class of aliens have forced our citizens to believe that they are planning to profit at the expense of our young men when the latter have been drawn away from their positions to military duty; and

"'Whereas all aliens who have received in the past the benefits of this free Government of ours ought now to expect to do their part in the maintenance and preservation of those democratic principles upon which our Government is founded and for which the present world war is being waged; and

"'Whereas under existing laws or conditions these same aliens are not required to make the sacrifices demanded of the young men of the United States: Be it therefore

"'*Resolved*, That we the undersigned citizens of the town of Hudson, respectfully ask you, our Representative in Congress, to urge the passage of such laws as may in your judgment be necessary to remedy the injustice described above.'"

Also, a letter recently published from Mayor Hurley, of Lawrence, which deals with the general question which I have been considering:

"DEAR SIR: The citizens of Lawrence are quite generally convinced that the expressed intention to make population the basis for the proposed draft of young men for military service will be a great injustice to Lawrence. The exclusion of aliens from the draft will inevitably cause Lawrence to furnish a larger quota in proportion to population than almost any city or town in the country. As you know, the proportion of aliens in this city is very high, and it is especially true of young men between the ages of 21 and 31, because between these ages a man is most likely to emigrate.

"It seems to me that the young men of Lawrence, although as patriotic as any, and willing to bear their share of the burdens, should not be called on to bear more than their just share. I sincerely hope you will enter a protest to the President and his advisers and try to have some method which will be more equitable for cities having a large foreign population.

"I might suggest that if the basis used was citizenship or citizens and declarants, it would be a fairer system for Lawrence. If it is possible to accomplish anything in this matter, I am sure the people of Lawrence will gratefully appreciate it.

"Very sincerely, yours,

"JOHN J. HURLEY."

And finally an extract from a letter which I have within a day or two received from a constituent:

"I am taking the liberty of writing, as I thought you might be interested to know the views of some of your constituents in regard to the present situation. I hear many favorable comments on the bill which you introduced to allow the conscription of the citizens of our allies who are living here and are not eligible for the United States draft.

"Many of the young men who are subject to draft have expressed the opinion that it was unfair to them to allow all these other men to enjoy the advantages of this country without being eligible for service, either in this or their own country, and I feel sure that it will create a much better feeling among the men eligible for draft if some such bill is passed. It has been a frequent occurrence in this section for so-called foreigners to comfort the young men about to be drafted, or are at present serving in the militia or other military service, with remarks like that passed by a foreigner to a young militiaman I know, and this is typical of many such cases. He greeted him as follows: 'Hello, John. You go fight? That's good. By'n by I get your good job, go to your house, do anything I want.'"

There is hereby submitted the following letter from Hon. Frank L. Polk, Solicitor of the State Department, which is made a part of the report:

DEPARTMENT OF STATE,
Washington, July 28, 1917.

MY DEAR SENATOR STONE: Referring to your letter of July 20, in regard to S. J. Res. 83, introduced in the Senate by Mr. MCCUMBER, and to the department's telephone communication to your secretary on July 25, to the effect that this resolution, together with other bills on the same subject, had been laid before the President for his consideration, I beg now to advise you that the President informs me that of the bills before the Congress relating to the enlistment or drafting of alien residents in the United States S. J. Res. 83 (or H. J. Res. 115, which appears to be identical) seems to him most appropriate in the circumstances, as, in his opinion, the matter is properly a subject for negotiation with the countries concerned.

Very sincerely, yours, FRANK L. POLK.

Hon. WILLIAM J. STONE,
United States Senate.

Mr. McCUMBER. Mr. President, I think that we all agree that some action should be taken in the premises. I am certainly in hearty accord with what the Senator from Oregon [Mr. CHAMBERLAIN] desires to accomplish, and I am satisfied he is in accord with me in what ought to be accomplished and in the shortest possible time. I can see no conflict whatever, or necessity for conflict, between the two resolutions. The Senate being a part of the treaty-making power of this Government, we may well express our conviction that the President should proceed at once to obtain agreements from the several powers who are jointly interested with us in this war, to the end that their subjects and citizens in the United States may perform the duties which they owe to their own governments.

Mr. President, the table presented in the report shows that there are a vast number of people from countries which are engaged with us in a common warfare. They range from 20 to nearly 40 per cent of those eligible for service in some of the States. Every one of those who are registered owes an allegiance to some one of these governments; each one of those governments is bound to protect its citizens and subjects in the United States or elsewhere. Those citizens and subjects, therefore, owe to their home governments the corresponding duty of defense.

It is recognized by all that the people who have emigrated to this country and who have not taken out their citizenship papers are enjoying opportunities growing out of this war, the greatest in the matter of remuneration that has ever been known in the world. The old American citizen, whose ancestors for generations passed have been born in this country, and the new American citizen who has taken out his citizenship papers, both agree that it is unjust that they should shed their blood, that they should bear the burdens of this great war which, to say the very least, is as beneficial to the countries across the sea as it is to our own country, while the subjects and citizens of those countries are taking the positions which our own men must surrender and are reaping these benefits. We all agree, I think, as to the propriety of enlisting those people into one of the armies, either into the American Army or compelling them to enlist in their own armies.

Mr. CHAMBERLAIN. May I interrupt the Senator?

Mr. McCUMBER. Certainly.

Mr. CHAMBERLAIN. I am sure that we desire to reach the same end. The thought suggested itself to me, however, that if the resolution which has been reported out of the Committee on Foreign Relations were adopted by the Senate, Congress might feel that it ought not to proceed through legislation that would be effective at once, until diplomatic negotiations had been entered into and had been consummated, resulting either in failure or in success. If the Senator's resolution were adopted and diplomatic negotiations were entered upon, and delay should occur and nothing substantial be accomplished, does the Senator think that Congress in the meantime could proceed to legislate as proposed in joint resolution 84?

Mr. McCUMBER. I should say most earnestly, Mr. President, that if the Senator from Oregon could convince me that we have a right to act in the matter in any way, I certainly would join him in acting immediately in the matter by legislation.

Mr. CHAMBERLAIN. Mr. President——

Mr. McCUMBER. My own conviction is that it is a question, first, for diplomacy; my own conviction is that we have no right as a Nation to compel the military service of aliens; my own conviction is that, independent of that general principle of international law which would prohibit us forcing aliens into the military service of the United States, we have a number of treaties, some directly declaring that such aliens shall not be compelled to enter into the service, and others containing the favored-nation clause, which would practically bring all under the same group; but, however that may be, if I am mistaken in that respect, there is nothing lost in acting upon what I understand to be the view of the department, and my own view, and authorizing the President to proceed immediately; and we, as one of the treaty-making powers, can do that with entire propriety. We should lose by proceeding now along this line of procedure.

Mr. CHAMBERLAIN. If the Senator has read Senate joint resolution 84, he has found that provision is there made for the very cases that he mentions; that is, where we have treaty stipulations that forbid us to impress men into the service. That is provided for, and I think every case that could arise is provided for. It is not a case of first impression, for the matter has been up a number of times between this Government and other governments, and it has been decided both ways. Englishmen were impressed into the service during the Civil War, and our nationals have been impressed into the service of foreign governments.

Mr. McCUMBER. There is quite a lengthy brief upon the subject embodied in the report, and I think our State Department agree with me that we have no such right of impressment and, therefore, can not exercise it.

I want, however, merely to answer the last suggestion made by the Senator from Oregon. We can not tell what kind of an arrangement we can make with any single power. We should perhaps have to make as many different arrangements as there are different nations with whom we would make them, no two of them being exactly alike. Therefore, I think it impossible for us to anticipate by legislation at this time every matter that a foreign nation might want to put into the agreement and which would require special legislation upon our part. It seems to me, therefore, that diplomacy should precede legislation, rather than that legislation should precede diplomacy.

I want, however, most earnestly to say to the Senator that I certainly will support any measure on the subject that he may introduce, and I shall vote for it and vote to bring it up and to put it through, if we can do so properly. I am somewhat doubtful, as I said, about our anticipating the particular character of arrangement that can be made with a foreign power. Russia might require certain things for us to do before she would agree to our drafting her citizens; Great Britain might require very much less; Serbia might impose some other condition; and so as to Belgium and France. It seems to me to be impossible to draft a law which could anticipate and meet the many conditions that might arise.

Mr. LEWIS. Mr. President, I desire to engage the attention of the Senator from North Dakota. I agree, of course, as I fancy every other Senator does, that a foreign-born citizen in this country should either have the loyalty to return to his own country and fight for it, if it is engaged in war, or should have the devotion to this country, that is giving him his home, to fight for us; one or the other he ought to be forced to do. What I want to ask the Senator is, if he has had occasion in the consideration of this resolution, to deal with its effect upon our own nationals, citizens of the United States, who might at this time be in Germany or Austria? I desire to ask the Senator if he has any estimate of the number of Americans who are in Austria or in Germany who might, in retaliation, promptly be put into the German and Austrian armies?

Mr. McCUMBER. Mr. President, I think the Senator misunderstands the scope and intendment of this resolution. We certainly should be guilty of a crime against international law if we should attempt to force into our armies the citizens of an alien enemy. There is no such purpose as that in the resolution. It simply provides for the right to draft aliens, subjects or citizens of States which are joined with us in this war, exactly upon the same footing as we draft our own, taking them in proportion to their numbers, taking them in the draft order exactly as we take our own. Certainly none of the allied countries can complain; in fact, I am informed that all of them would be glad to have us enlist every one of their subjects, and not merely proportionately.

Mr. LEWIS. As I understand the Senator, then, there is nothing in the resolution that is in such violation of treaties or general international law as to give apparent justification or excuse to Germany or Austria for seizing such Americans as are within their jurisdictions and forcing them into the war on the side of Germany in retaliation for our having forced their subjects in this country into the war on the side of the United States?

Mr. McCUMBER. Certainly not, because we will not force any of their subjects into this war. The German citizen, the Bulgarian citizen, the Austrian citizen, the Turkish citizen, can remain here without interference in the slightest degree.

Mr. LEWIS. But ought there not be some measure by which these aliens living in our country, enjoying the benefits of our community, could be forced into some form of service to the

United States while they are deriving their existence here and our own American boys are going to the front to die?

Mr. McCUMBER. I think that would be very questionable, Mr. President. Our treaty relations allow the subjects of all countries to come here at will and return to their respective home countries. If war suddenly breaks out, the individual who happens to be here is not responsible for it. We should not punish him because he was found in this country nor punish the home Government. We have a right to intern such persons if we regard them as dangerous, but I do not understand that right has been exercised to any extent.

Mr. LEWIS. At any rate, the Senator says this resolution does not enter upon that field?

Mr. McCUMBER. Oh, no; not at all.

Mr. CUMMINS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Iowa?

Mr. McCUMBER. I yield to the Senator from Iowa.

Mr. CUMMINS. There is one important difference between the joint resolution and the Senate resolution which has not yet been mentioned, and I venture to bring it to the attention of the Senator from North Dakota with the object of securing an explanation.

The joint resolution provides that all aliens who are not aliens of enemy countries can be impressed into our service, provided such countries through their diplomatic representatives shall waive the provisions of any treaty which exempts their subjects in this country from such service. The Senate resolution simply directs the President to enter into negotiations with the European nations that are engaged in war with Germany, and to secure from them, if possible, such modifications of our treaties as will enable us to use their subjects in this country.

Under the Senate resolution reported by the Foreign Relations Committee, what becomes of aliens, subjects of Sweden, Norway, Denmark, Holland, Spain, and Switzerland? These are all neutral countries; they are covered by the joint resolution reported by the Military Committee, but they are not covered in any way by the proposed Senate resolution. I am asking for information pure and simple. Is it intended that aliens, subjects of neutral countries, can not be required to enter into the service of the United States even with the consent of those countries?

Mr. McCUMBER. Certainly not; they are not at war with the central powers, and, not being at war, we can not compel them to enter into war and break their own neutrality; and we ought not attempt to draft their citizens into our armies, and thereby force, to the extent that their citizens are here, neutral powers into the war.

Mr. CUMMINS. I am not disputing the proposition stated by the Senator from North Dakota, but I am pointing out a very important difference between the joint resolution and the Senate resolution.

Mr. McCUMBER. Let me call the attention of the Senator right there to another feature. It will be noted that in the Senate resolution we deal only with European powers. There are two reasons for this. The first reason is that Japan, for instance, is engaged also in the war; but Japan is not situated, by reason of the gentlemen's agreement which we all understand, as the European powers are situated. Her citizens of late years have not been coming to this country at all. I am very doubtful of the propriety of raising that question with the Japanese Government, and therefore that was left out. There might also be some South American countries that may make a declaration of war, but their subjects in this country are so few that it was thought best not to include them.

Mr. REED and Mr. CHAMBERLAIN addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from North Dakota yield; and if so, to whom?

Mr. McCUMBER. I yield first to the Senator from Missouri, who, I think, first addressed the Chair.

Mr. REED. Mr. President, I desire to ask the Senator, the author of this resolution, if it is intended in the resolution to declare war against Austria and Turkey?

Mr. McCUMBER. Oh, no; there is nothing about a declaration of war at all.

Mr. REED. I call attention to this language:

Whereas the United States is also engaged in war against the said central powers—

That is just as much a declaration of war as we have made against Germany, and it seems to be broad enough to embrace all of the so-called central powers, which are Germany and Austria-Hungary, and, I presume, Turkey and Bulgaria. I should like to ask the Senator if this resolution was submitted to the Department of State for their opinion?

Mr. McCUMBER. The whole matter was submitted to the Department of State.

Mr. REED. And did the Department of State send this back with this language in it without suggesting that it amounted to a declaration of war?

Mr. McCUMBER. The letter from the department on the subject is at the close of the report, and that matter is not mentioned at all, one way or the other.

Mr. REED. I call attention now to some other language in the same part of the resolution. I am speaking of the fourth "whereas." It is in the same clause to which I have referred. I will read the whole "whereas":

Whereas the United States is also engaged in war against the said central powers—

That language I have called attention to. I now call attention to this language:

for the protection of the rights of the several nations so waging war against the said central powers, as well as its own sacred rights.

I question the propriety, Mr. President, of the United States declaring that it is in this war for the purpose of protecting the rights of certain foreign nations.

Mr. McCUMBER. But the Senator does not deny that in fighting with them the effect is the protection of their rights, and that is all there is in the resolution.

Mr. REED. I do not agree with the Senator. I call his attention to the fact that it is a square declaration that we are engaged in this war for the purpose of protecting their rights, as well as protecting our own. I think, if I understand the situation, the United States has not, up to this time, engaged itself in the European controversy beyond the declaration that it proposes to fight for the protection of its own rights, and if we have gone beyond that it would be interesting to know how far and upon what authority.

Mr. McCUMBER. Mr. President, it seems to me the objection along that line does not go to the merits of this resolution.

Mr. REED. It does not. I am for the spirit of the resolution, but I called this matter to the attention of the Senator because I wanted to get him right on it. I think this "whereas" is wholly unnecessary, however, and I think it ought to be cut out.

Mr. McCUMBER. The whole preamble could be cut out, as far as that is concerned. The preamble merely expresses the sentiment and the reasons for the resolution; and that we are at war with these nations, whether we have declared war or not, is a known fact.

Mr. NELSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. McCUMBER. I yield to the Senator.

Mr. NELSON. Some of the theories and doctrines announced here this morning seem to me strange indeed. I think, if you will examine our several treaties, you will find that they simply relate to the matter of commercial intercourse in one way or another. If a foreigner comes to this country to reside in the United States, to enjoy all the benefits and blessings of this country, he ought to bear all the burdens of the Government. If he own property here or does business here, he has to pay taxes like a citizen of the United States. If a road has to be improved, and there is a poll tax, he will be compelled, according to the decision of the Supreme Court, to work out or pay the poll tax. I hold that every foreigner in this country is liable to military service, and that there is nothing in any of these treaties, unless in express terms, that gives him immunity. All these treaties simply relate to trade, commerce, and traffic in some form. They do not relate to the matter of personal service.

Of course we can not impress alien enemies into our ranks; but to all other people we can say: "If you live here in America, and enjoy the blessings of this country, you must perform your share of military service, or go back to the country whence you came." I have not any doubt but that we have that right under all the fundamental principles of international law; and I do not know why a foreigner who comes to this country and enjoys all the blessings of the United States should not be compelled to enter the Army and fight for the best interests and liberties of this country when he is enjoying the blessings of the country. There is nothing in international law, as I understand it, that will prevent it; and I think if you will scrutinize these treaties you will find that there is nothing in them that will prohibit it.

Mr. PHELAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from California?

Mr. McCUMBER. Just one moment; then I will yield to the Senator. First, I want to convince the Senator from Minnesota that he is in error with reference to these treaties.

We will take, for instance, the treaty between the United States and Italy. Article 3 provides, in part:

> The citizens of each of the high contracting parties shall * * * be exempt in their respective territories from compulsory military service, either on land or sea, in the regular forces or in the National Guard or in the militia.

There is a similar one between this country and Japan.

Here is one between the United States and Spain, made in 1902:

> The citizens or subjects of each of the high contracting parties shall be exempt in the territories of the other from all compulsory military service by land or sea and from all pecuniary contributions in lieu of such, as well as from all obligatory official functions whatsoever.

There are a vast number of these, and I think the Senator, upon more mature deliberation, will come to the same conclusion that the State Department has come to—that the clause in all of our treaties which grants to each nation the rights that are granted to the most favored nations, known as the most-favored nation clause, will cover this question of compulsory military service.

Mr. PHELAN and Mr. BRADY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from North Dakota yield; and if so, to whom?

Mr. McCUMBER. I first yield to the Senator from California, who rose first.

Mr. PHELAN. Mr. President, I know a very great injustice would be done to the men in this country who are drafted into the military service if their places are taken in our industrial life by aliens. It strikes one's imagination, at any rate, if not his judgment, as wrong to allow them to profit by their exemption by reason of their alien character from military service. But the problem of the West to-day is labor; and I desire to know from the Senator, who has considered this question very carefully, whether it would not be more advantageous to this country to hold them for the purpose of utilizing their labor than to compel them to go back to their alien country, with which we are at war, and where they would take up arms and add to the effective force?

Mr. McCUMBER. I can answer that very briefly. I should prefer to keep some of our own citizens and allow them to secure the benefits of the additional opportunities due to this war, rather than send them across the ocean to fight the battles over there while the people of those countries are crossing the sea to get the advantages upon this side. If there are any advantages at all, I think they belong to our own people and to our own laborers.

Mr. PHELAN. I do not think that is an answer to my question, Mr. President.

Mr. McCUMBER. I thought it was. It was intended as such.

Mr. PHELAN. My idea is to divest ourselves now of all sentimentality and to ask ourselves whether the labor of these aliens would not be more valuable to us in this crisis than turning them over to the enemy, where they would augment his forces on the other side.

Mr. LODGE. This does not touch enemy forces.

Mr. McCUMBER. I think not. I think that would apply just as much to our own citizens as it would to the aliens.

Mr. PHELAN. Oh, it is granted we are sending our own citizens abroad. We are divesting the fields of their labor. What substitute labor shall there be?

Mr. McCUMBER. Remember, we are not affecting aliens other than those whose nations are engaged in this war—none of the neutrals.

Mr. PHELAN. I realize that. There are a large number who are not citizens of the United States, who have not taken out their papers nor declared their intention to become citizens; and I was merely thinking, in this connection, of the labor shortage which would accrue by reason of requiring them to leave the country under the provisions of this measure.

Mr. McCUMBER. If we were required to raise a million men, and 300,000 of them were aliens, we would not affect the labor market any more than if we were to take the million wholly from the American citizens and none from the alien citizens.

Mr. HARDWICK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. I do.

Mr. HARDWICK. If we can get away from the labor question just a moment and get down to the real merits of this proposition, I want to say to the Senator that I am in hearty sympathy with his resolution, and I thoroughly believe we ought to do just what the resolution seeks to do; but I quite agree with the junior Senator from Missouri [Mr. REED] that we ought to strike out this fourth "whereas" at the bottom of the page. We do not want to declare solemnly to our own people nor to the world that we are fighting this war for the protection of foreign powers. Now, I wonder if the Senator would not be willing to strike that out and let us pass the resolution?

Mr. McCUMBER. I would be willing to strike out the entire preamble.

Mr. HARDWICK. Let us strike out all the preamble and pass the resolution then.

Mr. McCUMBER. I am perfectly willing to strike out the preamble; but I must say that I do not agree with the conclusion of the Senator that it is improper to say that by engaging in this war we are assisting the other nations who are fighting the battles over in Europe, and that, in reality, is all there is in it.

Mr. HARDWICK and Mr. SWANSON addressed the Chair.

The PRESIDENT pro tempore. To whom does the Senator yield?

Mr. McCUMBER. I yield first to the Senator from Georgia, and then to the Senator from Virginia.

Mr. HARDWICK. Mr. President, of course I do not think the Senator who drafted this resolution meant it as we construe it; and yet, to my mind, it is hardly capable of any other construction, except that these words are words expressing a purpose, and I know the Senator did not intend to do that. He has disavowed that intention. Therefore, let us avoid that trouble by striking out this thing, and all of us who are for it vote for the resolution.

Mr. McCUMBER. I now yield to the Senator from Virginia.

Mr. SWANSON. Mr. President, as I understand, under the rules the resolution must first be passed, and then the perfection of the preamble comes up as a separate proposition. I suggest that we first vote on the resolution, and then the preamble, under the rules, I think, would come up subsequently.

Mr. GRONNA and Mr. BRADY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from North Dakota yield; and if so, to whom?

Mr. McCUMBER. I yield to my colleague.

Mr. GRONNA. Mr. President, in reference to what has been said by the Senator from Virginia [Mr. SWANSON], I wish to suggest that it will make quite a little difference in the vote whether we vote upon the resolution with the preamble in it or with the preamble stricken out. I do not know of any rule that prohibits us from perfecting a resolution——

Mr. SWANSON. I think the rule of procedure is first to pass the resolution, and then the question comes up as to the preamble.

The PRESIDENT pro tempore. That is in accordance with the decisions of the Senate, as the Chair understands.

Mr. SWANSON. I insist that the resolution, under the rules, must first be disposed of, and then we will take up the preamble.

Mr. GRONNA. Mr. President, if my colleague will yield to me, I desire to make a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. GRONNA. Is it not possible to perfect any resolution by striking out the preamble, if there is no objection?

The PRESIDENT pro tempore. The question on agreeing to the preamble comes immediately after the adoption of the resolution. If the resolution is defeated, of course it defeats the preamble.

Mr. GRONNA. We are now considering the entire resolution—the preamble and the resolution itself.

The PRESIDENT pro tempore. The Chair will state to the Senator from North Dakota that the preamble is not a part of the resolution.

Mr. HARDWICK. Mr. President, if the Senator will yield, there is no practical trouble of that sort. The author of the resolution states that he is willing to strike it out.

Mr. McCUMBER. I shall move, if the resolution is passed, to strike out the preamble entirely.

Mr. GRONNA. With that understanding, I have no objection.

Mr. HARDWICK. There is no trouble about it. Let us pass the resolution.

Mr. McCUMBER. The only purpose of the preamble is to explain why we are suggesting to the President of the United States that he take up this matter diplomatically with other nations engaged with us in this war

Mr. POMERENE and Mr. NORRIS addressed the Chair.

The PRESIDENT pro tempore. To whom does the Senator yield?

Mr. McCUMBER. I yield to the Senator from Ohio.

Mr. POMERENE. Mr. President, I feel greatly obliged to the Senator from North Dakota for presenting this resolution, and I hope it may be adopted. Apparently there is some difference of opinion as to whether this resolution should be passed or the joint resolution presented by the chairman of the Mill-

tary Affairs Committee. My belief is that we do not now have the power to draft these aliens. I am not clear about it, however. As I understand, the State Department has at different times expressed different views upon the subject. For the most part, they have held that we did not have that power. Again, it was said that the Department of State would not concede that we did not have that power. But whatever may be the true construction of the present law upon the subject, I see nothing inconsistent in our adopting the resolution of the Senator from North Dakota and later adopting the joint resolution of the Senator from Oregon, if we now have the authority to draft aliens. My belief is that the adoption of the resolution of the Senator from North Dakota will simplify many questions which might arise hereafter as between the nations now at war.

I want, if I may, while I am on my feet, to make this further suggestion to the Senator from Oregon, as well as to others on the Military Affairs Committee, that when it comes to the drafting of aliens, we should not only draft hereafter the same proportion of aliens that we do of natives and naturalized citizens, but that we should draft a further number of aliens to equalize them with our native and naturalized citizens who have already been drafted into the service.

Mr. McCUMBER. Mr. President, I just want to suggest to the Senator from Ohio that at least the Committee on Military Affairs seem to be divided in opinion or to have some doubts as to whether it would not be necessary to obtain the consent of the other Governments, because provision is made and the law itself is made subject to such modification of treaties or agreements as we may secure. The fact that we start immediately to secure those agreements certainly is not out of harmony with the purpose of the Senate joint resolution.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the Senator a moment?

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Oregon?

Mr. McCUMBER. Certainly.

Mr. CHAMBERLAIN. The two resolutions start out to attain the same end, but the resolution of the Senator from North Dakota starts on the theory that before drafting aliens into the service we shall enter into negotiations with the Government and get that Government's consent, which is a long way to reach an end. Senate joint resolution 84 proceeds on the theory that we will draft the alien into the service. We have not any power to do it under the law at all, and would not have if the Senator's resolution passes. Now, I proceed on the theory that we will draft the alien into the service, and then his Government can make the request that he be exempted from such service.

Mr. LODGE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Massachusetts?

Mr. McCUMBER. I yield to the Senator from Massachusetts.

Mr. LODGE. How are you going to find out whether his Government wants him exempted or not?

Mr. CHAMBERLAIN. Why, the diplomatic representative of the Government in question represents every individual citizen of that country.

Mr. LODGE. Yes; but who is going to ask the question?

Mr. CHAMBERLAIN. Then if nobody asks it, he will not be exempt. He will have to serve.

Mr. LODGE. But somebody has got to ask it.

Mr. CHAMBERLAIN. Not necessarily.

Mr. LODGE. Well, if there is no question asked, to whom does he go if he wants to be exempted?

Mr. CHAMBERLAIN. He goes to the diplomatic representative.

Mr. LODGE. Precisely; and you have got to start there under your joint resolution, just the same as under everything else.

Mr. CHAMBERLAIN I insist, Mr. President, that an alien is not of necessity exempted from the draft. He may be drafted into the service, and if he goes voluntarily nobody can make any question; but if he does not want to submit to the terms of the draft, all he has to do is by letter to notify his diplomatic represenative, and if that diplomatic representative thinks he ought to be excused he will be excused, and that is all.

Mr. LODGE. That is a very clumsy way to go about it.

Mr. SMITH of Michigan. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Michigan?

Mr. McCUMBER. Certainly.

Mr. SMITH of Michigan. Mr. President, the only way in which you can get an alien into the military service is by his voluntary consent and the consent of his Government, or by drafting him; and, of course, you can not draft him if the treaties prevent it.

Mr. CHAMBERLAIN. He can not even enlist now.

Mr. SMITH of Michigan. No. He can not even enlist now, because of international comity and the reciprocal custom of nations, but you have got to do one of two things—either make a new treaty or nullify present treaties. The Senator's resolution will nullify the present treaties, in my judgment.

Mr. CHAMBERLAIN. No.

Mr. SMITH of Michigan. It will operate pro tanto, to nullify our treaties which prevent service of alien subjects in the Army of the United States, unless exceptions are made by law. Over and over again, Secretary Seward, Secretary Stanton, Secretary Fish, Secretary Bayard, and Assistant Secretary Davis passed upon these questions during the Civil War. After the doctrine, at one time quite general, of the indefeasible allegiance had been abandoned our Government attempted to reach this kind of resident citizens, but you can not reach them appropriately except by treaty. We can nullify present treaties by the resolution of the Senator from Oregon, a very summary process, or you can start treaty making under the resolution of the Senator from North Dakota.

Mr. CHAMBERLAIN. If that is going to be the policy of this Government then we will not get the aliens. The aliens in some of the sections of this country are 50 per cent of the population.

Mr. SMITH of Michigan. They are and should be reached.

Mr. CHAMBERLAIN. That is what this joint resolution 84 attempts to do. The result is that the American boys, 50 per cent of the population in some New England cities, go to serve permanently and the quota of alien population stay there and take the native American's place. Let me say to the Senator the purpose of this is to draft an alien and make him serve equally with the native-born American citizen. If his Government wants to exempt him let him make the claim for exemption.

Mr. SMITH of Michigan. Mr. President, I say to the Senator I trust these aliens can be taken by law. It is a very easy and simple matter for the Executive to make it possible for us to do this promptly by law. We found a great deal of fault with the disregard of treaties by other Governments, and we must not disregard them ourselves.

I agree with the Senator from Oregon that the invidious distinction which is made under our draft law of allowing a man to have a safe place to work and a safe place to live, and protect him by the law, and police his property, and yet not be able to take him in the service of our country when the Nation is in need is an outrageous thing. Aliens should have no premium placed upon their lack of national spirit.

The other day I was in a mining town in Pennsylvania where 40 per cent of the men who were registered were aliens. They are living under our law and protected by our Government, and they owe a duty to the country. Protection and responsibility should be equal under our flag. I favor the resolution. I want some law passed that will meet this situation promptly and effectively, and I really believe if we pass the resolution of the Senator from North Dakota we will in the correct and proper and diplomatic way, without offense to anyone, be able to take these people under the second draft, which is bound to come, and make them a part of the defensive army of the United States.

Mr. PITTMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Nevada?

Mr. McCUMBER. In just one moment. I think I ought to correct the statement made by the Senator from Oregon. I think he has not gone to the bottom of those legal rights. If I understood him correctly, he assumed that we would have the right to draft all these foreigners immediately and then we could hold them unless their own Governments made objection. Every alien under our treaties has the right to go into our courts. He has the same right as our citizens have to defend all his rights, and if we have no right to draft him he can immediately apply to the courts if we attempt to exercise those rights over him.

Mr. HARDWICK. In other words, any alien can claim it as much as his Government.

Mr. McCUMBER. Just as much as his Government. It is the individual right of the alien. I now yield to the Senator from Nevada.

Mr. PITTMAN. I wish to direct my first question to the chairman of the Committee on Military Affairs, the Senator from Oregon. I wish to know from the Senator from Oregon if he would feel that our Government had the same legal right and moral right to impress the aliens of countries with which we were not allied as of countries with which we are allied.

Mr. CHAMBERLAIN. Oh, no; the resolution that I have prepared——

Mr. PITTMAN. I am not talking about the resolution; I am asking the Senator a question.

Mr. CHAMBERLAIN. An alien, a national of a country with which we are at war?

Mr. PITTMAN. I did not say at war; I mean with which we were not at war and with which we were not allied.

Mr. CHAMBERLAIN. I think we have, Mr. President. We protect him under the treaty obligations, and I claim that we have attempted to do that.

Mr. PITTMAN. Let me follow that up. Whether that be the law or not the law, it certainly is very poor policy for this Government to establish and would be a very disastrous precedent. Under those circumstances Mexico could impress our citizens in a fight with bandits. In a case of this character or kind China could impress our citizens in any fight it might have in that country. In other words, all control over the moral right or the legal right to impress our citizens in all characters of wars in foreign countries would be lost forever. In our present situation it may not be legally right but it is morally right that the nationals of our allies should fight either for their own Government or ours. It is morally right to compel these aliens to fight on our side or to fight on the side of our allies. But in the event that these aliens were not our allies it would be wrong for us to impress them in a war with a country in which their Government had not the slightest interest. Yet under the precedent that the Senator from Oregon is attempting to establish by his bill any other country would have that legal right to impress our citizens.

Mr. CHAMBERLAIN. I want to qualify that statement just a little. We must protect the right of aliens. We have given two alternatives here. We have exempted the alien from the effect of a draft provided his diplomatic representative asks not that the individual be excused but that the national of that particular country be excused. That protects him under the treaty obligation. Then we give him the further right, if he is not satisfied with the ruling, he can leave the country, and that is what he ought to do.

Mr. PITTMAN. I am not saying——

Mr. CHAMBERLAIN. Just a moment, if the Senator will permit me. That question was up in the Civil War between the United States and Great Britain. Great Britain insisted that we did not have the right to draft a British subject into the forces of the Union, yet if we did undertake to draft him we must at least give him an opportunity to leave this country, and Great Britain was satisfied when we gave them 65 days in which to leave the country if they did not want to be subject to the draft. That is all the resolution that I have proposed does. It says that the draft shall be applicable to the foreign subject unless the diplomatic representative asks that he be relieved because of treaty stipulations, and then if he does not see fit to submit to the draft and the diplomatic representative asks that he be excused it gives him 90 days to leave the country, and that is what he ought to do.

Mr. McCUMBER. Does not the Senator think that it is rather a harsh proposition to force people from the State who have come here, and lawfully come here, and say, "Enter this Army or we will deport you"? Does the Senator really think that any diplomatic agent of a foreign country without any change in our treaty could dictate whether or not any foreigner who is drafted into our Army should remain there? Has not the individual under our treaties the right to say, "Until that treaty has been changed between the Governments I have a right under the treaty to be relieved from compulsory military service," and can he not go into our courts and get his relief?

Mr. CUMMINS. Mr. President——

Mr. McCUMBER. The Senator from Nevada is on his feet and I will first yield to him.

Mr. PITTMAN. I shall not take much more of the time of the Senator. I simply want to make my position clear on this matter. It is not whether we are treating aliens justly or not justly. The question is whether or not the Government of those aliens should have any say as to what is justice. I am unwilling that the citizens of this country shall be impressed into military service in any other country, no matter whether that country thinks it just or unjust, unless our Government has an opportunity to determine for its own citizens whether or not it is just or unjust. I shall never vote for any policy or any precedent that would deny this Government the right to intervene hereafter upon behalf of its citizens when some other Government attempts to impress them into the military service. If we have not that legal right now it should be confirmed by treaties with every other country; a treaty not giving that right should not be allowed to continue longer.

There is no danger in this matter, because there is no question whatever that every one of our allies will instantly seek the opportunity to either impress these aliens in their own armies or in our Army. The result is exactly the same. The only difference is that we preserve our policies under this form of government by the resolution of the Senator from North Dakota, and yet just as effectually enforce enlistment of aliens.

Mr. McCUMBER. I now yield to the Senator from Iowa.

Mr. CUMMINS. I am not as familiar with the subject as I might be if I had examined it carefully, but I believe there is a good deal of confusion and a good deal of error in some of the conclusions that I have heard announced. First, there is no difference in the legal status of an alien before he has declared his intention to become a citizen and afterwards, so far as this question is concerned.

Mr. McCUMBER. Up to the time he takes full citizenship papers.

Mr. CUMMINS. He still is the subject of a foreign country. He is entitled to no privileges in this country except those which follow his preparation and allow him to proceed with it to full citizenship. We have already passed a law which impresses aliens who have filed their declaration of intention to become citizens of the United States. If we have a constitutional right to draft such aliens, we have the constitutional right to draft aliens who have not declared their intention to become citizens. I am not speaking about the wisdom of pursuing or enforcing the right; I am simply speaking of it from its legal standpoint.

Mr. LODGE. Will the Senator allow me a moment?

Mr. CUMMINS. I yield, if I have the right to yield.

Mr. McCUMBER. I yield to the Senator from Massachusetts.

Mr. LODGE. Of course nobody pretends for a moment that a declaration of intention forfeits citizenship. There is not a man who has declared his intention who is drafted who can not relieve himself from that by going into any court; but where they had declared the intention I suppose it was thought by Congress and by the department the probability is that they would not resist draft. If they resist it, of course, they are on exactly the same tooting as the alien. Everybody knows that.

Mr. CUMMINS. I thought that idea had been somewhat lost in this discussion; but, assuming now that that proposition is well established, I do not agree with the subsequent statement of the Senator from Massachusetts that an alien who has declared his intention to become a citizen of the United States can exempt himself from the draft. I do not agree that any alien can exempt himself from the draft upon his own application unless there is a treaty between the United States and his nation which exempts him from compulsory service.

Mr. McCUMBER. That is what I am claiming, both by direct treaty and by the favored-nation clause in all the other treaties.

Mr. CUMMINS. I do not believe that the favored-nation clause in the treaties covers the question. I am rather inclined to agree with the Senator from Minnesota that so far as those treaties are concerned they relate to commerce and traffic and not to individual status. I would hesitate, then, to take a course upon the resolution of the Senator from North Dakota that would preclude the insistence upon the part of the United States that aliens domiciled in our country belonging to powers which are neutral in this controversy may not be compelled to fight for the United States. If they are here without the intention of returning, if they are not mere visitors, if they have come here to live, without regard to their declaration of intention to become citizens, they are subject, in my opinion, to military service and can be impressed into it without any offense to the neutral country from which they come.

Mr. STONE. Mr. President——

Mr. CUMMINS. Aside from that one idea, I would be very glad to see the resolution coming from the Foreign Relations Committee pass, because I really think that is a proper way to proceed with our allies, but I am not prepared to admit that we can not take these other people and make them stand in the armies of the United States for our own protection.

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Missouri?

Mr. McCUMBER. I yield.

Mr. STONE. Will the Senator at this pertinent juncture allow me to read a very brief extract from what I think are authoritative expressions on this subject? I ask the Senator if he will permit me to do that for just a few moments?

Mr. McCUMBER. Certainly.

Mr. STONE. First I read three or four lines from Moore's Digest of International Law, three or four lines from a communication by Mr. Madison, then Secretary of State, to Mr.

Monroe, minister to England, dated January 5, 1804, in which the Secretary says:

> Citizens or subjects of one country residing in another, though bound by their temporary allegiance to many common duties, can never be rightfully forced into military service, particularly external service, nor be restrained from leaving their residence when they please. The law of nations protects them against both.

Again, August 14, 1862, Mr. Seward, Secretary of State, used this language in a communication to the minister addressed:

> I can hardly suppose that there exists anywhere in the world the erroneous belief that aliens are liable here to military duty. If you think otherwise, there will be no objection to your giving any publication you please to this communication.

Again, September 5, 1862, Mr. Seward, in a letter to Gov. Morton, of Indiana, said:

> There is no principle more distinctly and clearly settled in the law of nations than the rule that resident aliens not naturalized are not liable to perform military service. We have uniformly claimed and insisted upon it in our intercourse with foreign nations.

One other brief extract, and I am through. This is from Mr. Oppenheim's work on International Law, volume 1, page 394. He says:

> But apart from jurisdiction and mere local administrative arrangements, both of which concern all aliens alike, a distinction must be made between such aliens as are merely traveling and stay, therefore, only temporarily on the territory, and such as take their residence there either permanently or for some length of time. A State has wider power over aliens of the latter kind; it can make them pay rates and taxes, and can even compel them, in case of need, under the same conditions as citizens, to serve in the local police and the local fire brigade for the purpose of maintaining public order and safety. On the other hand, an alien does not fall under the personal supremacy of the local State; therefore he can not be made to serve in its army or navy, and can not, like a citizen, be treated according to discretion.

I have read that much, and I could go on reading from other authors like things almost without limit. I know nothing to the contrary.

Mr. McCUMBER. Mr. President——

Mr. CUMMINS. Mr. President, will the Senator from North Dakota allow me to interrupt him?

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Iowa?

Mr. McCUMBER. I do.

Mr. CUMMINS. If the Senator from North Dakota will indulge me a moment, I desire to read a word or two from the report which the Committee on Foreign Relations has laid before the Senate. I have not examined this question, and I do not pretend to speak upon it as the result of an investigation. I did not expect to address myself to it all, but here is a statement to which the committee has given its authenticity:

> Secretary Seward, in 1868, wrote: "This Government is not disposed to draw in question the right of a nation in a case of extreme necessity to enroll in the military forces all persons within its territories, whether citizens or domiciled foreigners."

Under that statement the only question would be whether we have reached the point of extreme necessity.

Mr. STONE. Now, Mr. President——

Mr. CUMMINS. Wait a moment. Let me read the rest of it, and then I shall be very glad to hear the comment of the Senator from Missouri. The report continues:

> The following year Secretary Fish wrote: "This Government, though waiving the exercise of the right to require military service from all residents, has never surrendered that right and can not object if other Governments insist upon it."

Mr. McCUMBER. That was Secretary Fish.

Mr. CUMMINS. That was Secretary Fish. Again he wrote, in 1871:

> I must decline to enter into the question to what extent and under what circumstances do our citizens, native or naturalized (in the absence of treaty stipulations, owe military service to a foreign Government in whose dominions they are domiciled for commercial or other purposes. They certainly do not stand on the same footing as mere travelers or temporary sojourners.
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> * * * * * * *
>
> Assistant Secretary Davis in 1873 wrote: "There is no treaty stipulation between the United States and Great Britain which exempts the citizens or subjects of either party from military duty in the forces of the other, either in peace or war. Consequently we can not claim such exemption as a matter of right.

I read now a comment from Moore, which is found in his Digest of International Law. It is also quoted in the report. He is discussing the question of the difference, if any, in the legal status between an alien who has declared his intention to become a citizen and one who has not done so. He reaches the conclusion, of course, that there is no difference, legally speaking, and the conclusion that the Senator from Massachusetts [Mr. LODGE] very emphatically affirmed a few moments ago. Then he continues:

> As we have seen, there is a right, aside from treaty stipulations, to impress any alien into the military service of the country where he has gone to reside. This right is controlled by considerations of comity. But in the case of a declarant the considerations of comity are, for the reasons just indicated, much weaker. Therefore it follows naturally that military service is more likely to be successfully exacted of an alien who has declared his intention to become a citizen than of an alien who has not so declared. Great Britain in the precedent cited above doubtless did her full duty in securing for her citizens, declarants for American citizenship, a period of 65 days within which to leave the United States on pain of being subjected to military service if they remained. It is doubtful if any country would do more to-day; many might do less.

I am reading these extracts to indicate that the opinions in times past of distinguished jurists in this country have not been uniform with regard to the right of the Government to impress aliens within our borders who have taken up their residence for purposes of business, without regard to whether or not they have filed the declaration of intention to become citizens. I will not say at this moment that I believe the weight of opinion is upon one side or the other; but I do say that the course pursued by the Committee on Military Affairs could not be regarded as offensive to any nation, and it does give every foreign power and every foreign citizen ample opportunity to exert whatever right they may have in the premises.

Mr. McCUMBER. Mr. President, I desire to close in a very few moments. There has been some conflict between the authorities upon the question of the right of the Government with reference to those who have merely declared their intention to become citizens and different rules have been applied. I have examined the later authorities down the line, and while in the earlier days, when we were in a war, we sought to justify ourselves when we impressed aliens into our service, the prevailing authorities at the present time seem to be against that view, and the later authorities all seem to be along the same line, that the mere declaration of an intention to become a citizen does not change or vary the legal status of the declarant, but that he has the same right to the protection of his home Government, the right to refuse to complete his declaration by actual citizenship, and to stop anywhere short of becoming a citizen. Even Secretary Fish seemed to have modified his opinion later on; at least, he said he did not intend to go to the extent indicated by what the Senator from Iowa has read, because in 1874 he wrote:

> We did not claim the right to impress aliens into our forces during the late Civil War, but it is understood that in one instance at least, in the case of a siege, we sought to justify such an impressment.

Then in 1888 Mr. Bayard summed up the situation thus:

> It is well settled by international law that foreigners temporarily resident in a country can not be compelled to enter into its permanent military service. It is true that in times of social disturbance or of invasion their services in police or home guards may be exacted, and that they may be required to take up arms to help in the defense of their place of residence against the invasion of savages, pirates, etc., as a means of warding off some great public calamity by which all would suffer indiscriminately. The test in each case as to whether a foreigner can properly be enrolled against his will is that of necessity. Unless social order and immunity from attack by uncivilized tribes can not be secured except through the enrollment of such a force, a nation has no right to call upon foreigners for assistance against their will.

Quite a number of these cases are cited in this report, and the final conclusion from them is given.

I simply desire to say, in closing, that there necessarily must arise conditions which will enter into any new treaty or arrangement we may make with foreign powers. Russia might be satisfied that we take all of her citizens; France might ask that we attach to such an arrangement a condition that she could draft American citizens resident in France; Great Britain might require one condition and some other country still another. We could not possibly anticipate all of those conditions in any law we might now enact.

So we gain time by initiating procedure immediately, and I hope we may pass this resolution before 2 o'clock, merely suggesting, as it does, the propriety of the President proceeding to obtain these agreements. That can not conflict, it can not interfere, with any other legislation that we may thereafter enact.

I ask for immediate action for another reason, and that is this: There is a great deal of dissatisfaction throughout the United States due to the fact that our own citizens are being forced into this war while the citizens of other countries joining with us in the war are being exempted. There is just cause for complaint along this line, and especially as the aliens so exempted take the profitable places that our own citizens must yield. I believe it would create a sense of assurance and contentment upon the part of our own people if the Senate of the United States would indicate immediately its purpose of bringing into our Army the citizens of countries engaged with us in war against the central powers.

Mr. President, I again say to the Senator from Oregon that I can see no conflict between my resolution and Senate joint resolution 84. I am fearful, however, that after we have passed a general law so many conditions will arise in reference to any new arrangements that our law will not be applicable and we would be losing rather than gaining time; but we lose nothing, we forfeit nothing, by asking the President to proceed at once

to secure the very agreements which Senate joint resolution 84 admits will have to be secured before the law can become effective.

Mr. LODGE. Mr. President, I shall not waste any of the short time that remains before the morning hour ends by going over international law. There is, to my mind, no question that at present under international law aliens are immune from military service. The growth has been steadily in that direction, as the authorities and citations show. That, however, is not important, because this whole matter must be settled by treaty. We have a treaty with Japan, we have a treaty with Italy, and I think with one or two other countries, in which it is expressly provided—and it is reciprocal, of course—that the citizens of those countries shall not be liable to compulsory military service in the United States. The favored-nation clause imports that clause embodied in the Italian and Japanese treaties into every other treaty in which the favored-nation clause is found.

Mr. President, I recognize this evil as strongly as anybody can possibly do. I think I was one of the first to call attention to it in the Senate. I am heartily in sympathy with the resolution proposed by the Committee on Military Affairs, and there is nothing in it that is offensive to any nation; but other nations have got to go through the same door that we are trying to open by this resolution. The only communications that can be held with foreign Governments must be held through the Executive. The resolution proposed by the Senator from Oregon, to which I absolutely agree, is worthless, unless the Executive initiates negotiations, so that the law can be carried out without the abrogation of treaties.

Mr. President, my point is this: The advisability of curing the great evil and injustice that exists because of the fact that aliens, subjects or citizens of the allied nations, living in the United States, can not be drafted needs no explanation from me or anybody else. There is only one way to meet that evil and that is to arrange with the powers engaged with us in the war against Germany to set aside for the time being the provisions of the treaties. They will all be glad to do it. There is not one of them that will not be glad to do it. They believe, and believe rightly, that these men ought to fight either for the country of their adoption or the country of their allegiance and that they can not live under the ægis of the country of their birth and escape service by dwelling in the United States. That is a wrong that must be remedied, but it can not be remedied unless the Executive acts.

I do not propose, for one, to give the impression to the country that Congress can remedy this evil. It can not. It is entirely helpless unless the Executive acts; and I think the proper course to pursue is to ask him to act. If he does not move, the legislation we pass here does not amount to a snap of the finger. I do not want to take a responsibility that is not ours. Our powers are being taken from us, but that is no reason why we should assume responsibility that it may be found agreeable to shift upon our shoulders. This is an Executive responsibility. The State Department and the President can settle this matter in a week, in my judgment, because I know that the powers allied with us are anxious to have their subjects and citizens fight under some flag when all the countries are at war. But we can not do it; we have no diplomatic connection. Under the joint resolution of the Senator from Oregon nothing could be done until the Executive had made the necessary diplomatic arrangements.

I am ready to vote for the joint resolution as well as for the resolution of the Senator from North Dakota, but I think the better and more recognized way is to request the President, on behalf of the Senate, to take the necessary steps; and, if he shall take the necessary steps, no laws will be needed. Under the treaty or agreement or convention, which would then be the supreme law of the land, he could draft them all. That is the way to proceed—go straight to the Executive and let him perform this important duty, as I have no question he will.

Mr. CHAMBERLAIN. Mr. President, I realize, with the Senator from Massachusetts and the other members of the Foreign Relations Committee, that there are delicate questions connected with this legislation. I have no objection to the Executive entering into diplomatic negotiations with other countries in order to bring about some sort of an arrangement under the terms of which the nationals of our allies, at least, and possibly the nationals of some other countries, could be utilized in the emergency which now confronts the American people; but we all know from past experience that when this diplomatic negotiation is entered upon the subject involved in it sleeps the sleep that knows no waking. It may be concluded in six months, it may be concluded in six years, and it may never be concluded, as those familiar with these diplomatic representations can well testify.

In the meantime, Mr. President, a situation confronts us. The situation has been very well shown here in some of the cities, particularly in New England, where in some instances one-half of the population, and in other instances more than half the population, are aliens—not alien enemies but aliens. As many as 65 per cent of the population in some places are aliens, and under the method of applying the selective draft the result is accomplished of sending the American youth to fight while these particular nationals of other countries, as well as the nationals of enemy countries, are permitted to remain at home.

Mr. President, I for one want to see that condition cured, and this joint resolution No. 84 that has been reported out of the Military Affairs Committee undertakes to protect the situation that Senators are afraid is liable to bring about trouble.

Take the case of Japan: We always seem to be afraid of Japan for some reason; I do not know why. The Japanese people are just as reasonable as the American people, and I sometimes think a good deal smarter than the American people in that they give first consideration to their own country. We have provided for Japan and China in this joint resolution, not because they ought to be treated under ordinary circumstances as different from any other nation, but simply because we treat them differently in some respects than we do any of the other foreign powers, and the resolution that has been reported out by the committee provides, with reference to the subjects of Japan and China, not mentioning them by name, in subsection 4:

> Aliens not alien enemies who, because of treaty stipulations or act of Congress, are not permitted to become citizens of the United States shall be exempt from compulsory or other military service except as volunteers.

Now, that is perfectly proper. Either by treaty stipulation, as with China, or by gentlemen's agreement, as with Japan, we do not permit the citizens of those countries to become citizens of the United States.

Mr. LODGE. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Massachusetts?

Mr. CHAMBERLAIN. Yes; certainly.

Mr. LODGE. This resolution of the Foreign Relations Committee excludes China and Japan.

Mr. CHAMBERLAIN. Oh, well, I am not making any question about that.

Mr. LODGE. And if they can be excluded by confining it to all European nations, why is it necessary to rub in the fact that they are not eligible for citizenship?

Mr. CHAMBERLAIN. The Senator is voicing the timidity about which I speak. We have had that question up here before. We have had it in the discussion of treaties. We had it particularly in the discussion of the immigration bill. I have no disposition to irritate any of these people, and I only mention China and Japan because they were mentioned by the Senators who advocated this Senate resolution which the Foreign Relations Committee have reported to the Senate. I say we have excepted China and Japan from the provisions of Senate joint resolution 84, not because it is those particular countries but simply because we have applied a different rule of citizenship with reference to those nationalities. In other words, we have practically, by treaty, stipulated that Chinese subjects should not become American citizens, and by treaty stipulation and a gentlemen's agreement we have practically said the same thing with respect to Japan.

Now, no alien who is not permitted to become a citizen of the United States ought to be drafted into the service to perform military service for the country; but that does not apply with reference to any other alien. Nearly all immigrants who come here from every corner of the globe can be admitted to full citizenship. We all know that. There are thousands of men who have been in this country for 25 years, and some of them for 50 years, who have accumulated fortunes on the western prairies in the cattle business and in every other form of business, who have nevertheless not taken out their final citizenship papers, and are still aliens, but to all intents and purposes they are American citizens, because they live under the protection of the flag, and they have built up their homes and amassed their wealth under the American system. Now, I can not see any reason, nor is there any, why such men should not be compelled to serve America in her dire distress. It is true that the Senate resolution does not prevent those men from being brought within the provisions of Senate joint resolution 84; but if the pending resolution passes, when the time comes to consider Senate joint resolution 84 Senators will say: "Well, the execu-

tive department now has that under consideration, and there is no use in undertaking to provide for it by legislation."

Now, Mr. President, let us look at Senate joint resolution 84. Subsection 1 provides that—

All aliens resident in the United States for more than one year who are not subjects of the enemy country, and have not declared their intention to become citizens, shall be subject to selective draft for military service pursuant to all the remaining provisions of the above act in the same manner as citizens of the United States, except so far as otherwise provided in the ensuing paragraph.

That provision takes them all in, but there are certain exceptions to it. Subdivision 2 provides that—

Subjects of such countries other than those allied with the enemy country shall be exempt from the draft if any treaty now in force with such countries exempts its subjects in this country from compulsory or other military service, unless the diplomatic representative of such treaty country shall have waived the provision of such treaty for the purpose of the present war; and aliens who claim the benefit of exemption under such treaties and the present paragraph shall be allowed to depart from the United States within 90 days from the date of the allowance of their claim of exemption.

That protects the treaty country absolutely and entirely; it not only does that but it does what Great Britain insisted ought to be done in certain cases during the Civil War. It gives an opportunity to the alien subject to get out of the country if he does not want to serve the country of his adoption as an alien, if not as a citizen. Now, that section takes absolute care of that.

The Senator from Massachusetts [Mr. LODGE] says: "But who is going to make the claim?" I say the diplomatic representative is here to listen to the appeals of the subjects of the country, and the diplomatic representative can make the demand if he wants to, either on the behest of the individual subject of that country or else upon his own initiative and upon his own motion for all such subjects.

Now, Mr. President, I want to call attention to a case that arose during the Civil War—and I want it understood that I am not going to insist here that the question is one that is free from doubt. But why can not America sometimes resolve a doubt in her own favor? It has sometimes seemed to me that we have been too generous in resolving all doubts that exist in the minds of Members of Congress in favor of some country other than our own. I note that when the test comes the doubt entertained by any other country is always resolved in favor of its own people.

During the Civil War in this country all persons who had voted as State citizens were claimed by the United States Government as liable to conscription, and the act of Congress of March 3, 1863, expressly declared that the levy should include all persons of foreign birth who had declared on oath their intention to become citizens. This, of course, included many alien residents, but no protest was entered, Lord Lyons merely being instructed, as the British representative, to abide by the decisions of the American law courts, even in instances where aliens had not declared their intention to become American citizens but had exercised the elective franchise under the laws of some States which permitted it. However, the British Government suggested that in the case of those who had merely declared their intention to become American citizens, but had not exercised any political franchise in consequence of such declaration, they ought to be allowed a reasonable period to leave the United States as an option of continuing therein with annexed conditions. Thereupon the United States allowed 65 days to such persons to exercise their option, and the British Government refused to interfere any further in behalf of any who had not availed themselves of the opportunity.

As was very well suggested by the Senator from Iowa [Mr. CUMMINS], there is no difference between an alien and a man who has declared his intention of becoming a citizen. Our own laws may confer some right upon the man who has declared his intention to become a citizen which they have not conferred upon one who has not, but in international law there is absolutely no distinction between a man who is an alien temporarily residing or domiciled in this country and a man who has declared his intention to become a citizen.

This course, which was taken by Great Britain during the Civil War with reference to her subjects, seemed to be an acknowledgment by the British Government that aliens who had exercised political rights had subjected themselves to practical obligations to military service. In other words, Great Britain practically said that if a man had taken out his first papers—which does not make him a citizen by any means—he had then subjected himself by that single act to the laws of this country requiring of him military service. Now, if that be the construction—and I think it is a fair construction—of the attitude of Great Britain with reference to the subject, if it can be construed further as a recognition of the justice of the claim of foreign countries to require a limited military service of domiciled aliens, it is also a recognition of the right and duty of aliens to leave the country freely as an alternative to such service. This right has always been vigorously insisted upon beyond question.

Now, Mr. President, with reference to the impressment of our own citizens in other countries where they have gone, just as aliens of other countries have come here, have become domiciled there, have become residents there, and have remained in the country for a great many years, protected by the flag and the laws of that particular country, I, for one, do not see any reason why such men should not serve the country that has protected their property and their lives. I would feel if I went to Mexico and temporarily expatriated myself, had accumulated a fortune there, and received protection at the hands of the laws of that Republic, that if Mexico demanded my services she ought to have them, or I ought to ask only to be permitted to return to the United States. That is the most that any alien could claim. If they do not want to serve, let them come back to the country of their birth and render service there. I, for one, am opposed to permitting men to come to this country, as they have done, to remain here for a lifetime, and to accumulate vast properties here, and then, when the country is passing through stress and storm, for those same men to say, "We will remain at our posts and let the young men who were born on this soil go off and fight the battles of the country, whether at home or in the battle lines of Great Britain and France." They ought to be subjected to the same rule as our own citizens, and yet not quite the same harsh rule, for they ought to be permitted to return to their country if they do not want to fight.

I have in mind an individual illustration of that very proposition now, and I venture to say that up in New England, where they have so many foreigners, numerous illustrations can be cited. I know in my State of a family of American boys. Every one of those boys is subjected to the selective draft. All of them may go. Some of them may escape under the system that has been created under the law, but if all those young men happen to be drawn, all of them will have to go. Yet within a short distance of that same family is another family of a nationality with whom we are fighting, with the same number of boys in it, and not one of them will go.

Mr. President, there is absolutely no justice in any such condition of things as that. I have no opposition to the alien. I am glad to have them come here; but if a man comes here and remains long enough to make this country his home to all intents and purposes, and does not know any other home except by the ties of kinship and blood, he ought to be compelled to serve the country when needed, unless he is protected by treaty rights; and Senate joint resolution 84 protects him absolutely under the treaty obligation, and further protects him by giving him the permission which Great Britain insisted upon during the Civil War, of leaving the country within a reasonable time if he does not want to assist in the protection of the country. Now, there are countries—and I think the committee's report calls attention to the fact—there are a number of countries with which we have treaty stipulations.

Mr. SMITH of Michigan. Mr. President, will the Senator permit me to ask him if we are not both aiming at the same object?

Mr. CHAMBERLAIN. I think so.

Mr. SMITH of Michigan. Then why should there be any vexation over accomplishing a purpose upon which we are absolutely in accord?

Mr. CHAMBERLAIN. But the Senator was not here when I stated the only objection I had to the Senate resolution. It is that when we once start in upon diplomatic negotiations with these countries, we never get anywhere.

Mr. SMITH of Michigan. Ordinarily that might be so, but I do not believe it is so now.

Mr. LODGE. If the Senator's joint resolution or a dozen others should be passed, you would have diplomatic negotiations just the same.

Mr. CHAMBERLAIN. I am not so sure about that.

Mr. SMITH of Michigan. I think now, in the present situation, we can get prompt action, and when this second call is made that we will get those people, and we ought to get them.

Mr. CHAMBERLAIN. How many years did it take us to settle the fisheries dispute between the United States and Canada, and how long did it take us to settle the northwestern boundary dispute? This last was only settled within the past few years, and yet it was under discussion for a hundred years. I have no objection to this proposition of the Senator's, except I say that just as soon as that resolution is placed upon the statute books objection will be made to taking up a resolution which really means something. If once we enter upon these

proposed diplomatic negotiations, we are not going to get anywhere within six months, nor during the continuance of this war; but if Senate joint resolution 84 is adopted by the Senate you can rest assured that the diplomatic representatives of these Governments will get busy.

Mr. SMITH of Michigan. Mr. President, if the Senator will allow me, we sent resolutions of the same general purport, so far as their legislative status is concerned, to Mr. Cleveland over and over again regarding the Cuban situation. He treated them merely as an expression of legislative judgment. He was not moved by one of them; but the President now will be inclined to do this. This is proper, and he appreciates it. I do not want to say what some of my associates believe, but I really believe that it will find cooperation there immediately.

Mr. LODGE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Massachusetts?

Mr. CHAMBERLAIN. I yield; yes.

Mr. LODGE. I only wanted to say this: You can pass any laws you please, but they will have no effect. The President will not carry them out, and ought not to carry them out, in violation of treaties. You come back to the same thing, and no President would think of doing it.

Coming back to our negotiations, I think they can be completed in a fortnight, and they will come just as much in your bill as on the other. I am ready to vote for both, but I am sorry to see, owing to a little controversy between two committees, the legislation go to the ground. The President can do it without any resolution or legislation.

Mr. CHAMBERLAIN. This is not any dispute between two committees. It is a question of vital importance, and if we do not adjust it and consider it fearlessly we are going to have trouble between the American youth and those who stay behind and are excused from duty.

Mr. LODGE. I say to the Senator you will never do it except through the President of the United States.

Mr. CHAMBERLAIN. The American people can do anything they want.

Mr. LODGE. Not except through the executive function.

Mr. STONE. The morning hour has expired, or practically so, and we can not conclude this matter. At the very first opportunity I shall move, if necessary, to take up the resolution.

The PRESIDENT pro tempore. The hour of 2 o'clock having arrived, the Chair lays before the Senate Senate joint resolution No. 17.

The SECRETARY. A joint resolution (S. J. Res. 17) proposing an amendment to the Constitution of the United States.

Mr. POINDEXTER. I should like to inquire of the Senator from Oregon his theory——

Mr. LODGE. Mr. President——

Mr. POINDEXTER. Does the Senator desire to interrupt me?

Mr. LODGE. I wanted to address the Senate on the unfinished business.

Mr. POINDEXTER. I will be through in just a moment, if the Senator will pardon me.

Mr. LODGE. I thought this matter had gone over. I did not mean to interrupt the Senator.

Mr. POINDEXTER. I should like to know the theory upon which the Senator from Oregon in his resolution regards citizens of Austria, Bulgaria, and Turkey as alien friends. Mr. President, we have recently been appropriating large sums of money, to be derived from the sale of bonds of the United States, or from taxes levied upon the property of the people, which we have turned over to Russia and Serbia and to France and to Italy for the purpose of equipping soldiers and procuring munitions of war to withstand the onslaught of the nations which the Senator from Oregon deals with in this resolution as friends of the United States.

Mr. LODGE. Mr. President——

Mr. POINDEXTER. Does the Senator desire to interrupt me?

Mr. LODGE. No; Mr. President, I thought the unfinished business had been laid before the Senate.

The PRESIDENT pro tempore. The unfinished business has been laid before the Senate.

Mr. LODGE. The Senator from Georgia [Mr. HARDWICK] desires to address the Senate on that subject and so did I, and I thought, under the unanimous-consent agreement, those who desired to speak on the constitutional amendment would have an opportunity to do so. I would not interfere for a minute with the Senator from Washington, but I am obliged to leave the Senate to attend a committee meeting.

Mr. POINDEXTER. I am very sorry, indeed; I had no advice that the Senator from Massachusetts desired to occupy the floor. If he had advised me to that effect, I would have hesitated to address the Chair.

Now that I am discussing this question, I desire to conclude it, which I will do in a very few moments, and yield to the Senator from Massachusetts.

I simply want to say that whatever the legal status of aliens of the countries which I have named, because of the absence of a formal declaration of war by the United States, their actual status is that of alien enemies. We are organizing an expeditionary army about to be transported to France. Does the Senator from Oregon suppose when its ranks are thinned by the fire of Austrian regiments on the battle line in France our men will welcome them with the cry, "Here we have in front of us friends and not enemies"? If the President is sending missions to Russia, loaning money by the hundreds of millions to enable her to maintain an army to resist the Austrians, why should the Senator here, acting as an official of another branch of the Government, be at the same identical moment treating as neutral friends these same people who are opposed to Russia, attempting to destroy her army, and invading her country?

It illustrates the anomalous condition in which the United States finds itself in many of the negotiations which have taken place recently between the so-called entente allies. The cause of the allies for the purpose of this war is the cause of the United States. They are at war with these various countries, and so long as we are consolidating our resources and our armies with their resources and their armies we ought to put ourselves in the position by a proper declaration—and that is one of the advantages which the resolution of the Senator from North Dakota has over the resolution of the Senator from Oregon—to avail ourselves of all the international legal rights of the state of war which actually exists between the United States and the allies of Germany.

Mr. HOLLIS. Mr. President——

Mr. POINDEXTER. I yield to the Senator from New Hampshire.

Mr. HOLLIS. The Senator of course notes the distinction. The resolution offered by the Senator from North Dakota is merely a Senate resolution, and the Senate can not declare war. It must be done by a joint resolution.

Mr. POINDEXTER. But in so far as the expression of the Senate is concerned it declares and recognizes that a state of war exists. It does not, as does the resolution reported from the Committee on Military Affairs, take the opposite course, and, in so far as the power of Congress is concerned, establish by an express provision of the statute, as this resolution will be in effect if it is adopted by both branches of Congress, a state of peace between the United States and countries with which we are engaged now in deadly conflict, in an issue that involves, if it is reasoned out to a last analysis, the national existence and institutions of the United States.

It is illogical; it is perfectly anomalous. The resolution ought to be defeated unless that part of it is eliminated, and at the very earliest moment the United States ought by a proper, unequivocal resolution of Congress declare as a matter of law what is now a fact as a matter of military operation, a hostile state between the United States and these various Governments.

We can not go on with a proper and efficient conduct of the war in Europe with our hands tied, our international rights limited by the false assumption that there is no war existing between Bulgaria, Austria, and Turkey and the United States, and we can not properly guard our armies in the field by the proper regulations behind the lines if we have several hundred thousand alien enemies in the United States whom we persist in regarding as friends.

I want to call the attention of the Senator from Oregon to that clause of his resolution in order to make it perfectly clear, if he insists upon retaining it, that it is his theory, and I presume as chairman of this great committee he speaks for the administration, that the United States is now not in a state of war with the allies of Germany, although they have committed the same wrongs against the citizens of the United States and their property that Germany has committed. Austrian submarines have sunk our ships. Austrian subjects in the United States have carried on hostile operations against our munition plants to such an extent that we were compelled to sever diplomatic relations with the Austrian Government. As a matter of substantial consideration there is no material difference between the status of those countries who are allied with Germany, and whose soldiers are fighting side by side with hers on our battle fronts in Europe, and Germany herself.

NATION-WIDE PROHIBITION.

The Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (S. J. Res. 17) proposing an amendment to the Constitution of the United States.

Mr. HARDWICK. Mr. President, the pending proposal is that the Congress shall submit to the States for ratification or rejection an amendment to the Constitution prohibiting the manufacture, importation, and sale of intoxicating liquor for beverage purposes throughout the United States, and that final action shall be taken by the States on this proposal within six years from the date of its submission.

I am unable to support this proposition on principle, and I think it my duty to state briefly the reasons why I can not do so.

In the first place, three years ago when I submitted my candidacy for the Senate to the people of Georgia I stated emphatically and positively that I could not and would not support such an amendment. I was elected to the Senate with that declaration on my lips, probably not because of it, possibly in spite of it. I consider that I am bound, in honor, to vote in the Senate as I stated to the people I would vote if elected to the Senate. I can not subscribe to the monstrous doctrine that pledges in politics are not just as binding on honorable men as pledges in business or in any of the personal relations of life. I do not so regard it. Having taken a position in opposition to this amendment while seeking election, I am bound to stand by it after election, unless I had honestly changed my mind on the merits of the question and could frankly avow it, giving the reasons for my change of opinion.

I have not done so. I am opposed to this amendment now for the same reasons precisely that I was opposed to it when I was a candidate for the Senate. If all the whisky in the world could be poured into the ocean and the process of making it forgotten, I believe mankind would be happier and the world better off. At the same time, because I believe that, I can not ignore other considerations or stultify the principles and convictions of a lifetime to accomplish it or in the vain attempt to do so.

This amendment conforms, of course, to the constitutional requirements as to the manner and method in which the Constitution may be amended, and can not, therefore, be assailed as violative of the letter of the Constitution. It does, however, violate its spirit. It is in sharp conflict with one of the basic principles upon which the Constitution itself rests, with one of the fundamental and distinctive principles of our American system of government. It was the compact between the several States, formally and solemnly declared in the Constitution itself and by the convention that framed it, that each State retained its complete and exclusive control of all its domestic affairs and internal concerns, conferring upon the General Government powers over foreign relations and interstate commerce and other matters closely related to those two great subjects. But local self-government, the right of each State to regulate and control, in its own way and according to its own will, its own domestic affairs and internal concerns, was preserved to the State, and every attempt was made to safeguard it. That right, local self-government, is a part of the priceless heritage of liberty that came to us from our English forbears. To assert it and preserve it the War of the Revolution was fought; to defend it my fathers and my people shed their blood like water in the unfortunate Civil War, and though the grim verdict of that war may have determined the indestructibility of the Union and denied the right of secession to the States, it did not set aside or seek to set aside, it did not destroy or seek to destroy, the right of the States to local self-government. I can not for any sentimental reason, or because of any extreme case, prove faithless to the great doctrine for which my people have fought and bled through two great wars. It is a part, and it should be an indestructible part, of that priceless heritage of liberty that it is my duty to preserve and transmit.

Georgia has a right to regulate in any way she pleases, or to prohibit absolutely, the sale of liquor among her own people and within her own borders. She has that right, without regard to the views or opinions of all the other 47 States. It is purely a local question—entirely a domestic concern. This is especially true since the Congress has within less than a year made it possible for her and for every State to enforce her laws and carry out her policy without having them nullified in whole or in part by the interstate-commerce laws of the Nation.

The regulation or prohibition of the sale of whisky within a State is entirely and exclusively a local matter, a part of the wiser, far safer, far better that it should do so.
police power of the State. It ought to remain such. It is far

Let us for just a moment reverse conditions and see what the situation would be if we are to substitute national control for local police regulation of this question. Suppose Georgia were the only prohibition State in the Union, all the other 47 States being wet. Suppose that an amendment were proposed in Congress here, in the terms of this amendment, but providing that upon its ratification by the requisite number of States it should no longer be lawful to prohibit the sale of liquor in any State, but that the sale of liquor should be legalized in every State, under conditions and regulations to be prescribed by Congress. It might well happen that the Senators and Representatives in Congress from the wet States could and would force such a proposal through over the ineffective protest of one or a few dry States, but it would be everlastingly wrong for them to do so, and I for one would never support it. Indeed, the most vigorous opposition to it would come, I dare say, from the very influences and from the very gentlemen who favor the pending resolution. If so, is not the demonstration complete? Shall this question remain the football of politicians, theorists, and sentimentalists? Shall we do on one side of this question, with smug and complacent self-righteousness, what we would unquestionably denounce as a tyrannical interference with our rights and liberties if it were done on the other side? I submit that we ought not to do it. The principle of local self-government is basic and fundamental. I must stick to it. Exceptions to it are both insidious and dangerous. Once we embark on that course, who can predict where it will end or how it will stop? Will it embrace our election laws, and our elections themselves, substituting Federal regulation and control for State regulation and control? Who can predict? For one, I am not willing to risk it. For one, I can not desert my principles, however much I might like to put a ban on the liquor traffic.

For these reasons, Mr. President, I must cast my vote against the pending resolution.

Mr. LODGE. Mr. President, I shall vote against the proposed constitutional amendment, and before doing so I wish briefly to state my reasons for my vote.

I am reminded by something which fell from the Senator from Georgia [Mr. HARDWICK] to say that I was reelected to the Senate last November by popular vote. My attitude on this constitutional amendment was extremely well known, because I had written a great many letters in regard to it, and some of them had been published and republished. Nobody voted for me under any misapprehension. The people of the State knew that if this amendment came up I should vote against it. Whether, as the Senator from Georgia said, it was on account of that or in spite of it that they voted, I shall not undertake to say, but there is no doubt of the fact.

Personally, I firmly believe that every human being would be far better morally, mentally, and physically if he never touched alcohol. For the benefit of mankind I wish to see that result brought about, and I hope that it can be done. But because I hold these beliefs I am not blind to the facts which surround the problem, and I can not vote for legislation which, in my opinion, would create a situation worse than that which now exists and probably long delay the coming of complete abstinence from alcohol among men.

From the earliest times of recorded history, so far as we know, mankind has devised for itself and consumed some sort of beverage containing alcohol. There is not, so far as I am aware, a tribe of savages, even of savages in the lowest stage, which has not in some manner invented liquor containing alcohol and which has not greedily accepted alcoholic liquors when it had the opportunity. We are, therefore, dealing with what is perhaps the most deeply planted habit of human nature. Except the natural instincts, there is nothing which has such roots in the life of man on earth as this habit of taking alcoholic stimulants. These facts should warn every reflecting man, no matter how much he desires to put an end absolutely to the consumption of alcohol in beverages, of the necessity of proceeding with some caution in dealing with an indulgence to which the human race has been so long habituated. My own belief is that practically complete abstinence may be brought about when a large majority of the people are convinced that it is wise and that it is for their benefit mentally, morally, and physically. I am aware that this will take time, but the steady growth of public sentiment in favor of complete temperance and of the abolition of the use of alcohol in any form proves, I think, that it is a well founded and entirely reasonable expectation. On the other hand, where people are not prepared and a major portion of them are not convinced of the harmful results of the use of alcohol, sudden and violent legislation to compel total abstinence before the people are ready to accept it can only serve to retard the advance of temperance principles and bring about a situation worse than that which now confronts us. I do not think the people of this or any other country are as yet prepared in opinion or by education to accept in good faith and with hearty sympathy the extreme legislation carried by this constitutional amendment. Without a prepared public sentiment among at least a majority of the people, such legislation as this is certain to fail. You will entirely destroy the control of the

liquor traffic now exercised by regulations and licenses. You will attempt the impossible task of compelling large numbers of unwilling people to abandon a habit which, as practiced by them, they, however mistakenly, believe to be harmless and innocent. Multitudes of people will resent it as a gross and tyrannical interference with personal liberty. The result of sumptuary laws which are far in advance of public opinion is familiar to all who know anything of history. The excellent cause which it is sought to promote by such laws is not advanced. Resistance and even hatred against them are encouraged. The old habits are maintained, but to the undesirable character of the habits themselves there is now added that still more undesirable habit of lawbreaking. You will have a law incapable of complete enforcement, the disregard of which is considered by a large part of the population as wholly venial. This combination of circumstances always tends to weaken the respect for law and to create a distrust of the powers of government in the minds of those who are called upon to obey and support it.

This proposed amendment in its local application seems to me even more objectionable than in its general features. The States will, of course, cease to enforce prohibitory laws if they have them; they will be only too glad to get rid of the burden of the expense; and license laws will be impossible. The whole burden of enforcement will fall upon the General Government, assuming that the necessary legislation will be passed in order to execute the purpose of the constitutional amendment. To enforce throughout this country the prohibition of the sale or manufacture or importation of any form of distilled or fermented liquors will require at a moderate estimate 500,000 men. Distilled liquors are easily made. You will have to search hundreds of houses to make sure that liquors are not distilled in the kitchen, or fruit brandies made by some domestic appliance. Men who now drink quite harmlessly some beer or light wine will in a certain proportion turn to the consumption of distilled liquor, in most cases of the vilest and most poisonous kind. You can not hope to prevent the smuggling of liquor across our long fronties and along our immense coasts. In the eighteenth century, when England had high duties on foreign liquor and manufactures, running cargoes of French brandy and laces was a large and profitable industry, and yet England had a very small coast to protect. I might add that down to the time of our Civil War, with all the nations of the earth combined against them, the slavers, nevertheless, managed to run cargoes of slaves onto our coast. Where large masses of the people would consider it even meritorious—at least quite venial—to evade and break the law the law would inevitably be broken constantly and in a large and effective way. I doubt if you could have an army large enough absolutely to enforce it.

It seems to me, therefore, that such sudden and violent action for the promotion of a purpose in which we are all agreed is a mistake in method, which will injure gravely the very cause we desire to advance. I think it will have a very bad effect on the public morals by creating a widespread indifference to law. As a measure of prohibition, the practical difficulties, in my opinion, will cause it to fail, and my own belief is that in a very short time we shall settle down to a condition like that presented by the amendments which attempted to confer full political rights upon the negroes of the United States, where the constitutional provision is entirely disregarded. They remain a dead letter in the Constitution, and this practical but most undesirable compromise is accepted by the great mass of the people of the United States as the only possible solution; and that, in my opinion, will be the ultimate result of this prohibitory amendment.

Where the majority of the people are thoroughly convinced of the need of prohibition there it will succeed and be practically enforced. But there are wide differences among the communities which make up the population of this great country, and for that reason I believe that the sound foundation for the prohibition of alcohol should be set up in the local community and thence be extended to the counties, if necessary, and thence to the State. This question is better dealt with by the States than by the National Government. The responsibility is more concentrated and there is greater harmony among the population of the smaller area inclosed within the State boundaries. The States as they gradually come to a majority belief in prohibition can and will enforce it well, although even State-wide prohibition should not be embarked upon too soon. The prohibition of liquor is essentially a police power, and wholly apart from the practical question of enforcement is the still greater question of general merit. I think we are taking a long step on a dangerous path when we take this police power from the States. The tendency now is to strip the States of one power after another that are conferred upon the National Government, forgetful of the fact that the strength and stability of our Government have depended upon the principle of local self-government embodied in the States. This attempt to hand over to the National Government the police power which properly belongs to the States will in its operation in other directions lead many people in the future to rue the day when they gave their support to a proposition so injurious to State independence and to State power.

I hold very strong and conscientious convictions on this subject. I believe the legislation attempted by this constitutional amendment will be in the highest degree damaging to the cause of real temperance; not to that temperance which contents itself with clamor for statutes and is satisfied with an unenforced law, but to the real cause of temperance, which seeks to put an end finally and conclusively when that end is reached to the consumption of alcohol by human beings.

For these reasons, believing as I do that this is the worst thing that could be done to advance temperance and total abstinence among the people, I can not vote for the amendment.

Mr. JONES of Washington. Mr. President, of course, if I looked at this matter as do the Senator from Massachusetts [Mr. LODGE] and the Senator from Georgia [Mr. HARDWICK], I should take the same position which they take with reference to it. This is no sudden move, however. It is not the impulse of a moment. This is a question that has been agitated for many, many years. The matter of the passage of a joint resolution of this character has been pressed on Congress for many years, and it is only because of the continued and great growth of the sentiment in favor of action of this kind that this joint resolution now bids fair to be passed.

"Shall the people rule?" That was the political slogan of a great party a few years ago. Although I did not belong to that party, I believed in the truth interrogatively declared by that slogan. There could be no difference of opinion about it, and yet there are many who made that their shibboleth who do not now seem to believe in it. It is often so, that what serves a good purpose on the stump is disregarded in the legislature and those most vehement before the people are most backward in acting.

I may be wrong, but, as I see it, the real issue before the Senate now is whether we as representatives of the people will give them a chance to express themselves upon a great question in which they are vitally interested and upon which they alone can act. In other words, Mr. President, the real question presented to the Senate upon this joint resolution is, "Shall the people rule?"

It is conceded that Congress can not prohibit the manufacture or sale of intoxicating liquors within the States of the Union. The majority of the States and the majority of the people want the National Government to have that power. We as their representatives can not do their will, but we do have it in our power to give or refuse them the opportunity to say whether they want that power made a part of the fundamental law of the land.

I can vote to give them that right, no matter what my views upon the merits of the prohibition question may be; nor do I think that I am shirking any responsibilities in doing so. I will do my duty as I see it upon every legislative matter within my power to act. I do not believe a Senator should shirk his legislative responsibilities. He should not try to place them upon some one else or upon any other branch of the Government. I will vote according to my judgment and my convictions of duty regardless of public sentiment or of its effect upon my political future, relying upon the justice of the American people to vindicate my course.

The Constitution provides the way for its amendment. Congress can not do it, but it can propose amendments to the people, who alone can adopt them through their State legislatures. I believe it to be my duty as a Senator to vote to submit an amendment to the State legislatures when there is a strong, matured, widespread sentiment and demand from the people for such an amendment. To refuse to do so is to act as the master rather than as the representative of the people.

There is such a sentiment for the submission of this amendment. Great organizations of the best people of the Nation have been urging it for years and millions of our best and wisest citizens have petitioned us to submit it. Twenty-six of the States of this Union—Maine, Kansas, North Dakota, Georgia, Oklahoma, Mississippi, North Carolina, Tennessee, West Virginia, Virginia, Colorado, Oregon, Washington, Arizona, Arkansas, Iowa, Idaho, South Carolina, Michigan, Montana, Nebraska, South Dakota, Indiana, New Hampshire, and Utah—have enacted prohibition within their borders. More than 60 per cent, almost two-thirds, of our people now live under prohibition. Eighty per cent of the territory of the United States

is under prohibition, and a large majority of the Senate of the United States is for prohibition and a large majority of the House of Representatives is for prohibition. If this does not warrant the submission of the amendment, the whim of Congress and not the will of the people will control in the submission of amendments.

"But," they say, "it is not right for some States to force upon other States a policy they do not want." Such a principle would lead to anarchy and chaos and would defeat the whole purpose of a democratic government. Our fathers acted wisely in providing for changes in the Constitution and they acted wisely in safeguarding that instrument against sudden and ill-considered changes and, under the limitations which they have imposed, we may be sure that no policy will be forced upon States that is not well considered and wise from the Nation's standpoint. The people of the entire State force upon particular communities laws which they do not approve. This is done for the general good. For instance, Seattle said she would not have prohibition. The people of the State of Washington said she would, and she did. It was well, and Seattle likes it now. Why should this principle stop at State lines? The Constitution recognizes it, and the people of the Nation for the Nation's good are demanding that the liquor traffic be prohibited by the fundamental law of the land in the way and in the manner provided by that law. They are demanding that the people of the Nation shall rule rather than the slums of our great cities. Mark my words, they are going to do it—if not in one way, then in another. If they are not given an opportunity now, they will force Congress to act in the near future.

This question has not heretofore been made a party question, but the time is ripe to make it such if Congress does not give the people an opportunity to act upon it. I am glad that it has been kept out of politics thus far. I think this has been wise. The sentiment of the country is so strong now, however, and so well matured that unless Congress submits it there is no power on earth that can keep it out of politics. It will become a party question, but not a party issue.

I am a Republican upon party principles. I believe in the intelligence and capacity of the membership of the Republican Party. I want it to succeed because I believe in its success is the greatest good to the Nation. It will succeed if it keeps abreast of the matured, progressive thought and sentiment of the country and makes the welfare and happiness of the people its highest aim and purpose. I do not claim to be a leader in the party, but I think I know the sentiment of the great mass of the people of this country, and I believe that the best politics is to promote the people's welfare. I want to say to the leaders of both political parties with all earnestness, you would better submit this question now. If you do not, you will meet it in the next national conventions.

The Republican Party will have to declare for prohibition. Why? Because it will be necessary to party success. Northern States now having prohibition laws cast 121 electoral votes. Of these, 100—if not more—are from States normally and reliably Republican. Republican success without them is extremely doubtful. The party will not dare to declare against prohibition in the face of these votes. There is something else the party will have to consider. Another western idea is sweeping the country. It will become a power in politics. Why these great progressive ideas come out from the West I do not know, but I think it is because many of the best sons and daughters of the East have gone to that great open country. Their vision has expanded, their ideas have enlarged, their sympathies are broadened, and they are giving these new aspirations expression in seeking to uplift humanity. They are trying to make Government a vital, living, helpful thing, and so it is that from the great throbbing West come these great movements. In Northern States casting 163 votes women vote for such electors, and of these 142 are normally and reliably Republican. The party can not long hope to retain the women's votes if it refuses to stand for prohibition, and if it does not retain these votes it can not hope to succeed.

I said that this question would become a party question but not a party issue. Why? Because, when the Republican Party declares for prohibition the Democratic Party will do likewise. Senators and Representatives will then have to act under the party lash. This amendment should be submitted now. The people demand it, public sentiment justifies it, expediency requires it, and above all it is our duty to do it.

Our mothers, wives, sisters, and sweethearts want this amendment submitted. They are for prohibition. They have the power to enforce their will, and they will do it. Business, industry, and genuine American labor will have prohibition. Humanity, decency, good government, and civilization demand prohibition. A world in arms needs prohibition to save democracy and human liberty. The forward-looking, high-minded, aspiring young men and women upon whom will rest the safety of the Nation want prohibition. All that is best in man and woman and government long for prohibition. The liquor interests should take warning. They should prepare to transform their plants and interests into some other line of work and endeavor. The conflict is on; the saloon must go; victory is inevitable; decency, sobriety, law, and justice must triumph. Abraham Lincoln said in 1842, referring to the War of the Revolution:

> Turn now to the temperance revolution. In it we shall find a stronger bondage broken, a viler slavery manumitted, a greater tyrant deposed. In it more of want supplied, more disease healed, more sorrow assuaged. By it no orphans starving, no widows weeping. By it none wounded in feeling, none injured in interest. Even the dram worker and the dram seller will have glided into other occupations so gradually as never to have felt the shock of change, and will stand ready to join all others in the universal song of gladness.

These were almost prophetic words. What Lincoln saw as in a vision we hope to see in reality.

Mr. President, the great reliance of the opposition to prohibition now seems to be the laboring man. He is made the shield from behind which the liquor traffic wages its fight. Long petitions alleged to be signed by laboring men and alleged to represent the views of members of labor organizations are presented to the Senate protesting against prohibition. A few days ago a two-page advertisement appeared in the Washington Times, alleged to represent over 2,000,000 workingmen, protesting to the President and Congress against the proposed prohibition of beer. This advertisement was published without any signature to vouch for its truth, and, while purporting to speak for the workingmen, it certainly was not paid for by the workingmen. Who paid for its printing? Who had it inserted in the paper as an advertisement? Not labor but the liquor interests. It is interesting also to note that the number of labor unions alleged to be represented on this petition is only 445, out of a total of 22,000 in the United States, and yet it is claimed to represent almost as large, if not a larger, membership than can be found on the official roster of the American Federation of Labor. Forty of the labor unions listed are bartenders' unions, and no doubt many of the other unions acted solely out of sympathy with their fellow workingmen.

Mr. Charles Stelzle, a labor expert, shows in another advertisement, appearing in the Washington Star on Friday, June 15, that in this petition the members of many labor organizations are counted two, three, and four times. First, in their local union; second, in the central labor union; third, in the State union; fourth, in some national or international organization; and, fifth, in some cases in such organizations as "personal liberty leagues" and "mutual benefit societies."

Mr. Stelzel has shown that only 15,000 persons in the whole country are engaged in occupations peculiar to the liquor industry, such as brewers, malsters, distillers, and rectifiers. the remaining three-fourths of the whole are carpenters, electricians, machinists, teamsters, and others for whose labor there would be immediate demand to take the place of those who are going into the Army and to make up for the shortage in immigration. The total number employed in the manufacture of liquor, even in the related trades last named, is 62,920. No doubt many workingmen have been alarmed by the industrious agents of the liquor traffic as to losing their jobs, and very likely many have been willing to sign petitions out of sympathy for labor unions connected with the liquor business because of the brotherhood very naturally felt among labor unions, but we may sympathize with this solicitude without accepting its wisdom or the validity of the grounds upon which it is based.

A most significant fact about this labor petition is that all of the alleged petitioners except two come from 21 States without prohibition. The omission of protests from prohibition States is the most eloquent part of the whole document, for it suggests at once to those who come from States where the workingmen have seen the effect of prohibition and have no disposition to petition against prohibition even as an act of sympathy with their fellow workmen, that they know they will be doing them a great kindness to give them the prohibition that has worked so well for labor as well as capital in the prohibition States.

Of all men who should be against the liquor traffic the laboring man, individually and collectively, should be its strongest foe. It takes his wages and gives nothing in return except a weakened body and an inflamed mind. His wife and children suffer and his home is filled with poverty, distress, disease, and death. His employer distrusts him, he loses his work, his liberty, and his all. Many of the best and strongest labor leaders recognize this and have taken a firm stand against the liquor traffic, and I hope to see the day when the man at the head of the greatest labor organization in the world to-day, who has done so much for labor, who has so well deserved its trust and confidence, who has lead it along right lines in many ways, and

who can do more than he has ever done before to bring to himself the love and admiration of millions of men, women, and children, may lend the might of his influence upon the side of this great movement which means so much to those who he has so ably represented. When Samuel Gompers takes a stand individually and as the head of the American Federation of Labor for prohibition, then indeed will he rise to the full stature of his great ability and great leadership.

Mr. Thomas L. Lewis, president of the United Mine Workers, speaking for that great organization of men who toil in the bowels of the earth in order that our people may have warmth and our industries motive power, says:

If you want to know where the miners of America stand upon the temperance question, I will tell you. In our constitution we have a clause which forbids any member to sell intoxicants even at picnics. Some people say that the saloon is a necessary evil. I do not believe in that kind of doctrine, because the liquor traffic tends to enslave the people, to make them satisfied with improper conditions, and keeps them ignorant. The leaders of the trades-unions are called on to fight the saloon.

One of the esteemed labor leaders is Mr. John Mitchell. He was formerly president of the United Mine Workers of America and represented them ably in the arbitration which was ordered by President Roosevelt, and was subsequently made vice president of the American Federation of Labor. He says, and experience in prohibition States verify his statement:

If a brewery is closed down, in its place springs up a factory. If a saloon is closed, in its place comes a store. It is simply a process well known to union men, the same process as follows the introduction of machinery. It is a readjustment, a changed condition of society. Almost every disturbance in the ranks of organized labor can be traced back to some connection with the saloon.

In a letter dated January 19, 1917, he says:

I believe that liquor has contributed more to the moral, intellectual, and material deterioration of the people and has brought more misery to defenseless women and children than any other agency in the history of mankind.

Mr. John B. Lennon, treasurer of the American Federation of Labor says:

The saloon stands for ignorance and degradation.

In the same strain Mr. H. F. Travelock, president of the National Eight-Hour League, says:

The use of liquor and its influences have done more to darken labor's homes, dwarf its energies, and chain it hand and foot to the wheels of corporate aggression than all other influences combined.

The Right Honorable John Burns, one of the most eminent of living labor leaders, confirms this statement as also true of British workingmen when he says that:

My experience of the workshop, the street, the asylum, the jail have given me exceptional opportunities of seeing the ravages of alcohol. My participation in many of the greatest labor movements of the present generation has enabled me to witness how drinking dissipates the social force, industrial energy, and social strength of the people.

These quotations, which might be very much extended, may be properly concluded with the words of Chief B. M. Arthur, of the Brotherhood of Locomotive Engineers:

If I could I would inaugurate a strike that would drive the liquor traffic from the face of the earth.

After prohibition had been in effect in the State of Washington for more than a year I wrote to the labor leaders in the larger cities of the State for a frank expression of their views of prohibition from the labor standpoint. I never received a single adverse reply. Many of the letters were not written until after my letter had been submitted and considered by the local organization, so that the expression of opinion given by the writers of these letters represented not alone the opinion of the writer but the opinion of the organization itself. It will be noted that the opinion expressed by the great labor leaders, some I have quoted, are more or less confirmed by statements contained in these various letters. The suggestion that sobriety and temperance increases the power and enlarges the ability of labor and its organizations to cope with the wealth, power, and organization of industry should have the careful attention of every laborer.

Mr. President, I have here a letter from E. P. Marsh, president of the Washington State Federation of Labor, dated Everett, Wash., April 27, 1917, and addressed to me, in which he says:

WASHINGTON STATE FEDERATION OF LABOR,
Everett, Wash., April 27, 1917.

Hon. WESLEY L. JONES,
Washington, D. C.

MY DEAR SENATOR: I have yours of recent date, asking what in my opinion has been the effect of our State-wide prohibition law.

I am glad to answer. I opposed the passage of that law for several reasons, which led me to believe it would be an economic disaster and entail a hardship upon many thousands of workmen belonging to trades and industries directly and indirectly connected with the liquor traffic, workmen belonging to organizations affiliated with the organized-labor movement.

And that, Mr. President, is the basis for much of the opposition to the submission of this proposed constitutional amendment. It is made by organizations out of sympathy for those who are directly employed in the industry. That was one reason why this gentleman opposed prohibition in the State of Washington. He continues:

Undoubtedly the law did work some great hardships, particularly upon men with families past the prime of life, who had no other trade to follow. The greater good to the Commonwealth following so quickly upon the passage of this law greatly outweighed the individual hardships, in my opinion. We have experienced none of the dire disasters so freely prophesied and which some of us feared. From a labor standpoint—an organized-labor standpoint—let me say that the change has been noticeable in that we have had a different class of men to deal with right away—sober, a little money in their pockets, amenable to discipline and sound reasoning. It may be significant—I think it is—that the past 12 months has seen the task of organizing the work people of this State become vastly easier than in the old saloon days. You can talk sense to sober men, men with a dollar in their pockets to pay their initiation fee.

No; I would never go back to the wet régime; I believe and trust that it is gone forever in the State of Washington.

With kind regards, I remain,

Sincerely, yours, E. P. MARSH, *President.*

Mr. President, I have here copy of a letter from James A. Duncan, secretary of the Central Labor Council of Seattle, representing 25,000 or more laboring people, together with an interview which he gave to the papers; also a letter from Mr. H. L. Jones, acting secretary of the North Yakima Trades and Labor Council; also a letter from Robert L. Proctor, president of the central labor council, belonging to the United Brotherhood of Carpenters and Joiners of America. I ask that they be printed in the RECORD as a part of my remarks, without reading.

The PRESIDING OFFICER (Mr. MCNARY in the chair). Without objection, permission is granted.

The letters and interview referred to are as follows:

CENTRAL LABOR COUNCIL OF SEATTLE AND VICINITY,
AFFILIATED WITH AMERICAN FEDERATION OF LABOR.
Seattle, Wash., April 30, 1917.

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.

DEAR SIR: In reply to your letter of April 21 requesting information regarding the effects of prohibition, I am very pleased to inform you that I was a strong advocate of the abolition of the liquor traffic in the interests of the workers particularly, before the measure took effect in this State, and when the fight for a dry State was on was the target of many bitter attacks because of my position.

At that time I predicted that a dry State would redound to the best interests of labor and fought against our Central Labor Council going on record against initiative measure No. 3. It was a bitter fight, and I hesitated a long time before consenting to run for the secretaryship for fear of opening up the old wet-and-dry question but was extremely gratified upon making the race to be elected while the wets were still in force.

My predictions have been more than justified by the results. As is indicated by the clipping which I am inclosing, labor has prospered as never before and is forging ahead by leaps and bounds until we have reached the point where there is a very noticeable silence upon the part of those who fought to retain the name of Washington in the list of wet States.

In order that you may feel assured that I am not injecting too much of my personal viewpoint, I might say that as long ago as last October I was sent to a law enforcement meeting at the Arena to officially represent organized labor upon this question and expressed the sentiment then and there that I am expressing to you at this time.

Of course, it was hard for some people to see the consistency of some of us in refusing to stand by the brewery workers in their struggle for existence, but there have been a great many converts won since the State went dry, and who now see things from a much broader viewpoint; in fact it is a rare thing now to find an advocate of a return to the old condition of affairs.

Trusting that this information will be helpful to you in forming conclusions and assuring you of my hearty cooperation, I am,

Yours, very respectfully,

JAMES A. DUNCAN, *Secretary.*

[From Seattle Star, Sept. 9, 1916.]

LABORERS ARE CLAD AS WELL AS BANKERS SINCE LIQUOR IS NO MORE WELCOME IN SEATTLE.

(By James A. Duncan, secretary Central Labor Council.)

A year ago our enemies hoped and some of our friends professed to believe that when the State went dry the labor movement would go to the dogs.

These hopes and fears have all proved groundless.

True, this law had the effect of putting not to exceed 450 Seattle trade unionists who had been directly or indirectly connected with the liquor business out of employment, but, on the other hand, the membership of the garment workers' union has increased in the past year over 40 per cent, which equals more than one-fifth the number thrown out of employment, while the number of waiters losing their positions is to some extent offset by the additional number of waitresses put to work in places that have ceased to dispense liquor.

In addition to this, at least 3,000 more members have joined other unions not directly affected by the operation of the dry law, except, perhaps, in so far as some may now find themselves in a better position to pay dues. Some of the organizations report great improvement in this regard.

It is indeed encouraging to see men of such crafts as the longshoremen, who were content but a short time ago to walk around during their leisure in overalls, now dressed in such manner as would do credit to bankers.

It has been said by some officers of the longshoremen's organization that the splendid solid front and unwavering determination which insures victory in the present strike could never have been maintained if the saloons had been open, and much more serious violence and disturbances would surely have occurred.

A city of sober, organized workers means a city of workers earning fair wages within reasonable hours, with sufficient funds and leisure

to take recreation, visit the stores to make purchases, and with the means to live under wholesome, sanitary conditions.

The prosperity of the present is being most largely enjoyed by the skilled workers, not because of indifference on the part of the skilled worker to the interests of the unskilled worker but because the skilled workers are the most generally organized, while it is a much more difficult matter to organize unskilled workers.

However, great strides are being made in the organization of the unskilled workers, and while it is not wise to advertise the details in connection with new organization work, it is safe to say that several organizations of unskilled workers have recently been organized, with excellent prospects for the future.

Prosperity for the workers, like prosperity for the business man, consists in grasping and improving every opportunity that comes along, whether it be in the industrial field or the political, and the sooner the workers recognize this fact the greater and the more rapid will be their progress.

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NORTH YAKIMA TRADES AND LABOR COUNCIL,
North Yakima, Wash., May 3, 1917.

Hon. W. L. JONES,
Washington, D. C.

DEAR SIR: Your communication of April 21, relating to the prohibition law in this State as affecting the workingman, was read at the meeting of the trades council last evening, and I am instructed to inform you that the laboring men of North Yakima and vicinity are more than satisfied with same, believing no one is more benefited through its application than the wage earner, and we will heartily indorse any action you might take furthering the prohibition movement.

Respectfully,

NORTH YAKIMA TRADES AND LABOR COUNCIL,
H. L. JONES, *Acting Secretary.*

—

LOCAL UNION NO. 131,
UNITED BROTHERHOOD OF
CARPENTERS AND JOINERS OF AMERICA,
Seattle, Wash., April 27, 1917.

Senator WESLEY L. JONES,
Washington, D. C.

DEAR SENATOR: Regardless of what my personal opinion might have been on the question of prohibition prior to its enactment into law in this State, I have this to say of its operation and consequent effect on the standards of the workingman.

This point can be aptly illustrated by the following: I am an officer of the carpenters' union, and consequently more intimately in touch with the financial condition and the home life of the members, and can say that the operation of the prohibition law is a decided advantage to the workingman.

Being a salaried officer, I am naturally the first to be appealed to when a member is in financial difficulties, and will say that since the dry law has been effective my loan business has fallen off fully 75 per cent, and those loans which have been made have been, for the most part, promptly liquidated.

I also notice that the members are keeping up their union dues and our loss of membership from the nonpayment of dues has been very little.

The families of the membership have been, until recently, when the prices are prohibitive, able to maintain better living conditions, and consequently make better citizens.

On the whole I believe the prohibition law is a decided advantage to the workingman, and I am looking forward with sincerest interest to the time when liquor will be an unknown quantity in this country.

Sincerely,

ROBT. L. PROCTOR,
President Central Labor Council.

Mr. JONES of Washington. Mr. President, this testimony could be duplicated from other States where prohibition has been adopted.

It is a significant fact, and one which the American workingman should carefully ponder, that the Socialist Party in Porto Rico put a prohibition plank in its platform and aggressively led a campaign at the recent election in Porto Rico, with the result that the industrial centers and large towns have a dry majority, and Porto Rico set an example to the people of this country by giving 30,000 or 40,000 majority for prohibition.

The socialists of Europe are moving toward prohibition on the ground that even a few glasses of beer being used daily drowns the aspirations of workingmen to better their own conditions and that of their fellows.

Mr. President, for the consideration of the laboring men, and in connection with the claims of the brewery people that their industry is in the interest of the laboring man, and asking his support in order that this industry may be continued, I desire to read two extracts from the 1915 Year Book of the United States Brewers' Association. There are quite a number of articles in this book, and some very interesting things in it. I think we have a right to conclude that what they say that may be against their interest is the truth. At page 287 I find this language:

> And just as a system of credit tends to make people extravagant, to outrun their income, squander their capital and become bankrupt, so resort to alcohol tends to make a man expend more than the rightful amount of physical or mental energy, to draw upon his reserve, and become finally bankrupt in body, mind, and estate. It is the fatal facility which alcohol gives to a man for drawing upon his reserve, making him feel stronger, wiser, and happier for the time, that constitutes its chief danger.

That is, as I have stated, found in the Brewers' Yearbook for 1915. At page 291 I find this:

> It would be of very great advantage if it were possible to prevent the sale of intoxicating liquor entirely to youths under 21, and thus prevent them from making drafts on their physiological capital, just as the law already recognizes that minors should be prevented from making undue drafts on their monetary reserves by obtaining loans from money lenders.

I hope that the laboring men, when the campaign comes on, will consider these statements and the source from which they come.

Labor and labor organizations should consider well the character and effects of the liquor traffic before they protest against prohibition. I do not blame them for looking at the matter from their own standpoint. They ought to do so, and I want them to do so. When they see that it is using them solely for its own advantage and to their detriment I have so much confidence in their intelligence and good character to believe they will not lend it their aid further.

There are some wage earners directly employed in the liquor industry. These, of course, will be directly affected. The records show, however, that from five to six times as many men are employed with the same amount of capital in other industries as are employed to an equal amount of capital in the liquor industry. Such and new industries would soon absorb these workers if the liquor industry were stopped. This has been the actual experience in prohibition States. The wages paid in other industries are as a rule higher than in the liquor industry. While it is commendable for labor and labor organizations to strive to protect the interests of their fellow workmen in the liquor industry, they should not sacrifice the welfare of the many for the good of the few, and especially when those few can be and will be well cared for in other lines of industry. This is especially true now when so many of our best young men are taken from every line of work. Many times the number of those employed in the liquor traffic will be needed to take these vacant places.

Mr. President, in connection with the letters from labor leaders as to conditions in our State I want to ask at this time also permission to have printed an interview in Collier's Weekly of March 24, 1917, by Hon. C. B. Blethen, the editor of the Seattle Times. I want to say that this paper was one of the strongest opponents to prohibition when the campaign in our State was on; but in this interview he takes up all of the objections that were made at that time, and shows that the evils prophesied have not only not occurred but that they have actually been refuted by what has taken place in our State. I want to print that in connection with the letters from the labor leaders. The Seattle Times is now one of the strongest advocates of prohibition in our State.

The PRESIDING OFFICER. In the absence of objection, it is so ordered.

The matter referred to is as follows:

[C. B. Blethen in Collier's Weekly, Mar. 24, 1917.]

Now, I say to you, not as a man who has never tasted liquor, but as a business man whose principal occupation is to observe and then write of what he sees, that prohibition does not have to be discussed from the moral standpoint at all, though any halfwit knows there is no excuse for a saloon. It may be discussed from the standpoint of business, of commerce, of bank clearings. Let us then examine the following facts:

We insisted, for example, that Seattle would have miles of empty stores as the result of prohibition. Yet to-day the only vacant places formerly used as saloons, outside the old tenderloin, do not, as I have shown, exceed 20 in number, and each of these is in a district no longer of use in retail business. The rest of the vacancies are new stores not yet completed. Before me as I write is the bulky list of these old saloon locations, each one tabulated like this:

"J. O. Short, 915 Second Avenue. Two-story brick. Florsheim Shoe Co."

Of the 211 places vacated when the saloons were put out of business 191 have been occupied by new businesses.

We said that taxes would go up in the city of Seattle. They went down from 18.98 to 18.11 mills.

We insisted that bank clearings would go down. The total bank clearings of 1915 were $612,928,879. Those of 1916 were $790,217,950, an increase of more than $177,000,000.

Of course, I know that Seattle has been doing a lot of shipbuilding and that her ocean-borne commerce has increased a lot. What of it? We said certain things would happen. They did not. We said that bank deposits would go down. Look:

At the end of 1915, $87,815,076.

At the end of 1916, $106,000,000.

Savings-bank deposits are not available, but the banks assure me that there has been a tremendous increase in deposits and numbers of new accounts.

We all agreed Seattle would lose in population. The Government says we have gained more than 15,000, having on December 21, 348,639. Post-office figures confirm this.

The liquor dealers said, the business men concurring, that crime would increase, particularly drunkenness.

Note this tabulation of crime taken from police records of two years:

	1915	1916
Arrests for all offenses	18,325	10,653
Drunkenness, disorderly conduct, etc.	6,304	3,651
Murder	20	23
Other crimes of violence	171	149
Suicide	95	54
Burglaries, theft, etc.	422	254

The liquor men insisted destitution would increase. Yet the newspapers which for years have conducted their own charity bureaus found only about 1 case in 20 this winter as compared with last. Police records show:

	1915	1916
Professional begging	708	128
Abandoning families	15	3

One of the pet wet arguments has always been that the population of jails and houses of correction increases in dry territory. The record shows:

	1915	1916
King County (Seattle) jail	2,464	1,182
Chehalis Reform School	184	160
Walla Walla Penitentiary	735	645

Collections are much better The grocery stores and meat markets say that in addition to buying more, the average small-account man is paying quickly—two or three times more promptly than ever before. There were many vacant homes and flats in 1915, although that was a good year. You can't rent a place in which to live in Seattle now unless you search long and have great luck. We said general business would decline. While this is well covered in the statement of clearings, let me say right here that there is not a merchant in Seattle who was in business in 1915 who has not done a much better business in 1916.

CAN YOU BEAT IT?

Prohibition, even in the limited form adopted by the State of Washington, is an unqualified business success. The loss to certain property owners caused by the reduction of rentals and real estate values, which were based on the continued existence of the saloon, has injured neither the city of Seattle nor the State of Washington. In fact, there is another side to the shield.

Crime has been reduced almost one-half. The money formerly passing over bars is almost entirely spent for better living, benefiting every person it reaches, beginning with man, wife, and children, and running through all lines of trade, and particularly through the middle-size and smaller shops, and all of it staying at home, and much of it going into savings deposits. With the raising of the living standard comes a series of other benefits. Efficiency in all lines of business has been greatly increased. This begins in the lumber and construction camps, where from 30 to 50 per cent more work is accomplished with the same crews. It appears on the docks, where a full day's labor is had every Monday instead of practically none, and a full day's labor is had Tuesday instead of the former half. It is visible in the records of industrial accidents, now cut down to less than half the average of wet years. It shows up in every business house in the large cities in the efficiency and contentment of clerks and workmen.

The sum total of human happiness has been increased immeasurably. When women and children have more and better food and clothes and thousands of men, formerly sent to jail as the result of booze every year no longer get into the scrapes and crimes that cause mental and physical anguish to themselves and all depending upon them, no one can dispute the fact that this is becoming a better world for many.

Out here in the State of Washington we are pretty dry now, but we are going to be drier. And the drier we get the better business will be—that has been proved in this first great year! More and better clothes and more and better food for the wife and kiddies! More and better business for everybody! Fewer and fewer people in the jails or behind on their bills! Can you beat it?

Mr. JONES of Washington. Let labor study over and answer these questions:

What good can come to labor from a traffic that produces only evil?

What good can come to labor from a traffic that takes his money, and with it his time, his mind, his body, his position, and his all?

What good can come to labor from a traffic that discredits him and his organization and brings crime and riot to his door?

What good can come from a traffic that plants in his children the seeds of crime and disease?

What good can come to labor from a traffic that brings to his wife and his home only sorrow, poverty, disease, and death?

What recompense is offered to labor for all these things?

Liberty! Liberty to drink away his wages. Liberty to drink away his health. Liberty to drink away his happiness. Liberty to drink himself to death; and they impudently ask why should the State or the Nation interfere?

But this is not all. Having gotten some labor organizations to go on record against prohibition, the liquor interests now slander labor by suggesting that it is unpatriotic, that if the laborer is denied his drink even in war times, he will rebel. They, in effect, say that the laboring man measures his patriotism by a glass of beer. Who says this? Not labor, but the liquor interests. Who threaten us with rebellion? Not the laborer, but the liquor interests. In a statement given out by the brewers a short time ago under the heading of "Nine reasons for liquor," they say:

It (prohibition) would produce anger, resentment, and disaffection among millions of American workers.

In whose interest was this uttered? Not labor, but in the interests of the brewers. It is a base libel upon American workers. They are as loyal and patriotic a class as we have. They will make the greatest sacrifices for their country, and surely they will resent this base slander. Was this spoken for their good? What can they hope from a traffic that will use them so?

Labor protests against its unjust burdens. It complains of the smallness of its share of the proceeds of its toil. I think there is much justice in these complaints, but does it realize how it is being used to its own detriment by the liquor traffic?

The liquor man, whether he runs a saloon or owns a distillery or a brewery, is not a philanthropist. He is in the business to make money, and generally he does not care how he does it. He is frequently a teetotaler himself. He generally lives in a good house, if not a fine mansion. The influences that surround him and his business do not tend to sympathy or philanthropy. They are evil, degrading, and base. The brothels and the gambling dens go hand in hand with his place of business. Thugs, thieves, murderers, corruptionists, and traitors all congregate in and about his place of business along with those who may be regarded as respectable. What can labor hope from a traffic of this kind? Does it know what the traffic is seeking to do next?

Do they realize that it is seeking to place upon them a tremendous tax burden for the years to come? The liquor traffic would have us believe that labor is its main support. It pays to the Government two or three hundred millions in taxes. From whom does this come? Not from the pockets of the saloon man, the brewer, or distiller, but largely from the pockets of the laborer. What does the liquor interests propose to do now? It magnanimously welcomes an increase in its taxes. It says it will cheerfully pay four or five hundred millions in taxes to the Government. Where will it get this amount? From the laborer. Of course it is glad to pay if some one will put up. How does labor like this cheerful imposition of two or three hundred millions additional in taxes upon his earnings?

No one points out to labor any benefits that come to him from the use of liquor. The most that has been claimed is that a glass of beer does no harm. The brewers have even abandoned this in the face of the almost universal testimony of experts, scientists, and physicians that alcohol in any form is a noxious poison and that beer is a most harmful drink. It has been left to the honorable and learned Senator from Massachusetts to refute in a most positive manner the testimony of these men who were supposed to know. The matured opinions of experience and investigation will have to give way before the profound knowledge of this great Senator.

A few days ago, when we were considering legislation to conserve the food supply of the country, the senior Senator from Massachusetts in his anxiety that the production of beer might not be stopped said:

It is an innocent drink.

He does not tell us of the long nights of study and investigation to reach a conclusion so contrary to the mature thoughts of the day. He does not tell us whether this dogmatic assertion has been evolved from the subtle alchemy of his inner consciousness or from historical research. A jubilant thrill must have gone through the liquor lobby when that statement was made. What matter to them the opinion of experts and physicians that beer is a harmful drink! They now have high and honorable, though inexperienced, authority to the contrary. In the campaign after this amendment is submitted the brewers will adorn every billboard throughout the country with a beautiful picture of the learned Senator from Massachusetts. In their next annual Yearbook they will doubtless place upon the front page a splendid engraving of his classic features over the legend, "The Hon. HENRY CABOT LODGE, author, historian, diplomat, and United States Senator, who declares beer is an innocent drink." The brewers did not overlook this sentence. It had hardly been uttered when telegrams were pouring into Senators like this:

"Beer is a harmless drink. Do not take it from the laboring man." What is the truth about it? Dr. Eugene L. Fisk, medical director of the Life Extension Institute of New York, said a short time ago that the moderate drinker, who takes two or three drinks a day is on dangerous ground, and that "he is putting a narcotic poison into his system, and ultimately it will break him. It will shorten his life, impair his mind, shatter his nerves, and wreck his stomach. These conclusions are not based on theory. They are scientific facts." He then referred to figures based on statistics furnished by 43 life insurance companies and said:

Individuals who took two glasses of beer or a glass of whisky or their alcoholic equivalent each day showed that the mortality in this class was 18 per cent in excess of the average.

And the Senator from Massachusetts says it is an innocent drink. One of the Senator's colleagues, who is not only a distinguished Senator but also a learned physician, the Senator

from New Hampshire, said in the CONGRESSIONAL RECORD of January 8, 1901:

Beer is an intoxicating drink, as every physician in the entire world knows, a drink that does harm to every man who habitually uses it.

The Senator from New Hampshire on that occasion, at page 676 of volume 34, part 1, of the CONGRESSIONAL RECORD, for the second session of the Fifty-sixth Congress, placed the opinions of a multitude of able physicians of Toledo, Ohio, in the RECORD under the heading:

Beer and the body—terrible testimony of the physicians against this monstrous evil of the day.

I would suggest that the learned Senator from Massachusetts read these statements from these physicians, and then give us the authority for his astounding assertions.

Mr. President, I heard the health officer of the city of New York a short time ago declare without qualification that alcohol in any form and any amount was a poison and injurious to those who might take it.

In the speech by the Senator from New Hampshire, to which I have already referred, he said:

Mr. President, every physician in the land knows that beer is intoxicating, and the medical profession is quite united in the opinion that the continued use of it is more detrimental to health than almost any other form of intoxicating drink.

But the Senator from Massachusetts says "it is an innocent drink."

Most significant is the attitude which business of various kinds is taking regarding intemperance. It is beginning to realize the effects of liquor upon those who labor and of the results that are likely to follow its use. It is putting the bars up against the use of liquor by its employees, and this action is giving a great impetus to the temperance movement. It is looking at intemperance from the business standpoint, just as labor should do. In the Literary Digest for March 4, 1916, is an article under the heading "No 'booze' for big business." I ask permission to insert that without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

A workman for the Illinois Steel Co. in Chicago recently secured a better job in Pittsburgh, and before he left his fellow workmen gave him a banquet at a hotel, with 25 foremen and clerical workers as guests. There was a cocktail at every plate. When the men left the table not a cocktail had been touched. This story is told by a writer in the Sunday-School Times to show how the antiliquor campaign in industry is working out. An investigation, says Mr. C. W. Baines in the Philadelphia Weekly, was recently made among the great steel and iron concerns of Ohio, West Virginia, Pennsylvania, Indiana, and Illinois to ascertain their attitude toward alcohol, and 140 corporations, some operating more than one plant, and with an aggregate capital of over a billion dollars, were included. The report, says Mr. Baines, is not meant for a Sunday-school document. It is, rather, "a cold-blooded business and economical deliverance intended to determine industry's hostility toward alcoholic drink and drinkers, which has been very indefinitely discussed in the public press; to throw an illuminating ray of light on its attitude toward the movement for abstinence and prohibition in commercial life." It does not concern itself with the moral aspects of the drink question, but, it is insisted, "we must not have our Sunday-school boys ignorant of the attitude of our business princes toward the imbibers of bad booze." Of the 140 corporations, 113 replied to the inquiry. Mr. Baines thus classifies the returns:

"1. Of the 113 answers, only 6 permit the use of alcoholic drink in their shops or plants.

"2. One hundred and seven firms, the world's greatest steel and iron producers, absolutely prohibit the use of strong drink in their works. Almost without exception they testify that the abstainer is more efficient, more reliable, and that teetotalers alone are considered when promotions are made.

"3.-One hundred companies prohibiting drinking during working hours report that they are also doing 'everything possible to prevent drinking by employees out of working hours.' One corporation discharges any man who enters a saloon going to or from work; another suspends such an employee one week for the first offense, and for the second he is usually discharged.

"4. Eighty-three of the 113 concerns when employing or promoting men discriminate against those who use alcoholic liquors, even though they use liquor outside of working hours only, absolutely refuse to promote men who drink; there the 'most moderate use of rum is fatal to a man's chance of promotion.'

"5. Sixty-three corporations have undertaken constructive abstinence work to determine the deleterious influences of the moderate use of alcohol upon a workman's efficiency, producing power, and reliability.

"6. Ten concerns not only prohibit drinking during work hours but absolutely prohibit employees drinking at all times."

Of some 60 statements in these replies the following are said to be typical:

"When it becomes necessary to reduce the force, regular drinkers are the first ones let go." (Lockhart Iron & Steel Co., Pennsylvania.)

"We do not allow any liquor on the premises, discharge immediately any man under the influence, preach abstinence through foremen and bulletin-board literature, and we are succeeding famously. Most important is the fact that our men also see the good of it." (Interstate Steel & Iron Co., East Chicago.)

"The efficiency of a man is reduced in exact proportion to the amount of alcohol he drinks. The total abstainer ranks above the moderate drinker in reliability and efficiency in all classes of work nearly as much as the moderate drinker does above the heavy, regular drinker." (The Follansbee Furnace Co., Follansbee, W. Va.)

"The moderate use of liquor tends to impair efficiency and reliability, and we do not knowingly employ men who drink, nor advance them to positions of authority if they are employed." (The Crane Co., Chicago.)

In this industrial antialcohol campaign we read further, electric signs and posters play no small part—

"Over the main entrance to several steel plants can be seen such large electric temperance-teaching transparencies as:

"'Did booze ever do you any good?—Did booze ever get you a better job?—Did booze ever contribute anything to the happiness of your family?'

"Throughout another plant this bulletin, signed by the general superintendent and approved by the president, is posted in conspicuous places:

"'For the promotion of safety and welfare, it is hoped that all employees will avoid the use of intoxicating liquors.

"'Under the rules of the Joliet Works any employee who uses intoxicating liquors while on duty will be discharged.

"'In making promotions in all departments of the plant superintendents of departments and foremen will select for promotion only those who do not use intoxicating liquor.'"

This movement, according to Mr. Baines, has attracted the attention of the liquor trade papers, one of which has called "the steady and increasing tendency of big corporations to encroach upon the personal liberties of the workers" one of "the most pregnant signs of the times." And the Brewers' Journal is quoted as saying:

"There are even companies and individual employers who threaten to discharge employees for drinking alcohol at any time. They do not care if that is social and economic slavery. Their main object is to protect their pocketbooks."

Mr. JONES of Washington. Also, in connection with that article and touching upon the same matter, I have here an article prepared by Alexander Fleisher, supervisor of the Welfare Division of the Metropolitan Life Insurance Co., of New York, read at the National Conference of Charities and Corrections in Indianapolis, which I ask permission to put in the RECORD.

The PRESIDING OFFICER. Without objection, the matter will be printed in the RECORD.

The matter referred to is as follows:

ATTITUDE OF LARGE EMPLOYERS TO USE OF ALCOHOL BY THEIR EMPLOYEES.

[By Alexander Fleisher, Ph. D., supervisor of welfare division, Metropolitan Life Insurance Co., New York, read at National Conference of Charities and Correction, Indianapolis.]

Has industry taken a stand in regard to the use of alcohol by its employees? If so, what is it? If it is opposed to its use, why has it taken this attitude? The interest of the national conference in the welfare of the workers of the country has broadened. There is developing an increasing interest in preventive and constructive work as opposed to remedial. The working life is receiving more and more consideration at these meetings. These facts make proper a discussion of one phase of the problem of employment and tenure of position: What are the drinker's chances of getting a job, of holding it, of securing promotion, in comparison with those of the man who does not drink?

In order to secure answers to these questions, we made an analysis of other studies of this subject, we sent a letter and questionnaire to 100 of the largest employers of labor in the United States; we studied the benefit funds of some 20 corporations; and we reviewed all publications that might throw light upon the subject.

OTHER STUDIES.

Only two studies have previously been made in this identical field. The first to be considered is the twelfth annual report of the Commissioner of Labor (1897–98) on the "Economic Aspects of the Liquor Problem." One chapter of this study deals with the experience and practice of employers relative to the use of intoxicants. It was based upon the answers to a schedule sent to 30,000 employers. About 25 per cent replied. These 7,025 establishments employed 1,750,000 persons. Of 6,976 employers answering the inquiry, 5,363 reported that, in employing new men, they took into consideration the use of intoxicating liquor. The largest percentage of employers considering this question was among the transportation companies. There were four methods used in ascertaining the employee's drinking habits—personal knowledge, appearance, the questioning of the applicant, and outside inquiry. In some establishments the rule existed that no one using intoxicating liquors was employed. In other cases this applied only to certain limited occupations. One thousand seven hundred and ninety-four plants reported on this point; the reason given by two-thirds of them can be grouped under two headings, because of responsibility of position, and in guarding against accidents.

Of these 7,025 firms, 3,527 had some regulation as to the use of alcoholics by employees; 855 demanded that no employee use intoxicants while on duty; 696 that no employee use intoxicants either on or off duty; 692 that in certain occupations no employee use intoxicants while on duty; and 1,284, in certain occupations, placed a complete restriction on the use of alcoholics either on or off duty. It is interesting to note that at this time 138 of the 708 transportation organizations reporting had no requirements in regard to the use of intoxicating liquors.

The second study, though smaller, is more recent. It was made during the past year by the research department of the Temperance Society of the Methodist Episcopal Church. This study covers the iron and steel companies of Pennsylvania, Ohio, Illinois, and West Virginia. Information was secured from 140 companies, many of which have more than one plant. Of the 120 concerns replying to the question as to whether it was a custom among their workmen to send boys out for beer during working hours, only 6 stated that at the time this was still permitted. Ten concerns not only prohibited drinking during working hours, but prohibited it absolutely at any time. Eighty-three of the 120 concerns replying discriminated in employing and advancing men against those who use alcoholic liquor.

One of these studies was made two decades ago; the other was limited to one industry. In making our own study we sought to cover as wide a field as possible. Obviously the material that we have to present is impressionistic. With the time and equipment at our disposal, it was impossible to make a study in which the results could be presented statistically. We received 50 responses to our 100 letters; these embrace a considerable variety of occupations and cover three-quarters of a million employees. Although the number of employers is 50 to 7,025, the employees considered are 43 per cent of the number of the Government study.

Practically all the returns received were from the presidents or other high executive officers of the organizations with which we communicated. The returns were carefully worked out and were in almost all cases accompanied by a letter expressing interest in our attempt, in the problem as a whole, and in the attitude and approach of other employers.

RAILROADS AND USE OF ALCOHOL.

We received answers from 10 railroads, having over 400,000 employees. All of these have rules in regard to the use of alcohol by employees, of which the following quotation is typical:

"The use of intoxicants by employees subject to call is prohibited. Their use by any employees or the frequenting of places where they are sold is sufficient cause for dismissal."

The wording of this prohibition varies with the railroad company.

Two of the railroads mention only the habitual use of alcoholic drinks as being cause for dismissal. In each case these rules are printed in the general rule book of the organization. According to the statements made by the railroad officials, they are strictly enforced.

These companies make an effort to determine a man's habit before he is employed. Should any facts in regard to his use of alcohol be disclosed, he would be debarred. This information is obtained by inquiry, observation, references, and, in the case of two of the roads, by a medical examination of those seeking positions.

The efficiency of this ruling is not questioned by the railway executives. One official reports to us that—

"The policy of the company as expressed by its chief officers in their personal lives and influence is to eliminate entirely the use of intoxicants whether on or off duty. With that idea in view, the sale of intoxicants has been taken off dining cars and out of all eating houses where the company is in absolute control This has been done so as to show the employees an actual example of the desire of the company to remove intoxicants from its premises and to let those who wish to use them obtain them off the lines of the road rather than on railroad property."

This is, however, more definite than the position taken by most railroads. One company, for example, states that—

"This rule (similar to the one just quoted) is strictly enforced, but we, of course, can not control the individual actions and habits of our employees so long as they do not interfere with efficient service to the company."

But it is fair to conclude that the railroads are opposed to the use of intoxicants by their employees, whether on or off duty, and that they will continue their present method of "careful observation and investigation and discipline; discharge in case practice is continued."

Foreign railroads are also beginning to take a definite stand against the use of alcoholic beverages by their employees. The Saxon State Railways have issued instructions that officials are to employ nondrinkers exclusively. The Dutch railways provide for a medical examination at the time of employment and urge all employees to join abstinence societies. The German Trade Association of Private Railways advocates the employment of sober men only. The Swiss railways insist on sobriety.

An interesting development among common carriers is reported in the monthly bulletin of the American Iron and Steel Institute for June, 1915. At the suggestion of the captain and engineers of the lake carriers' association a rule was adopted providing that temperance be made a consideration of promotion between men of equal merit and that no person be allowed to carry liquor aboard a vessel.

Judging from these returns, representing a large percentage of the railway mileage of the United States, there has been a marked change in attitude among these corporations since the Government study of 20 years ago. At that time there was a large number of railroad organizations that had no rule in regard to the use of alcohol and made no attempt to reduce its consumption among their employees. Now, apparently, it is difficult for a man to secure a position in the operating branches of the railroads unless he is a teetotaler, and any employee is liable to lose his position if he indulges in intoxicants or frequents places where alcoholic beverages are sold.

PUBLIC-SERVICE CORPORATIONS.

We received replies from six public-service corporations, employing about 200,000 persons. The results from this group are for the most part unsatisfactory. In few cases was the questionnaire filled out; the responses came principally in the form of a letter. One exception was a metropolitan traction company employing over 8,000 men. This corporation has a strict rule against the use of intoxicating liquor and forbids the visiting of saloons. Among the questions to be answered under oath by an applicant for position is, Do you, or have you ever, used intoxicating liquors? The information obtained is checked up by references and by inquiry of persons not referred to by the applicant. If he uses intoxicants he is not employed. From other statements in the letter from this corporation it would seem that, in the case of those already employed, only a resulting accident or an instance of an employee's being "notoriously intoxicated in public" would ordinarily be considered ground for discharge. Persistent use of alcoholics by any employee would be a matter of serious discipline.

The general conclusion that can be drawn from the replies of telephone, gas, and electric companies is that, although they have never had the problem seriously presented to them, intoxication on duty will result in discharge; that the use of alcohol is not permitted during working hours, and that if its outside use interferes with an employee's work he will be discharged. The vice president of one of the largest of these corporations wrote to us that "the general character of our employees is such that such rules (rules in regard to the use of intoxicants) seem hardly necessary."

Dr. Alvah H. Doty, medical director of the employers' benefit committee of the Bell Companies, in a publication dated June, 1914, has summarized the attitude of these corporations:

"It is generally accepted, however, that it is their abuse (the abuse of alcoholic drinks) rather than their use which is injurious, not only to the individual but in a way to the public also; therefore it is logical and fair to assume that much may be gained, so far as the betterment of this condition is concerned, if temperance as well as prohibition is preached, for drinking is very much a matter of habit and is increased largely because the danger of overindulgence is not considered."

These organizations seem to emphasize temperance rather than prohibition.

RETAIL STORES AND MAIL-ORDER HOUSES.

We received returns from three large mail-order corporations having about 25,000 employees, three department stores in three different cities having 15,000 employees, and a chain of retail stores having 3,600 employees.

The mail-order corporations in two cases have no definite rules on the subject of the use of alcohol. One, however, has the following regulation:

"Absence from work because of the use of liquors is cause for immediate dismissal. For the protection of minors and women working for us, we feel it necessary to prohibit employees from patronizing saloons within eight blocks of our store. Violation of this rule will place the offender in a position where his services are no longer desirable."

This rule is given to new employees and is strictly enforced. The use of intoxicants during nonworking hours, if it does not affect the individual's work, is not considered. In all three corporations a person who is shown to be, or admits that he is, a user of alcohol to any extent, is not employed This is determined by questioning the applicant, by general observation, and in one case by physical examination of applicants for employment.

Two of the department stores have rules against the use of intoxicants during business hours. In the case of one store if it is known that alcohol is used by an employee outside of working hours such knowledge will not directly affect his standing in the company but will work against his advancement. The general statement on the part of these concerns is that drinkers will not be allowed to continue in their employ.

One of the regulations of the chain of retail stores questioned is that intoxicating liquor may not be carried into nor used in its place of business.

These organizations, with one exception, have considered the question of the use of alcoholic beverages by their employees only in so far as it relates to their contact with customers. The retail stores which deal directly with the customer do not tolerate its use during business hours.

SALES ORGANIZATIONS.

We communicated with two life insurance companies in order to determine the attitude of employers whose fundamental problem was in the handling of a large number of salesmen. In such companies supervision is necessarily less close than in factories or stores. One of these companies, employing almost exclusively commission men, many of whom do not devote their full time to the business, has no rules at all in regard to the use of alcohol by employees.

In the other case the employees receive salaries and commissions and are consequently under more rigid discipline. This organization has an unwritten rule that employees shall not drink during business hours. Men whose references show that they drink to some extent are not employed. This corporation holds numerous meetings of salesmen at which, according to its printed book of rules, the serving of intoxicating liquor is forbidden.

MINING COMPANIES.

We received answers from three mining companies, one of which is located in a State in which a prohibition law became effective January 1 of this year. Before the passage of the law this company had made numerous efforts to lessen the amount of alcoholic beverages used by its employees. On December 22, 1915, it issued a general statement to its employees that every effort would be made to assist in the enforcement of the prohibition law, and urged employees to observe it in letter and in spirit. A second company forbids drinking on its premises, but places no restrictions upon an employee's habits outside of working hours. A third follows a similar practice, but is seeking to lessen the use of alcohol by educating its employees, most of whom are foreign born, to an American standard of living. This, it states, would of itself reduce the desire for intoxicants and the amount of money available for them.

These three companies take precautions against allowing employees under the influence of liquor to enter their shafts, and enforce the prohibition that liquor should not be carried underground.

In employing men none of these concerns raise any question in regard to the use of alcohol. In connection with the growing practice among those companies to seek to affect the habits of their men outside of working hours, it is interesting to note that the United Mine Workers have a rule which forbids members to sell alcoholic beverages even at picnics.

STEEL COMPANIES.

Replies were received from two steel companies. We have, in addition, information in regard to the regulations of two others. One of these companies prohibits the use of alcohol by employees at any time. Three of the four companies do not forbid the use of alcohol, but have issued notices to their employees that they hope that they will refrain from the use of intoxicating liquor, that any person using intoxicating liquor while on duty will be discharged, and that the nondrinking men will at all times be given preference in promotion and in continuous employment. All four corporations have been very active in the organized safety movement. Two of these companies have urged total abstinence repeatedly through their employees' magazines. Another company provides for the medical examination as a test in addition to the inquiries usually made of applicants.

In connection with this group it is perhaps appropriate to repeat the opinion of C. L. Close, manager of the bureau of safety of the United States Steel Corporation, recently quoted in the Technical World Magazine, that in 10 years through the combined efforts of American industry, the manufacture and sale of liquors will be at an end in the United States.

MANUFACTURERS OF STEEL AND WOODEN PRODUCTS.

Seven organizations that manufacture steel and wooden products sent us replies. Three of these have a general requirement concerning the sobriety of employees. In another company, while there is no written rule, it is understood that drinking is considered a disgrace. In a large measure this requirement is enforced by the employees themselves.

In one of these concerns the matter is carefully considered in employing men. No mention of this precaution was made to us in the other replies from this group.

One company has introduced regular physical examinations and requires all employees to report to the medical dispensary after absence. If absence can be attributed to the use of intoxicants, the physician in charge seeks to show the employee the advantage of total abstinence. This plan is said to have decreased the use of alcohol among the company's employees.

In addition, mention might be made of the recent discharge of 30 employees of a large steel manufacturing plant for signing a liquor petition.

We have information about three automobile manufacturing companies. Two of these have unwritten rules forbidding the use of alcohol. They will not employ men who drink. In these instances a

careful effort is made to check up references, and there is the attempt to eliminate the man who previous to employment has been accustomed to drinking. One company has begun an educational campaign on the value of total abstinence by the distribution of literature and by talks to employees.

In the third concern we find the usual practice reversed. The fact that a man drinks does not necessarily stand in the way of his appointment. Continuation of this habit, however, affects his becoming a profit sharer in the organization and his promotion. According to the procedure of this company an employee is placed on six months' probation. During that time efforts are made to educate him in the proper use of his wages. One of the things that is insisted upon is sobriety. Here the pressure comes after he is employed, rather than before.

MISCELLANEOUS.

In a miscellaneous group, hard to classify, representing 11 different industries, such as printing, oil, and tobacco etc., all the corporations responding to our inquiry stated that drinking was forbidden in their plants. Three of these have printed rules to this effect; in one case this rule is signed by the applicant. Those who reported upon restrictions on employment stated that although they would much prefer the man who does not drink at all, they rely, however, entirely upon questioning the applicant and upon the references that he gives. It is generally understood in all these plants that the employee must be "in good working condition" during working hours.

One concern with practically no regulations on this subject has nevertheless through its employment manager made a determined effort to eliminate drinking among its employees at any time. He is the first person with whom a new employee comes in contact and from whom he receives his earliest impression of the concern. This manager impresses upon the new man the importance of the elimination of drinking, not only during working hours, but at all times. This plan is said to be raising the grade of men employed.

Another corporation has adopted the following rule in regard to this subject: "All employees of the company must refrain from using intoxicating liquors, and all officers shall refuse employment to men known to frequent saloons." But this is exceptional severity.

USE OF ALCOHOL IN PLANTS.

To the questionnaire of the research department of the Temperance Society of the Methodist Episcopal Church, previously cited, 6 of the 120 firms replied that employees were permitted to have alcoholic beverages brought into the plant. These are the exceptions; they have probably always been the exception in American industry. The usual practice has been to forbid the use of intoxicants in workrooms or on corporation property. In Europe, however, the custom is in general use in industrial establishments. But the recent study made by Dr. William H. Tolman, of the American Museum of Safety, indicates that many foreign employers are trying to eliminate brandy from their plants and to substitute coffee and milk for the beer and wine in common use. The efforts made since 1908 by the Allgemeine Electrische Gesellschaft among its 10,000 employees have resulted in a marked reduction in the sale of alcoholic drinks per individual and an even more marked increase in the sale of nonalcoholic beverages.

EMPLOYEES' BENEFIT ASSOCIATIONS.

In the endeavor to secure further light upon the attitude of employers we examined the regulations of a number of employees' benefit associations. In these the final control is usually vested in the employers, although the management is by employees and employers jointly. Ordinarily the corporation makes a lump-sum contribution, pays overhead expenses, or shares the premium of the insured. The rules of these organizations may be said to indicate the attitude of the employers represented. Among 20 examined, 10 have a statement in regard to intemperance or to sickness or accident induced by intoxicants, somewhat like the following:

"No member shall under any circumstances be entitled to benefit when sickness, injury, or death was, in the opinion of the board of trustees, caused or occasioned, directly or indirectly, by the use of intoxicating liquors."

Several of the clauses only refuse to pay benefits for accidents directly resulting from intoxication.

One of the largest of these funds, however, goes further and states that "if sickness of or injury to any person insured hereunder is due to violation of the law by or to malicious and unlawful acts or culpable or intentional negligence or intemperance or immorality of such persons," benefits will not be paid. The by-laws of another fund make the following provision: "Superintendents shall have authority to cancel membership upon receiving reliable information of habitual or frequent drunkenness."

ADVERTISING.

Although it does not lead to any positive conclusion, it is nevertheless interesting to learn that the two leading general business men's magazines in the country do not carry liquor advertisements. Whether this boycott exists in the various trade journals we had no opportunity to ascertain.

REASONS FOR OPPOSITION TO USE OF ALCOHOLIC BEVERAGES.

In our investigation we were interested not only in rules but the reasons for their existence. Our questionnaire sought to obtain statistics of the relation of alcohol to efficiency, accidents, and sickness. We received no replies to these questions. Evidently the answers must come from the laboratory rather than from the shop or the factory.

A number of organizations did make the statement, however, that rules against the use of intoxicants had resulted in a noticeable reduction in the number of accidents. But none of these furnished us with figures to substantiate such statements. The basis for establishing a connection between alcohol and accidents is usually the statistics reported by the German sickness societies. These show that the accident rate is highest on Monday; that it decreases toward the middle of the week, with a marked increase on Friday and Saturday. It is usually claimed that the greater frequency of accidents at the end of the week is due to increased fatigue, but that the Monday accidents can only be explained by the heavy drinking of the working classes on Sunday. Other explanations of these facts, however, are possible. There are few American figures. The Lucens Iron Co. has declared that there was a decrease of 54 per cent in the number of their accidents in the first six months after the closing of the saloons in Coatesville, where their plant is located.

At a meeting of the National Safety Council the statement was made that "it is recognized that most industrial accidents are brought about with the use of alcoholic stimulants." As an answer to this statement an analysis of accidents appears in the Yearbook of the United States Brewers' Association for 1914 and again for 1915. To quote the conclusion of this organization, "The loose statements in regard to the part played by drink as a factor in industrial accidents are without foundation." But the effect of alcohol upon the reaction time of workers has not been given adequate consideration in this controversy.

The National Safety Council is composed of 1,800 members found in over 150 industries, and represents the employers of upward of 2,500,000 people.

Moreover, in practically all the workmen's compensation laws it is stated that the employer shall not be responsible for accidents due to intoxication. These clauses indicate a general conviction that there is an important group of accidents for which employers are in no way responsible, and for which they should not be charged.

In our questionnaire we asked if alcohol had a place in the problem of irregularity of attendance. Here again the answers, though unaccompanied by statistics to bear them out, were without exception in the affirmative. Foreign experience frequently cited—for instance, that of the Leipzig Sick Benefits showing that drinkers lose two and one-half times as many days as nondrinkers, must be seriously discounted, because, in this case, the definition of drinkers is those who show signs of chronic alcoholism. It fails to consider that much larger group of the occasional drinkers.

COMBATING THE USE OF INTOXICANTS.

In addition to the rules previously summarized efforts have been made by some employers to discourage the use of alcoholic beverages among workers. This is particularly true of the industries in which the employer is still in close touch with the individual employee.

Efforts to educate employees are in force in a number of organizations. Publications of the Colorado Fuel & Iron Co., the Commonwealth Steel Co., the Avery Co., the Illinois Steel Co., have contained messages to employees against the use of intoxicants. A number of concerns have issued special leaflets bearing upon this, and in two instances that have come to our attention addresses are made to the employees on this subject.

In addition, the weekly bulletin of the National Safety Council has in a number of instances mentioned the use of alcoholic beverages. These paragraphs were posted on shop bulletin boards by many employers.

In isolated instances, employers are endeavoring to develop substitutes for the saloon. We find, for example, a statement of the Brooklyn Rapid Transit Co. that clubrooms have been erected at its depots and terminals in order to combat the saloon. This is also being done by other traction companies and by a number of railroads. Housing conditions are being improved in several corporation communities and many factories are providing lunchrooms with this.

To come now to a summary of our study. We have returns from the employers of 750,000 individuals; this is 4 per cent of those engaged in trade, transportation, and the mechanical and manufacturing industries of the United States. These employers forbid alcohol in their plants; in many instances its use is considered in the promotion and retention of employees; its use at any time is prohibited in such industries as transportation, and this practice is being followed by some industrial establishments.

This analysis indicates that a number of employers are making up their minds on the use of alcohol by their employees. By whatever reasoning they are arriving at their conclusion, whether they feel it is in the interest of the public, of the employee, or of good business, they seem to be taking a stand against the man who uses alcohol. They are not considering the detailed and intricate question of the effects of alcohol on the mind and body—these preliminaries have been ignored; they find the nondrinker the more satisfactory employee.

Mr. JONES of Washington. I also want to insert an article from the Literary Digest headed "Two years' sobriety in Russia."

The PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to is as follows:

[From the Literary Digest, Mar. 24, 1917.]

TWO YEARS' SOBRIETY IN RUSSIA.

Drawing sober breaths of rejoicing, Russia does not forget the time when "there were entire drunken villages, drunken cities, a drunken army, a drunken Russia." So the Petrograd correspondent of the Neue Züricher Zeitung presents a survey of the results of the prohibition ukase of July 29, 1914. "What would have become of Russia without the revolutionary proclamation?" is a question put by many. A representative of the Duma has said that "the very thought of the fateful consequences on the battle field and in the country itself of a continuation of the inveterate alcohol régime makes every patriot shudder." The writer continues:

"We are, therefore, more than overjoyed to know that it has been statistically proved that the daily producing capacity of the workingman since the promulgation of that message of salvation has been increased by 15 per cent, and that Monday, the day when millions of muzhik (farmers) were found in the gutters, has become a normal workday in Russia. But not only the mir (village community) felt the consequences; the life also in the city was as if of a sudden transformed. The population rushed to the schools and savings banks, cooperative societies opened their counters by the hundred. The whole aspect of the family life, the very looks of the people on the street, were changed. How quickly the population grasped the prospective benefits of the great reform is best shown by the fact that when it became known that the imperial ukase, in order to become legally valid, will need the express consent of the majority of the mirs, only an exceedingly low percentage refused the indorsement. To-day there is hardly a village in the vast Empire where the blessings of heaven are not called down on the Little Father in Petrograd.

"January last (1916) the zemstvo (county assembly) of Moscow circularized the peasants in order to ascertain in the most direct possible way the impression of the population. A few of the replies made by the village elders, most of them as illiterate as their charges, have a great economic and psychological value:

"'The men feel stronger. Their treatment of their women folk and attitude toward their neighbors is not the same as before.

"'The children are now nicely dressed and have even shoes on their feet. One hears no more quarreling in the izbas (farmhouses).

"'I was amazed to find among our farmers some who subscribe to newspapers.'

"'The people have become more honest.'

"There are, however, some who do not give up all hope to see again the vodka bottle in its ancient glory: 'The war will end with our victory; our heroes will return, and then, of course, moderately, one will have to drink again.'"

Our authority states that the malcontents are mostly found among the lazy farm hands and the city loafers, who try to replace the old

wine and alcohol by all possible substitutes. The substitutes offered by the Government and the municipalities are theaters, moving pictures, reading rooms, clubs, tea houses, and similar institutions.

"Nobody has so quickly and completely grasped the import of the social revolution as woman, the greatest sufferer from the old alcohol curse. We are, therefore, not astonished to learn that as soon as the saloons were definitely closed the peasant women marched to the churches in Indian file to burn a candle each, thanking the Lord for the great delivery.

"When last spring the question of repermitting the sale of beer and red wine came up in the Duma, Tarasov, a farmer deputy, exclaimed: 'If the women would hear you, they would pull you down from this platform.'"

Mr. JONES of Washington. People have come to realize that there is no good in alcohol as a beverage; that it is a noxious poison; that it stimulates only to weaken; that it undermines the brain and weakens the body; that it incites the mob and fires it with hate and savagery; that it fills the homes with sorrow, suffering, poverty, and death; that it kills love and begets hate; that it destroys reason and enthrones brutality; that it wastes the earnings of the laborer; squanders the profits of business; closes the door of opportunity; hinders advancement and turns success into failure; that it knows no politics save its own selfishness; no law save its own will and no patriotism save its own ends; that it destroys health, wastes wealth, weakens the will, paralyzes the brain, corrupts morals, excites lust, enmity, and hate, breeds riots and anarchy; that it fills our jails with criminals, our poorhouses with paupers, and our asylums with imbeciles and lunatics; that it blasts the hopes and aspirations of the individual, undermines and destroys the home, and weakens the State.

No one defends the saloon or the liquor traffic. No one points out any good that comes from it to the individual, the home, or the Nation; to industry, enterprise, or labor. I trust this resolution may be passed, and I hope this amendment will be adopted. It will mean more of comfort to the man, more of joy to the home, and more of strength to the Nation than anything Congress can do. I would rather have an humble part in doing this great thing than to lead in any other legislation that is likely to come before the Senate of the United States.

Mr. THOMPSON. Mr. President, I wish first to congratulate the able, courageous, and industrious Senator from Texas [Mr. SHEPPARD] on finally succeeding in getting the time fixed for a vote on the national prohibition amendment resolution. This is the first time in the history of the country that the Senate will have been given an opportunity to vote on this important question.

I have always been favorable to national prohibition. I have regarded it as one of the most important questions before the American people, and as most vital to the welfare of our Nation. Entertaining these views, I have introduced a national prohibition resolution, similar to the one we are now considering, at the commencement of every Congress since I have been in the Senate. I am therefore greatly pleased that we will soon be able to vote on this resolution, and I sincerely hope that the necessary two-thirds vote required by the Constitution will respond to the roll call.

Mr. President, owing to the fact that Kansas has always taken the lead in prohibition legislation and has been the beneficiary of so many blessings resulting therefrom, and our people are practically unanimous for national prohibition, whenever this question comes up Kansas seems to bear the brunt of the fight. The enemy appears to center its guns upon the strongest opposition with the hope of destroying it first. We would not complain of this if our opponents were fair and correctly represented our attitude toward this law and the results obtained therefrom. What we do object to is the false representations usually made, and the tirade of abuse, slander, and calumny heaped upon us by the opposition. If our exact situation and conditions were truthfully represented we would have no fault to find, because we are proud of our standing and record in this respect and have nothing to conceal but everything to reveal, and want the world to know all about it.

As evidence of the unfair and unwarranted methods of the opposition, I desire to call special attention to the action of Representative JACOB E. MEEKER, sometimes referred to as the "Preacher Congressman," who on March 3, 1917, just before Congress adjourned, obtained permission from the House to extend his remarks in the RECORD.

While he denied in the House the other day that he had ever been a Methodist minister, yet the denial was specific in those terms; but it would seem from the ecclesiastical obituary as composed by the official body of the St. Louis Association of Congregational Ministers and Churches that they simply placed him in the wrong pew, and that he was at one time a Congregational minister, and resigned under censure. As evidence of this, Mr. President, I desire to send to the desk and have read a letter which was written to Supt. W. S. Shupp, of the Missouri Anti-Saloon League, of St. Louis, Mo., by Dwight S. Bayley, registrar, in connection with this subject, showing the resignation of the Member.

Mr. OVERMAN. Mr. President, is the Senator referring to a gentleman who is now a Member of the House of Representatives?

The PRESIDING OFFICER (Mr. KING in the chair). The Chair so understands.

Mr. OVERMAN. Is not that against the rules of the Senate—referring to a Member of another body in a way that reflects upon him?

Mr. THOMPSON. I know of no rule of this body which makes it improper to show a public record.

Mr. OVERMAN. I think it is against the rules of this body.

Mr. THOMPSON. It is simply a letter and a published record showing a particular fact. I desire either to read or to have read the letter and the record of this ecclesiastical body. It simply shows the resignation of this man from membership in the Congregational Ministerial Association.

The PRESIDING OFFICER. Will the Senator from Kansas pardon the Chair? Is it a reflection upon a Member of the House of Representatives?

Mr. THOMPSON. It is simply proof, Mr. President, as I understand it, that he was a minister of the Congregational Church and resigned under censure. I know of no rule of the Senate that deprives me of the right to show that fact, for I would not, of course, want to violate any rule of the Senate.

The PRESIDING OFFICER. Does the Senator from North Carolina raise the point of order that the discussion, or proposed discussion, with reference to a Member of the House is not in order?

Mr. OVERMAN. I do not know anything about this matter, Mr. President. I simply want to preserve the rules of the Senate. It is against the rules of the Senate for any Senator to refer to a Member of Congress in any opprobrious terms.

Mr. THOMPSON. I should not think it would be regarded as opprobrious to show that a Member of the House had been a Congregational minister and had resigned, and that his resignation was accepted by the ministerial association.

The PRESIDING OFFICER. The Chair thinks there is such a rule that would make it improper and out of order to refer to a Member of the House of Representatives in opprobrious terms and to impute to him unworthy motives. If there is not, there ought to be.

Mr. THOMPSON. I know of no such rule, Mr. President. I do not want to violate any rule, even impliedly, but I think it is a fact that ought to be known in connection with what I have to say following the letter and the record I desire to have read.

Mr. OVERMAN. I will state to the Senator from Kansas that the reason of the rule is this: The gentleman to whom he refers is not here to be heard, and they have a rule similar to ours in the House of Representatives. If that man is a Member of the House of Representatives, he can rise on the floor of the House of Representatives and refer to the Senator from Kansas in opprobrious terms. There is a comity between the two bodies by which, if the Senator refers to him in this body, of course he can say what he pleases on the floor of the House about the Senator from Kansas.

I do not care what the Senator does about it; I am simply calling his attention to the rules.

Mr. THOMPSON. I want to proceed, of course, according to the rules; but I know of no rule of the Senate that deprives me of showing this fact, which I think is important in connection with what I have to say, for I will show before I am through that this gentleman violated the rules of the House in his conduct there.

The PRESIDING OFFICER. The Chair is not clear whether the Senator from North Carolina raises a point of order or not. However, the Chair hopes he will be pardoned for stating that, as he understands the rule, no Senator ought to make any statement that would be a reflection upon any Member of the House or impute to him improper conduct or an unworthy motive. He is not here to defend himself. It would seem to the present occupant of the chair unfair for any Senator to make any comment upon the life or character or political conduct of a Member of the House of Representatives that would reflect upon his honor or his integrity or his good faith.

Mr. THOMPSON. In view of what the Chair has said, I will withdraw the statement and not insist upon the reading of the letter and church record. I will say, however, that this gentleman represents the tenth Missouri district, in which is located 15 large breweries. Shortly after Congress adjourned, on March 8, 1917, instead of extending his own remarks in ac-

cordance with the special privilege accorded him he took occasion to grossly abuse that privilege——

Mr. OVERMAN. Mr. President, I am bound to make a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. OVERMAN. It is for the Senator's own protection that I make this point of order, because to-morrow probably the gentleman from Missouri will rise and make a severe attack on him. The rules of the Senate ought to be preserved, and I do make the point of order.

The PRESIDING OFFICER. The point of order is sustained.

Mr. THOMPSON. Mr. President, I am stating the acts of this Congressman in obtaining permission of the House to extend his remarks, and that instead of extending his own remarks he extended the remarks of a paid attorney for the breweries to the extent of 68 pages of solid printed matter which appears in nonpareil type, at pages 622 to 690, inclusive, of the Appendix to the CONGRESSIONAL RECORD, Sixty-fourth Congress, wherein the State of Kansas and her people are wantonly and maliciously slandered and abused. I think that that is squarely within the rule, as long as the Congressman himself has resorted to this method and has violated the rule of the House as I contend.

The PRESIDING OFFICER. If the Senator from Kansas is addressing his remarks to the Chair, the Chair will say that an infraction of the rules of the House by a Member of the House would not, in the opinion of the Chair, warrant an infraction of the rules of the Senate by an attack upon a Member of the House.

Mr. THOMPSON. I am not attacking a Member of the House. I am attacking the conduct of an entirely outside party, an attorney for the breweries, who wrote the article printed in the RECORD.

Mr. OVERMAN. Mr. President, I will simply read the rule:

> It is a breach of order in debate to notice what has been said on the same subject in the other House or the particular votes or majorities on it there, because the opinion of each House should be left to its own independency, not to be influenced by the proceedings of the other; and the quoting them might beget reflections leading to a misunderstanding between the two Houses.

The PRESIDING OFFICER. The Chair could not hear all of the matter read by the Senator. The Chair will ask the Senator please to send it to the desk.

Mr. THOMPSON. I am simply calling attention to what was inserted in the CONGRESSIONAL RECORD. If this is out of order, it is a strange proceeding to me. Things of this character are said every day in the Senate without any objection being raised to them, and I have the RECORD here before me, in which the Congressman himself states that an attorney of Kansas City, Mo., prepared the data.

Mr. OVERMAN. I have no interest in this particular matter, Mr. President. I always make this point of order whenever a Senator says anything that might be considered a reflection upon a Member of the House.

Mr. THOMPSON. I have simply stated that under the rule of the House permitting this Member to extend his remarks in the RECORD he extended the remarks of a paid attorney, and I will prove it by his own statement.

Mr. SMOOT. Mr. President, I remember the case to which the Senator refers. It came about by what I was going to say is the unjustifiable practice that the House continues in of allowing remarks of Members to be extended in the RECORD.

Mr. ROBINSON. Mr. President, if the Senator from Utah will pardon me, I think he is out of order when he refers to a practice of another body in this Capitol as unjustifiable.

Mr. SMOOT. No; if the Senator had just waited, I was about to explain in this way: Of course, I have no right whatever to say what the rules of the House should be, and in referring to it as I did, I simply referred to it, not as something for which any one House Member is responsible, yet it is a practice, as a practice, that nobody can defend.

The Senator refers to a large number of pages printed; I do not know how many. I know that it has not only occurred once, but it has occurred many, many times; and I know one case where I called the Member's attention to it and stated that the extension of his remarks criticized a Member of the Senate, and he himself admitted that he had not read the statement and did not know that there was any such thing in the statement which he had put in the RECORD by way of an extension of his remarks.

Now, I do not believe that the House would have allowed a Member to have delivered the speech referred to by the Senator upon the floor of the House. No one in the House knew what was in the extended remarks. They were put in the RECORD, but if it had been undertaken to announce them upon the floor, which ought to be done in all cases, then they never would have appeared in the RECORD. Of course it is clearly a violation of the rule for a Senator to follow the same practice in a speech that he may deliver.

Mr. THOMPSON. Mr. President, I am simply calling attention to the abuse of this rule, for the benefit not only of the public but of Congress itself. This is a special privilege of the House, and this matter was inserted after Congress had adjourned, and it seems to me that it certainly deserves the mild criticism I have attempted to give it here.

The PRESIDING OFFICER. The Chair will announce, if the Senator from Kansas will pardon him, that in the opinion of the Chair nothing should be stated by a Senator that would be a reflection upon the integrity or moral character of a Member of the other House or impute to him improper or unworthy motives. The Chair may be in error, but the Senator from Kansas has the view of the present occupant of the chair, and the Chair hopes the Senator will conform to that view.

Mr. THOMPSON. I shall certainly endeavor to conform to the ruling of the Chair, for whose opinion I have the greatest respect. I wish, in closing the controversy, to simply call attention to this practice, which ought to challenge the serious thought of the membership of that honorable body to bring about a modification of its rule so as to protect itself as well as the country against willful abuse. I want the Congress and the country to know that this statement, or "data" as he calls it himself, which does not rise to the importance or dignity of a speech, was bought and paid for in so many dollars and cents.

The statement shows on its face that it was prepared by one Paul S. Conwell, of Kansas City, Mo., a young lawyer with whom I have been personally acquainted practically all of his life, having lived in the same town with him in Kansas during our boyhood. This young man was educated to be a lawyer, and I wish to say for him that he is really worthy of a better calling than the representative of the whisky and brewery interests of the country in writing and talking against prohibition. He has been employed in that capacity for the last few years simply because of the money he gets out of it, for he told me himself that the only reason he was doing it was because he could make more money out of it than in the legitimate practice of the law. Any man with no higher conception of the ethics of the legal profession can never hope to attain distinction in the profession. However, Mr. Conwell is already receiving some punishment. For this article which Representative MEEKER introduced in the RECORD Mr. Conwell claims he was to be paid $1,600 for preparing, but the brewing companies, with their usual display of honor and honesty, paid him only $250. After reading the article one can hardly blame the breweries for objecting to the payment of this exorbitant sum for an article which is not actually worth 16 cents. Yet if they agreed to pay it they should follow the old adage which exacts honor among thieves. I have here an article taken from a recent issue of the Kansas City Star giving an account of the bringing of suit by Mr. Conwell for the collection of the balance due for preparing this statement, which I send to the desk and ask that it may be read as a part of my remarks.

Mr. SMOOT. I thought the Chair had ruled on this question once.

Mr. THOMPSON. I hope that the time the Senator from Utah occupies will not be taken out of my time.

The PRESIDING OFFICER. The Senator from Utah rises to a point of order and is entitled to the floor.

Mr. SMOOT. This is a direct personal attack upon a Member of the other House.

The PRESIDING OFFICER. The Chair thinks so.

Mr. SMOOT. I thought the Chair had already ruled upon it.

The PRESIDING OFFICER. The Chair ruled two or three times on the question and thinks the point of order is sustained.

Mr. THOMPSON. This is simply an account of a suit brought by Mr. Conwell in corroboration of my statement that the speech was prepared by this very man. I can not see how the Chair can hold it to be out of order. It is simply in corroboration of the statement I made of the fact that a suit was brought by Mr. Conwell to collect a balance due for preparing this speech.

Mr. SMOOT. The rule provides that when a question of order is raised the Senator violating the rule of order must either proceed in order or take his seat. I do not ask that the Senator from Kansas shall take his seat, but I ask the Senator from Kansas to proceed in order. It is not that I care anything about what the newspaper article contains if not a criticism of a Senator or Member of the House. All that I care about is that the Senator should obey the rule of the Senate.

Mr. THOMPSON. I expect to proceed in order and to obey the rule of the Senate as well as it is obeyed by any of the other Senators. I simply desire the right to present the paper to cor-

roborate a mere statement of fact. Every Senator does that every day on this floor.

The PRESIDING OFFICER. The Chair is of opinion that an attack may be made upon the honor or the integrity of a Member of the other House by having read an article to the same extent as if the attack were made orally by a Senator. The point of order is sustained.

Mr. THOMPSON. In view of the ruling of the Chair I will withdraw the article clipped from the Kansas City Star, and ask that it be expunged from the RECORD, and refer simply to an article taken from the Kansas City Post of June 19, 1917, already contained in the CONGRESSIONAL RECORD, on page 4534, introduced by Representative RANDALL, of California, on June 29, 1917, and call attention simply to that part of the article concerning the bringing of suit by Mr. Paul S. Conwell, in the following language:

In a suit filed to-day in the circuit court here by Paul S. Conwell, who declares he was hired to write the speech by Conrad Mann, general manager of the Breweries Co., but never paid for his work. * * * The CONGRESSIONAL RECORD printed the speech in full. Conwell declares in his petition that he was hired early this year by Mr. Mann, who agreed to pay him $1,600 for writing the * * * speech and some other incidental publicity work. Conwell says that after the speech was delivered and given nation-wide prominence Mann paid him $200, and told him to look to other brewers for the balance of the $1,600 promised him.

I will proceed now with a discussion of the article itself.

Mr. President, very little of this article is devoted to the question of prohibition, but is confined largely to scurrilous criticism of our political policies, prominent citizens, and various institutions in the State of Kansas, together with a recital of the most disreputable, fiendish, and heinous crimes that could be imagined, alleged to have been committed in the State, and attempting to leave the inference that they were caused by prohibition, when, as a matter of fact, if the crimes were actually committed, liquor was no doubt at the bottom of nine-tenths of them. In many of the alleged cases those committing the crimes enumerated, the article itself shows, were not Kansans at all, but were people from outside the State, and in other cases those responsible for the crimes are shown to have been residents of other States. As a whole, it is the grossest misrepresentation, and the meanest, lowest, foulest, and most contemptible publication ever issued against the State, and under ordinary circumstances would have been deprived of circulation through the mails. It was only protected by its official character as a part of the CONGRESSIONAL RECORD. No one with the best interests of the public at heart would think of publishing such rot. It only shows how far an ordinarily decent sort of a fellow will sometimes go for a little money to the extent of even slandering the State of his birth and maliciously abusing or reflecting against his relatives, neighbors, and friends, many of whom still live in Kansas, merely for the purpose of promoting the liquor interests.

Now, Mr. President, when this question was up at the last session of Congress the junior Senator from Missouri [Mr. REED] made the statement in substance that there were more drunkards in Kansas to the square acre than in any place he had ever been. Now this is a pretty harsh and reckless statement coming from a Senator representing a great State which contains, according to the papers of Missouri, a town named by some one in a spirit of humor "Drydale," pronounced by Missourians to be "the wettest town in the world."

I have here a picture of the place taken from the Kansas City Star of June 24, 1917, which is labeled in large type, reaching across the entire page, "Drydale, the wettest town in the world." The town consists of 4 saloons and 12 wholesale liquor houses. There are no homes, no stores, and nothing but places to sell or drink intoxicating liquor. So much drunkenness and lawlessness prevailed there that the President exercised his war power and recently established a dry zone around Fort Leavenworth so as to include this place, in order to protect the soldiers at the fort.

If I chose to make comparisons, which are always odious, without in any way intending to reflect on the good people of Missouri, whom I respect most highly, I could point out to the Senator a single wet city of about 40,000 inhabitants in Missouri where there were more arrests in a year for drunkenness than in all the State of Kansas for the same period of time.

If the statement of the junior Senator from Missouri as to drunkenness in Kansas is correct, his travels must have been extremely limited, or else he becomes blind in the presence of drunkards everywhere he goes except when in Kansas. While this statement, as well as the Meeker data, could be disproved by statistics, yet, as statistics are always more or less unconvincing, in order to get at the exact facts from living witnesses on the ground, which is the best evidence after all, I addressed a letter to practically all of the law-enforcing officers in all of the counties of Kansas, including the district judges, the sheriffs, and county attorneys, and also to the mayors, chiefs of police, and police judges in all first and second class cities. This letter was as follows:

WASHINGTON, D. C., *December 30, 1916.*

_____,

_____.

MY DEAR SIR: As you have perhaps observed, the old question as to whether prohibition in Kansas is a failure or actually prohibits—thereby lessening drunkenness and crime and resulting morally and economically advantageous to our people—has again been raised in our prohibition fight in the Nation.

As one of the law enforcing officers of the State, I would be glad to have your experience, observation, and views on these propositions by early mail, with authority to use the same in the Senate should it become important to answer the misrepresentations usually made by the opposition.

Thanking you in advance for your trouble, I remain, with best wishes,

Sincerely and cordially,

WM. H. THOMPSON.

I received something over 100 replies to my letter from nearly every county in the State, which I have arranged alphabetically by counties. I desire to call particular attention to a few of the terse statements in some of the letters, and I shall then ask to have the letters made a part of my remarks without reading. I shall take up the letters by counties alphabetically, commencing with Allen County.

Mr. SMOOT. Did I understand the Senator to say that he desires all those letters made a part of his remarks?

Mr. THOMPSON. I desire to have most of the letters I have received made a part of my remarks. I shall refer particularly to only a small number of them.

Mr. SMOOT. The only way I can give consent to that at this time is to have the Senator from Kansas give me assurance that in none of those letters is there any reflection upon Members of this body or of the other House.

Mr. THOMPSON. Of course I would cut out any reflection upon any Senator or upon any Member of the House. I have already done that in several instances.

Mr. SMOOT. I want it distinctly understood now that it will be cut out; and if it is not cut out, I wish to notify the Senator that if it is put in the RECORD I shall ask that it be cut out from the permanent RECORD.

Mr. THOMPSON. I have no objection to that. There will be no attempted violation of the rule in that respect.

Commencing with Allen County, in the southeast section of the State, I have a letter from the police judge of Iola, Kans., Mr. W. L. Bartels, who signs himself as a lifelong Democrat and a veteran of the Civil War. As this is of more than usual importance on account of the fact that Mr. Bartels was at one time very strongly opposed to prohibition, I desire to read the entire letter.

IOLA, KANS., *January 6, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SIR: You asked me for the result of my observation and experience of the effect of the prohibitory law in Kansas, and in compliance with your request will say that I moved to Kansas in 1860 from Illinois and have lived in Kansas ever since. I was in the United States Army three and a half years during the Civil War; was deputy collector of internal revenue from 1885 to 1890; have been mayor of Iola two terms and served on its city council five years; and was engaged in active business in Iola for 25 years, and for the last three years have been police judge of said city, which has a population of 10,000.

When the prohibitory law was first brought before the voters of Kansas I voted against its adoption. But in the years since its adoption I have carefully observed its workings and effects, and have become convinced that it has been so beneficial to the State, its citizenship, and business that I have become and now am a stanch supporter of prohibition, State and National.

I believe the prohibitory law has decreased crime and pauperism in Kansas fully 95 per cent. During the last year an average of four cases of drunkenness per month has been brought in my court.

You have my permission to use this statement in any way you see fit.

Yours, very truly,

W. L. BARTELS,
Lifelong Democrat and Veteran of the Civil War.
Police Judge of Iola.

The chief of police, Mr. Thomas I. Christy, of Iola, says:

I firmly believe that the prohibition law in Kansas has been the main cause in reducing crime, poverty, sickness, and distress from 75 per cent to 90 per cent as compared to former conditions.

Mr. J. J. Varner, mayor of Iola, says:

Prohibition in Kansas has eliminated at least 90 per cent of drunkenness, crime, and poverty since its adoption. When you learn that 50 per cent of our jails and poorhouses have no inmates and compare this record with the States that permits the sale of intoxicants, you can very easily conclude that the reason is the cause of John Barleycorn in one State and the freedom from it in the other.

From Anderson County, I desire to call attention to the statement of the police judge, Judge J. E. Calvert, at Garnett, Kans., a town of 2,500 people, and the county seat, located in the east central section of the State:

I beg to say that there have been but two cases of drunkenness in the police court of this city in the past two years and but few cases of bootlegging in justice court during the same period.

The mayor of Garnett, Hon. B. F. Acuff, says:

Prohibition is certainly one of the things that is pushing Kansas to the front. We have less crimes, less insanity, and I am in favor of national prohibition.

From Atchison County, the statement of the county attorney, Mr. Charles J. Conlon, is as follows:

It is my unqualified opinion that prohibition has been and is resulting in less drunkenness, less crime, and in a higher standard of morality among our people, and my opinion in the matter is being reflected by thousands of others in Atchison County, some of whom have heretofore been strongly opposed to the prohibitory law.

The mayor of Atchison, Hon. Louis Weinman, states:

This city and suburbs have a population of about 20,000 people. Last month there were 40 arrests by the police department and $128 fines collected in the police court. Probably one-half of these arrests were drunken persons who came from East Atchison, Mo.; the other arrests were for petty stealing, violating traffic rules, etc. Were it not for the conditions in East Atchison, our police force would have very little to do.

From Barber County, located in the southwest section, the county attorney, Mr. Samuel Griffin, writes:

There is no question but what prohibition in Kansas prohibits. Ninety per cent of those who are arrested for being drunk are of the old stock, men who have drank all of their lives, and were brought up in States where there were open saloons or in Kansas before the law was enforced. The man who gets it now has to send off and get it, and that fact becomes of public record, and this deters him in the use, as it affects his standing and business credit, etc. The bootlegger usually sells it to these old topers, but hardly ever to the young man, because he runs greater chances of being caught. The bootlegger is usually soon caught, and spends most of his time either in jail or the penitentiary.

The person who contends that prohibition in Kansas does not prohibit does not know either the conditions in Kansas now or what they were in the past. There are fewer paupers and more families who own their homes. Men and women go better dressed. They give better service to their employer; hence every line of business meets with better success under prohibition.

P. S.—There should be national prohibition without doubt.

The police judge, W. H. McCayne, of the county seat, Medicine Lodge, writes:

I have been police judge since April, 1911, and since that time there has been on the docket 183 cases filed, of which 79 have been for drunkenness, of which 10 cases have been against the same man, 6 against another, and 5 against a third, making a total of 21 cases against three. These men have all ordered their liquor directly from Kansas City, Mo., not only by their own statements, but corroborated by the records of the county clerk's office.

From Barton County, in the central west, I have a letter from the district judge, Hon. D. A. Banta, who, after reviewing the situation in Kansas and the gradual betterment in the enforcement of the law and conditions there, says:

As a result of all this there is no consideration that could induce the people of this State to return to the old system.

The mayor of Great Bend, Hon. O. W. Dawson, says:

I have had a number of years' experience as an enforcing officer, and have no hesitation in saying as a result of that experience and from my observation generally throughout Kansas as compared to the handling of the liquor question in other States, that prohibition is by all means the best method of handling this evil.

From Bourbon County, in the southeast section, the county attorney, Mr. James G. Sheppard, writes:

Prohibition in Kansas is a success in every possible way, and any person who says that it is not a great benefit to the State is either misinformed or willfully falsifying, and the same is true of any person who says that prohibition has injured the State in any possible way.

The sheriff of the county, Mr. J. W. Hartman, states:

You never see a young man drunk in Bourbon County; it is some old fellow who got the habit during saloon days that is drunk. As soon as these old fellows die there is going to be a marked change in the number of drunkards. Since the saloons have closed in Nevada and Rich Hill, Mo. (our sister State), we have but little trouble with bootlegging. Crime grows less every year in Bourbon County, Kans., on account of whisky being harder to get.

BROWN COUNTY.

This is the county in which Hiawatha, one of the most law-abiding cities of the State, is located, and where the junior Senator from Missouri [Mr. REED] tried a lawsuit some 25 years ago, and to which he referred when he stated in his speech on December 19 last, speaking of the members of the bar of that city, that "it seemed to him there was not a lawyer at the bar who was not a common drunkard." I have here a letter from a man who was living there at that time, and who is now a member of the bar and editor of one of the leading newspapers of northeast Kansas, Mr. F. M. Pearl, who answers that statement most thoroughly and completely. Mr. Pearl is one of the ablest and most reliable men in the State, and you can rely absolutely on what he says.

In justice to the members of the Brown County bar, with whom I am personally and intimately acquainted, I shall read this letter in full. He says:

HIAWATHA, KANS., *January 12, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SENATOR: I observed in the RECORD the attack made on the Brown County bar of 25 years ago by the junior Senator from Missouri, in which he stated that the bar of that period were noted as common drunkards. I remember the case in which Senator REED appeared. It was that of Craig Bros. failure at Horton. At that time our bar was composed of such lawyers as R. F. Buckles, James Falloon, W. F. Means, Sample F. Newlon, William I. Stuart (now judge), S. L. Ryan, D. E. Reber, W. F. Shale, James A. Clark, Flintoff Smith, A. B. Crockett, Elliott A. Davis, A. G. Hobbs, Grant W. Harrington, Col. E. Bierer, Ire J. Lacock, R. I. Rea, W. P. Todd, and George Newlon. Your father, J. F. Thompson, was on the bench at that time, and you were court reporter, and you can of your personal knowledge bear testimony to the high character, sobriety, and intelligence of our bar at that time. Of all these lawyers, there were but four who were known even as moderate drinkers. Unfortunately for all moderate drinkers they sometimes take on a little more than moderation requires, but aside from these four, the other members of our bar were then, as now, total abstainers and rarely if ever were known to take a drink of intoxicating liquor. The lawyers of Brown County have always sustained a high character for intelligence, sobriety, professional ethics, and respect for the law, and it is to be regretted that a lawyer in the exalted position of a Senator should find it necessary in defense of the brewers and distillers to hold up his brethren to public scorn and contempt, especially when it is entirely undeserved as in this case.

Speaking of the effects of the prohibitory law, I can cheerfully bear testimony to its efficacy in this county. The law is universally observed and is not violated by the rank and file of the people to any greater extent than any other law. It is true that we have an occasional drunk on our streets, but when it is investigated it is found that the victim is a fresh arrival from our neighboring State of Nebraska or Missouri, and he is usually picked up within a few minutes after the departure of the train upon which he arrived and is always found to have his pockets well filled, as well as his anatomy.

We have a generation of young people in this State, and more especially in this county, that have grown up without having ever looked in a place where intoxicating liquors are sold. Public sentiment is strongly in favor of the law and its enforcement, and the drinking man is ostracized in this State and no longer admitted in good society.

As a member of the bar since 1894, I have known but two Hiawatha attorneys to drink to excess, and one of them is now in his grave and the other has long since retired from practice. The aspersions cast upon our bar is wholly unwarranted and far-fetched, and the brewers and distillers are in sore straits when it is necessary that the good name and reputation of the bar has to be execrated in this manner for the sole purpose of bolstering up a waning cause.

With all good wishes, I remain,
Very truly yours,
F. M. PEARL.

Mr. REED. Who says that?

Mr. THOMPSON. Mr. F. M. Pearl.

I will leave it to the Senate and the people of the country to judge for themselves as to who has correctly represented the character of the bar at Hiawatha as to sobriety at that time.

I have a letter from the mayor of this same city, Hon. George C. McKnight, in which he states:

The law prohibits absolutely here in Hiawatha, Kans. During the past year there have been 27 arrests for drunkenness; 26 of these were persons returning from across the line in Missouri or Nebraska. The only liquor they brought home with them was in their stomachs. These parties were promptly arrested and placed in jail. One arrest was for drunkenness or sickness from taking too much Hostetter's bitters. "Bootlegging" is unknown here in Hiawatha and has been for several years. In September a circus visited our city, and on that day over 20,000 people were in town. Not a single case of drunkenness was reported to the police, and we have not heard that a single drunken person was seen. The prosperity of our city is beyond anything ever known here. Thirty thousand dollars' worth of city 4 per cent bonds sold last month for a premium and that to local purchasers.

I have a letter from the sheriff of the county, Mr. C. W. Biddle, in which he states:

The prohibition law of the State of Kansas actually prohibits, and we absolutely have less drunkenness and crime than our sister States Nebraska and Missouri. I know whereof I speak, as I am in a position to see and learn. Kansas has been troubled some by having two wet boundaries—Nebraska and Missouri—but, thank the good people of Nebraska, they blowed up the wet element last election, which will make us three dry boundaries, with Missouri going dry slowly but surely. I am for nation-wide prohibition, and I am thankful that Kansas has as grand and good a Senator that has the backbone to fight the everlasting curse, liquor

The county attorney, Mr. W. E. Archer, has this to say:

The prohibition laws of Kansas are not a failure, but do prohibit. * * * Kansas would no more think of giving up its prohibitory liquor law than it would its public-school system or the right of the people to worship God according to the dictates of their own conscience.

Hon. J. F. Bailey, mayor of the city of Horton, a railroad town of 4,500 people, says:

I have been a resident of the city for about 30 years and I want to say prohibition is not a failure in Kansas but a grand success. As you know, Horton has a population of about 4,500 and is a railroad-shop town, and I can truthfully say it is seldom one sees a drunken man on the streets, and that is usually some one that comes in on the train from some point in Missouri. There is but very little crime committed in our city, and I don't think we average three arrests per month, and our city jail is empty most of the time.

From Butler County I have a good letter from the mayor, Hon. G. W. Stinson, of El Dorado City, in the heart of the new oil field, which is destined to be the most productive oil field in the world. I will simply call attention to his letter in full, as it appears under the head of Butler County.

The mayor of Sedan, in Chautauqua County, Hon. Norman L. Hay, in the southern part of the State, writes:

We have little drunkenness. If you will give us a law making it necessary for those that hold a Government license to sell intoxicating liquors to come out in the open, or better still, have the Government refuse to license them to sell it, we will make a State law making the point of delivery the point or place of sale, and then we will be able to enforce the law with little or no effort. This administration and the people of Sedan stand for the enforcement of the prohibitory law.

From Columbus, Cherokee County, in the southeast section of the State, I have a letter from the judge of the district, Hon. J. N. Dunbar, who states the difficulties in enforcing the law by reason of its close proximity to wet territory, and then makes this statement:

We are also situated immediately adjacent to the city of Joplin, Mo., a large mining center, with large brewing and distilling interests, but in spite of all these disadvantages, it has been demonstrated abundantly that the law can be enforced.

* * * * * * *

I am heartily in sympathy with any effort you can make for national prohibition, and you have my sincere wishes that you may succeed, as we are in a community whose peculiar situation will be most benefited by that law.

Hon. A. L. Remaley, mayor of the city of Columbus, writes, in answer to the question as to whether prohibition prohibits:

Yes; the fault lies not with the law, but with its enforcement. Nine-tenths of all arrests made here in Columbus are drunks caused by our close proximity to the Missouri line. Were we 100 or 150 miles from Missouri, instead of 25 miles, our city prison would be of no use.

From Clay County, going more to the north central section of the State, I have a letter from the mayor, Hon. M. M. Smith, in which he makes this statement:

The writer is 35 years old and is a native Kansan and does not ever remember of seeing an open saloon in this State. What I would like to see is nation-wide prohibition.

From Coffey County, in the southeast section of the State, Hon. S. D. Weaver, mayor of the city of Burlington, the county seat, states:

I beg to say unqualifiedly that prohibition is a mighty good thing for Kansas.

It is a success in our city and in our State, a success not only that it prohibits the sale of intoxicating liquor, but that it makes our city and State better in every way and a much more desirable place in which to live. And it is a success financially.

* * * * * * *

Nothing could induce or influence our people to return to the saloon or the sale of intoxicating liquor in any manner. We are more than satisfied, and would not think of changing.

From Cowley County I have a letter from the police judge, Hon. F. Harbue, of Arkansas City, one of the leading cities of that county, located on the border, which states:

I believe the arrests for intoxication have been reduced about 90 per cent; other crimes accordingly. * * * Better to pass a law prohibiting the manufacture of all intoxicants.

I also have a letter from the district judge of that district, Hon. O. P. Fuller, who states:

No one will contend that Kansas prohibition prevents all drunkenness or crime as a result of drunkenness. But that drunkenness and crimes resulting therefrom are greatly reduced by reason of prohibition is so patent a fact that I know of no fair-minded and sane Kansan who would declare otherwise. The beneficial effect of Kansas prohibition will be inestimably furthered when we are assisted by national prohibition.

Coming now to the eastern border, to one of the largest cities, is Pittsburg, where we have had great trouble in the enforcement of the law. The chief of police of Pittsburg, Hon. Roll Rakestraw, writes this letter. After dealing with the difficulties on account of being able to buy liquor just across the line, he says:

But notwithstanding all this, our city is in a much better condition than it was 12 years ago. Then we had in the neighborhood of 28 saloons running open in our town, which then had a population of about 12,000. When the order was given to close the saloons in Pittsburg it was rumored that Pittsburg would go dead and that business houses that were vacated by the saloons would remain empty; but, on the contrary, as fast as the buildings were vacated by the saloons they were immediately occupied by some legal business. And to-day our city has a population of 20,000, with no saloons and not an empty business building in town, and we have never had a lull or panic in business.

Judge Leo J. McKenna, police judge of the city, has this to say:

We are too near the Missouri State line to feel the full benefit of prohibition, being only 4 miles away, but in my two years experience as police judge of this city of 20,000 I have not had a single drunk tell me that he became intoxicated upon liquor bought in Kansas. They invariably get their liquor across the State line, and on account of this condition we are deprived of the real benefit of prohibition.

Hon. A. J. Curran, district judge of this district, states:

The law against the sale of intoxicating liquor is being fairly and reasonably well enforced in Kansas. * * * Unquestionably the prohibitory law greatly restricts and reduces the sale of intoxicating liquor.

From Decatur County, in the northwest, a letter from Judge J. S. Leake, police judge at Oberlin, the county seat, says:

Drunkenness is getting less and less, and, in fact, it is almost a thing of the past; but the Government is at fault for licensing the sale of the stuff, and I am hoping that national prohibition is not far off.

The judge of that northwest district, comprising six counties, Hon. W. S. Langmade, says:

We can truly say we have a dry State. A drunken man is seldom seen and crime is lessened and the standard of morality much higher, especially among our young men, than it was a few years ago. In fact drinking is unpopular and growing more so under the influence of prohibition.

From Dickinson County I have a letter from Hon. W. D. Nichols, mayor of the city of Abilene, a city of about 5,000 people, which contains this statement:

In the last 10 years there has not been a man killed in any fight which could be charged up to liquor, and there are no homes being foreclosed on account of liquor. Every year the few bootleggers are getting less. Last year in this town of 5,000 there were only two arrests for drunkenness.

I will put that record up against the record of any city of its size anywhere in the world.

The police judge of the city of Abilene, Judge J. C. Porter, states:

Prohibition certainly does prohibit with us. During the year 1916 there were five warrants issued and two arrests made for drunkenness and one bootlegger and no joints running.

From Doniphan County, the northeast county of the State, Judge J. M. Knight, police judge of the city of Troy, states:

I have had five cases before me for drunkenness during the year 1916. Our city has a population of some 1,500 and we are in favor of prohibition, and the people of this community would never vote to do away with the prohibitory law. When we had open saloons we had terms of court lasting from four to six weeks. Now we have terms lasting from two to three days each term. People are more prosperous and are building and owning their own homes and are well satisfied and are helping enforce the laws.

From Douglas County, in the eastern section of the State, the county attorney, Mr. Thomas Harley, writing from Lawrence, Kans., states:

The prohibitory law is not a failure in Kansas. It is a marked success, and I am speaking from experience that I have had as an officer—four years as city attorney of this city and six years as county attorney of this county.

From Ellis County, located in the northwest section of the State, I have a letter from the mayor of Hays, Hon. H. W. Chittenden, in which he states:

I know of no law on our statutes which has a greater sanction by the people of this State than this law, and I do not suppose that anyone will contend that Kansas is a lawless place.

The population of the city of Hays is about 3,000. Out of this number of people there is not one drunkard; in fact, we have no drunkards, paupers, or idlers, but our people are contented, happy, and prosperous. Nearly seven-eighths of them own their own homes and have money in the bank.

From Finney County, my old home county, located in the western section of the State, I have a letter from the sheriff, Mr. Oll Brown, who makes this statement:

I have lived in Kansas all my life and for the last two years have been sheriff of Finney County, and have been in a good position to observe the workings of the prohibition law. I would say that it has worked in Kansas and has done the State more good than any one law that I know of. It most certainly reduces crime, lessens drunkenness, and raises the morality of the State to a very high degree. * * * Take it is a whole, prohibition has been enforced at least 90 per cent in Kansas, and has made Kansas 90 per cent more efficient.

From Ford County, in the western end of the State, the mayor of the county seat, Dodge City, Hon. W. T. Hale, writes:

As you know, our city before prohibition was enforced had a very bad reputation for drunkenness and all other kinds of vices that go hand in hand with the liquor traffic, but to-day we have a city of 5,000 people with only a day and night marshal, and it is very little they have to do on account of liquor.

The sheriff of this same county, Mr. C. W. Woolwine, states:

The people here are so well satisfied with it we will vote almost to a man and woman for national prohibition.

From Franklin County, the sheriff, Hon. Nick Johnson, at Ottawa, the county seat, states:

To my mind, open saloons in Kansas would be a crime equal to taking the lives of our younger generation.

The district judge of this district, Hon. C. A. Smart, states:

You can put it down as a settled fact, prohibition is here to stay. It is as firmly fixed in the minds of our people as the abolition of human slavery, and is no longer a disputed question. It is a fixture in this State because our people have become thoroughly convinced that it is a paying investment; that is, that sober men are to be trusted in all stations in life rather than drunken men, and the situation resolves itself down to that proposition.

From Junction City, Geary County, where one of the present officers' training camps is located, Judge J. I. Kern, police judge; Mr. M. D. Peeso, city marshal; and Mr. I. M. Platt, city attorney, state over their signatures:

It has been the earnest endeavor of the officers at all times during the past 10 years to enforce all laws, and especially the prohibitory liquor law. Naturally drunkenness has materially decreased, as have all other crimes. We have made an examination of the records and

find that our police and district court records show a decrease in crime and prosecution for offenses of at least 500 per cent. This may seem large, but an examination of the records will bear us out.

The county attorney of Geary County, Hon. William W. Pease, of Junction City, states:

As to the question whether prohibition in Kansas is a failure, I have to say that no statement can be more absurd or false. The influence of the saloon and its accompanying vices are gone and our young men no longer influenced by the glittering attractions to entice them into the web of damnation.

From the city of Gove, Gove County, located in the northwest section of the State, the county attorney, Hon. E. F. Beckner, states:

The prohibitory law in this State and county is a decided success. * * * Even the fellows, or a majority of them, that use the liquor would be opposed to the open saloon.

From the city of New Ulysses, Grant County, in the southwest section, the county attorney, Hon. H. W. Stubbs, writes:

My observation of the operation of the prohibitory law in Kansas leads me to believe that even though it has been in some instances indifferently enforced it has done more to lessen drunkenness and crime than any other one thing.

From the city of Eureka, Greenwood County, in the southeast section, in the oil and gas district, Hon. M. A. Miller, mayor, states:

I think I can answer your question about as intelligently by repeating to you a conversation I had with a young lady, who is bookkeeper and cashier in our store. I asked her the question if she often saw a drunken man in Eureka. She said she never had seen one, and she has been raised right there.

From the city of Syracuse, Hamilton County, one of the counties of my old judicial district, my successor in office, Hon. George J. Downer, judge of the district composed of the nine southwest counties of the State, says:

I spent over 20 years of my life in a State that has local option, and have been in Kansas 18 years, the last 12 of which time the prohibitory law has been enforced. I think the conditions in Kansas are much preferable under the prohibitory law than in States which have local option. I am confident that our people would never consent to a change. The drunkenness that exists in Kansas should not be charged to the prohibitory law, but should be charged to the liquor interests which ship liquor from wet territory into Kansas. When we are protected against the liquor traffic from the outside, we will then be able to control the situation, and a case of drunkenness in Kansas will be very, very rare, indeed.

From the city of Newton, Harvey County, in the central section of the State, Hon. A. J. Duff, mayor, states:

There is absolutely no question in the minds of our city commissioners or our citizens as to the success of prohibition in Kansas and in our city. Our officers are greatly handicapped by private shipments of liquor into the State, this being the most serious obstacle to full enforcement of the law.

The county attorney of Harvey County, Hon. L. C. Kelley, of Newton, states:

The prohibitory liquor law in Kansas is not a failure. The prohibitory liquor law in Kansas actually prohibits. As a result of our prohibitory liquor law, there is less drunkenness, less crime, and less immorality than in many States and places other than the State of Kansas with which I am familiar and which are not blessed with a similar law. * * *

In Harvey County during the past month of December, 1916, and with a strict enforcement of the liquor law, I have caused the arrest of only two people for drunkenness, and in the city of Newton, with a population of approximately 10,000, there has been only three arrested for drunkenness.

From Hodgeman County, in the western section of the State, the county attorney, Hon. Albert H. Wilson, of Jetmore, states:

I am fully satisfied with the law and the manner in which it is enforced. All that is required is action by our National Congress in order that our State law may be made more effective.

From Jackson County, Mr. Charles E. Johnson, sheriff, of Holton, writes:

If there is any one issue that I think should become a national law, it surely should be the question of prohibition. * * * I have kept a record of the men that have come under my control as sheriff in the years of 1915 and 1916, and find that 96 per cent of them drink intoxicating liquors and 90 per cent are cigarette users. I know these figures to be correct, and I am sure that it is an easy matter to decide what liquor will do for a man.

From Jefferson County, in the northeast section of the State, the sheriff, Mr. E. W. O'Brien, of Oskaloosa, states:

The consumption of intoxicating liquors in this county is not more than 10 to 15 per cent of what it was before prohibition. * * * It is nearly impossible for a respectable looking person to buy a drink of liquor within the county. During the past two years the jail has been vacant 704 days, over one-fourth of the time.

From Jewell County, in the northwest section of the State, the county attorney, Hon. C. Clyde Myers, states:

I would rather cut off my head than to go back on the things given us by the people in the eighties, which have been a great help and blessing to us. I am for national prohibition first, last, and for all time.

From Kearney County, Mr. B. L. Hart, of Lakin, county attorney, states:

Prohibition in Kansas has been a great success.

From Kingman County, the mayor of Kingman, Hon. Clyde Murphy, states:

Whatever failure might be charged to the law in this State is chargeable to the attitude of the National Government. * * * At this time we have the most in our city jail that there has been at any one time in three years. We have three there. Two for New Year's drunks and one for bootlegging. I presume that this will compare favorably even now with cities of this size in other States having the saloons. We have a population of about 3,000.

From Labette County, in the southeast section, Mr. T. A. Murry, chief of police of Parsons, states:

Prohibition in Kansas is a great success. * * * Prohibition has lessened drunkenness and crime and has resulted economically as well as morally advantageously to our people.

The mayor of the city of Chetopa, in the same county, Hon. Sigmund Lehman, states:

I came to Chetopa shortly after Kansas became a prohibition State, and I am convinced that prohibition is the proper method of reducing crimes, and also aids very materially in providing better homes and better families. And I am not classed among the strict prohibition people, either, although I am now serving my tenth year as mayor of this prohibition city, and I believe absolutely in the enforcement of the law."

From Leavenworth County, the city attorney of the city of Leavenworth, Hon. C. P. Rutherford, states:

I desire to say emphatically that prohibition in Kansas has not been a failure. * * * Notwithstanding all of the difficulties of enforcement, I am confident that there is not on the statute books of the State another law or dozen laws which have and will continue to have such beneficial results to our people both economically and morally as the prohibitory liquor laws. The sentiment in favor of prohibition is growing stronger all the time. The drunkard is a disgrace and the rum seller is an outlaw in Kansas.

The mayor of the city of Tonganoxie, in the same county, Hon. J. H. Dreisbach, states:

I think I can say that we have none or very little drunkenness in our town now. We are too near Kansas City, Mo., to do away with all drinking, but I know that there is far less drinking than if we had saloons. We certainly would not go back to the wide-open saloon.

From Lincoln County, Judge C. H. Berry, police judge of the city of Lincoln, states:

Prohibition has prohibited in this city for the last 15 years.

From Linn County, the county attorney, Harry W. Fisher, of Mound City, states:

During the holidays just passed, in an entire county of over 15,000 inhabitants, only two cases of drunkenness were reported. * * * A drunk is so scarce as to be a curiosity; half the youth of Linn County never having seen a drunken man and few, indeed, who ever saw a drunken woman.

The mayor, Hon. Samuel Tucker, of the city of Pleasanton, a town of 1,500 people, in the same county, states:

We have not had occasion to cause the arrest of a single individual in nine months. We have had three convictions in nearly two years, and two of these were for packing whisky in from Missouri and one was drunkenness.

From Lyon County, Judge John H. J. Rice, police judge of the city of Emporia, states:

In looking over the police-court docket for the month of December, 1916, and including both holidays, I find that there were only four cases of drunkenness coming into the police court. * * * My experience of 11 years flatly contradicts the claim made by the enemies of prohibition that it is a failure.

From Marion County, the mayor of Hillsboro, Hon. H. Brunig, states:

Kansas is greatly benefited by prohibition; its failure exists only in the written pamphlets of its opponents. Resubmission in Kansas would only increase its dry vote.

From Marshall County, the mayor of Blue Rapids, Hon. A. R. Dean, states:

We feel thankful we have no saloons in Kansas.

From Meade County, in the western section of the State, the county attorney, Hon. Frank S. Sullivan, states:

Prohibition does prohibit, and anyone making statements to the contrary shows either woeful ignorance or willful desire to mislead.

From Miami County, the sheriff, Mr. M. E. Stevenson, at Paola, writes:

I have seen more drunkards in Kansas City, Mo., in one day than in Kansas in my entire term of office of a little over two years. * * * The prohibition law is enforced in this county as well as in other counties of this State that have come under my observation. The people as well as the officers of the law and the courts insist upon enforcing this law.

From Mitchell County, city attorney of Beloit, a city of about 4,000, Hon. A. E. Jordan states:

During the past 25 years we have had but one murder case in this county.

For several terms of our district court we have had no criminal cases whatever. The present bar docket shows not a single criminal case.

We scarcely average two cases a month in our police court, and some years have not averaged more than one a month.

We have held public meetings, such as barbecues and the like, here in this town in which there were over 10,000 in attendance without having a single police court or a county criminal court case arising therefrom or in connection therewith.

Our pauper list is almost nothing.

The sheriff of Mitchell County, Mr. John W. Hayes, of Beloit, states:

Prohibitory law is a good law, but needs the cooperation of the Federal Government. I really believe a nation-wide prohibitory law would be the best remedy.

From Montgomery County Hon. Milton Cook, mayor of the city of Cherryvale, writes:

Prohibition in Kansas is not a failure; it certainly has lessened crime, uplifted morals, our people have lived better, dressed better, which fact I attribute to prohibition law. Kansas has demonstrated the fact that liquor is a menace to everything that is good, upright, and honest, and that people can get along without liquor. I know that in our city our people would vote 9 to 1 in favor of national prohibition.

Judge Revilo Newton, police judge of the city of Cherryvale, states:

Individually I have not seen a drunken person on our streets for two years.

Hon. T. C. Hansen, mayor of the city of Caney, Montgomery County, states:

National prohibition is the next forward step we of Kansas expect to see along this line. And may its coming be hastened by the action of Congress.

From Morton County, the extreme southwest county, Mr. James C. Fullenwider, of Richfield, sheriff, states:

I am heartily in favor of national prohibition. Let's get national prohibition in four years from now—in 1920.

From McPherson County Judge Allen Wilber, police judge of the city of Lindsborg, states:

I have taken the trouble to look at my docket for the past seven years, from January 1, 1910, to January 1, 1917, and I find that I have heard 86 cases, of which 47 were for drunkenness. Our population has ranged from 2,000 to 2,200 during this time. I will venture to say that I believe that one saloon in Lindsborg in three months' time would have brought more business to the police court than I have had in seven years.

From Nemaha County, the county in which I first settled in Kansas, the county attorney, Hon. Horace M. Baldwin, at Seneca, states:

The best argument for the success of the prohibitory law in Kansas is that the sentiment of the State is overwhelmingly in its favor. * * * I suggest that it would be a very pertinent inquiry for you to make of the opponents of prohibition, whether or not they could cite you to any other law which they claimed to have been a failure and yet which grew in popular favor as the years went by.

Judge J. L. Musgrove, police judge of the city of Sabetha, Nemaha County, states:

I will give you my experience as police judge, which office I have filled since May, 1914. During this time I have tried 21 liquor cases in my court. However, of this number one man was tried 4 times, and two others 3 times apiece, reducing the number of persons before me to 14 for violation of the liquor laws.

Hon. A. S. Ross, mayor of the city of Sabetha, Nemaha County, states:

I will say that in our city we are strictly enforcing the prohibitory law and we have very little drunkenness, and as a consequence our police court has very little or nothing to do.

From Neosho County, the county attorney, Mr. R. B. Smith, of Erie, states:

I know that the prohibitory liquor law in Kansas lessens the sale and use of intoxicating liquor and lessens many other classes of crimes, such as immoral conduct, assaults, murders, burglary, larceny, and highway robbery, for these are several of the classes of cases that intoxicated men or men craving intoxicating liquor are most likely to commit.

From Ness County, Hon. Albert S. Foulks, judge of the thirty-third judicial district, of Ness City, containing nine counties, states:

So far as my experience of prohibition goes, whisky selling has been driven out of this State, except in case of transient bootleggers. I do not believe there is a single place in my district where liquor is kept for sale, and it is a rare thing to see an intoxicated person in any of the nine counties to which my duties call me.

Mr. A. W. Wilson, the county attorney of Ness County, of Ness City, states:

In the 10 years that I have been prosecuting in Ness County, Kans., there has not been a saloon or a joint operating. There has been occasional bootlegging, which has been easily suppressed as soon as known.

Hon. L. H. Wilder, of Norton, county attorney of Norton County, states:

Prohibition seems to have taken up its permanent abode in the country, and all would do well to recognize this fact and to govern themselves accordingly.

From Osage County, Hon. Ben Heilbrun, mayor of Osage City, states:

I would say conditions compared to open saloons is 99 per cent in favor of Kansas. I am no prohibitionist and not hysterical on the question, yet must say prohibition in Kansas looks good to me.

Hon. B. F. Chilcott, mayor of Osborne, Osborne County, states:

It seems almost foolish for men to talk any more that prohibition does not prohibit. It does prohibit in Kansas and always will.

From Hon. George W. Finney, of Larned, county attorney, Pawnee County, states:

You know and I know and every man who has the sense of a last year's bird's nest knows now and have known for years past that prohibition in Kansas is a success.

Mr. C. M. Mills, of Phillipsburg, county attorney of Phillips County, states:

I feel positive that the prohibition law is a success, and we have many young folks who do not know what a saloon is as they never saw one. We have a few drunks, but I tell you they take to the woods quite rapidly, or their friends take them there.

Hon. Floyd Funnell, mayor of Wamego, Pottawatomie County, states:

You will find that prohibition in this locality is a real success. We do not have 1 drunk now where we had 30 then. Our police court is nearly out of business. We have not had an arrest for over three months.

From Reno County, Hon. F. F. Prigg, judge district court at Hutchinson, states:

I have not seen a drunken man in Kansas for so many years that I have not any recollection of when I did see one. All of this talk about prohibition not being effective in Kansas is simply nonsense and not worthy of very much consideration.

From Republic County, the sheriff, Mr. A. T. Huntington, of Belleville, states:

We have a city of about 2,300. I do not believe that there has been a drunk in the city jail for six months. * * * Prohibition in Kansas is a success.

From Rice County, Judge J. C. Antrobus, police judge of the city of Sterling, states:

I have been police judge in this town two years and only six men have been brought into court for being drunk. This is a town of 2,500.

The county attorney of Rice County, at Lyons, Hon. H. C. Crandall, states:

It is folly to argue against the question of national prohibition. All farseeing men can see the necessity of such a law, and it is only a question of time until national prohibition will actually be here. Kansas has found prohibition a success, as have other States which have tried it.

From Riley County, the sheriff, Mr. C. E. Schermerhorn, of Manhattan, states:

Prohibition in Kansas is a decided success.

Judge Alfred S. Porter, police judge of the city of Manhattan, states:

I am more than proud of the fact that I reside in a dry State and only hope that soon it may be Nation wide.

From Rush County, the county attorney, Hon. Frank U. Russell, at La Crosse, writes:

Let's dissolve the partnership between Uncle Sam and booze. It is a disgraceful alliance.

From Russell County, Hon. J. C. Ruppenthal, of Russell, judge of the twenty-third judicial district, comprising six western counties, states:

This judicial district is an average district of the rural parts of Kanasas. Ten years ago there were considerable prosecutions for the violation of the liquor law, and these have grown steadily fewer and fewer until a liquor prosecution is rather rare in any county of the district, and at the same time joints are unknown and bootleggers are scarce. Hardly anyone any longer defends or excuses the violators of this law or upholds the regular use of liquor for beverage purposes. * * * In no department of business—financial, social, educational, or other activity—is there any disposition on part of anyone to curry favor with the liquor interests, but instead all are united against it.

From Sedgwick County, in which is located Wichita, the second largest city in the State, Hon. Thornton W. Sargent, district judge, states:

Take the State as a whole, my observation is that there is not one-tenth of the drunkenness in Kansas that there is in the wide-open States. Over 90 per cent of the children of Kansas has never seen a saloon; a large majority of the children do not know what a saloon means except from hearsay.

Hon. Thomas C. Wilson, district judge at Wichita, in the same county, states:

Prohibition in Kansas is a great success. In the thickly populated centers the law is violated more or less, and until we have national prohibition it will be impossible to absolutely prevent the sale of intoxicating liquor. * * * It is a rare exception to see a drunken man on the streets, and the benefits of prohibition to the rising generation are inestimable.

The mayor of Wichita, Hon. O. H. Bentley, states:

In my judgment the solution of the problem is national prohibition.

From Saline County, the county attorney, Hon. L. W. Hammer, of Salina, states:

There is no question, nor can there be any successful controversy over the fact that prohibition does prohibit. In our own community here we have practically no drunkenness. Crime of every nature has decreased since the enforcement of the prohibitory law, conservatively, 50 per cent.

From Shawnee County, in which is located the city of Topeka, the county attorney, Hon. W. E. Atchison, states:

We have no saloons in Topeka and no joints. A few bootleggers remain, but they are being so constantly hounded and prosecuted by the officers that their business is exceedingly small. There is less drunkenness in the cities of Kansas than in any other cities of which I have any knowledge.

Hon. George H. Whitcomb, judge of the district court at Topeka, states:

There are, in my judgment, no evil effects resulting from the prohibitory law, but, on the contrary, the results have been entirely in the way of the promotion of sobriety and law observance and the saving of money for increased expenditures for the betterment of schools and homes and generally for what goes to make life more worth while.

From Scott County, the county attorney, Mr. H. A. Russell, of Scott City, states:

Prohibition prohibits in Scott County. There is no liquor used in this county except what is privately shipped in from Kansas City, Mo. There are no sales and there are no drunks. * * * Prohibition prohibits in western Kansas, the wet advocates to the contrary notwithstanding.

From Sherman County, Hon. George Kelly, mayor of the city of Goodland, states:

I think we are at least 90 per cent better off than we were before, as we practically have no poor people any more; the people in general all pay their debts better, hold their jobs better, and it is a very rare thing to see a person under the influence of liquor. While I am not a strict prohibitionist myself, I am sure against the saloons, for I know we are much better off without them.

The county attorney of Sherman County, Mr. Elmer E. Euwer, of Goodland, states:

I am only a young man, but I believe I can say with authority that prohibition is not a failure in our State. I was born and raised in Topeka, Kans, having lived there 25 years, and I was 20 years of age before I ever saw the outside door of a saloon, and then I had to go to Kansas City, Mo., to see that. I can further say that I have never seen the inside of a saloon, nor have I ever touched a drop of liquor in any shape or form, and I owe the fact that I can make that statement to prohibition in our State.

From Sumner County, the mayor of the city of Caldwell, one of the principal border cities, Hon. I. M. Horton, states:

My conclusions regarding prohibition formed from a long observation of its workings are that prohibition does prohibit in spite of the fact of the liquor interests arguments to the contrary. * * * Previous to the enforcement of prohibition the police court fines ran into hundreds of dollars per month, while for the whole of last year (1916) the total fines collected for all misdemeanors was $94.

From Washington County, the sheriff, Mr. D. W. McLeod, of Washington, states:

I can say that prohibition in this county is a success as far as I know in regard to the duties of this office, and I am safe to say that when Nebraska's dry law takes effect that the duties of my brother officers along the State line will be somewhat lessened.

From Wilson County, the mayor of the city of Fredonia, Hon. J. W. Moss, states:

I am a native of Missouri but have lived in Kansas for over 36 years, and anyone who says that prohibition in Kansas is a failure misrepresents the facts. There is not as much misery and crime caused by drunkenness in the entire State of Kansas as there is in one of the larger cities of Missouri. We have a few cases of chronic drunkenness and a small amount of bootlegging, but taken altogether it is not a drop in the bucket as compared with States where the open saloon is allowed.

The police judge of the city of Fredonia, Mr. P. H. Mattheus, states:

The effects of prohibition is plainly apparent on every hand, to every unbiased observer making more happy homes, a better and cleaner citizenship.

From Woodson County the mayor of Yates Center, the county seat, Hon. L. R. Wallace, after reviewing the situation, states:

This leads me to the firm belief that our Nation ought to be a dry Nation, and I believe the greatest piece of legislation our Congress could pass would be the submission of an amendment for prohibition.

From Wyandotte County, my home county, in the city of Kansas City, which is practically a part of the great city there, nearly one-third of the population being on the Kansas side, the judge of the district court, Hon. W. H. McCamish, writes:

If Missouri, or Jackson County even, were dry, it would leave us with no problem to contend with along these lines.

The sheriff of the same county, Mr. R. L. Hinch, of Kansas City, Kans., states:

There was a time in Kansas when prohibition did not prohibit, but the day is gone, never to return. Whisky has been the downfall of millions of good people. The saloons were closed in Kansas City, Kans., about 10 years ago. Kansas City, Kans., has prospered ever since; business rents commenced to increase when the saloons were closed here. There are no vacant business houses in Kansas City, Kans., and has not been since the saloons were closed, excepting some building that was erected in the resident district by brewery companies for the purpose of selling liquor in. At this time most of them are occupied.

So I could go on all through these letters, but I have already shown from every section of the State the same unanimity of opinion.

The letters arranged alphabetically by counties, which have not been read in full, are as follows:

ALLEN COUNTY.

IOLA, KANS., *January 4, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

HONORABLE AND DEAR SIR: In reply to your favor of December 30, 1916, regarding the prohibition regulating the sale and manufacture of intoxicating liquor in Kansas, will say that I have been a citizen of Kansas all my life (having been born here), and have been all over the State and have had a good opportunity to note the effect of the liquor traffic in and under both conditions. For the past seven years I have been patrolman of the city police department, the last three years chief of the department, and in this locality we, as elsewhere in our State, can not prevent the importation of liquor. We do prohibit its sale, and if those whose duty it is to enforce the laws will do so it can be eliminated from any community. I firmly believe that the prohibition law in Kansas has been the main cause in reducing crime, poverty, sickness, and distress from 75 to 90 per cent as compared to former conditions.

Yours, very truly,

THOMAS I. CHRISTY,
Chief of Police.

—

IOLA, KANS., *January 4, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SENATOR: In reply to yours of December 30, 1916, regarding prohibition in Kansas, will state that the writer has resided in Kansas 27 years, and has, of course, seen a few persons under the influence of liquor. My belief is that prohibition does not, nor will it ever, prohibit the importation of intoxicants so long as our Government permits its manufacture and States permit the traffic. While the above statements are true, the fact remains that prohibition in Kansas has eliminated at least 90 per cent of drunkenness, crime, and poverty since its adoption. When you learn that 50 per cent of our jails and poorhouses have no inmates, and compare this record with the States that permit the sale of intoxicants, it will be very easy to conclude that the reason is the cause of John Barleycorn in one State and the freedom from it in the other.

Trusting that this may be of some use to you in your efforts toward forwarding the cause of national prohibition, which I am certain will meet the approval of all good Kansans, I remain,

Yours, for national prohibition,

J. J. VARNER, *Mayor.*

—

ANDERSON COUNTY.

GARNETT, KANS., *January 6, 1917.*

Hon. WM. H. THOMPSON,
Washington, D. C.

DEAR SIR: Replying to your favor of the 2d instant in regard to prohibition in this part of Kansas, I beg to say that there have been but two cases of drunkenness in the police court of this city in the past two years and but few cases of bootlegging in justice court during the same period; and in my opinion, the prohibitory law is not violated any more than other State laws, and there is no doubt in my mind that prohibition does lessen drunkenness in Kansas.

You have my consent to use this in the Senate for what it is worth, if you wish.

Sincerely, yours,

J. E. CALVERT,
Police Judge and Justice of the Peace.

—

GARNETT, KANS., *January 5, 1917.*

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: In regard to prohibition in Kansas, will say that it certainly is one of the things that is pushing Kansas to the front. We have less crime, less insanity; and I am in favor of national prohibition and hope to live long enough to help put the United States on the dry list. Kansas has less crime than any wet State in the United States. Hoping you will be successful in your work; and can say that 75 per cent of Kansas people are with you.

Respectfully,

B. F. ACUFF, *Mayor.*

—

ATCHISON COUNTY.

ATCHISON, KANS., *January 6, 1917.*

Mr. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: In reply to your esteemed favor of December 30, would say the present city administration is fairly successful in enforcing prohibition, there being only one retail liquor license in the city and that being held by a wholesale drug firm.

Of course, it is rather hard to prevent the delivery of liquor and bootlegging by the East Atchison saloon keepers and liquor dealers. East Atchison, as you have probably heard, is known as the wettest spot in Missouri and is a disgrace to that great State.

This city and suburbs have a population of about 20,000 people. Last month there were 40 arrests by the police department and $128 fines collected in the police court. Probably one-half of these arrests were drunken persons who came from East Atchison. The other arrests were for petty stealing, violating traffic rules, etc. Were it not for the conditions in East Atchison our police force would have very little to do.

The present city administration of Atchison is very much in favor of national prohibition, and you are authorized to use this letter in the Senate if, in your judgment, it would help to accomplish something along this line. Thanking you for your interest in this matter and hoping this Nation will soon follow the example of Kansas, I am,

Yours, truly,

LOUIS WEINMAN, *Mayor.*

—

ATCHISON, KANS., *January 3, 1917.*

Hon. W. H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SIR: Yours of December 30, asking me, as prosecuting attorney of Atchison County, Kans., to give you the result of my observations as to the effect of the prohibitory law in lessening drunkenness and crime and the effect morally and economically to our people, received.

I have acted as county attorney of Atchison County for four years, during which time my opportunity to observe the effect of prohibition in Atchison County (which is a border county of the State) has placed me in a position to judge of its workings among our people, and it is my unqualified opinion that prohibition has been and is resulting in less drunkenness, less crime, and in a higher standard of morality among our people, and my opinion in the matter is being reflected by thousands of others in Atchison County, some of whom have heretofore been strongly opposed to the prohibitory law.

I venture to say that should Atchison County be asked to vote upon the question of prohibition, or resubmission of the question, that three-fourths of the votes of the people of Atchison County would be cast in favor of the law.

So well satisfied are the people with the results of prohibition thus far that the question ceases to be any longer an open question for discussion.

I hope that you will use your great influence in the Senate to bring about national prohibition.

Yours, truly,

CHAS. J. CONLON,
County Attorney of Atchison County, Kans.

BARBER COUNTY.

MEDICINE LODGE, KANS., *January 6, 1917.*

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

MY DEAR SIR: Your inquiry of the 3d instant at hand. In answer to same, will say that there is no question but what prohibition in Kansas prohibits. Ninety per cent of those who are arrested for being drunk are of the old stock, men who have drunk all of their lives, and were brought up in States where there were open saloons or in Kansas before the law was enforced. The man who gets it now has to send off and get it, and that fact becomes of public record, and this deters him in the use, as it affects his standing and business, credit, etc. The bootlegger usually sells it to those old topers, but hardly ever to the young man, because he runs greater chances of being caught. The bootlegger is usually soon caught, and spends most of his time either in jail or in the penitentiary.

The person who contends that prohibition in Kansas does not prohibit does not know either the conditions in Kansas now or what they were in the past. There are fewer paupers and more families who own their homes. Men and women go better dressed. They give better service to their employer; hence every line of business meets with better success under prohibition.

This is my judgment, based upon observation and actual experience as a lawyer and mayor of this city, where I have lived for 31 years.

Very truly, yours,

SAMUEL GRIFFIN,
County Attorney.

MEDICINE LODGE, KANS., *January 6, 1917.*

Hon. W. H. THOMPSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Yours of the 2d instant, addressed to the police judge of this city, came to hand this morning, and your humble servant has held that extra responsible position since April, 1911, and since that time there has been on the docket 183 cases filed, of which 79 have been for drunkenness, of which 10 have been against the same men, 6 against another, and 5 against the third, making a total of 21 cases against three men. These men all have ordered their liquor directly from Kansas City, Mo., not only by their own statements, but corroborated by the records in the county clerk's office. This is done under the protection of the Federal Government by virtue of the interstate-commerce act. During the same time there were 47 cases for disturbing the peace, and a few of these were the direct result of liquor.

I will here state that the Hon. Samuel Griffin, mayor of this city, and acting as city attorney, investigated each case as it came up, and we found in most of the cases the liquor had been shipped in by the defendants themselves—or at least they so claimed—which makes it hard to catch the professional bootlegger. That we have them there is no doubt, as was revealed in a case of a man who got on train at Lake City to come to Medicine Lodge. He was sober when he left Lake City, and ere he arrived at Medicine Lodge he was too drunk to walk. And we found out from him a gang worked out from Kiowa, who bought their liquor and had it shipped to a town in Harper County—go there in an auto and get it, then work out on trains from Kiowa. One made the trip through here to Belvidere and returned to Kiowa on same train, reaching Kiowa at 1 o'clock p. m., and another was ready to go out the next morning. The reason they ship to Harper County station was to avoid the filing with the county clerk a statement by the freight or express agent in this county as required by statute law.

Taking into consideration that at all times in the past six years Barber County has had a population ranging from 8,500 to 10,100 people, and this city from 1,400 to 1,500, it shows that there is not a bad case here, as some would make out. An incident occurred here a few years ago. My father-in-law came from Alva, Okla., to visit us. He was here two weeks. One day he said to me: "I have seen more drunkenness in Medicine Lodge in two weeks than I ever saw in Alva, with open saloons." I asked him how many he had seen drunk in town. He told me he had seen six. I said, "All right." And about two months after I went to Alva. Riding around the square, I pointed out to him 17 drunks. He looked up at me and said: "Mac, I never saw as many drunks in Alva before." I asked him, "Is it not because you have open saloons? You are so used to seeing drunken men that you do not notice or pay attention to it." He replied, "Mac, that is just it. When we go to Kansas we look for and note every one, but we are so used to it down here we do not pay any attention to them." And he added, "I guess a fellow can generally find what he is looking for, but you beat me in the find."

I do not want you nor Congress to think I claim that the prohibition laws of the State of Kansas prohibit the sale of liquor in Kansas any more than the laws of other States prohibit murder, adultery, perjury, or grand or petty larceny. And while the Federal Government defends and upholds the shipment of liquor into prohibition territory the lawmakers themselves are as morally responsible for the crimes committed as the distiller and the saloon keeper or the wholesale liquor dealer is my candid opinion, and, at your request you can use this in any way you may see fit, and if I can do anything more to aid you in this fight, command me and I'll be there.

I worked with J. K. Cuddingan trying to make this country dry; and what little I can do I will do, yet not for the grown men of 35 or over, but for the young men and women and the boys and girls—the coming bulwark of the Nation.

Yours, truly,

W. H. MCCAYNE,
Police Judge at the city of Medicine Lodge, Kans.

BARTON COUNTY.

GREAT BEND, KANS., *January 6, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

MY DEAR SIR: I have your letter of the 30th ultimo, and carefully noted, and am pleased to know that you are standing up for Kansas and for prohibition.

What appears to be a question in some quarters as to whether or not prohibition is a failure or actually prohibits and thereby lessens drunkenness and crime and results to the moral and economical advantage of the people is no longer a question in Kansas. I have had a number of years' experience as an enforcing officer and have no hesitation in saying as a result of that experience and from my observation generally throughout Kansas as compared with the handling of the liquor question in other States that prohibition is by all means the best method of handling this evil.

With the adoption of friendly legislation on the part of the Federal Government, cooperating with the State rather than handicapping the State, as has heretofore been the apparent policy of the Federal Government, it can be made still more effective. One step along this line would be to deny the use of the mails to liquor advertisements; another would be to cease issuing bootleggers' licenses in prohibition States.

With best wishes to you in your efforts along this line of work, I am,

Very truly, yours,

O. W. DAWSON, *Mayor.*

STATE OF KANSAS,
TWENTIETH JUDICIAL DISTRICT,
Great Bend, January 4, 1917.

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

MY DEAR SENATOR: I am in receipt of your esteemed favor of the 30th ultimo and hasten to give you the benefit of my conclusions relative to the practical operation of the prohibitory liquor law of Kansas. I have lived in this State since 1884, coming here soon after the adoption of the prohibitory amendment, and have had ample opportunity to observe its operations.

When I came to Great Bend there were in full operation several places where intoxicating liquors were being sold openly, and a prosecution for a violation of the law was rare, and a conviction under such prosecution still more so. The impression seemed to obtain in Great Bend that if these places were closed the town would lose materially in its trade and business operations. This was a conviction that was honestly entertained by myself and a majority of the citizens of the city and county, else the condition could not have existed. As time passed sentiment in favor of the law grew and crystallized until about 15 years ago the saloon and joint were compelled to go. Up to that time drunkenness on our public streets was a common sight, and the court calendar was full of prosecutions for all manner of criminal offenses; so much so that the time of the court was largely consumed by the trial of the criminal calendar. When the open joint or saloon was doomed, we were happily surprised with the result. Not only did our business interests advance and improve, but our city began to grow as never before, and since that time drunkenness upon our streets is a rare thing indeed. Crime has diminished until at this time, if we have a criminal calendar at all at the beginning of our term of court, six to eight cases are the most we have, and not 1 per cent of them are liquor cases, neither do they grow out of the use of intoxicating liquors. As a result of all this there is no consideration that could induce the people of this State to return to the old system.

If a law could be devised which would inhibit the shipping of liquors into dry territory and the solicitation of wholesale liquor dealers were barred from the mails entering dry territory the liquor question would be practically solved in this State.

* * * You can accomplish no greater good for your constituency than to secure the passage of your bill prohibiting the shipment of intoxicating liquors into dry territory; and if you could carry the measure a little further and bar all liquor advertisements from the mails entering dry territory you will have accomplished something for which the people of Kansas will never be able to repay you. I sincerely wish every success to your entire efforts along this line.

Cordially, yours,

D. A. BANTA,
Judge, Twentieth Judicial District of Kansas.

BOURBON COUNTY.

FORT SCOTT, KANS., *January 3, 1917.*

Mr. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SIR: Answering your favor of December 30, have to say that prohibition in Kansas is a success in every possible way, and any person who says that it is not a great benefit to the State is either misinformed or willfully falsifying, and the same is true of any person who says that prohibition has injured the State in any possible way.

Yours, respectfully,

JAMES G. SHEPPARD,
County Attorney.

OFFICE OF SHERIFF OF BOURBON COUNTY,
Fort Scott, Kans., January 4, 1917.

Senator W. H THOMPSON,
Washington, D. C.:

Your letter in regard to whether prohibition in Kansas is a failure, will say that I have been in the sheriff's office at Fort Scott six years and will say that every year liquor is fast going in Bourbon County, Kans. You never see a young man drunk in Bourbon County. It is some old fellow that got the habit during saloon days that is drunk. As soon as these old fellows die there is going to be a marked change in the number of drunkards. Since the saloons have closed in Nevada and Rich Hill, Mo., our sister State, we have but little trouble with bootlegging. Crime grows less every year in Bourbon County, Kans., on account of whisky being harder to get.

Yours, respectfully,

J. W. HARTMAN, *Sheriff.*

BROWN COUNTY.

HIAWATHA, KANS., *January 9, 1917.*

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SENATOR: In reply to your letter of recent date in regard to the prohibitory law, will say: The law prohibits absolutely here in Hiawatha, Kans. During the past year there have been 27 arrests for drunkenness; 26 of these were persons returning from across the line in Missouri or Nebraska. The only liquor they brought home with them was in their stomachs. These parties were promptly arrested and placed in jail. One arrest was for drunkenness or sickness from taking too much Hostetter's bitters. "Bootlegging" is unknown here in Hiawatha and has been for several years. In September a circus visited our city, and on that day over 20,000 people were in town. Not a single case of drunkenness was reported to the police, and we have not heard that a single drunken person was seen. The prosperity of our city is beyond anything ever known here. Thirty thousand dollars worth of city 4 per cent bonds sold last month for a premium and that to local purchasers.

The prohibitory law is enforced here and it prohibits.

Yours, truly,

GEO. C. MCKNIGHT, *Mayor.*

—

HIAWATHA, KANS., *January 4, 1917.*

Senator WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SENATOR: I want to say that prohibition in Kansas is a grand success, the prohibition law of the State of Kansas actually prohibits, and we absolutely have less drunkenness and crime than our sister States Nebraska and Missouri. I know whereof I speak, as I am in a position to see and learn. Kansas has been troubled some by having two wet boundaries—Nebraska and Missouri—but, thank the good people of Nebraska, they blowed up the wet element last election, which will make us three dry boundaries, with Missouri going dry slowly but surely. I am for nation-wide prohibition, and I am thankful that Kansas has as grand and good a Senator that has the backbone to fight the everlasting curse, liquor.

Yours, respectfully,

C. W. BIDDLE,
Sheriff of Brown County.

—

HIAWATHA, KANS., *January 18, 1917.*

Hon. W. H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SENATOR: With reference to the prohibitory liquor law in Kansas, you can say for me as county attorney and having seven years of experience as a prosecuting officer that the prohibition laws of Kansas are not a failure, but do prohibit. That the moral and economical advantages that come to us from the wholesome effect of this law can not be overestimated. Kansas would no more think of giving up its prohibitory liquor law than it would its public school system or the right of the people to worship God according to the dictates of their own conscience.

Brown County, you know, is a border county, 40 miles from Missouri, and 19 miles from Nebraska, both wet States and the chief source of whatever trouble we have in enforcing the law. Nebraska is already dry and Missouri will come next, and when the liquor dealers and bootleggers are driven out of these States, there will be little or no trouble in enforcing the liquor law in Brown County.

I will be pleased to give you any information that you desire, and I can cite you to many specific instances of my own experience and observation which evidence the wholesome effect of the prohibitory liquor laws of Kansas. The United States Supreme Court has just recently given the prohibitory liquor laws a great boost, and for which Kansas is extremely thankful.

Yours, very truly,

W. E. ARCHER,
County Attorney.

—

HORTON, KANS., *January 6, 1917.*

Hon. WM. H. THOMPSON,
Washington, D. C.

DEAR FRIEND: Your letter of date, December 30, 1916, at hand and contents noted. In reply will say I am now serving my third term as mayor of the city of Horton and have been a resident of the city for about thirty years. And I want to say prohibition is not a failure in Kansas, but a grand success. As you know Horton has a population of about 4,500, and is a railroad shop town, and I can truthfully say it is seldom one sees a drunken man on the streets, and that is usually some one that comes in on a train from some point in Missouri. There is but very little crime committed in our city, and I don't think we average three arrests per month, and our city jail is empty most of the time. Horton is made up of happy homes, and instead of the laborer's money being spent for booze it is spent for the benefit of his family.

We, the people of Kansas, surely approve of your stand on this question. Wishing you success in your fight, and best wishes for yourself and family, I remain,

Yours truly,

J. F. BAILEY, *Mayor.*

—

BUTLER COUNTY.

CITY CLERK'S OFFICE,
El Dorado, Kans., January 4, 1917.

Senator WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: Your letter of recent date relating to the efficacy of the prohibition law in suppressing lawlessness and crime in Kansas at hand and noted.

I feel that El Dorado and Butler County is in a position at the present time to most thoroughly test the efficiency both of the law and of the law-enforcement officers, in that by reason of the recent discovery of large oil deposits we have gathered within our county boundaries within the last year somewhere between 10,000 and 15,000 transient population, including oil-field workers, from all parts of the United States.

I feel that I am able to say with authority that were it not for the fact that we have in effect a thoroughly dependable liquor law, prohibiting the manufacture and sale of intoxicating liquors in this State, it would be difficult, indeed, to maintain order. As it is, however, even under these apparently adverse conditions, the authorities are enabled to maintain the usual good order with comparative ease.

Hoping this brief statement of fact may be of use to you, I am

Very sincerely, yours,

G. W. STINSON,
Mayor El Dorado City, Butler County, Kans.

—

CHAUTAUQUA COUNTY.

SEDAN, KANS., *January 5, 1916.*

Senator WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: The city of Sedan, Kans., has a bonded indebtedness of but $21,000. It is a third-class city that pays cash for its running expenses. It has no outstanding warrants. We have little drunkenness. If you will give us a law making it necessary for those that hold a Government license to sell intoxicating liquors to come out in the open, or better still, have the Government refuse to license them to sell it, we will make a State law making the point of delivery the point or place of sale, and then we will be able to enforce the law with little or no effort. This administration and the people of Sedan stand for the enforcement of the prohibitory law. The law prohibits and it is as thoroughly prohibitory of this offense as of other offenses. There is absolutely no sentiment in this community for the repeal of the law. We are here on the ground and we know, and the sentiment here stands squarely for the prohibitory law.

Respectfully, yours,

NORMAN L. HAY, *Mayor.*

—

CHEROKEE COUNTY.

JUDICIAL DEPARTMENT, STATE OF KANSAS,
Columbus, Kans., January 13, 1917.

Senator WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: I received your letter with reference to the prohibitory liquor law some time since and perhaps ought to have answered sooner, but, owing to the hurry of business in court and some other matters, I have overlooked the same until now.

In writing to me you possibly overlooked the fact that I reside in the center of the one section of the State that has gained the undesirable distinction of being known as the "Bad Lands," when spoken of in connection with this law, and the truth is we have had some trouble in the enforcement of that law in this part of the State. We have a population a very large per cent of which is miners and also a very large per cent of whom are of foreign birth. We are also situated immediately adjacent to the city of Joplin, Mo., a large mining center, with large brewing and distilling interests, but in spite of all these disadvantages it has been demonstrated abundantly that the law can be enforced in this district. And even situated in this locality, my oldest son was almost of age before he ever saw a saloon, and that was in Joplin, Mo., and while, as I said above, there are some violations of law in this district, the comparison of this district with those just across the line, where they have open saloons, will convince any fair-minded person beyond any question that the moral effect of the law upon a community is greatly to its advantage. And this is further evidenced by the fact that when petty criminals in this community, and especially those who persist in the violation of this law, are crowded a little too hard by the officers, they invariably go across the line, where they can find open saloons, and no community, however low, can be benefited by the addition of that class of people.

I have been directly connected in one way or another with the enforcement of this law at different times for a period of six years, and I know whereof I speak. I am heartily in sympathy with any effort you can make for national prohibition, and you have my sincere wishes that you may succeed, as we are in a community whose peculiar situation will be most benefited by that law.

With very best wishes for your success, I remain,

Very respectfully,

J. N. DUNBAR,
Judge Eleventh Judicial District.

—

OFFICE OF THE CLERK,
Columbus, Kans., January 12, 1917.

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

MY DEAR SENATOR: Your letter of the 30th ultimo, relative to "Does prohibition prohibit?" in Kansas. As an executive officer of the State I will say: Yes; the fault lies not with the law, but with its enforcement. Nine-tenths of all arrests made here in Columbus are drunks caused by our close proximity to the Missouri line; were we 100 or 150 miles from Missouri instead of 25 miles our city prison would be of no use.

The law is meritorious and only needs officers who will enforce it without fear or favor, and when this is done the law will accomplish what its framers intended it should do.

We are pleased to note that you are taking the correct stand on this great question, * * * and you may be assured that your action meets with our hearty approval. You may feel free to use this letter in the spirit in which it is written.

With best wishes, I beg to be remembered as

Yours, very truly,

A. L. REMALEY, *Mayor.*

—

SCAMMON, KANS., *January 9, 1917.*

Mr. W. H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SIR: In answer to your inquiry about whether prohibition in Kansas is a failure or actually prohibits, I should say it prohibits. But being so close to the State of Missouri here in our town it has made it difficult to handle, but for the last four years we have got pretty good control over the booze. As you know, Scammon is a mining town and has a great many foreigners, and they most all like their booze. Now, then, I will give you facts and figures. Scammon has a population of 2,364, and the actual cases in police court that came from drunks for the last four years would be about one a month, and all other crime is gradually growing less. Every year I have a chance to know, for I have been police judge the most part

of the last 25 years, and also justice of the peace, and the booze and all other crime is getting less every year. I say let the good work go on, and I say the prohibition law in Kansas is not a failure.

Yours, truly,

J. J. WOOTEN.
Police Judge of the City of Scammon.

—

CLAY COUNTY.

CLAY CENTER, KANS., *January 4, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SENATOR: In reply to your letter of December 30, 1916, relative to prohibition in Kansas, beg to advise that the writer is 35 years old and is a native Kansan and does not ever remember of seeing an open saloon in this State. While it is true that so long as intoxicating liquors are manufactured and allowed to be shipped into this State, there will be more or less of same consumed, however, I am sure there is less temptation for younger men to acquire the habit and also less drunkenness and crime on this account, as nearly all of these crimes and habits are formed before a man acquires maturity. What I would like to see is nation-wide prohibition, but until that can be accomplished I would like to see laws enacted so that intoxicating liquor can not be shipped into a State which has prohibition laws of its own.

You may use this letter as you see fit, and you have my hearty wishes for your success in your fight on the liquor proposition.

Yours, very truly,

M. M. SMITH, *Mayor.*

—

COFFEY COUNTY.

BURLINGTON, KANS., *January 5, 1917.*

Senator WM. H. THOMPSON,
Washington, D. C.

DEAR SENATOR: Replying to your letter in regard to the prohibition question, beg to say unqualifiedly that prohibition is a mighty good thing for Kansas.

It is a success in our city and in our State, a success not only that it prohibits the sale of intoxicating liquor, but that it makes our city and State better in every way and a much more desirable place in which to live. And it is a success financially.

Our city, with a population of 2,300 people, has an assessed valuation of $2,000,000. We have two splendid national banks in which there is on deposit about $825,000. We have a magnificent Carnegie Library building; one of the finest purification and filtration waterworks plants to be found anywhere; a $40,000 sewer system; a beautiful white way; our city is splendidly lighted; we have three elegant parks; splendid churches, well attended; a $40,000 courthouse; a $35,000 high-school building; two good grade school buildings; we have no city prison and our county jail is an old stone building that dates way back to the early days. We have so little use for jails that our people have not deemed it necessary to build a modern jail of any kind.

Of course the prohibition law, like other laws, is violated at times; but it is enforced to such an extent that it ranks among the best-enforced laws in the State. There are no saloons, joints, or dives of any kind where liquor is sold; and a drunken man is seldom seen, even drinking is rare, and this occurs on liquor shipped in from other States.

The rate of taxation in our city, including county, school, and State tax, is $2 per $100, but this rate, which may seem rather high, is from improvements, for we have one of the nicest improved cities going.

Nothing could induce or influence our people to return to the saloon or the sale of intoxicating liquor in any manner. We are more than satisfied, and would not think of changing.

Yours, very truly,

S. D. WEAVER, *Mayor.*

—

COWLEY COUNTY.

ARKANSAS CITY, KANS.,
January 6, 1917.

Hon. W. H. THOMPSON,
Washington, D. C.

DEAR SIR: Your letter of January 2 at hand, and will say by looking over the police records now and during the time joints were run here—that was several years ago—I believe the arrests for intoxication have been reduced about 90 per cent; other crimes accordingly. I have noticed also that when a man gets to drinking he first gets to fighting, and then if he does not fight he will steal. There is not a case for some time that I have tried for being intoxicated but what the whisky was procured from a traveling bootlegger, or in some instances shipped by express to a fictitious name here. It is a burning shame that we can't have a law passed prohibiting the express companies from bringing the whisky into the State. Better to pass a law prohibiting the manufacture of all intoxicants. There are families living here that get along very well on the wages the father or husband earn, but let the father or husband get liquor, he gets drunk, put in jail, loses his job, then applies to the city for necessaries of life. These same families are good citizens, or would be if they could not get the liquor. Liquor, thieving, fighting, and prostitution goes hand in hand, and my observation is get rid of the liquor and the others are more easily controlled.

Yours, respectfully,

F. HARBUE, *Police Judge,*
525 N. C. Street.

My term expires January 11, 1917.

—

WINFIELD, KANS., *January 4, 1917.*

Senator WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SENATOR: To answer your request for my personal experience as to the effect of prohibition in Kansas would require a more lengthy report than a busy Senator would care to consider.

No one will contend that Kansas prohibition prevents all drunkenness or crime as a result of drunkenness. But that drunkenness and crimes resulting therefrom are greatly reduced by reason of prohibition is so patent a fact that I know of no fair-minded and sane Kansan who would declare otherwise. The beneficial effect of Kansas prohibition will be inestimably furthered when we are assisted by national prohibition.

Yours, very truly,

O. P. FULLER,
District Judge, Ninth District.

—

CRAWFORD COUNTY.

THE NATIONAL BANK OF PITTSBURG,
Pittsburg, Kans., January 4, 1917.

Mr. WILLIAM H. THOMPSON,
Chairman, Washington, D. C.

DEAR SIR: Your letter of the 30th ultimo received. In regard to the prohibition question in Kansas would say that it is a success in every way, if it was not for the State of Missouri, and one of the best laws ever passed by the people. Unfortunately we are situated close to the Missouri line, which is about 4½ miles, and situated on the Kansas and Missouri line on the Missouri side there are three wholesale houses, which retail more than they wholesale, and all the drunks seen in our city are from Missouri. Our car line also connects with Joplin, Mo., which is another outlet for drunkenness, and you can see them get off from the cars in a drunken condition, also with packages.

All of our liquor traffic is done by foreigners, and all of our raids show that the liquor is handled by foreigners and in their private houses. Hardly ever do we get an American for selling liquor, and the wholesale houses being so close gives us a good deal of trouble with bootleggers; so on the whole it does not prohibit on account of the State of Missouri. All of our arrests that are made the defendant will tell the court that he got the liquor in Missouri; and our city would be in much better condition on the liquor question if it had not been for the State of Missouri. Our police records will bear all of this out. The arrests we make all liquor is destroyed, and in an hour they are over in Missouri and back with a new stock. They go in automobiles.

Yours, truly,

WM. LANYON, JR., *Mayor.*

—

OFFICE OF CITY CLERK,
Pittsburg, Kans., January 5, 1917.

Mr. WILLIAM H. THOMPSON,
Chairman, Washington, D. C.

DEAR SIR: Replying to your letter of the 30th ultimo, in regard to prohibition in Kansas, will say I do not consider it a failure and am satisfied that the people of Pittsburg would not go back to local option under any consideration.

Of course, we have violations, but most any law is violated. And situated as we are, 4½ miles from the Missouri line and an hour's ride from Joplin, Mo., it makes it doubly difficult for us. The wholesale houses being so close, it gives us a great deal of trouble with bootleggers. In most all of our arrests the defendants say they got the liquor from Missouri.

But, notwithstanding all this, our city is in a much better condition than it was 12 years ago. Then we had in the neighborhood of 28 saloons running open in our town, which then had a population of about 12,000. When the order was given to close the saloons in Pittsburg it was rumored that Pittsburg would go dead and that business houses that were vacated by the saloons would remain empty, but, on the contrary, as fast as the buildings were vacated by the saloons they were immediately occupied by some legal business. And to-day our city has a population of 20,000, with no saloons and not an empty business building in town, and we have never had a lull or panic in business.

On July 4, 1916, we had the largest crowd that ever attended a celebration in Pittsburg. Several extra peace officers were employed. During the day two arrests were made for drunkenness and peace disturbing. On July 4, 1900, there was an ordinary-sized celebration crowd in Pittsburg, with 24 saloons running open. There were nine arrests made that day for drunkenness and peace disturbing, our population at that time being about 11,000.

Therefore I feel that I am voicing the sentiment of the people of Pittsburg and the State of Kansas when I say that prohibition is morally and economically advantageous to our people.

Assuring you that your fight on this question meets with our approval, and hoping this information may be of some benefit to you, I remain.

Yours, truly,

ROLL RAKESTRAW,
Chief of Police.

—

PITTSBURG, KANS., *January 19, 1917.*

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SENATOR: I have been out of the city a great deal lately, and for this reason, as well as the fact that the mayor, Mr. Lanyon, probably gave you more information than I can, I have not answered your letter concerning the effect of prohibition in Kansas.

We are too near the Missouri State line to feel the full benefit of prohibition, being only 4 miles away; but in my two years' experience as police judge of this city of 20,000 I have not had a single drunk tell me that he became intoxicated upon liquor bought in Kansas. They invariably get their liquor across the State line, and on account of this condition we are deprived of the real benefit of prohibition.

According to the police court records, I find that some few months under prohibition we have had more arrests for intoxication than were made under licensed-saloon months, but this is due to the fact that arrests are made now upon very small evidence of intoxication, for the reason that with us a man slightly under the influence of liquor is very noticeable, while in the day of the saloon the men now arrested and fined as drunks would have been and were considered as sober and not violators of the ordinance prohibiting excessive users of intoxicants to be upon the streets.

If I can be of further service to you, please command me. With kind personal regards, I am,

Sincerely yours,

LEO. J. MCKENNA, *Police Judge.*

—

OFFICE OF CLERK OF THE DISTRICT COURT,
Girard, Kans., January 15, 1917.

Hon. W. H. THOMPSON,
Washington, D. C.

DEAR SIR: Yours of some days ago inquiring as to the prohibitory liquor laws of Kansas was received, and in reply I desire to say that I shall endeavor to briefly answer your inquiry.

Is there any intoxicating liquor sold in Kansas? Any honest man is compelled to answer that question in the affirmative. The statute

making it a criminal offense to barter and sell intoxicating liquors in Kansas is violated.

If the prohibitory liquor law is violated, does it follow that the law is a failure? The law against murder, rape, robbery, and arson and other criminal statutes are violated, but it would hardly be contended that such laws were failures and should be repealed by reason of the fact that they are violated. Probably the most that can be accomplished by any statute is to reduce crime to a minimum. It can not be entirely prevented by law

The law against the sale of intoxicating liquor is being fairly and reasonably well enforced in Kansas. The prohibitory law in Kansas, I am inclined to think, is quite as well enforced as other criminal statutes in the State. The jurors do not hesitate to convict in liquor cases if the evidence warrants. The jurors give liquor cases the same serious consideration they do any other offense. If the evidence satisfies them beyond a reasonable doubt that the defendant is guilty, they convict; if it does not so satisfy them, they acquit, exactly the same as they would in a case of murder, robbery, rape, or arson.

Unquestionably the prohibitory law greatly restricts and reduces the sale of intoxicating liquor.

Very sincerely, yours,

A. J. CURRAN, *District Judge.*

—

DECATUR COUNTY.

OBERLIN, KANS., *January 8, 1917.*

Hon. W. H. THOMPSON,
Chairman.

DEAR SIR: Yours of January 3 to hand. Drunkenness is getting less and less, and, in fact, it is almost a thing of the past; but the Government is at fault for licensing the sale of the stuff, and I am hoping that national prohibition is not far off. I am persuaded that for every dollar the Government gets in revenue for license it pays out $10 in money, saving nothing about the souls sent to hell every year. It does look like our lawmakers could see this awful drain on our country and remedy the evil. Prohibition does prohibit drinking as much as law prohibits murder or theft.

From

J. S. LEAKE.
Police Judge of Oberlin, Kans.

—

DISTRICT COURT CHAMBERS,
Oberlin, Kans., January 3, 1917.

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SENATOR: I have been watching your fight in the Senate for prohibition and am much pleased with the stand you are taking. We who have lived in Kansas the greater part of our lives know that prohibition has helped the State. Those who say that there is more intoxicating liquor consumed in Kansas in proportion to the population than in license States either do not know what they are talking about or do not care what they say. I have lived in Kansas near the Nebraska border since the adoption of the prohibitory amendment in 1881, and there was a time when I thought that prohibition did not prohibit, but since Kansas officials have been trying to enforce the law it has prohibited and does prohibit. From the time Senator Harris made his campaign for the governorship on the issue of law enforcement the law has been fairly enforced in the State and a marked change took place dating from that time. We can truly say we have a dry State. A drunken man is seldom seen and crime is lessened and the standard of morality much higher, especially among our young men, than it was a few years ago. In fact drinking is unpopular and growing more so under the influence of prohibition.

I have not looked over the records, but it is evident that there is much less crime than formerly, and if there are many convictions it is because crime is not respectable in Kansas and the strict enforcement of law is demanded by our citizenship.

Hoping that you may win and assuring you that the people of your home country are with you, I remain,

Sincerely, your friend,

W. S. LANGMADE,
Judge Seventeenth Judicial District.

—

DICKINSON COUNTY.

ABILENE, KANS., *January 11, 1917.*

Hon. WILLIAM H. THOMPSON, Senator.

DEAR SIR: In reply to yours of recent date, will say that prohibition certainly does prohibit with us. During the year 1916 there were five warrants issued and two arrests made for drunkenness and one bootlegger, and no joints running. The morals of our city are good and have been for some time.

J. C. PORTER,
Police Judge, Abilene, Kans.

—

ABILENE, KANS., *January 6, 1917.*

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: In regard to my knowledge of prohibition in Kansas, it practically does prohibit the sale of liquor in Kansas. We have, of course, a little trouble with an occasional bootlegger and a little drunkenness. That, of course, is owing to the ease with which they can get liquor from Missouri.

In this town before prohibition law was enacted there was from one to three men killed every year on account of saloon fights or drunkenness, and a number of farmers were foreclosed every year who lost their homes on account of excessive drinking.

In the last 10 years there has not been a man killed in any fight which could be charged up to liquor. And there are no homes being foreclosed on account of liquor. Every year the few bootleggers are getting less. Last year in this town of 5,000 there were only two arrests for drunkenness.

We think we have the liquor business just about as near the prohibitory point as you could have it in a State where they can ship it in from other States.

Yours, truly,

W. D. NICHOLS, *Mayor.*

—

DONIPHAN COUNTY.

TROY, KANS., *February 5, 1917.*

Hon. WILLIAM. H. THOMPSON,
Washington, D. C.

MY DEAR SENATOR: Answering the inclosed letter, will say in the first place, please excuse me for not answering before this date as I have been confined in the house on account of a severe spell of pneumonia.

Will state that I have had five cases before me for drunkenness during the year 1916, all of which plead guilty and were given a small fine and assessed the costs.

In regard to the enforcement of the prohibitory law, will state that in this county it is enforced as well if not better than in many of the counties of the State.

And will further say that if it was not for the St. Joseph liquor houses and saloons we would see but very little drunkenness in this city.

Our city has a population of some 1,500, and we are in favor of prohibition, and the people of this community would never vote to do away with the prohibitory law.

When we had open saloons we had terms of court lasting from four to six weeks, now we have terms lasting from two to three days each term. People are more prosperous and are building and owning their own homes and are well satisfied and are helping enforce the laws.

Yours, very truly,

J. M. KNIGHT, *Police Judge.*

—

DOUGLAS COUNTY.

LAWRENCE, KANS., *January 12, 1917.*

WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SIR: Your letter of the 3d in regard to the effect of the prohibitory law in Kansas received.

Lawrence is a city of 14,000 people. In addition thereto, they have over 3,000 students in the State university and 1,000 students in Haskell Institute. Our district court meets three time a year; the criminal business is generally cleaned up in two or three days. Our police court in the city of Lawrence meets every morning, and morning after morning there is no business before the court.

We are on an interurban line, 40 miles from Kansas City, with car service every hour, and 99 per cent of the cases that we have in police court wherein the defendant is charged with being drunk he obtained his liquor in Kansas City. This interurban line has been in operation not quite a year, and we have had a little more drunkenness to contend with in police court during this time than we had before, by virtue of the fact that it has placed us in closer touch with Kansas City, Mo.

The prohibitory law is not a failure in Kansas. It is a marked success, and I am speaking from experience that I have had as an officer—four years as city attorney of this city and six years as county attorney of this county.

Yours, very truly,

THOS. HARLEY,
By E. H.,
County Attorney.

—

BALDWIN CITY COUNCIL,
Baldwin City, Kans., January 11, 1917.

Hon. W. H. THOMPSON,
Washington, D. C.

DEAR SIR: Yours of the 2d instant asking for my experience and opinion as to whether or not prohibition prohibits is to hand and contents noted.

As to my opinion, I am free to state that it is that prohibition does prohibit and that we are in a much better condition than we would be without it.

I interviewed some of our citizens in regard to this matter and they unanimously expressed the opinion that the prohibitory law is as well enforced and is as seldom violated as any other law on the statute books of the State, and I surely think they are correct in that opinion.

Since I have been police judge, now nearly six years, there have been no arrests for violations of the prohibitory law, and while there have been suspicions that it has been violated, the officers have failed to find any proof of the same.

Some liquor has been shipped in from Kansas City, but we have no proof that any has been sold.

In the police court there has been 30 arrests for intoxication, 29 of which plead guilty to the offense.

Of this number nine were nonresidents, one was arrested nine times, two three times each, and six others one time each.

If any of this is of any use to you, use it.

Hoping you will win your fight, I am,

Respectfully, yours,

N. A. SKINNER, *Police Judge.*

—

ELK COUNTY.

LONG BEACH, CAL., *January 31, 1917.*

DEAR SENATOR: Your efforts in behalf of prohibition anywhere at any time will be duly appreciated by nine-tenths of all Kansans. A great thing for Kansas, and will be a great thing for the Nation, when it comes, and which will not be long. Three-fourths of the criminal cases I have tried had origin in the use of liquor.

California will soon be dry also, notwithstanding it is a great grape State. Another of the beach towns, Redonda Beach, voted dry a few days ago.

I wish you well.

A. T. AYRES, *District Judge,*
Howard, Kans.

—

ELLIS COUNTY.

CITY OF HAYS GOVERNMENT,
Hays, Kans., January 10, 1917.

Hon. WM. H. THOMPSON,
Washington, D. C.

MY DEAR SENATOR: In reply to your letter of the 30th ultimo, relative to the prohibitory liquor law of Kansas, will say that I know of no law in our statutes which has a greater sanction by the people of this State than this law, and I do not suppose that anyone will contend that Kansas is a lawless place.

As you know, all law depends upon the sanction of the people in so far as its enforcement is concerned. There was a time in the early history of the prohibitory liquor law when it was not sanctioned by a good many people of this State, but those times are past.

I have lived in Hays and its vicinity for 32 years and have been and am now mayor for the last 4 years. During the last 4 years since I have been a law-enforcing officer of this State we have had no bootleggers here who remained in that business very long; in fact we usually convicted them on their first or second sale. In fact it is not

the local man so much as the transient bootleggers from Missouri who sometimes drop in between trains with a suit case full of whisky and manage to make a few sales before they are apprehended by the officers; but they are quitting that practice.

Although not a total abstainer from the use of intoxicating liquor, I believe that the good government strives for the greatest good to the greatest number. I think that the prohibitory liquor law of Kansas has met this requirement for Kansans, and I for one would welcome legislation along those lines nationally.

The claim has often been made that people from foreign countries are adverse to prohibition. We have several citizens in Hays of this class and they aid us in enforcing this law at this place.

The population of the city of Hays is about 3,000. Out of this number of people there is not one drunkard; in fact we have no drunkards, paupers, or idlers, but our people are contented, happy, and prosperous. Nearly seven-eighths of them own their own homes and have money in the banks.

When this letter reaches you it becomes your property, and I have no objections to the use which you may make of it.

Any information which I may be able to furnish you in regard to law enforcement will be cheerfully furnished upon request.

Yours, very truly,

H. W. CHITTENDEN, *Mayor.*

FINNEY COUNTY.

SHERIFF'S OFFICE,
Garden City, Kans., January 26, 1917.

Hon. WM. H. THOMPSON,
Washington, D. C.

MY DEAR SIR: Having lived in Kansas all my life, and for the last two years having been the sheriff of Finney County, Kans., and thus having been in a good position to observe the workings of the prohibition law, I will say that it has worked in Kansas and has done the State more good than any one law that I know of. It most certainly reduces crime, lessens drunkenness, and raises the morality of the State to a very high degree. The people, instead of spending money for liquor in its many forms, spend their money on their families and righteous living, and what they do not thus spend they put away in the savings bank, so that the direct result is that there is a very great number of small depositors who have money put away in the banks of this State as a direct outcome of the prohibition law. It no doubt reduces crime. This I can state from my experience as an officer of the law. The small per cent of crime that is committed in this State is the result in a large measure to the violation of the prohibition law. Of course the law is violated some. It would be impossible to pass a law that was not violated some. The law of murder, larceny, etc., is also violated yet no one would dare say that the law forbidding the crime of murder, larceny, etc., was not a good law. As long as human nature remains as it is, laws will always be violated, and if we are going to condemn a law for that reason alone we had just as well stop passing laws right now, for there never will be a criminal law passed that will not be violated, more or less. Take it as a whole, prohibition has been enforced at least 90 per cent in Kansas and has made Kansas 90 per cent more efficient.

I am in favor of national prohibition, and especially in favor of prohibiting the shipping of liquor from a wet State into a dry State. I can not understand why the Federal Government will license a bootlegger in a prohibition State and thus help him violate the law, but not only that but shield his name from the State authorities.

Sincerely, yours,

OLL BROWN, *Sheriff.*

FORD COUNTY.

OFFICE OF CITY CLERK,
Dodge City, Kans., January 6, 1917.

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: Yours of December 30 at hand, asking me what had been my observation relative to prohibition in Kansas, whether a failure or actually prohibits.

In answer to this will say it prohibits to the minimum in our city, and will in any city or community in the State of Kansas, providing the officers will enforce the law according to their obligations. As you well know, our city before prohibition was enforced had a very bad reputation for drunkenness and all other kinds of vices that go hand in hand with the liquor traffic. But to-day we have a city of 5,000 people, with a day and night marshal, and it is very little they have to do on account of liquor.

The writer had occasion in the early part of December to visit several States that do not have prohibition, and he saw more drunks, more depravity, and more beggars than he has seen in the State of Kansas in the two years past.

Hoping that this will be of benefit to you and will be of some help in furthering the prohibition fight in the Nation, I am,

Yours, truly,

W. T. HALE, *Mayor.*

SHERIFF'S OFFICE,
Dodge City, Kans., January 2, 1916.

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: In answer to your letter of the 30th, will say that I have been a peace officer for the past six years, and as I have made frequent trips into the wet territories, I find that on these occasions that there are more men arrested in the wet territory in one night than is in the dry territory in a week. I am of the opinion, and from my observation think, that this condition is wholly caused from the fact that liquor is so readily procured. I realize the fact that the ones that are saying that the prohibitory law does not prohibit, but I will say for my own belief and observation that it does prohibit to a great extent, and when in the intoxicated condition, I find that most of our crimes are committed; for one instance, the killing of my friend and brother officer at Rolla, Kans., last July; the party was under the influence of liquor; in fact, he was drunk; and in my time I could point to lots more of cases in the same way, but would only take up time, for we people here are so well satisfied with it we will vote almost to a man and woman for the national prohibition clause as soon as it comes up; but we do not want it to come so soon that it will be defeated, or before there are enough States that have ratified it, so we will not be able to carry it in all by the necessary majority; but I say I am ready, and I firmly believe that we will meet with a wave of prosperity that has never been known before in the history of our Nation, for old debts will be paid that will never be until that time. Do all you can. I am for you.

Yours,

C. W. WOOLWINE, *Sheriff.*

FRANKLIN COUNTY.

OFFICE OF SHERIFF OF FRANKLIN COUNTY, KANS.,
Ottawa, Kans., January 6, 1916.

Senator W. H. THOMPSON,
Washington, D. C.

MY DEAR SIR: In response to yours of December 30, will say that my experience of four years as sheriff of Franklin County, Kans., is that prohibition not only lessens crime but has upbuilding influence. To be sure, we have among the lower class of both white and colored races a few of what are known in this State as "bootleggers," but they, as a rule, only come in contact with a few compared with the many who would perhaps use liquor if we had open saloons. To my mind open saloons in Kansas would be a crime equal to taking the lives of our younger generation.

Yours, very respectfully,

NICK JOHNSON, *Sheriff.*

DISTRICT COURT, FRANKLIN COUNTY, KANS.,
Ottawa, Kans., January 2, 1917.

Senator W. H. THOMPSON,
Washington, D. C.

DEAR SENATOR: Answering your recent favor touching the intoxicating-liquor problems of Kansas, I have to say that I have read with considerable interest the debates upon that subject in the Senate. * * * You can put this down as a settled fact: Prohibition is here to stay. It is as firmly fixed in the minds of our people as the abolition of human slavery, and is no longer a disputed question. It is a fixture in this State, because our people have become thoroughly convinced that it is a paying investment; that is, that sober men are to be trusted in all stations of life rather than drunken men, and the situation resolves itself down to that proposition.

We have drunkenness in Kansas—there is no question about that—but it is confined exclusively to the lowest degree of citizenship. There is no question that liquor is sold in Kansas, but it is sold by a few Mexicans, a low grade of colored people, and a still lower grade of whites. If anyone desires to buy a drink of whisky in Kansas he can do so, and, from my experience in the trial of lawsuits for nearly a third of a century, I feel that I am qualified to advise him how he can get the stuff. First, he will have to go into a dark alley, find a Mexican or a low grade of colored or white citizenship, and there intrust such an individual with his money and wait until this most responsible individual returns with the goods. Or he may be conducted by a citizen of like character * * * past the freight stations, through the railroad yards to the farthest corner of the railroad property, and if he will stand in the darkest corner his conductor will go into a box car or behind a pile of ties and secure for him a half pint of stuff that has been shipped in from Missouri, and by the payment of a dollar he may become the proud possessor of this half pint of Missouri enthusiasm. Or, if he does not desire to go so far out of his way, if he will secure the proper signs, signals, grips, and passwords, he may enter a livery barn from the rear door, pass in the rear of the horses and mules, go up a flight of stairs into the second story, and there wait until the bartender removes several bales of hay, he may then purchase the stuff. The place of business may be changed when he returns for the second installment, but he will be able to find it, no doubt. This is not overdrawn; this is the manner in which liquor is purchased in Kansas, as revealed by the testimony of many witnesses whom I have heard testify in the past 30 years.

I have seen crowds of from ten to twenty thousand people gather on the fair grounds in different localities in Kansas, remain there three or four days, and not an arrest for drunkenness occur. In the past 15 years I do not recall now of hearing a single reputable citizen testify in a whisky case outside of the officers. Both seller and buyer are confined to the lowest class of citizens. * * *

I trust that you and the other Senators who are making the fight for common decency will keep it up until you succeed.

Respectfully, yours,

C. A. SMART,
District Judge.

OFFICE OF CITY CLERK,
Ottawa, Kans., January 6, 1917.

Hon. W. H. THOMPSON,
Washington, D. C.

MY DEAR SIR: In answer to your letter as to whether prohibition in Kansas is a failure or actually prohibits, thereby lessening drunkenness and crime, as I have observed as one of the law-enforcing citizens of the State, would say I do not know of any law in the State that prohibits any better than the prohibitory law; and as for lessening drunkenness, there are very few persons ever seen on the streets of Ottawa intoxicated—a city of 10,000—and most of them are persons that bought their liquor in Kansas City or of some bootlegger that got it in Kansas City. And quite a number of cases that are brought before me for intoxication are persons taken off the trains coming out of Kansas City; and for several years after the prohibitory law I was contracting, building railroads, grading, and had contracts in Kansas, Oklahoma, Colorado, and Missouri, and I never had one-fourth the trouble on pay day of men drinking in Kansas as I had in the States that had no prohibitory law, and the law is being better enforced every year. * * * I have lived in Kansas 47 years and know the difference before prohibition and after.

Yours, very truly,

R. S. PARKER, *City Clerk.*

GEARY COUNTY.

JUNCTION CITY, KANS., *January 17, 1917.*

Hon. W. H. THOMPSON,
Washington, D. C.

MY DEAR SENATOR: Your letter of the 3d instant, one of which was addressed to each of the undersigned, has been duly received. It is, indeed, a pleasure for us to answer your letter in the spirit in which it was written.

For a number of years after the passage of the prohibitory law in Kansas this city was conducted under the old fine system, which was in effect a high-license system. About 10 years ago the citizens elected a law-and-order ticket. At that time it was almost the universal opinion among business men that the city could not exist under law

enforcement, because it depended upon Fort Riley, to a large extent, and the soldiers there for its business; it being contended that the soldiers would spend all of their money in Kansas City and very little of it in our city, and thus many of the business houses would be forced to close.

Time has shown that this opinion was erroneous. There have been a number of businesses closed out, but they were of the class that were undesirable and that go with an open town, consequently have not been missed by our citizens.

Our population is not quite as large now as it was then because of the exodus of a number of undesirable citizens. This exodus, however, has been a great help in improving the moral conditions.

It has been the earnest endeavor of the officers at all times during the past 10 years to enforce all laws and especially the prohibitory liquor law. Naturally drunkenness has materially decreased, as has all other crimes.

We have made an examination of the records and find that our police and district court records show a decrease in crime and prosecution for offenses of at least 500 per cent. This may seem large, but an examination of the records will bear us out.

We might also add that arrests are made much more readily now for the same offenses than they were when the prohibitory law was not enforced.

We believe that conditions have improved economically as well as morally. Our rate of taxation is at least as low as it was in the old days, with many improvements and advantages. This, of course, has been brought about to some extent by changing from a government by mayor and council to the commission form of government.

Hoping that you will have success in this fight in the Senate, we remain,

Very respectfully, yours,

J. I. KERN, *Police Judge*
M. D. PEESO, *City Marshal.*
I. M. PLATT, *City Attorney.*

JUNCTION CITY, KANS., *January 8, 1917.*

Hon. WM. H. THOMPSON,
United States Senate, Washington, D. C.:

As to the question whether prohibition in Kansas is a failure, I have to say that no statement can be more absurd or false. The influence of the saloon and its accompanying vices are gone and our young men no longer influenced by the glittering attractions to entice them into the web of damnation.

As you know, we have the large military reservation, Fort Riley, here, and only a few years ago this city had 15 wide-open saloons, and on pay day at the fort our city was filled with drunken people; as many as 50 could be seen staggering along our principal street at one time, but this condition has ceased to exist, I am glad to say. We closed up these saloons and now it is very seldom—yes, a rare occasion—that one sees a drunken man on our streets. Our business men state that their collections are much improved, and conditions are so much improved that our citizens who at the first feared that by closing the saloons we would hurt business now say that they would not want the old conditions with the saloon.

I was elected county attorney of this, Geary County, Kans., in 1910, and have served as such officer up to this date. When I first took up the work of said office we had two and three weeks each term of court to complete our court docket in our district court. Our court expenses to our taxpayers was $2 000 and more each term. Our criminal docket was large and our city had the name of a very wicked and immoral town, but to-day our court docket has been so reduced by the elimination of the saloon that we have three or four days for a term of court instead of weeks, and the costs per term has been reduced more than three-fourths. All say what a wonderful change.

Very respectfully,

WM. W. PEASE, *County Attorney.*

GOVE COUNTY.

GOVE, KANS., *January 3, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

HONORED SIR: Replying to your letter of the 30th ultimo, making inquiries for my observations as to whether the prohibitory law has been a success or failure in Kansas.

During my term of office as county attorney of Gove County, Kans., my experience has been and my opinion formed from that observation are that the prohibitory law in this State and county is a decided success. Even the fellows, or a majority of them, that use the liquor would be opposed to the open saloon. Furthermore, I do not believe that you could get an opinion from any of the better class of people of this State that would indicate the contrary.

And while I realize there have been more or less violations of the prohibitory law which have not been punished, just the same as there have been of other laws on the statute books, yet taken as a whole I think the law is pretty well enforced.

Trusting the above may be of some use to you, and with kindest personal regards, I am,

Yours, very truly,

E. F. BECKNER,
County Attorney.

GRANT COUNTY.

NEW ULYSSES, KANS., *January 5, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SIR: Replying to your favor of the 30th ultimo, beg to advise that my observation of the operation of the prohibitory law in Kansas leads me to believe that even though it has been in some instances indifferently enforced, it has done more to lessen drunkenness and crime than any other one thing. I might further add that I believe the prohibitory law, as written, is for practical purposes actually enforced, and that a Federal law which would reach interstate commerce, prohibiting the shipment of liquor from a wet State into a dry State or through a dry State, would enable the peace officers of a dry State to enforce to the letter their prohibitory laws, and would result in such a lessening of drunkenness and crime and the consumption of intoxicating liquors as to seriously affect the manufacturers thereof.

Yours, very truly,

H. W. STUBBS,
County Attorney Grant County.

GREENWOOD COUNTY.

CITY CLERK'S OFFICE,
Eureka, Kans., January 9, 1917.

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SIR: Your favor of the 30th concerning the effect of prohibition in Kansas received. I think I can answer your question about as intelligently by repeating to you a conversation I had with a young lady who is a bookkeeper and cashier in our store. I asked her the question if she often saw a drunken man in Eureka. She said she never had seen one, and she has been raised right here.

I was here before we had prohibition in Kansas, and anyone that has had the experience I have had wouldn't argue for a minute that prohibition didn't prohibit.

Yours, truly,

M. A. MILLER, *Mayor.*

HAMILTON COUNTY.

SYRACUSE, KANS., *January 15, 1917.*

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

MY DEAR SENATOR: Your communication of the 30th ultimo, addressed to the county attorney at Johnson, received. I wish to congratulate you for the interest manifested in prohibition. It is very gratifying to me to know that the United States Supreme Court has made it possible to prohibit common carriers to place wet goods in dry territories. Upon reading the decision the morning after it was announced, I immediately wrote a letter to Mr. R. E. Bray, our county representative, to use his influence in securing an amendment to our present prohibition law, making the same conform to the Webb-Kenyon law of West Virginia. This makes it possible, as I see it, for Kansas to go dry since Colorado, Oklahoma, and Nebraska are also prohibition States and necessarily will follow our example in amending our present law. The fact that we have been unable to exclude shipments into Kansas has made it difficult along the border, as well as in the large cities of the interior of our State, to exclude intoxicants. I trust our representatives in Congress will all join with you in bringing about national prohibition by 1920, and that the Kansas Legislature will enact a proper bill to exclude liquor shipments from our beloved State.

With best wishes for you and yours, I remain,

Most respectfully,

CHAS. W. BURTON,
County Attorney.

SYRACUSE, KANS., *January 4, 1916.*

Hon. WM. H. THOMPSON,
Washington, D. C.

MY DEAR SENATOR: I have yours of the 30th ultimo relative to the liquor situation in Kansas.

I noticed that Senator Reed, of Missouri, was quoted as saying that there was more drunkenness in Kansas than in Missouri. Possibly I am not very familiar with the situation in Missouri, but so far as Kansas is concerned, there is not a great amount of drunkenness, and the drunkenness that exists is not the fault of the prohibitory law. If the Federal Government would enact a law preventing the shipping of liquor into prohibition territory, it is my judgment that drunkenness in Kansas would be very rare.

Another thing, prohibition is largely a matter of education. The boys and girls now growing up in Kansas are being raised under the influence of the prohibitory law. Most of them have never seen a saloon, and were it not for the fact that some of the elder residents of this State were addicted to the liquor habit, they probably would never have seen a case of drunkenness. It is true that there is some bootlegging in Kansas and in my judicial district, but there is not nearly the liquor sold nor consumed in this district that there would be if we had open saloons.

I spent over 20 years of my life in a State that has local option, and have been in Kansas 18 years, the last 12 years of which time the prohibitory law has been enforced. I think conditions in Kansas are much preferable under the prohibitory law than in States which have local option. I am confident that our people would never consent to a change. The drunkenness that exists in Kansas should not be charged to the prohibitory law, but should be charged to the liquor interests, which ship liquor from wet territory into Kansas. When we are protected against the liquor traffic from the outside, we will then be able to control the situation, and a case of drunkenness in Kansas will be very, very rare, indeed. With kind regards and best wishes, I am,

Very truly, yours,

GEORGE J. DOWNER,
Judge Thirty-second District.

HARVEY COUNTY.

NEWTON, KANS., *January 8, 1917.*

Hon. W. H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SIR: In reply to your favor of December 30 would say there is absolutely no question in the minds of our city commissioners or our citizens as to the success of prohibition in Kansas and in our city. Our officers are greatly handicapped by private shipments of liquor into the State, this being the most serious obstacle to full enforcement of the law. Circulation of advertisements of mail-order liquor concerns is also very detrimental to the cause.

In our opinion prohibition of liquor shipments into dry territory and exclusion of liquor advertisements from the mails are two of the most important factors in making possible a strict enforcement of the prohibitory law.

Yours, very truly,

A. J. DUFF, *Mayor.*

NEWTON, KANS., *January 3, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SIR: Your favor of December 30, 1916, received relative to the question of prohibition in Kansas, and you ask for my experience, observation, and views, as one of the law-enforcing officers of the State. It has been my duty to enforce the prohibitory liquor law in Harvey County for the last two years, and I feel qualified to speak from that experience. The city of Newton is in Harvey County, and it must be remembered that that city is peculiarly located in this, that it is on the main line of the Santa Fe, east and west, and is one of

its large division points on the main line, as well as on the line extending south through Oklahoma and Texas. There are more than 40 passenger trains in and out of Newton every day, and all stop here. In addition to that, we have interurban service from the city of Hutchinson and the city of Wichita every hour and twenty minutes. This makes it more difficult to enforce the prohibitory liquor law here than in many other counties of the State.

The prohibitory liquor law in Kansas is not a failure; the prohibitory liquor law in Kansas actually prohibits; as a result of our prohibitory liquor law there is less drunkenness, less crime, and less immorality than in many States and places other than the State of Kansas with which I am familiar and which are not blessed with a similar law. There is no question but that this is the result of our prohibitory law.

One thing which makes our liquor law harder to enforce than it otherwise would be is due to the fact that the common carriers, the shippers of liquor, or the officers of the United States Government do not obey and enforce the Federal law, which requires that the contents and amount of liquor shall be written plainly on the outside of the package. I wish to call your attention to a single incident, to make myself plain. Last summer there were two consignments of liquor came to the express office here, and on the outside of each it was stated that the package contained 3 gallons of liquor, and I ascertained that the liquor was bottled in 2-ounce bottles. Frequently it is stated on the outside of the package that it contains 1 gallon or 2 gallons, when it is bottled in pints or half pints. Your experience as a lawyer and on the bench and your knowledge of our liquor law will tell you that in Kansas there is a vast difference between 2 gallons and 32 half pints of liquor. As I have said before, if this law was strictly adhered to our troubles would be lessened.

In Harvey County during the past month of December, 1916, and with a strict enforcement of the liquor law, I have caused the arrest of only two people for drunkenness; and in the city of Newton, with a population of approximately 10,000, there has been only three arrested for drunkenness.

I believe that 9 out of every 10 crimes which I have had to deal with were due, either directly or indirectly, to liquor, and most of the "rot gut" came from Missouri. I can think of only one case of immorality at this time which was not the result of liquor.

If I can give you any more data or can aid you in any other manner in your fight for national prohibition, advise me, and I assure you that I will do all that I can.

With kindest personal regards and best wishes of the season, I beg to remain,

Very respectfully,

L. C. KELLEY,
County Attorney.

HALSTEAD, KANS., *January 4, 1917.*

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: Your fight to uphold prohibition in Kansas has my hearty approval. I am serving my fourth term as mayor of Halstead. We have no paupers in our city. One mother receives a mother's pension, whose husband sends all the money he can get to Missouri for booze. We have a clean town, a happy people. Our "jail" is used for a sleeping room for tramps who come from a whisky State.

I remain, very truly,

ELI M. HOOVER,
Mayor of Halstead, Kans.

NEWTON, KANS., *January 10, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SENATOR: It has been a source of great annoyance to me to observe that some of the men in our country holding high positions in the governmental agency of our country should be so biased and unfriendly to any cause that they would permit themselves to appear before the great legislative bodies of the Nation and there make statements which, would they only take pains to verify before speaking, would find most false.

Anyone who states privately or publicly that prohibition in Kansas is not a success makes such statement either through ignorance, desire to mislead, or on account of bias and prejudice to the cause of temperance.

During the past 30 years I have been in position to observe the condition of the growth of temperance under prohibition in this State; I have conducted cases as prosecutor and as defender for many years, and I will be frank with you and state that for a number of years I have not defended a single liquor case in this (Harvey) county, for two very good reasons: First, we never here have a man charged with the offense of selling liquor, except he be a "low-down bum," a vagabond, an alley rat, or some fiend who has not arisen to the dignity of mature manhood, who is without means and only resorts to the alleys and byways to vend his goods; and, in the second place, I believe that no self-respecting attorney can afford to lower himself on the plane with these men and defend his acts.

To say that there is no whisky sold in Kansas would state an untruth; there is not a criminal statute that is not sometimes violated, but if we could remove whisky-ridden Missouri from our border the prohibition law would be less frequently violated than many other criminal statutes in our code. If Missouri will adopt prohibition, she will make one of the greatest advancements she has ever made and at the same time relieve Kansas of one of the greatest menaces she has in the enforcement of her prohibitory law.

There are a few places in Kansas where it is a little hard to enforce the law, but this for the principal reason that they are close to Missouri and are touched with the contaminating influences of that State, and in a few other localities, far apart, where the sentiment of the major portion of the people is in accord with the sentiment expressed by some of our so-called Representatives, makes it difficult to procure peace officers who will faithfully perform their trust.

You can call the lie on any person who seeks to defame the name of this State with reference to prohibition, and an investigation of the facts will serve to place you among the true representatives of the people where you rightfully belong.

I could cite instances, furnish proof of my statements, and supply you with much data which would refute all adverse comment, but same would not subserve your purpose.

Hoping that you may be able to crucify all Judases and annihilate all blasphemers against prohibition, I beg to be and remain,

Respectfully,

B. H. TURNER, *City Attorney.*

HODGEMAN COUNTY.

JETMORE, KANS., *January 6, 1917.*

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SENATOR: Yours of recent date asking about the working of our so-called prohibition law was received.

In response thereto will say that I am fully satisfied with the law and the manner in which it is enforced. All that is required is action by our National Congress in order that our State law may be made more effective.

I came to Hodgeman County 39 years ago. At that time the county was unorganized. I have witnessed, taken part in, and lived through the great struggle to eliminate the saloon and the liquor traffic from the State.

That the law works and is enforced must be admitted by the most rabid saloonist. When it is remembered that the principal features of the law says "no make" and "no sale" of liquor within the State it becomes apparent that it does prohibit. There are no breweries, distilleries, or saloons within the State, although there is an occasional bootlegger. But there also are an occasional horse thief, a cattle thief, an embezzler, a murderer, etc.

The reason why there are no breweries, distilleries, nor saloons within the State is because such institutions are prohibited by law. And the law does prohibit.

Those who declare that our prohibition law does not prohibit will point to the fact that some liquor is drank within the State and that there are some cases of drunkenness, even more cases of drunkenness than there ought to be. These apologists for the liquor traffic try to make it appear that when one takes a drink of liquor within the State or gets drunk the prohibition law has been violated. But such is not the case. There is no law in Kansas which forbids one to take a drink of liquor; and as long as one may lawfully ship it into the State as interstate commerce more or less liquor will be drank and there will be more or less cases of drunkenness. In all this there is no violation of the prohibition law, as the law against drunkenness is not properly a part of the prohibition law, for such law existed before the passage of our prohibition law, and such law against drunkenness is a part of the law of every State where the saloon exists.

So it is quite beside the question to point to the fact that intoxicating liquor is lawfully shipped into the State and drank and that there are some cases of drunkenness as a result as constituting a violation of the prohibition law. But all this does show the imperative need for action by our Federal Congress so as to forbid the shipment of liquor into dry States. Instead of such facts showing a violation of the prohibition law, it shows a culpable inaction on the part of Congress. One may look at the Wilson Act, the Webb-Kenyon Act, etc., and see where mere sops have been thrown to States that have been trying for years to eliminate a great evil. And just what may lawfully be done under those acts is pointed out as a violation of our State prohibition law. Hypocrisy can go no further.

You will readily perceive that Federal action is necessary in order that our prohibition law may be made to work more effectively. Why this action should not come from Congress without awaiting a constitutional amendment is a matter I do not comprehend. Of course, to await the adoption of a constitutional amendment delays the matter and gives the saloon forces time to attempt to change public sentiment. When I hear a man talking about taking steps to suppress the liquor traffic and his scheme postpones the time of effective action to some distant future day I feel some doubts as to his real attitude toward the question. Perhaps I should say that I feel no doubt as to where he stands. What is desired is action now. If Congress has exclusive power to regulate interstate commerce, why not commence now and regulate and prevent the shipment of intoxicating liquor into dry States?

We forbid the shipment into the State of Texas cattle for fear they might give our stock Texas or Spanish fever, and the act is valid, but rot-gut whisky is an article of interstate commerce and must come in.

Senator, give us an act of Congress at once that will prevent the shipment of liquor into dry territory, or permit the dry States to do so. Then the matter of a constitutional amendment can be submitted and we can await the time for action thereon.

With best wishes for you now and in the future, I am,

Very truly, yours,

ALBERT H. WILSON,
County Attorney.

P. S.—I go out of the office of county attorney Monday, but am still a Democrat and ready to do all necessary work.

A. H. W.

JACKSON COUNTY.

OFFICE OF SHERIFF OF JACKSON COUNTY,
Holton, Kans., January 11, 1917.

Senator THOMPSON,
Washington, D. C.

DEAR SIR: Yours of December 30, 1916, received some time ago. Pardon me for not answering sooner. I am sure pleased to hear that you are taking the position you are on the question of prohibition, for if there is any one issue that I think should become a national law it surely should be the question of prohibition.

From my observation the intoxicating liquor that is shipped into the State of Kansas from Missouri and other States not having the prohibitory law causes at least 90 per cent of the criminal cases that are brought before the courts.

I have kept a record of the men that have come under my control as sheriff in the years of 1915 and 1916, and find that 96 per cent of them drink intoxicating liquors and 90 per cent are cigarette users. I know these figures to be correct and I am sure that it is an easy matter to decide what liquor will do for a man.

I am giving you these facts just as I have experienced and observed them and give you my consent to use them in any way that will help to bring about any good national prohibitory law.

Any time that I can be of any service to you let me know.

I am, yours, respectfully,

CHAS. E. JOHNSON, *Sheriff.*

JEFFERSON COUNTY.

OFFICE OF SHERIFF OF JEFFERSON COUNTY,
Oskaloosa, Kans., January 5, 1917.

Hon. W. H. THOMPSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Your letter of 30th ultimo, making inquiry regarding prohibition in Kansas duly received.

The consumption of intoxicating liquors in this county is not more than 10 to 15 per cent of what it was before prohibition, but the quality is bad and is obtained from Missouri, this county being only one county from the Missouri River.

The prohibitory law is well enforced in this county and violations called "bootlegging" exists in only a few places, and are very carefully and cautiously conducted.

The close proximity to the Missouri line is taken advantage of to procure liquor, and the illicit nature of this creates a desire to use it immediately and this, with the vile character of the liquor itself, is the cause of 99 per cent of the drunkenness in this county.

This use and abuse is confined to the low element of whites and negroes. It is nearly impossible for a respectable looking person to buy a drink of liquor within the county. During the past two years the jail has been vacant 204 days, over one-fourth of the time.

The total confinement in the county jail during the past two years has been 1,515 days, of which 1,320 days was for violations of the prohibitory law, and serving sentences thereunder. Nearly every arrest has resulted in conviction for several years.

Respectfully, yours,

E. W. O'BRIEN, *Sheriff Jefferson County.*

—

JEWELL COUNTY.

MANKATO, KANS., *January 27, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SIR: In reply to yours of the 30th ultimo, I will say that I am absolutely of the opinion that prohibition in Kansas is not a failure notwithstanding statements and representations made by our neighbors from Missouri, and in my opinion the law is a good one, and the more strict it is made the better it will be. I don't believe that Kansas has the drunkenness or crimes and other resulting immorality that the people of Missouri have, and I would rather cut off my head than to go back on the things given us by the people in the eighties, which have been a great help and blessing to us. I am for national prohibition first, last, and for all time.

Yours, very truly,

C. CLYDE MYERS.
County Attorney, Jewell County, Kans.

—

KEARNY COUNTY.

LAKIN, KANS., *January 9, 1917.*

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: In reply to yours of December 30 in regard to the success or failure of prohibition in Kansas, will say that in my opinion it has been a great success.

Although our prohibition laws might be made more strict, yet I believe that the reduced number of crimes committed, the morality, prosperity, and the great progress of Kansas can be attributed to prohibition.

Yours, very truly,

B. L. HART, *County Attorney.*

—

KINGMAN COUNTY.

KINGMAN, KANS., *January 4, 1917.*

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: Yours relative to prohibition in Kansas at hand, and will say that whatever failure that might be charged to the law in this State is chargeable to the attitude of the National Government.

They reserve the right to allow anyone at any time to ship booze into this State, and go farther, and give them licenses to operate. Kansas has good laws, and they do lots of good, but they are handicapped in that they are nullified in so many ways by the national attitude.

You, of course, know that the worst boozers that we have in this State have acquired the appetite in other States and have come here, thinking that they could get away from it and straighten up. When they got here, they found it so easy to get it from another State under the interstate-commerce act that the result was that they have gone on in their drinking, and any unlawful act they might have committed was credited to the State of Kansas and the failure of the prohibition laws here.

We have some drunkenness here, but I find in nearly every case it is the result of a club shipment of liquor, and then they meet at some party's home or barn and get drunk. If the shipments were under the control of the State or prohibited, there would be some chance to control the situation here.

At this time we have the most in our city jail that there has been at any one time in three years. We have three there. Two for New Year's drunks and one for bootlegging. I presume that this will compare favorably even now with cities of this size in other States having saloons. We have a population of about 3,000.

The time is coming that a man who wishes any favors from Kansas will have to stand right on this liquor proposition. It will be well for you to look over the record in the last campaign of that man Kirschner, who went into the campaign with no money behind him and to what was most certainly a losing fight as far as election was concerned.

Hope you succeed in getting something through.

Yours, truly,

CLYDE MURPHY,
Mayor of the City of Kingman.

—

LABETTE COUNTY.

POLICE COURT,
Parsons, Kans., January 6, 1917.

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: In answer to your letter of the 30th instant in regard to prohibition in Kansas, I will say that it is a great success.

Up to the time when prohibition came into effect, about June 1, 1909, there were 23 drug stores in Parsons that sold intoxicating liquors. This astounding number of drug stores was diminished to five after the law went into effect. After my years of experience, I believe I can say that 90 per cent of all crimes committed are caused by intoxicating liquors. Prohibition has lessened drunkenness and crime and has resulted economically as well as morally advantageous to our people.

You have my permission to use this as you wish in the Senate to gain national prohibition for our people and make our country a better place in which to live.

Trusting that these statistics will help you in your fight, I remain,

Sincerely, yours,

T. A. MURRY, *Chief of Police.*
Per S. M.

—

CHETOPA, KANS., *January 10, 1917.*

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

MY DEAR SENATOR: In response to your letter of the 1st of this month regarding prohibition.

This letter would have been answered before, but owing to my absence from the city this delay was caused.

I came to Chetopa shortly after Kansas became a prohibition State, and I am convinced that prohibition is the proper method of reducing crimes, and also aids very materially in providing better homes and better families; and I am not classed among the strict prohibition people, either, although I am now serving my tenth year as mayor of this prohibition city, and I believe absolutely in the enforcement of the law.

In connection with this I would like to suggest to you to introduce a law restricting the Government from issuing Government licenses to sell liquor of any kind in any of the prohibition States. Whenever that is accomplished we will not be bothered any longer with bootleggers. Would be glad to hear from you on this proposition.

With kindest regards to you, I remain,

Truly, yours,

SIG. LEHMAN, *Mayor.*

—

LEAVENWORTH COUNTY.

TONGANOXIE, KANS.

W. H. THOMPSON, Esq.,
Washington, D. C.

DEAR SIR: In answer to your letter of the 30th December in regard to prohibition, I think I can say that we have none or very little drunkenness in our town now. We are too near Kansas City, Mo., to do away with all drinking, but I know that there is far less drinking than if we had saloons. We certainly would not go back to the wide-open saloon.

Yours, truly,

J. H. DREISBACH, *Mayor.*

—

OFFICE OF CITY ATTORNEY,
Leavenworth, Kans., January 6, 1917.

Hon. W. H. THOMPSON,
Washington, D. C.

MY DEAR SENATOR: I am just in receipt of your letter of the 3d instant asking for a statement giving my experience and observation as to whether prohibition in Kansas is a failure, or actually prohibits, thereby lessening drunkenness and crime and resulting morally and economically advantageous to the people of Kansas.

I desire to say emphatically that prohibition in Kansas has not been a failure. Because of the fact that Kansas borders on the wet State of Missouri the enforcement of the prohibitory law in the border counties is very difficult and quite expensive, and yet there are hundreds of young men in those counties who have never been in a saloon, and many others who have never been in a saloon except when they went across the river into Missouri.

The saloons and liquor houses in the cities adjoining Kansas and which cluster along the border on the Missouri side are a great curse to the people of Kansas, and except for them the enforcement of the prohibitory law in this State would be comparatively easy.

Every honest self-respecting citizen of the great State of Missouri ought to blush and hide his face in shame at the obstacles placed in the way of the enforcement of the prohibitory law in Kansas by the law-defying rum sellers of Missouri, who persist in sending liquor into Kansas to be sold in violation of law.

Of course, there are violations of the prohibitory law in Kansas and will continue to be until Missouri wipes out her disgrace by barring intoxicating liquor from the State.

Notwithstanding all of the difficulties of enforcement, I am confident that there is not on the statute books of the State another law or dozen laws which have, and will continue to have, such beneficial results to our people, both economically and morally, as the prohibitory liquor laws. The sentiment in favor of prohibition is growing stronger all the time. The drunkard is a disgrace and the rum seller is an outlaw in Kansas.

If there is anything in this letter which will be of any help to you, you are at liberty to use it as you see fit.

Yours, very respectfully,

C. P. RUTHERFORD,
City Attorney.

—

LINCOLN COUNTY.

COUNCIL CHAMBERS, CITY OF LINCOLN CENTER,
Lincoln, Kans., January 6, 1917.

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SENATOR: In reply to yours of the 2d instant, will say that prohibition has prohibited in this city for the last 15 years. That is as long as I have resided here. Also in the county.

Yours, truly,

C. H. BERRY, *Police Judge.*

—

LINN COUNTY.

OFFICE OF COUNTY ATTORNEY,
Mound City, Kans., January 2, 1917.

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SENATOR: Gladly do I give my experience, observation, and views upon the prohibition question in Kansas, and you are at liberty to use the same in any way advantageous to the cause.

All laws to be effective must be backed by public sentiment. Under prohibition in Kansas we have raised up a generation of men and women who are radically opposed to the use of intoxicating liquors and intoxication. I was elected in 1914 on a law-enforcement platform, carrying every precinct in the county, and in 1916 was reelected without opposition on either ticket, and this after two years of rigid

enforcement of the prohibitory liquor law. This I believe is proof conclusive that the sentiment in Linn County is against bootlegging, drinking, and drunkenness. Furthermore, I find the prohibitory law the easiest law on the statute book to enforce.

Does prohibition prohibit?

During the holidays just passed, in an entire county of over 15,000 inhabitants only two cases of drunkenness were reported. There is not enough liquor delivered in Linn County to make a good business for one saloon; in wet States the small towns have nearly as many saloons as groceries. If that were the case here we would have 37 saloons.

A drunk is so scarce as to be a curiosity; half the youth of Linn County never have seen a drunken man and few, indeed, who ever saw a drunk woman.

If the Members of Congress, especially those from wet States, could step into the hundreds of happy, prosperous homes of Linn County, Kans., and ascertain the small quantity of liquors consumed there, and then go to the few unhappy, wretched, poverty-stricken homes where much of the earnings of the family are spent with some liquor dealer in Kansas City, Mo., it would be proof sufficient that Kansas prohibition was a success; but in order to make it complete we need to make Missouri dry and stop Uncle Sam from bootlegging liquor into our dry State.

Here is hoping that you and your fellow workers will keep up your worthy fight until you smoke out the opposition and hold them up to the ridicule of the world; after that they will not hold out long, but will give us national prohibition, which will be the greatest achievement in the United States since the emancipation of the slaves.

Yours, truly,

HARRY W. FISHER, *County Attorney.*

—

PLEASANTON, KANS., *January 7, 1917.*

WM. H. THOMPSON,
United States Senate.

HONORABLE SIR: Your letter received inquiring in regard to the effectiveness of the Kansas prohibitory law.

The young people of Kansas do not know what it is to have whisky and beer flaunted in their faces from a saloon, and the only whisky that enters the State is via the express companies, which the United States Government forces us to allow, or that which is packed in by individuals who are addicted to the habits or wishes to bootleg for the profit they receive.

Pleasanton, the town which I have the honor to serve, with a population of over fifteen hundred, has not had occasion to cause the arrest of a single individual in nine months. We have had three convictions in nearly two years, and two of these were for packing whisky in from Missouri and one was drunkenness.

The whisky and beer that comes into Pleasanton via the express companies is consumed in private, but being an officer I have the privilege of knowing who get it, and I find that the only people, as a rule, who are hard to collect rentals from (I am manager of a telephone company) are those who receive the shipments, and practically the only criminals who have been convicted in this vicinity are those who are addicted to its use.

Respectfully,

SAMUEL TUCKER, *Mayor.*

—

LYON COUNTY.

EMPORIA, KANS., *January 8, 1917.*

Senator WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: Your communication regarding the efficiency of prohibition in Kansas came duly to hand. I have been police judge of Emporia for nearly three years and so have had some experience with the prohibitory law in this State. Coming from an Illinois town to Emporia, I have had some opportunity for comparison of the two general policies represented in these two States, and I have no hesitancy in saying that the liquor business in Kansas is a mighty poor business to engage in, as compared with that same business in Illinois. If I were going to engage in the liquor business, with my experience I certainly would not choose Kansas as a promising location. For instance, in looking over the police-court docket for the month of December, 1916, and including both holidays, I find that there were only four cases of drunkenness coming into the police court. If Illinois can produce a town having about 12,000 inhabitants with a record like that, they would be compelled to choose some other town than the one I lived in for 14 years. The greatest value of the prohibitory law in Kansas, in my judgment, is the removing from the towns the open saloon, which keeps our boys from becoming familiar with this evil. There are plenty of grown young men in Kansas who have never seen an open saloon. This I account a great gain. My experience of 11 years flatly contradicts the claim made by the enemies of prohibition that it is a failure. Wishing you every success in your fight for nation-wide prohibition, I am,

Most sincerely,

JOHN H. J. RICE,
Police Judge, Emporia, Kans.

—

MARION COUNTY.

HILLSBORO, KANS., *January 4, 1917.*

Hon. WM. H. THOMPSON,
Washington, D. C.

DEAR SENATOR: In answer to your communication of December 30 as to failure of prohibition in Kansas, will say that Kansas is greatly benefited by prohibition. Its failure exists only in the written pamphlets of its opponents. Resubmission in Kansas would only increase its dry vote. I am not opposed to the use of liquor by those who are able to use it. I do not know what else I can add.

Respectfully, yours,

H. BRUNIG,
Mayor, Hillsboro, Kans.

—

MARSHALL COUNTY.

BLUE RAPIDS, KANS., *January 8, 1917.*

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

MY DEAR SIR: Your favor of the 30th read with interest. We have punished about 14 cases of drunkenness and disorderly cases the last year, our docket shows; possibly as many more escaped. In most of these cases the cause we attribute to being brought from a Nebraska saloon 30 miles to the north of us. While these cases have caused some trouble, we feel thankful we have no saloons in Kansas. If whisky-house literature should be prohibited from using the mail system, it would cut our trouble in half. We think also when the Nebraska saloons are closed our trouble will be over entirely.

You are to be congratulated upon the work you are about to undertake. With the assistance of good officers you will succeed, no doubt; we are ready to assist you in every way possible. Do not fail to write me if anything can be done to aid you.

With kindest regards, I am,

Very truly,

A. R. DEAN, *Mayor.*

—

MEADE COUNTY.

MEADE, KANS., *January 8, 1917.*

Hon. WM. H. THOMPSON,
Washington, D. C.

MY DEAR SENATOR: I am in receipt of yours of recent date, inquiring concerning the operation of the prohibitory liquor law in Kansas. In reply will say it has been my observation during an experience of 10 years as county attorney that the prohibitory liquor law does not prohibit the use of intoxicating liquor any more than the laws defining and punishing larceny prevent stealing. The prohibitory law is violated, and so are all of our criminal statutes, and, so far as I can see, one is respected about as much as another.

If it were not for that fact that it is so easy to obtain intoxicating liquors by express from points outside the State, there would be no more difficulty in enforcing this law than in enforcing the laws against homicide. And if the shipment of liquor into dry territory were absolutely prohibited, the sale of liquor in Kansas would be as rare as homicide

Prohibition does prohibit, and anyone making statements to the contrary shows either woeful ignorance or willful desire to mislead.

Very truly, yours,

FRANK S. SULLIVAN,
County Attorney.

—

MIAMI COUNTY.

OFFICE OF SHERIFF OF MIAMI COUNTY,
Paola, Kans., January 4, 1917.

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: I received your letter of December 30, 1916, relative to the prohibition question in Kansas. At the outset I desire to say that it is no longer a question in Kansas. Prohibition is a fixed institution that not only prohibits the sale of intoxicating liquors but has dispensed with drunkenness and made crime a minimum.

I have seen more drunkards in Kansas City, Mo., in one day than in Kansas in my entire term of office of a little over two years. The majority of the crime committed in this county as well as in the county north of us, which is in close proximity to Kansas City, Mo., is caused by the criminals and drunkards that come out of Kansas City, Mo. I live in the border county, and considering its close proximity to whisky-infested Missouri, will say that the percentage of crime committed in this county is unusually small. The prohibition law is enforced in this county as well as in other counties of this State that have come under my observation. The people, as well as the officers of the law and the courts, insist upon enforcing this law.

* * * * * * * *

Although you and I are not of the same political faith, I heartily agree with the fight that you are making in behalf of prohibition, and should you desire to use this letter to answer the charges that are made against the proposition of the enforcement of the prohibitory law of this State you are at liberty to do so.

Yours, very respectfully,

M. E. STEVENSON, *Sheriff.*

—

MITCHELL COUNTY.

BELOIT, KANS., *January 6, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SENATOR: Beg to acknowledge receipt of your favor of the 3d. Replying thereto will say that the writer has been city attorney of Beloit, Kans., for about eight years; also county attorney of Mitchell County, Kans., for four years. Prior to this the writer was deputy county attorney in this county for some time, and prior to that deputy sheriff for some time.

Beloit is a town of about 4,000 population, but its trade district extends over quite a bit of territory, for it is the largest town in the sixth congressional district in this State. My experience and observation as enforcing officer of this State is decidedly in favor of prohibition. The following are some of the things that caused me to express this view:

First. During the past 25 years we have had but one murder case in this county.

Second. For several terms of our district court we have had no criminal cases whatever. The present bar docket shows not a single criminal case.

Third. We scarcely average two cases a month in our police court, and some years have not averaged more than one a month.

Fourth. We have held public meetings, such as barbecues and the like, in this town in which there were over 10,000 in attendance without having a single police court or a county criminal court case arising therefrom or in connection therewith.

Fifth. The three banks in this city have deposits aggregating one and a half millions.

Sixth. Our pauper list is almost nothing. Our mayor informs me this morning that those receiving aid from the city are only three in number.

Seventh. The county poor are also very few. The county clerk informs me that there are only five persons on the county at this time.

Eighth. The population of this county is about 15,000, and the number of automobiles registered is 1,756.

Ninth. The writer believes from observation that this county will be better as soon as the dry law goes into effect in Nebraska, and this for the reason that we are close enough to the line that liquor has been in some instances brought across from the saloons in Superior, Nebr., and several of our drunk cases and other cases have been directly traceable and caused by parties coming from these saloons in Superior, Nebr.

I might add that the writer has had occasion to visit in a number of other States, and has had legal practice there, and by way of comparison I will give you just a few outside experiences:

First. In Butte, Mont., before the militia took charge, following the miners' union dynamiting deal, the average was 50 cases a day in the

police court. When the saloons were closed, the court went as long as 36 hours without a single case.

Second. Butte, as is well known, has one of the largest pay rolls per capita, and boasts of being one of the richest towns of its size, and has as many saloons as the most ardent saloon advocates would recommend, and yet at the above-mentioned time the city's income was approximately $30,000 a month, and its expenses were approximately $35,000 per month, and it was difficult to cash a city warrant unless it was about two years old. In many cases city warrants were being heavily discounted for cash. Some of the above came under the writer's personal observation and others were given by parties apparently in a position to know the facts.

You are perfectly at liberty to use this letter in your fight, and I shall be glad to give you any further information that is possible for me to give.

Most respectfully, yours,

A. E. JORDAN,
City Attorney.

BELOIT, KANS., *January 3, 1917.*

Hon. W. H. THOMPSON,
Washington, D. C.

DEAR SENATOR In reply to yours of December 30, 1916, would say the prohibitory law is a good law but needs the cooperation of the Federal Government so the violators will not get off so easy. I believe we should have no Government stamps in a dry State, but as it is it keeps our boys in check from what it would be if our State was a wet State. I really believe a Nation-wide prohibitory law would be the best remedy.

Yours, truly,

JOHN W. HAYES, *Sheriff.*

MONTGOMERY COUNTY.

CHERRYVALE, KANS., *January 5, 1917.*

Hon. WM. H. THOMPSON,
United States Senate, Washington, D. C.

MY DEAR SIR: Your letter asking me as to my opinion regarding prohibition received. I will say that there is absolutely no comparison as to conditions in our State compared with other States having no prohibitionary laws. I have read with pleasure the stand that you have taken and your efforts in the Senate to bring about national prohibition, and I heartily recommend you for it.

* * * The writer, who traveled before being elected to the office of mayor of Cherryvale, Kans., made Missouri as part of his territory; and I want to say that there were 50 drunkards in Missouri to 1 in Kansas, and that there were more prostitutes and other bad characters in like comparison.

Prohibition in Kansas is not a failure; it certainly has lessened crime, uplifted morals; our people have lived better, dressed better, which fact I attribute to prohibition law. Kansas has demonstrated the fact that liquor is a menace to everything that is good, upright, and honest, and that people can get along without liquor. I know that in our city our people would vote 9 to 1 in favor of national prohibition.

Commending you for your efforts to secure national prohibition, I remain,

Yours, very truly,

MILTON COOK,
Mayor of City of Cherryvale, Kans.

CANEY, KANS., *January 8, 1917.*

Hon. WM. H. THOMPSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Replying to your very kind inquiry of December 30, permit me to say that I heartily approve of the fight you are making in the Senate against the misrepresentations that are constantly being made harmful to the good name of our fair State and her prohibitory liquor law.

The prohibitory liquor law of Kansas is not a failure any more than the laws against murder and horse stealing are failures. The law in each case is a good one, and laws that tend to make our State a better State in which to live and rear our families. This law, like all others, is broken and does not always prohibit the sale of intoxicants, but it does prohibit a numberless amount of sales; it does prohibit much drunkenness and distress among our people; and it does give them many moral and economical advantages which they would not have to enjoy were the law repealed or had it never been enacted.

Those of us who live, move, and have our being within the borders of the great Sunflower State, rejoice in but few other things as we do in the knowledge that our boys and girls are free from the contaminations that always go hand in hand with the free and unrestricted sale of booze. We rejoice to know that the good people of our State are making an honest effort to maintain and strengthen this condition, and that in these efforts we are receiving much encouragement and assistance from the sister States of our Union and the men who represent them in our National Congress.

Locally the conditions are not just as I would have them, but a marked improvement over a few years ago is evident, and the enforcement of our liquor law is being aided greatly by the other nearby States getting into the dry column. National prohibition is the next forward step we of Kansas expect to see along this line. And may its coming be hastened by the action of Congress.

Very truly, yours,

T. C. HANSEN, *Mayor.*

CHERRYVALE, KANS., *January 8, 1917.*

Hon. W. H. THOMPSON,
United States Senate, Washington, D. C.

MY DEAR SIR: In reply to your favor of January 2, 1917, asking about the effect of the prohibition laws of Kansas, as they have been brought to my attention in this city, I have to say there is no comparison to be made between the condition of the people and their condition when the prohibition law took effect 35 years ago.

We have no poor, shivering, barefoot children here now in winter, and many families who were destitute then because of liquor, are, and have been for years, well to do, owning their own homes, and their children educated and respected citizens.

I have been carefully over my docket for the years 1915 and 1916, and give these actual facts:

Number of arrests made for drunkenness in two years, 53. Number of inhabitants in Cherryvale, 4,500.

This is about 1 arrest to each 170 inhabitants in one year. Eleven of these were put off trains here, intoxicated, and were not our citizens.

Several are repetitions, three or four as many as five times. Deduct repetitions and transients put off trains because they were intoxicated, leaves about 30 of our own individual citizens who have been drunk here in two years, 15 average for each year.

This is not because arrests have been avoided when they should have been made, and any officer allowing "drunks" to go free here would be discharged immediately.

There is no "boozer" among our city officials from the mayor down.

There are no "joints," and the bootlegging is confined to the lowest type of whites and blacks.

* * * * * * *

Individually, I have not seen a drunken person on our streets for two years.

With highest personal regards,

I remain yours, as ever,

REVILO NEWTON, *Police Judge.*

CHERRYVALE, KANS., *January 5, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SENATOR THOMPSON: I am in receipt of your letter of January 5, asking for my experience, observation, and views as law-enforcement officer of the prohibitory law of the State of Kansas.

I have been city attorney for about 10 years and am firmly of the opinion that the present law which is in force in this State is successful and has accomplished great good.

As you know, the State has enacted several prohibitory laws, and the present law forbidding the sale of intoxicating liquors for any purpose has accomplished wonderful results in lessening crime and drunkenness. It has resulted in families having more happiness and pleasure in life than they had before.

When the drug stores had permits to sell intoxicating liquors the police court of this city tried a large number of cases, the greater per cent of which were drunkenness. Since the enacting of the law herein referred to our police courts have been idle, with the falling off of 95 per cent of cases that were before it under the permit system. Our court records will bear me out in the statement above.

Wishing you much success, I am,

Yours, truly,

J. A. BRADY, *City Attorney.*

MORTON COUNTY.

RICHFIELD, KANS., *January 7, 1917.*

Hon. W. H. THOMPSON,
Washington, D. C.

SIR: Yours of December 30 at hand. Will say in reply that I am heartily in favor of national prohibition. But as Kansas is now she is in a hard row, as the shipments are heavy in the little towns and no way of stopping the shipping. It is a poor grade of whisky, most of which is poison. If we could get national prohibition it would stop the making of all kinds of liquors. We have a good many drunks on hand-made whisky. Fight it hard. Let's get national prohibition in four years from now—in 1920.

Yours, truly,

J. C. FULLENWIDER.

My time expires January 8.

M'PHERSON COUNTY.

LINDSBORG, KANS., *January 6, 1917.*

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: Having held the office of police judge in the city of Lindsborg, Kans., for over 20 years, I have had the opportunity to observe the working of the prohibitory liquor law as applied to Kansas. As you know, individuals can order whisky and have it shipped to them for their own use, and our prohibition law acts more specially to prohibit the saloon than the use of liquors.

There is no question in my mind but that the law was a wise measure and that it has saved thousands of dollars for Kansas people to be applied to the buying of the necessities of the home circle instead of going into the coffers of the whisky dealers.

I have taken the trouble to look at my docket for the past seven years, from January 1, 1910, to January 1, 1917, and I find that I have heard 86 cases, of which 47 were for drunkenness.

Our population has ranged from 2,000 to 2,200 during this time. I will venture to say that I believe that one saloon in Lindsborg in three months' time would have brought more business to the police court than I have had in seven years.

You can not fight the demon rum any too hard, Senator, and at least hit the saloon hard and keep on hitting is my very earnest desire.

Very truly, yours,

ALLEN WILBER.
Police Judge, Lindsborg, Kans.

NEMEHA COUNTY.

SABETHA, KANS., *January 5, 1917.*

Senator WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: Replying to your inquiry concerning the enforcement of the prohibitory law in Kansas I will give you my experience as police judge, which office I have filled since May, 1914.

During this time I have tried 21 liquor cases in my court. However, of this number one man was tried four times and two others three times apiece, reducing the number of persons before me to 14 for violation of the liquor laws.

We are not troubled by bootlegging, the source of supply being found in the border towns of Nebraska, which are easily accessible by automobiles from Sabetha.

This being a town of about 2,600 people and a fine farming country, well settled, I believe that Sabetha enforces the liquor law as well as any town in Kansas.

Am glad to know that you are taking the right step for the betterment of our State, and the good people of this part are with you in your fight for the good cause.

Yours, very truly,

J. L. MUSGROVE,
Police Judge.

SABETHA, KANS., *January 4, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SENATOR: In reply to your letter of December 30, 1916, relative to your inquiry as to whether prohibition in Kansas is a failure or actually prohibits, I will say that in our city we are strictly enforcing the prohibitory law, and we have very little drunkenness, and as a consequence our police court has very little or nothing to do. Fights, crime, and immorality, the usual results of drunkenness, are absolutely unknown in our community. I can therefore emphatically declare that prohibition does prohibit, and you may use this in any manner you see fit. You may rest assured you have the strong support of your State and hearty approval of your stand on this important question. With the best wishes for your success, I am,

Yours, most respectfully,

A. S. ROSS, *Mayor.*

—

SENECA, KANS., *January 4, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

MY DEAR SIR: Replying to your inquiry of date December 30, 1916, would say it appears to me useless to multiply figures and quote statistics to prove that the prohibition law in Kansas lessens drunkenness and crime and that its result is morally and economically to the advantage of the people of the State. Very few really believe that it does not have this effect, except those who are directly interested in the liquor traffic or profit indirectly thereby. There is no one so hard to convince as the person who does not desire to be convinced.

The best argument for the success of the prohibitory law in Kansas is that the sentiment of the State is overwhelmingly in its favor. All political parties unite in indorsing it, and the last attempt of a candidate, even in a commercial center, seeking indorsement from the voters upon a platform of resubmission met with inglorious failure. I suggest that it would be a very pertinent inquiry for you to make of the opponents of prohibition whether or not they could cite you to any other law which they claimed to have been a failure and yet which grew in popular favor as the years went by.

To say that the law absolutely prevents the sale or consumption of intoxicating liquors within the State would be folly. As long as human nature is fallible and avarice is characteristic of some individuals, the prohibitory law, as well as other criminal laws, will occasionally be broken.

In all the northern and eastern tier of counties in Kansas much embarrassment in the due enforcement of the law has resulted from the fact that the States of Nebraska and Missouri were both "wet territory." In the northern tier of counties this embarrassment will soon be relieved as the result of the recent election in the State of Nebraska. It still exists, however, in the eastern tier of counties.

As I suggested above, it seems to me that the necessity for figures and argument has passed. Prohibition is an on-coming tide, and it is now time for action rather than talk. The greatest menace to a proper enforcement of the prohibitory law is the tacit partnership of the United States in the liquor traffic and the thwarting to some extent of State prohibitory laws by interstate traffic. Congress should enact legislation that will permit the prohibition of shipments of "wet goods" into "dry territory." Local laws and sentiment should not be permitted to be set at naught by this bogie of interstate commerce.

Kansas approves your fight upon this question and looks to you, as one of its Representatives in the United States Senate, to do all in your power to further the interests of prohibition, which is firmly established in our State constitution, upon our statute books, and in the minds and hearts of the people of the State you have the honor to represent.

I am,

Sincerely, yours,

HORACE M. BALDWIN,
County Attorney.

—

NEOSHO COUNTY.

ERIE, KANS., *January 5, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

MY DEAR MR. THOMPSON: Replying to your letter of recent date concerning the question as to whether prohibition in Kansas is a failure or whether it lessens drunkenness and crimes, will say that I have had some experience in prosecuting the offenders in the State of Kansas during six years of the eight. The first two years of my experience was as city attorney of Chanute, Kans., a city of about 10,000 population, during which time we prosecuted a number of parties in the police court for selling intoxicating liquor. Following these two years I was county attorney of Neosho County, in which county the city of Chanute is situated, and I prosecuted a large number of offenders against prohibitory liquor law during those two years. I am now closing my second term of office as county attorney, and will say that during the past two years I have prosecuted a number of offenders against this law, and it has been my personal observation that in every city in this county where the officers do their duty in enforcing the laws intoxication is greatly decreased and all of the crimes attending intoxication and strong drink have been wonderfully lessened; and I know that the prohibitory liquor law in Kansas lessens the sale and use of intoxicating liquor and lessens many other classes of crimes, such as immoral conduct, assaults, murders, burglary, larceny, and highway robbery, for these are several of the classes of cases that intoxicated men or men craving intoxicating liquor are most likely to commit. I have talked with a number of lawyers who have practiced in this State at a time when intoxicating liquor was quite freely used and have also practiced ever since. Some of these men had quite extensive criminal lawbreaking when whisky was freely used in this State, and everyone that I have talked with has told me that when intoxicating liquor left the State, or when the prohibition liquor law came to the State, crime was so lessened that the law business for the criminal lawyer almost entirely ceased. I believe in prohibition and temperance, and I will be glad to see the day come when we will have made prohibition and when the Government will be entirely out of the booze business and will in no manner connive and give its assistance to intemperance and in no way tolerate or help to make the rum traffic easy.

You will have my permission to read this letter, all or in part, quote from it verbatim, or use any expression or suggestion from it in your fight upon the floor of Congress or in any other place. The people of Kansas are with you and behind you in your fight for national prohibition, and everybody in Kansas ought to be proud, and most of them are proud, to have a United States Senator from Kansas who stands for square and national prohibition and for morality.

If there is anything that I can do to help you I shall only be too glad to do so. Next Monday I begin serving my third term as county attorney in this county, and during the next two years, if there is anything that the county attorney of Neosho County can do to help, I want you to know that I stand ready to do so.

With kindest personal regards, I am,

Very truly, yours,

R. B. SMITH,
County Attorney.

—

NESS COUNTY.

NESS CITY, KANS., *January 6, 1917.*

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SENATOR: I received your letter of recent date in regard to prohibition in Kansas, and in reply will say that I have been on the bench in this district for more than five years. In that time every bootlegger or other person charged with the sale of intoxicating liquors that have been brought to trial in this district have been convicted, with the exception of two.

So far as my experience of prohibition goes, whisky selling has been driven out of this State, except in case of transient bootleggers. I do not believe there is a single place in my district where liquor is kept for sale, and it is a rare thing to see an intoxicating person in any of the nine counties to which my duties call me.

I am with you in your fight to uphold the honor of Kansas in the question of enforcement of prohibition law, and out here we are hoping that in the near future we may have national prohibition. Practically all the trouble that we have now is from transient men who come here from Missouri and sell cheap Missouri whisky from suit cases.

Yours, very truly,

ALBERT S. FOULKS,
Judge, Thirty-third Judicial District.

—

NESS CITY, KANS., *January 4, 1917.*

Senator WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SENATOR: Your letter to county attorneys of December 30 was duly received, asking for my opinion on the prohibition situation. I have been engaged in prosecuting the laws of the State for the past 10 years, and of course have found violation of various laws of the State. Owing to the peculiar conditions surrounding the liquor traffic there is perhaps more inducement to violate the prohibitory law than any other law in the State.

In the first place there is a weakness of mankind cultivated by years of habit and social custom for intoxicating beverages to be overcome. Then there is the economic influence of the great liquor interests, which is brought to bear on every community in a great many ways. The moral pervert, the selfish criminal, desires to profit from bootlegging. The foreign distillers and brewers force their wares into the State with the assistance of the United States Government. All of these things have to be fought back by the Representatives of the State and the public sentiment of the citizens. Other statutes prohibiting certain evils have not these things to contend with, but in spite of all this the prohibitory law has been and is being enforced in Kansas.

In the 10 years that I have been prosecuting in Ness County, Kans., there has not been a saloon or a joint operating. There has been occasional bootlegging, which has been easily suppressed as soon as known. At present our greatest and only hindrance to the prevention strictly of the drink habit in this county is the right under the interstate-commerce laws for the brewers and distillers to unload their wares here on express mail orders. We need two national laws to make prohibition an actual fact in Kansas. We have the State law and all the sentiment back of the law that we need, but we need a law prohibiting the soliciting of orders in the State of Kansas by mail, and we need a law making liquor shipments into the State subject to the State laws on their arrival at the State line. Surely if our national legislators knew what a valient fight the citizens of Kansas have made to make prohibition a reality and to protect its citizens against this nefarious liquor traffic they would give them such national laws as would enable them to regulate their local affairs in this particular and make prohibition an absolute fact.

Sincerely and cordially, yours,

A. W. WILSON,
County Attorney.

You may use this for any purpose.

—

NORTON COUNTY.

NORTON, KANS., *January 5, 1917.*

Hon. W. H. THOMPSON,
Washington, D. C.

DEAR SIR: I am in receipt of yours of the 30th ultimo, concerning the operation of the prohibitory law in Kansas.

Now, I have never been able to see where the saloon is any benefit to society. It is not in any sense a social nor is it an economic asset. The fact that it is licensed in all cases where it exists shows that it must be an evil, and that it is simply tolerated. I can not see that the absence of the saloon is any detriment to any State or to any community. On the contrary, it seems to me that such an absence should be, and that it is a benefit.

I have visited other States where saloons exist, and I do not find as much drunkenness as was evident years ago, but I attribute this to the fact that the use of liquor is not as general as it has been in the past, and to the further fact that many employers forbid the use of intoxicating liquors by their employees, and such employees are compelled to refrain from the use of such liquors in order to command employment.

The very fact that there is no saloon in Kansas evidently prevents drinking that would otherwise take place, and the fact that there are men and women that have grown to maturity in Kansas without having seen a saloon is a circumstance that can not be ignored in the discussion of the question of prohibition. I hope that Congress will pass a law prohibiting brewers, distillers, and liquor dealers in other States from sending intoxicating liquors into States that have enacted prohibitory laws. I think that all such States have a right to be protected from shipments of intoxicating liquors from such other States by Congress, as Congress has the sole power so to do under the interstate

commerce clause of the Constitution. Especially should this be done, since so much of the territory of the United States is now subject to prohibition, which proves that the move is not a mere temporary wave and not liable to subside at any time. Prohibition seems to have taken up its permanent abode in this country, and all would do well to recognize this fact and to govern themselves accordingly.

Respectfully,

L. H. WILDER,
County Attorney.

OSAGE COUNTY.

OSAGE CITY, KANS., *January 4, 1917.*

Hon. W. H. THOMPSON,
Washington, D. C.

MY DEAR SENATOR: Your inquiry regarding the question as to the success of the prohibition law in Kansas beg to reply: My observation, dating back almost 35 years, would suggest that since the drug-store saloon has been legislated out of existence the people have learned to respect and enforce the prohibitory law. The very minimum of drunkenness is apparent, and while prohibition is not a positive success, yet as it exists in this locality I would say conditions compared to open saloons is 99 per cent in favor of Kansas. I am no prohibitionist and not hysterical on the question, yet must say prohibition in Kansas looks good to me.

Yours,

BEN HEILBRUN,
Mayor Osage City.

LYNDON, KANS., *January 12, 1916.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SENATOR: Your inquiry relative to prohibition in Kansas, addressed to me at Osage City received, and in reply to same will state that in my opinion while our prohibitory law, of course, does not entirely prohibit, it unquestionably lessens drunkenness and crime. This is a mining county, and we are troubled a great deal with "bootleggers," but a drunken man is a rare sight. I usually am in Kansas City two or three days a month on an average and will see much more evidence of drunkenness in Kansas City in two or three days than in this county in three or four weeks. I spent three years in an eastern city where prohibition was not at all popular and the conditions there as to drunkenness were the same as they are in Kansas City, Mo.

Our legislature is at this time considering measures that will mean much for absolute prohibition, namely, making the place of delivery the place of sale, but of course we will never have absolute prohibition until Congress gets actively into the game.

Any figures or statistics I could gather for you I will be only too glad to send you. Wishing you all success possible in your fight on this important question and assuring you that as far as I am able to judge the people of this State are solidly behind you, I beg to remain,

Sincerely, yours,

RALPH T. O'NEIL,
County Attorney.

OSBORNE COUNTY.

It seems almost foolish for men to talk any more that prohibition does not prohibit. It does prohibit in Kansas and always will. I trust we will see it national soon.

B. F. CHILCOTT,
Mayor Osborne, Kans.

PAWNEE COUNTY.

LARNED, KANS., *January 6, 1917.*

Hon. W. H. THOMPSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: You ask me what my opinion is as to whether the prohibition law in Kansas is a success.

You know and I know and every man who has the sense of a last year's bird's nest knows now and have known for years past that prohibition in Kansas is a success, nothing more, nothing less.

The writer is not a teetootler and never has been, I believe I am not a crank, but as a public official for the greater part of my business life, having been a resident of and a voter in this town for 33 years past, I am free to say that there never has been a law more abused by the lawless element nor a law that has been as beneficial as the very same prohibition law.

It is true there have been violations of such law, so likewise have there been violations of other laws, larceny, homicide, arson, etc., but the cold fact remains that the people are better, morally, financially, physically, and otherwise by reason of the existence of the prohibition law, and the further fact that it prohibits sale and consumption of strong drink. I do not say that "booze" is not shipped into Kansas and that considerable is used, but I do maintain that it has been reduced to a minimum. Whenever the laws can be so made as to prevent the shipment into the State none will be consumed therein.

It may sound seemingly as being a biased assertion, but as a public prosecutor and official of more than ordinary experience I make the public statement that, in my opinion, strong drink is directly and indirectly responsible for more than three-fourths of all the crime committed in the United States; that it is responsible for at least 25 per cent of the poverty and a large portion of the sickness, immorality, and degradation.

Is it possible that in this day and age any intelligent man wherever he may live will assert that "booze" is a good thing; is it possible that any man will assert that prohibition is not? One thing certain, anyone who has ever lived in a prohibition State and visited another State that did not have prohibition can quickly and readily see the benefits of prohibition.

Yours, respectfully,

GEORGE W. FINNEY,
County Attorney.

PHILLIPS COUNTY.

PHILLIPSBURG, KANS., *January 10, 1917.*

Hon. W. H. THOMPSON,
Senate Chamber, Washington, D. C.

DEAR SIR: Your letter directed to the county attorney came to my hands while in office and failed to answer same, as was too busy. I was county attorney until Monday this week and have had some experience with lawbreaking in this county. We are located on the Nebraska line and much of our violations of the liquor law is caused by the importation of liquor from Nebraska by auto road. We are certainly thankful that Nebraska is dry, or will be soon.

I feel positive that the prohibition law is a success and we have many young folks who do not know what a saloon is, as they never saw one. We have a few drunks but I tell you they take to the woods quite rapidly, or their friends take them there. Kansas is overwhelmingly for prohibition and I feel sure that we could not possibly think of going back into the dark ages of high license. We are looking forward to great results from the recent decision of the Webb-Kenyon law. We certainly expect the Nation to go dry right away, and those who do not see the light enough to know that it is coming will surely be the losers. Keep up the fight, Senator, or we do not want you for the job.

Yours, truly,

C. M. MILLS, *County Attorney.*

PHILLIPSBURG, KANS., *January 4, 1917.*

Hon. W. H. THOMPSON,
Washington, D. C.

DEAR SIR: Yours of December 30 arrived to-day. In reply will say I think the prohibition law a good one and has helped Kansas a great deal. I know it has helped Phillips County to be more thorough and progressive in a business way than before we had prohibition.

Yours, to count on,

C. E. MCILVAIN, *Mayor.*

POTTAWATOMIE COUNTY.

THE CITY OF WAMEGO,
Pottawatomie County, Kans., January 3, 1917.

Hon. WILLIAM H. THOMPSON,
Washington, D C.

MY DEAR SENATOR: I have your letter December 30, 1916. We find that prohibition in this locality is a real success. At one time, about 16 or 17 years ago, we had open saloons. We do not have 1 drunk now where we had 30 then. Our police court is nearly out of business. We have not had an arrest for over three months. This time includes Christmas week and New Year's Day.

* * * * * * * *

You may use this letter in any way you see fit.

Yours, truly,

FLOYD FUNNELL, *Mayor.*

RENO COUNTY.

COURT CHAMBERS OF JUDGE OF THE DISTRICT COURT,
Hutchinson, Kans., January 8, 1917.

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SENATOR: Answering yours of December 30 concerning the effect of the prohibitory law in Kansas, I have to advise you that very few of the liquor cases in this district get into the district court for trial. There are frequently a number of appeals from the police court in liquor cases, but very few of them ever come to trial.

To me the prohibitory law is the same as any other law on the statute book, and I have not given it any more attention than any other criminal law. Prohibition is settled in Kansas and is as well enforced as it could be under the existing conditions, and I see no occasion for any agitation concerning the prohibitory law of Kansas. There is, of course, a great deal of liquor shipped into Kansas, and there is and probably always will be some bootlegging. So far as I know, violations of the prohibitory law are almost entirely by bootleggers, and most of the liquor cases are disposed of in police court.

I have not seen a drunken man in Kansas for so many years that I have not any recollection of when I did see one.

My time is taken up with the work of the three counties in this district, and I have spent no time in drawing any fine distinctions as to the results of the prohibitory law any more than I have the results of the laws against larceny or any other crime, and all of this talk about prohibition not being effective in Kansas is simply nonsense and not worthy of very much consideration.

With kind personal regards, I remain,

Yours, very truly,

F. F. PRIGG,
Judge Ninth Judicial District.

REPUBLIC COUNTY.

SHERIFF'S OFFICE,
Belleville, Kans., January 10, 1917.

Senator WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: In answer to your letter of December 30, 1916, regarding the old question of prohibition in Kansas, I have held the office of sheriff in this county for over three years and have been closely connected with it for over six years, so believe that I am in a position to know something of what prohibition means to us as law-enforcing officers. We, being near the Nebraska line, are troubled from there more than any other place, and have looked forward to the time when it goes dry, knowing that this means a relief to us in our work. Certainly we have some drunks. But I believe that a majority of these men, who get on a drunk perhaps once a month, had we saloons would be what I would call bar flies, and continually have their system soaked, neglect their families all the time or at least a big portion of the time. True, they send and get it, mostly from Missouri, where they take men, get them drunk, and murder them, as in the Sims case, or at least supposed to have been murdered, with no question but that he was drunk. Would this have happened had Missouri been a dry State? Is there any such crime-breeding holes in the State of Kansas as you find in Kansas City, Mo.? Certainly not, and not because the people are in general worse in Missouri, but because this class of people follow where the booze is. Where you have the open saloon, your children are forced to pass by these places, see the things which they ought not to see. In Kansas if they are brought up to observe liquor, it is the fault of the parent.

We have a city of about 2,300. I do not believe that there has been a drunk in the city jail for six months. Have them once in a while, but, in my opinion, any man is better off to get on a drunk, get over it, go back to work, and attend to business and his family, and will cause less trouble and suffering than one who is continually soaked and soon becomes a confirmed drunkard. I simply say this in behalf of

those few who do get tanked. We all know that if prohibition in Kansas was a failure, that if it was a menace to the people that this great agitation for national prohibition would never have developed. We also know that our neighboring States—Colorado and Nebraska—would not have voted and carried for prohibition as they did. There is no argument to it. One who will argue this with you either has an ax to grind, and such fellows can never be convinced, or he is too shallow to understand one's arguments and can not be convinced. Prohibition in Kansas is a success, and had I some of the arguments used by the opposition I might be able to point to some facts which would enable you to refute their arguments.

Being a Kansan, no doubt all of these few views I have mentioned you are familiar with, and no doubt know them as I see them, but in response to your letter submit this, whether it is of any help to you or not.

Very truly, yours,

A. T. HUNTINGTON,
Sheriff Republic County, Kans.

—

RICE COUNTY.

STERLING, KANS., *January 6, 1917.*

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: I have been police judge in this town two years and only six men have been brought into court for being drunk. This is a town of 2,500. A drunken man on the streets you seldom see. In looking back over the docket 25 or 30 years every other page was a drunk.

Stick to prohibition and the State will stick to you.

Yours, truly,

J. C. ANTROBUS,
Police Judge.

—

OFFICE OF COUNTY ATTORNEY OF RICE COUNTY,
Lyons, Kans., January 6, 1917.

Hon. WM. H. THOMPSON,
Washington, D. C.

DEAR SIR: * * * It has been my observation as a law-enforcing officer of this State, that prohibition does actually prohibit and thereby lessens crime, drunkenness, and the like, resulting morally and economically advantageous to the people of this State.

The records of any criminal court will show that since the promulgation of a prohibition law the number of prosecutions have fallen off from 50 to 60 per cent, and that can be traced directly to our stringent prohibitory laws.

It is folly to argue otherwise and against the question of national prohibition. All far-seeing men can see the necessity of such a law, and it is only a question of time until national prohibition will actually be here. Kansas has found prohibition a success as have other States who have tried it, and it only remains for a few wet States and Senators to see the light. I give you authority to use this in the Senate, should you care to do so.

Very truly, yours,

H. C. CRANDALL, *County Attorney.*

—

RILEY COUNTY.

SHERIFF'S OFFICE,
Manhattan, Kans., January 3, 1917.

Senator WM. H. THOMPSON,
Washington, D. C.

DEAR SIR: In reply to your letter of December 30, 1916, as to whether prohibition in Kansas is a success or a failure in preventing crime and drunkenness and also is it advantageous to the citizens of the State, morally and economically speaking.

I have been connected with the sheriff's office for the past four years, two years as a deputy and have been sheriff myself for two years, and my opinion is that prohibition in Kansas is a decided success in all the ways above mentioned.

Trusting this is the information your desire, I am,

Yours, very truly,

C. E. SCHERMERHORN,
Sheriff of Riley County, Kans.

—

MANHATTAN, KANS., *January 5, 1917.*

Senator WM. H. THOMPSON,
Washington, D. C.

MY DEAR SENATOR: Your much appreciated letter of January 2 received, and in reply would say that I am more than proud of the fact that I reside in a dry State and only hope that soon it may be Nation-wide.

As to the question of "Does prohibition prohibit" my answer is, yes, notwithstanding that in Manhattan, a city of 10,000, including Kansas State Agricultural College students. We have an occasional drunk on the streets and in my court, but when the facts are uncovered some person posing as his friend has given it to him or a bootlegger sold it to him or he has been to Kansas City, Mo., recently and brought the liquor with him, an evil that we would be relieved of if Missouri or the Nation went dry.

You are at liberty to use this communication in the Senate if you so wish. Thanking you for the inquiry, I remain,

Yours, very truly,

ALFRED S. PORTER, *Police Judge.*

—

RUSH COUNTY.

LA CROSSE, KANS., *January 12, 1917.*

Senator W. H. THOMPSON,
Washington, D. C.

DEAR SENATOR: In reply to your letter of the 30th of December, I trust you will pardon the delay which was unavoidable.

Prohibition does prohibit in Kansas very thoroughly. The only place it fails is when wet old Missouri sends in her "booze" and defeats our law through the interstate-commerce traffic. The bootlegger and the joint are a thing of the past in our State, barring a few towns and during the harvest season when a few bootleggers appear. The officers are promptly after these, however, and they are soon lodged in jail.

If the Nation would adopt prohibition, statistics show that there would be a decrease of about 60,000 in the number of arrests per year, 20,000 in the number of insane, and 40,000 in the number of paupers; $1,400,000,000 would be released from the purchase of booze to be invested in shoes, coats, and food. The good story is long, and it is a true story—that's the best of it.

Let's dissolve the partnership between Uncle Sam and booze. It is disgraceful alliance.

I congratulate you on your stand. Go after them with the truth. It is sure to win.

With best regards, I am,

Very truly, yours,

FRANK U. RUSSELL,
County Attorney.

—

RUSSELL COUNTY.

DISTRICT COURT CHAMBERS,
Russell, Kans., January 22, 1917.

Hon. W. H. THOMPSON,
Washington, D. C.

MY DEAR SENATOR: I received your letter of December 30 relative to the question of prohibition in Kansas, and your inquiry as to its effect in my observation as an officer of the law.

I have been very busy in court here, and with other matters, and unable to answer the question with the fullness that its merits deserve. I came to this region in the center of the State with my parents as a small boy 40 years ago, and saw prohibition go into effect. I have lived under it ever since, have been county attorney, and interested in enforcing the law, and judge for more than 10 years in a district that stretches from the Colorado line just half way to the east line of the State. Prohibition has grown steadily in favor with the people from the time of its adoption as an amendment to the constitution in 1880 up to the present time. The measure carried by less than a majority of all the voters at the election, although having a majority of those voting on the proposition. Sentiment has changed so that now any candidate on any measure based upon opposition to prohibition receives so few votes as to be almost classified as scattering. The divided sentiment at first resulted in much hostility to the enforcement of the law and indifferent prosecution in early days. In strongly prohibition communities the law was well enforced, but in general it was not so well enforced, and in communities that were strongly hostile it was practically not enforced at all. In a number of cities and a few other communities joints ran almost exactly like saloons in license States for a number of years; but all the time sentiment was growing stronger and stronger in favor of the enforcement of the law. Gradually prosecuting attorneys and sheriffs and other officials were elected upon promises to do their duty without hesitation in the enforcement of the law. At each session of the legislature the law was strengthened in some particular leading to this better enforcement.

The courts became more and more strict in their interpretation of the spirit rather than the letter only of the constitution and statutes. Cities, which were the greatest rebels, were gradually brought into line by stringent legislation which compelled the cities to obey the State law instead of licensing saloons under one guise or another; then the State administration began to make its contribution by going into wet communities and compelling the enforcement of the law by criminal prosecutions, by injunctions against the places where the unlawful liquor business was carried on, and by ousting from office officials of cities and counties who would not do their duty. This step was perhaps the most far reaching in its influence. Then the legislature utterly forbade the sale for any purpose and thereby abolished the drug-store joint, which had been the last refuge of the traffic as a system, and by which drug stores were permitted to sell liquors for mechanical, medical, and scientific purposes, and those seeking to evade the law, both buyer and seller, were not scrupulous about the representations made as to the purpose for which liquor was wanted. Meantime, the boys and girls born and reared in the State were growing up with temperance instruction in the public schools and with training in favor of law enforcement and prohibition in many ways. Thousands of them reached maturity without having even seen a saloon or place of illicit sale of liquor. Foreign-born peoples who had brought over the attitude toward intoxicants that then prevailed in their native lands were unfriendly to the prohibitory law, but as their children grew up, these youths look at the matter more and more from the American standpoint and not that of the ancestral race. All these years prosecutions in the courts were going steadily on, and so many of the defenses and subterfuges that were interposed by law violators were successfully met and overruled by the courts from the lowest to the supreme court that at last there seems no longer any defense to suggest or any point to quibble over that has not already been determined adversely to those who wish to violate the law.

Nearly 10 years ago the joint or place of illicit sale of liquor had practically disappeared from the State, except, perhaps, in a very few congested centers or localities of particularly adverse conditions. With the passing of the joint the inducement to violate the law was largely gone, too. The profits of the chance bootlegger, who carried his stock about with him on his person, were too small and too uncertain to encourage more than a very few persons, and then of the most depraved type, to attempt to dispense liquor, nor could their operations be carried on very long until the officials found them out and prosecuted them. The bootlegger was necessarily largely a transient character and could not establish any considerable clientele in his brief sojourn.

This judicial district is an average district of the rural parts of Kansas. Ten years ago there were considerable prosecutions for the violation of the liquor law, and these have grown steadily fewer and fewer until a liquor prosecution is rather rare in any county of the district, and at the same time joints are unknown and bootleggers are scarce. Hardly anyone any longer defends or excuses the violators of this law or upholds the regular use of liquor for beverage purposes. Some money is still sent out of the State to import liquors for those who drink, but this is only trivial compared with what would be spent in the open saloon, and this likely will soon stop, too. Many thousands of inhabitants of Kansas who are under 40 years of age have never in their lives seen a legalized or illicit place of sale of intoxicating liquor or seen liquor sold, unless they have been outside of Kansas. It is a rare thing to see any person drunk, although such sometimes occurs where liquor is brought into the State. The money thus wasted elsewhere on liquor is used for helpful purposes in Kansas. There is no liquor flavor to the sermons or teachings of the church in Kansas, nor palliation or excuse for the saloon or the use of liquor. For many years politics has been wholly free from the incubus of liquor influences. In no department of business, financial, social, educational, or other activity is there any disposition on part of anyone to curry favor with the liquor interests, but instead all are united against it.

With the enfranchisement of women in 1912 the vote was strengthened in favor of prohibition, and the vote for the outlawry of the liquor traffic has been much more than doubled and has made impossible any serious thought of return to old conditions.

Very truly,

J. C. RUPPENTHAL,
Judge Thirty-third Judicial District.

SEDGWICK COUNTY.

DISTRICT COURT, EIGHTEENTH JUDICIAL DISTRICT,
Wichita, Kans., January 11, 1917.

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

MY DEAR SENATOR: Replying to your letter of December 30, I write you that prohibition in Kansas is by no means a failure; on the contrary, it is a great success. In nine-tenths of the State it completely prohibits, and in the other one-tenth the prohibitory law is enforced and observed almost as completely as other criminal laws.

It is sometimes said that there is more drunkenness in Kansas than in States where they do not have the prohibitory law. This statement is as false as false can be and is made only by the friends of the whisky interests.

Take the State as a whole, my observation is that there is not one-tenth of the drunkenness in Kansas that there is in the wide-open States. Over 90 per cent of the children of Kansas have never seen a saloon; a large majority of the children do not know what a saloon means except from hearsay.

What little traffic there is in intoxicating liquors is outlawed, so that it is compelled to hide in secret places. The sale of intoxicating liquors is so beset with difficulties that the ordinary person would not know where to get it, and it is only the experienced drinker who does know.

The small amount of drinking that is done in Kansas is almost exclusively confined to the older men, who acquired the habit before the law was strictly enforced in the larger cities.

While Robert C. Foulston was assistant city attorney he tried 63 cases in the district court involving violations of the prohibitory liquor law. He secured 56 convictions on a trial before a jury. There were 4 acquittals and 3 disagreements.

It goes without saying that as drunkenness decreases, as it has in Kansas, the crimes that are occasioned by drunkenness decrease. Some of our business men who thought that a strict enforcement of the prohibitory law would injure our city and business have changed their views and now unhesitatingly state that by reason of the strict enforcement of the law business has improved and that people have more money to spend for the necessaries of life.

If Missouri were as dry as Kansas, most of the liquor traffic that we have now would be destroyed, because the greater part of it now comes through the State of Missouri.

This letter may sound like a political argument, but I assure you that it is not. The views herein expressed are drawn from my observation as a citizen of Kansas, as a public official engaged in administering the law, and from my observation of conditions in States where the prohibitory law is not in effect.

If you wish, you may, as requested, use this letter. I am busily engaged in the trial of cases, so that I can not give you as full information as I could do if I had more leisure.

Yours, truly,

THORNTON W. SARGENT,
District Judge.

DISTRICT COURT, EIGHTEENTH JUDICIAL DISTRICT,
Wichita, Kans., January 3, 1917.

Hon. W. H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SENATOR: In answering your inquiry of December 30 I will briefly reply as follows:

I am just completing my thirteenth year as district judge of the eighteenth judicial district, first division, and have probably tried in that length of time more cases than any other trial judge in the State.

Prohibition in Kansas is a great success. In the thickly populated centers the law is violated more or less, and until we have national prohibition it will be impossible to absolutely prevent the sale of intoxicating liquor.

Wichita is a city of about 65,000 people, and by far the most important commercial center of the State. Every term of court the criminal side of the docket carries a number of cases for violation of the prohibitory law. But if the question of license or prohibition should be submitted to the voters of Wichita, nine-tenths of them would be in favor of prohibition, and there is no licensed city of 65,000 in the United States that will compare with Wichita for orderliness and lack of drunkenness.

It is a rare exception to see a drunken man on the streets, and the benefits of prohibition to the rising generation are inestimable.

Respectfully, yours,

THOS. C. WILSON,
Judge Eighteenth Judicial District.

OFFICE OF MAYOR,
Wichita, Kans., January 4, 1917.

Senator WILLIAM H. THOMPSON,
Washington, D. C.

MY DEAR SIR AND FRIEND: Your favor of December 30, 1916, is before me and contents noted. The important question in your letter is, "Is prohibition in Kansas a failure?" And, speaking from an observation and experience of 37 years in Kansas, I want to say in reply to that question that prohibition in Kansas is not a failure. And its enforcement in this community has lessened drunkenness and crime, and, while it my judgment liquor will always be used as long as it is made, the cities of Kansas and the various counties of this State have reduced it to a minimum. And in my judgment the solution of the problem is national prohibition.

As you know, there are no distilleries or breweries in this State; but the great difficulty which we encounter is the liquor which is shipped into the State from our sister State, Missouri, protected by the interstate-commerce law, and under this law the railroads can not refuse a shipment of this kind.

Our liquor in Wichita and mostly in the State, as I learn, is shipped in here from Kansas City, St. Louis, St. Joseph, and Joplin. You can say for me * * * that liquor has even been shipped into this city by automobile, coming all the way from Joplin; and if the liquor business and the manufacture and sale of the same could be curtailed in the State of Missouri it would not be at all difficult to enforce prohibition in Kansas.

In the evolution of time, if Missouri should ever become dry, Kansas would be absolutely dry.

Just at this time most of the liquor shipments which come to this portion of the State come from Kansas City, Mo.

Your position on this important question meets with my hearty approval, and you will find the people of Kansas fully in accord with you.

Very fraternally, yours,

O. H. BENTLEY,
Mayor and Commissioner of Public Safety.

OFFICE OF MAYOR,
Wichita, Kans., January 6, 1917.

Senator WILLIAM H. THOMPSON,
Washington, D. C.

MY DEAR SIR: I wrote you yesterday at some length on the prohibition question, and in this letter I desire to supplement what I said yesterday.

I have undoubted information this morning from Capt. Dawson, night captain of my police force, that there are four automobiles operating from Joplin, Mo., to Wichita, hauling booze. I have further undoubted information that most of the troubles we have in Wichita now on the liquor question is brought about by operatives in the oil fields in Augusta and Eldorado, Kans., and this booze which they consume and procure in Eldorado and Augusta, Kans., is shipped into those towns from St. Joseph, Mo.

You might call the attention * * * to these facts, and he would confer a great favor on the people of this locality if he would head off the booze which is shipped from Missouri into Kansas.

Very sincerely, yours,

O. H. BENTLEY,
Mayor and Commissioner of Public Safety.

SHAWNEE COUNTY.

OFFICE OF COUNTY ATTORNEY, SHAWNEE COUNTY,
Topeka, Kans., January 5, 1917.

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SIR: In answer to your letter of recent date inquiring as to my experience with reference to whether or not prohibition in Kansas is a success, will say that I am now nearing the end of my second term as county attorney of Shawnee County and have had a splendid opportunity of determining whether or not prohibition prohibits. My judgment, based on an experience of four years as prosecuting attorney, is that the prohibitory liquor law is as well enforced as any other law on the statute books, and much more stringently enforced than many of the other criminal statutes.

I have been in many other cities of about the same population as Topeka in States where saloons still exist, and I believe there is more liquor sold and drunk as a beverage in one day in such saloon cities than in Topeka in an entire year.

We have no saloons in Topeka, and no joints. A few bootleggers remain, but they are being so constantly hounded and prosecuted by the officers that their business is exceedingly small. There is less drunkenness in the cities of Kansas than in any other cities of which I have any knowledge.

Morally and economically the State has enjoyed marvelous advantages as a result of this law. The crimes which are committed are usually the result of liquors which have been ordered from Missouri and shipped in by express. This can not be prevented under the present law. Real drunkenness, as known in saloon cities, is such an unusual sight on the streets of Topeka that if a man is slightly under the influence of intoxicating liquor he is taken to the police station and charged with being drunk. In saloon cities, as a rule, a man is not arrested as a drunk unless he becomes a public nuisance.

As a result of the prohibitory liquor laws our people generally spend their money on homes for their families and the necessaries of life instead of squandering it in saloons.

My deliberate and unprejudiced opinion is that the prohibitory liquor law is the wisest and most beneficent law that has ever been adopted in the State of Kansas, and if the question was again submitted to a vote of the people prohibition would carry by practically a unanimous vote.

Yours, truly,

W. E. ATCHISON,
County Attorney.

DISTRICT COURT, THIRD JUDICIAL DISTRICT,
SECOND DIVISION,
Topeka, Kans., January 4, 1917.

Senator WILLIAM H. THOMPSON,
Washington, D. C.

MY DEAR SENATOR: In reply to your inquiry as to the effect of prohibition in Kansas I beg to say that there is no doubt in the minds of a large majority of the people of Kansas as to the success of prohibition. I am unable to give you the figures showing the effect of the law as to drunkenness and crime or moral and economical conditions, if such indeed could be obtained with any degree of accuracy, but I know that the results have been highly beneficial. The law is now well enforced in this State, and what liquor business there is is done almost altogether by small bootleggers and through mail orders, deliveries being made mostly by express. The law has not resulted in stopping drinking altogether, but it has, in my judgment, reduced the quantity of liquor drank very largely.

Eight or ten years ago, before the brewing companies were ousted from doing business in this State there were open saloons in the larger cities, particularly along the Missouri line. These no longer exist, and practically the only violation of the law is through sales by bootleggers in small quantities. Of course it is well understood that the Kansas law does not attempt to prohibit the purchase of liquor outside of the State or the keeping of the same by individuals for their own private use. One of the greatest stumbling blocks in the way of the enforcement of the law is the facility with which liquor may be secured from a neighboring State.

There are, in my judgment, no evil effects resulting from the prohibitory law, but, on the contrary, the results have been entirely in the way of the promotion of sobriety and law observance and the saving of money for increased expenditures for the betterment of schools and homes and generally for what goes to make life more worth while. Intoxicating liquor, either in its traffic or consumption, never contributed anything toward any of these purposes and never can.

Very truly, yours,

GEORGE H. WHITCOMB, *Judge District Court.*

SALINE COUNTY.

SALINA, KANS., *January 3, 1916.*

Hon. W. H. THOMPSON,
Washington, D. C.

DEAR SIR: I was very happy to see from all the newspapers that came under my sight that you were one of the leaders for the fight for prohibition. Of course, I am of the opinion that that is the way it ought to be, and I congratulate you that you did not fail to measure up to the standards of what the people of Kansas expect of their representative.

There is no question, nor can there be any successful controversy over the fact that prohibition does prohibit. In our own community here we have practically no drunkenness. Crime of every nature has decreased since the enforcement of the prohibitory law, conservatively, 50 per cent.

Bootlegging is practically a thing of the past, as it is now the practice to send these bootleggers to the penitentiary; and when that is done it practically puts an end to the bootlegger.

Economically, in our community the enforcement of the prohibitory liquor law has been the greatest boon to our growth that could possibly be conceived. Whereas a few years ago under the license system we used to have muddy streets, the poor and needy, and a crime-ridden community, we now have many miles of pavement, practically no poverty, and a decrease of crime.

One prosecutor in this State whom I had the pleasure of hearing prosecute a whisky case, to my mind, aptly expressed about the only argument that can be put forward for whisky. He said that he would concede that whisky was good for one purpose, and one only, and that was to make a person drunk.

I am very sorry that I do not have at hand the facts and figures to substantiate the above conclusions, but if at any time you deem it necessary to procure these facts or figures feel free to call upon me and I assure you beyond any question that when these facts and figures are in your possession you will see that I have been very conservative in my statements.

I sincerely trust you will be entirely successful in your fight for prohibition, and, of course, you realize you have the support of every loyal Kansan, for no loyal Kansan in this age of the world will even argue the question of prohibition as to its merits, for we are in a position to know that prohibition is the only thing. Wishing you success.

Yours, very truly, L. W. HAMNER, *County Attorney.*

—

SCOTT COUNTY.

SCOTT CITY, KANS., *January 3, 1917.*

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: I have your letter of December 30 to county attorneys of Kansas.

I am in sympathy with you in the matter of prohibition, and especially in the matter of upholding the honest condition of affairs in Kansas under prohibition. Prohibition prohibits in Scott County. There is no liquor used in this county except what is privately shipped in from Kansas City, Mo. There are no sales and there are no drunks.

The writer has lived in communities where there were saloons; in recent years has traveled in wet States and knows and understands the situation in Kansas as compared with those States. There are boys and girls in Scott County, I dare say, growing to manhood and womanhood who never saw a drunken man and who never tasted intoxicating liquor and wouldn't know it if they saw it. The advantages of such a community over a wet one morally and economically are very great. The moral standard is higher. The people are better off financially and are able to educate their children and provide not only the necessities, but the luxuries of life, where with open saloons there would be want and misery. The people of Kansas buy automobiles instead of supporting saloons. The per capita of bank deposits in Scott County is greater than in any wet county on earth.

Prohibition prohibits in western Kansas, the wet advocates to the contrary notwithstanding.

Respectfully, H. A. RUSSELL,
County Attorney.

—

SHERMAN COUNTY.

OFFICE OF THE CLERK,
GOODLAND, KANS., *January 4, 1917.*

Hon. W. H. THOMPSON,
Senate Chamber, Washington, D. C.

DEAR SENATOR: Yours of December 30 at hand. In reply will say that I have had a great deal of experience along those lines, being mayor of Goodland, Kans., for the past 10 years. I have seen this liquor question handled both ways, with open joints and saloons, and for the past five years practically wiped out, except by shipments by express to individuals, and I think we are at least 90 per cent better off than we were before, as we practically have no poor people any more. The people in general all pay their debts better, hold their jobs better, and it is a very rare thing to see a person under the influence of liquor. While I am not a strict prohibitionist myself, I am sure against the saloons, for I know we are much better off without them. Anything further that we can benefit please let us know. You can use my opinion in any way you desire.

I am, yours, very truly, GEO. KELLY,
Mayor Goodland, Kans.

—

OFFICE OF SHERIFF OF SHERMAN COUNTY,
Goodland, Kans., January 3, 1917.

Mr. THOMPSON,
Washington, D. C.

SIR: Received your letter asking about prohibition in our county. I have lived here 13 years; came from Nebraska here. I think prohibition does prohibit to certain extent, and does more so as it gets older and stronger. We don't have very much trouble with booze dealers any more.

Yours, respectfully, H. J. PIPER, *Sheriff.*

—

GOODLAND, KANS., *January 4, 1917.*

Hon. WILLIAM H. THOMPSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I am in receipt of your communication under date of December 30, 1916, in regard to prohibition in Kansas, and I am only too pleased to give you my views on this subject, as I am an ardent supporter of the prohibition cause.

I am only a young man, but I believe I can say with authority that prohibition is not a failure in our State. I was born and reared in Topeka, Kans., having lived there 25 years, and I was 20 years of age before I ever saw the outside door of a saloon, and then I had to go to Kansas City, Mo., to see that. I can further say that I have never seen the inside of a saloon, nor have I ever touched a drop of liquor in any shape or form, and I owe the fact that I can make that statement to prohibition in our State.

To the man that can have his liquor shipped to him prohibition does not mean much, but to the growing youth of our community prohibition is most assuredly a success. Of the 15 criminal cases brought by me in the justice court and district court of our county, 9 of them were the actions of men while in an intoxicated condition. Of course, in this western country we are confronted with this evil, and they do not seem to comprehend that they are breaking the law, but we have less insanity, higher morals, and a more progressive class of people than in towns of the same size which do not prohibit the sale of liquors.

Trusting I have been able to give some information, although perhaps not just what you desire, and assuring you that I am with you in your stand on the question and will be only too glad to aid further, I am,

Very sincerely, yours, ELMER E. EUWER, *County Attorney.*

—

SUMNER COUNTY.

OFFICE OF MAYOR,
Caldwell, Kans., January 5, 1917.

Hon. W. H. THOMPSON,
Washington, D. C.

DEAR SIR: Replying to yours of the 3d of December, I beg to say that I have been a resident of this city for the past 30 or more years. I am serving my third term as mayor and have served two terms as councilman. My occupation during that time has been that of a cattle buyer, and I have owned or had an interest in a meat market most of the time, and so have been in close touch with the public and in a good position to note the working of the prohibition law. I would also say that I am not a total abstainer myself, but have used liquor very moderately during my life.

My conclusions regarding prohibition formed from a long observation of its workings are that prohibition does prohibit in spite of the fact of the liquor interests' arguments to the contrary. There is no law, State or Federal, but what is broken with more or less frequency. I could point out laws in this city which are evaded oftener than the prohibition law.

Regarding the benefits of prohibition, I believe that a very large majority of the citizens of our State will tell you that it is the one law on our statute books that has done more than any other to help a large proportion of our citizens. I could point out numerous instances here of men when the saloons or joints were running whose children were poorly clothed and often hungry, and what few bills they were able to contract unpaid, who, since liquor has not been so easily attainable, are able to pay what they owe, clothe and feed their families properly, and make good citizens. Previous to the enforcement of prohibition the police court fines ran into hundreds of dollars per month, while for the whole of last year (1916) the total fines collected for all misdemeanors was $94.

In conclusion I will say that you have my hearty indorsement of your work along this line and may make any use of this letter you wish, and I hope that we will not have long to wait for a properly enforced national prohibition law.

Yours, truly, I. M. HORTON, *Mayor.*

—

WASHINGTON COUNTY.

OFFICE OF SHERIFF OF WASHINGTON COUNTY,
Washington, Kans., January 3, 1917.

Senator WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: In regard to your favor of the 30th ultimo, this is somewhat of a broad question to answer, as my county has been against a wet State; but my experience in regard to crimes caused by the influence of drunkenness I have had none.

I can say that prohibition in this county is a success as far as I know in regard to the duties of this office, and I am safe to say that when Nebraska's dry law takes effect that the duties of my brother officers along the State line will be somewhat lessened.

Yours, respectfully, D. W. MCLEOD, *Sheriff.*

—

WILSON COUNTY.

FREDONIA, KANS., *January 6, 1917.*

Hon. W. H. THOMPSON,
United States Senate, Washington, D. C

DEAR SIR: Your favor of January 3 to hand and contents noted. You ask the old question, "Does prohibition prohibit?" I will answer by saying that the effects of prohibition is plainly apparent on every hand to every unbiased observer, making more happy homes, a better and cleaner citizenship.

Therefore, I don't consider prohibition in Kansas a failure by any means; while the accursed stuff slips in through the machinations of the whisky ring, yet there is but a very few that use it at all, and I consider prohibition is lessening drunkenness and crime, and is resulting morally and economically advantageous to our State and people, and I will say, in God's name, let the good work go on.

If you find any use for this letter in your fight, you have my permission to use it.

Sincerely, yours, P. H. MATTHEWS,
Police Judge, Fredonia, Kans.

—

THE CITY HALL,
Fredonia, Kans., January 6, 1917.

Hon. WM. H. THOMPSON,
Senate, Washington, D. C.

My DEAR SENATOR: I am in receipt of your letter asking for my experience and observation regarding the prohibition question in Kansas. I am a native of Missouri, but have lived in Kansas for over 36 years, and anyone who says that prohibition in Kansas is a failure must be either dishonest, drunk, or a fool. There is not as much misery and crime caused by drunkenness in the entire State of Kansas as there is in one of the larger cities of Missouri. We have a few cases of chronic drunkenness and a small amount of bootlegging;

but, taken altogether, it is not a drop in the bucket as compared with a State where the open saloon is allowed.

You are at liberty to use this letter wherever necessary and can rest assured that the good people of Kansas are with you in the fight you are making to protect the good name of our State and to keep her in the prohibition and Democratic columns where she and all other good States rightfully belong.

Very truly, yours,

J. W. MOSS, *Mayor.*

—

WOODSON COUNTY.

COUNCIL CHAMBER,
Yates Center, Kans., January 4, 1917.

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SIR: Your letter 30th ultimo asking my opinion regarding the operation of the prohibition law in this State is received. I am very glad to give you my opinion formed from a careful observation of the workings of the law in this State, and, having been raised as a boy in the State of Missouri during the time the State had open saloons, I have had the opportunity of observing the workings of both systems. I am strong for prohibition, and I believe it is a success to such a degree there is no comparison between it and an open-saloon proposition, and it seems to me there should be no question in the mind of a fair-minded man as to prohibition being a benefit to any community. I feel it is to our community, and in that I feel that I voice the sentiment of a large majority of our citizens.

In making the above statement I wish to state further that the enforcement of the prohibitory law is not all that we should like to have it. But this arises from obstacles more without the State than within the State. The protection the United States Government gives a man for shipping liquor for private use into the State, coupled with the fact we are adjacent to a State like Missouri with considerable wet territory, makes it difficult to keep liquor entirely out of this State. If it were so no man could transport liquor into this State even for private use I see no reason why the law would not be a total success, and the State far better off. I am sure that crime, poverty, and drunkeaness in this State are considerably less than if we had open saloons, and very few people I have ever talked to would consider for a moment going to open saloons. Many a child in Kansas never saw a saloon and don't know what they look like. Many never saw or tasted of liquor, and if the Nation was dry in a few years it would be impossible to find a single person that ever saw a saloon. This leads me to the firm belief that our Nation ought to be a dry Nation, and I believe the greatest piece of legislation our Congress could pass would be the submission of an amendment for prohibition, as I understand national prohibition has to come through a constitutional amendment. Being a Democrat I am anxious that this privilege be given the people through a Democratic Congress and President, for I believe it will be the greatest blessing this Nation ever had.

Assuring you of my best regards and bespeaking your support of any measure that will tend to give national prohibition or local, I remain,

Very truly, yours,

L. R. WALLACE, *Mayor.*

—

WYANDOTTE COUNTY.

DISTRICT COURT, WYANDOTTE COUNTY, DIVISION NO. 3,
Kansas City, Kans., January 5, 1917.

Hon. WILLIAM H. THOMPSON,
Washington, D. C.

DEAR SENATOR: Beg to acknowledge receipt of yours of 30th ultimo, making inquiries concerning my observations as to results of prohibition in Kansas.

Prior to about 1905 conditions were bad in all border counties and the larger counties of the State. Our city, as well as other large cities of the State, was practically licensing saloons. The fight began in about 1905 or a little earlier, which resulted in the annihilation of the protected liquor traffic.

When I first started to investigate the situation I found that most of the recent legal battles had taken place in local-option States. This went to show, to my mind, that the cry of the liquor interests to the effect that "high license" and local option were the proper methods in which to handle the situation was insincere. It showed that their position was not to respect any law.

At the time the final fight started here in 1905 in this county of Wyandotte there were approximately 100 recognized joints. At this writing no man can locate a place of any kind where liquor is being sold regularly. I mean by this that, while we have daily trouble with Missouri liquor, the only sales made locally are sales made by wagons from Missouri, bootleggers, and mushroom "blind tigers" that spring up here and there in residences, outbuildings, and the like, supplied generally with a single keg of beer or a few quarts of whisky; but the proprietors, when their business becomes too public, either quit and run away or are raided within a few hours after they commence business.

When the final battle began a committee of 15 representative business men, consisting of bankers, merchants, manufacturers, and others, waited upon me, as assistant attorney general, and requested that I immediately resign for the reason that business would be ruined by closing the joints. Every one of those men have frankly stated since that time in the public press that the elimination of the traffic in liquor was the best thing that ever happened to this locality. They testified to increased savings, increased efficiency of laborers, to prompt payment of rents, fewer suits for possession of houses. Merchants reported collections easier. No one knows better than our friend TAGGART, now in the House of Representatives, who was formerly our county attorney, that there was a marked diminution of crime, and it has continued to diminish since.

At the time mentioned, 1905, and prior thereto, it was a common occurrence to have 10 or 15 laborers in police court every Monday morning with the same story: Entered a joint Saturday evening to get a check cashed; got drunk; lost all money; kicked out and picked up by police; destitute family. That has all vanished now.

Another point I have not mentioned was the fact that the brewers made a great cry about vacant buildings in the town when they were driven out. It was but a short time until legitimate business filled all buildings vacated by the liquor traffic, and conditions never were better in the rental of business properties than to-day. On this you might get the opinion of Mr. Willard Merriam, who has the largest real estate and rental business in the State.

We appreciate your efforts to maintain the standing of Kansas as a clean, law-abiding State. Stand pat. The records bear you out.

Respectfully, yours,

WM. H. MCCAMISH,
District Judge.

P. S.: Let me add another word: We have a generation of young men and young women in Kansas but few of whom have ever tasted liquor or have seen a drunken man. Were it not for our wet neighbors abutting us at the State lines none of this generation in Kansas would have any ocular proof of conditions in wet States. I have a daughter of 19 and a son of 13 neither of whom has seen a drunkard, except those whose irregular trail was leading directly from the State line, and these are very few in the daylight hours.

While running for office recently I was introduced to a Belgian. He said that he had heard I was a prohibition crank, but that he intended to vote for me because he had lived until recently in Missouri but believed in law enforcement. He is a young man, a good mechanic, and a successful contractor, but while living in Missouri got drunk so frequently that he squandered his income and humiliated his family. Since he has lived in Kansas he has accumulated about $2,000, which he has in the bank; owns his home, and his children are in school; his family are surrounded by comforts before unknown and are happy. He says you could not induce him to reside in a wet State. Yet he still likes his liquor.

I could go on indefinitely reciting instances of men and women, too, who give like testimony. I have in mind an old German lady who says until law enforcement in Kansas her husband, a stone mason, never came home with his entire wages. Always got drunk unless she could go and get his wages.

There is no question about the fact that we are rid of the traffic and its attendant evils—slot machines, wine rooms, gambling, and fences for encouragement of crime, excepting as we get the overflow from Missouri. If Missouri, or Jackson County even, were dry, it would leave us with no problem to contend with along these lines. You can bet your money on that proposition.

The records will show that, while we have our liquor problem still with us, it is from without and not within our city.

You are at liberty to use this as you see fit.

Yours,

WM. H. MCC.

—

SHERIFF'S OFFICE, COUNTY OF WYANDOTTE,
Kansas City, Kans., January 6, 1917.

W. H. THOMPSON,
United States Senate, Washington, D. C.

DEAR SENATOR: I think it my duty to write you this letter and assist you in defending the name of Kansas in the noble fight she has made for prohibition—and Kansas has won the fight, too.

There was a time in Kansas when prohibition did not prohibit, but the day is gone never to return. Whisky has been the downfall of millions of good people. The saloons were closed in Kansas City, Kans., about 10 years ago. Kansas City, Kans., has prospered ever since; business rents commenced to increase when the saloons were closed here; there are no vacant business houses in Kansas City, Kans., and have not been since the saloons were closed, excepting some building that was erected in the resident district by brewery companies for the purpose of selling liquor in; at this time most of them are occupied.

I am satisfied if the records at the State prison were investigated they would show that more prisoners were sent there from Wyandotte County when liquor was sold here than since the sale of it was stopped, notwithstanding the population of our county has doubled in that time, and the number of prisoners in the county jail have decreased 100 per cent.

The employment given and goods consumed by the breweries in making intoxicants would fade into insignificance as compared to the employment and goods consumed if there was not any intoxicating liquors made or sold in the United States.

Is it better for a man to go home to his family with his stomach full of whisky and his brain on fire, with no money in his pockets, and his wife and children hiding from him, or for the same man to go home with a clear brain, with his arms full of groceries and shoes, with a smile on his face, and a happy family to meet him? These are the two ways, the former with whisky, the latter with groceries and shoes.

Yours, truly,

R. L. HINCH, *Sheriff.*

Now, if prohibition has been such a bad thing for Kansas, as claimed by the opposition, how could we get 100 honorable men charged with official responsibility, located in every section of the State, to write such letters as these? I will say that in all the responses there was not a single discordant note and not a word or a line tending in any way to justify the argument of the opposition. When it comes to actual practice, there is not a single argument against prohibition that can be substantiated by facts.

If prohibition has been such a bad thing, why is it that the sentiment for it has been growing so rapidly until now it extends everywhere? Things which are a detriment to society and humanity soon die out rather than extend to other communities. Although in the beginning Kansas stood as the one great oasis in the old American desert, why is it now that on three sides—in Oklahoma, Colorado, and Nebraska—the people have adopted the same identical law, and even in Missouri wherever the border counties touch Kansas, except those containing large cities, every county and city is dry under the local-option law of that State, and the whole State at the last election, except for the county of St. Louis alone, would have adopted complete prohibition?

These letters answer every argument that has ever been made against prohibition in Kansas. They show that the farther you get out into the State and away from wet territory, drinking and drunkenness and other crimes have grown less and less,

and our happiness and prosperity greater and greater. They show that the only difficulty we have ever had with the enforcement of the law has been in preventing shipments from outside wet territory. This has been the experience of all dry communities. It is the difficulty experienced by the dry counties of Missouri and other States under the local-option laws. The only thing, therefore, that has interfered with the complete operation of the law, and the best effects therefrom, has been the liquor in wet localities, which all points conclusively to the real remedy which is to prevent the manufacture and sale of intoxicating liquor everywhere.

Let us therefore adopt this amendment. Do this, Senators, and we will have taken the greatest step forward in the betterment of our citizenship that has been taken at any one time since the foundation of the Government. Do this and we will have wiped away from the women and little children more tears, blood, and suffering than any other step that it would be possible to take at this time. Do this and we will have contributed more to the final success and victory in the present cruel war than any other one action we can take, and will thereby greatly benefit not only the people of this country but the people of the entire world.

Mr. THOMPSON subsequently said:

I ask permission that certain letters to which I referred in my address this afternoon be made a part of my remarks.

The PRESIDING OFFICER. Without objection, the request of the Senator from Kansas will be granted.

Mr. THOMPSON. Also, instead of the clipping from the Kansas City Star, which was objected to, I ask permission to refer to a clipping from the Kansas City Post of June 19, 1917, concerning the same matter. It has already been printed in the RECORD, at page 4534, proceedings of the House, RECORD of June 29, and I ask that the portions thereof concerning the bringing of suit by Mr. Conwell be made a part of my remarks.

The PRESIDING OFFICER. Without objection, it will be so ordered.

Mr. HARDING. Mr. President, I desire to offer an amendment to the pending joint resolution, which I desire may be read, printed, and lie on the table.

The PRESIDING OFFICER. The amendment submitted by the Senator from Ohio will be stated by the Secretary.

The SECRETARY. It is proposed to insert a new section, to be known as section 2, and to read as follows:

SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, on or before the 1st day of July, A. D. 1923.

Mr. SMOOT. Mr. President, in order that there may be no mistake, I move that the portion of the remarks of the Senator from Kansas [Mr. THOMPSON] just made that reflected in any way upon a Member of this body or a Member of the other House of Congress be expunged from the RECORD.

Mr. NORRIS. Who is going to decide as to that?

Mr. SMOOT. The Senator from Nebraska asks me who is going to decide. I will leave it to the Senator from Kansas to decide, and if, when the matter has been printed in the RECORD, it appears that there are remarks that other Senators think are reflections upon Members of either body, then they can move to expunge those particular parts of the remarks at a later day.

The PRESIDING OFFICER. The Chair understands that the Senator from Utah does not press the motion now?

Mr. SMOOT. Yes; I do.

Mr. STONE. Mr. President——

The PRESIDING OFFICER. The Senator from Missouri will pardon the Chair for a moment. The Chair understood that the Senator from Utah did not desire to press his motion.

Mr. SMOOT. I made the motion, and I want the question put upon it now.

The PRESIDING OFFICER. The Chair begs the Senator's pardon. The Chair understood the Senator to have withdrawn the motion.

Mr. CURTIS. Mr. President, I desire the Senator from Utah to wait until the senior Senator from Kansas returns to the Chamber.

Mr. THOMPSON entered the Chamber.

Mr. CURTIS. I notice the senior Senator from Kansas has now returned to the Chamber.

Mr. SMOOT. I will now repeat my motion, in order that there may be no question about the Senator from Kansas understanding what it is. I have moved, I will say to the senior Senator from Kansas, that all portions of the remarks just made by him reflecting upon any Member of this body or of the other House be expunged from the RECORD; and I will leave the question as to what should be expunged to the Senator from Kansas himself.

Mr. THOMPSON. Mr. President, I have no objection to that, but I do think the rules were more rigorously enforced against the Senator from Kansas than they have ever been enforced against any other Senator since I have been in the Senate, or was against the Senator from Utah, who has used even harsher language to-day than has the Senator from Kansas, relative to the other House. It is not, however, my intention to reflect upon any Representative or upon any Senator more than simply to show their particular official acts, which are matters of record, and I do not desire to say anything as a conclusion therefrom which would reflect upon such Member's honor or integrity.

Mr. SMOOT. Mr. President, I think the Senator from Kansas is mistaken in the statement that the rule has been applied to him more strictly than to other Senators in this body.

Mr. THOMPSON. I have been here about five years, and this is the first time I have ever seen the rule so applied.

Mr. SMOOT. I have seen the rule applied to Members of this body, and the Senator offending has been ordered by the Chair to take his seat. Certainly that was not enforced against the Senator from Kansas to-day.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah [Mr. SMOOT].

Mr. GRONNA. Mr. President, I was unable to be in the Senate and to hear all of the discussion by the Senator from Kansas, but I certainly do not care to vote for a motion as to which I know nothing. If it is not agreeable to the Senator from Kansas to let portions of his remarks be expunged, I shall certainly not vote for the motion of the Senator from Utah.

Mr. THOMPSON. Mr. President, I simply desire to say to the Senator——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Kansas?

Mr. GRONNA. Yes.

Mr. THOMPSON. I simply desire to say to the Senator from North Dakota that all in the world that the Senator from Kansas did was what has been done here every day. I called attention to the action of a Representative in the other House introducing into the RECORD, under the pretense of extending his remarks, a reflection against the people of Kansas and the operations of the prohibitory law in particular.

Mr. GRONNA. I do not think the Senator from Kansas understood me. What I meant to say was that, unless it is agreeable to the Senator from Kansas, I am unwilling to vote for the motion to expunge from the RECORD anything the Senator from Kansas has said.

Mr. THOMPSON. With the statement that it be left to the Senator from Kansas, I am perfectly satisfied.

Mr. STONE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Missouri will state his parliamentary inquiry.

Mr. STONE. The parliamentary inquiry is, what is pending now?

The PRESIDING OFFICER. The Senator from Utah [Mr. SMOOT] has moved to expunge from the RECORD any portion of the remarks made by the Senator from Kansas [Mr. THOMPSON] that reflected upon any Member of the Senate or upon any Member of the House, the matter to be left to the Senator from Kansas.

Mr. STONE. Does the motion leave it to the Senator from Kansas?

The PRESIDING OFFICER. The Chair understands it does.

Mr. STONE. Then what is the need of debating it?

Mr. THOMPSON. I expect to do that in any event, if the Senator from Missouri pleases.

Mr. OVERMAN. Mr. President, in justice to myself I desire to say that I came into the Chamber and heard the Senator, as I thought, attacking some Member of the House of Representatives. I do not know who he is and can not now recall his name. The Senator says this is the first time that this rule has been invoked. I have heard it frequently invoked, but I have not for a long time heard a Senator reflect on a Member of the House of Representatives. It is a dangerous thing to do, for the reason that if we do not preserve our dignity in that respect and keep the rules, what is there to keep Members of the House of Representatives from attacking Members of this body? The rule to which I have referred applies both to the House and to the Senate, and I simply called attention to it in order, as I thought, to protect the Senator from Kansas, and suggested that, although he might have just cause for so reflecting, this was not the place to reflect on a Member of the other House.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah.

Mr. SHAFROTH. Mr. President, before that motion is put, I should like to state that I do not see why there should be such a motion made when the Senator from Kansas has stated that he expects to expunge from the letters and from his remarks any reflections which may have been made. The motion which has been made is going to leave it to him in any event, and I do not see why, when he has stated that he would take such action, that it is necessary that any motion at all should be made under the rule which has been cited.

Mr. SMOOT. Mr. President, I withdraw the motion. The Senator from Kansas was out of the Chamber at the time I made the motion. I did not want the occasion to pass without action at the time; but now that the Senator from Kansas has stated that he will expunge the objectionable matter, I am perfectly willing to withdraw and do withdraw the motion, with the understanding that the Senator from Kansas will do just as he has said he will do.

The PRESIDING OFFICER. The motion of the Senator from Utah is withdrawn.

Mr. STONE obtained the floor.

Mr. STONE. Mr. President, my colleague [Mr. REED] desires to make some observations, and for that purpose I yield the floor to him.

The PRESIDING OFFICER. The junior Senator from Missouri [Mr. REED] is recognized.

Mr. REED. Mr. President, I would not take a moment of the time of the Senate to reply to anything said by the Senator from Kansas but for the fact that he has repeated with some deliberation a statement that was sent over his State at the time of a little colloquy which took place about the 19th of December. That colloquy originated in an innocent inquiry which I propounded to the Senator with reference to conditions in Kansas City, Kans. I did not expect it to provoke any discussion, because I thought I would elicit a frank statement from the Senator from Kansas in the way of an admission concerning the matters about which I inquired, for it seemed to me that there could be no reasonable dispute about them. However that may be, and passing it by as wholly immaterial at this time, I call the attention of the Senator from Kansas to the fact that he has to-day repeated the statement that was sent throughout the State of Kansas that I charged that at present, or on the 19th day of December, 1916, "there were more drunkards to the square acre in Kansas than in any place I ever was."

It is well understood that newspaper accounts when they are passed by the reporter who takes them in the Senate to the telegraph editor, and then may be edited and reedited a dozen times before they finally get into print, may display some inaccuracies, and such inaccuracies are therefore pardonable; but it is hardly pardonable that the Senator from Kansas should in the Senate repeat that statement which is absolutely inaccurate.

All that the Senator from Kansas had to do was to turn to the CONGRESSIONAL RECORD to see what I did say, and he must have turned to the CONGRESSIONAL RECORD in order to get my language, and if he did turn to the CONGRESSIONAL RECORD in order to get my language this is what he read. I read from page 540:

I do not know what effect the prohibitory law may have had in Kansas as a whole, but I want to say to the Senator that no man can candidly claim that there was any real enforcement of that prohibitory law for many, many years after it was passed. I remember a good many years ago trying a case in a court, which was presided over by the Senator's distinguished father, I think, in a small town in Kansas.

I had not named the town yet. The Senator from Kansas said—and I read from the RECORD:

Mr. THOMPSON. Hiawatha.

Mr. REED. At Hiawatha. It seemed to me that there was not a lawyer at the bar who was not a common drunkard, and they had prohibition there, but it did not prohibit.

Mr. THOMPSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Kansas?

Mr. REED. Yes.

Mr. THOMPSON. The Senator will acquit me of that. He knows I had not been admitted to the bar at that time. That was in 1891, when I first became acquainted with the Senator from Missouri, and we have been good friends ever since.

I pause here to interrupt the thread of what I was discussing to remark that it was somewhat remarkable that the Senator from Kansas at that time and place did not deny my statement with reference to the condition of the bar of the court of his own town where he lived; but, instead of declaring that my statement was a base slander, he asked me to please exclude him from the list of the bar, and pleaded his own immunity upon the ground that he was then so young that he had not been admitted to the practice—I mean the practice of the profession, not the practice of the bar.

Since this remark made in the heat of debate has been passed around, and because I would not do injustice to any set of men, let me say that I did not say that all of the bar were drunkards, but I said it seemed to me they were drunkards. I was sorry after that——

Mr. THOMPSON. If the Senator will allow me to interrupt him, that is the language I used to-day.

Mr. REED. Yes; but I am coming to the Senator's other language. I was sorry, after stating it, that I had made the statement, because, no matter what the habits were of the members of the bar there in that little town over 20—I think 25—years ago, I ought to have forgotten and let them pass into sweet oblivion covering them with the dust of forgetfulness, and I am willing to let the statement rest there so far as the conditions of the Hiawatha bar were concerned.

I pass on now to the matter that I rose to speak about. What I have read is preliminary; and notice I was referring to a condition that prevailed 26 or 27 years ago. Following what I have just read, I continued:

Mr. REED. The Senator was not at that time a lawyer, and I am stating this to cast no aspersions upon the Senator's State or town. I had a good deal of business for a good many years in Kansas, and I say now, without desiring to reflect upon the Senator's State, that there were more drunkards to the square acre in Kansas than in any place I ever was, and that, too, under a prohibitory law.

To what time was I referring, Senator THOMPSON—to the 19th day of December or to years before? But I read on:

Mr. THOMPSON. Would the Senator object to stating how many years ago that was?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Kansas?

Mr. REED. My travels back and forth there——

The PRESIDING OFFICER. The Senator declines to yield.

Mr. REED. Oh, no; I yield.

Mr. THOMPSON. The time to which the Senator refers was 25 years ago, was it not?

Mr. REED. Oh, no; not that far back. Formerly I frequently had legal business in the State of Kansas.

Then there was an interruption—

Mr. OWEN. May I suggest——

Mr. REED. I will ask the Senator to wait until I have concluded this sentence. That business dropped off very largely something like 12 or 15 years ago, and I have not been there very much since. I am going to state this case fairly before I get through, so that I do not think the Senator from Kansas can object to it; but the facts ought to be stated. Did the Senator from Oklahoma desire to ask me something?

Mr. OWEN. I merely desired to remove the doubt as to whether the period referred to by the Senator from Kansas, when the Senator from Missouri was practicing law in Kansas, was 45 years ago or 55 years ago?

Mr. REED. Well, hardly that long ago. It was about the period when the Senator from Oklahoma was rising to national fame; and I presume that is not more than 20 years back.

Mr. President, the whole of the context and the whole of the statement makes it plain, so plain that the fool, though a wayfaring man, could not err therein, if he would pause to read it, that I was talking about a condition that existed in the State of Kansas many years back.

Furthermore, later on in my remarks I said that the law was being much better enforced in the State of Kansas. What I was saying with reference to the State of Kansas was largely in reply to attacks that were made upon my own State. So that when the Senator circulates the speech which he made this afternoon in his campaign, which I take it is the purpose for which his speech was made, I want him to put into that speech simply the fact that the statement I made with reference to the condition as to drunkenness in the State of Kansas related to a time many years ago. I want him to say that I further said, speaking of the condition of the joints—and the Senator will find the language at page 540 of the RECORD of December 19, in the left-hand column, near the bottom—now, I was speaking of Kansas City, Kans., and of the fact that the joints and the gambling houses had been driven there from the State of Missouri and had there taken refuge. I said this:

Mr. REED. Until about five or six years ago, or perhaps seven years ago, they had innumerable whisky and beer joints in Kansas City, Kans.

Will the Senator from Kansas on his honor deny it? I pause for a reply.

I continue:

They openly defied the law in the city of Leavenworth. The hotel bars and saloons were as open there as they were in the State of Missouri—

Will the Senator from Kansas deny that fact? I pause long enough for a reply—

and drunkenness was a very prevalent disease or habit, or whatever it is called. Five or six years back they elected a man attorney general of the State who undertook to enforce these laws. He had a desperate time in accomplishing his undertaking, but he prosecuted the "joints." The open saloon, I think, he absolutely eradicated. Finally the law was so enforced that open gambling was stopped, and I think they have a very fair condition of public and private morals in the

State of Kansas; but they have as much drunkenness, in my opinion, in that State to-day as they have in the State of Missouri, and I think a little more.

And upon that statement I unqualifiedly stand. So that instead of saying that on the 19th day of December this condition existed in Kansas, I gave to Kansas the credit of having in recent years enforced her prohibitory law with reasonable success.

Mr. THOMPSON. Mr. President, will the Senator permit me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Kansas?

Mr. REED. I do.

Mr. THOMPSON. It has been longer than five or six years. I think the Senator from Missouri will admit that.

Mr. REED. I do not think it has been longer with reference to Kansas City, Kans.——

Mr. THOMPSON. It has been something like 12 years.

Mr. REED. And I do not think it has been very much longer with reference to Leavenworth. It is possible, however, in the flight of time, that I may be a year or two short on the exact time. The fact is, I have not missed my drinks in Kansas, and have not been worried about the condition of dryness in that State; but I do know in a general way in regard to the conditions. Now, there is no use in keeping up a controversy forever, because if the Senator from Kansas were to stand here and talk forever he could not convince the people of his own State that in Topeka, Kans., and in Leavenworth, Kans., and in Kansas City, Kans., for many years there was not open violation of the prohibitory law.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Kansas?

Mr. REED. In just a moment. Let me conclude my statement.

Mr. CURTIS. Certainly.

Mr. REED. Neither would any fair man state that at the present time, or for several years back, the effect of the prohibitory law had not been to curtail very greatly the open selling, at least, of liquor in the State of Kansas, and perhaps its consumption. I do not know what is sent in by private shipments.

Mr. CURTIS. I want to state to the Senator that in the city of Topeka the open saloons were closed in February, 1885, and have not been open there since. I was the county attorney who closed the saloons in that city and kept them closed for the four years I was county attorney, and I have lived in that city ever since.

Mr. REED. Well, Mr. President, I really do not want to get into these personal disputes, but I happen to know that I went to the city of Topeka on some business, and I know that it was after the time that the Senator states, although I could not state the year, and I know that the hotel bar was running at that time.

Now, I did not visit the towns looking for saloons. I know, and the Senator from Kansas who now has the floor will certainly not deny the fact, that for many years in Kansas City, Kans., you had the open saloon, many years after the prohibitory law took effect.

Mr. CURTIS. Mr. President, we might as well meet this question here as anywhere else, and fight it out to-day. I say to the Senator and I say to the country that in February, 1885—and my recollection is that it was on the 14th day of February—the last open saloon was closed in the city of Topeka. I was county attorney, and enforced the law myself. It was the first time that the law had been enforced in that city.

Mr. REED. I thank the Senator for the admission. That is all I want—just that admission.

Mr. CURTIS. It was the first time, in 1885. They were kept closed for the four years that I was county attorney. I lived there and practiced law until I was elected to Congress in 1892, and have lived there ever since; and I state that while I was county attorney and while my successors were in office there was not an open saloon in that city. I will say that there were a few joints and some bootleggers up to five or six years ago.

Mr. REED. Will the Senator enlighten us as to when the prohibitory law was enacted?

Mr. CURTIS. In 1881.

Mr. REED. And the Senator began to enforce it in 1885?

Mr. CURTIS. In the city of Topeka.

Mr. REED. And up to that time the law had never been enforced in the State, the Senator just said.

Mr. CURTIS. I did not say in the State; I said in that city.

Mr. REED. Very well, I thought the Senator said in the State of Kansas.

Mr. CURTIS. I know nothing about the enforcement of the law in different parts of the State.

Mr. REED. The Senator need not get at all excited about this matter.

Mr. CURTIS. I am not excited. I want the Senator to know the facts; that is all.

Mr. REED. I am giving his town a pretty clean bill of health. I had left Topeka and had gone to Kansas City, Kans., and the statement I was making was in regard to Kansas City, Kans.; but I notice now that the Senator from Kansas, and from Topeka, Kans., does not claim that there were not plenty of joints in Topeka for many years after 1885.

Mr. CURTIS. Oh, I did not say there were plenty. I said there were a few joints and bootleggers there until a few years ago.

Mr. REED. Yes. Now, that is all I ever said about your town of Topeka.

Mr. CURTIS. The Senator said there was an open bar in the hotel.

Mr. REED. I said there was an open bar in the hotel, to my certain knowledge, on the occasion that I was there attending the Federal court.

Mr. CURTIS. I do not think that can be correct, if the Senator was there since 1885.

Mr. REED. The Senator may not think so, but I know when I see a thing, and I saw many gentlemen patronizing it; but that is immaterial. Any man that would claim that Kansas was made absolutely dry by the prohibitory law would not be a frank man; and if there was a condition of failure to enforce for many years, and if you have finally come to a fair condition of enforcement, there ought to be no quarrel about this matter.

But I was talking about Kansas City, Kans., a moment ago, when I was interrupted. It seems that the only difference between the Senator from Kansas [Mr. THOMPSON] and myself is that he thinks that was probably eight or nine years ago. I will let him have the benefit of that.

Mr. THOMPSON. Mr. President, will the Senator yield?

Mr. REED. Yes.

Mr. THOMPSON. The sheriff of the county states in his letter that it was 12 years ago that they began the enforcement of the law.

Mr. REED. Oh, well, it was not 12 years ago. It is not that long ago. I live across the line. I know the conditions that existed. I read the newspapers. The Senator from Kansas himself produced here in the Senate a few months ago, at the time of or shortly after this colloquy, records from the courts showing where the attorney general had brought his injunction proceedings; and, of course, he did not bring the injunction proceedings unless there was something to enjoin. Now, there is not any use trying to fudge on this matter. The truth is, you had a very poor enforcement of the prohibitory law for many years, and the truth now is that in the last few years you have had a pretty fair enforcement. That is what I said before, and it is all here in this RECORD.

The only reason I rose, however, was to have the Senator, when he sends out his campaign speech, put into the speech the fact that I was speaking of a time about 10 or 12 or 20 years ago and not of recent times. If he will do that, I am content. I have no desire to say anything against the State of Kansas. It has many good people in it, and I said so in my speech. I think I said of and concerning Kansas as many pleasant things as the Senator has ever said.

Now, there is one thing, since the Senator is so supersensitive, that I ask him to correct on his own account. On the 19th day of December, 1916, the Senator from Kansas [Mr. THOMPSON] said:

> I am glad to have the suggestion of the Senator from Oklahoma. When Missouri is included we shall all be satisfied.

That was in reply, and is merely thrown in for the context.

Mr. THOMPSON. What page is the Senator reading from?

Mr. REED. The Senator will find it on page 538, in the right-hand column. [Reading:]

> If I were asked what law has been the greatest educational benefit to my State, I would have to answer the prohibitory liquor law. When that law went into effect the illiteracy of the State was 49 per cent. It has decreased since that time to less than 2 per cent—the lowest of any State in the Union, excepting one.

Mr. THOMPSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Kansas?

Mr. REED. In a moment.

Mr. THOMPSON. But I can save a good deal of time. That statement has been corrected in the RECORD. It was corrected the following day. It should have been 4.9 per cent. It was merely a typographical error.

Mr. REED. I followed that with this statement:

Mr. REED. Mr. President, I want to ask the Senator from Kansas if I heard him aright——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Missouri?

Mr. THOMPSON. I yield to the Senator.

Mr. REED. Did the Senator from Kansas state that before the prohibitory law was passed in Kansas the illiteracy was 49 per cent?

Mr. THOMPSON. My understanding is that prior to 1880 the illiteracy was 49 per cent.

Mr. REED. Oh, there never was a community in America which was so ignorant as that—not even in Kansas.

Mr. CURTIS. Mr. President, will the Senator permit me?

Mr. REED. I will permit the Senator in a moment, when I finish this sentence.

Now, Mr. President, if the Senator corrected it the next day, I am glad of it for the sake of Kansas; but I want him, when he sends out his campaign speech, to insert that at the same time I was making the statements with reference to Kansas he said that the degree of illiteracy was 49 per cent, and that I came to the defense of Kansas and repudiated the statement, and set the Senator right—a fact, however, which he was not willing to accept at that time, but which, upon looking up the records a day or two later, and finding that I was correct, he somewhat reluctantly conceded in the RECORD.

Mr. CURTIS. Mr. President, I stated in the RECORD the day after the Senator made his speech, I believe, that I was absent during his remarks, and I put the correct figures in the speech which I delivered—and I think the Senator was present—showing that the percentage of illiteracy in Kansas was only 5.6 per cent.

Mr. REED. I understand, of course, that it was a mistake; but I want the Senator from Kansas [Mr. THOMPSON], when he sends out his campaign speech, to tell the people of Kansas how I valiantly came to their defense on the memorable 19th day of December.

Mr. STONE. Mr. President, the Senator from Ohio [Mr. HARDING] has proposed an amendment to the pending joint resolution which provides in substance that the States shall act upon the joint resolution within a period of six years. I think that amendment ought to be agreed to, and I shall vote for it; but I do not rise at this time to discuss that, nor to discuss the joint resolution itself as reported from the Committee on the Judiciary. I have it in mind in due time on to-morrow, and after the amendment proposed by the Senator from Ohio has been acted upon, to propose another amendment to the pending joint resolution upon which I shall ask the judgment of the Senate, and it is upon that amendment that I desire to address the Senate this afternoon. I must do that this afternoon, or not at all, under the limitations of the unanimous-consent agreement.

The amendment I have in mind to propose will be in substance, though it may not be when offered in the exact phraseology I am going to read, namely:

> The Congress shall have power to enforce this article by appropriate legislation; but this article shall not be enforced until the Congress shall have made provision for the ascertainment and payment of damages resulting from the enforcement of the same.

It is to that proposition that I wish to address myself.

AMERICAN GOVERNMENT AND PEOPLE ALWAYS FOR PROTECTION OF PROPERTY RIGHTS.

Mr. President, from the commencement of our Government our people in both Federal and State Constitutions have declared for the protection of property, and that private property should not be taken or damaged by public act without just compensation.

This is a fundamental principle of our social organism and law, and everyone growing up as an American or living under our Government absorbs the idea as being a vital part of American life. To the layman and the lawyer alike it is common knowledge. All classes understand that, and accept it and indorse it as a fundamental principle of our institutions and our Government. This principle is founded on that rule of right so well stated by an eminent American, when he said "that the demands of absolute and eternal justice forbid that any private property legally acquired and legally held should be spoliated or destroyed in the interest of public health, morals, or welfare without compensation."

And it has been written of this principle by a great judge:

> This power to take private property reaches back of all constitutional provisions, and it seems to be a settled principle of universal law that the right of compensation is an incident to the exercise of that power; that the one is so inseparably connected with the other that they may be said to exist not as separate and distinct principles but as parts of one and the same principle.
>
> And, again, in speaking on this question the Supreme Court says: "And in this there is a natural equity which commends it to everyone. It in no wise detracts from the power of the public to take whatever may be necessary for its use, while, on the other hand, it prevents the public from loading upon an individual more than his just share of the burden of government, and says that when he surrenders to the public something more and different from that which is exacted from other members of the public a full and just equivalent shall be returned to him." (Vol. 37, L. Ed. U. S. R., p. 467.)

This principle is enunciated in our National Constitution in the sentence that no person shall be deprived of liberty or property without due process of law, nor shall private property be taken for public use without just compensation.

THE PROPOSED CONSTITUTION AMENDMENT IS A DAMAGE TO AND DESTRUCTION OF PROPERTY NOW LEGALLY HELD AND LEGALLY USED CONTRARY TO THE SPIRIT OF OUR LAW AND GOVERNMENT.

It is important to keep clearly in mind the fact that the business and property affected by this proposed amendment is in all States where laws legalize the business and protect the property and capital invested and protect the right of the workman to labor in the industry.

The proposal is for the Federal Government by constitutional amendment to override the wishes of the people of the States wherein the business is conducted and put an end to it.

There is no doubt that the adoption of this amendment would destroy the business of those engaged in the malt, vinous, and distilled liquor industries; no doubt that it would render valueless for the present purpose for which it is used millions of dollars' worth of property; no doubt that it would take away the right to earn a living of thousands of men who have learned the business under the sanction if not by the invitation of the laws of the State and Federal Governments, and who now have the protection of their respective State laws and State governments of their right to labor in these industries and earn a living thereby. This business, this property, the occupation of these thousands of men, all now protected and legalized by State laws, it is proposed to destroy by an act of the Federal Government without compensation and over the objection and against the wishes of the people of the States where the business is carried on. But it will doubtless be said that this property and business and the right to labor therein are not taken physically by the proposed amendment; that there is no direct taking or destruction in the physical sense; that there is no actual physical conversion of the property or the business; but in Wallace, Thirteenth United States Reports, pages 166 and 167, a Supreme Court justice answered this suggestion as follows:

> It would be a very curious and unsatisfactory result if, in construing a provision of constitutional law always understood to have been adopted for protection and security to the rights of the individual as against the Government and which has received the commendation of jurists and statesmen and commentators as placing the just principle of the common law on that subject beyond the power of ordinary legislation to change or control them, it shall be held that if the Government refrains from the absolute conversion of real property to the uses of the public it can destroy its value entirely, can inflict irreparable and permanent injury to any extent, can in effect subject it to total destruction without making any compensation, because in the narrowest sense of that word it is not taken for the public use. Such a construction would pervert the constitutional provision into a restriction upon the rights of the citizen as those rights stood at the common law, instead of the Government, and make it an authority for the invasion of private rights under the pretext of the public good which had no warrant or authority in the laws or practices of our ancestors.

The modern doctrine of the courts as to when the right to compensation exists has been defined in this wise:

> Any substantial interference with private property which destroys or lessens its value or by which the owner's right to its use and enjoyment is in any substantial degree abridged or destroyed is in fact and in law a taking in the constitutional sense to the extent of the damages suffered, even though the title and the possession of the owner remains undisturbed. (Lewis on Eminent Domain, 3d ed., Vol. I, sec. 55, pp. 56–57, 67; 28th Utah R., p. 211.)

I conclude, therefore, it is clear that, if this loss and damage which will be inflicted by passage by Congress and adoption by the States of this amendment were inflicted by a congressional act, the provisions of the Federal Constitution prohibiting destruction and damage of private property and business without compensation would apply, and if the congressional legislation did not itself provide compensation, under the decisions of our courts and the policy of our Government, the public faith would require those suffering loss by the congressional act should be recompensed according to the due process of the law of the land. The records of our Government and courts abound in cases of this sort where legislation or other governmental act has damaged or destroyed property or business, and always where property has been legally held and used and business legally conducted the Government has rendered just compensation to those injured. One comparatively recent case of damages paid by the Government for loss caused by enactment of a statute by Congress is what is known as the Sugar Case, reported in the forty-first volume, Law Edition of United States Reports, page 215. In this and all similar cases the Government in recognizing the obligation to compensate has acted on the theory that it was and is a cardinal principle of our institutions that private property, legally used and legally held, shall not be destroyed or damaged, either by public or private act,

without a right to compensation. The business of the malt, vinous, and distilled liquor industries is legalized now by the laws of the States where carried on, and the property and capital invested therein are protected by the laws of those States. The business is legally conducted, the property is legally held and legally used, and the workman has the protection of the law in his right to labor therein. If a private citizen in one of these States legalizing these industries by any act of his interferes with the business, destroys the property, or injures it or damages it or interferes with the right of the workmen to labor therein, the citizen so doing must answer in the courts of the land for his act, and unless legal defense can by him be established he must compensate for all losses he may have inflicted. Why is this law of compensation enforced against the citizen who might thus damage the property or the workmen employed in the industry? What is the principle on which the law of compensation, as embodied in our Constitution, is founded? The answer is that it is morally and legally wrong to take private property or to injure the same by public or private act without compensation, and, as said by the Supreme Court of the United States, Seventy-first United States, page 120:

> The Constitution of the United States is a law for rulers and people equally in war and in peace and covers with the shield of its protection all classes of men at all times and under all circumstances.

Now, if a private citizen may not damage or destroy the property legally used and legally held in this business, and may not prevent the workmen from earning a living in these industries without responding in compensation for any loss incurred by his act, are the people of the United States in their collective capacity as a Federal Government to be justified morally or excused from doing what the Government itself compels by its constitutional mandate its citizens to do—that is, respond in damages and compensate for destruction of business carried on with the sanction of the law and damage to property legally held and legally used?

But the answer doubtless will be that this is a constitutional amendment and not a congressional enactment, and that while perhaps it is true that if the damage was inflicted by congressional act compensation should be paid, yet by an amendment to the Constitution it can be done without incurring responsibility for compensation. Waiving but not conceding, the question whether or not it can be legally done without compensation even by constitutional amendment, and admitting for the sake only of the present discussion the power exists, does it change the principle involved because we destroy the property and the business by an amendment to the Constitution instead of by congressional act? If the loss should be inflicted by congressional act, there is no doubt in my mind that the right to compensation therefor would exist. The damage to property in these industries now legally held and used in these States is the same whether the loss is inflicted by congressional act or by constitutional amendment. Only recently in this body the question of the right to destroy and damage this class of property without compensation was discussed, and, as I remember, it was practically conceded by all if damage ensued on congressional action compensation must be paid according to the terms of the Constitution. On what theory is the constitutional proposition founded which would exempt it from the just principle which prevents destruction of private property by public act without compensation? It is the demand of absolute and eternal justice that private property legally acquired and legally held shall not be spoliated or destroyed in the interest of public health, morals, welfare, or any other public interest without compensation. This is the sound proposition on which the American idea of legal protection to property is grounded. Does it change the principle or the morality of the act because you do the damage by a constitutional amendment instead of by a congressional enactment? Now, the Federal Constitution protects the citizen from the acts of the State or the acts of a fellow citizen which would destroy his private property legally held and used without compensation therefor. This is one of the great bulwarks of right in our organic law. Now, it is proposed by this amendment to put into this same Constitution alongside of this provision that protects the private citizen in his property and his business and his right to labor a provision whereby the people of the United States in their collective capacity as a Federal Government would destroy hundreds of millions of dollars of property now legally owned and legally used under the laws of the States where located without any compensation whatever for the damage done. If the principle in our Constitutions, National and State, declaring no person shall be deprived of liberty or property without due process of law, nor private property taken by public act without just compensation, is correct, and if it is right that private property legally held and used shall not be destroyed by governmental action without compensation, then why is it not sound governmental policy to say that this private property belonging to these industries now legally held and used should not be destroyed by governmental policy or change of policy without compensation? When the tariff laws were changed so as to injuriously affect the sugar industry Congress promptly met the loss sustained by providing compensation, and the Supreme Court upheld the act.

It is true Congress can as a war-emergency act authorize the taking of private property for public use, but if no provision is made in the act for compensation the Government is in honor bound to pay the owner the value of his property as determined according to the due process of the law of the land. But certainly it will not be contended that this is a war measure. The men who have invested their money in the business and those who have spent their lives learning to labor and are laboring in these industries were permitted, if not invited, by the laws of the United States Government and the various States and cities of the country to go into the business, and approximately two-thirds of the voters of this Republic now live in States whose laws sanction and legalize this business.

Has the Government of the United States the moral right, in violation of the spirit of the Constitution and of its historic policy, to destroy millions of dollars of property invested in the business that for years it has recognized as legal and which now is a legitimate business in the States where it is carried on? Granted for the time being that the Government of the United States is supreme in this matter, can it afford to do this? It must be admitted it is practical confiscation to deprive citizens of property and values legally acquired without redress or compensation. In most of the larger States the business is legalized and the property and money invested protected and the workman protected in his right to labor and earn a living in this industry, and now it is proposed by an act of the Federal Government to destroy hundreds of millions of dollars of property of the citizens of these States and deprive hundreds of thousands of the citizens of their occupation against the will of the people of these sovereign States, and all without offering any compensation for the loss sustained. This amendment is advocated on the theory that it is conducive to public welfare, health, safety, and good order, and therefore confiscation without compensation is justified; but the whole theory of our Government, State and National, is founded on the proposition that confiscation of property without compensation is wrong in morals and in principle. This must be admitted. Now, if that is true, we have this condition: That it is proposed in order to promote the public welfare, health, safety, and good order, an immoral and wrongful public act—I use the word "immoral" in the sense that whenever the government of a State does a wrong thing against its citizens it is fundamentally wrong and, therefore, fundamentally immoral—must be committed by our Government of taking and destroying property without compensation and against the wishes of the people of the States wherein the confiscated property is located.

To emphasize, I repeat that if an individual citizen in any of the licensed States could by his act render useless property used in these industries he would have to respond in damages, and the owner would be compensated. Now, is it any less wrong, morally or legally, for the Federal Government to destroy or injure this property in a licensed State without compensation than it would be for a private citizen so to do? In its last analysis the contention in behalf of this amendment without compensation reduces itself to the proposition that it is justifiable to commit a moral wrong, if not a legal wrong, and to violate the spirit, if not the letter, of the Federal and every State Constitution, in order to promote public welfare. Of this contention I will say as the Supreme Court said of a suggestion that war emergencies might suspend constitutional protection:

> No doctrine involving more pernicious consequences was ever invented by the wit of man * * *. Such a doctrine leads directly to anarchy or despotism, but the theory of necessity on which it is based is false.

In my judgment it would be better to make the record of our Government in the manner of dealing with the question of loss and damage ensuing in the adoption of this amendment square itself with all our prior governmental history and policy, and square itself with the inexorable law of right and justice, and prevent our Government from committing a great moral wrong of this character.

ECONOMIC SIDE OF QUESTION.

Capital now invested in brewing business is estimated at about	$750,000,000
Distilling business, about	80,000,000
Wine making, about	30,000,000
Malting, about	60,000,000
The amount invested in the retail trade is estimated at about	421,601,380

There are employed in the retail and manufacturing branches, including owners and proprietors, probably 800,000 persons.

Indirectly engaged in the business and dependent on allied business industries there are additional persons employed of approximately 200,000 persons.

Based on my information, I think this is a conservative estimate of the capital invested and the number of men occupied in these industries.

Mr. President, at this time, with the disturbed conditions produced by war, to wipe out all this property without compensation, thereby inflicting $1,000,000,000 loss on private citizens and at the same time deprive 1,000,000 of our citizens of their means of livelihood in the manner proposed, is, in my opinion, a fundamentally wrong governmental policy and can not be successfully defended.

COMPENSATION IN OTHER COUNTRIES.

In the following countries, by legislative enactment, the principle of compensation for loss incurred by governmental action in prohibiting or restricting business in like industries has received approval by government legislation: Great Britain, Switzerland, France, Norway, and Province of Quebec, Canada.

The official return of license statistics for Great Britain for 1913, published by the British Government in August, 1914, states that there was paid under the licensing act of 1904, providing for compensating the holders of extinguished beer and liquor licenses, amounts as follows:

During the nine years, 1905–1913, £8,873,137 was collected from the beer and liquor trade and paid over by the inland revenue to the compensation authorities, who paid out in compensation for 8,961 licenses a total of £8,073,127, and at the end of 1913 held balances aggregating £685,975, subject to claims in respect of 439 licenses refused, but not paid for down to the end of 1913. The difference of £114,035 odd (in addition to interest earned on sums lying in bankers' hands and any sums outstanding on loans less interest) presumably went in expenses.

In Switzerland the principle of compensation has been enforced for nearly five years. A law went into effect in 1910 forbidding the manufacture, sale, and importation of absinthe. This law was the outcome of a referendum submitted to a popular vote and adopted in 1908. The amendment carried a compensation clause, on the strength of which an indemnity law was passed by the Federal Council. The decree of the Federal Council of Switzerland provided that the money required to compensate all interested parties for losses sustained by them was to be obtained by raising the price of ardent spirits. The compensation to the owners of absinthe plants and to the manufacturers and holders of absinthe averaged four times the amounts of yearly profits in each case, labor excepted. Under this law labor has also been compensated in an equitable manner. An examination of the Swiss law's chief provisions will disclose that the Swiss Government compensated all interests materially concerned—farmer, manufacturer, landlord, and workingman.

I have no copies of the laws passed in France prohibiting the manufacture and the sale of absinthe, but according to telegraphic dispatches the French act provides that indemnities should be provided to manufacturers affected by the bill, and later dispatches disclose that the French policy will perhaps be to buy the stock of absinthe—which is the liquor prohibited—from the manufacturers and distil it into alcohol, and it was said the French Government would make a profit by this operation; and still later dispatches report that a measure was passed allowing approximately $2,600,000 as reimbursements for taxes paid by liquor dealers on absinthe in their possession and for the purchase of their stock of absinthe. It is thus fairly clear that the French compensation scheme embraces protection of all interests suffering financial loss by reason of prohibition of absinthe.

The alcohol commission appointed by the Norwegian Government to consider and report on the liquor question in all aspects handed in its report on May 6, 1915, favoring compensation.

The principle of compensation received legislative indorsement in the Province of Quebec, Canada. In the cities of Quebec and Montreal liquor-license holders whose licenses were annulled by statute are indemnified. The indemnities paid to eliminative license holders in the Province of Quebec is provided for by the imposition of a special license duty during 10 years upon the remaining hotel and restaurant liquor licenses. This special license is so framed that it is not only to repay the principal in 10 years but also interest at the rate of 4½ per cent upon the indemnities advanced to eliminative license holders by the provincial government. In other words, the remaining license holders are taxed to pay the cost of the indemnities paid to those ordered out of business. This recognition of the principle of compensation in Canada represents an entirely voluntary legislative action, because, while liquor licenses are recognized as vested interests in Canada, vested interests are not protected by organic constitutional provisions backed by court decisions, as they are in the United States, and no court in Canada has power to declare any parliamentary act unconstitutional.

When the Quebec Parliament decided ejected licensees were entitled to compensation it took this move wholly upon its judgment, voluntarily recognizing that the rights of license holders are as absolute as those of other property holders and should not be summarily destroyed without compensation.

The public sentiment for compensation for property or rights injured by governmental or private action has been asserting itself more vigorously in later years, as witness the legislation of 24 States that have passed workmen's compensation laws, as well as the Federal Congress. This field was long neglected, but now the principle of compensation has been put into effect. Economic writers all indorse the theory of compensation as being the only sound governmental policy. Our Federal courts have all held that the traffic in these industries was legitimate commerce and that the products of these industries are legitimate subjects of interstate commerce.

There is no question about the right of the Federal Government to provide in this amendment or otherwise a compensation for any loss occasioned by reason of the destruction of the business or the property involved in these industries.

The story of the wave of prohibition in Russia as a war measure has been given great publicity in this country, but I am informed—and I make the statement upon that information—that not in a single instance did the Russian Government deprive anybody of property. My information is that every vodka shop in Russia belonged to the Russian Government.

It was a Government institution; they simply ceased to manufacture or dispense vodka.

From the information I have been able to gather I am led to believe that every country that has attempted to restrict the sale, consumption, and distribution of intoxicating liquors has tendered compensation to those suffering loss therefrom.

EFFECTS OF PROHIBITION WITHOUT COMPENSATION.

Mr. President, any kind of prohibition legislation by this Congress, whether as a war measure, prohibiting grain in making distilled and fermented liquors, or by the submission of a constitutional amendment, will be acted on and accepted by the financial and business world and the public as the beginning of nation-wide prohibition, and all the financial and business disturbances that might follow the cessation of manufacture of alcoholic drinks as beverages under a war act by Congress would as swiftly and surely follow the passage of a resolution by Congress permitting a noncompensatory prohibition amendment. The financial and business and general public would make no distinction in either case. The public press and public sentiment have indorsed the compensation idea in connection with prohibition, as disclosed by the discussion and expressions of public opinion in the papers and otherwise concerning a recent action of the Senate of the United States with reference to distilled liquors. The compensation can be raised from a fund by an extra assessment or tax on the industry by congressional enactment.

I wish there were more Senators present to consider this suggestion.

I have no doubt it will be argued in support of this amendment without any compensation clause attached that its passage and submission to the State legislatures will leave the revenue intact from the industries for the Government for the remainder of the war, because it will take from two to five years to get the necessary 36 States to adopt the amendment, and that no shock to business or industry would occur during the war period.

An amendment submitted by Congress to the State legislatures without any time limit may be agitated and kept before the Sates forever, once Congress permits it. Once adopted by a State legislature no future legislature can set aside that adoption. If rejected by one legislature it can be continually brought up in succeeding ones. It took many years for the income-tax amendment to be ratified by three-fourths of the States. With this prohibition amendment without compensation hanging as a constant menace over the industry all know the stocks and securities and property would be utterly unsalable and of no commercial value in the financial world. On the passage of this amendment by Congress there would be an immediate rush to sell stocks, properties, and securities at any price. All loans secured by stocks, bonds, or warehouse certificates, or property would be called at once. The credit of all persons and corporations whose money was tied up in the industry would be at once ruined. The business world would act on the assumption that the industry was to be destroyed. The effect in financial and business circles would be substantially

the same as though Congress should enact a law as a war measure prohibiting the use of grain in alcoholic beverages during the war. If the amendment is passed without a compensation clause, loss of credit and pressure to collect loans will immediately force small manufacturers and dealers to throw their property and product on the market and sacrifice the same for whatever is offered. This will force big manufacturers and dealers to do the same thing temporarily at least. Millions of dollars in property will be sacrificed and thousands of men will be bankrupted. You can not destroy arbitrarily without compensation $1,000,000,000 worth of property and throw 1,000,000 men out of employment at the same time without some form of serious financial disturbance.

Mr. President, this is not a matter of any particular interest to me. My attitude with respect to it is influenced solely by my conception of what is absolutely and fundamentally right.

If the two amendments to which I have referred—that offered by the Senator from Ohio [Mr. HARDING], which has just been read, and the one that I have in mind to propose—should be agreed to, I am personally inclined to vote to submit the amendment to the States.

Mr. SHERMAN. Mr. President——

Mr. STONE. Just a moment. I would vote for it if submitted in that form. At least, I would vote to submit an amendment in the form I have stated, if my vote should be necessary to pass the resolution by the requisite two-thirds majority, although in a broad way I am not in favor of national prohibition by a constitutional amendment. I have opposed that policy because I feel that it means an invasion of the rights of the States and a practical destruction of one of the few remaining constitutional ideas to which some of us still cling—the police power of the States; and yet in these latitudinarian times, I feel disposed, if a fair and just amendment can be agreed upon, to submit it to the States and let the States pass upon it.

Mr. SHERMAN. Mr. President, did I understand the senior Senator from Missouri to say that he favored the amendment offered by the Senator from Ohio?

Mr. STONE. Yes.

Mr. SHERMAN. Which provides for compensated prohibition?

Mr. STONE. No. As I understand the amendment submitted by the Senator from Ohio, it merely provides that the amendment submitted shall be acted upon by the States within a given period.

Mr. SHERMAN. I had the impression that the amendment of the Senator from Ohio was upon the question of compensation, and that some one else offered the six-year amendment; but probably——

Mr. STONE. I said, if the Senator will permit me, that I had it in mind to offer an amendment to the joint resolution providing for compensation.

Mr. SHERMAN. Has the Senator one pending, or does he intend to offer one?

Mr. STONE I said I had it in mind to offer one to-morrow.

Mr. SHERMAN. I shall be very glad to see it when it is offered, Mr. President, because it is possible that the Senator from Missouri and myself may agree upon some such feature before we conclude our votes on this subject.

Mr. STONE. Possibly——

Mr. SHERMAN. Mr. President, I am not opposed to some reasonable form of compensated prohibition. I am willing to vote for an amendment of that kind if it should be drawn in some reasonable form, but not to compensate for all property which may be rendered useless. A distillery that has the ability and the equipment for distilling alcohol can be transformed, and with the six-year limitation here it could be, possibly before the amendment should be adopted by three-fourths of the States, so adjusted that the property lost would be nothing, or comparatively small. Outside of the large distilleries which are used in the United States for distilling and preparing whisky as a beverage, there is a material part of that property which can be reequipped and readjusted in such a way as to prepare alcohol for industrial, chemical, and scientific purposes; and a large portion of that property will be saved.

I do not understand that this amendment will prevent the manufacture of alcohol. It only prevents the manufacture of intoxicating liquor used for beverage purposes. That is the language of the joint resolution of the Senator from Texas. That is its purpose. In some of the largest distilleries in the world, in Peoria, Ill., and Kentucky, used for manufacturing whisky as a beverage, outside of the property that is devoted exclusively and built exclusively for the manufacture of whisky there is a large part of that property which can be used for perfectly legitimate purposes. The part of a distillery, for instance, where whisky is made that is used for racking off the liquor will be wholly lost. Outside of that the greater part of the valuable property devoted to that purpose can be used for distilling alcohol.

It is impossible for the manufacture or distilling of alcohol to be stopped at this time. Every time, say, a 83,000 shell is made a barrel of alcohol is used, and a 500-pound bale of cotton is needed to prepare the explosive, that with the glycerine and the nitric acid that goes into it, with other compounds that chemically combine with the cotton, makes the high-power explosive.

High explosives require alcohol. No one believes that the manufacture of alcohol will cease. I have read some criticisms, and I have received some telegrams and letters that seem to contemplate that the senders and writers think that we will quit manufacturing alcohol, and so our preparedness program will wholly fail. That either comes from a design to mislead or from a lack of accurate information. Alcohol will continue to be made for many years—indefinitely—for industrial purposes. In that I include the manufacture of explosives. All the shells require explosives not only of the usual kind, but very high-power explosives under recent inventions developed in the European war. That will continue.

A very large part of the Peoria distilleries now making beverage whisky can be transformed for the manufacture of industrial alcohol. There is no occasion to have many millions of dollars' worth of property destroyed. There is no occasion either for millions of bushels of grain to go into whisky and other millions to go into malt liquors, or other foodstuffs, fruits, grapes, and the like, to go into forms of wine that are less injurious, it is true, than corn whisky or rye whisky. Nevertheless, they are food products, and there is no reason at this time to destroy the food value of these immense quantities of foodstuffs by turning them into intoxicating liquor.

Mr. President, I wish to be as brief as I can and keep within a reasonable adjourning time here. Some of what I wish to say I will say to-morrow under the 10-minute rule, but we are told that the brewing processes must continue, that beer is healthy. It may be healthy to some people, some kinds of beer, but not the kinds of beer we are making in this country. The beer that is brewed in this country is slop, Mr. President. It has destroyed more vital organs than human disease. It is largely brewed from corn and cheap rice. There are bubbles in it as large as a soap bubble. The bubbles that ornament the average schooner of domestic-brewed American beer look like the bubbles coming out of a pipe when a child blows bubbles for amusement. The small, fine bubble, not much larger than the head of a pin, that comes from the malt-brewed beer, is very scarce in this country. I repeat, Mr. President, that the brew of beer out of corn and rice and cheaper processes employed is literally a corrosive, rotting, burning slop. It has rotted more kidneys and perforated more stomachs, and destroyed more livers by cirrhosis and abscesses than all the natural diseases to which human flesh ever fell heir.

On billboards over the country we have seen the legend, "The beer that made Milwaukee famous." I saw away down in Yucatan at one time a parody on that. It said, "We brew the beer that made Milwaukee jealous." I went in and tried some of it. No white man can habitually drink it and live. It may be good for the men that dwell in the Tropics, because they are short lived, and some of them think it a blessing to die, anyhow—a relief from a sore vexation of the flesh.

But we use foodstuffs for beer, for stout, for ale, and for various other sorts of fermented or brewed liquor. Under this amendment we will discontinue that, and the brewery will lose some of its value. If it can not be used for a vinegar factory or for apple butter or for some legitimate purpose, I am willing to pay for it. There is a large part of the Anheuser-Busch Brewing Association's property which can be used for lawful purposes, and I do not believe a jury impaneled in a United States court would give any extraordinary damages. Their breeding barns and their stables and their fields, where they raised horses at one time, will not be lost. Their automobiles that have succeeded animal power for trucking purposes since then will not be lost. All those vehicles can be used, together with such animals as remain in their service, for legitimate purposes. Not one dollar would be a proper subject of award by way of damages in condemnation proceedings before a jury if you were condemning, under the right of eminent domain, this property to take it to use it for some other purpose. But when it is taken under the exercise of the police power of the State, when we take it because it has been devoted to a purpose that is declared to be no longer lawful, then all of the unlawful portion of the property that was used, if it can be converted into any other lawful pursuit, will not be lost, and will not properly be considered in an estimate of damages.

But the saloonkeeper comes in, and he is to be protected. Who offers that argument, and who writes the brief?

I wish to coincide with the senior Senator from Kansas [Mr. THOMPSON]. In presenting the brief on this question, Mr. President, I know who writes the brief for compensation for the saloon keeper. It is the brewery's lawyer. How are the breweries interested in the saloon keeper at the corner I pass on my way home, that seemed to have some kind of a vested right almost under the shadow of a schoolhouse in my town before they were voted out last April, all of them in a bunch? It is because, Mr. President, the brewery is the willful, guilty agent that breeds the saloon keeper all over the country. The brewery is the power that sets up convicts in the saloon business all over my State. No sooner are they freed from their sentences by lapse of time than the brewery picks them up and makes them fit subjects to be intrusted with a barroom and fixtures and a stock of beer and enough whisky to go along as a handmaid of the blessed beverage that gives health and strength—as they say in their advertisements. I never saw a man drink it in my life, steadily, that was not a good candidate for Bright's disease, or indigestion, or paralysis, if he kept it up long enough.

I began with many friends of liberal habits more than 30 years ago, Mr. President. Unfortunately some of them thought that brewers and distillers told the truth; their names have been cut on tombstones many a long year; some of them because they thought they could practice that belief. I have seen too many of them die in my time; I have seen some of them die with strange complaints, seeing strange things in the air and hearing strange voices; and in the delirium tremens that took them to their graves I have remembered that they were the victims of the saloon keeper, promoted by the brewery.

It is time now to tell the truth about these things. I have made up my mind the few remaining years of my life to tell the truth about it. I have voted "dry" ever since I have been a voter in local elections. I have passed far beyond the point where I believe that it is a question of local option.

Local option is well enough in its way, but to me you might just as well say that East St. Louis ought to have local option in murdering negroes and not be interfered with by anybody outside of the town. "It is a local matter. What business is it of yours or mine, living outside, if they do this?" It is just as much of a local matter, they might argue, as the saloon is a local matter.

There is not a State in the 48 States of the Union that has ever had a fair chance on the dry question, even when it voted dry. Maine is surrounded by land and water, with the possibilities of the habitual violation of her laws. Kansas, as stated by its senior Senator, has been territorially surrounded at all points of the compass until recently, and is yet bounded on the east by wet territory. Every dry State has had a similar experience. Every one of those States has lived with the ever-present possible inundation from the wet forces all around them, and nothing but the slender dikes of a State-created law to defend them against the lawless deeds of those whose principal purpose is to break the laws of the dry States.

I have heard all the time, Mr. President, that you could not enforce the liquor law, and what is the use of passing laws that you can not enforce? Who break them? The very men who offer the criticism; the very men who vote against all regulatory laws, State and National; the very men who object to any kind of regulation are the ones who come in afterwards and break the laws, and then offer their own offenses as the criticism for the laws that they despise and violate.

We have had a Sunday closing law since 1848 in Illinois, that no saloon in Illinois could open and sell on Sunday. Have saloons ever paid any attention to it? No. Immediately after the riot in Springfield, Ill,, it was trailed to the contempt for and carelessness of the law in the town, as it was in East St. Louis born of lawlessness hatched in the saloons of a liberal administration. So we began to ask them to obey the Sunday closing law. They laughed at it. They continued to laugh at it. Juries were empaneled in Chicago and it was proved beyond question. They promptly acquitted them. The present mayor has enforced the law in the city of Chicago against saloons.

Outside of Chicago, in Cook County, the lid is off all the time. Sunday, daylight, midnight, and every other time saloons are open to everybody—men, women, children, drunkards, and everybody else who has the price.

I do not know what the result will be. The State attorney of Cook County announces that he intends to close the lid outside of the city limits of Chicago. I hope he will succeed.

I have been through that fight for more than 20 years. In 1909 I ran as a candidate for mayor for my home city, following the riot of 1908, a wide-open town. I was defeated by 137 votes, counted out in the very district or ward where the people were whom I wished to regulate. I accomplished the purpose. I had a hearing before the people of my home city. I had no more ambition to be mayor than township constable, except as it served the purpose. I told them what I knew about it and told the liquor interests in Springfield they must either clean up or clean out. It took eight years from that spring of 1909 to the spring of 1917 until they were cleaned out, because the brewers and saloon keepers would not reform. There were 215 saloons in a town of 70,000 population in business last spring before the election.

They got what they earned. Still, it is said it is a local question. It is no longer local, no more than the principles of sound government are local, no more than the principles of human life are local, no more than the principles of common decency are local, no more than the universally accepted principles of morality are local. It is a national question now and will remain a national question, and as the Senator from Washington [Mr. JONES] said, a nonpolitical question, unless it is forced to be made a political question, and then it will become one. Old party lines may, if the emergency require, disappear, but the reign of the saloon can not endure in this country.

It is true, as the junior Senator from Georgia [Mr. HARDWICK] said, it began as a local question. It is regarded now by many of the Senators from Southern States as a local question. I do not quarrel with their belief on that subject. I only say that when it is a local question and a State goes dry, and it is surrounded by partly or all wet territory you do not give the State a chance to be dry. You do not or can not enforce the laws and then offer that as a reason why all regulatory or prohibition laws should never be passed, simply because they are continually violated.

I am going to put in enough here to indicate what I mean on this subject and will then let it go at that. I intend to vote for this amendment or the resolution in any form in which it finally comes to a roll call, if it contains the essential principles of the prohibition of the manufacture and sale of intoxicating beverages. I can do so without even arguing the question of the justice or injustice of it. I can vote for its submission on the ground that it is a subject of long continued agitation, one that has long been before States and people and has at last risen to the dignity of a proposed constitutional amendment; the 48 States of this Republic have a right now to pass upon that question.

Even if I were wet, if I were opposed to the amendment, there is no reason why any Senator should deny to the people of the States the right to pass upon a question and approve or reject this amendment. I put it upon that ground, if I could put it upon no other. Congress ought to vote to submit it to the people of the States.

In a sort of parenthetical way I asked here a few days ago or weeks ago is there anything more sacred than a human life? Still compensated emancipation for the slave was an open question at one time. Let me briefly recur to those things. In Lincoln's message read in this building on December 3, 1861, as it was laid that morning on the desk of Members, the present method of addressing Congress having been in disuse, and all the Members read the message on that day recommending that Congress provide for accepting such persons from such States according to some mode of valuation, "such persons" referring to such slaves as by their masters were made capable of being emancipated or freed.

In the privacy of his own room Mr. Lincoln wrote a compensated emancipation for the State of Delaware, a border State. George P. Fisher had been elected a Member of Congress on a sort of combination ticket, a free soiler in that State, as a Member of the House. Mr. Lincoln communicated through him with public sentiment in Delaware. They ascertained by a canvass of the members of the legislature it could not pass. The bill therefore was never introduced by the free soilers.

The proslavery men, however, in the Legislature of Delaware recited the whole bill in a preamble or joint resolution and condemned the bill at great length. A majority of the house members, of 21 members, passed the bill, repudiating compensated emancipation. In the senate there were nine members. One member was absent. Four members voted for it and four members voted against it, and it lost on the tie. Those records are found in the Senate journal of the State of Delaware at the special session of 1861 and 1862.

Again, President Lincoln, in a message of March 6, 1862, recommended the passage of a joint resolution for compensation. Roscoe Conkling introduced the resolution on the 10th of March, 1862, found in the Congressional Globe of that date. Conkling was then a Member of the House from the State of New York. It passed the House on the 11th day of March, 1862, by a vote of 89 to 31. It passed the Senate on the 2d day

of April, 1862, by a vote of 32 to 10. It was approved by President Lincoln April 10, 1862.

Again, came an act abolishing slavery in the District of Columbia. It passed the Senate the 3d day of April, 1862, by 29 to 14, and the House on the 11th day of April, 1862, 92 to 38. It was approved by President Lincoln. It provided $100,000 as a preliminary to assist the voluntary immigration of slaves from the District of Columbia to Liberia and to compensate for such of them as were emancipated and remained in this country. President Lincoln wrote a letter to Henry J. Raymond, on the 9th day of March, 1862, and used the following remarkable language:

> The cost of the war for half a day would pay for every slave in the State of Delaware. The cost for 87 days would pay for all the slaves in Maryland, Delaware, the District of Columbia, Kentucky, and Missouri.

Those were the whole network of border States, as the State of West Virginia had not yet been created by the war conditions that resulted in the birth of that State. It took all the border States and created what they call in Europe in politics a kind of a buffer State, a free-soil series of States created out of that slave territory by compensating slave owners for their property between the free States and the warring slave States.

In a message of the 14th of June, 1862, President Lincoln sent with it a copy of the bill recommending, according to the memorandum made in March, 1862, compensated emancipation. He wrote a letter to McDougall and another one to John J. Crittenden, of Kentucky, and in it he repeated what he had said to Raymond about the cost of the war. He showed in detail that there were 1,798 slaves held in the State of Delaware. Figuring them at $400 per head, it amounted to $719,200. He proposed to pay for those by issuing Government bonds to the owners, bearing 6 per cent interest. He showed, too, that the cost of one day of the war at that time was $2,000,000. He showed that the slaves in Delaware were 1,798; in Maryland, 87,188; in the District of Columbia, 3,181; in Kentucky, 225,490; and in Missouri, 114,965—a total of 432,622 slaves. At $400 a head, it amounted to $173,048,800, and 87 days of the war—$174,000,000—would more than pay for every one of the slaves in the border States. This was in the Crittenden letter worked out in detail. Every slave in the United States, estimating them at 4,000,000 at that time, at $400 a head, would have cost $1,600,000,000. John J. Crittenden used his influence all over Kentucky to beat the proposition and create sentiment against it. Lincoln sadly relinquished it and turned his attention to the sober duties of subjugating by military force the recalcitrant States

How much did it cost when the expense bill was paid? It was not $1,600,000,000. It was $8,000,000,000 of indebtedness before the Civil War debt was canceled, and it is not paid yet. Some of the bonds are still out, drawing, it is true, a reduced rate of indebtedness under refunding acts, but nevertheless a part of the war debt.

For me, rather than to disturb the economical conditions of the United States in legitimate investment with any property that has any proper claim to the care of this Government any property in a distillery that can not be used for any purpose, I would pay for it. The amount of it is exaggerated under the cold, hard daylight of experience, and before a jury sifting evidence of the value of the property that will be destroyed it will lower rapidly when the acid test of truth is applied to it. But if it should reach the amount stated by the Senator from Missouri of a thousand million dollars, I am willing, if it would insure the end of the traffic in intoxicating liquors, to vote for it now. If it would redeem and save some of my associates or their children or children's children from a future fate, if it will end it so far as this Republic can end it, I will pay for the rest of my life my proportional part of the billion-dollar tax that it may not be repeated.

If it will save but a single one, if it is of your family, if it is your neighbor's family, the billion dollars is a cheap price to pay. It is a good deal like Billy Sunday's revival. Some one asked me on a street car, "Do you favor Billy Sunday?" I said, "Yes." The man said, "I do not believe in such sensational things as that." "How many converts did he get in your town?" He said he got 1,500. "How long ago?" He said, "About 30 days ago." I asked if there were any backsliders. He said, "Oh, yes." "How many of them have backslidden?" He did not know. I said, "Suppose all but 5 or 10; what did it cost? How much did it cost you?" "Forty thousand dollars." "If the 5 or 10 belonged to my family," I replied, "and I had $40,000, Billy Sunday could have had it all. If he saved only one, and the one was a member of your family, you would think that Billy Sunday did not come to your town in vain."

I think the same way about the drunkard. If it only saved one, but it ends it and it ends it justly, I am not disposed to quarrel about the compensated prohibition, for if there is any sort of assurance that it can be put in a reasonable form, if a few who are now opposing this resolution will give their vote so that it will become an assured fact, I am willing to sit down and endeavor to frame something upon which we can agree. What I want is that the greatest Republic in the world shall take the forward step, and that this crime of the ages shall disappear through just amendment of its organic charter, even with compensation, if necessary. We have led the way in many things and we will never have a greater opportunity to rise to the sublime level of a great moral level and blaze the way for the future sons of men than we have now in the passage and submission to the States of such a resolution.

RECESS.

Mr. SHEPPARD. I move that the Senate take a recess until 11 o'clock to-morrow.

The motion was agreed to; and (at 6 o'clock and 20 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, August 1, 1917, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

TUESDAY, *July 31, 1917.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee Infinite and Eternal Spirit for that influence ever going out from Thee, which holds the stars to their appointed courses, and is a potent influence in the affairs of men. Help us to comprehend as a people that we may be quick to perceive, wise in our judgments, and strong to execute Thy behests; that we may grow in influence and power and thus become willing instruments in Thy hands for the promotion of Thy kingdom in the earth, through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

Mr. KEARNS, by unanimous consent, at the request of Mr. CROSSER, was given leave of absence indefinitely on account of death in his family.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed bills and joint resolution of the following titles, in which the concurrence of the House of Representatives was requested:

S. 1553. An act to give effect to the convention between the United States and Great Britain for the protection of migratory birds concluded at Washington August 16, 1916, and for other purposes;

S. 2695. An act to authorize the construction, maintenance, and operation of a bridge across Little River, Ark., at or near the foot of the gar hole about one-half mile south of the Jonesboro, Lake City & Eastern Railway bridge across Little River, Ark.; and

S. J. Res. 86. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point Aurelio Collazo, a citizen of Cuba.

ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 3331. An act for the protection of desert-land entrymen who enter the military or naval service of the United States in time of war.

RIVER AND HARBOR BILL.

Mr. SMALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 4285, the river and harbor bill, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take from the Speaker's table the river and harbor bill, disagree to all the Senate amendments, and ask for a conference. Is there objection?

Mr. MADDEN. I object

UNANIMOUS CONSENT TO EXTEND REMARKS.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the liberty bonds.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. WALSH. I object.

Mr. KING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. WALSH. I object.

Mr. KING. Will the gentleman withhold his objection for a moment?

Mr. WALSH. I will withhold it.

Mr. KING. I want to say that when the gentleman knows the subject perhaps he will withdraw his objection. It is on a subject with which I have no doubt the gentleman is entirely familiar, and that is the diatomicity of elementary bodies, which is not volatile but hypothetical.

The SPEAKER. Is there objection?

Mr. WALSH. I object.

RIVER AND HARBOR BILL.

Mr. POU. Mr. Speaker, I offer the following privileged resolution from the Committee on Rules.

The Clerk began reading the resolution.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. The gentleman stated that he offered a report from the Committee on Rules, and the Clerk is proceeding to read a resolution that is now on the calendar and not in the possession of the Committee on Rules at all.

The SPEAKER. The Committee on Rules has charge of the resolution.

Mr. MANN. But the gentleman from North Carolina is proposing to report a resolution not in possession of the committee but in possession of the House.

Mr. POU. Mr. Speaker, I call up House resolution 126.

Mr. MANN. I shall not make a point of order that it is not privileged, although I think that probably it is not.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

House resolution 126.

Resolved, That the bill H. R. 4285, entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," be, and hereby is, taken from the Speaker's table, with the Senate amendments thereto, to the end that the said amendments be, and hereby are, disagreed to; and a conference be, and hereby is, asked with the Senate on the disagreeing votes on said amendments, and the Speaker shall immediately appoint the conferees.

Mr. MADDEN. Mr. Speaker, I make the point of order that the resolution is not privileged.

The SPEAKER. The Chair will hear the gentleman.

Mr. MADDEN. If the gentleman from North Carolina can prove that it is a privileged resolution, I shall have nothing to say.

Mr. POU. The burden of proof is on the gentleman from Illinois.

The SPEAKER. Does the gentleman from Illinois wish to be heard?

Mr. MADDEN. I do not; I will submit it to the Chair.

The SPEAKER. The point of order is overruled.

Mr. POU. Mr. Speaker, I ask unanimous consent that the debate on the resolution be 20 minutes on a side, 20 minutes to be controlled by myself and 20 minutes by the gentleman from Kansas [Mr. CAMPBELL], and at the end of that time the previous question shall be considered as ordered.

Mr. MADDEN. I object to any unanimous-consent agreements.

Mr. POU. Mr. Speaker, I demand the previous question.

The SPEAKER. The gentleman from North Carolina demands the previous question.

The question was taken; and the Speaker announced that the ayes seemed to have it.

Mr. MADDEN. I make the point of order that no quorum is present.

The SPEAKER. The gentleman from Illinois makes the point that no quorum is present, and evidently there is not. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 198, nays 93, answered "present" 4, not voting 136, as follows:

YEAS—198.

Alexander	Bacon	Black	Brand
Almon	Bankhead	Blackmon	Brodbeck
Ashbrook	Barkley	Blanton	Browning
Aswell	Barnhart	Booher	Brumbaugh
Austin	Bathrick	Borland	Buchanan
Burnett	Garner	Little	Sanders, La.
Byrns, Tenn.	Garrett, Tenn.	Littlepage	Saunders, Va.
Campbell, Pa.	Garrett, Tex.	Lobeck	Shackleford
Candler, Miss.	Glynn	London	Sherley
Cantrill	Goodall	Lonergan	Sherwood
Caraway	Goodwin, Ark.	Longworth	Sisson
Carlin	Gordon	Lundeen	Slayden
Chandler, N. Y.	Gray, Ala.	Lunn	Small
Clark, Fla.	Greene, Mass.	McArthur	Smith, Idaho
Claypool	Gregg	McKeown	Smith, Mich.
Coady	Hadley	McLemore	Smith, C. B.
Collier	Hamlin	Mansfield	Steagall
Connally, Tex.	Hardy	Martin, La.	Steenerson
Cooper, W. Va.	Harrison, Va.	Mays	Stephens, Miss.
Cooper, Wis.	Hastings	Miller, Minn.	Stephens, Nebr.
Cox	Hawley	Miller, Wash.	Stevenson
Crisp	Hayden	Montague	Strong
Crosser	Heflin	Moon	Talbott
Curry, Cal.	Heintz	Moore, Pa.	Taylor, Ark.
Darrow	Hensley	Moores, Ind.	Temple
Davis	Hersey	Nolan	Thomas
Decker	Hicks	Oldfield	Tillman
Denison	Holland	Oliver, Ala.	Venable
Dent	Houston	Oliver, N. Y.	Vinson
Denton	Howard	Osborne	Volstead
Dickinson	Hulbert	Overmyer	Waldow
Dies	Hull, Tenn.	Padgett	Walker
Dixon	Hutchinson	Park	Walton
Dominick	Igoe	Polk	Watkins
Doolittle	Jacoway	Pou	Watson, Pa.
Doughton	Johnson, Ky.	Powers	Watson, Va.
Dupré	Jones, Tex.	Price	Weaver
Dyer	Kahn	Quin	Webb
Elliott	Kennedy, Iowa	Rainey	Welty
Elston	Kennedy, R. I.	Raker	Whaley
Estopinal	Kincheloe	Randall	White, Me.
Evans	La Follette	Rayburn	White, Ohio
Ferris	LaGuardia	Robbins	Wilson, La.
Fields	Larsen	Robinson	Wilson, Tex.
Fisher	Lazaro	Rodenberg	Wingo
Flood	Lea, Cal.	Romjue	Wise
Foster	Lee, Ga.	Rouse	Wood, Ind.
Francis	Lesher	Rubey	Young, Tex.
French	Lever	Rucker	
Gard	Linthicum	Russell	

NAYS—93.

Anderson	Fairfield	Madden	Sells
Bell	Foss	Magee	Sloan
Bland	Frear	Mann	Sweet
Bowers	Gallagher	Mapes	Tague
Britten	Graham, Ill.	Morgan	Taylor, Colo.
Browne	Green, Iowa	Nelson	Thompson
Burroughs	Greene, Vt.	Nicholls, S. C.	Timberlake
Byrnes, S. C.	Huddleston	Norton	Towner
Campbell, Kans.	Johnson, S. Dak.	Parker, N. J.	Treadway
Cannon	Johnson, Wash.	Phelan	Vestal
Carter, Mass.	Juul	Pratt	Voigt
Classon	Keating	Purnell	Walsh
Connelly, Kans.	Kelley, Mich.	Ramsey	Wason
Cooper, Ohio	Kelly, Pa.	Ramseyer	Welling
Cramton	King	Rankin	Wheeler
Dale, Vt.	Kinkaid	Reavis	Williams
Dallinger	Knutson	Reed	Wilson, Ill.
Davidson	Kraus	Roberts	Winslow
Dill	Langley	Rogers	Woods, Iowa
Dillon	Lehlbach	Sabath	Young, N. Dak.
Dunn	McAndrews	Sanders, Ind.	Zihlman
Ellsworth	McCormick	Sanders, N. Y.	
Emerson	McKenzie	Schall	
Esch	McKinley	Scott, Iowa	

ANSWERED "PRESENT"—4.

Chandler, Okla.	Dowell	Fuller, Ill.	Glass

NOT VOTING—136.

Adamson	Fordney	Kearns	Rowe
Anthony	Freeman	Kehoe	Rowland
Ayres	Fuller, Mass.	Kettner	Sanford
Bacharach	Gallivan	Key, Ohio	Scott, Mich.
Brackner	Gandy	Kiess, Pa.	Scott, Pa.
Butler	Garland	Kitchin	Scully
Caldwell	Gillett	Kreider	Sears
Capstick	Godwin, N. C.	Lenroot	Shallenberger
Carew	Good	McClintic	Shouse
Carter, Okla.	Gould	McCulloch	Siegel
Cary	Graham, Pa.	McFadden	Sims
Church	Gray, N. J.	McLaughlin, Mich	Sinnott
Clark, Fla.	Griest	McLaughlin, Pa.	Slemp
Copley	Griffin	Maher	Smith, T. F.
Costello	Hamill	Martin, Ill.	Snell
Crago	Hamilton, Mich.	Mason	Snook
Currie, Mich.	Hamilton, N. Y.	Meeker	Snyder
Dale, N. Y.	Harrison, Miss.	Mondell	Stafford
Dempsey	Haskell	Morin	Stedman
Dewalt	Haugen	Mott	Steele
Dooling	Hayes	Mudd	Sterling, Ill.
Doremus	Heaton	Neely	Sterling, Pa.
Drane	Helm	Nichols, Mich.	Stiness
Drukker	Helvering	Olney	Sullivan
Eagan	Hill	O'Shaunessy	Sumners
Eagle	Hilliard	Overstreet	Swift
Edmonds	Hollingsworth	Paige	Switzer
Fairchild, B. L.	Hood	Parker, N. Y.	Templeton
Fairchild, G. W.	Hull, Iowa	Peters	Tilson
Farr	Humphreys	Platt	Tinkham
Fess	Husted	Porter	Van Dyke
Fitzgerald	Ireland	Ragsdale	Vare
Flynn	James	Riordan	Ward
Focht	Jones, Va.	Rose	Woodyard

So the previous question was ordered.

The Clerk announced the following pairs:
For the session:
Mr. KEHOE with Mr. CARY.
Mr. STEELE with Mr. BUTLER.
Until further notice:
Mr. CARTER of Oklahoma with Mr. CHANDLER of Oklahoma.
Mr. SHOUSE with Mr. WARD.
Mr. HULL of Tennessee with Mr. HILL.
Mr. SEARS with Mr. DOWELL.
Mr. CLARK of Florida with Mr. FULLER of Illinois.
Mr. MCCLINTIC with Mr. PETERS.
Mr. DALE of New York with Mr. HASKELL.
Mr. DEWALT with Mr. MCFADDEN.
Mr. HOOD with Mr. HEATON.
Mr. SNOOK with Mr. MUDD.
Mr. SIMS with Mr. MORIN.
Mr. RIORDAN with Mr. MASON.
Mr. VAN DYKE with Mr. VARE.
Mr. OLNEY with Mr. STERLING of Illinois.
Mr. CALDWELL with Mr. SNELL.
Mr. ADAMSON with Mr. SIEGEL.
Mr. AYRES with Mr. SINNOTT.
Mr. FLYNN with Mr. SNYDER.
Mr. GODWIN of North Carolina with Mr. STAFFORD.
Mr. MARTIN of Illinois with Mr. TINKHAM.
Mr. KEY of Ohio with Mr. HILL.
Mr. KETTNER with Mr. HOLLINGSWORTH.
Mr. MAHER with Mr. HUSTED.
Mr. NEELY with Mr. IRELAND.
Mr. O'SHAUNESSY with Mr. MCCULLOCH.
Mr. OVERSTREET with Mr. MCLAUGHLIN of Michigan.
Mr. SHALLENBERGER with Mr. MONDELL.
Mr. THOMAS F. SMITH with Mr. MOTT.
Mr. STEDMAN with Mr. NICHOLLS of Michigan.
Mr. STERLING of Pennsylvania with Mr. PARKER of New York.
Mr. SULLIVAN with Mr. ROWE.
Mr. SUMNERS with Mr. SANFORD.
Mr. BRUCKNER with Mr. DEMPSEY.
Mr. CAREW with Mr. BACHARACH.
Mr. CHURCH with Mr. BENJAMIN L. FAIRCHILD.
Mr. DOOLING with Mr. COPLEY.
Mr. DOREMUS with Mr. GEORGE W. FAIRCHILD.
Mr. DRANE with Mr. CRAGO.
Mr. EAGAN with Mr. FESS.
Mr. EAGLE with Mr. FORDNEY.
Mr. FITZGERALD with Mr. GILLETT.
Mr. GALLIVAN with Mr. GOOD.
Mr. GRIFFIN with Mr. FULLER of Massachusetts.
Mr. HARRISON of Mississippi with Mr. GRIEST.
Mr. HELM with Mr. HAMILTON of Michigan.
Mr. HELVERING with Mr. HAMILTON of New York.
Mr. HILLIARD with Mr. HAYES.
Mr. GLASS with Mr. SLEMP.
On the vote:
Mr. GARLAND (for previous question) with Mr. GANDY (against).
Mr. COSTELLO (for previous question) with Mr. SCULLY (against).
Mr. RAGSDALE (for previous question) with Mr. SCOTT of Michigan (against).
Mr. MCLAUGHLIN of Pennsylvania (for previous question) with Mr. KREIDER (against).
Mr. GRAHAM of Pennsylvania (for previous question) with Mr. ROWLAND (against).
Mr. KITCHIN (for previous question) with Mr. FOCHT (against).
Mr. EDMONDS (for previous question) with Mr. KIESS of Pennsylvania (against).
Mr. GOULD (for previous question) with Mr. STINESS (against).
Mr. HUMPHREYS (for previous question) with Mr. PAIGE (against).
The result of the vote was announced as above recorded.
A quorum being present, the doors were opened.
The SPEAKER. The gentleman from North Carolina [Mr. POU] is entitled to 20 minutes and the gentleman from Kansas [Mr. CAMPBELL] to 20 minutes.
Mr. POU. Mr. Speaker, the question before the House is whether or not the river and harbor appropriation bill shall be sent to conference. The bill passed the House by an overwhelming majority. It passed the Senate by an overwhelming majority. It is hard to understand why any gentleman should object to the bill taking its usual legislative course and going to conference. That is the apology for this rule, if any apology is necessary. It is hard to understand, also, why gentlemen should object to the passage of this bill at this time. The Government is spending millions of dollars improving our merchant marine and millions of dollars are being expended in the preparation of our railroads for carrying the immense commerce of this country. Every effort is being made by the Government to improve our transportation facilities. We are talking in billions, not in millions, but when it is proposed to appropriate a few million dollars for the improvement of the rivers and harbors of the country, certain gentlemen say, "No; this must not be done." It is hard to understand the mental attitude of gentlemen who put themselves in opposition to this legislation.

I reserve the remainder of my time.

Mr. CAMPBELL of Kansas. Mr. Speaker, there was an understanding that there should be no legislation at this session of Congress except legislation directly bearing upon the war. This is a violation of that understanding. I doubt if there are Members of this House who have not told their constituents that it was impossible to get consideration of matters in which they were interested, because Congress had decided to consider nothing at this session except matters pertaining to the war.

Mr. DUPRÉ. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. DUPRÉ. Does not the gentleman differentiate between legislation such as he has in mind and this, which is a bill designed to remedy a situation where a supply bill failed last year?

Mr. CAMPBELL of Kansas. No; many bills failed last year.

Mr. DUPRÉ. Not supply bills.

Mr. CAMPBELL of Kansas. Many bills failed here last year that have not been brought up at this special session of Congress. This bill might have been made in order if it had been confined to the improvement of our harbors and had left out the matter of paving some of our rivers and smaller streams, matters that can not in any way have any bearing upon the conduct of the war. If this bill had come out of the Committee on Roads and had included some of the money that is to be expended on the rivers for improving roadways, it might have been of some use as a war measure. We shall use our harbors and we shall use our roadways, but there will be no use of the rivers as a war measure within the next legislative year.

Mr. DUPRÉ. Not the rivers of Kansas.

Mr. CAMPBELL of Kansas. The rivers of Kansas carry as much commerce as most of the rivers provided for in this bill.

Mr. CARLIN. I thought Kansas had gone dry.

Mr. MOORE of Pennsylvania. If we vote $750,000,000 to build ships on the rivers and in harbors of the United States, does not the gentleman think it a fair war proposition to spend $26,000,000 improving the rivers and harbors?

Mr. CAMPBELL of Kansas. We are spending these millions of dollars to go upon the high seas, not upon the rivers.

Mr. MOORE of Pennsylvania. Do we build ships upon the high seas or build them in the rivers and harbors?

Mr. CAMPBELL of Kansas. We build them in our harbors, and I stated we could improve our harbors.

Mr. MOORE of Pennsylvania. They go to the high seas through the rivers and the harbors.

Mr. CAMPBELL of Kansas. It depends on where they are built; if they are built on Cow Creek——

Mr. MOORE of Pennsylvania. Of course if they are built on Cow Creek, they do not get to the ocean; it does not flow that far.

Mr. CAMPBELL of Kansas. If we spent as much money on Cow Creek as they propose to spend on other streams, we could make it as navigable as the other streams to the sea.

Mr. MOORE of Pennsylvania. Does the gentleman object to spending 26 cents per capita to improve the rivers and harbors upon which to build and carry commerce, if he votes for $7.50 per capita to build ships for the seas?

Mr. CAMPBELL of Kansas. I am opposed to throwing one cent per capita away on useless expenditures. The money can be wisely expended in improving our harbors.

Mr. MOORE of Pennsylvania. The gentleman voted for the $640,000,000 aviation bill, did he not?

Mr. FREAR. Will the gentleman yield?

The SPEAKER. To whom does the gentleman yield?

Mr. CAMPBELL of Kansas. I yield to the gentleman from Wisconsin.

Mr. FREAR. May I ask the gentleman from Kansas if he objects to spending $20,000,000 for a 13-mile canal up here and about the same amount of money on the Cape Cod Canal that can not at least at this time be considered a war measure?

Mr. CAMPBELL of Kansas. I am, and for that reason I am opposed to this bill at this session of Congress. Mr. Speaker, I reserve the remainder of my time, and yield 10 minutes to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, this is the most extraordinary legislative situation I have ever seen. A great many items have been placed in this bill by the Senate that under the rules of the House should have been considered in the Committee of the Whole; but, no, you Democrats, who insist upon spending money for "pork," do not want Members to have a chance to consider them, so you adopt the extraordinary course of bringing in a special rule and of moving the previous question and gagging Members of the House so as to deprive them of an opportunity to tell the facts in the case. We are in a great war, and we need every dollar the people of the country can raise to fight that war. [Applause.] And next year the people will tell you men who are wasting this money how they feel about it, and you will be apologizing for your lack of interest in the people and for the unjustifiable expenditure of this vast sum of money.

When the people begin to pay the taxes next year you will hear from them. They have paid no taxes connected with the conduct of this war yet, but we are going ahead and spending their money with no thought of how it affects their welfare. Taxes must be levied to meet your extravagant expenditures, and the people will be compelled to pay them, and they will want to know what this money was expended for, and when they are told that it was expended for moving hyacinths from some of the sluggish creeks where there is no navigation they will give you some evidence of how they feel toward you. Aside from that, I do not understand why the chairman of the Committee on Rivers and Harbors [Mr. SMALL] and the gentleman from Pennsylvania [Mr. MOORE] come into the House and urge the appropriation of so vast a sum of money—$27,000,000—for no real purpose whatever, and as the president and the vice president of the Inland Atlantic Deeper Waterways Association Magazine criticize Members of the House in the columns of that magazine because they do not agree with them. Mr. MOORE writes an editorial on the front page of this magazine, in which he sets forth the money that is to be expended for other purposes and wonders why we object to the expenditure of money that has nothing whatever to do with the conduct of the war, and then they have the effrontery to print an editorial in that magazine which reads as follows:

The river and harbor bill as reported to the House contained many items of vital importance to national preparedness along the Atlantic seaboard, and for this reason should have commanded the support of every Member from every seaboard State. We regret to note the following names of eastern Congressmen who voted against the bill. While there may have been other reasons sufficient in their opinion to justify opposition to the interests of their own States, we prefer to believe that their course was due to misleading statements emanating from the opposition, to which, through lack of personal information, they gave a measure of belief unwarranted by the facts.

Then they give the names of the men by States, as follows:

MAINE.

Hersey (Rep.), Houlton; White (Rep.), Lewiston.

NEW HAMPSHIRE.

Wason (Rep), Nashua; Burroughs (Rep.).

MASSACHUSETTS.

Carter (Rep.), Needham Heights; Dallinger (Rep.), Cambridge; Gillett (Rep.), Springfield; Rogers (Rep.), Lowell; Tinkham (Rep.), Boston; Treadway (Rep.), Stockbridge; Walsh (Rep.), New Bedford; Phelan (Dem.), Lynn; Tague (Dem.), Boston; Gallivan (Dem.), Boston; Fuller (Ind.), Malden.

RHODE ISLAND.

Stiness (Rep.), Warwick.

CONNECTICUT.

Tilson (Rep.), New Haven.

NEW YORK.

Fairchild, G. W. (Rep.), Oneonta; Magee (Rep.), Syracuse; Platt (Rep.), Poughkeepsie; Sanders (Rep.), Stafford; Sanford (Rep.), Albany.

NEW JERSEY.

Parker (Rep.), Newark; Ramsey (Rep.), Hackensack; Scully (Dem.), South Amboy.

PENNSYLVANIA.

Focht (Rep.), Lewisburg; Dewalt (Dem.), Allentown; Kelly (Ind.), Braddock.

SOUTH CAROLINA.

Byrnes (Dem.), Aiken; Nicholls (Dem.), Spartanburg.

GEORGIA.

Bell (Dem.), Gainesville; Crisp (Dem.), Americus.

I submit that no Member of the House has the right to own and publish a magazine to advocate measures in which he is interested and to criticize Members of the House for exercising their rights as Members of the House during the consideration of these measures.

Mr. DUPRÉ. I thought the gentleman was opposed to press censorship.

Mr. MADDEN. I am opposed to any Member of this House having the effrontery to come here as the president or vice president of a magazine that is advocating measures in which he is interested and criticizing other Members of the House for the exercise of their privileges as Members of the House during the consideration of these measures. I think it is not only indelicate; it is indecent. It is unwarranted; it is unjustifiable, and I think they ought to be compelled to apologize to the House. [Applause.]

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. MADDEN. I decline to yield.

Mr. MOORE of Pennsylvania. I want to know——

Mr. MADDEN. I decline to yield.

The SPEAKER pro tempore (Mr. FITZGERALD). The gentleman declines to yield. The gentleman will be in order.

Mr. MADDEN. Now, it seems to me that if legislation brought before this House has any merit, it ought to be considered on its merit, and I for one Member of the House propose to exercise my rights as a Member of the House and to accord to every other Member of the House the same rights, even the gentleman from North Carolina [Mr. SMALL] and the gentleman from Pennsylvania [Mr. MOORE], to criticize on the floor of the House what I say or do on the floor of the House; but I resent and I shall continue to resent the ownership by Members of the House of magazines publishing any criticism of Members of the House who oppose legislation advocated by them. This is wrong. It ought not to be permitted. Public attention ought to be called to it, and to the extent of my ability I propose to call the attention of the public to it. [Applause.]

These gentlemen are very touchy when you criticize what they do, but they not only feel free to criticize others in their capacity as Members of the House on the floor of the House, but they go beyond all reason and all decency in the publication of a magazine to promote legislation in which they are interested.

A MEMBER. With a yellow cover.

Mr. MADDEN. With a yellow cover. [Laughter.] A yellow cover and a yellow streak, and say things in the magazine that they would not dare say on the floor. And I propose, as far as I can, to make these gentlemen explain their connection with this yellow sheet to the Members of the House on the floor of the House. [Applause.]

Mr. MOORE of Pennsylvania. Mr. Speaker——

Mr. MADDEN. The gentleman can speak in his own time. I decline to yield.

The SPEAKER pro tempore. The gentleman will be in order. He can not interrupt the gentleman who has the floor.

Mr. MADDEN. Now, under the rules of the House this bill should have gone to the Committee on Rivers and Harbors——

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired. [Applause.]

Mr. POU. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. MOORE]. [Applause.]

Mr. MOORE of Pennsylvania. Mr. Speaker, I realize the difficulty under which my friend from Illinois [Mr. MADDEN] labors. He has had a mountain upon his shoulders since the river and harbor bill was first introduced, and he has had difficulty in carrying it. It is a big load for any man to undertake to manage the affairs of the country as he has done with respect to rivers and harbors, and I sympathize with him.

He is a potential Member of this House, and when he rises in his place to condemn a fellow Member for some alleged impropriety, of course it follows that such a Member should feel himself squelched and prepare to resign his seat. Several times, when the gentleman from Illinois was reflecting upon me I endeavored to correct him by an observation or two, but I could not seem to get his attention or that of the Chair. The Chair seemed to have difficulty in hearing me even when the gentleman from Illinois called upon me to apologize to the House and I arose to respond to him.

Of course, I had no intent, I will say to the Chair and to the House, of apologizing to the gentleman from Illinois. I never apologize to a man who is in error and who makes ridiculous charges. I never apologize for anything I write or say with respect to the assinine statements of a Member of the House or anybody else, whether they appear in a magazine or in the proceedings of the House. Nor do I consider any Member free from just criticism.

But I will say this, Mr. Speaker, no man who is a Member of this august body has made himself more supremely ridiculous in recent months than has the gentleman from Illinois in criticizing certain features of the river and harbor bill. [Applause.] He knew absolutely nothing about some of the projects he criticized. He had just one long, continuous grouch, from which he could not seemingly recover, and when the bill was finally passed, against his solemn but mighty pro-

test, he still struggled to defeat the measure, though it was proven the House and the people wanted it.

The gentleman from Illinois is safe away out yonder in the district that he represents against an attack upon either one of our great seaboards. If the Japanese should strike the Pacific coast it would be some time before they got overland to the gentleman's district. If the Germans should attack us upon the Atlantic coast it would also be a long while before they could reach the gentleman's home in Chicago, and by the time they did reach it the gentleman would have ample notice to escape to the mountains and avoid the impact. The gentleman is courageous, from his mid-country standpoint. The guns of the enemy thundering along the seaboard would not reach him until he had time to cover his retreat. He is perfectly safe in attacking worthy projects along the Atlantic seaboard and along the Pacific coast and the Gulf. It matters not to him that the guns of the enemy may penetrate the coastal cities or that the ships of the enemy may invade our ports. He pleads for economy when it comes to that.

The gentleman from Illinois has discussed the matter of canals and has heaped ridicule upon them, as has the gentleman from Wisconsin [Mr. FREAR]—the gentleman who rose to interrupt him, seeing that no such proceeding as this should be enacted without a word or two from him. [Laughter.] But the gentleman did not know that the very project he was criticizing—the Chesapeake & Delaware Canal—stands to the United States relatively the same as does the Kiel Canal to the great German Empire. The gentleman from Illinois can not understand that. The gentleman is too remote from the coast line. He knows little about shipping or the danger to shipping in the United States, and feeling perfectly safe, does not care to learn. The gentleman does ridiculous things in this relation. He cheerfully votes $7.50 per capita to build ships but refuses to vote 26 cents per capita to get the ships out of our rivers and harbors to meet the enemy on the high seas. [Applause.]

The gentleman stood here during the early days of the war insisting that we should vote everything in the United States to continue and complete the war. He now complains about the smallest of the expenditures to prosecute the war. The gentleman was quite bold and brave when giving away the money of the people of the United States to prosecute a war that may or may not have been ours. The gentleman is equally brave now in refusing to permit the expenditure of money to put our rivers and harbors in order to meet a resourceful and a daring foe. In this essential he would leave us unprepared.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Pennsylvania. The gentleman talks about wasting money. If he does that on this bill, thinking to make political capital for the Republican Party at the expense of the Democratic Party, which happens to be in power, I challenge him. If that is the gentleman's game, being as good and stalwart a Republican as he is, I say he makes a mistake. A vote for this bill at this time is a patriotic vote and for the welfare of the whole country. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. POU. Mr. Speaker, will the gentleman from Kansas [Mr. CAMPBELL] use some of his time?

Mr. CAMPBELL of Kansas. I yield five minutes to the gentleman from Wisconsin [Mr. FREAR].

The SPEAKER pro tempore. The gentleman from Wisconsin is recognized for five minutes.

Mr. FREAR. Mr. Speaker, with the distinguished gentleman from Pennsylvania [Mr. MOORE], who just preceded me, we inflict ourselves regularly upon your attention when this bill is before the House. He did it for many years before I came here, and he will do it constantly in the future. The yellow book, of which the gentleman from Illinois [Mr. MADDEN] speaks, bears the signature of Mr. MOORE upon the title-page. He is the editor. The gentleman from North Carolina [Mr. SMALL], the distinguished chairman of the committee, appears here as vice president of the same organization.

Mr. MOORE of Pennsylvania. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman yield?

Mr. FREAR. No; I did not interrupt the gentleman.

Mr. MOORE of Pennsylvania. He is making a misstatement.

The SPEAKER pro tempore. The gentleman declines to yield.

Mr. MOORE of Pennsylvania. I call him down.

Mr. FREAR. I do not yield, Mr. Speaker.

Mr. MOORE of Pennsylvania. I ask that the gentleman's words be taken down. The gentleman is making a misstatement, and I will not stand for it. If the Chair is going to be arbitrary, I will insist on my rights. I demand that the gentleman's words be taken down.

The SPEAKER pro tempore. The gentleman will suspend, and the Clerk will report the words.

Mr. FREAR. Mr. Speaker, I ask that this be not taken from my time.

The SPEAKER pro tempore. The Chair will see that the gentleman's time is protected. The Clerk will report the words.

The Clerk read as follows:

The yellow book, of which the gentleman from Illinois [Mr. MADDEN] speaks, bears the signature of Mr. MOORE upon the title-page. He is the editor.

Mr. MOORE of Pennsylvania. That is enough. That statement is not true.

The SPEAKER pro tempore. The Chair thinks the words which have been read do not violate the rule. The gentleman from Wisconsin will proceed.

Mr. FREAR. Mr. Speaker, I trust I will not be interrupted again by the gentleman from Pennsylvania——

Mr. MOORE of Pennsylvania. I move to have those words stricken from the RECORD, because they are not true.

The SPEAKER pro tempore. The gentleman's motion is not in order. The gentleman from Wisconsin has the floor.

Mr. MOORE of Pennsylvania. A parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Wisconsin has the floor.

Mr. MOORE of Pennsylvania. A parliamentary inquiry. I asked that the gentleman's words be taken down——

The SPEAKER pro tempore. The Chair had the words taken down, and when they had been read the Chair ruled that they were not disorderly or in violation of the rule. The gentleman from Wisconsin will proceed in order.

Mr. MOORE of Pennsylvania. But they contain a misstatement of facts affecting a Member of the House.

The SPEAKER pro tempore. The gentleman from Pennsylvania is not in order. He can not discuss the facts. The words of the gentleman from Wisconsin were not in violation of the rule. The gentleman from Wisconsin will proceed, and the gentleman from Pennsylvania will take his seat.

Mr. FREAR. Mr. Speaker, the gentleman from Pennsylvania knew he was not in order. His name appears upon the title page of this magazine in which he makes this criticism of House Members——

Mr. MOORE of Pennsylvania. Mr. Speaker, I am not the editor of that magazine. That is a misstatement of fact.

The SPEAKER pro tempore. The gentleman from Pennsylvania will take his seat, or the Sergeant at Arms will compel him to do so.

Mr. MOORE of Pennsylvania. I bow to the decision of the Chair.

Mr. FREAR. Upon page 4 of this magazine is a criticism on Members of the House for voting against this bill, challenging their right to do so. The gentleman from Pennsylvania, who time and again has insisted that the words be taken down, is hoping to frighten the people who are opposing this bill by such statements and constant interruptions now, but he can not do it, and he has discovered that; nor can he bluff the gentleman who is occupying the Speaker's chair.

Now, Mr. Speaker, this pamphlet is not a regular publication; it is a lobby publication, that is all, representing those who are interested in the inland-waterway project and in the passage of river and harbor bills generally.

Mr. MOORE of Pennsylvania. Mr. Speaker——

The SPEAKER pro tempore. Does the gentleman from Wisconsin yield to the gentleman from Pennsylvania?

Mr. FREAR. No; I can not yield. I have not time, and I want to discuss the bill.

The SPEAKER pro tempore. The gentleman from Wisconsin declines to yield.

Mr. FREAR. On page 51 of the bill is the only praiseworthy amendment placed in the bill by the Senate, I submit to the House. We should agree to that amendment. I only wish there were 200 other amendments in the bill of the same import. Please listen while I read this amendment, which is found on page 51:

SEC. 15. That Mosquito Creek, in Colleton County, S. C., be, and the same is hereby, declared to be a nonnavigable stream within the meaning of the Constitution and the laws of the United States.

Gentlemen, one-half of the projects contained in this bill could well afford to be listed in the same column with this Mosquito Creek, because not used for actual waterway commerce. I have given official statistics repeatedly to show that our rivers and creeks are deserted.

Mr. MADDEN. Will the gentleman yield to me?

Mr. FREAR. I yield to the gentleman from Illinois.

Mr. MADDEN. The gentleman from Wisconsin charges the gentleman from Pennsylvania [Mr. MOORE] with being the editor of this magazine. Does the gentleman from Pennsylvania state on the title page there that he is the editor?

Mr. FREAR. Oh, I do not know the technical position held. His name is on the title page under a signed article.

Mr. MADDEN. What does the article say, to which the gentleman from Wisconsin refers?

Mr. FREAR. The article discusses the river and harbor bill, this very bill that is under consideration here.

Mr. MOORE of Pennsylvania. Mr. Speaker, I can state the facts about that——

Mr. FREAR. Under the gentleman's signature is the word "president." I can not yield to the gentleman. He takes too much of my time. I would be delighted to yield or to converse with the gentleman from Pennsylvania, but the gentleman, who so frequently challenges the rights of others, has no right to interrupt at this time.

Mr. MOORE of Pennsylvania. I can tell the gentleman——

Mr. FREAR. But you can not, for I decline to yield. Mr. Speaker, this bill is objectionable, because it contains the worst grouping system that has ever existed in any bill that has come before the Congress of the United States with reference to rivers and harbors. It is impossible hereafter to strike out unwarranted and indefensible items, because they are grouped with others, in many instances, with from a dozen to 20 or more items in a group. This bill contains about 400 projects, more than can be found in any other bill within my experience during three different sessions of Congress. The gentleman from Pennsylvania [Mr. MOORE] constantly interrupted the gentleman from Kansas [Mr. CAMPBELL] awhile ago and wanted to know about the 27 cents average charge to every man, woman, and child by the $27,000,000 contained in the bill. It is not the amount alone but it is the character of the items that we challenge. When he talks about the Chesapeake & Delaware Canal, of which the gentleman from Pennsylvania speaks, that is to protect the people of Illinois from a foreign enemy, let me say, I passed through that canal on the invitation of my distinguished friend from Pennsylvania, and my judgment was not changed by the trip.

The gentleman from Pennsylvania [Mr. MOORE] has a good project in the Delaware River. I concede that. It receives over a million and a half dollars in this bill. The other project of $20,000,000 ultimately for 13 miles of a bankrupt canal that can not be constructed for years to come, with which to defend the gentleman from Illinois from the Germans, is another proposition. That canal can not be defended at this time. What is true of that proposition is also true of the Cape Cod Canal Senate amendment in this bill. Twenty million dollars more for another canal that can not be used at this time. These are items in this remarkable preparedness measure. Less than half a dozen harbor projects have been proposed as preparedness items by naval officers. Is the upper Mississippi a preparedness item? Is the Ohio a preparedness item, and all these other 400 creek and canal projects contained in the bill, are they preparedness projects?

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. FREAR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. MOORE of Pennsylvania. I object.

Mr. FREAR. I concede that the gentleman from Pennsylvania, who occupies the time of the House on nearly every conceivable subject, has the right to object.

Mr. MOORE of Pennsylvania. Yes, Mr. Speaker, I object.

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield to the gentleman from Wisconsin one minute more.

Mr. FREAR. In brief, let me say this bill covers $27,000,000. With the Senate amendments it is practically the 1917 bill that was defeated in the Senate last session. In some respects it is worse than the last bill. Some of the ablest men in the United States Senate have fought this bill, but it covers practically every district and State with some local item. Of course it is going through, but sooner or later we are going to get to the end. Remember that there were 132 votes with 20 pairs against the bill, and 152 votes is progress. The people are getting tired of these extravagant, indefensible omnibus bills. The only honest way to take up these items is as a Government business proposition, and I am just as desirous as anyone that the good projects in the bill should be cared for. Some projects in this bill are good. Others, the large majority, are in the bill simply because it is an omnibus bill, and all these 400 items carry votes that help to put through the pork barrel.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. POU. Mr. Speaker, I yield three minutes to the gentleman from Louisiana [Mr. DUPRÉ].

Mr. DUPRÉ. Mr. Speaker, the gentleman from Illinois [Mr. MADDEN], with an air of injured innocence and a tone of righteous indignation, says that the adoption of the previous question on the rule has had the effect of gagging the House. I want to ask who gagged the House. The House did it itself by a majority of 105, and one of the reasons why it was done is because the House is tired of the dilatory tactics and the frivolous arguments of Members opposed to this bill, tired of the course which they have been pursuing ever since it first came under consideration, and so, by ordering the previous question, the House showed its resentment just now by putting a stop to that sort of thing. One man gagged the House yesterday, and again to-day, and that man was the gentleman from Illinois [Mr. MADDEN], who refused unanimous consent, contrary to the wish of a large majority of the House, that the bill go to conference without further parley. So much for that.

The bill passed the House last June by a majority of 72 votes, a larger majority than the river and harbor bill has received since the gentleman from Wisconsin [Mr. FREAR] first came into the House and began to fight river and harbor bills. I hope he will keep on, because I think future majorities for these bills will continue to grow in proportion to and commensurately with the ardor of the fight he makes against legislation of this character. [Applause.]

This bill passed the Senate last Thursday. By the way, the river and harbor bill in the last session of Congress never was defeated in the Senate. It failed of consideration because of conditions which we all know. This bill, as I say, passed the Senate a few days ago by a vote of 50 to 11, showing a great majority in that body, as well as in this, in favor of caring for our rivers and harbors, even at this time. It seems to me that in the light of the pronouncedly favorable expression of the two Houses, this bill should be sent to conference without delay, and then Members who want to flaunt their ignorance and who want to indulge in chestnuts and persiflage will have another chance when the conference report comes back to renew that kind of talk. Or if they have any legitimate criticism to make on the conference report, opportunity will then be afforded them. I yield back the balance of my time.

Mr. POU. Mr. Speaker, we have but one more speech on this side.

Mr. CAMPBELL of Kansas. I think we have used all the time on our side.

Mr. POU. I yield the remainder of my time to the gentleman from North Carolina [Mr. SMALL].

The SPEAKER pro tempore. The gentleman from North Carolina is recognized for 10 minutes.

Mr. SMALL. Mr. Speaker, when this bill was before the House for consideration the opponents of the bill contended, first, that it was an improper bill to consider during the existence of the war, and, second, that there were items in the bill which were not meritorious and which made it a bad bill, or, as some gentlemen rolled under their tongues, a "pork-barrel" bill.

Proponents of this bill contended that transportation was one of the essentials for the successful prosecution of this war; that as we were spending millions of dollars to increase production of the necessaries, as well as munitions and war supplies, the transportation and the distribution of these products were equally as necessary. Admittedly the railroads of the country, we pointed out, were not equal to the transportation demands of the present time. There was only one other instrumentality of transportation to which we could turn, and that was the waterways of the country. Did the critics of the bill meet that argument? Did they in any wise attempt to minimize the importance of transportation and the great importance at this time of maintaining, preserving, and improving our waterways and increasing our water carriers?

Not at all. On the contrary, they made a miserable, tragic failure before the House and the country. They indulged in facetious remarks, erroneous statements, and fallacious arguments. The attitude of the critics of this bill was puerile and unworthy of intelligent men.

What about their contention that this bill was unmeritorious? I and others had the privilege of challenging the Members of the House upon either side to point out a single project in this bill which was not meritorious. Neither the gentleman from Illinois [Mr. MADDEN] nor the gentleman from Wisconsin [Mr. FREAR], nor did any other gentleman during that entire debate, point out a single unworthy item in the bill.

And yet, in the face of their egregious failure, they have to-day pursued the unmanly and unjustifiable course of denouncing this bill without producing one semblance of fact or argument to justify their attitude.

After all these challenges and our charges upon their mental integrity, these gentlemen have again made spectacles of themselves by indulging in generalities and superlative adjectives.

Are they trying to play politics with the river and harbor bill? I assume to tell these gentlemen that they can not make their campaign for the Senate or any other office by opposition to the improvement of our rivers and harbors. They disparage the intelligence and patriotism of their constituencies. I have more faith in their wisdom and their loyalty to the country.

I think it is necessary, as there will be no more discussion upon this rule, that I should refer to a statement of the gentleman from Wisconsin [Mr. FREAR]. He stated that the gentleman from Pennsylvania [Mr. MOORE] was the editor of this magazine, which he flaunted here, and he did not have the manliness to give Mr. MOORE an opportunity to reply. I refer to the monthly bulletin of the Atlantic Deeper Waterways Association.

Mr. FREAR. Mr. Speaker, will the gentleman yield?

Mr. SMALL. I decline to yield. He did not give the gentleman from Pennsylvania [Mr. MOORE] an opportunity to deny it. I deny the statement. He is not the editor. A gentleman named Wilfred H. Schoff is the editor, and I ask the gentleman from Pennsylvania if that is not correct?

Mr. MOORE of Pennsylvania. That is true, and I have made that statement to the gentleman from Wisconsin several times; he knows it full well.

Mr. SMALL. The gentleman from Wisconsin referred to the Chesapeake and Delaware waterway and said it would cost $20,000,000, and the gentleman nods his head in assent and still maintains it. He is incorrect——

Mr. FREAR. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman declines to yield.

Mr. FREAR. A parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman can not interrupt to make a parliamentary inquiry. He must take his seat.

Mr. SMALL. I decline to yield, Mr. Speaker.

Mr. FREAR. I rise to a question of personal privilege.

The SPEAKER pro tempore. The gentleman from Wisconsin can not take the gentleman from North Carolina off the floor in that way. The gentleman is not in order. He must not interrupt the gentleman without his consent.

Mr. FREAR. Can the gentleman tell me to take my seat?

The SPEAKER pro tempore. The Chair directs the gentleman to take his seat.

Mr. FREAR. I shall comply with that, but the gentleman told me to take my seat.

The SPEAKER pro tempore. The gentleman must not discuss it.

Mr. SMALL. How much time have I remaining, Mr. Speaker?

The SPEAKER pro tempore. The gentleman has two minutes and a half remaining.

Mr. SMALL. Mr. Speaker, what are the facts? The project of the Chesapeake & Delaware waterway, as recommended by the engineers, involves a total cost of $8,000,000, including the cost of the present canal. That is the truth. Why did not the gentleman from Wisconsin tell the truth?

Mr. FREAR. Will the gentleman yield?

Mr. SMALL. I decline to be interrupted, Mr. Speaker.

The SPEAKER pro tempore. The gentleman declines to yield, and the gentleman must not interrupt him without his consent.

Mr. SMALL. I am telling the House that the statement of the gentleman from Wisconsin is not true, and if he was informed he would know it was not true.

If the gentleman from Wisconsin can come in here at any time in the future and bring any evidence to prove that I am wrong in my statement, I shall concede it; but he can not do it. The gentleman has made misstatements all through this bill. I read an interview in the Philadelphia Record of yesterday morning, which some friend kindly sent to me, that is full of errors and misstatements which are due either to the gentleman's ignorance or his willful desire to avoid the truth.

So, Mr. Speaker, that is the kind of opposition we have had to this bill. What has been the result? In this House the bill passed by nearly a hundred majority. This morning we ordered the previous question by more than a hundred majority. The opposition in the other body, about which we heard so much, subsided and collapsed, and only 11 of the Members of the other body had the temerity to cast their votes in opposition to the bill. I desire to say this in conclusion: This is a meritorious bill. In all the discussion no critic has been able to point out a single item in it which is not meritorious. You were challenged to do it, and you failed; and now again we are met with a statement of generalities about a pork barrel, and about this being an improper bill during the period of the war, and of statements similar to those made by the gentleman from Kansas [Mr. CAMPBELL] about paving rivers. Why not tell the truth? Why not meet this bill candidly and openly and courageously and discuss it like we do other bills? You must respect this bill because it is one of the great supply bills of the Nation, and it ought to be cared for annually, just as any other appropriation bill. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from North Carolina has expired. All time has expired. The question is on agreeing to the resolution.

The question was taken.

Mr. MADDEN. Mr. Speaker, I demand the yeas and nays.

The SPEAKER pro tempore. The gentleman from Illinois demands the yeas and nays. As many as are in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Thirty-nine—not a sufficient number.

Mr. MADDEN. Mr. Speaker, I demand the other side.

The SPEAKER pro tempore. The gentleman demands the other side. Those who are opposed to taking the vote by yeas and nays will rise and stand until counted. [After counting.] One hundred and forty-six. A sufficient number has risen to order the yeas and nays, and the yeas and nays are ordered.

The question was taken; and there were—yeas 188, nays 103, answered "present" 4, not voting 136, as follows:

YEAS—188.

Adamson	Eagle	LaGuardia	Rodenberg
Alexander	Elliott	Larsen	Romjue
Almon	Ellsworth	Lazaro	Rouse
Aswell	Elston	Lea, Cal.	Rubey
Austin	Estopinal	Lee, Ga.	Rucker
Bacon	Ferris	Lesher	Russell
Bankhead	Fields	Linthicum	Sanders, La.
Barkley	Fisher	Little	Saunders, Va.
Barnhart	Fitzgerald	Littlepage	Shackleford
Bathrick	Francis	Lobeck	Sims
Black	French	London	Sinnott
Blackmon	Garner	Lonergan	Sisson
Blanton	Garrett, Tenn.	Longworth	Slayden
Booher	Garrett, Tex.	Lundeen	Small
Borland	Glynn	Lunn	Smith, Idaho
Bowers	Goodall	McArthur	Smith, C. B.
Brand	Goodwin, Ark.	McKeown	Steagall
Brodbeck	Gordon	McLaughlin, Mich.	Stedman
Browning	Gray, Ala.	McLemore	Steenerson
Brumbaugh	Greene, Mass.	Mann	Stephens, Miss.
Burnett	Gregg	Mansfield	Sterling, Pa.
Byrns, Tenn.	Hadley	Martin, La.	Stevenson
Campbell, Pa.	Hamlin	Mays	Strong
Candler, Miss.	Hardy	Meeker	Talbott
Cantrill	Harrison, Va.	Miller, Minn.	Taylor, Ark.
Caraway	Hastings	Miller, Wash.	Temple
Carlin	Hawley	Montague	Thomas
Chandler, N. Y.	Hayden	Moon	Tillman
Clark, Pa.	Heflin	Moore, Pa.	Venable
Coady	Heintz	Nichols, Mich.	Vinson
Collier	Hensley	Oldfield	Volstead
Cooper, W. Va.	Hicks	Oliver, Ala.	Waldow
Cooper, Wis.	Holland	Oliver, N. Y.	Walker
Cox	Hood	Osborne	Walton
Curry, Cal.	Houston	Overmyer	Watkins
Darrow	Howard	Overstreet	Watson, Pa.
Davis	Hulbert	Padgett	Watson, Va.
Decker	Hull, Tenn.	Park	Weaver
Dent	Igoe	Polk	Webb
Denton	Jacoway	Pou	Welty
Dickinson	Johnson, Ky.	Powers	Whaley
Dies	Jones, Tex.	Quin	White, Ohio
Dixon	Jones, Va.	Rainey	Wilson, La.
Dominick	Kennedy, Iowa	Raker	Wingo
Doughton	Kettner	Randall	Wise
Dupré	Kincheloe	Robbins	Wood, Ind.
Dyer	Kitchin	Robinson	Zihlman

NAYS—103.

Anderson	Fairfield	Lehlbach	Schall
Bland	Focht	McAndrews	Scott, Iowa
Britten	Foss	McKenzie	Sells
Browne	Frear	McKinley	Sherley
Burroughs	Gallagher	Madden	Sloan
Byrnes, S. C.	Gard	Magee	Smith, Mich.
Campbell, Kans.	Graham, Ill.	Mapes	Sweet
Cannon	Green, Iowa	Morgan	Tague
Carter, Mass.	Greene, Vt.	Nelson	Taylor, Colo.
Classon	Haugen	Nicholls, S. C.	Thompson
Claypool	Helm	Nolan	Timberlake
Connelly, Kans.	Hersey	Norton	Towner
Cooper, Ohio	Huddleston	Parker, N. J.	Treadway
Cramton	Hutchinson	Phelan	Vestal
Crisp	Ireland	Pratt	Voigt
Crosser	Johnson, S. Dak.	Purnell	Walsh
Dale, Vt.	Johnson, Wash.	Ramsey	Wason
Dallinger	Juul	Ramseyer	Welling
Davidson	Keating	Rankin	Wheeler
Dill	Kelley, Mich.	Reavis	White, Me.
Dillon	Kelly, Pa.	Reed	Williams
Doolittle	King	Roberts	Wilson, Ill.
Dowell	Kinkaid	Rogers	Winslow
Dunn	Knutson	Sabath	Woods, Iowa
Emerson	Kraus	Sanders, Ind.	Young, N. Dak.
Esch	Langley	Sanders, N. Y.	

ANSWERED "PRESENT"—4.

Chandler, Okla.	Foster	Fuller, Ill.	Glass

NOT VOTING—136.

Anthony	Caldwell	Copley	Dooling
Ashbrook	Capstick	Costello	Doremus
Ayres	Carew	Crago	Drane
Bacharach	Carter, Okla.	Currie, Mich.	Drukker
Bell	Cary	Dale, N. Y.	Eagan
Bruckner	Church	Dempsey	Edmonds
Buchanan	Clark, Fla.	Denison	Evans
Butler	Connally, Tex.	Dewalt	Fairchild, B. L.

Fairchild, G. W.	Helvering	Mondell	Sherwood
Farr	Hill	Moores, Ind.	Shouse
Fess	Hilliard	Morin	Siegel
Flood	Hollingsworth	Mott	Slemp
Flynn	Hull, Iowa	Mudd	Smith, T. F.
Fordney	Humphreys	Neely	Snell
Freeman	Husted	Olney	Snook
Fuller, Mass.	James	O'Shaunessy	Snyder
Gallivan	Kahn	Paige	Stafford
Gandy	Kearns	Parker, N. Y.	Steele
Garland	Kehoe	Peters	Stephens, Nebr.
Gillett	Kennedy, R. I.	Platt	Sterling, Ill.
Godwin, N. C.	Key, Ohio	Porter	Stiness
Good	Kiess, Pa.	Price	Sullivan
Gould	Kreider	Ragsdale	Sumners
Graham, Pa.	La Follette	Rayburn	Swift
Gray, N. J.	Lenroot	Riordan	Switzer
Griest	Lever	Rose	Templeton
Griffin	McClintic	Rowe	Tilson
Hamill	McCormick	Rowland	Tinkham
Hamilton, Mich.	McCulloch	Sanford	Van Dyke
Hamilton, N. Y.	McFadden	Scott, Mich.	Vare
Harrison, Miss.	McLaughlin, Pa.	Scott, Pa.	Ward
Haskell	Maher	Scully	Wilson, Tex.
Hayes	Martin, Ill.	Sears	Woodyard
Heaton	Mason	Shallenberger	Young, Tex.

So the resolution was agreed to.

The Clerk announced the following additional pairs:

On this vote:

Mr. VARE (for) with Mr. BELL (against).

Mr. MCLAUGHLIN of Pennsylvania (for) with Mr. KREIDER (against).

Mr. RAGSDALE (for) with Mr. SCOTT of Michigan (against).

Mr. COSTELLO (for) with Mr. SCULLY (against).

Mr. GARLAND (for) with Mr. GANDY (against).

Mr. GRAHAM of Pennsylvania (for) with Mr. ROWLAND (against).

Mr. O'SHAUNESSY (for) with Mr. FOCHT (against).

Mr. EDMONDS (for) with Mr. KIESS of Pennsylvania (against).

Mr. GOULD (for) with Mr. STINESS (against).

Mr. HUMPHREYS (for) with Mr. PAIGE (against).

Until further notice:

Mr. SEARS with Mr. DRUKKER.

Mr. FOSTER with Mr. PORTER.

Mr. NEELY with Mr. FORDNEY.

Mr. AYRES with Mr. GILLETT.

Mr. BUCHANAN with Mr. GRIEST.

Mr. CONNALLY of Texas with Mr. HAMILTON of Michigan.

Mr. EVANS with Mr. PARKER of New York.

Mr. FLOOD with Mr. SIEGEL.

Mr. LEVER with Mr. JAMES.

Mr. PRICE with Mr. DENISON.

Mr. RAYBURN with Mr. KAHN.

Mr. SHERWOOD with Mr. KENNEDY of Rhode Island.

Mr. STEPHENS of Nebraska with Mr. MCCORMICK.

Mr. WILSON of Texas with Mr. MOORES of Indiana.

Mr. YOUNG of Texas with Mr. MCCULLOCH.

Mr. STEPHENS of Nebraska. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman in the Hall listening when his name was called?

Mr. STEPHENS of Nebraska. No, sir.

The SPEAKER. The gentleman does not bring himself within the rule.

The result of the vote was announced as above recorded.

On motion of Mr. SMALL, a motion to reconsider the vote by which the resolution was passed was laid on the table.

The SPEAKER announced the following conferees.

The Clerk read as follows:

Mr. SMALL, Mr. BOOHER, and Mr. KENNEDY of Iowa.

LEAVE OF ABSENCE.

By unanimous consent, on request of Mr. GLYNN, Mr. TILSON was granted leave of absence indefinitely on account of illness in his family.

BRIDGE ACROSS LITTLE RIVER, ARK.

Mr. CARAWAY. Mr. Speaker, I move to take from the Speaker's table the bill S. 2695 and have it considered. It is a bill for the construction of a bridge across Little River.

The SPEAKER. Is there a similar bill on the House Calendar?

Mr. CARAWAY. Yes.

The SPEAKER. The Chair lays before the House the bill S. 2695, which the Clerk will report.

The Clerk read as follows:

An act (S. 2695) to authorize the construction, maintenance, and operation of a bridge across Little River at or near the foot of the gar hole about one-half mile south of the Jonesboro, Lake City & Eastern Railway bridge across Little River, Ark.

Be it enacted, etc., That the county of Mississippi, a corporation organized and existing under the laws of the State of Arkansas, its successors and assigns, be, and they are hereby, authorized to construct, maintain, and operate a bridge and approaches across Little River at or near the foot of the gar hole about one-half mile south of the Jonesboro, Lake City & Eastern Railway bridge across Little River, Ark., at a point suitable to the interests of navigation, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed.

Mr. CARAWAY. Mr. Speaker, I move that the House bill (H. R. 5336) of similar tenor lie on the table.

The SPEAKER. The gentleman moves that the House bill (H. R. 5336) of similar tenor lie on the table. Without objection, it is so ordered.

EXTENSION OF REMARKS.

Mr. FOSS. Mr. Speaker, I ask leave to extend my remarks in the RECORD on the river and harbor bill.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD on the river and harbor bill. Is there objection? [After a pause.] The Chair hears none.

PRIVILEGE OF THE MAILS.

Mr. LONDON. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution.

The SPEAKER. The gentleman from New York asks unanimous consent for the present consideration of a resolution which the Clerk will report.

The Clerk read as follows:

House resolution 115.

Resolved, That the Postmaster General furnish the House with the following information:

Has any print, newspaper, circular, periodical, or other publication been denied the privileges of the mails in the enforcement of the espionage law (public act No. 24, 65th Cong., "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes")?

If any print, circular, book, publication, periodical, or newspaper has been or have been so denied the privileges of the mails, the name or names of such print, circular, book, publication, periodical, or newspaper, and the date or dates when the privileges of the mails were denied to such publications.

Has any reason been assigned to the publisher or publishers, writer or writers, of any of the said publications at the time the privileges of the mails were denied; and if any such reason has been assigned, information as to the reason or reasons so assigned?

Has any instruction or have any instructions been issued by the Postmaster General or the Post Office Department to local postmasters relative to the enforcement of the espionage law? What are these instructions, if any such have been issued?

The correspondence between the Post Office Department and other departments of the Government relative to the enforcement of the espionage law, the disclosure of which correspondence is not incompatible with the public interest.

Mr. WALSH. Mr. Speaker, I object.

THE "GARABED" PATENT.

Mr. CROSSER. Mr. Speaker, I ask unanimous consent for the present consideration of the House joint resolution 116.

The SPEAKER. The gentleman from Ohio [Mr. CROSSER] asks unanimous consent for the present consideration of House joint resolution 116. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, is this the "Garabed" patent?

Mr. CROSSER. Yes.

Mr. MANN. Mr. Speaker, I have served 20 years in this House and have seen a great many bad bills, and I measure my words when I say that this is the worst and most vicious proposition I have ever heard of in the House of Representatives. Therefore I object.

The SPEAKER. The gentleman from Illinois objects.

EXTENSION OF REMARKS.

Mr. SMALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 55 minutes p. m.) the House adjourned until to-morrow, Wednesday, August 1, 1917, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, submitting tentative draft of provisions for insertion in the next deficiency appropriation bill (H. Doc. No. 307); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Interior, transmitting copy of a letter from the Commissioner of Patents, calling attention to the fact that the appropriation for wooden shelving for storage of patents in the General Land Office Building can not be used because that building has been assigned to the use of the War Department, and recommending that the law be amended so as to provide for the expenditure of such sum in the Patent Office Building (H. Doc. No. 308); to the Committee on Appropriations and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. DENT: A bill (H. R. 5607) to amend certain sections of the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, and for other purposes; to the Committee on Military Affairs.

By Mr. JACOWAY: A bill (H. R. 5608) to grant the consent of Congress for the county of Pulaski, State of Arkansas, to construct a bridge across the Arkansas River between the cities of Little Rock and Argenta, Ark.; to the Committee on Interstate and Foreign Commerce.

By Mr. ALEXANDER: A bill (H. R. 5609) giving the President power to permit vessels of foreign registry to engage in the coastwise trade of the United States during the present war or emergency; to the Committee on the Merchant Marine and Fisheries.

By Mr. DENT: A bill (H. R. 5610) to amend section 37 of an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916; to the Committee on Military Affairs.

By Mr. MORGAN: A bill (H. R. 5611) to amend section 101 of the Judicial Code; to the Committee on the Judiciary.

By Mr. EVANS: A bill (H. R. 5612) modifying and amending the act providing for the disposal of the surplus unallotted lands within the Blackfeet Indian Reservation, Mont.; to the Committee on Indian Affairs.

By Mr. COX: A bill (H. R. 5613) to regulate profits on foodstuffs between the producer and consumer in the District of Columbia; to the Committee on the District of Columbia.

By Mr. CAMPBELL of Kansas: A bill (H. R. 5614) providing for the selection of members of the President's Cabinet from the membership of the House of Representatives; to the Committee on the Judiciary.

By Mr. HULBERT: A bill (H. R. 5615) to create an Air Board and providing for its maintenance; to the Committee on Military Affairs.

By Mr DILL: A bill (H. R. 5616) to provide for the operation of the railroads in trust for the owners by a commission and to provide for their ownership by the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. RAINEY: A bill (H. R. 5617) authorizing the drafting of aliens, except alien enemies, into the military service of the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. EMERSON: Joint resolution (H. J. Res. 133) authorizing the drafting of certain aliens, except alien enemies, into the military service of the United States, and for other purposes; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRODBECK: A bill (H. R. 5618) granting an increase of pension to David Mitzel; to the Committee on Invalid Pensions.

By Mr. GORDON: A bill (H. R. 5619) granting a pension to George J. Schmidt; to the Committee on Pensions.

By Mr. LANGLEY: A bill (H. R. 5620) for the payment of certain claims growing out of service in the Army as reported by the Court of Claims; to the Committee on War Claims.

Also, a bill (H. R. 5621) for the payment of certain claims for difference in pay growing out of service in the Navy, as reported by the Court of Claims; to the Committee on Claims.

By Mr. OVERMYER: A bill (H. R. 5622) granting a pension to Lovina Bliss; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5623) granting a pension to Harry Patterson; to the Committee on Pensions.

Also, a bill (H. R. 5624) granting an increase of pension to Henry J. Knapp; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5625) granting an increase of pension to Christian Bliss; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5626) granting an increase of pension to Mark Hebblethwaite; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5627) granting an increase of pension to William J. Bailey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5628) granting an increase of pension to Frank M. Daniels; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5629) granting an increase of pension to Jacob Suter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5630) granting an increase of pension to Andrew J. West; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5631) granting an increase of pension to Theodore H. Robbins; to the Committee on Invalid Pensions.

By Mr. RUSSELL: A bill (H. R. 5632) granting a pension to Elizabeth Crank; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5633) granting an increase of pension to John H. Bird; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of the Norwegian Lutheran Church of America, relative to conservation of foodstuffs; to the Committee on Agriculture.

By Mr. ASHBROOK: Petition of 45 members of the Church of Christ, of Newark, Ohio, favoring Sheppard amendment; to the Committee on the Judiciary.

By Mr. BLANTON: Memorial of Woman's Missionary Society of El Paso, Tex., favoring prohibition as a war measure; to the Committee on the Judiciary.

By Mr. DALE of New York: Petition of State Board of Health, Boise, Idaho, favoring passage of Senate joint resolution No. 63 for establishment of a reserve of the Public Health Service; to the Committee on Interstate and Foreign Commerce.

By Mr. DRUKKER: Petition of M. F. Shea and other residents of New Jersey, favoring woman suffrage; to the Committee on the Judiciary.

Also, memorial of New Jersey State Bar Association, favoring the increase of salaries of the Federal judges of New Jersey; to the Committee on Appropriations.

Mr. ESCH: Memorial of Woman's Christian Temperance Union of Wisconsin, favoring national prohibition as a war measure; to the Committee on the Judiciary.

By Mr. FULLER of Illinois: Petitions of the Williams Hardware Co., of Streator, Ill., and the Illinois Manufacturing Association, opposing the Jones amendment to the revenue bill, taxing corporation surplus 15 per cent, also opposing the sliding-scale rate on excess profits, and urging in lieu thereof a flat rate on the net earnings of business enterprises; to the Committee on Ways and Means.

By Mr. HADLEY: Memorial of State Aerie, Fraternal Order of Eagles, of Washington, relative to adequate protection for those who enlist; to the Committee on Military Affairs.

By Mr. HUTCHINSON: Petition of the New Jersey State Bar Association, relative to increasing salaries of the Federal judges of New Jersey; to the Committee on Appropriations.

By Mr. LINTHICUM: Memorial of Loyal Review, No. 18, Woman's Benefit Association of the Maccabees, and Baltimore Conference of Epworth League, favoring prohibition as a war measure; to the Committee on the Judiciary.

Also, petition of State Board of Undertakers of Maryland, favoring passage of purple-cross bill, House bill No. 5410; to the Committee on Military Affairs.

By Mr. MEEKER: Petition of 9 citizens of St. Louis, Mo., protesting against the enactment into law of any prohibition measures; to the Committee on the Judiciary.

By Mr. WALTON: Petition of Women's Auxiliary of the State Council of Defense, of Loving, N. Mex., favoring food regulation, etc.; to the Committee on Agriculture.

Also, memorial of Woman's Missionary Society of Las Cruces and Woman's Missionary Council of Methodist Episcopal Church of Deming, N. Mex., favoring prohibition as a war measure; to the Committee on the Judiciary.

SENATE.

WEDNESDAY, *August 1, 1917.*

(Legislative day of Tuesday, July 31, 1917.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

NATION-WIDE PROHIBITION.

The Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (S. J. Res. 17) proposing an amendment to the Constitution of the United States.

Mr. KENYON. Mr President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson, Cal.	New	Simmons
Beckham	Jones, N. Mex.	Norris	Smith, Ga.
Brady	Jones, Wash.	Overman	Smith, S. C.
Calder	Kellogg	Page	Smoot
Culberson	Kendrick	Phelan	Sterling
Cummins	Kenyon	Pittman	Stone
Curtis	King	Poindexter	Thompson
Fernald	Kirby	Pomerene	Trammell
Fletcher	La Follette	Ransdell	Underwood
Frelinghuysen	Lodge	Reed	Vardaman
Gerry	McCumber	Robinson	Walsh
Gore	McNary	Saulsbury	Watson
Gronna	Martin	Shafroth	Williams
Hale	Myers	Sheppard	
James	Nelson	Sherman	

Mr. PAGE. I will state that my colleague [Mr. DILLINGHAM] is necessarily absent from the Senate. He is paired with the senior Senator from Maryland [Mr. SMITH].

Mr. FRELINGHUYSEN. I wish to announce the absence of my colleague [Mr. HUGHES], owing to illness.

Mr. KING. I desire to announce that the senior Senator from Oregon [Mr. CHAMBERLAIN] is detained on official business.

Mr. GERRY. I desire to announce that the Senator from Illinois [Mr. LEWIS] is detained on official business.

The PRESIDENT pro tempore. Fifty-eight Senators having answered to their names, there is a quorum present.

Mr. CALDER. Mr. President, the amendment of the Constitution of the United States is a matter that should be given the most careful consideration. The makers of this instrument, in providing how it should be changed, sought to place around it every possible safeguard.

When the Constitution was framed we had but 13 States, and the approval of 9 was required to change it. To-day we have 48 States, and the consent of 36 of them is needed.

The men who framed the Constitution had no conception that a number of States representing a minority of the people of the country might at some time determine whether the fundamental law of the land should be changed. Yet that condition exists to-day.

As the Senator from Alabama [Mr. UNDERWOOD] indicated in his remarks last Monday, there are 12 States in this country whose total population exceeds by 9,000,000 that of the other 36; it is also true that there are 18 States in the Union—namely, Nevada, Wyoming, Idaho, Arizona, Montana, New Mexico, Utah, New Hampshire, Vermont, Rhode Island, North Dakota, South Dakota, Oregon, Delaware, Maine, Florida, Colorado, and Connecticut—with a total population less than that of New York, yet with eighteen times its influence in the final determination of this question.

Congress recently enacted a law, known as the Webb-Kenyon Act, which prevents the shipment of liquor of any description into so-called "dry" territory. I voted for this measure, and also voted to override the President's veto of it, because I believed that every State should be protected in the enforcement of its laws affecting its own people. During the last session Congress also enacted the so-called Reed amendment forbidding the distribution in "dry" States of publications containing liquor advertisements.

These two measures make certain that where the people of any community desire to have prohibition it can be obtained and successfully enforced.

In my own State, at the recent session of the legislature, a bill was passed providing for local option on this question. The people of any section of New York State therefore can at any time provide that no liquor shall be sold in their respective communities; and it is possible at any time for the legislature of the State of New York to submit to the people of that State an amendment to its constitution, State wide in its effect, prohibiting the manufacture and sale of liquor. This can be done without reference to national legislation, and, Mr. President, it is a simple thing for the people of New York and, for that matter, of every State in the Union, to have just such legislation whenever they wish it.

The food-control bill now in conference, which will in all probability be enacted into law within a few days, carries a provision prohibiting the manufacture and sale of whisky during the period of the war. This, in my judgment, marks the end of the whisky business in the United States. I voted for this provision in the food measure and shall be glad to vote for a substitute for the pending amendment prohibiting the manufacture and sale of whisky but permitting beer and light wines.

Whisky is the curse that we must be rid of. Whisky is the wrecker of homes, the demoralizer of men's minds, and I shall vote whenever the opportunity offers to prevent its manufacture and sale.

Mr. President, I am convinced that no representative of the State of New York in either House of Congress should lightly vote for an amendment to the Constitution, for, once the measure has passed here and been referred to the several States for ratification, the influence of New York in the final determination of the subject is no greater than that of the smallest State in the Union.

During my service in this body I shall hesitate before voting for any amendment to the Constitution unless I feel certain that there is an overwhelming demand for it on the part of the people of my State.

This amendment is of far-reaching importance. It affects the habits and the customs of the people. Forty per cent, or over 2,400,000, of those residing in the city of New York are of foreign birth; 78 per cent are of foreign birth or of foreign or mixed parentage. Only 22 per cent of the total of six million odd people of that city were born here of native parents. That same proportion will hold good in nearly every large city in the country.

These people have fixed customs. It is the habit of the great bulk of them, occasionally and moderately, to partake of beer and light wines.

Now, while we are engaged in a great war, to take that from them would, I very much fear, bring serious dissatisfaction and distrust of the good intentions of the Government. A great proportion of our people regard it as a necessity, a part of their everyday life.

Mr. President, we are working out many problems in these days to which all of us must give our very best thought. I am thinking of the contentment of our people. Its importance can not be overestimated. We are organizing and working the great industries and resources of this country so as to produce the greatest and best results. To do that it is all imperative that we have the whole-hearted and enthusiastic help and cooperation of every individual. Will it help, or will it harm, to say to the average man that he shall not have something to which he has long been accustomed, and causes no appreciable if any detriment to his physical well-being? Shall we deny to him something which he honestly believes to be a necessity? Is this going to produce more of all the things we need to prosecute vigorously the pending war? Or will it lessen the interest of our workingman in the product of his toil and his contentment, confidence, and trust in his Government?

I shall vote against the pending amendment. The reasons I have just stated and the ease with which the respective States can pass upon it for their own people, as an evidence of which fact I believe 24 States have already done so, brings me to the conclusion that in justice to the 11,000,000 people I have the honor to represent here I can take no other course than to vote against the amendment as presented by the Senator from Texas.

Mr. PENROSE. Mr. President, I have been tied up for the last two months with my duties as a member of the Finance Committee in the consideration of the revenue bill, and I have had little opportunity to participate in the deliberations on the floor of the Senate. I desire, however, during a brief adjournment of the committee to say a few words on the pending resolution.

I shall vote against the resolution, Mr. President, regardless of the merits or demerits of the proposition contained therein. In my opinion the resolution constitutes a radical, revolutionary departure from the fundamental principles of the American Government.

Serious doubt may be expressed whether any amendment to the Constitution may properly be placed in that instrument which, without the consent of all the States, would deprive any one of them of one or more of the several reserved powers. It was agreed on all sides when the Constitution was adopted that it required unanimous consent of the States, since the States were surrendering powers to the Federal Government, and it will be recalled that until North Carolina finally agreed to the Constitution that State was considered not a part of the Union, and

Congress passed a tariff act in 1789 under which goods coming into the Union from North Carolina were subject to duty; and Congress passed an act exempting North Carolina from the tariff law so soon as North Carolina consented to the Constitution.

If it required the unanimous consent of the States in 1789 to secure the agreement of each to the surrender of its powers delegated to the Federal Government, how can rights of States, such as Pennsylvania, New York, and North Carolina, not unanimously delegated in 1789, and still reserved in the States, be taken from them by mere amendment of the Constitution?

The police power is the most vital of all the reserved powers in the States, but under this proposed amendment certain States in the Union which did not, in 1789, and in all likelihood now, could never be made to surrender the police power to the Federal Government, will find a large part of that power wrenched from them, not only without their consent but in defiance of their wishes. Concede that the only presently important limitation on amendment in Article V of the Constitution provides that no State shall be deprived of its equal representation in the Senate without its consent, this specified limitation on the power of amendment in no way concludes the proposition that States can be deprived of their reserved powers without their consent. On the contrary, it suggests that the framers of the Constitution conceived no amendments as being possible or pertinent except those within the field covered by the original instrument itself, such as those relating to the structure of the Federal Government itself, the treatment of citizens of the United States by the State governments, the relation of the Federal Government to the sovereign States of the Union, and the coordination of the legislative, executive, and judicial departments of the Federal Government. An amendment relating to the representation of the States in the Senate would have fallen within this field, and the States safeguarded this possibility by putting it beyond the reach of amendment.

No historian or student of this Government will agree that, had the thirteen original States conceived that immediately upon the adoption of the Constitution their reserved powers could have been amended out of their possession, the thirteen States would have unanimously assented to the Constitution and made it their contract and charter of Union. If that be the fact, it is as sound law to-day as it was in 1789 that the power to amend is not the power to deprive a State of its reserved powers, including the police power or any part thereof. Such privation of a State can in reason and theory be accomplished only by its assent.

Some of the advocates of this amendment contend that it should have no time limit for ratification by three-fourths of the States. This contention is based on the assumption that a State may reverse its action after having refused to ratify, but once having ratified an amendment it can not change its action. This is supported by the action of Congress in 1868 in declaring that the fourteenth amendment had been ratified by three-fourths of the States, though New Jersey, Ohio, and Oregon declared by resolutions of their legislatures that they withdrew their assent.

If that one example sustains the theory that a State may not withdraw its assent to a constitutional amendment, we still have a constitutional amendment pending before the State legislatures. In 1810 Congress submitted to the States an amendment declaring:

> If any citizen of the United States shall accept, claim, receive, or retain any title of nobility or honor, or shall, without the consent of Congress, accept and retain any present, pension, office, or emolument of any kind whatever from any emperor, king, prince, or foreign power, such person shall cease to be a citizen of the United States and shall be incapable of holding any office of trust or profit under them or either of them.

This amendment was ratified by 12 States and by the Senate of the South Carolina Legislature. It was assumed that the House of Representatives of South Carolina would vote for ratification, and the amendment was printed as the thirteenth amendment to the Federal Constitution. The South Carolina House of Representatives failed, however, to give an affirmative vote, and the amendment was supported or ratified by only 12 States, one less than the required three-fourths.

If it is the contention that a State once having voted to ratify an amendment can not withdraw its assent, this old amendment submitted by Congress in 1810 must be still pending.

Mr. President, in my opinion, when the people of the different States of the Union come to consider the radical blow which the sovereign rights of the States sustain in the proposition embodied in this joint resolution, it will not be ratified by the necessary three-fourths of the State legislatures.

In the limited time permitted me, Mr. President, I can only refer to the gross inequality which exists in the method by which an amendment to the Constitution is ratified. By referring this joint resolution to the State legislatures it is possible that it should be ratified by 36 States, with 46,000,000 population, against the wishes of 12 States, with 56,000,000 population, thus subjecting the country to the rule of the minority.

Mr. President, we live in an era preeminently of popular government and popular rule; and how long will a great Nation of over 100,000,000 people tolerate a radical legislative act like this, forced upon them by 36 States, representing 46,000,000 population, as against 12 States representing 10,000,000 more, or 56,000,000 population?

The proposition is intrinsically and radically vicious and intolerable. Legislation of this character, in my opinion, ought to be preeminently and primarily of strictly State concern. There are many States now having prohibition laws where the people acquiesce in them more or less willingly; but if those laws had been handed to them by a mandate from a central authority in Washington, the result in many cases would have been resentment and revolution.

The only practical way to establish prohibition or any other police proposition over an area of country is through the agencies of the States. Otherwise it would take an American army to enforce it.

Criticism has been made that it is impossible to enforce prohibition in a State on account of the fact that liquor is brought into the State from outside. That condition, Mr. President, is being gradually corrected.

The last legislation, which seemed to be quite effective, was the so-called Reed bone-dry amendment. I will vote cheerfully, Mr. President, in the Senate to help in every way to secure the passage of laws calculated to protect prohibition States, and to maintain the prohibition status intact in those States; but I do urge that in other States the question should be left to the people to determine for themselves.

Our country, Mr. President, is vast in area and great in population. In the years to come its growth will almost transcend the imagination.

It, in my opinion, will be inevitable that our system of government will break down if we continue the course which has been followed during the last few years of centralizing everything in the Congress of the United States here in Washington. I believe that the doctrine of State rights, which was once so vigorously maintained by great men in this Senate, and concerning which a great civil war was fought, is more important to-day than at any other time in the history of the country, in view of our tremendous growth of population and resources and wealth and diversified interests.

The PRESIDING OFFICER (Mr. ROBINSON in the chair). The time of the Senator from Pennsylvania has expired.

Mr. PENROSE. I will ask, Mr. President, in view of the fact that my time is limited, for permission to insert some extracts from Thomas Jefferson, from Mr. Hughes, and others as a part of my remarks.

The PRESIDING OFFICER. Without objection, leave will be granted. The Chair hears none, and it is so ordered.

The matter referred to is as follows:

> It is not enough that honest men are appointed judges. All know the influence of interest on the mind of man and how unconsciously his judgment is warped by that influence. To this bias add that of the esprit de corps, of their peculiar maxim and creed that "it is the office of a good judge to enlarge his jurisdiction," and the absence of responsibility, and how can we expect impartial decision between the General Government of which they are themselves so eminent a part, and an individual State, from which they have nothing to hope or fear? We have seen, too, that, contrary to all correct example, they are in the habit of going out of the question before them to throw an anchor ahead and grapple further hold for future advances of power. They are then, in fact, the corps of sappers and miners, steadily working to undermine the independent rights of the States, and to consolidate all power in the hands of that Government in which they have so important a freehold estate. But it is not by the consolidation or concentration of powers, but by their distribution that good government is effected. Were not this great country already divided into States, that division must be made that each might do for itself what concerns itself directly, and what it can do so much better than a distant authority. Every State again is divided into counties, each to take care of what lies within its local bounds, each county again into townships or wards to manage minute details, and every ward into farms to be governed by its individual proprietor. Were we directed from Washington when to sow and when to reap, we should soon want bread.
>
> It is by this partition of cares descending in gradation from general to particular, that the mass of human affairs may be best managed for the good and prosperity of all. (From Jefferson's Autobiography.)

> But in the face of the difficulties already upon us, and destined to increase in number and gravity, we remain convinced of the necessity of autonomous local governments. An over-centralized government would break down of its own weight. It is almost impossible even now for Congress in well-nigh continuous session to keep up with its duties, and we can readily imagine what the future may have in store in legislative concerns. If there were centered in Washington a single source of authority from which proceeded all the governmental forces of the country—created and subject to change at will—upon whose permission all legislative and administrative action dependent throughout the

length and breadth of the land, I think we should swiftly demand and set up a different system. If we did not have States we should speedily have to create them. We now have them, with the advantages of historic background, and in meeting the serious questions of local administration we at least have the advantage of ineradicable sentiment and cherished traditions. And we may well congratulate ourselves that the circumstances of the formation of a more perfect Union has given us neither a confederation of States nor a single centralized Government but a Nation, and yet a Union of States each autonomous in its local concerns. To preserve the essential elements of this system without permitting necessary local autonomy to be destroyed by the unwarranted assertion of Federal power, and without allowing State action to throw out of gear the requisite machinery for unity of control in national concerns demands the most intelligent appreciation of all the facts of our interrelated affairs and far more careful efforts in cooperation than we have hitherto put forth (From address of Charles E. Hughes before the New York State Bar Association, January 14, 1916.)

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If the day should ever arrive (which God forbid) when the people of the different parts of our country shall allow their local affairs to be administered by prefects from Washington, and when the self-government of the States shall have been so far lost as that of departments of France, or even so far as that of the counties of England, on that day the progressive political career of the American people will have come to an end, and the hopes that have been built upon it for future happiness and prosperity of mankind will be wrecked forever. (From Prof. John Fiske's Crucial Period of American History.)

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[From the New York Sun, Tuesday, Feb. 17, 1914.]

IS THERE A LIMIT TO CONSTITUTIONAL AMENDMENT?—CAN ONE STATE'S RESERVED RIGHTS BE TAKEN AWAY BY THE VOTE OF OTHER STATES?

To the EDITOR OF THE SUN:

SIR: The frequency with which the suggestion is made that the Constitution of the United States shall be amended to authorize the Federal Government to exercise powers that may be exercised by the States, but which at least some of them do not choose to exercise, suggests the question whether there lies in the States collectively a right to limit the reserved rights of any of the parties to the compact whose concrete expression is the American Union; whether there are no such exercises of authority as a dispassionate judge would pronounce ultra vires.

It is a fundamental principle of association that charters confer equitable authority to bind with respect only to such matters as are contemplated in their formation; and this restriction is not based on an expressed self-limitation in the documents themselves, but on obvious principles of justice. Yet, while this statement will be generally accepted without question, that charter by which the American Colonies bound themselves originally is, in practice at least, assumed to be an exception to the operation of the principle. Whether it is or not it might be presumptuous to say, but, at any rate, the question is a debatable one whether the thirteen original States entered into the compact with the understanding that their subscription to the Constitution implied that their sovereignty in their reserved rights was thereafter not to be absolute, but contingent on the will of a stated majority to the compact. Due consideration of the circumstances under which the compact was made, as well as of the agreement itself, can, I think, admit of but one conclusion—that they did not; and if this conclusion be valid it follows that, though there is in the Constitution of the United States itself no express limitation of the power to amend, there is in the case of that agreement a natural and necessary limitation in that respect, as well as of the right of legislation by the Federal Government, if any distinction between State and Nation is to be recognized.

Recognizing this distinction, however, one need not be a Marshall to perceive that amendments such as those depriving the States of control over their electorates or compelling them to adopt a prohibition measure are an abuse of the amending power and a violation of the spirit if not of the letter of the Constitution. If the State of Maine, for instance, deems it expedient to prohibit the manufacture and sale of intoxicants within its territory, or the State of Corolado deems it expedient to confer the franchise upon women, they have not been debarred from the exercise of those rights by those States which, like New York, have preferred to adopt a different policy. If three-fourths of the States of the Union wish to adopt the policy of prohibition or universal suffrage they have the unquestioned right to do so within their respective jurisdictions. But if, not satisfied with that, they have the additional right of compelling the minority of "sovereign" States, however much they may be opposed to such a course, however great a hardship it might impose on them, to adopt it also, it is obviously absurd to regard this as a Union of independent Commonwealths that for the purposes of that Union agreed to surrender certain sovereign rights, retaining the rest; there is in principle but one sovereign authority, the Federal authority, of which the States are but administrative subdivisions, because by the process of unlimited amendment all reserved rights may be absorbed in time by the Central Government.

The subject is so profund that one can do no more than advert to it in the compass of a newspaper communication; but if it does not receive greater consideration from layman and legislator alike than it has hitherto commanded, resulting in a more intelligent comprehension by the average man of the character and purpose of the Union, this Government will tend to become what Samuel J. Tilden feared, "Not only the most oppressive but also the most corrupt with which any people has been cursed."

F. J. DUNDON.

NEW YORK, *February 16.*

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DANGER FOR GOVERNMENT LURKS BEHIND NATIONAL PROHIBITION, WILLIAM HOWARD TAFT SAYS.

BOSTON, MASS., 1914.

National prohibition is a dangerous proposition, said former President William H. Taft, speaking before the Bar Association of Boston at its seventeenth triennial banquet.

It would revolutionize the National Government. It would put on the shoulders of the Government the duty of sweeping the doorsteps of every home in the land. If national prohibition legislation is passed, local government would be destroyed. And if you destroy local government, you destroy one of the things which go to make for a healthy condition of the National Government.

National prohibition is nonenforceable; it is a confession on the part of State governments of inability to control and regulate their own especial business and duty; if the matter were placed under Federal control, it would result in creation of a machinery of Government officials large enough to nominate any President, and would offer too great an opportunity to persons seeking to perpetuate their power in Washington.

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[From the New York World, Saturday, May 9, 1914.]

DEMOCRATS AND PROHIBITION.

It ought not to be very difficult for a Democratic Congressman who believes in the fundamental principles of the Democratic Party to make up his mind how to vote on the Hobson resolution submitting a prohibition amendment to the Federal Constitution.

A Democrat can believe in local option or county option, or even in State-wide prohibition, as a measure of moral expediency; but he can not believe in a national prohibition law based on a national prohibition amendment.

That same principle applies to the suffrage question, too.

Ever since there was a Democratic Party Democrats have relegated such issues to the States, and maintained the sovereignty of the States in ordering their own domestic affairs and in establishing the qualifications for voting.

Every State has power to enact a prohibition law for the control of its own people Every State has power to admit women to the suffrage. That is enough.

Many Democratic States have prohibition laws. Some of the States in which women vote are Democratic; but if prohibition and suffrage are to be recognized as pertinent national issues, the States might as well be dismantled first as last and all powers of government centralized in Washington.

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[From annual report of the American Historical Association for 1896.]

The provisions of the Constitution forbidding any person holding office under the United States Government without the consent of Congress, from accepting any present or title from any king, prince, or foreign State did not seem sufficiently stringent to some of the State conventions. The ratifying conventions of Massachusetts, New Hampshire, New York, and, later, Rhode Island proposed amendments either forbidding Congress from ever granting its consent, or, for the accomplishment the same end, proposed eliminating the clause "without the consent of Congress." A similar change was proposed in the Senate and twice in the House of the First Congress during the discussion of the subject of amending the Constitution, but failed to meet the approval of either branch. No further amendments on this subject were presented until 1810. Early in that year Senator Reed, of Maryland, introduced an amendment relative to the acceptance of titles of nobility by American citizens.

The resolutions were referred to a select committee of three, and twice afterwards recommended to a larger committee, who finally reported them in a modified form. Several amendments were presented during the debate, one of which was accepted. It was in these words:

"If any citizen of the United States shall accept, claim, receive, or retain any title of nobility or honor, or shall, without the consent of Congress, accept and retain any present, pension, office, or emolument of any kind whatever from any emperor, king, prince, or foreign power, such person shall cease to be a citizen of the United States and shall be incapable of holding any office of trust or profit under them or either of them."

Thus amended, the article passed the Senate by a vote of 19 yeas to 5 nays. The amendment was immediately considered in the House, and passed by that body on the 1st day of May, only three votes being cast against it.

Unfortunately, the Annals of Congress and contemporary newspapers do not give any of the debate upon this interesting proposition. The only light thrown upon the subject by the Annals is the remark of Mr. Macon, who said "he considered the vote on this question as deciding whether or not we were to have members of the Legion of Honor in this country." What event connected with our diplomatic or political history suggested the need of such an amendment is not now apparent.

Possibly there was no particular event which suggested it, but it probably was only another means of expressing that animosity against foreigners and everything foreign which manifested itself in various ways in the trying period just previous to the war of 1812. That the amendment was in the line of popular sentiment may be inferred, otherwise we can not account for the nearly unanimous vote it received in Congress and the favorable reception it met with from the States.

The amendment lacked only the vote of one State of being adopted. It received the ratification of 12 States, and was passed by the Senate of South Carolina. It was generally supposed that the amendment had been concurred in by the requisite majority of the States. In the official edition of the Constitution of the United States, prepared for the use of the Members of the House of Representatives of the Fifteenth Congress, the article appears as the thirteenth amendment to the Constitution. This led to a resolution of inquiry, as a result of which it was discovered that the House of Representatives of South Carolina had not confirmed the action of the senate, and so the amendment had not been adopted. However, the general public continued to think that this amendment had been adopted, and this misconception was perpetuated for over a third of a century in editions of the Constitution and school histories.

WHAT CONSTITUTES THREE-FOURTHS OF THE STATES?

This question first seriously arose at the time the proposition which afterwards was adopted as the thirteenth amendment was before Congress. At that time, several of the States being in rebellion against the Government, they were without representation in Congress. It was held by some that such States should not be counted as included in the Union. Thus we find amendments presented with the following enacting clause: "*Be it resolved* * * * That upon the ratification of this amendment by three-fourths of the States represented in Congress it shall become valid to all intents and purposes as part of the Constitution."

The question was undecided when the thirteenth amendment was sent to the States. When the legislatures of 27 States had ratified this amendment, which was exactly three-fourths of all the States in the Union, the Secretary of State issued a proclamation declaring it a part of the Constitution. Of these States, however, several had been in rebellion and had not been readmitted to representation in Congress; in fact, it was not until three years later that the majority of them were restored to the full enjoyment of this right. "The question as to whether they could give valid assent to an amendment to the Con-

stitution was one which might possibly be raised." "If they could not participate in the enactment of statute law, how could they participate in the far weightier duty of framing the organic law of the Republic?" In the case of the fourteenth and fifteenth amendments the requisite majority was secured through the policy pursued by Congress of requiring from the States late in rebellion, as one of the conditions precedent to their recognition and the admission of their Representatives in the Federal Legislature, the ratification of one, and in most cases both, of these amendments. By this expedient the authoritative settlement of this question was rendered unnecessary.

CAN A STATE RECONSIDER ITS ACTION UPON A CONSTITUTIONAL AMENDMENT?

Three States after giving their consent to the fourteenth amendment, and one after similar action upon the fifteenth amendment, declared through resolutions passed by their legislatures that they withdrew their consent. In all but one of these instances this action was taken before the amendment had been ratified by three-fourths of the legislatures of the several States, and it was contended that such action could be taken previous to the incorporation of the amendment into the Constitution. The Secretary of State, in canvassing the votes upon the fourteenth amendment, being in doubt how such cases should be regarded, issued a certificate reciting the facts and declaring the adoption of the amendment in case the ratification of the two States which had attempted to recall their consent was still to be considered valid. Congress immediately passed a concurrent resolution declaring the ratification of the amendment valid and sufficient, and on the 28th of July, 1868, the Secretary of State issued a second proclamation declaring the amendment to be a part of the Constitution.

On the other hand, in the case of the thirteenth amendment one State which had previously rejected the amendment reconsidered its action. Four similar cases occurred in connection with the fourteenth amendment and two with the fifteenth amendment, some even subsequent to the proclamation declaring the adoption of the respective amendments. All these States where the action had been taken previous to the issuing of such proclamation were included by the Secretary of State in the list of States ratifying.

From the above it would seem that practice has decided that a State having once given its consent, the question is closed, and it can not recall its action; but, on the other hand, that a State that has rejected an amendment can reconsider its action at any time previous to the incorporation of the amendment into the Constitution.

The PRESIDING OFFICER. The Secretary will state the first amendment reported by the Committee on the Judiciary to the joint resolution.

The SECRETARY. The first amendment is, on page 2, line 1, after the word "into," to strike out "and" and insert "or."

The PRESIDING OFFICER. The question is on the amendment.

Mr. KENYON. Mr. President, I want to take 10 minutes to express a view or two on the pending subject; and in view of the fact that a bill at present in conference seeks to stop the manufacture of whisky as a food-conservation proposition, but not to stop the manufacture of beer, I desire to submit just an observation or two on that and other propositions in general relating to the subject. That part of my remarks will consist of questions which some proponents of the liquor traffic may perhaps answer in the further progress of this debate.

Why do we prohibit the boys in the Army and Navy from having booze and insist that those who remain at home shall have it?

If liquor is a bad thing for the boys in the trenches, why is it a good thing for those at home?

When they are willing to die for us, should we not be willing to go dry for them?

Will a sober nation not win the war quicker than a drunken nation?

When the food controller asks everyone in the country to conserve the food supply, why must the food supply going into beer be excepted?

Is it not as much waste of foodstuff to put it into beer as to put it into whisky?

If more foodstuff goes into beer than into whisky, why do we prevent foodstuff going into whisky and permit it going into beer?

Will rebellions come in the cities, as we have been told, if the workers do not have their beer?

Sixty per cent of the Nation, territorially, is dry. Are the feelings of people living in that territory entitled to any consideration?

If the beer drinkers are going to rebel unless they get their beer, will the temperance people rebel unless they get temperance?

Does the rule only work one way?

Why do not the temperance people claim that they will rebel also? No one has heard any such thing from them, nor will anybody hear such thing.

The temperance people will be for the Nation no matter if beer and whisky be forced on them. Their patriotism does not depend on having their own way.

Is patriotism purchased by beer worth while anyway?

If some one were taking as much foodstuff as goes into booze and dumping it into the sea, what would the people of the Nation say?

If some one should advance the argument that this was necessary in order to appease certain people who believed in dumping foodstuffs into the sea, and that if they did not do it it would arouse riots, would we accede to their request?

If some learned Senator, speaking as if the Almighty had delegated to him supreme wisdom and in a tone indicating that such wisdom would perish from the floor when he retired to the cloakroom, should so claim, would we be sufficiently impressed?

Should not hereafter all bulletins issued requesting the people to conserve the food supply urge them also, for the interest of public peace, to have all the foodstuff they could made into beer?

Is it reasonable to ask the temperance people of the country to conserve and save every particle of food and at the same time permit some of it to go into booze?

Is beer more essential to the American people than bread?

What kind of people are they in this country who are not willing to give up their liquor to help their country?

Is the food conservation to be for the benefit of the many, or is it to be limited in order that the few may have their drinks?

Have we reached a point in this country where the war can not be won unless people who drink are permitted to tickle their stomachs with wines and beer?

Will beer patriots win the war anyhow?

Are the interests of brewers in this country more important than the winning of the war?

Are we willing to sacrifice everything in the country to win the war, except beer?

If the temperance forces in the Senate were responsible for delaying the food bill, as charged by certain liquor-interest papers, why is it that the food bill has been delayed for three weeks after the temperance sections of the bill were settled?

With the great demand for labor in this country and the high wages, could there ever be a better time, as far as the laboring men are concerned, for the transition from a wet to a dry Nation?

When there is a shortage of labor in the important and necessary work to carry on the war, why waste labor in making booze?

If booze is essential to win the war, why stop selling it to soldiers?

Mr. President, I have listened to the argument as to State rights; but I have discovered that the doctrine of State rights absolutely vanishes in Congress whenever an appropriation is attached to a bill.

The advance in this country of the temperance cause has been due to the fight against the American saloon. That is what has been at the bottom of it. That has brought us to the issue of national prohibition.

This amendment is to give to the States the right to speak their desire on this question. Why should they not have such right? The American people are tired of the saloon.

No one rises on this floor or elsewhere to defend the American saloon directly.

The American saloon has no conscience. It never did a good act or failed to do a bad one.

It is a trap for the youth; a destroyer for the old; a foul spawning place for crime; a corrupter of politics; knows no party; supports those men for office whom it thinks can be easiest influenced; has no respect for law or the courts; debauches city councils, juries, and everyone it can reach; is powerful in the unity of its vote, and creates cowards in office.

It flatters, tricks, cajoles, and deceives in order to accomplish its purpose; is responsible for more ruin and death than all the wars the Nation has ever engaged in; has corrupted more politics, ruined more lives, widowed more women, orphaned more children, destroyed more homes, caused more tears to flow, broken more hearts, undermined more manhood, and sent more people to an early grave than any other influence in our land.

Its day has come. No subterfuge can long save it. It will be dragged into the open, the influences behind it stripped of their masks. A mighty public conscience is aroused, moving on rapidly, confidently, undismayed, and undeceived. Behind it are the churches of the Nation—Protestant and Catholic—schools, colleges, and homes. This public conscience is not discouraged by defeat or deceived by any cunning devices, by any shams or pretenses. Its cause is the cause of humanity, of righteousness, and God Almighty fights with it.

It has no desire to injure the saloon keeper. It would help him, but it asks no quarter of the saloon and it proposes to give none. The forces fighting the saloon are not composed of mollycoddles. The most far-seeing business minds of the country are in the ranks.

Men will have to take their places in this fight. They can not sit on the fence. This fight is no place for the political

coward to stand between the lines. He will be shot from both directions.

No denunciation, no slurs, no jests on the floor of the Senate, no hurling of epithet, no cheap ribaldry in the cloakrooms will stop this fight. It is going on in Congress, and it is going on in the Nation until the tear-producing, orphan-making, home-wrecking, manhood-debauching, character-destroying, hell-filling saloon business is banished from this country. The American saloon is just as certainly doomed as slavery was doomed.

A saloonless Nation means an efficient Nation, better able to cope with any problem threatening it from without or within.

Mr. CUMMINS. Mr. President, I rise simply to make a parliamentary inquiry. Under the unanimous-consent agreement can a Senator speak 10 minutes upon the joint resolution and also 10 minutes upon any amendment that may be offered, or is he limited to a single speech of 10 minutes?

The PRESIDING OFFICER. The present occupant of the chair thinks that a strict construction of the language of the unanimous-consent agreement might be held to confine every Senator to one speech of 10 minutes upon the joint resolution and amendments. The language of the agreement is:

> And that after Tuesday, July 31, 1917, no Senator shall speak more than once or longer than 10 minutes upon the resolution and amendments offered thereto.

Mr. CURTIS. Mr. President, I should like to ask if an amendment is offered after a Senator has addressed the Senate would he not be permitted to speak 10 minutes on the amendment?

The PRESIDING OFFICER. The Chair will state to the Senator from Iowa and to the Senator from Kansas that the present occupant of the chair, if called upon to construe that language, will hold that the limitation is 10 minutes upon the joint resolution itself and 10 minutes upon any amendment a Senator may get the floor to speak upon; otherwise the agreement would be ineffective to enable Senators to discuss any amendment, should they discuss the joint resolution proper, and would limit Senators to one speech of 10 minutes, which would probably violate the purpose of the Senate in making the agreement.

Mr. SMOOT. I think that the decision of the Chair is in accordance with the understanding in the Senate at the time the unanimous-consent agreement was entered into.

Mr. CUMMINS. Mr. President, that means, then, that a Senator can speak 10 minutes upon the joint resolution and then he can thereafter speak 10 minutes upon each amendment that may be offered to it?

The PRESIDING OFFICER. No; the Chair thinks that a Senator when he addresses the Senate, if the rule is invoked, must address himself to the question before the Senate. There is pending now before the Senate an amendment, and a Senator in theory of law when he speaks now speaks to that amendment. When he has done that, he can not speak again until that amendment is disposed of, and then when he takes the floor again he addresses himself in theory of law to the amendment that is then pending.

Mr. CUMMINS. I am quite satisfied with the ruling of the Chair.

Mr. NORRIS. Mr. President, I think the Chair was right in his first interpretation. Although I do not believe the unanimous-consent agreement will bear the construction that he has put on it now, I think it is perfectly proper that we should have an understanding in the beginning. I have no objection, of course, to the ruling indicated by the Chair; but it seems to me the language of the agreement is very plain and that it can not mean two things. If we have an understanding that Senators will be allowed to speak on each amendment as it comes up, I certainly will not object, even though I do not think the construction is correct.

The PRESIDING OFFICER. The present occupant of the chair will state that the discussion of the matter now is more or less academic, as no point of order has been made and no matter is pending that will enable the Chair to determine the matter in a parliamentary way. The Chair is simply indicating the view of the present occupant of the chair out of deference to the Senator from Iowa [Mr. CUMMINS], who submitted an inquiry.

Mr. SMITH of Michigan. Mr. President, I should like to say that I think the Chair is strictly within the rule and has put the proper interpretation upon the agreement. I desire to commend that interpretation.

Mr. UNDERWOOD. Mr. President, I rise to ask that the pending amendment be stated.

The PRESIDING OFFICER. The Secretary will state the pending amendment.

The SECRETARY. On page 2, line 4, it is proposed to strike out the word "and," the first word in the line, and insert the word "or."

Mr. GRONNA. I ask that the context be read for information.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

> SECTION 1. The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 2, line 1, after the word "from," to strike out the comma.

The amendment was agreed to.

The next amendment was, on page 2, line 3, after the word "purposes," to strike out "are" and insert "is."

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 5, after the word "legislation," to strike out "and nothing in this article shall deprive the several States of their power to enact and enforce laws prohibiting the traffic in intoxicating liquors."

Mr. SHEPPARD. Mr. President, as I introduced the joint resolution originally, I will say that the language stricken out by the committee was added by me in order to emphasize and make plain what was really an existing condition. The Judiciary Committee, with practical unanimity, said that the States would not be deprived of the power to enact and enforce laws prohibiting the traffic in intoxicating liquors, and therefore did not deem it advisable to place it in the joint resolution. I trust, therefore, that the amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Chair informs the Senate that the joint resolution is still in Committee of the Whole and open to amendment.

Mr. POMERENE. Mr. President, before the final vote is taken I desire to express briefly my reasons for the vote that I am going to cast upon this joint resolution.

I yield to no man in the desire to promote genuine temperance in my State and in the Union. I have tried to, and I think I always have lived a temperate life. I believe in living and letting live. I have an intense admiration for the genius of our institutions. I do not believe that the fundamental principles of our people have changed. I believe in democracy. I believe that the principles of democracy are best conserved when we deal with all subjects in a spirit of moderation rather than by following the extremist on either side of any question. I always try to have before me as my guide not the view of the extremist on any subject, but I am intensely interested in knowing what the average man in my State thinks, and I always try to keep before me a picture of the composite Ohioan as I see him. Now, the question is, What is my duty to my constituency as I am permitted to see it? That leads me to review for a moment the conditions as they prevail in Ohio, and I am going to beg the indulgence of the Senate for just a few minutes while I advert to them.

This is no new question in Ohio. We have had it before us for many years, and we will continue perhaps to have it for many years, whichever way it is decided. In the year 1912 most of us thought that the question was settled at least for a few years. That year we voted upon 42 amendments to the constitution. All but two or three were adopted. One of the amendments involved the question of licensing the saloon. At that time in our State we had residential local option, township local option, municipal local option, and county local option. When this vote came before the public most of those, and I think all of those who were leaders in the councils of the Prohibition Party, were opposed to the license amendment. There was only about 50 per cent of the total vote cast on the license amendment. There were for the license system 273,361 votes; against it, 188,823 votes. The majority for license was 84,538.

Again, in 1914, our people were called upon to vote upon the prohibition question. The election was held November 3, 1914. The vote against the prohibition amendment was 588,329; the vote for it, 504,177. The majority against prohibition was 85,152.

In 1915 we voted upon it again. The vote that year against prohibition was 540,377; in favor of it, 484,969; the majority against prohibition was 55,408.

Mr. President, at the present time in Ohio we have residential district local option, township local option, municipal local option, and there is now pending before the people of our State a prohibition amendment which will be voted upon this fall.

Under the Ohio constitution our people have the right by petition to initiate an amendment to the constitution or new laws on this subject. They have full power, therefore, at any time to adopt prohibition or new legislation when they see fit so to do.

In my judgment, I must either ignore what seems to be the voice of Ohio, as evidenced by the result of the elections I have just referred to, by voting for this amendment, or I must vote in favor of what I believe is the judgment of the people of Ohio by voting against it.

Have we arrived at that state of mind on this or any other question when the majority of the people in any State shall not have any voice in determining what changes in the fundamental law shall be proposed?

I know that the cry is made that it ought to be referred to the people, and many of the people in the country to-day are of the opinion that when we adopt this joint resolution and refer the matter to the States the people will have a right to vote upon it. Of course all men who are informed know that the people of the several sovereign States will have no opportunity to vote upon this amendment; but it is a question, under the plan proposed here, which will address itself solely to the legislatures of the several States, who may or may not be elected upon the prohibition issue, or who may be elected upon other issues quite as well as upon this one.

The State of Kansas claimed the right to vote as she saw fit, without let or hindrance by any State of the Union, when she decided this question for herself. The State of Texas claims that right. The State of Washington claims that right. The State of Michigan claims that right; and, sirs, if they had the right, it seems to me that the people of Ohio should have the right to determine the liquor question for themselves.

And now, if I may, in the few minutes allowed me, I want to call attention to another proposition.

In 1910 the 13 States of Nevada, Wyoming, Delaware, Arizona, Idaho, New Mexico, Vermont, Utah, Montana, New Hampshire, North Dakota, South Dakota, and Oregon had, all told, 4,657,052 people. The State of Ohio had 4,767,121. In other words, in the year 1910 Ohio had 110,069 more people than the 13 States I have named. Yet if this amendment is to be submitted to the States for their votes, these 13 States, with less population than the State of Ohio, will have thirteen times as much voice as the State of Ohio in determining whether or not this amendment shall be added to the Constitution.

Again, 18 States—Nevada, Wyoming, Delaware, Arizona, Idaho, New Mexico, Vermont, Utah, Montana, New Hampshire, Rhode Island, North Dakota, South Dakota, Oregon, Maine, Florida, Colorado, and Connecticut—had, in 1910, 8,608,432 people; but the State of New York in that year had 9,113,614 people, or 505,182 more people than the 18 States I have named. Let me ask those who believe in democratic institutions since when has it come to pass that upon a question of this kind the principles of American government would permit these 18 States to have eighteen times the voice that New York shall have in amending the Constitution, if this amendment is to be submitted?

Inasmuch as Ohio in 1914 voted against prohibition by a majority of 85,152, and again in 1915, when a less vote was cast, by a majority of 55,408, thereby declaring her sentiments on the subject, how can I, as one of her Senators, vote for this resolution and put up to the people of the country the prohibition question in such form that we in Ohio will have only one-thirteenth as much influence in the adoption or rejection of prohibition as a fewer number of people in the 13 States of the Union to which I referred a moment ago, or thereby give to New York only one-eighteenth as much influence in determining this question as a fewer number of people in the 18 States which I have named? Surely the majority of voters in Ohio have some rights to be considered. Surely as their representative in the Senate I ought to bear this fact in mind in casting my vote.

Let me put the question in another form. If it were proposed to offer an amendment to the Constitution, the object of which was to permit the manufacture and sale of liquor in each of the States of the Union, would Senators representing dry States feel themselves justified in voting for that resolution because a substantial *minority* of the electors in their State wanted them to so do? Would not they feel bound by the *majority* sentiment in their States? If that be their position, am I less bound by the *majority* sentiment in my State? My belief is that in matters which are so intimately related to the habits of the people, each elector should have the same right to determine the question as any other elector, no matter what his views might be on the subject.

In my judgment the result will be much more satisfactory if this question is left to the people of each individual State to determine the kind of legislation they want upon the subject. For these reasons, in brief, I feel compelled to vote against the joint resolution.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. POMERENE. Mr. President, I ask leave to attach to my remarks the tables that I have here, showing the population in the several States named.

The PRESIDING OFFICER. Without objection, leave will be granted. The Chair hears no objection, and it is so ordered.

The matter referred to is as follows:

Population figures, census 1910.

Nevada	81,875
Wyoming	145,965
Delaware	202,322
Arizona	204,354
Idaho	325,594
New Mexico	327,301
Vermont	355,956
Utah	373,351
Montana	376,053
New Hampshire	430,572
North Dakota	577,056
South Dakota	583,888
Oregon	672,765
Total	4,657,052
Population of Ohio, 1910	4,767,121

Ohio's excess population over the combined population of these 13 States, 110,069.

Population figures, census 1910.

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Wyoming	145,965
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New Mexico	327,301
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Utah	373,351
Montana	376,053
New Hampshire	430,572
Rhode Island	542,610
North Dakota	577,056
South Dakota	583,888
Oregon	672,765
Maine	742,371
Florida	752,619
Colorado	799,024
Connecticut	1,114,756
Total	8,608,432
Population of New York in 1910	9,113,614

New York's excess population over the combined population of these 18 States, 505,182.

Mr. MYERS. Mr. President, ever since the beginning of the world this old world has been steadily becoming better; a better place in which to live; a better place for humanity. Ever since the creation of man, mankind has been steadily pressing onward, forward, upward; slowly, awkwardly, stumblingly, toilsomely, painstakingly; painfully and discouragingly slow has been its progress, in the face of innumerable difficulties and beset with almost insuperable obstacles; but ever onward and upward; often stumbling, falling, slipping backward, but ever animated by hope and faith in the future, mankind has progressed steadily forward and upward. Man's face has ever been set to brighter and better conditions.

The desire of man for the betterment of his condition is heaven born and God given and can be no more taken out of his breast than he can be bereft of his inborn desire for liberty, for freedom. In all the ages since the creation of the world the steady effort of mankind has been to climb out of the miasma, the mire, the fog, the darkness, the murkiness of the lowlands, the fog of ignorance, the fetters of tradition, and to attain the heights of the mountain peaks, where God's bright sunshine of reason exists, and where the pure air is that of freedom and liberty.

In making progress to that end, mankind has had to contend with ignorance, superstition, tradition; has been fettered by the obstacles of avarice, greed, cupidity, oppression; but always looking up to the heights where is the sunshine and bright light of the future, where there are better conditions awaiting man's efforts.

As results of long and toilsome struggle, we witness many improvements in the condition of mankind. Slavery, once prevalent nearly all over the world, is now happily abolished, and scarcely anywhere on the earth does there exist human bondage, except as punishment for crime; and who would go back to human slavery? Yet its abolition was the result not only of centuries but of thousands of years of steady, persistent effort; of awakened conscience, in the face of tradition, immemorial sanction, and the efforts of man to subvert to his use even his fellow human beings, everything that might come to his hand.

In making every improvement of human conditions, mankind has had to contend with avarice, greed, and every sordid element

of human nature, but nevertheless mankind's progress has ever been onward and upward, and every century has marked progress in man's travel toward the betterment of humanity.

Feudalism, once dominant in nearly all the nations of the earth, so that a few owned nearly all of the land and the many were mere vassals, has disappeared from the face of the earth. Religious freedom is a thing that was once unknown on the face of the earth. Now happily it prevails in nearly every quarter of the globe, to the betterment of mankind, making the world a freer and better world in which to live, and making better conditions for humanity. Now, in nearly every quarter of the globe man may worship God as his conscience may dictate, and his worship is a free worship, not enforced worship. What centuries of struggle it took to bring about that happy condition.

The sacred right of kings was once prevalent all over the earth and was acknowledged as a necessity of government in every quarter of the earth. In fact, it had Biblical sanction; it had the sanction of everybody, and it was necessary in early centuries. The people then were not capable of self-government. Nobody questioned it. Fortunately the divine right of kings to rule is rapidly crumbling and fading away, and I believe in a few generations more will be wiped from the face of the earth. So may it be!

Formerly education was not prevalent nor general in the countries of the world. Even in our own country at the beginning of its existence it was generally held that "it is not my duty to see that my neighbor's children are educated; let them grow up in ignorance; that is the outlook of their parents; I have nothing to do with it." It is now realized that man may no longer say, "I am not my brother's keeper." Fortunately, early in the history of our country common-school education, public-school education at the expense of the Government, was provided for, and happily it has proven one of the greatest factors for liberty and freedom and enlightened self-government that the world has ever known.

In our own country, in the last 130 or 140 years, many notable achievements in the progress of mankind have been made. One hundred years and more ago, the right of suffrage in nearly all the States was confined to those who owned property, to freeholders. Happily that was abolished early in the history of our country, and ever since then suffrage has been becoming more general, more dependent upon intelligence, upon the capacity of the voter, and extended to all who acquired sufficient intelligence to exercise it properly. To-day we have in a large number of the States of our Union universal suffrage, for men and women alike, and I believe the time is coming in the near future when there will be in this country universal suffrage by an amendment to our Federal Constitution.

There are many things which are now on the statute books of our country by virtue of national legislation which in the beginning of our history were not considered proper subjects of national legislation. Pure-food control, sanitation, child-labor regulation, limitation of hours of labor for men, women, and children—all these things were attained in the face of intense opposition. It took time and toilsome effort. The people in attaining them were fettered by traditions of the dark ages of the past, but by persistent effort they emerged and came out in the bright sunlight of a better day.

I believe that the people of this country, through an enlightened conscience and a sounder public opinion, have about arrived at a point where they are ready to adopt by a national constitutional amendment national prohibition of the manufacture and use of liquor. The time has come to strike for it. The people are ready to pass on it. They want a chance. It is the sense of an enlightened public, sustained by the best professional and scientific authorities, that the use of liquor has no merit in it, neither as food nor medicine. It is neither food nor medicine. It is a palpable evil, socially, physically, morally, politically, economically. The progress in this reform has been slow, but steady and sure, and I believe the day for marking the milepost of that achievement is finally at hand.

In regard to the argument that if three-fourths of the States adopt this constitutional provision the people of the remaining one-fourth of the States of the Union will be at their mercy, I simply have to say that when any State came into the Union it knew the provisions of our Federal Constitution. It did so with its eyes open. It accepted the conditions. It knew there was a provision in the Federal Constitution that constitutional amendments might be submitted and that if ratified by three-fourths of the States the other one-fourth would have to submit to it as the dominant law of the land. There was nothing to compel any State to come into the Union. Any one of the Thirteen Colonies which did not like that provision in the proposed Federal Constitution could have remained out of the Federal Union, and in that even would be to-day a sovereign, independent, separate, individual nation. The Colonies exercised their choice. They came into the Union to get all the benefits of a consolidated Union of States and of our Federal Constitution, and if they get the benefits they must submit to all the provisions which were inserted for the common welfare of all. There is nothing to argument to the contrary. Ohio did not have to come into the Union. Montana did not have to come into the Union. They could have stayed out. Having come in voluntarily, they must submit to the Federal scheme of government and should not complain about it. I am for this amendment and shall support it. I believe it will be submitted, and the day it is ratified by three-fourths of the States, as I believe it will be in time, will be a great day for humanity. It will put us on a higher plane than we have ever occupied. It will be a greater day than the day that witnessed the abolition of human slavery. It will be a second Declaration of Independence. It should be observed ever after as a second Fourth of July May God speed the day!

The PRESIDING OFFICER. The time of the Senator from Montana has expired.

Mr. CUMMINS. Mr. President, in view of the limited time at my command, I must select a phase of the several questions involved in the resolution now before the Senate, and I select for an observation that phase of the general matter presented by the Senator from New York [Mr. CALDER] and the Senator from Pennsylvania [Mr. PENROSE]. Their view of it is that the power to deal with this question should remain with the States; that it is ill advised for the General Government to assume the control of the habits and customs of the people in this regard. I am compelled to disagree entirely and utterly with their view of the question. If there is one matter concerning which the United States should have the right of legislation and control, it is with regard to the use of intoxicating liquor.

Many things have become national, Mr. President, since our forefathers adopted the Constitution in 1789, and this is one of them. Every vital matter of legislation, every question which now deeply concerns the people of the United States, finds its way eventually to the Congress of the United States. It is for the Federal power to make this country great or contemptible. It is for the Federal power to give this country stability or confer upon it weakness. The General Government is vastly more concerned in the habits of the people, in their strength, in their sobriety, in their efficiency, than any State government can be.

The people of my State are just as much involved in the conduct of the people of the State of New York as are the people of New York themselves, because in the great consensus of opinion that is finally expressed in national legislation comes either safety or danger not only for the people of New York but for the people of Iowa as well.

If it is true that the Republic will better serve its high mission in the world through sobriety than through the use of intoxicating liquors intemperately then it is for the Republic to erect a standard which shall control the habits, customs, and manners of the people.

Mr. President, the view so honestly, I have no doubt, expressed by the Senator from New York and the Senator from Pennsylvania upon this subject can not be accepted in these days when the influence of the State so far as the world is concerned has well-nigh disappeared and the influence of the Republic alone is potential in determining our destiny. I repeat, if there is one subject which ought to be within the complete control of the Federal power it is the subject involved in the resolution.

I agree with the Senator from Pennsylvania and the Senator from New York upon one phase of the matter—especially do I agree with the view taken by the Senator from Pennsylvania—that there is an element of inequity in permitting 36 States with a population of 46,000,000 to override the wishes of 12 States with a population of 56,000,000. Our forefathers, however, have determined that for us. There is no other way to amend the Constitution at the present time.

I recall to the memory of Senators the fact that four or five years ago I introduced a resolution for an amendment to the Constitution providing that a referendum through which a proposed amendment should be adopted or rejected should be taken by popular vote. I believe in that amendment to the Constitution now, but I found it utterly impossible to secure a favorable report upon the resolution from the Committee on the Judiciary. Why? Because of the influence of the very States which are now complaining with regard to the present method of ratifying constitutional amendments. I think not only ought a referendum to be by a popular vote, but I think that the citizens of the United States in their individual capacity ought to have the right to initiate amendments to the Constitution, and when they

have initiated those amendments, supported by a fair and reasonable proportion of the people, they ought to be submitted for adoption without regard to the Congress of the United States. Logically and properly considered the Congress of the United States ought to have no more to do with an amendment to the Constitution than any other collection of citizens of similar number. Such is my answer to the contention that this particular power should remain with the States.

Mr. President, I do not intend at this moment to discuss the policy of prohibition. I may, if I have an opportunity, speak of it a little later, but I would vote to submit this amendment to the people or to the States even though I did not believe in the policy of prohibition. I believe it is the duty of Members of Congress, when they find there is a fair and reasonable demand upon the part of the people for an opportunity to express their opinions regarding an amendment to the Constitution, to submit it irrespective of our individual judgment or opinion upon the merits.

I am one of those who think that our forefathers made the way altogether too difficult for constitutional amendments I do not think they ought to be submitted for light or trivial reasons. I do not think they ought to be submitted unless there is found a fair and decent proportion of the people urging or soliciting an opportunity to express themselves with regard to their organic law. We take ourselves, I think, altogether too seriously and impute to ourselves a guardianship of the Constitution which we ought no longer to hold or to exercise. It is the Constitution of the people of the United States; and when, as I said before, a reasonable proportion of the people want a chance to vote upon an amendment to it, it is our highest duty to see that they have the chance.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. CURTIS. Mr. President, I have listened with some surprise to the speeches of the Senator from Alabama [Mr. UNDERWOOD], the Senator from Pennsylvania [Mr. PENROSE], the Senator from Ohio [Mr. POMERENE], and the Senator from New York [Mr. CALDER]. One would imagine from these speeches that the friends of this measure were proceeding in some way not authorized by the Constitution, when, as a matter of fact, the friends of this resolution are proceeding in the only regular way to amend the Constitution of the United States. The Constitution provides that—

> The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments, which, in either case, shall be valid, to all intents and purposes, as part of this Constitution, when ratified by the legislatures of three-fourths of the several States, or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress.

All the friends of this proposition are doing is to ask that this question shall be submitted in the regular way. The Senators might just as well complain about the representation in the United States as to complain that three-fourths of the States shall not have the right to amend the Constitution because their population might be less than that of the one-fourth unfavorable to the amendment of the Constitution. In this body, while the great State of Kansas may not equal the State of Pennsylvania in ability in its representation, yet we equal the State of Pennsylvania in our vote. The State of Kansas equals the vote of New York and all the other more heavily populated States, and it is right that we should have equal power with our vote. The Senators from Pennsylvania, Massachusetts, New York, Ohio, and Alabama might just as well complain of the vote we have and the power that the State of Kansas has here.

Mr. President, I am going to vote for the submission of this amendment because I am personally in favor of it and believe it to be right to submit the question to the States. In the second place, I am going to vote for it because it carries out the sentiments of a vast majority of the people of the State I have the honor in part to represent.

But, Mr. President, I desire to say a word or two in regard to the amendment offered by the Senator from Ohio [Mr. HARDING]. I should like ordinarily to have this question submitted without limitation, but I have taken the pains to carefully go over the situation in the Senate with the Senator from Texas [Mr. SHEPPARD], the Senator from Washington [Mr. JONES], and other friends of this proposition, and I am satisfied from the canvass we have made that there are several Senators who would like to vote for this amendment and who will vote for it if the limitation is put in requiring the State to act within six years. Without that provision some of them may vote against it. I am satisfied that without the provision the vote will be very close, and to assure the passage of this resolution to-day I am going to vote for that limitation, because I believe we should waive our personal opinion on questions of this kind if we can help the passage of the provision thereby.

Mr. NORRIS. Mr. President——

Mr. CURTIS. I yield to the Senator.

Mr. NORRIS. I do not wish to interrupt the Senator in his time unless it is agreeable to him.

Mr. CURTIS. It is perfectly agreeable.

Mr. NORRIS. Does the Senator think it right to tack a proposition of this kind upon the resolution when we have not attempted to do it on any other proposed amendment of the Constitution?

Mr. CURTIS. I would vote the same way on other amendments if the conditions were similar, and I think there should be a limitation upon all questions submitted.

Mr. NORRIS. Does the Senator believe that there is any Member of the Senate who is opposed to the prohibition amendment who does not favor that proposition? In other words, it is favored by the enemies of the proposition?

Mr. CURTIS. I would not say that. It is favored by some of the Senators who desire to vote for the resolution but do not care to vote for it unless this limitation is put in it.

Mr. NORRIS. Does the Senator think that any Senator is in favor of that limitation on it because he believes by that means he can defeat the amendment?

Mr. CURTIS. I do not know.

Mr. NORRIS. What other reason could there be?

Mr. CURTIS. So far as I am concerned, I believe that this amendment will be adopted by three-fourths of the States in the legislatures of 1921. The very first chance the States get to vote upon this question, in my judgment, they will settle it; and if this fight can not be won in 6 years, in my opinion, it can not be won in 16 years. For that reason also I am going to vote for the amendment of the Senator from Ohio.

Mr. NORRIS. Mr. President, I had not intended to speak of any of these amendments, but ever since the offering of the amendment by the Senator from Ohio to this proposition, although that amendment is not now technically before the Senate, I have felt that Senators who are friendly to the prohibition amendment are making a mistake if they support the amendment of the Senator from Ohio. I am finding no fault as to the offering of the amendment. If I were opposed to this joint resolution, I should certainly be for the amendment offered by the Senator from Ohio, because it gives to those who are opposed to the adoption of this constitutional amendment a last chance. If for six years they can prevent the favorable action of enough States, so that the three-fourths for the ratification of this amendment shall be lacking, they will have defeated the amendment.

I am in favor of the proposition of the Senator from Ohio as a general amendment. If we should add that kind of an amendment to the Constitution as a limitation which should apply to every proposed constitutional amendment, there would be some reason, it seems to me, to put it through. I believe there ought to be some limitaton; but why select this particular amendment and attach that kind of a limitation to it? Why not make the limitation general; put it through the Senate as a general amendment, and let it apply to every proposed amendment to the Constitution of the United States? It seems to me that would be the only fair thing to do.

There is another reason why this amendment ought not to be tacked onto this proposed constitutional amendment. While I have not had the opportunity to examine any of the decisions of the courts on the subject, it seems to me that the amendment is of very doubtful constitutionality. The Constitution of the United States provides how the Constitution may be amended, but it places no limitation whatever as to the time within which the States may act through their legislatures upon any amendment which may be submitted by Congress. Now it is proposed here to put in reality into the Constitution, having the same effect as amending the Constitution, an amendment providing that the time for the ratification of this particular amendment on prohibition shall be limited. The proposition has, in my judgment, neither fairness nor reason behind it. I confess I am surprised that the Senator from Texas [Mr. SHEPPARD], and others like him, who have been fathering this proposition and who are the leaders in this contest, have surrendered to influences of that kind and have agreed to put on here an amendment which, in my judgment, means the defeat of the constitutional amendment, even though it receives a two-thirds majority in both branches of the National Legislature and is submitted to the States.

Mr. WEEKS. Mr. President, it is my purpose to vote against the submisson of this proposition to the States; and having but a limited time in which to discuss the proposition, I want

to give the reasons, so far as I can within that time, for my action.

The pending question is one which should be considered by Congress solely on its merits and not on the assumption that it has reached a state of agitation and resulting favor which justifies its being submitted to the States without any reference to the individual opinions of Senators as to the advisability of such action. When a referendum is submitted in a State the people of that State have an opportunity to decide what action they wish to take; and, while I think that in many cases they decide public questions without the knowledge and information they should have before passing on proposed laws, yet it is their own fault if they do not decide the question wisely. This case is entirely different, and it should not be misunderstood by Senators, many of whom seem to have the impression that in passing along this important question to the States they are performing their full duty.

It is true that the advocates of national prohibition—very largely those connected with the Anti-Saloon League—are urging this matter and doing so with the argument that they are not asking any Member of Congress to declare that he is in favor of national prohibition, but simply that he shall not "become an avowed exponent and protector of the liquor traffic by refusing to vote to allow the people of the Nation, by States, through their Representatives, to determine this question." The proposed action to be taken by Congress in this matter is not a function similar to that performed by a Cabinet officer in performing some ministerial duty, but it is proposing an amendment to the Constitution, to be adopted by a two-thirds vote of the Senate and House of Representatives, and then for a long time leaving the question in the hands of the States, to be finally determined by their respective legislatures. Even if three-fourths of the States in the end should indorse this proposition I suggest that it is distinctly different from submitting the question to the people, for by the census of 1910 the population of three-fourths of the States of the Union is only about 41,000,000 and the population of the remaining 12 States is 51,000,000. Therefore this question might be decided in favor of national prohibition even though a very large majority of the people of the country were opposed to it.

Too much emphasis can not be placed on the grotesqueness of this proposition advanced under the catchword "Let the people rule." As I have suggested, the people need not necessarily rule in deciding a matter of this sort, and, moreover, the division between prohibition States and those opposed to prohibition is very largely along the lines of size of the State, and therefore is essentially contrary to the policy of letting the people rule. Why should the 90,000 people in Nevada have the same weight that the 9,000,000 people of New York have in determining what the social customs and practices of the 9,000,000 people of New York shall be in a matter of this kind? Then it must not be forgotten that while there are two distinctly differing interests in this matter—those who are constitutionally opposed to the sale of liquor, believing it to be without excuse, and those engaged in the liquor business—yet, as a matter of fact, these two classes comprise a very small part of the population of the country, and it is unfair and unreasonable to include those who oppose this measure—a measure which is of momentous importance in connection with our organic law—among the exponents and protectors of the liquor traffic. There are millions of people in the United States who do not sell liquor, but who do occasionally like to drink it; there are other millions who are quite indifferent to drinking, but who believe it unwise and inexpedient to interfere with the action of other citizens in such matters, and they honestly believe that national compulsion in a matter of this sort, where every State wishing to be dry is now fully protected in its rights, is a disastrous blunder.

Climatic, racial, and social conditions, as well as density of population, vary so greatly that a solution which might logically apply to the smaller and more sparsely settled States would not apply with equal force to the larger States, and especially in those States having cities with great populations, like Boston, New York, Philadelphia, Baltimore, Cleveland, Detroit, Chicago, and St. Louis. If this question could be referred directly to the people and all of the people of the country could vote for or against it, Senators might be justified in avoiding their duty, but not otherwise.

I am now, and always have been, a believer in local option, and firmly believe that this is a question which should be decided by the people of the several States in accordance with their own wishes. The police powers are inherent in the States, and the question of controlling the sale of spirits largely comes within that constitutional provision.

Formerly there was some logic in the position taken by many that if liquor were sold in any States it could be shipped into other States against the wishes of the people of the States that had adopted prohibition. That condition has been cured by the Webb-Kenyon bill, for which I voted, which prohibits the shipment of liquor into dry territory; and the act making this prohibitive has been declared constitutional by the Supreme Court, so there is no possibility of such complaint if the officers of the States are attending to their duties.

Moreover, in order to prevent or discourage the purchase of liquor in dry territory, a bill passed Congress last winter prohibiting the carrying by mail of newspapers into dry territory if they contained liquor advertisements. I voted for that bill, and I shall vote for any other legislation to protect the desires of those living in territory which has become dry.

One of the serious weaknesses of this proposed measure is that it may be brought before the legislatures of the several States as many times as its proponents desire, or until the legislatures of three-fourths of the States are found favorable to the proposition. If it were submitted at one time, it might be found that the legislatures of 25 or 30 States would be favorable to it and the legislatures of the other States unfavorable; but it can be brought up again and again in the States which have not adopted the provision until a legislature may be found, years hence, favorable to it. By that time, there might be legislatures in some of the States which had adopted the amendment unfavorable to it, but they could not retrace their steps. That makes the whole question a constant irritant in connection with our elections, distracting attention from the issues which divide political parties, and very largely breaking down the party spirit and action which I believe essential to the best interests of the Republic. I need not cite any other instance of that condition than that found in the State of Maine, where prohibition has prevailed for substantially 50 years—a prohibition which most people admit has not prohibited, largely because the law officers have not performed their full duty, but really because the sentiment of the State, or of localities within the State, has been against prosecutions for violations of the law.

No law can be enforced unless it accords with public sentiment; in fact, when a law does not conform to public sentiment, ordinarily, there is no attempt to enforce it. We have a good illustration of that in the law passed a few years ago by Congress regulating the speed of automobiles in the District of Columbia, limiting their speed to 12 miles an hour, and this law was passed largely at the instance and urging of those unfamiliar with automobile traffic. It is unnecessary to say to the Senate that this law is violated by every automobilist in the District of Columbia every day he uses his automobile, and unless an automobilist indulges in excessive or unreasonable speed no attention whatever is paid to it. Therefore, while the law is neglected, it becomes positively harmful, because it begets a disregard for all law and creates a tendency to evade reasonable statutes.

No one has stated the difficulties incident to the enforcement of liquor laws in large communities better than Hon. Newton D. Baker, the present Secretary of War, whose conclusions were reached as a result of his experience as mayor of Cleveland. In a contribution to the Atlantic Monthly for July, 1915, he said:

> All this shows the wrought-up state of the public mind on the liquor question. Into such a divided society the Anti-Saloon Leagues and other organized temperance bodies, by their control of the rural vote, bring regulations, wise enough and moderate enough for the country districts and small towns, but violently disruptive of the settled habits of large city populations. These regulations the police are to enforce. If they do, the executive under whom they act is frequently voted promptly out of office; if they do not, the more excitable and sensational ministers and other excellent but hasty people conclude and proclaim that the executive and police alike are in corrupt collusion with the forces of evil, and the lines are laid for a municipal campaign in which all the great interests of the city are lost in the question whether the respective candidates for mayor are "fanatics" or "liberals."

Those familiar with Maine politics will justify me in saying that during all this time prohibition has prevailed in Maine it has been one of the campaign issues which, perhaps, has been discussed more than any other question and has prevented in many instances men making their natural political alignments. I personally believe that one of the most desirable conditions in our form of Government is that there shall be two active, vigorous, contesting political parties, divided along the lines of industrial and other questions forming the usual basis for political differences, and that introducing any questions into our political life which distracts from those conditions breaks down political parties and, therefore, is essentially harmful.

I do not wish to unnecessarily emphasize the financial phase of this question, for if all the people of the country could decide that they prefer to raise the revenue incident to this business in some other way I should not care to advance that argument in any form, but, as a matter of fact, it has been a large factor in our national revenues, and when we return to normal times we shall find some difficulty and a good deal of opposition to substituting other sources of revenue for it. Neither can the revenue question be entirely confined to national receipts; they are important in a local way. All large cities, which vote more or less frequently on this subject and vote for the maintenance of a license system, obtain from this source a very considerable revenue, which will be taken from them against their will if this proposition prevails. Then, again, there is no attempt made by the proponents of this legislation to make provision for any compensation on account of the destruction of a business which has continued to exist during the entire life of the Republic by national license. I am opposed to confiscation of property in any form at any time, whether or not I entirely approve of the individuals engaged in this business or the character of the business conducted. When we propose confiscation we are inaugurating a policy which is likely to be most far-reaching in its effect. Some one may conclude that some other form of business is not entirely for the public interest, and the fact that we have established a confiscation precedent may result in its being extended to other fields.

Finally, it seems to me that the individual has rights which should be protected. The vast majority of those who indulge in stimulants, in these days especially, do so to a very moderate degree. I am not satisfied that the multitudinous statistics which are given out about the harm coming from wines and light beers are well founded. Prof. William T. Sedgwick, president of the American Public Health Association, in commenting on public-health boards, says:

> Their knowledge is based wholly on experiments on animals, or on statistical data of one sort or another. Medical science is now prepared to show how unreliable these two sources are in solving this problem.

There are innumerable things in which we indulge which are undoubtedly more or less harmful to individuals, and I think that statement would be equally true in its application to food consumed in unreasonable quantities and at unreasonable times.

When the rights of individuals who are temperate are taken from them, not by those living within the same political division or even by the same number of people in some other political section, it seems to me that the action is illogical, unfair, and from every standpoint undesirable. I firmly believe that the world is advancing satisfactorily in its relation to this question; that the good old times are a myth, as far as it is concerned; that the modern business man or professional man will not tolerate in an associate or employee a failure to observe proper temperance rules; and anyone who observes the social practices of to-day and compares them with those of 25 years ago must readily admit that gradually we are coming to a real temperance in the use of all forms of stimulants, and a temperance which not only satisfies the individual but does no real injustice to the community. Progressing as we are in this respect, it seems to me particularly unfortunate that what many will consider an unreasonable course is likely to be taken by the National Government. They will resent it, and properly so, in my opinion. I honestly believe that this ill-advised attempt, if it succeeds, will be harmful rather than beneficial to real temperance. I hope not, as far as I am concerned, because I shall be glad to see moderation in the use of stimulants as in all other matters, but I am fearful that the result will be unsatisfactory even to those who are most urgent in pressing this proposition.

Mr. HARDWICK. Mr. President, I desire to offer the amendment which I send to the desk, so that it may be pending.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. On page 1, line 9, after the word "sale," it is proposed to insert "purchase, use."

Mr. HARDWICK. Mr. President, the joint resolution of the Senator from Texas proposing an amendment to the Constitution prescribes, without reading the preliminary part:

> ARTICLE —, SECTION 1. The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

I have proposed by the amendment which has just been read to amend this section so that it shall read as follows:

> The manufacture, sale, purchase, use, or transportation—

If the amendment I have suggested is agreed to, we will not only prohibit the manufacture, sale, transportation, and importation of intoxicating liquors for beverage purposes but also prohibit, if this article should be ratified by the requisite number of States, the purchase and use of intoxicating liquors.

It is hard for me to see why it should be made unlawful to sell an article and not equally unlawful to buy it. It is hard for me to see why, if the manufacture and sale are to be forbidden, the purchase ought not also to come under the ban of the law. It is impossible for me to understand why, if it is to be unlawful to manufacture and to sell it, to buy it and transport it, to import it or export it, it ought not also to be unlawful to use it.

Now, if we are going to perform this task thoroughly, if we are going to work it out completely, let us go the whole length while we are at it; let us prohibit not only the exportation, importation, transportation, and sale, but the purchase as well, and if all those things are to be forbidden, let us forbid its use as well. That is complete prohibition, practical prohibition, and it seems to me those who are so anxious to give the people real prohibition ought to be willing to vote for the amendment; that is, if they are really for real prohibition.

Mr. BORAH. Mr. President——

Mr. HARDWICK. I yield to the Senator from Idaho.

Mr. BORAH. I desire to ask the Senator if that would not accentuate rather than lessen the evils which he presented so ably to the Senate yesterday with reference to the fundamental objections which the Senator has to the joint resolution?

Mr. HARDWICK. The answer is perfectly plain. It will be impossible for the Senator from Georgia to vote for this proposition, because it is inherently wrong, according to his viewpoint, and he could not vote for it, with or without the amendment; but from the standpoint of those who advocate this proposal and who can get their own consent to support the proposition surely there ought to be no objection to an effort to perfect it, even though it comes from a Senator who can not support it.

Mr. NORRIS. Mr. President——

Mr. HARDWICK. I yield to the Senator from Nebraska.

Mr. NORRIS. I wish to ask the Senator if he does not think it would be more difficult to secure a conviction or to secure evidence of an illegal sale if the purchase of it also were made illegal, because the witness, who, as a rule, is the purchaser, would be protected from answering on the ground that the answer might incriminate himself.

Mr. HARDWICK. I do not think that is true. It seems to me that evidence could be obtained without that. The people who buy very rarely give evidence anyway.

Mr. NORRIS. Never willingly; but, as a rule, in the prosecutions for the illegal sale of liquor the purchaser is a witness, although an unwilling one. If the Senator's amendment were agreed to——

Mr. HARDWICK. That could be very easily provided for. The witnesses could be given immunity by a statute Congress might pass. The joint resolution provides that power is conferred on Congress to pass appropriate legislation to carry out this amendment. If we find any serious trouble of that kind, we can provide immunity for witnesses of the character suggested by the Senator. But it strikes me, Mr. President, that it is utterly and entirely dishonest to say that we will make it unlawful to sell this article and not equally unlawful to buy it. It strikes me that it is utterly and totally insincere and uncandid to say that we are going to make the manufacture, sale, importation, exportation, and transportation of this article unlawful, and yet are unwilling to make its use unlawful.

While I am not for this proposition, and can not support it, for the reasons I explained to the Senate yesterday, it does seem to me that we ought to perfect it and make it a rounded proposition before we vote on it, whether we intend to vote for it or against it.

Mr. SHERMAN. Mr. President, hitherto in the world's wars disease and vice have been more destructive than the sword. Modern surgery and science have mitigated or cured or successfully avoided disease and treated wounds. The most signal chapter in history is written by the patient searcher in the realms of medicine and surgery. What a mighty debt humanity owes the physician and surgeon and all those who in the laboratory and by ceaseless experiment have given their effort to enlarge the science, the art, and the skill to save life! They toil to preserve mankind from his follies and his crimes. The warrior strives to destroy. One fans the flickering spark of life to renewed vitality and returns its possessor to live his allotted span. The other kills and ruthlessly destroys multitudes and cuts short the lives of nations. Marble and bronze rise to blazon the warrior's deeds, but comparatively few memorial shafts proclaim the preservative and enduring greatness of the physician, the surgeon, and the scientist. Mankind is

yet constituted so as to make a hero of those who spill blood and consign to oblivion those who save life.

The Governments of the earth have promptly adopted all that medicine and surgery have offered for disease and injuries. The vices more insidious and deadly than disease or wounds are left by human government to work their destruction unchecked and unheeded, in peace or war. Why does Congress leave vice to besiege our Army and disable our men in the great struggle for free government?

Drunkenness is the monarch of all human vices. Other evils are its mere satellites. It permeates and poisons and rots every department of life and every avenue and faculty of the human body. Once in a distant age intoxicating liquor was the supposed instrument of fellowship and good cheer. It is now the debased and adulterated instrument for the exploitation for profit and the promotion of personal vices. It has grown to astounding proportions. The longer it continues the greater its evil and the more potent its strength. It has intrenched itself with human avarice and become its ally to exploit the pitiable weakness of humanity to accumulate fortunes. The men who have made it their instrument of pecuniary gain have assumed to control political parties, to threaten candidates, to decide elections, to administer civil government, to make new laws, to promote profitable evils, and contemptuously to break existing laws they can not repeal.

The liquor interests have written their own indictment and accumulated the evidence justifying their own extinction. The breweries have been asked for years to cease to promote the disreputable and irresponsible saloon keeper. They have been asked to clean up the vicious resorts that have been a bane and a menace to decent communities. Their reply was a sneer and the statement that it was the brewery's business to make and sell beer. Whisky has been denounced as a dangerous beverage and restraints demanded for more than half a century.

The answer has been opposition or abuse of those who would regulate as well as those who would prohibit. All who have asked that present laws be obeyed have been stigmatized as fanatics, and fresh infractions of regulatory laws have followed every effort for their enforcement. Wine growers have been advised of the evils gathering about their heads. They, too, have been deaf to the developing hostilities of this generation to intoxicating liquor. If they are caught in the whirlpool of an aroused and righteous indignation, they will but suffer the penalty resulting from their indifference or open sympathy with the more culpable of their kind. A business whose system is lawlessness and whose finished product is a drunkard ought to have no lawful abiding place in this Republic. It is an outlaw measured by its practices and a criminal tested by its results. A business that will not be regulated by law must at last be destroyed by law. The traffic in intoxicating liquor has refused to be regulated, and therefore earned the penalty of legislative extinction. Its promises of reformation are to be weighed in the light of its past performances. The breweries' efforts to reform the saloon keeper are to be measured by their creation of his disreputable kind.

From a broken-hearted mother I have a letter on the taking of her only son to be sent across the sea to help free the world from kingcraft and autocracy. Her own father died in our Civil War. She knows what it means. No braver blood ever ran in the veins of the Spartans of old than the ruddy drops that visit her sad heart. She does not fear he may be one of that number whom we know will not return. She knows that a soldier keeps step with death and marches in the shadow of his own headstone. Her appeal is not against the inevitable risks of the hospital and the camp, the perils of the trench and the battle field. She asks only that her own flesh and blood typified in her son be shielded from the insidious but more deadly perils of drunkenness and its kindred evils. She is a God-fearing woman, who believes in the immortality of the soul and the life of which a human grave is but the threshold. She knows that life is but the way we must pass through nature to eternity. She watched him in his cradle. Her hand wrought for him his tiny garments before he was born. She bent above his cradle on winter nights and tucked him in to keep him safe until the dawn. She watched over him as he grew to understanding and now putting off the garments of peace and wearing a soldier's garb, he has passed beyond her hand and eye. She has made the supreme sacrifice that mothers have always offered since man has scourged the earth with his endless wars. For all this she utters none but words of loyalty and hope. From the deadly vices that stain the soul and corrupt the body she asks this Government to protect her son. She belongs to that mighty host of earth's women who wait and suffer and pray in obscurity and silence. While man has fought on the red hillsides where every helmet caught a ray of glory, she has kept her patient vigil unseen of men, unknown to a careless world. Shall not some one give voice to her unspeakable anxiety? Are the rights of property superior to the dumb, inarticulate woe of a nation's motherhood on the eve of its Gethsemane?

Why should not Congress vote to the uttermost limits to give her that guaranty and peace of mind in return for the priceless sacrifice she has made? When our final audit shall come before the Great Searcher of human hearts, I would rather have one broken-hearted mother ask for me justice, tempered with mercy, than all the breweries, the saloons, and the institutions built upon intoxicating liquors this side of the bottomless pit.

Let it be considered by the Senate. Let the rights of property be considered more sacred than the rights of humanity, if you will; but in this great day of struggle let us at once rise to the level where moral sacrifices are made, and where regulation can be made possible by constitutional power that will keep pace with the requirements of a new world after the regeneration of the mighty war in the Old World.

Mr. STERLING. Mr. President, I have here a piece of evidence and an argument, too, that I consider very pertinent in connection with the remarks just made by the Senator from Illinois [Mr. SHERMAN], especially that part of his remarks first made in regard to the work and the experience of the medical profession. I find this evidence and argument in a short chapter in a book entitled "Alcohol; Its Relation to Human Efficiency and Longevity," written by Eugene Lyman Fisk, medical director of the Life Extension Institute. The chapter I refer to is entitled "Attitude of American medical profession," and it reads as follows:

At the meeting of the American Medical Association held on June 6, 1917, Dr. Charles H. Mayo, the noted surgeon, in his presidential address stated that the only legitimate use for alcohol was in the arts and sciences, and that its use in medicine had become greatly restricted because other less menacing drugs and remedial measures could be used instead. He stated that the advisability of national prohibition as a war measure was beyond discussion, and that the medical profession would welcome national prohibition. These expressions brought enthusiastic response from the assembled physicians, which left no doubt as to their sentiments.

At a later meeting the house of delegates of the American Medical Association passed the following resolution:

"Whereas we believe that the use of alcohol is detrimental to the human economy, and

"Whereas its use in therapeutics as a tonic or stimulent or for food has no scientific value: Therefore be it

"*Resolved*, That the American Medical Association is opposed to the use of alcohol as a beverage; and be it further

"*Resolved*, That the use of alcohol as a therapeutic agent should be further discouraged."

Entirely apart from moral grounds, the judgment of the majority of scientific men is against even the so-called moderate use of alcohol, and this judgment, long withheld through scientific conservatism, but now unequivocally and boldly stated by the distinguished surgeon who has received the highest mark of confidence that the medical profession can offer, should be accepted by the lawgiver, business man, and patriotic citizen who wishes to best serve his country with his total and maximum efficiency of mind and body.

There, Mr. President, is what I regard as one of the most valuable pieces of evidence we can find in support of the submission of this amendment to the several States of the Union.

Mr. President, the liquor traffic is an evil, and I think we must all admit it, from the economic point of view. Indeed, it is from that point of view that it is now for the most part being considered; but it is an evil from the moral point of view. It is an evil from the political and the social point of view. It is an evil from the physiological, the health, and the medical point of view, as is conclusively shown by the chapter I have just read, giving the resolutions enacted by the American Medical Association and the opinion of Dr. Mayo.

The argument is made, Mr. President, that it will be against the will of individual States, and that if it were submitted to a vote in several States of the Union they would vote against prohibition. The Senator from Ohio [Mr. POMERENE] a while ago stated what he believed to be the sentiment in his State and that it was opposed now to prohibition. That sentiment may vote against this amendment, Mr. President; and yet it must be remembered that even in those States whose legislatures would vote against the amendment, were it submitted now, there is a great body of progressive, patriotic, dependable citizens who would, if permitted, vote for State-wide prohibition in their respective States; who would, if they could be permitted, vote for this amendment to the National Constitution; and I have the confidence to believe that the votes of this class of people, combined with the prohibition vote in prohibition States, would in the aggregate give throughout the Union a majority in favor of national prohibition.

Again, Mr. President, those who oppose the joint resolution and the submission of this amendment to the people do not take account of the rapid growth of public sentiment. States which to-day are opposed may a year hence or two years hence, or before the legislatures meet to act upon this amendment, be

in favor of prohibition, so rapid is the change of sentiment likely to be. Hence the amendment, though it should be adopted against the present will of a majority in certain States of the Union, may a year hence be quite in accord with the majority sentiment in those States. I think those who oppose this resolution should take an account of the fact that the movement for prohibition is, as it were, a great national movement, and that several States now opposed to the proposed amendment will in all likelihood be in favor of it within a comparatively short time.

Mr. President, it has been said by one great writer and critic of our institutions, still living, and one whom I think sympathizes with and appreciates them as no other foreign critic has done, that the United States disclose a type of institutions, one growing out of the principle of the rule of the multitude, toward which all the rest of civilized mankind have been forced to move as by a law of fate, some with swifter, other with slower, but all with unresting feet. A splendid thing it will be if to the United States of America, this great Republic of the west, toward which other people have looked as an example of free institutions, they can also look as an example on this great economic and moral question involving as it does the sobriety, efficiency, the happiness of many millions—an example toward which they, whatever their practices and traditions are, may move, "some, indeed, with swifter, others with slower, but all with unresting feet."

The PRESIDENT pro tempore. The pending question is on the amendment of the Senator from Georgia [Mr. HARDWICK].

Mr. SHEPPARD. Mr. President, I hope the amendment of the Senator from Georgia will be voted down. It is not necessary to the accomplishment of the purposes of the resolution. We should employ in the organic law as few terms as possible in order to reach the purpose we have in mind.

The amendment now framed prohibits the manufacture of intoxicating liquors within the limits of the Republic and the importation of such liquors into the Republic. It destroys the traffic in intoxicating liquors. With that object accomplished, use will cease and purchase will cease, and therefore it is unnecessary to have specific provisions as to purchase and use embodied in the amendment. I trust that the amendment of the Senator from Georgia will be rejected.

Mr. HARDWICK. Does the Senator state any specific objection to my amendment?

Mr. SHEPPARD. I say it is unnecessary, and I do not want to put any unnecessary language in the constitutional amendment.

Mr. KIRBY. Mr. President, I am glad to stand in this presence to-day and confirm the great truth as expressed by the poet:

> Yet I doubt not through the ages one increasing purpose runs,
> And the thoughts of men are widen'd with the process of the suns.

I believe this proposal shows a distinct advance in the development of the civilization of our time. This is but another phase of the world-old battle of right against wrong, another phase of that everlasting conflict between the forces which conduce to uplift and upbuild the race against those which tend to tear down and destroy it.

To-day I am glad that I can add my voice in support of this resolution, leaving to the people of the States of this greatest of all nations to say whether we shall longer be inflicted with the open saloon and the liquor traffic, from which we have suffered so terribly in times past, with its innumerable difficulties and obstructions thrown in the way of our progress.

Mr. President, the saloon and the liquor traffic have been convicted at the bar of public opinion of being an enemy to mankind, to the individual, to the family, to the home, the community, the State, the Nation, and the race; and this is but an effort to-day in self-defense, and I am glad to support it.

We must play the game according to the rules. I have but little patience with those Senators who insist that the people of the State of Arkansas, because it does not have as much population as the State of New York, are not entitled to as great weight in the adoption of this resolution into the national Constitution as other States. The people when we established the Union said that this Constitution must be amended in a particular way, and prescribed the rules therefor, and according to those rules this matter must and ought to be determined.

We have not to go outside of the rules as already prescribed, and we do not expect that others than the friends of this sort of legislation shall have amendments tacked onto it to its injury, as would be the effect of the one proposed by the Senator from Georgia. We believe it is better to submit it as it has been offered here, and I believe the people of the States will ratify it within less than six years, the time proposed.

All of us understand what the liquor traffic means. All of us understand its past. All of us understand that it has been the corrupter of honesty and a destroyer of virtue and a murderer of happiness throughout this whole land. There is no excuse for its longer continuance now, and there never was any substantial reason for its inexcusable reign.

I have long thought this way about the question, so far as I am individually concerned, and I believe that the time has come when the people of this Nation have come to that conclusion. I am anxious that they shall have an opportunity to express that conclusion if they have already formed it in their minds, as I believe they have done.

There can be no objection certainly to submitting it as all other amendments to the Constitution have been submitted, and there can be no objection, so far as I am concerned, in having it submitted in the language that its friends think ought to be used in its submission and that will tend most strongly to secure its adoption when it shall come to the time for adoption by the different States.

I have not heard one single objection here that I regard a valid or substantial objection to the submission of the amendment at this time to the people of the United States; and I believe when it shall have been submitted and when it shall have been adopted we will wake up as we proceed with the different avocations and along the usual lines of employment, building up our Nation and improving it hereafter, we will look back upon the past as a hideous nightmare, when this traffic was permitted throughout the United States by intelligent men and submitted to by women because, forsooth, they had no voice to prevent it.

As you all know, the great God omniscient, who has seen the rise and fall of all the nations of the past, the rise and fall of all the nations that are now, and the rise and fall of all nations that shall ever be, He did not say that the thundering tread of marching millions, He did not say that proud-riding navies heavily armored with long-distance guns, He did not say that all the wealth of the world stored up, but that "righteousness"—simple righteousness—"exalteth a nation." I believe that that righteousness has been inculcated into the minds and lives of the people, and that it has been accentuated to such an extent by the contrast with this awful curse that has afflicted the people, from which they have suffered grievously so long, that it has been so impressed that this amendment will be adopted; and when it has been adopted, then indeed may we all say that the Nation has truly been exalted.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Georgia [Mr. HARDWICK] to insert the words "purchase, use" after the word "sale."

Mr. HARDWICK. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. PAGE (when Mr. DILLINGHAM's name was called). I wish to announce the necessary absence of my colleague [Mr. DILLINGHAM]. He has a pair with the senior Senator from Maryland [Mr. SMITH]. I should like to have this announcement stand for the day.

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. GALLINGER], who is absent, but under the terms of the pair I am at liberty to vote. I shall therefore vote. I vote "nay."

Mr. MYERS (when his name was called). I have a pair with the Senator from Connecticut [Mr. MCLEAN], who is absent from the city. Not being able to obtain a transfer of my pair, in the absence of the Senator from Connecticut I withhold my vote.

Mr. SHAFROTH (when Mr. THOMAS's name was called). I desire to announce the unavoidable absence of my colleague [Mr. THOMAS]. I will state that he is paired with the senior Senator from North Dakota [Mr. MCCUMBER]. My colleague is absent on account of sickness.

Mr. SMITH of Michigan (when Mr. TOWNSEND's name was called). I desire to announce the unavoidable absence of my colleague [Mr. TOWNSEND] on account of sickness. He is paired with the Senator from Arkansas [Mr. ROBINSON]. If my colleague were present, he would vote "nay."

The roll call was concluded.

Mr. MCCUMBER. I have a general pair with the senior Senator from Colorado [Mr. THOMAS]. He being absent, I am compelled to refrain from voting.

Mr. CHAMBERLAIN. I have a general pair with the junior Senator from Pennsylvania [Mr. KNOX] who is absent. I understand that if present he would vote as I do. I vote "nay."

Mr. THOMPSON. I desire to announce the unavoidable absence of the Senator from Illinois [Mr. LEWIS] and also the

unavoidable absence of the Senator from Wisconsin [Mr. HUSTING] on important business.

Mr. BECKHAM. Has the Senator from West Virginia [Mr. SUTHERLAND] voted?

The PRESIDENT pro tempore. He has not.

Mr. BECKHAM. I have a general pair with that Senator. In his absence I withhold my vote. If permitted to vote, I should vote "nay."

Mr. OVERMAN (after having voted in the negative). I observe that the senior Senator from Wyoming [Mr. WARREN] has not voted. I transfer my pair with that Senator to the Senator from Nevada [Mr. NEWLANDS] and let my vote stand.

Mr. STERLING (after having voted in the negative). I have a general pair with the Senator from South Carolina [Mr. SMITH]. In his absence I withdraw my vote.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Wisconsin [Mr. HUSTING] with the Senator from New Mexico [Mr. FALL]; and

The Senator from South Carolina [Mr. TILLMAN] with the Senator from West Virginia [Mr. GOFF].

The result was announced—yeas 4, nays 62, as follows:

YEAS—4.

Broussard	Harding	Hardwick	Reed.

NAYS—62.

Ashurst	Hitchcock	New	Smith, Ariz.
Bankhead	Hollis	Norris	Smith, Ga.
Borah	James	Overman	Smith, Mich.
Brady	Johnson, Cal.	Page	Smoot
Brandegee	Jones, N. Mex.	Penrose	Stone
Calder	Jones, Wash.	Phelan	Thompson
Chamberlain	Kellogg	Pittman	Trammell
Cummins	Kendrick	Poindexter	Underwood
Curtis	Kenyon	Pomerene	Vardaman
Fletcher	King	Ransdell	Wadsworth
France	Kirby	Robinson	Walsh
Frelinghuysen	La Follette	Saulsbury	Watson
Gerry	Lodge	Shafroth	Williams
Gore	McKellar	Sheppard	Wolcott
Gronna	McNary	Shields	
Hale	Martin	Simmons	

NOT VOTING—30.

Beckham	Hughes	Nelson	Swanson
Colt	Husting	Newlands	Thomas
Culberson	Johnson, S. Dak.	Owen	Tillman
Dillingham	Knox	Sherman	Townsend
Fall	Lewis	Smith, Md.	Warren
Fernald	McCumber	Smith, S. C.	Weeks
Gallinger	McLean	Sterling	
Goff	Myers	Sutherland	

So Mr. HARDWICK'S amendment was rejected.

The PRESIDENT pro tempore. The joint resolution is before the Senate as in Committee of the Whole and open to amendment.

Mr. HARDING. I desire to call up the amendment I proposed.

The PRESIDENT pro tempore. The Secretary will read the amendment of the Senator from Ohio.

The SECRETARY. Insert a new section to be known as section 2, as follows:

SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, on or before the 1st day of July, A. D. 1923.

Mr. HARDING. Mr. President, I have offered the amendment as representing the judgment of a number of Senators on the floor, with a view to placing a limitation on the pendency of the proposed amendment to the Constitution. I do it because that policy is involved in my consent to support the pending resolution.

I am so very much in earnest about it, Mr. President, that if I could have my way, if it were possible to get this body to consent to such an amendment, I would insist on limiting it to one vote or expression on the part of each State legislature. That would be a rather drastic procedure.

Mr. STONE. Mr. President, I can not hear at this distance a word that the Senator from Ohio is saying.

The PRESIDENT pro tempore. The Senator from Ohio will suspend. Order must be maintained in the Chamber. The Senator from Ohio will proceed.

Mr. HARDING. The thought I have in mind, Mr. President, is the elimination of this unending prohibition contest in the Halls of Congress. At the same time, I am in sympathy with the opposition to the resolution about the unfairness of adopting a Federal amendment under the provisions of the Constitution on a question relating to personal liberty, and if there were any other method of submitting an amendment I should be very glad to employ it.

I am not a prohibitionist, Mr. President, and never have pretended to be. I do claim to be a temperance man. I do not approach this question from a moral viewpoint, because I am unable to see it as a great moral question. I can remember very distinctly, when I was a boy, during the early days of a hardy rural citizenship in Ohio some of the most moral people the State boasted had a jug of whisky in the fence corner during the harvest time. I am not saying that I favor that. I only cite it as an instance that it is not always and invariably a moral question.

But I do see the ethical and economical side of it, and when it comes to a decision on this point, at a time when we are boasting of our warfare for popular government, I can not be inconsistent enough to deny the settlement of this much-mooted question by popular will in the only manner in which the Constitution provides.

I do think it is unwise, imprudent, and inconsiderate to force the issue at this time. I do not question the sincerity or the high purpose of the prohibition forces, but I do believe, and very sincerely, that it is a great imposition on Congress and a great misfortune to the country to divide American citizenship into two hostile camps over this question of personal liberty at a time when we ought to be promoting the concord of citizenship that is essential to win this war. But having expressed myself as regretting the pressure brought to settle this issue now, I must go further and say that since it is insistent and intruding, so that we must reach a decision now, I find myself impelled to take the side which I think must in the end contribute to the most good of our common people.

I do not think a prohibition amendment will be effective, Mr. President. You can not make any law stronger than the public sentiment which sees to its enforcement. I have watched the progress of this question from the conflict in the hamlet to the municipality, to the county, the State, and the Nation, and while I stand here and freely express my doubts about its practicability, at the same time I recognize that it is growing and insistent and persistent and it must be settled.

Ever since I have been in public life, in a small way I have seen men continually measured by the wet and dry yardstick, and the submission of this amendment is going to measure every candidate for public office by the wet and dry yardstick until the final settlement. When I say that, I have expressed my strongest reason for putting a limitation upon the pendency of the amendment. I want to see this question settled. I want to take it out of the Halls of Congress and refer it to the people who must make the ultimate decision. I want to meet the demand for submission, and witness a decision.

So then, in spite of its untimeliness, in spite of the lack of prudence in submitting it now, since we have come to this question of prohibition as a war measure, and there has been a yielding on the one hand against drastic prohibition in the food bill, I think this submission is a sort of a compromise between the contending forces, and I am willing to be counted a compromising agent. All our great movements are the result of just such endeavors. I do not hesitate to say that I approach the question from a strong sense of justice, and if this amendment is submitted to the people of the United States and receives the sanction of three-fourths of the general assemblies, then, if my tenure of office still obtains, I am willing to go further and join in a movement to make it effective through a process of compensation to the business destroyed.

So then, Mr. President, in these rather rambling remarks which I have made, rather than turning to some written ones I wished to offer, I will say that I should like to see this amendment adopted, because it accomplishes one great thing: It forces this great public question to a final settlement within the period of six years. We shall have the question acutely presented until it has been finally disposed of within that time. I am sure that after we have disposed of it, we shall find national legislative and State legislative duties adjusted to much more normal lines.

I hope that the judgment of the Senate will be such that it will agree to this limitation amendment. I know there are arguments against the constitutionality of such a course, but there can be no argument offered that will question the validity of the amendment if it is adopted within the time prescribed.

Mr. SHEPPARD. Mr. President, I suggest an amendment to the amendment by changing the number of the section from 2 to 3, as we already have two sections of the joint resolution; and also by striking out the words "on or before the 1st day of July, anno Domini 1923," and inserting "within six years from the date of the submission hereof to the States by the Congress." That will insure the period of six years for consideration. If the other House should not vote on this proposition, and it should not be submitted for eight or ten months to come, there would not then be six years remaining for the ratification of the proposed amendment.

Mr. LODGE. I did not quite hear the limitation of time. Will the Senator from Texas kindly repeat it?

Mr. SHEPPARD. The language I propose to substitute is "within six years from the date of the submission hereof to the States by the Congress."

Mr. HARDING. Mr. President, as to the latter part of the amendment of the Senator from Texas to my amendment I am quite agreed, because that is the spirit of my amendment. I think it would be more prudent, however, to let the amendment stand as section 2 and let it be followed by what is now section 2 of the joint resolution to be numbered 3.

Mr. SHEPPARD. That is acceptable.

Mr. HARDING. Then, Mr. President, I am very glad to accept the suggestion of the Senator from Texas to modify the time limit so that the language shall read "within six years from the date of its submission by the Congress," if that be the language which the Senator proposes.

Mr. SHEPPARD. The exact language is "within six years from the date of the submission hereof to the States by the Congress."

Mr. HARDING. That is quite agreeable.

Mr. SHEPPARD. I withdraw the part of the amendment to the amendment which I have offered relating to the number of the section. After we vote on the proposition I will submit an amendment to change the number of section 2 so that it will be section 3, or the Secretary may make the necessary change by unanimous consent.

Mr. HARDING. That is entirely agreeable.

The PRESIDING OFFICER. The Senator from Ohio accepts the suggestion of the Senator from Texas. The amendment of the Senator from Ohio, as modified, is the question before the Senate.

Mr. BORAH. Mr. President, I have very grave doubts about whether or not this can be done. If this proposed constitutional amendment goes to the States at the present time, as the Constitution of the United States now stands the States have a right to ratify it within any time they may see fit. The number of years within which they may take action is not limited. If it is submitted to the States, the Constitution of the United States will stand with reference to amendments at the time the ratification is going on just as it now is; there will be no change in the machinery which the Constitution provides for ratification; and when the States vote upon this question they will be voting on it under the Constitution of the United States as it now exists. We having submitted it to the States, it is in the possession of the States, and we can not control it. They have a perfect right to say, "We shall ratify this now" or "We will ratify it in 10 years from now," and when they shall ratify it they will have acted in accordance with the provisions of the Constitution of the United States. I have not any doubt about that at all.

I would vote for an amendment to change the Constitution of the United States in regard to the machinery provided for the ratification of proposed amendments, because I think there is much merit in the proposition that there ought to be a time within which constitutional amendments should be ratified; but we can not change the Constitution of the United States as to the machinery by which ratification takes place by the manner in which we submit a particular constitutional amendment. In other words, we can not provide in the submission a rule for ratification of that particular proposal when there is another existing rule in the Constitution.

Mr. HARDING. Mr. President, will the Senator from Idaho yield to me?

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Ohio?

Mr. BORAH. I yield.

Mr. HARDING. Does the Senator from Idaho know of any inhibition in the Constitution that prevents putting in this condition?

Mr. BORAH. Yes; I have just called attention to it. As the Constitution now exists, there is no limitation upon the time within which the States may ratify an amendment. The time therein provided is "when ratified," and by that rule this amendment is controlled. Now, if this amendment goes to the States, suppose that at the end of six years within two of the requisite number of States have ratified the amendment; suppose after six years and within eight years two more ratify it, will they not inevitably say "We have ratified it in accordance with the provisions of the Constitution as it now stands"? How are you going to prevent the amendment from taking effect? They can point to the fact that here is the Constitution under which we are acting; it has not been changed; the Congress of the United States can not hold a tether on an amendment and pull it back after it is once submitted even though it is not seen fit by the States to ratify it within a certain time. When we submit it, it goes to the States and they act under the provision of the Constitution which fixes no limit of time. They do not act under a rule which the Congress fixes in the proposal submitted, but under the rule found in the Constitution. Under our Constitution the proposal can not carry its own rule of ratification because the Constitution fixes the rule.

Mr. STONE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Missouri?

Mr. BORAH. I yield.

Mr. STONE. I wish to ask a question of the Senator. The Senator says that he would vote for an amendment to the Constitution fixing a time limit for the adoption of amendments to the Constitution; in other words, he would be willing to incorporate that idea into the body of the Constitution.

Mr. BORAH. Yes.

Mr. STONE. Very well. Now, if we could submit, which we could do, an amendment to the Constitution providing that all amendments to that instrument thereafter submitted should be adopted within a fixed time limit, can not the Congress, following the same idea, exercising the same privilege, provide, in submitting a given amendment, that it shall be adopted within a given time?

Mr. BORAH. I can convince the Senator in a minute I think that the two propositions are as wide apart as day and night as questions of constitutional law. If we submit a general amendment to the Constitution of the United States changing the machinery and fixing a limit of time, that goes to the States and when ratified becomes a part of the Constitution of the United States; but when we submit this time-limit amendment to the States it is not a part of the Constitution.

Mr. HARDING. Will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Ohio?

Mr. BORAH. I shall do so in just a moment. The States are proceeding all the time to ratify the amendment under a Constitution which exists and is unchanged. The one instance is a case where the Constitution is changed; the other instance is where we submit an amendment to the Constitution as to which we propose to have a rule with reference to its ratification other than that which exists in the Constitution.

Mr. HARDING. Mr. President, the Senator from Ohio has read Article V of the Constitution, and that article of the Constitution itself gives an example of explicit limitation by providing that there shall be no amendment prior to 1808.

Mr. BORAH. But that was a part of the Constitution.

Mr. HARDING. Exactly so; and it does not put any inhibition on Congress expressing a condition as part of an amendment.

Mr. BORAH. But let me ask the Senator this question: If this proposed amendment should go to the States now and they should proceed to ratify it, they would be ratifying it under the Constitution as it now exists, and it would be ratified under the Constitution as it now exists clear on through until they shall have finished their work.

Mr. HARDING. Supplemented by——

Mr. BORAH. Wait a moment. Suppose that at the end of six years only 31 States have ratified the amendment. Certainly the time-limit provision has not become a part of the constitutional change proposed, because the amendment has never been ratified; and yet Congress holds a tether upon it and draws it back, notwithstanding the States have a right to say, "This has been submitted to us under the Constitution as it exists and we are entitled to go ahead."

Mr. HARDING. I think the Senator is wrong, because Congress, in its exercise of power in submitting the amendment to the Constitution, specifically says, "If you do not exercise your right to ratify it within six years, then this amendment is withdrawn."

Mr. BORAH. Yes; but the States in answer to that say, "Congress can not do that, because the fundamental law of the land says we do not have to ratify it in six years from now. You have submitted it to us and we may ratify it in eight years."

Mr. LODGE. The fundamental law of the land does not say anything about it.

Mr. BORAH. I beg the Senator's pardon. The fundamental law of the land does say very plainly, that it places no limitation upon the time when or within which it must be ratified. It says, "when ratified," and fixes no limit.

Mr. LODGE. It says nothing about it.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Ohio?

Mr. BORAH. I yield.

Mr. POMERENE. I am always glad to find myself in accord with the Senator from Idaho on legal propositions, but I confess I must differ from him on this. The Constitution itself authorizes the submission of amendments to the Constitution by a joint resolution passed by a two-thirds vote of Congress. There is no limitation attached to that. This Congress can submit any amendment that it sees fit, and, in my judgment, with any limitations or conditions attached to it.

Mr. BORAH. That is where I differ from the Senator.

Mr. POMERENE. I know we differ in that respect. If there were no limitation placed upon this proposed amendment as to the time within which it must be ratified, then, perhaps, by a different amendment at another time we might not be able to accomplish that end; but we submit here, as a part of this proposition which goes to the organic law, the further statement that this is inoperative unless it is ratified within a given time. That is a part of the proposition, in my judgment.

Mr. BORAH. But here, Mr. President, let me ask the Senator a question. Suppose that this amendment were submitted to the States just as the joint resolution is written, with section 2 in it, and at the end of six years 31 States had ratified it, certainly it would not be a part of the Constitution, would it?

Mr. POMERENE. How many States did the Senator suggest?

Mr. BORAH. Thirty-one States.

Mr. POMERENE. No; it would not be a part of the Constitution.

Mr. BORAH. It would not be a part of the Constitution. It never could be a part of the Constitution under any circumstances until 36 States had ratified it.

Mr. POMERENE. That is true.

Mr. BORAH. And if 36 States had ratified it in 10 years, they could reply to this proposition, "We proceeded under the Constitution as it existed."

Mr. POMERENE. Yes; but it seems to me that the Senator overlooks the fact, if the so-called Sheppard amendment is adopted, that is one thing——

The PRESIDENT pro tempore. The time of the Senator from Idaho has expired.

Mr. POMERENE. But it is proposed to amend——

The PRESIDENT pro tempore. Does the Senator from Ohio desire recognition?

Mr. POMERENE. I will ask the attention of the Senate for just a moment.

The PRESIDENT pro tempore. The Senator from Ohio.

Mr. POMERENE. But if the amendment proposed by my colleague [Mr. HARDING] is agreed upon by the Senate, we are not proposing to submit the simple proposition of the Senator from Texas, but the amendment of my colleague becomes an integral part of the constitutional amendment proposed by the Senator from Texas.

Mr. BORAH. Mr. President, will the Senator permit me to interrupt him?

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Idaho?

Mr. POMERENE. I do.

Mr. BORAH. After it has been ratified by the States, then, of course, this particular amendment becomes a part of the Constitution; but the States can proceed to vote after the end of six years, for the reason that as yet the Constitution has not been changed.

Mr. POMERENE. But, Mr. President, the amendment of the junior Senator from Ohio, if adopted, becomes an integral part of the resolution. It becomes as much a part of the resolution itself as the original resolution presented by the Senator from Texas, in my judgment; and I know of nothing in the Constitution which says that the Congress can not attach any condition or qualification to a proposition which it submits in the form of a proposed amendment to the Constitution.

Mr. BORAH. Mr. President, I do not want to interrupt the Senator again only to say that the friends of this movement will find in after years that they have been led into a cul-de-sac. I do not challenge men's motives, but that is the effect and that will be the result.

Mr. POMERENE. I am not prognosticating as to what may happen later. I was addressing myself solely to the legal proposition, and I feel quite as convinced I am right as my learned friend from Idaho does that he is right.

Mr. BRANDEGEE. Mr. President, I would favor the submission of a separate constitutional amendment providing that all proposed constitutional amendments which have not secured the favorable action of three-quarters of the legislatures of the States in a definite period of years shall fail; but I agree entirely with the Senator from Idaho [Mr. BORAH] in the view which he takes of the amendment proposed by the Senator from Ohio [Mr. HARDING].

I intend to vote against the proposed constitutional amendment, but it is not with any relation to that that I say what I am about to say. In my opinion the attachment of this time-limit amendment to the proposed prohibition constitutional amendment is extremely liable to result in the loss of the amendment, and if I wanted by more or less of a trick to secure the defeat of the amendment I would want no better opportunity to embarrass this proposed constitutional amendment than to vote for the amendment of the Senator from Ohio.

Article V of the Constitution, providing how amendments shall be submitted to the States for the approval of their legislatures or State conventions, says that amendments—

> shall be valid to all intents and purposes, as part of this Constitution, when ratified by the legislatures of three-fourths of the several States.

The Constitution itself, therefore, provides that an amendment shall be ratified when approved by the legislatures of three-fourths of the States; and I think there is no question that that word "when" always has been interpreted, and is correctly interpreted, as though it were "whenever." That has been the practice of the States in connection with all constitutional amendments which have been adopted.

Suppose the amendment of the Senator from Ohio is added to the joint resolution. I can readily see that when the matter is taken to the Supreme Court the Supreme Court may hold that Congress, by attempting to prescribe an unconstitutional condition to the machinery by which the amendment must be approved by the legislatures of the States, has exceeded its authority, and the whole amendment may fail, although ratified by the States in eight years. For instance, suppose six years go by and three-fourths of the States have not acted favorably upon this proposed constitutional amendment, but that at the end of eight years three-quarters of the States have acted favorably upon it; the friends of this amendment, of course, I suppose, would then, in order to secure the amendment, have to turn around and claim that Congress had no authority to attach a time limit to it, and that it had become a part of the Constitution.

Mr. THOMPSON. Mr. President, will the Senator yield to me for a question?

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Kansas?

Mr. BRANDEGEE. I yield.

Mr. THOMPSON. Would not the Senator think, if his view of the constitutional power is correct, that it would only invalidate this particular section and not the entire resolution?

Mr. BRANDEGEE. If the amendment of the Senator from Ohio only invalidated itself, no harm would be done, of course; but if the court should hold that it was, in the language of the senior Senator from Ohio [Mr. POMERENE], such an integral part of the amendment as that it could not be dissected from the body of the amendment, then the risk would be run of having the whole amendment defeated.

Mr. HARDING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Ohio?

Mr. BRANDEGEE. I do.

Mr. HARDING. Suppose there is no limit placed upon the pendency of the amendment, and suppose the State of Ohio votes to adopt the amendment, we will say, in 1919, and then in 1921 reverses that decision and seeks to withdraw its approval, what happens?

Mr. BRANDEGEE. I am informed, Mr. President, although I have not looked the cases up, that the courts have held that a legislature may reject an amendment and then at another session may adopt it, and such action will enable that State to be counted as one of the three-quarters necessary to approve the amendment. On the other hand, if a legislature adopts an amendment, it can not then at another session or at the same session reject it and have its action count against the amendment. In other words, a time watch is set, and whenever it strikes a certain way that concludes the matter, while if it strikes the other way it is still open to further action, because, under the language of Article V of the Constitution, it becomes valid when approved, irrespective of how many times it has been disapproved before that.

Mr. HARDING. Then, I want to ask the Senator, suppose a State—we will say Massachusetts, for example, with its annual elections—has rejected this amendment six successive times, does the Senator think it ought to be still left open for the seventh to adopt it?

Mr. BRANDEGEE. I do not think it ought to be; and if the Senator from Ohio, with whose intent I thoroughly agree, and his friends would now prepare another proposed constitutional amendment providing that all constitutional amendments to be submitted to the States shall be approved within six years or eight years—whatever time limit may be desired—and that those not approved within that time shall be deemed to have failed, I would vote for it. If such an amendment were passed now by a two-thirds vote in both branches, and the States voted on and ratified it first, then the Constitution would be amended, and the amendment would be applicable to the pending prohibition amendment; but it is utterly beyond my mental apparatus to comprehend the claim that, with the Constitution as at present written, with its existing machinery for its own amendment, a proposed amendment which it is sought to make a part of the Constitution can include a provision which will so change the Constitution as to make it applicable to the very amendment which itself can not take effect until it has been ratified by three-quarters of the States. It is an attempt to hoist yourself by your own boot straps, if I may use a homely phrase.

The Constitution stands as it is until amended, and yet it is proposed to attach an amendment to a proposed constitutional amendment changing the existing constitutional machinery so that it will operate under a proposed amendment, which is no amendment until it also has been adopted, at the same time the attempt is made to adopt the condition.

Mr. HARDING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield further to the Senator from Ohio?

Mr. BRANDEGEE. I yield.

Mr. HARDING. Does the Senator believe if this amendment were ratified by the States within six years, that there would be any question of its validity?

Mr. BRANDEGEE. I think there would be a serious question of its validity, because it would not have been submitted in a constitutional manner. Whether it would be contested or not is a different proposition, but the effect of this amendment will be to destroy large amounts of property which the courts have declared to be entitled to the protection of the Constitution, and it can not be taken or destroyed, by the General Government at least, no matter what may be done by a separate State under its police power, in an arbitrary manner. All sorts of legal questions, I apprehend, will be raised by the owners of this property and by those engaged in the liquor business to prevent the destruction of their rights, and it would seem to me that it would be well for Congress to consider before it leaps.

Mr. BORAH. Mr. President——

Mr. BRANDEGEE. I yield to the Senator from Idaho.

Mr. BORAH. If we can submit in this proposal a proposition to limit the time within which the States may ratify it, could we not with equal force submit a proposition that when a majority of the States ratify this amendment it shall be an amendment to the Constitution?

Mr. BRANDEGEE. Yes, Mr. President, we could with equal power and authority, in my opinion, attempt to say that the amendment shall take effect and become a part of the Constitution to all intents and purposes when ratified by a majority of the electors of the several States, which is what ought to be done.

The PRESIDENT pro tempore. The time of the Senator from Connecticut has expired.

Mr. JOHNSON of California. Mr. President, if the experience of other Senators upon this floor has been at all similar to mine they will have realized that there is a complete misunderstanding and misconception of what to-day the United States Senate is doing upon this particular proposition. From the hysterical telegrams that have come to me upon both sides of the issue the people of the State which I in part represent apparently are laboring under the delusion that we are affirmatively enacting now a prohibition measure which at once will go into effect and which at once will render this Nation dry. This is such a total misconception and misunderstanding that I think, from our standpoint in the far West at least, it ought to be made plain that to-day in presenting and proposing a constitutional amendment we are but following our conception of the fundamental principle of popular rule—popular rule, which has been with us not a mere empty phrase, but which has been a basic governmental idea written in our State into our constitution. We are, Mr. President, but following this idea and this principle of popular rule in enabling the people of the Nation, when a considerable number ask that privilege, to pass upon an important matter of national legislation.

We do not to-day, of course, enact a prohibitory law; indeed we do not even to-day express an opinion upon a national prohibitory law; but under the resolution that is presented and under that which we here understand, all we do in the language of the resolution is to propose "to the States an amendment to the Constitution to be acted upon and to be ratified by the various States of the Union if they shall see fit."

In the territory from which I come the question of the right of the people to pass upon any given matter has become fundamental and vital. In 1911, when our political revolution occurred in the State of California, all of us with feverish anxiety turned in every direction to ascertain how we could place in the hands of the people just liberated from a quarter of a century of corporate rule the weapon by which they might maintain that freedom so hardly and with such difficulty won. Then, when we turned to find the weapon we found it only by enabling our people, whenever they sought to pass upon any legislation, to have the right to pass upon it whenever they desired; to bait recalcitrant representatives and themselves pass upon their acts. What I do to-day in regard to this particular amendment is only following that rule, that particular fundamental principle, the right of our people to govern themselves by submitting to them a proposed constitutional amendment in the only manner that is accorded to us under our organic law, and by letting them, and them alone, determine whether or not that which a very large number of our people desire shall become a part of the Constitution of the United States.

I would, indeed, submit any question by constitutional amendment where there was a really considerable number of our people who desired its submission. I expect within the next 24 or 48 hours to ask the chairman of the Committee on Woman Suffrage why it is that a particular resolution that has been concurred in by every member of that committee is not presented to the Senate of the United States, and by the Senate of the United States presented to the Nation for the Nation's action and for the Nation's determination of equal suffrage in this land. If there be any other question, economic, ethical, or moral, that any really great number of our people wish submitted to the electorate or to the States, I would vote to submit that particular question, no matter what my individual view might be.

Turning now from the particular subject thus discussed to the amendment presented by the Senator from Ohio [Mr. HARDING], I want to say that I am in thorough accord with the views expressed by that Senator and those expressed by his colleague in reference to its legality. This particular amendment, with its limitation of six years, is not an abrogation of the Constitution of the United States. It is not an effort to amend that Constitution or in any way to alter any substantive part of it.

The amendment offered by the Senator from Ohio is a limitation and a condition imposed upon the particular constitutional amendment, and it is just as legal and just as valid that that sort of limitation and that kind of condition should be imposed upon the proposed constitutional amendment as it would be if we wrote after the words "manufacture, sale, or transportation," a particular time limit within which the manufacture, sale, or transportation might be permitted within our particular territory.

I feel that the Senator from Idaho [Mr. BORAH]—for whom I have the most profound respect, and who, as a constitutional expounder, stands second to none in all this land—is in error when he insists that we are amending the Constitution of the United States by this particular limitation and this specific condition. We are not amending the Constitution. We are simply imposing that limitation and that condition upon the specific amendment, and the specific amendment alone.

So I trust that the particular amendment may be passed, and I shall cast my vote for the joint resolution that is presented by the Senator from Texas [Mr. SHEPPARD] upon the ground and upon the theory—fundamental with us of the West, upon the very basic idea upon which we have builded new Commonwealths there—that the people finally have the right to pass upon any question where any considerable number of the people ask that right.

During the discussion upon the Resolution (S. J. Res. 17) proposing an amendment to the Constitution of the United States, Senator FRANCIS E. WARREN, of Wyoming, said:

Mr. President, I have been detained on public duty at another place during most of the time this matter has been up for discussion; but, judging from what has occurred during the brief periods I have been on the floor, I believe it has been very thoroughly discussed.

Time does not permit nor does inclination impel me to make any extended remarks upon the resolution now about to be voted upon by the Senate. Argument for or against the

measure at this stage of its procedure, on my part, would be futile, and therefore I shall not attempt to make even the briefest form of one. It has been proclaimed that there are votes enough and to spare to carry it. My only purpose in rising is to state my own position, and that, to some extent, of my State.

I can not give my support to the joint resolution, because I believe, and I think my State believes the same way, that the police powers should be provided by State legislation and rest with the people rather than that the United States should usurp those powers.

It has been and is my belief that each State should have unrestricted control of its police powers, and I think the Supreme Court of the United States has held in various decisions that the police powers of a State within its own borders are paramount and can not be lawfully interfered with even by the Federal Government. In fact, in a somewhat celebrated case—United States against John Racehorse—in which the police powers of the State of Wyoming came in conflict with certain rights granted by a United States treaty to certain Indians, the Supreme Court decided that the police powers of the State were paramount and superseded even treaty-made rights coming in conflict with them. The Supreme Court decided that the State should have unrestricted control of all these matters within her lines.

I gave my support in the war bill to a measure of temperance and which provided that the men of the United States Army should not be surrounded with immorality. I gave my support in the food bill to the so-called food conservation along lines of temperance, but what was really very much of a prohibition bill. But beyond that I do not feel that I can go at this time.

The State of Wyoming has provided, through its legislature, that its people shall vote next year upon an amendment to the State constitution covering this subject. The State of Wyoming, which I in part represent, was, like other new and frontier States, called "wild and woolly," and it was "wide open" in its early career, with "wide-open" towns. One of them, and the one of which I am now pleased and proud to call myself a citizen, was said by some disrespectful critics to be the wickedest city in the world. We commenced from that standard to develop along lines of industry, temperance, and good morals. We first gave the right of suffrage to women and men alike, but we required all who might enjoy suffrage to have sufficient education to read and write. We limited, from time to time, the sale and use of intoxicating beverages until we have to-day simply those few places, in the cities where there is a sufficient police force, that the city governments may permit, limited in number, and a very large license charged against them, and under very close supervision. The State stands second to none in this country in morality and progress along the lines of character and intellectual growth.

In dealing with the liquor question, Wyoming has been practical but not radical. As I have said, the earlier Territorial days of unrestricted use and sale of liquors gave way to the restrictions of high license and later to prohibition outside of incorporated cities and towns. Regulation brought beneficial results, and cities and towns once wide open—"wild and woolly"—became as peaceful and sedate as New England villages of the days of the Puritans.

The State of Wyoming stands only second or third from the top of the list in the per capita amount of money she gave to the Red Cross in its late canvass. She went far beyond her proportion in subscribing to the liberty loan. She furnished more than her quota of troops in the State, one-third of her counties, or 7 of the 21, not being called upon to furnish any troops through draft and having a surplus to their credit. It seems to me that in a State that has provided for her own government and has made the good progress that Wyoming has, it is enough to ask of her that she abide by the decision of her legislature—and the vote was unanimous, or nearly so; there was no party division—and let the State settle what she shall do along the lines of intoxicating beverages.

If the States, as is said to be the case, are falling in line one after another, we have only to wait a short time until the matter will take care of itself without the United States Government entering with its strong hand. If that is the case, we do not need to have the proposed constitutional amendment. If, on the other hand, there are enough States who do not believe the time has arrived, then of course it is useless.

Control of the liquor traffic is essentially a police power vested in the individual States. We of Wyoming think we know how to exercise that power so as to conform to the wishes of our own people. We do not assume to have the knowledge of conditions and views in, say, the State of Texas to the extent that we should frame the laws of that State in regard to the liquor or any other business which is carried on within its jurisdiction. At the same time we do not concede that the people of Texas know us well enough to make our Wyoming laws.

And yet in this resolution that is what is proposed—a certain number of States can inject the views and beliefs of their citizens into the laws and regulations of other States.

I prefer to have Wyoming make its own laws for the regulation of the liquor traffic within its boundaries. I believe the people of my State are qualified to do this; I believe they will do it, and do it in the sensible, practical way they have carried on other reforms—with a due sense of proportion and the observance of the rights and equities of all.

Therefore upon this resolution I shall vote to permit Wyoming and each of the other States of the Union to continue to make its own laws for the regulation of the liquor business within its own jurisdiction.

I have believed, and I believe now, that progress can be truly made faster where we go just fast enough in these lines of reform so that our laws are obeyed and administered actively and completely. There are States in the Union that are ostensibly "bone dry" that put to shame, through the use of liquors and through intoxication, some of the States that are under license.

Mr. President, I shall not take further time; but I simply say that I shall be found among perhaps the few that will vote "no" on the proposed constitutional amendment.

Mr. CUMMINS. Mr. President, I offer the matter which I send to the desk as a substitute for the amendment proposed by the Senator from Ohio.

The PRESIDING OFFICER (Mr. ROBINSON in the chair). The Secretary will state the amendment, in the nature of a substitute, offered by the Senator from Iowa.

The Secretary read as follows:

Resolved, etc., That the following amendment to the Constitution of the United States be proposed, which when duly ratified by three-fourths of the several States shall be valid to all intents and purposes as a part of said Constitution, to wit:

Amend Article V of the said Constitution by adding thereto the following, to wit:

"*Provided*, That all amendments to the Constitution so proposed and submitted to the States for ratification after January 1, 1917, in order to become valid to all intents and purposes as a part of the Constitution, shall be so ratified within a period of eight years after such submission: *And provided further*, That the action of any State ratifying an amendment must be without modification or condition and shall not be subject to recision or recall in any form whatsoever."

The PRESIDING OFFICER. The question is on the amendment, in the nature of a substitute, offered by the Senator from Iowa.

Mr. CUMMINS. Mr. President, I am very much opposed to the amendment suggested by the Senator from Ohio [Mr. HARDING]. It is not only an exercise of authority which has not been granted to us by the Constitution, but it is exceedingly unfair and unjust. The amendment which I have proposed is a further proposal of an amendment to the Constitution, and would, if adopted, be voted upon by the States as a separate amendment to that instrument.

I am in favor of supplying what is manifestly a defect in our Constitution and providing some limit of time within which amendments to the instrument must be ratified, but I am earnestly opposed to the attempt to attach to the joint resolution offered by the Senator from Texas a condition which is not only unfair in itself, but is unauthorized by the organic law.

The Senator from Idaho [Mr. BORAH] is entirely right, from my standpoint. We are empowered in the Constitution to do what? To propose amendments to that instrument. We have no other authority. From what part of the Constitution do we get the power to attach a condition to an amendment which we submit to the States for ratification? Our authority is exhausted when we declare that an amendment shall be proposed to the States.

The amendment offered by the Senator from Ohio does not amend the Constitution. It does not pretend to amend the Constitution. It is simply an effort, if passed, upon the part of the Senate to qualify the power which we are attempting to exercise, namely, to propose an amendment to the Constitution.

I have no doubt whatever that if ratifications were to occur after the period of six years named in the amendment of the Senator from Ohio the courts would either recognize those ratifications or set aside the entire amendment, and the possible outcome of adopting the amendment of the Senator from Ohio will be to plunge the whole subject into litigation that may continue for years to come. I for one am not willing

to embarrass the cause of prohibition by any such unwarranted exercise of power.

Mr. SHIELDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Tennessee?

Mr. CUMMINS. I yield to the Senator.

Mr. SHIELDS. I desire to make a suggestion to the Senator along the line of his argument, in which I am very much interested. I will say to him that I have not thought a great deal upon the subject so far, and I wish his opinion upon this view of it. I understand the Senator from Iowa to take the position that the Congress has not the power to limit in any way the action of the States in adopting an amendment.

Mr. CUMMINS. I assume that position. I say that the only way in which we can limit the time within which a proposed amendment shall be acted upon is by a definite and substantive amendment to the Constitution.

Mr. SHIELDS. I correctly understood the Senator, then. I call the attention of the Senator to this principle, and ask his views of it:

Wherever there is a grant of power, it carries with it the grant of a lesser degree of the full extent of the power granted. I will illustrate my proposition, if the Senator will bear with me, and then I will ask the Senator to express his views.

Mr. CUMMINS. I hope the Senator will remember that I have only 10 minutes.

Mr. SHIELDS. The pardoning power is given the Executive by the Constitution of the United States. It is an absolute grant of that power; but under that grant the courts have always held that the lesser being embraced in the greater, the Executive may commute a sentence; he may grant a conditional pardon. Now, is not this an absolute power for the Congress to submit to the States the proposed amendment to be ratified? Can it not be coupled with a condition or a limitation, and come within the principle that the greater involves the lesser?

Mr. CUMMINS. May I ask the Chair how much time I have left?

The PRESIDING OFFICER. The Senator has one minute remaining.

Mr. CUMMINS. The Senator from Tennessee has taken up so much of my time that I could not pretend to answer his question within that minute.

Mr. SHIELDS. Mr. President——

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SHIELDS. I did not fully understand the Senator's reply, and I shall be glad to yield to him in my time to answer the question.

Mr. CUMMINS. If the Senator from Tennessee will be kind enough to do that, I reply that the rule to which he refers can have no application in a constitutional grant of power to Congress upon a subject like this. There is no lesser degree of power. Our power is to propose an amendment to the Constitution. It is complete in itself and there are no gradations of that power, and, as it appeals to me, there could not be. The two Houses of Congress are the instrumentalities chosen by the Constitution to submit to the States proposed changes in our organic law. That is the power given to us. If we do not want to exercise that power, we of course can decline it; but if we exercise it, it is not susceptible, from my point of view, of a division. The very moment we attempt to divide it we ourselves are attempting to amend the Constitution, an authority which of course is not claimed by anyone for Congress. I must therefore adhere to my view that so much of the resolution, if it were amended as proposed by the Senator from Ohio, as limits the time, would be entirely ineffectual and could give rise to nothing but embarrassment, delay, litigation, and confusion.

Mr. SHIELDS. I should like to ask the Senator further to express his views upon this phase of the matter: What objection is there to further amending the Constitution by providing that the amendment shall be ratified within a limited time, as here proposed?

Mr. CUMMINS. I have offered as a substitute a definite amendment to the Constitution, limiting the time in which all amendments may be ratified. If the States under the Constitution as it is shall adopt that amendment, then it is manifest that any other amendment which is not ratified within the period of eight years, as I have made the period, could not become a part of the Constitution.

Mr. SHIELDS. Mr. President, I should like to have the Senator's views as to why both propositions can not be embraced in the same amendment?

Mr. CUMMINS. My objection to the amendment of the Senator from Ohio is that we are attempting to exercise an authority that we do not possess, and that if it is adopted it can lead to nothing but trouble for those who believe in national prohibition. I can easily understand why those who are opposed to prohibition should desire the adoption of the amendment of the Senator from Ohio. No matter what the motive may be in offering it, the effect must be, if it has any, the delay, the possible defeat, of national prohibition.

Mr. SHIELDS. Now, Mr. President, following what the Senator from Iowa has stated in expressing his views, I desire to ask him whether there is any limitation whatever in the Constitution of the nature or character of the amendment that may be submitted to be ratified, except that in regard to the representation of the several States in this body?

Mr. CUMMINS. There are but two limitations—one, as the Senator will remember, forbidding amendments on a certain subject up to a certain time; the other forbidding all amendment unless agreed to by all of the States. There are no other limitations.

Mr. SHIELDS. Neither of those limitations applies to the present proposition.

Mr. CUMMINS. Neither of them, as I understand, would apply to this subject.

Mr. SHIELDS. Then there is no limitation or provision whatever in the Constitution that prohibits this amendment in the conditional form proposed?

Mr. CUMMINS. There are no limitations. I have always believed, Mr. President—if I may continue to answer—that if the matter were ever submitted to the court in a proper way, the court would hold that the States must ratify amendments, under the Constitution as it is, within a reasonable time. What that reasonable time may be would differ with each case.

Mr. BECKHAM. Mr. President, it is of course impossible in the limited time allowed to speak in this debate to discuss at length any of the many features of the important subject now before the Senate. This is an extraordinary occasion in the history of this body. A vote is soon to be taken upon the question of submitting a constitutional amendment providing for nation-wide prohibition, and if this Congress submits this amendment, then the States of the Union will be given an opportunity of determining whether or not it shall become a part of our organic law. If it is submitted and as many as 36 of the States ratify it, it will then become the law of the land. The occasion is especially remarkable in view of the fact that a considerable majority of the Senators, and probably as many as two-thirds of them, favor the amendment and will so vote when the roll is called.

Mr. President, if a dozen or more years ago any man had predicted such an event so soon as this, he would have been considered an idle dreamer, or possibly a lunatic. But conditions have changed swiftly in recent years, and the time has come much sooner than most of the friends of prohibition believed when the Senate of the United States seems ready and anxious by a two-thirds vote to submit this question to the States for their ratification.

The rapid and widespread growth in sentiment favorable to prohibition among the people of this country in recent years is one of the most interesting and remarkable experiences in our history. It has grown in strength not only in our country but throughout the civilized world. It has not been so many years since that for a man to be called a prohibitionist was an offensive epithet, and meant in many instances at least political ostracism. To-day no man needs to defend himself from such a designation. The opponents of prohibition are on the defensive, and are without argument to uphold their cause.

We see in both Houses of Congress substantial majorities in favor of nation-wide prohibition; we see at least one-half of the States now under prohibition laws, and we have reason to believe that the people in many of the other States will adopt it when the opportunity is offered them. Every argument advanced by those opposed to the movement has been met and answered, and the liquor interests of the country to-day stand without a friend that can present a single valid reason to justify their continued existence.

Alcohol used as a beverage has been unmistakably and unanswerably stamped by the medical profession, by other scientists, by the best thought of the age, as a poison. It has been shown by overwhelming evidence that when so used even in moderate quantities it is a positive injury to the human system. It weakens the body, it blurs the mind, it invites disease, and it destroys the soul of man. It produces more pauperism, more crime, more sorrow than all other causes combined. It is the prolific mother of prisons, jails, insane asylums, and almshouses. It has no friends left, except those who manufacture and sell it and make a profit out of the business. It is a curse against which widows and orphans and sorrow-stricken people in every community in our land have lifted up their prayers and have petitioned their Government to abolish.

No one can now stand before an intelligent audience and defend the existence of the saloon. That evil institution is now recognized as one without a saving grace, and as the chief breeding place of human misfortunes and tragedies. That the saloon is doomed is a fact now generally admitted, and another generation will marvel at the patience and forbearance of this generation in tolerating it so long. No State nor city nor community has abolished the saloons that has not been greatly benefited in every way by doing so. Prohibition is not only a moral but also an economic blessing to any State that adopts it. As a revenue producer the liquor business is worse than a failure. It gives only a small percentage of the large sums it takes from the consumers to the support of Government and it weakens the taxpaying powers of the people among whom it is tolerated.

If, therefore, Mr. President, the saloon is bad, what good can there be in the distillery or the brewery whose business it is to manufacture supplies for the saloon? If the one is abolished, why should the other remain? It has been estimated that the amount wasted in this country each year for alcoholic drinks amounts to nearly two and one-half billions of dollars. Think of what an enormous and inexcusable waste of our national wealth, to say nothing of the infinite harm, that its use inflicts upon the people. No good whatever comes from that staggering expenditure, and it is all absolute waste. What a tremendous saving of our national wealth can be accomplished by stopping it altogether. Let the people of this country have the opportunity in the constitutional way to express their wishes in regard to it. Let this Congress at least respond to this unmistakable demand and give the people a chance through their States to ratify this amendment.

This is not simply a war-time movement. The arguments in favor of prohibition have been accentuated, not created, by the existence of the present world-wide war. It is a bad policy to waste wealth in time of peace; it is a worse policy, and may be a fatal policy, to waste it in time of war. I should, Mr. President, support this constitutional amendment in time of peace. I can do so with even greater earnestness at this time when we are engaged in a titanic war and when all of the energies and resources of the Nation and the strength of the people should be conserved. I hope to see this amendment receive the requisite number of votes, both in the Senate and in the House, and that this session of Congress will before its adjournment give to the people the opportunity to settle this question according to their wishes.

Mr. NORRIS. I ask unanimous consent to print in the RECORD an article by Prof. Irving Fisher, of Yale University, on the question of conservation of food by prohibition.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

HOW MUCH FOOD CONSERVATION IS POSSIBLE FROM WAR-TIME PROHIBITION AND HOW GREATLY IS IT NEEDED.

(By Irving Fisher, professor of political economy, Yale University.)

LIQUOR USES UP 94,000,000 BUSHELS OF GRAIN A YEAR.

Grain used by brewers, 1916.

[Reported by Department of Agriculture, 1917; figures given to the nearest 100,000 bushels.]

	Bushels.
Barley	52,400,000
Corn	13,600,000
Rice	2,400,000
Total	68,400,000

Grain used by distillers.

[Includes that for industrial alcohol. Internal Revenue report, 1916, figures given to nearest 100,000 bushels.]

	Bushels.
Corn	32,100,000
Barley	4,500,000
Rye	3,100,000
Total	39,700,000

Total grain used by distillers and brewers combined.

[Including that distilled for industrial alcohol.]

	Bushels.
Distillers	39,700,000
Brewers	68,400,000
Total	108,100,000

Negligible amounts of other grains (mostly oats and wheat) are also used.

The quantity of grain used by the distilleries in the manufacture of industrial alcohol is not exactly known but in 1916 the total quantity of distilled spirits for denaturing, manufacturing, and scientific purposes was 87,000,000 gallons, and that the remainder presumably for human consumption as alcoholic beverages 162,000,000 gallons. In other words, about a third of the total was used industrially. As a much larger proportion of the alcohol from molasses is used industrially than is the case with that from grain, the fraction of the grain so used was probably less than one-third; in other words, the grain used for manufactured alcoholic beverages was more than two-thirds of the total of 39,700,000 bushels, and therefore more than 26,000,000 bushels.

Total grain used in production of alcoholic beverages.

	Bushels.
For distilled liquors	26,000,000
For beer	68,400,000
Total	94,400,000

These 94,000,000 bushels, consisting mostly of (about) 55,000,000 bushels of barley, at 48 pounds per bushel, and (about) 35,000,000 bushels of corn, rice, and rye, at 56 pounds per bushel, make over 4,600,000,000 pounds of grain.

HOW THIS WASTE COULD BE SAVED IN BREAD.

This grain could be exported, or better, used to eke out our own bread supply by mixing with wheat flour and thus releasing the equivalent amount of wheat for export.

It is easy for any cook to mix corn with wheat flour up to 10 per cent. In the Mellon Institute, of Pittsburgh, where bread experiments are being made, mixtures have been successful up to 50 per cent and fairly successful even up to 66 per cent. Barley can be mixed with wheat flour up to 20 per cent by any cook and up to a higher percentage, given the requisite knowledge and skill. Mr. Hoover recently had in his rooms bread containing 20 per cent barley, which could not be detected by its appearance to the eye or by its taste from the original wheat bread. This will probably be a popular form of war bread.

HOW MUCH BREAD COULD BE SAVED.

A pound of grain makes about a pound of bread, for the 25 to 30 per cent of the grain removed by milling is almost exactly replaced in the bread by other ingredients—milk, water, salt, etc.

Thus alcoholic beverages divert from bread making the equivalent of 4,600,000,000 1-pound loaves of bread per annum, or about 12,500,000 1-pound loaves per day.

The cessation of the brewing and distilling of alcoholic beverages would thus enable us to export these 12,500,000 1-pound loaves of bread per day. Even if we make a much larger allowance for the industrial alcohol than we have, the figure will exceed 11,000,000 loaves.

HOW FAR DO BREWERS' AND DISTILLERS' GRAINS HELP THE HUMAN FOOD SUPPLY?

It is true that "brewers' grains" and "distillers' grains"—the waste from the production of alcoholic liquors—while they can not be used directly for human food, contain food value for cattle. When they are fed to cattle part of their food value can be recovered for human food in the form of meat or milk.

The brewers claim that 35 per cent of the original grain is left in the form of brewers' grains. An English statement by Lord Davenport gives the figure in England as 25 per cent. The discrepancy is explained by the fact that the brewers' "35 per cent" is by value and not by weight. In either case only a fraction of this is recoverable in milk and only a very small fraction in meat.

But measurement by weight is very crude. We should measure the results in food units. The food unit is the calorie, which is also a unit of heating power or energy-giving power.

As we have just seen, barley after brewing leaves behind about a third of its weight in dried brewers' grains. As a given weight of these grains possesses only three-fourths the food value of the same weight of barley, it follows that only about one-fourth—i. e., three-fourths of one-third—of the original value is left for cattle feed. A more exact calculation gives the result as 28 per cent.

Similarly, corn after distilling leaves behind somewhat less than a third of its weight in dried distillers' grains. As a given weight of these grains possesses nine-tenths the food value of the same weight of corn, it follows that three-tenths—i. e., nine-tenths of one-third—of the original food value is left for cattle feed. This also, when more exactly calculated, works out at 28 per cent.

When the brewers' and distillers' grains are turned into meat about nine-tenths of the food value is lost in the process. The one-tenth which is recovered is therefore one-tenth of 28 per cent of the original grain, or less than 3 per cent of the food value in the original barley and corn.

If the grains are used for milk production a much larger recovery is secured—about two-thirds of the value of the brewers' and distillers' grains, i. e., two-thirds of 28 per cent, or about 20 per cent of the original food value.

If we count the meat (or milk) thus recovered in terms of equivalent bread the saving from stopping the manufacture of alcoholic beverages would be 3 per cent, or 20 per cent less than 12,500,000 loaves—roughly twelve (or ten) million loaves—let us say 11,000,000 a day.

"MILLER'S OFFAL."

These recoveries, however, must in their turn be partly offset, for the manufacture of liquor takes away a feed that prevents the making of "miller's offal"—amounting usually to about 28 per cent by weight (abroad usually about 40 per cent) of the original grain—which would be created as a by-product if the grain were milled into flour.

These figures for miller's offal relate to wheat and may possibly be different for barley or corn. But the net result would be to raise slightly the net wastage figure (ten to twelve million loaves a day) above obtained.

We conclude that 11,000,000 loaves a day is a fair estimate of the bread supply we are now drinking up.

It should be observed that three-fourths of this food waste is from brewing. The common idea that the distillers are the more important food wasters is erroneous.

ALCOHOLIC BEVERAGES NOT PROPERLY FOODS.

No account is here taken of the food value in beer nor of the calories (of little or no use in the human organism) of the alcohol in beer and spirits. As these food and heat values can not be expended without at the same time poisoning the human system with alcohol, it is only technically correct to count even the food value of beer as a real part of the food of the Nation, and, according to the best physiological authorities, it is probably not even technically correct to count the heat value of alcohol as such.

ARE 11,000,000 LOAVES A DAY WORTH COUNTING?

Having secured the figure 11,000,000 loaves as a conservative estimate of the grain waste from alcoholic beverages, we next ask, How important to the Nation is this item?

The distillers and brewers in full-page advertisements have recently been trying to belittle such waste as a small percentage of the grain crop, although a few years ago they were magnifying their use of grain as an important part of the farmer's market. The grain crop is not the right basis of comparison, yet even in relation to the grain crop the waste is nearly 2 per cent. The grain crop includes feeds for horses, cattle, swine, poultry, etc., as well as exports. Prof. Sherman, in

Food Products, points out (p. 259) that about nine-tenths of the corn crop is consumed on the farm, and of the one-tenth which is sold not all is used for human food; also (p. 264) that only about one-twentieth of the oat crop is used by milling industries, including that used in breakfast cereals. Only about one-third of the rye crop is made into flour.

The distillers in 1916 consumed over 1 per cent of the total corn consumption by man and beast in the United States, 2 per cent of the total barley consumption, 8 per cent of the total rye consumption. The brewers used over 6 per cent of the total rice consumption, 25 per cent of the total barley consumption.

But it must be remembered that the feeds to cattle, swine, and poultry are recovered in human food only to a very slight extent, and horse feed is not so recovered at all. From the standpoint of our national food supply we ought to compare the 11,000,000 loaves wasted in alcoholic beverages with the total human food values involved. So measured, the waste of 11,000,000 loaves a day is very appreciable.

A pound loaf of bread contains about 1,250 calories, or about half of the average per capita food requirement; 11,000,000 loaves therefore contain calories equal to the total calories required by 5,500,000 people.

Counting our population as 100,000,000, an amount equal, at least, to 5½ per cent of our entire national human food consumption is wasted in alcoholic beverages.

In terms of total breadstuffs the percentage is still greater. The consumption of bread in the United States, including pastry, is estimated by experts at five-sixths of a loaf per capita.

This means that what we waste in beer and spirits is 13 per cent of the total breadstuffs we eat.

WHAT 11,000,000 LOAVES A DAY MEAN IN WAR.

When we turn to the real problem, the war problem, the problem of supplying our allies, the 11,000,000 loaves per day, which means 80,000,000 bushels of grain per year, wasted in the production of alcoholic beverages is nearly 25 per cent of the total food and feed stuffs exported by the United States in 1916, that total being 405,000,000 bushels, made up as follows:

Food and feed stuffs exported from United States in 1916.

Barley, bushels	22,485,920
Corn, bushels	53,543,227
Oats, bushels	101,411,239
Oatmeal, bushels (also large export of oat breakfast cereals)	1,750,000
Rice, bushels	1,330,000
Rye, bushels	15,161,090
Rye flour (bushel rye to make)	500,000
Wheat	154,049,686
Wheat flour (bushel wheat to make 4⅓ bushels to barrel)	54,705,500
Wheat, bushels (made into bread) (estimated from pounds of breadstuffs)	210,000
Total	405,146,662

WOULD FEED THREE ARMIES.

Again, 11,000,000 loaves a day is enough to supply the bread needs of the English (3,000,000), French (5,300,000), and Italian (3,400,000) armies, counting the bread ration at a little less than 1 pound a day per soldier. It is much more than enough to supply the entire bread relief of Belgium.

This bread waste would more than supply a bread ration of 1-pound loaf a day to all the inhabitants of Scotland and Ireland.

It would nearly supply one-third of the bread ration of England and Wales.

It would more than supply a pound loaf to every one of the 39,600,000 inhabitants of France every four days.

It would furnish half a pound a day to the 1,250,000 dependent children in Belgium, and a pound loaf to every man of the 240,000 in the United States Army Regulars, the 400,000 National Guard, the 500,000 draft, the 5,300,000 in the French Army, and the 3,000,000 in the British Army, and then give a loaf to every one of the million families in New York City.

It is true that we could make these same savings out of our large grain crop in some other way. Instead of stopping or reducing beer and whisky making, we could reduce exports to our allies or reduce the production of milk or meat or reduce the number of horses.

But, seriously and solemnly, are these the places at which to economize rather than economizing on a use which is not only necessary but, as we all know, vastly injurious to the Nation?

DOES LIQUOR MAKING REDUCE THE PRICE OF MILK?

We may pause here to answer an ingenious objection.

The liquor interests in a circular to Congress (signed by the "Farmers' Feed Co.," New York) state that "to eliminate brewers' grains for milch-cattle food will unquestionably lessen milk production 20 per cent; will unquestionably increase the cost of production to such an extent that the purchase price of a quart of milk, now fixed at 11 cents per quart, will unquestionably force the price to 25 or 30 cents per quart in all great centers of population where a pure milk supply is most required."

These bogies need not frighten us, inasmuch as, in the first place, the Department of Agriculture has shown how to secure leguminous foods in substitution, and, in the second place, the brewers' grains could not possibly supply 20 per cent, or even one-third of that figure, of the grain food of milch cattle or even a far smaller percentage of their total food.

According to a table in the Agricultural Outlook, October 15, 1914, Farmers' Bulletin 629, about 9 per cent of the corn crop, 5 per cent of the oat crop, and 4 per cent of the barley crop are used for feeding milch cows. These percentages applied to the production of 1916 would indicate that from these three grains alone, without counting other cattle feeds, the milch cattle obtained 300,000,000 bushels of grain. The entire amount of brewers' grains in that year would, according to the brewers' own claims, not exceed 25,000,000 bushels, or 8 per cent of 300,000,000.

The price of milk may indeed rise from the general war conditions, but the withdrawal of brewers' grains will not be the cause.

One of the chief dairy companies in the United States, when asked this question by our committee replied:

"Probably the single factor of withdrawing brewers' grains from the market would not affect the price of milk or have any material influence on the price of other cattle feeds."

Prohibition would tend greatly to lower the cost of living, including the cost of milk, in many different ways, some direct and others, quite as important, indirect. Some of these will be shown in a later statement on national efficiency in relation to alcohol.

Incidentally, however, we may note that, as we all know, alcoholic beverages now waste both the money and the power to earn money of the poor. Dr. Haven Emerson, health commissioner of New York City, finds, in a recent investigation, that 5 per cent of the income of the poor in New York City is spent on alcoholic beverages. A much larger per cent of earning power is lost thereby. Consequently, out of the saving in both these respects which war-time prohibition would bring, there would be a large net gain for the babies' milk (about which the brewers and distillers are suddenly so solicitous) even if the price of milk should rise several fold.

The economy in buying brewers' and distillers' grains, as compared with other foods, some of which have a great food value per ton, has also been exaggerated.

The prices per ton on May 18, 1917, were as follows:

Spring bran	$42.60
Brewers' grains	43.50
Malt sprouts	45.60
Choice yellow gluten	48.60
Winter wheat middlings	50.10
Oil meal	53.10
Distillers' dried grains	53.10
Corn and oats	61.75

The brewers' and distillers' grains are not regarded as the best cattle feed. They need to be supplemented by other foods, such as miller's grains, and are not used at all by many of the best dairies. This fact is vouched for by one of the best known of these dairies in a letter to this committee.

GRAIN NOT THE ONLY FOOD WASTED.

Besides the grain used in manufacturing alcoholic beverages there is an enormous quantity of molasses and considerable quantities of grape sugar or maltose as well as glucose or sirup so used.

Reduced to pounds the items for 1916 are as follows:

	Pounds.
Barley, 56,513,235 bushels, 48 pounds per bushel	2,712,635,280
Corn, 45,643,063 bushels, 56 pounds per bushel	2,556,011,528
Rye, 3,116,612 bushels, 56 pounds per bushel	174,530,272
Rice	141,249,292
Grape sugar or maltose	54,934,621
Molasses, 152,142,232 gallons, 11 pounds per gallon	1,673,564,552
Glucose or sirup, 2,742,894 gallons, 11 pounds per gallon	30,171,394
	7,343,096,939

These figures include some two-thirds of a billion pounds of grain used in the manufacture of industrial alcohol. The figures have been carefully compiled by Prof. T. M. Carver, of Harvard University, with others, and reviewed by Prof. Cannon, physiologist of the Harvard Medical School, and others.

It has been objected that a large amount of the molasses is not fit for human consumption. A large amount of it, however, is so used, namely, that from the cane-sugar refineries. This is being used in the present sugar shortage, particularly in England and France. That from the beet-sugar refineries is not good for human consumption, but it is good for stock feed and can also be used for the manufacture of industrial alcohol. In short, all of the seven and one-third billion pounds could be utilized otherwise than by manufacture into alcoholic beverages and almost all of it could be used for human food. Probably the total food value wasted, when the items other than grains are included, is a quarter larger than that of the 11,000,000 loaves.

FOOD WASTE IN THE LIGHT OF WORLD FAMINE.

This food waste would be considered important in ordinary times; but in time of war, when there is a great food shortage, the waste is much more serious. The extent of this shortage is not yet realized, although Mr. Hoover has published his findings. These findings are based on studies made by him and his staff in the various countries abroad in collaboration with the food ministers of the various countries. The requirements of bread grains for our allies were calculated by him as follows:

	Bread grains (bushels).	Fodder grains (bushels).
United Kingdom	225,000,000	170,000,000
France	175,000,000	70,000,000
Italy	90,000,000	60,000,000
Belgium and Portugal	50,000,000	
European Neutrals	10,000,000	
Ex-European Neutrals	5,000,000	116,000,000
Total	555,000,000	416,000,000

This makes a total grain requirement of nearly a billion bushels, of which over half is for human consumption. Mr. Hoover thinks that, while it would be impossible for the United States to supply all of the requirements for grain food for humans and grain fodder for animals, the major part of the burden must fall on us.

Certainly all of the grain we now waste in drink will be needed, and more, for with 20,000,000 men withdrawn from production, with grain fields devastated in France, Belgium, Poland, and Serbia, with grain ships destroyed by submarines, and with short crops at home—the shortage in winter wheat having been estimated by our Department of Agriculture at 189,000,000 bushels—we need food economy as we have never needed it in this country since the Pilgrim Fathers suffered in those historic days, the survival of which led to the establishment of Thanksgiving Day.

The International Bureau of Agriculture at Rome has estimated the shortage of the crops of 1916, as compared with 1915, as follows (1916 shortage relatively to 1915):

	Per cent.
Wheat, 17 leading countries	25.3
Rye, 11 countries	6
Barley, 16 countries	8.6
Oats, 14 countries	13.6
Corn, 6 countries	14.6
Potatoes, 7 countries	13.6

The chief reason why we in America have not yet appreciated the shortage of our food supply is that so far we have eked it out by drawing on reserves. We have been slaughtering animals and reducing their number, and have drawn on foods in cold storage so greatly that the decreases in a year up to March 1 are as follows:

	Per cent.
Cheese (American, pounds)	29.3
Eggs (cases, 30 dozen)	86.3
Lard (pounds)	31.7
Lamb and mutton (pounds)	31.1
Frozen pork (pounds)	36.9

The foregoing table is one of many of great interest on this subject given by Profs. Seager and Chaddock, in Columbia War Papers, series 1, No. 6, division of intelligence and publicity, Columbia University, 1917.

As soon as the people of this country realize that world war is threatening world famine no patriotic citizen, whatever his views on other aspects of the alcohol problem, will hesitate to favor war-time prohibition.

Mr. McNARY. Mr. President, it is not my purpose to discuss the pending constitutional amendment. There has been so much said upon the subject that I do not feel I can add anything of value. I wish to say, however, that I am in favor of the amendment and expect to vote for it.

Oregon is one of the States recently to adopt prohibition. I think it will be refreshing and perhaps interesting to offer some evidence of the results of prohibition in that State.

In 1915 the State ingrafted an amendment upon the constitution known as the partial-prohibition amendment. In 1917 the State adopted what is known as a bone-dry amendment to the constitution. Consequently Oregon is one of the baby prohibition States. I think the structure of society is about the same the country over, and what necessarily has proven to be a wholesome principle of government for the people of Oregon will necessarily, as a social question, prove to be an excellent rule of conduct to be applied in the Eastern, Southern, Middle, or Western States.

This question might properly be discussed from the standpoint of its economic value or its social effect. It has an equal merit as a political question, as has been stated so splendidly by the Senator from California [Mr. JOHNSON]. It has been facetiously said of Oregon that it is one of the experimental States in the field of legislation. I accept that statement as an honor. We have introduced several forms of government and have not made a single failure. I am in accord with the Senator from the Pacific coast when he says that it is safe to leave any question with the people.

Within the human minds in our State and along the whole coast there has been clearness of thought and squareness of mind among the people upon all questions of government coming before them to settle, whether it involved a statutory or a constitutional problem. I have abiding faith in the people, and I believe the constitutional amendment should be submitted.

I wish to submit and read a telegram from the governor of our State, Mr. Withycombe, as to the effect of partial prohibition and the effect of bone-dry prohibition, which has obtained in that State since 1915:

SALEM, OREG., *July 30, 1917.*

Hon. CHARLES L. MCNARY,
United States Senate, Washington, D. C.:

General effects of prohibition decidedly good; crimes growing less; jails empty; workingmen more prosperous; committed to penitentiary, 1914, 257; 1915, 261—

I might add that that was before Oregon adopted the prohibition amendment to the constitution—

1916, 148

That was after prohibition had been tried three years, a reduction of 100 per cent.

Savings deposits 1915 thirty-seven and one-half millions, 1916 forty-five and one-quarter millions.

JAMES WITHYCOMBE.

I have a telegram from Mr. John F. Carroll, editor of the Telegram, one of our leading papers, which I will ask permission to have inserted in the RECORD.

The PRESIDING OFFICER. Without objection, leave will be granted. The Chair hears no objection.

The matter referred to is as follows:

PORTLAND, OREG., *July 31, 1917.*

Senator CHARLES L. MCNARY,
Senate Chamber, Washington, D. C.:

Prohibition has had a remarkable tendency to decrease crime and enhance the moral and economic situation in Oregon. This is strikingly illustrated by statistics for the year 1916, when partial prohibition became effective, allowing 2 quarts of whisky or two dozen quarts of malt or vinous liquors a person every 28 days, over 1915. Statistics for 1917, when bone-dry law went into operation, reveal still further increase in morality and economic and a corresponding decrease in crime over 1916. The adoption of prohibition has caused depression in only a few lines of business, and this depression is practically confined to Portland. Investigation by the Portland Chamber of Commerce of conditions throughout the State as a result of prohibition revealed hearty approval by bankers, merchants, shopkeepers, and fathers, with practically no loss of building occupancy in the smaller towns. In these towns bankers and merchants say there is more money, and collection agencies have virtually been put out of business. In Portland, however, according to the chamber's investigation, the immediate results were not so beneficial, but business depression has been limited to hotels, taxicab companies, clubs, and kindred enterprises. Prohibition has seriously affected club life in Portland, members preferring resigning to making up the deficits that followed the closing of the buffets, but Portland has always enjoyed being called a home city and club life has never been a predominant feature of the city. On the other hand, according to the chamber of commerce, all large employers of labor are thoroughly in favor of prohibition, even those who before the election opposed its adoption. It produces efficiency, they assert, and tends to avert accidents, especially Monday mornings. The rent situation in Portland was seriously affected in certain down-town districts. This, however, has almost been remedied. Wholesalers and other merchants declare collections are better and larger quantities of groceries, clothing, shoes, and other necessities are being purchased than before prohibition was adopted. The chamber's investigation also revealed a huge decrease in diseases. Veneral diseases, according to the report of the chamber's committee, have disappeared to such an extent that most of the so-called, "specialists" of the medical profession have left the State. Records in the office of the sheriff of Multnomah County show that there are now confined in the county jail one-half the number of prisoners incarcerated in 1916. These records also show there is now 1 arrest where there were 20 in the time when Oregon was wet. In 1915 there were 2,219 commitments to the Multnomah County jail; in 1916 there were 1,482; during the first six months of 1917 there were 914. The last number includes many slacker arrests, pending investigation of registration and other incidents in preparation for war. Police records for Portland show there were 91 arrests for nonsupport in 1915 and 31 in 1916. There were 344 insane commitments in 1915 and 256 in 1916. The police sent 406 vagrants to the county jail in 1915 and 32 in 1916. During the month of December, 1915, there were 215 prisoners in the county jail, and in December, 1916, only 62 prisoners were confined in the jail. Police records also show there were 18,243 arrests in 11 months of 1915, and for the corresponding period of 1916 there were 10,042 arrests. The police arrested 6,305 person for intoxication in 11 months of 1915 and 1,820 persons for that offense during the corresponding period of 1916. In 1915 the Oregon State penitentiary had a population of 566, in 1916 there were 440 persons in the institution. Police records in Portland for the first six months of the current year show that there were approximately half as many arrests as were made for the corresponding period of 1915. Bank clearings for Portland in 1915 amounted to $544,446,756 and in 1916 $649,775,141. Deposits in 1915 amounted to $72,577,031, in 1916 $91,894,478. Savings deposits in banks of the State in 1915 amounted to $21,352,228, and in 1916 $25,445,242. Time deposits in the banks of Oregon for 1915 amounted to $14,835,474, for 1916 $17,932,235. The record for the post office of Portland in 1915 was $1,216,571, for 1916, $1,225,000.

JOHN F. CARROLL.

Mr. MCNARY. I wish to read another telegram. It is from the president of the Anti-Saloon League:

PORTLAND, OREG., *July 30.*

Hon. CHARLES L. MCNARY,
United States Senate, Washington, D. C.:

Oregon public sentiment increasingly and overwhelmingly favorable to national prohibition. Have secured data from Mayor Albee—

The mayor of our largest city, Portland—

showing first year under prohibition reduced Portland's arrests of drunks and vags from 10,116 to 2,790. Bank deposits increased seven millions. One hundred and six less inmates at county poor farm. Strikes far more easily handled. Salvation Army captain estimates city morals improved 90 per cent.

B. LEE PAGET.

I desire permission also to have printed in the RECORD a telegram from Mr. Baker, president of the Oregon Anti-Saloon League, and also an editorial from the Portland Oregonian, one of the leading and most substantial papers in the West.

The PRESIDING OFFICER. Without objection, leave will be granted. The Chair hears no objection, and it will be so ordered.

The matter referred to is as follows:

PORTLAND, OREG., *July 28, 1917.*

Hon. CHARLES L. MCNARY,
United States Senator from Oregon,
Senate Office Building, Washington, D. C.:

Economic conditions: Bank clearings 1915 (with saloons), fifty-four millions; 1916, prohibition, forty-nine millions. Bank deposits 1915, seventy-two millions; 1916, ninety-one millions. Savings deposits 1915, fourteen million; 1916, seventeen million. No decrease in population caused by prohibition; practically every business man says prohibition increased business 75 per cent. Old saloon locations snapped up by other business within 30 days. No vacancies now. All classes credit men report business better; collections better. After saloon driven out, hotels, big department stores said business better. Laundry business, milk business, jewelers, motion pictures and theaters, shoe stores, specialty stores, tailor and clothing stores, restaurants; all classes for prohibition. Employers report gain of 25 per cent efficiency of employees, especially logging camps and lumber mills.

Social conditions 1915: Nonsupport cases (Portland), 91; 1916, 31. Insane commitments 1915, 344; 1916, 256. Vagrants (county jail, Multnomah) 1915, 406; 1916, 32 prisoners. Multnomah jail, December, 1915, 215; December, 1916, 61. Arrests by Portland police 11 months 1915, 18,243, 11 months 1916, 10,042. Intoxication cases, 11 months 1915 (Portland), 6,305; 11 months 1916 (Portland), 1,820. Number commitments Oregon State Penitentiary 1915, 566; 1916, 440.

Public officials of Oregon say: Gov. Withcombe, proving phenomenal success from economic and moral standpoint. Albee, mayor, one of greatest forward steps ever taken by city. Alderman, superintendent of schools, school children better clothed, fed, shod; attendance improved materially. Walter Evans, district attorney, crime cut in two. Clark, chief of police, from police standpoint a good thing. Hurlburt, sheriff, moral effects wholly good. Stelner, superintendent State In-

sane Hospital, decreased number insane commitments, and is bound decrease prevalence of paresis. Langguth, municipal judge, good thing in every particular.

BAKER, *President Oregon Anti-Saloon League.*

[From Portland Oregonian of Dec. 31, 1916.]

DRY OREGON GROWS.

The recent investigation led into almost every avenue of trade, for the purpose of learning just how business had been affected.

With the exception of those lines dependent directly or partly on the saloon business for their business not a single merchant reported that prohibition had hurt him.

Contrary to expectations the laundry business has not suffered. Laundries did a heavy business in washing bartenders' jackets and aprons and supplying towels, but they have made that up by branching into the domestic trade, and a canvass of their books shows an increase of about 5 per cent.

All lines of legitimate merchandise have improved. This seems to be particularly true of jewelry stores. Men who formerly spent their money for drinks now are buying jewelry. One jeweler only a block from the water front opposed prohibition vigorously in 1914. Within a block of his store were seven saloons. When the State went dry he tried to sell out. He could not. An ironical turn of fate placed jewelry stores in two of the rooms vacated by saloons. Then he tried to close out. In the process he found his business growing. Now he is doing 20 per cent more business than a year ago.

Motion-picture theaters, vaudeville theaters, and all public amusement houses are doing more business than ever.

Shoe stores also report an improvement, particularly in the part of the west side east of Third Street. Shoe dealers agree that they are selling a greater proportion of children's shoes now than they did a year ago. The assertion that children are better shod is corroborated by the school authorities.

The big specialty stores and big department stores are unanimous in the assertion that prohibition has not hurt their business. All of them are doing more business now than a year ago.

A prominent merchant tailor who worked hard against prohibition two years ago now asserts that he would work just as hard the other way; that men are now buying better clothes and a greater percentage are paying cash for them.

Every credit man reports that collections are better under prohibition. This is particularly true of the smaller stores. The big wholesale houses report that their collections are better.

The passing of the saloon has left no abnormal number of vacant storerooms. In the main business district all but three of the rooms formerly occupied by saloons are now filled with legitimate lines of business. More than 75 per cent of the old saloon locations were snapped up by other business men within a month after the saloons went out of business.

Prohibition Portland has attracted more tourists than Portland with its saloons ever did in a normal year.

All the first-class hotels report better business this year than in any normal year before the saloons were wiped out. Naturally those hotels that made a heavy profit from their bars are suffering just that much less, but their other departments continue to make money. Some of them are absorbing the losses due to the elimination of the bar by the increased business in their rooms and restaurants. Hotel men say there is no reason why a hotel should depend on its saloon to carry along the rest of the house any more than a good department store allows its shoe business, for instance, to carry the losses of its dress-goods department.

Employers assert that those of its employees formerly inclined to drink have gained fully 25 per cent in efficiency. This is particularly true of logging-camp operators.

Mr. SHAFROTH. Mr. President, the temperance movement in the United States may be divided into three epochs. The movement was first started by the appeal to the individual. Temperance societies were formed. The people were asked to sign pledges to abstain from the use of intoxicating liquor, and a considerable advance was made thereby. However, we know that such promises are often broken under exposure to the allurements of the saloon, and many signers of the pledge fell victims to temptation. It is still true as it was in Shakespeare's time that "If to do were as easy as to know what were good to do, chapels had been churches and poor men's cottages princes' palaces."

Because of failure to produce the expected results the temperance people saw it was necessary to take a further step in the direction of obtaining abstinence.

STATE PROHIBITION.

The second movement was an appeal for restrictive legislation by the States, namely, high license; an appeal to cities to pass ordinances prohibiting the use of intoxicating liquors in wards and cities; and appeals for local-option laws in counties; and at last State-wide prohibition.

It is needless to say, Mr. President, that the use of intoxicating liquor has been demonstrated by the medical fraternity to be most deleterious to health. A little book came to me on yesterday entitled "Alcohol," by Eugene Lyman Fisk, in which I have found some very valuable information. I found that in England of the people who abstained from the use of intoxicating liquor 37 per cent less died than those of the ordinary risks in the life insurance companies of Great Britain. In other words, the man who abstained lived longer, he was a better risk. Speaking of the British Life Assurance Co., it is interesting to note this paragraph:

This institution was founded at a time when the total abstainer was looked upon as a "queer duck," probably mentally unbalanced and certainly physically weak. In fact, this particular company was founded by a man who had been asked to pay an extra premium because he insisted on being a total abstainer.

* * * * * * *

It is of interest to know that, while in the course of the company's whole experience the excess mortality among users was 37 per cent, the mortality among users between the ages of 35 and 40 was 83 per cent in excess, showing the influence of some extremely unfavorable factor at that critical period.

The American insurance statistics show practically the same facts.

Mr. President, a powerful reason why the States should have enacted legislation establishing prohibition is found in statistics which show that the paupers in prohibition States are only 46 to every 100,000 of population, that in the near prohibition States they are 54, that in the 13 partially licensed States they are 123, and in the 9 license States the ratio is 127 paupers to every 100,000 of population.

Statistics taken from the United States census reports show that in prohibition States only 118 are insane to every 100,000 of population; in near prohibition States the number is 150, in partially license States it is 242, and in license States it is 276 insane out of every 100,000 inhabitants.

The increase of the products of manufacture in States during the 10 years preceding 1909 has likewise shown the advantages of prohibition. In dry States the increase of products manufactured has been 116.3 per cent, in near prohibition States 85.6 per cent, in partially license States 82.2 per cent, and in license States 73.7 per cent.

The United States census reports also show that the number of crimes committed in prohibition States is far less than in the States where liquor is sold. It is the saloon that attracts the criminal, and it is the saloon that lures so many of the young men of our country to their destruction.

In Fisk on Alcohol, at page 183, I find the following:

At the meeting of the American Medical Association held on June 6, 1917, Dr. Charles H. Mayo, the noted surgeon, in his presidential address stated that the only legitimate use for alcohol was in the arts and sciences, and that its use in medicine had become greatly restricted because other less menacing drugs and remedial measures could be used instead.

The association then passed the following resolution:

Whereas we believe that the use of alcohol is detrimental to the human economy; and

Whereas its use in therapeutics as a tonic or stimulant or for food has no scientific value: Therefore be it

Resolved, That the American Medical Association is opposed to the use of alcohol as a beverage.

The Pirogov Society, the leading medical association of Russia, on May 29, 1915, approved and published a document containing the following:

Scientific facts (drawn from physiology, pathology, and clinical experience) compel us to place alcohol and substances containing alcohol in the class of poisonous and injurious things. Alcohol is a typical narcotic poison, which taken in small doses from the beginning disturbs the highest functions of the brain cells and consequently causes a series of pleasant but illusory feelings of warmth, energy, bravery, etc. * * *

The use of small doses of alcohol—always a narcotic poison—develops in some men whose constitutions are weak severer forms of alcoholism, that are obviously the cause of much personal and social unhappiness. It has been proved that a regular consumption of small doses increases morbidity, mortality, the number of accidents, mental sicknesses, suicides, crime of every type, a both qualitative and quantitative minus of capacity in both mental and physical work. The concept "moderation" can not be used for habitual use of alcoholic drinks since the customary use of a poison is nonmoderation and misuse.

These are some of the reasons why the States took hold of the question and passed high license and prohibition statutes for cities and towns and finally for the States themselves.

Yet, Mr. President, notwithstanding these laws, we have not been able to enforce absolute prohibition. And why? It is because surrounding the States that have established prohibition are States that declare it lawful to sell intoxicating liquors, and it is impossible to prevent the importation of liquor into prohibition States so situated. Consequently, notwithstanding prohibition has been extending until now it is the law in about 26 States, yet it is impossible to enforce absolute prohibition under that system.

From the Statistical Abstract for 1916 I take the following, showing the consumption in gallons per capita of intoxicating liquors:

	Distilled.	Wines.	Malt.	Total.
Average of 1881 to 1890	1.34	0.48	11.38	13.20
1916	1.35	.46	17.59	19.40

Mr. President, what necessity, then, arises from that condition? The necessity of having a Nation-wide prohibition constitutional amendment. That is the necessity. That seems the only remedy to prevent the shipment of liquor from one State to another.

I heard the colloquy between the Senator from Missouri [Mr. REED] and the Senator from Kansas [Mr. THOMPSON] as to whether the prohibition law in Kansas had been a success.

One declared that it had been and the other insisted that it had not, but every contention of the Senator who declared the law a failure demonstrated the necessity for a national constitutional amendment. The very thing that prevented the State of Kansas from enforcing absolute prohibition was the fact that liquors from other States adjoining had been surreptitiously taken into that State.

NATIONAL PROHIBITION.

Mr. President, it does seem to me that when the temperance people have tried in two different ways to get absolute prohibition and have not been completely successful, the last resort and the third appeal should be made to the Nation. The Nation is deeply interested in this question. It has been said that the War College division of the United States Army made an estimate of the number of killed and wounded in the wars of all history from 500 years before Christ to the Russian-Japanese War of a few years ago, and it was found that in all those wars the total killed and wounded was 2,800,000 men, and of that number it was estimated that 700,000 were killed and 2,100,000 wounded.

Mr. President, it is also stated that Mr. Hobson in a lecture that the number of deaths from alcohol among the people of the white race in the world is 3,500,000 every year. If that is true you can readily see that war losses are but an inconsiderable fraction compared to the losses chargeable to the account of intoxicating liquors. It is said, therefore, that every year there die from the use of intoxicating liquors five times as many persons as the total of all the victims in the wars of the world for 2,300 years.

The National Government can more certainly enforce its liquor legislation. The Federal courts are feared, and hence laws will be observed. As a State can not under our dual form of government establish complete prohibition, any State is justified in urging a national constitutional amendment for prohibition for its own protection. Otherwise 36 States could not protect themselves against 12 Commonwealths. What a great interest, then, has the Nation to see that her citizens are preserved, ready to defend her in all times of stress and need.

The PRESIDENT pro tempore. The time of the Senator from Colorado has expired.

Mr. JONES of Washington. Mr. President, when the amendment of the Senator from Ohio [Mr. HARDING] was suggested to me I said I would not support it under any circumstances. I said I would not vote for any limitation upon the submission of the constitutional amendment. Furthermore, I expressed the opinion then that has been expressed here by the Senator from Idaho [Mr. BORAH] and by other Senators—that Congress has no power to put in a limitation of that kind.

But, Mr. President, after more consideration and reflection and ascertaining the situation in the Senate, I have changed my mind with reference to my vote upon the amendment. I have determined that I will vote for that amendment largely for the reason stated by the Senator from Kansas [Mr. CURTIS]. Everybody recognizes that it is very difficult to get a two-thirds vote in the Senate upon a proposition about which there is serious controversy. A very careful investigation has convinced some of us that a two-thirds vote is very uncertain unless this limitation is put on. Some Senators feel that without the limitation they can not vote for the resolution. They feel that with the limitation they can vote for it.

It seemed to me, as a friend of the resolution, that I could afford to vote for a provision that would very likely insure the submission of this amendment to the people of the country and give an opportunity for the adoption of that which so many of us are very earnestly in favor of.

I will say frankly that this phase of the matter also influenced me. If the amendment is submitted with this limitation, and it is not ratified in six years, there is nothing to prevent Congress from a resubmission. In my judgment it will be ratified in six years; but suppose it is not and lacks simply one or two States. If two-thirds of the States of the country have voted to ratify the amendment, there is no power on earth that can prevent Congress from resubmitting it immediately, and Congress will do it. The liquor interests—I do not refer to anybody in the Senate—but the liquor interests that would like to see a limitation of this kind would like to see the resolution defeated. They should recognize now, and this is not uttered as a threat, but it is simply based upon the sentiments and conditions throughout the country, that their business is doomed, and that if this limitation is put on and the amendment is not ratified in six years it will be resubmitted, if necessary, and the contest will go on until it is settled in the right sort of a way.

Now, looking at it in that way, I can not see anything that the friends of temperance will lose by the adoption of the resolution with the amendment of the Senator from Ohio upon it. I do not think it ought to be put on. I think that this amendment ought to be treated just as every other constitutional amendment has been treated in the past. We never have submitted a constitutional amendment with a limitation of this kind before, but it simply illustrates what the temperance forces are up against in their contest with the liquor traffic. Whatever they get they must get by main strength, to use a common expression, by main strength and pure awkwardness. We have to take whatever we can get and then go forward for something else. It is just like the condition of the allies on the western battle fronts of Europe. They have to go forward inch and trench at a time. That seems to be the condition which confronts us on this proposition.

I recognize, as has been suggested by the Senator from Iowa, that it may give rise to litigation and matters of that kind, but that will not delay matters any more than we will be delayed if we fail to pass the resolution at this time. I am willing to take the resolution with this limitation upon it in order to have the amendment submitted and give the people of the country an opportunity to pass upon it, because I believe they will act favorably within the six years. If they do not act favorably within the six years there is nothing to prevent us from resubmitting it to the States at the end of six years, and we will resubmit it if necessary.

I am inclined to think also that if this limitation is put on the contention of Senators is correct, and it is the view that I really hold with reference to the matter, that if Congress has not the power to put that limitation on it will not affect the amendment; it is not any part of the amendment. The very language of the resolution determines and specifies what the amendment is, and that is the proposition which is submitted to the States. If the Supreme Court should hold that we went beyond our power in putting on this limitation—and I believe it would hold that it would not affect the amendment itself; I may be mistaken, but even if it should we have not lost anything, in my judgment.

So, Mr. President, for these reasons I am going to vote for the amendment of the Senator from Ohio.

Mr. VARDAMAN obtained the floor.

Mr. CUMMINS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Iowa?

Mr. VARDAMAN. With pleasure.

Mr. CUMMINS. Not to be taken out of the time of the Senator from Mississippi, I wish to make a suggestion, which I have a perfect right to make in my own time. I am very earnestly for the proposed amendment of the Constitution. I do not want to divide the friends of the resolution. I feel impelled to oppose the amendment proposed by the Senator from Ohio, but under the circumstances I withdraw the amendment which I offered to the amendment proposed by the Senator from Ohio.

Mr. VARDAMAN. Mr. President, for me to express my views upon this question would be but to repeat a thrice-told tale vexing the dull ears of a hot and weary Senate. My first political service was rendered in opposition to the open saloon. In those days in Mississippi to fight the liquor traffic was not a pleasant pastime. In some communities the men interested in the saloon business and their patrons regarded the temperance advocate as a usurper—one who was trying to take from them the blood-bought privileges of citizenship.

Notwithstanding that trying ordeal, I have advocated prohibition in the towns, cities, counties of my State, and finally the State and the Nation all these years even before I became a voter.

I have looked forward to this day with longing and with high hopes of what it may bring to the people of America. I wish that Congress had the power to enact a law this afternoon prohibiting the manufacture and sale of intoxicating liquors. I would have action immediately.

As has been so clearly and conclusively stated on the floor of the Senate this afternoon, the liquor traffic is probably the most insidious economic enemy to the human race and liquor itself the most destructive poison that ever polluted the blood of men or fired the heart to dastardly things.

I shall not vote for the amendment offered by the honorable Senator from Ohio [Mr. HARDING], because I believe the purpose of that amendment is not to promote the cause of prohibition or further the cause of temperance. Whatever may be the protestations, I can not believe that any Senator opposed to the resolution providing for nation-wide prohibition will be induced to vote for that resolution because of the adoption of the amendment offered by the Senator from Ohio. Senators opposed to the so-called Sheppard resolution will not support it if the Harding

amendment shall be adopted unless the so-called Harding amendment gives the whisky interests some decided advantage.

Now, regardless of the constitutional objection urged by the Senator from Idaho [Mr. BORAH], if this resolution shall be agreed to by the States, there is no doubt in my mind but that it will stand the test in the courts and prohibition will exist throughout the Republic. But if the six years shall elapse before the adoption by the States of this resolution, it is my judgment that it will require another six years before we can hope to carry the constitutional amendment through all the State legislatures. I think the adoption of the amendment offered by the Senator from Ohio will be surrendering a great deal to the advocates of the liquor cause. It means delay in the consummation of the great scheme for national prohibition for which we have worked and the good women have prayed for all these years.

I repeat, Mr. President, that I do not believe the joint resolution offered by the Senator from Texas will receive a single additional vote on its final passage because of the adoption of the amendment offered by the Senator from Ohio. I think the issue ought to be made squarely. I am opposed to muddying the waters or throwing dust in anybody's eyes. I think it will be eminently unfortunate for Congress to write something into the joint resolution not authorized by the Constitution, the effect of which will be to hinder, delay, and create doubt as to what the resolution really means and finally defeat its purposes. The cause of temperance is a holy cause. This campaign for prohibition is inspired by the loftiest motive and highest altruism, and I do not think the cause would be promoted by accepting this amendment or anything akin to it. I believe the righteousness of the cause for which we contend demands that our fight be made along straight lines. Let this joint resolution be passed unamended, so that the American people can know exactly what they get when it is passed.

Mr. STONE. Mr. President, may I interrupt the Senator from Mississippi?

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Missouri?

Mr. VARDAMAN. With pleasure.

Mr. STONE. The Senator says that he does not believe that a single vote would be added to the final vote for the joint resolution offered by the Senator from Texas by adding to it the amendment proposed by the Senator from Ohio. The Senator ought not to say that, I submit to him, when Senators on the floor and otherwise have given assurance that they would vote for the joint resolution if it were so amended.

Mr. VARDAMAN. Well, I will say to the Senator from Missouri that I have not heard a Senator make that statement. I heard the Senator from Washington [Mr. JONES] state a moment ago that he had been assured that Senators would so vote, but I can not understand why a Senator would vote for the joint resolution if he is opposed to prohibition. What advantage is to be gained by his side of the question by the adoption of the amendment offered by the Senator from Ohio, unless it is that it shall give the whisky interests some advantage in the ratification of the amendment by the States? If that be true, certainly no friend of prohibition should consent to the amendment. To do so would be an unfortunate surrender by the friends of prohibition to the advocates of the liquor traffic.

That is all I have to say, Mr. President. I am going to vote for the joint resolution providing for nation-wide prohibition, and, as I have so often said heretofore upon the floor of the Senate, I hope from the depths of my heart that the joint resolution may receive the constitutional two-thirds majority, and as a result America may become a Nation of sober and temperate people, holding the preservation of the body and the salvation of the soul of more value than sordid gold.

Mr. PHELAN. Mr. President, I ask leave at this time to submit an amendment, so that it may be considered as pending.

The PRESIDENT pro tempore. Without objection, the amendment will be received and considered as pending.

Mr. PHELAN. May I ask to have it read, Mr. President?

The PRESIDENT pro tempore. The Secretary will read the amendment, if there be no objection.

The Secretary read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein). That the following two amendments to the Constitution be, and hereby are, proposed to the States, to become valid as a part of the Constitution when ratified by the legislatures of the several States as provided by the Constitution:

ARTICLE —.

SECTION 1. The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, and the exportation thereof from, the United States and all territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited: *Provided* That this article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States as provided by the Constitution, on or before the 1st day of July, A. D. 1927.

SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

Mr. PHELAN. Mr. President, I do not think the Secretary read the alternative amendment which I submitted. I beg to call attention to the fact that I proposed two amendments. One is the Sheppard amendment with the addition of the time limitation, and the second amendment proposes to strike out the word "intoxicating" and to substitute the words "distilled spirituous," so that the people of the States will have the alternative of either abolishing the manufacture of whisky, wine, and beer, or of whisky only. I ask that my second amendment be read.

The PRESIDENT pro tempore. If there be no objection, the Secretary will read as requested.

The Secretary read as follows:

ARTICLE —.

SECTION 1. The manufacture, sale, or transportation of distilled spirituous liquors within, the importation thereof into, or the exportation thereof from, the United States and all territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited: *Provided*, That this article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, on or before the 1st day of July, A. D. 1927.

SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

Mr. SHEPPARD. Mr. President, I do not entertain the fears which have been expressed by the Senator from Idaho [Mr. BORAH], the Senator from Iowa [Mr. CUMMINS] or the Senator from Mississippi [Mr. VARDAMAN] and other distinguished Senators in this Chamber regarding the amendment proposed by the Senator from Ohio [Mr. HARDING]. No one appreciates the high capacity, the unquestioned integrity, or the devotion to prohibition of these Senators more than I. I am unable, however, to sympathize with the misgivings which they entertain. I do not believe that any limitation exists upon the power of Congress to submit a question to the States or as to the terms in which that question may be expressed. This amendment by its own terms provides that it shall be inoperative unless ratified by a three-fourths vote of the States within six years. Suppose that three-fourths of the States should not ratify the amendment by that time. There is nothing to prevent them from continuing to vote, but such a course would be so useless that it would not be pursued. Suppose three-fourths of the States should ultimately vote to adopt the amendment after six years had passed. They would have adopted an amendment that by its very terms had already become inoperative.

Besides, as the Senator from Washington [Mr. JONES] has said—and I desire to confirm everything he has said—if three-fourths of the States should not have voted at the end of six years, resubmission could be had immediately. In my judgment the cause of prohibition will have received such an impetus by the submission of this amendment that if not adopted within six years, adoption will be inevitable within only a year or two after resubmission. It is my belief that the amendment will be adopted by three-fourths of the States within six years.

Mr. STONE. Mr. President, before the Senator from Texas——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Missouri?

Mr. STONE. I beg pardon. I thought the Senator was about to sit down, and I wanted to say a word or two.

Mr. SHEPPARD. I yield.

Mr. STONE. Mr. President, this one amendment has been pending before the Senate for three hours. There are other amendments of very great importance, and we have to begin voting at 4 o'clock. After that all debate will be at an end. In good faith, under the rule we have agreed to, I submit to the Senator from Texas and to the Senate that we ought to vote upon the pending amendment and give an opportunity to present other amendments and to say a few words about them.

Mr. SHEPPARD. Mr. President, I am in entire sympathy with what the Senator from Missouri says, and if I had not felt it incumbent upon me to say what I have said I should not have taken the floor.

I merely wish to say that every amendment in the Constitution to-day was adopted within six years after it had been presented for ratification, and that the majority of these amendments have been adopted within less than two years. If there is any trick in the presentation of this amendment, that trick will be turned against its proposers.

Let me say that on looking carefully into the situation I found that this amendment could be voted on and could in all

probability be passed if such an amendment as this could be added. I hope, therefore, that it will be agreed to.

Mr. GRONNA. Mr. President, I have not occupied a moment of the Senate's time on this question, and in view of what the Senator from Missouri [Mr. STONE] has just said, I shall not even take the 10 minutes which I am allowed under the unanimous-consent agreement. I would not, if I had the time, go into the merits of this question; it is not necessary for me to do that. I represent a State which has never had a licensed saloon since it became a State. We know the value of prohibition; we know what it has done for the people of that State morally and financially.

But, Mr. President, I rose merely to express my disapproval of the amendment proposed by the distinguished Senator from Ohio [Mr. HARDING]. To me, being a layman, it is really remarkable that there should be any disagreement among lawyers as to the constitutionality of the amendment offered by the Senator. To a layman it is perfectly plain that that amendment would not be a part of the Constitution unless adopted as a separate provision; it could not be. But if the proposed amendment is submitted to the people of this country illegally the courts will have to hold that Congress exceeded its authority and that it had been illegally submitted to the people.

I desire to say to those Senators who are anxious to have this amendment adopted, do not forget that you are allowing six years' time for this amendment to be either approved or rejected. I believe it would be better for the people of this country and for those who are in favor of national prohibition to have the amendment defeated to-day than to present a sham and a fraud to the American people. The very arguments used by distinguished Senators on the floor will be used by the liquor interests; the very statements which have been made by eminent Senators and constitutional lawyers will be the very weapons seized upon by the liquor interests of this country; and they will say, "It makes no difference to us whether you approve or reject the amendment, because it is clearly unconstitutional."

If this proposed constitutional amendment were defeated to-day, it could again be acted upon by Congress and submitted to the people in the way that all constitutional amendments have been submitted. When a moral and economic question like this is to be submitted to the American people, I ask why is it necessary to proceed in such an unusual way and place a limitation upon it? Such a thing has never been done in the history of this country. I would not object to a proposal general in character which would place a time limit upon the ratification of any proposed constitutional amendment presented to the American people; but, Mr. President, I do not believe it is fair to those who are honestly in favor of prohibition to hamstring this proposed amendment by placing a limitation upon it when Senators, who are eminent lawyers, have expressed the opinion that it is very likely to be held to be unconstitutional. It has been stated by the Senator from Idaho [Mr. BORAH], the Senator from Connecticut [Mr. BRANDEGEE], and by other Senators that, in their judgment, the adoption of the amendment of the Senator from Ohio would be likely to result in having the whole amendment declared unconstitutional. For that reason, Mr. President, I can not vote for the amendment submitted by the Senator from Ohio. I had hoped that I would be allowed to vote for a plain, simple amendment to the Constitution giving the people of this country the right to determine whether or not they desire constitutional prohibition.

Mr. LA FOLLETTE and Mr. STERLING addressed the Chair.

The PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, I have never believed in the principle of prohibition and therefore have never supported it. I do not believe that it offers the best method of dealing with the problem involved.

No statute can vindicate itself. Except the citizenship of a county, a State, a community can in truth say, "This law is bone of our bone and flesh of our flesh"; it can not be a living, vital, enforcible statute.

The laws of our country rest not upon the bayonets of an army but upon the convictions of the people. All laws must be enforced locally. Wherever the matured, settled purpose of a majority of a community supports a law, that law will be enforced. Wherever a law is imposed upon one community against its will by those outside of that community, it is very certain to fail of enforcement to such an extent as to bring reproach upon all law and order within the community.

I think never in my political experience have I had the support of the prohibitionist, and it is very certain that I have uniformly had the opposition of the brewing interests of Wisconsin. So I can fairly say that my course upon legislation involving prohibition has been one altogether uninfluenced by questions of political expediency.

But, sir, for 30 years I have been at all times devoted to the principles of democracy. I believe that the voters of the country should have a larger and ever a larger voice in their Government.

If it were within my power to do so, I should give to the citizenship of the country the power under the initiative and the referendum and the recall to—

First. Initiate legislation and the submission of constitutional amendments for a vote of the people whenever their legislative representatives neglect or refuse to respond to the public will in the enactment of any law or the submission of any constitutional amendment demanded by a majority of the voters concerned;

Second. To veto and annul any bad law enacted by their representatives; and

Third. To recall all representatives who dishonor their commission by betraying the public interest.

If the people of this country possessed the power which the referendum would invest them with, the draft law would be promptly referred to the voters of the country to determine whether it should remain the law or be repealed or annulled.

If the right to initiate legislation had been conferred upon the people of this country, they would not have been obliged to wait 40 years from the time when they began to demand of Congress the enactment of a law for postal savings banks, before Congress finally passed such a law, nor would the people have been denied by Congress the enactment of the parcels-post law for 25 years, nor compelled to wait 17 years for the passage of a pure-food law to prevent the sale of adulterated and poisonous foods and drugs.

If the people had been in possession of the power to initiate and submit a constitutional amendment for the voters of the country to pass upon through their legislatures or through conventions to be held as provided in the Constitution, then they would not have been obliged to wait for 80 years from the time they first petitioned Congress for an opportunity to so amend their Constitution as to enable them to elect United States Senators by direct vote.

Mr. President, if the people had been in possession of the power to initiate and submit constitutional amendments, they would not have been compelled to wait 14 years for Congress to give them the chance to so amend their Constitution so as to tax the incomes of the rich, which were in the main escaping taxation altogether. And, sir, the people would within the last three years have initiated the submission of an amendment so changing the Constitution that the Congress, excepting in case of actual invasion of our soil, could pass no declaration of war without a final vote of approval thereon by the people, who are compelled to fight the battles and foot the bills.

Without the right to initiate such a constitutional amendment, as the result of the experiences that have come upon us within the last six months, I venture the prediction that this body will be compelled to give the people a voice in declaring war.

Mr. President, while I believe that the people have in large measure lost control of their Government and while I believe the proof is overwhelming that Congress does not respond in the enactment of legislation to the will of the people, still, sir, I do not believe that government of the people, for the people, by the people has perished from the earth. If it had, there might be some occasion for jubilation behind some of the desks on this floor. I believe that I shall live to see real representative government, a government by and for the people, brought back to the people again. I have faith.

And, sir, I shall, so long as I remain in public life, do all within my power to make the will of the people the law of the land.

I should be untrue to my convictions in support of democracy, if I did not vote to give the people a right to pass upon the pending amendment to the Constitution.

The PRESIDENT pro tempore. The time of the Senator from Wisconsin has expired. The question is on the amendment of the Senator from Ohio. [Putting the question.]

Mr. CUMMINS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. MYERS (when his name was called). I have a pair with the junior Senator from Connecticut [Mr. MCLEAN], who is absent. I transfer that pair to the Senator from South Dakota [Mr. JOHNSON] and vote "yea."

Mr. SMITH of Michigan (when Mr TOWNSEND's name was called). I desire the RECORD to show that my colleague [Mr. TOWNSEND] is detained from the Chamber on account of sick-

ness in his family. He is paired with the Senator from Arkansas [Mr. ROBINSON].

The roll call was concluded.

Mr. SUTHERLAND. I desire to announce the absence of the senior Senator from West Virginia [Mr. GOFF] on account of illness. I will let this announcement stand for the day.

Mr. ROBINSON (after having voted in the affirmative). I have been advised that the Senator from Michigan [Mr. TOWNSEND] would vote on the submission of this amendment as I myself intend to vote, and I therefore voted. I have in my hand a telegram to his colleague, which, with the consent of his colleague, I will ask to have inserted in the RECORD. I do not know how my pair would vote on the amendment of the Senator from Ohio, and I therefore withdraw my vote on that amendment.

The PRESIDENT pro tempore. The request of the Senator, without objection, will be granted and the telegram inserted in the RECORD.

The telegram is as follows:

JACKSON, MICH., *July 30, 1917.*

Hon. WILLIAM ALDEN SMITH,
United States Senate, Washington, D. C.:

Regret that sickness in my family compels my remaining in Jackson. I believe that the States should settle the prohibition question through a constitutional amendment. If I were present, I should vote to submit amendment. Am paired with Senator ROBINSON.

CHAS. E. TOWNSEND.

Mr. MARTIN. I desire to state that the senior Senator from Maryland [Mr. SMITH] is detained from the Chamber by illness. He is paired with the senior Senator from Vermont [Mr. DILLINGHAM].

The result was announced—yeas 56, nays 23, as follows:

YEAS—56.

Ashurst	Harding	Martin	Simmons
Bankhead	Hitchcock	Myers	Smith, Ariz.
Beckham	Hollis	New	Smith, Ga.
Broussard	James	Newlands	Smith, S. C.
Calder	Johnson, Cal.	Overman	Stone
Chamberlain	Jones, N. Mex.	Owen	Swanson
Colt	Jones, Wash.	Penrose	Thompson
Curtis	Kendrick	Phelan	Underwood
Fernald	King	Pittman	Wadsworth
Fletcher	Knox	Pomerene	Walsh
France	La Follette	Ransdell	Watson
Frelinghuysen	Lewis	Saulsbury	Weeks
Gerry	Lodge	Sheppard	Williams
Hale	McKellar	Shields	Wolcott

NAYS—23.

Borah	Kellogg	Page	Sterling
Brady	Kenyon	Poindexter	Sutherland
Brandegee	Kirby	Shafroth	Trammell
Culberson	McNary	Sherman	Vardaman
Cummins	Nelson	Smith, Mich.	Warren
Gronna	Norris	Smoot	

NOT VOTING—17.

Dillingham	Hardwick	McLean	Tillman
Fall	Hughes	Reed	Townsend
Gallinger	Husting	Robinson	
Goff	Johnson, S. Dak.	Smith, Md.	
Gore	McCumber	Thomas	

So Mr. HARDING's amendment was agreed to.

Mr. STONE. Mr. President, I offer the amendment which I send to the desk. It is to be inserted as a separate section. I have not inserted the number of the section, leaving that to be arranged later.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. It is proposed to insert in the joint resolution a new section, to precede the last section of the joint resolution, as follows:

SEC. —. The Congress shall have power to enforce this article by appropriate legislation; but this article shall not be enforced until the Congress shall have made provision for the ascertainment and payment of damages to the property employed in the manufacture of said liquors resulting from the enforcement of this article.

Mr. STONE. Mr. President, on yesterday I discussed at some length this question of compensation. I regret that the attendance upon the Senate at that time was very much less than it is now.

Mr. President, the amendment I offer proposes that the Congress shall, by legislation—such legislation as the Congress at that time shall consider advisable—provide compensation for damages done—to what? Done to property used or employed in the manufacture of the liquors the manufacture of which would be prohibited by the pending amendment, and that is all there is to it.

I can not at this time, for lack of time, discuss the wisdom or the justice of this amendment. I did that yesterday to the best of my ability. It is a question the justice of which must appeal to the judgment of every Senator. The merits of the proposal rest on the eternal, fundamental principle of right that the Congress—aye, even that the people of the United States themselves—can not take the private property of private citizens without just compensation. An act of that kind would be fundamentally wrong and violative of public morality.

That is all I have to add to what I said on yesterday.

Mr. CURTIS. Mr. President, I am opposed to the amendment offered by the Senator from Missouri [Mr. STONE]. I see no reason why it should be adopted. The people who are engaged in the brewery and distillery business are engaged in a business that has been declared by the Supreme Court of the United States to be of such a character that if the legislature of a State, and therefore if the Congress of the United States, should legislate them out of business, they have no right to claim pay for their breweries and for their distilleries.

I do not intend to take up the time of the Senate longer than to read a paragraph from a decision of the Supreme Court in the case of Mugler against Kansas, a case which went up on account of the laws enacted in the State of Kansas, where no pay was provided for the breweries and distilleries. It will be found in the One hundred and twenty-third United States Supreme Court Reports, and I will read from page 669:

It is true that when the defendants in these cases purchased or erected their breweries the laws of the State did not forbid the manufacture of intoxicating liquors. But the State did not thereby give any assurance or come under an obligation that its legislation upon that subject would remain unchanged. Indeed, as was said in Stone against Mississippi, above cited, the supervision of the public health and the public morals is a governmental power "continuing in its nature," and "to be dealt with as the special exigencies of the moment may require," and that "for this purpose the largest legislative discretion is allowed and the discretion can not be parted with any more than the power itself." So in Beer Co. against Massachusetts (97 U. S., 32): "If the public safety or the public morals require the discontinuance of any manufacture or traffic the hand of the legislature can not be stayed from providing for its discontinuance by any incidental inconvenience which individuals or corporations may suffer.

I should also like, as I shall not have time to read them, to have printed in the RECORD two paragraphs from the syllabus in this case.

The PRESIDENT pro tempore. Without objection, it will be so ordered.

The matter referred to is as follows:

Lawful State legislation in the exercise of the police powers of the State to prohibit the manufacture and sale within the State of spirituous, malt, vinous, fermented, or other intoxicating liquors to be used as a beverage may be enforced against persons who at the time happen to own property whose chief value consists in its fitness for such manufacturing purposes without compensating them for the diminution in its value resulting from such prohibitory enactments.

A prohibition upon the use of property for purposes that are declared by valid legislation to be injurious to the health, morals, or safety of the community is not an appropriation of property for the public benefit in the sense in which a taking of property by the exercise of the State's power of eminent domain is such a taking or appropriation.

Mr. CURTIS. And, Mr. President, at the request of the Senator from Washington [Mr. JONES], I ask that the letter I send to the desk be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it will be so ordered.

The letter is as follows:

THE ANTI-SALOON LEAGUE OF AMERICA,
LEGAL DEPARTMENT,
Washington, D. C., August 1, 1917.

Senator WESLEY JONES,
United States Senate, Washington, D. C.

DEAR SENATOR JONES: There are many reasons why an amendment such as the one proposed by the Senators from Missouri should be defeated. Among them are the following:

First. The courts have repeatedly held that when a person engages in a traffic which is a menace to the morals and health of the people he has no right to complain when the people use their inherent right to destroy such a traffic.

The United States Supreme Court, in the case of Muggler v. Kansas (123 U. S., 625), in referring to this power of the State to prohibit the liquor traffic, said it "can not be burdened with the condition that the State must compensate such individual owners for the pecuniary losses they sustain by reason of their not being permitted by a noxious use of their property to inflict injury upon the community."

Second. If the liquor interests thought they had a good case under the Constitution to ask for compensation, they would go into the courts and establish their claim. If a legislative body should prohibit a traffic which has inherent rights to exist, the owners of that traffic would have no difficulty in establishing their claim and receive compensation.

The liquor traffic has been characterized by the Supreme Court of the United States as "A source of crime and misery to society" (137 U. S., 86). A source of crime and misery may be permitted by the people, but it has no inherent right to exist. When the people exercise their rights such a traffic can not justly complain. Liquor dealers took a gambler's chance when they entered the business, knowing that the temporary permit which was given them might be revoked by the people at any time, and any money investment in this traffic carried this risk.

Third. Twenty-six States have abolished the liquor traffic and provided no compensation for liquor dealers. A large part of the wet States have voted "dry" and liquor dealers have not been compensated for their loss. Why should the 85 per cent of the territory that is now dry be asked to help bear the burden of compensating the liquor traffic in the few remaining States that are wet? The effect of such an amendment would make it much more difficult to secure the ratification of the

amendment in these States. If a time limit should also be added it would preclude the possibility of ratification of the amendment in the form submitted.

Fourth. A provision for compensation, even if it were just and practicable, should not be written into the Constitution. There are so many details which would enter into a provision of this kind that it would be impossible to draft it in the form which would be appropriate for the organic law.

No State or nation has ever written into its constitution a provision that its legislative body could not prohibit the liquor traffic or any other evil without first paying the trafficker in evil a compensation before such provision would take effect.

We can not believe that the Members of the Senate will support an amendment of this kind, which has no precedent and which, in the judgment of the majority of the States, has no merit.

Yours, very cordially

W. B. WHEELER,
Attorney and General Counsel.

Mr. SHAFROTH. Mr. President, the opinion which the Senator from Kansas has referred to is directly in point. I want to read a condensed syllabus of that opinion. It seems to me to state this matter very clearly and very conclusively. It is in the One hundred and twenty-third United States, at page 623. It says:

Lawful State legislation in the exercise of the police powers of the State to prohibit the manufacture and sale within the State of spirituous, malt, vinous, fermented, or other intoxicating liquors, to be used as a beverage, may be enforced against persons who at the time happen to own property whose chief value consists in its fitness for such manufacturing purposes without compensating them for the diminution in its value resulting from such prohibitory enactments.

It is based upon the general police power of the State to prohibit nuisances; and whenever a business is engaged in which, in the judgment of the State, is detrimental to the public health it has a right to prohibit it without any payment of compensation. In this instance there were three cases merged. An injunction was sought to restrain the enforcement of a statute giving the power to suppress the nuisance in the manufacture by a brewery of malt liquors.

The syllabus of the case further says:

A prohibition upon the use of property for purposes that are declared by valid legislation to be injurious to the health, morals, or safety of the community is not an appropriation of property for the public benefit in the sense in which a taking of property by the exercise of the State's power of eminent domain is such a taking or appropriation.

The destruction in the exercise of the police power of the State of property used in violation of law in maintaining a public nuisance is not a taking of property for public use, and does not deprive the owner of it without due process of law.

Everybody who engages in the liquor business knows full well when he enters it that the State or city has the power to impose such high license as will put him out of business and the power to prohibit the sale of liquor without any compensation to him. He therefore takes that into consideration when he establishes his business and relies upon large profits to enable him to take the risk.

It seems to me, Mr. President, that that decision is clearly against the position taken by the Senator from Missouri.

Mr. PHELAN. Mr. President, I submitted a moment ago an amendment to the amendment proposed by the Senator from Texas [Mr. SHEPPARD] whereby two constitutional amendments would be submitted to the people, one in the terms of the amendment proposed by the Senator from Texas, and the other in terms by which the people would have the alternative right, through their legislatures, of voting for the prohibition of distilled liquors only, so that vinous and malt liquors might still be manufactured and used.

We have heard much here about the duty of Congress to submit to the legislatures any or all constitutional amendments on the theory that the legislatures should make the decision. I am disposed to dissent from that view, because I can well understand that when the Constitution makers determined a method of amendment of the Constitution they certainly must have held that any measure which would receive the approval and concurrence of two-thirds of the Senate and two-thirds of the House was well on its way to passage; that the indorsement which it received from the fountain head of the Government at Washington might well be expected to carry it through the States, and then, if the States also concurred, doubtless it would be a wise enactment. But Senators are abrogating their privileges. They are surrendering their discretion and turning over the determination of important matters to the legislatures where special interests, actuated by good and bad motives, have, we are well aware as a matter of political experience, easy facilities for winning majorities.

Therefore I think the Senate ought to exercise its own judgment. My amendments, then, give the people in whose interest we are concerned, through their legislatures, the option of determining whether they wish to have a prohibition of vinous, malt, and spirituous liquors, or only of spirituous liquors.

I submit that the trend of all recent legislation in Washington, supported by the opinion of the President of the United States, leans to a consideration of the wisdom not of absolute prohibition but of prohibition only relating to distilled and spirituous liquors. That is recognized in the food bill. That is recognized by the Finance Committee in providing for the making of sweet wines, by reducing the rates upon the brandy used in fortification. There seems to be a general understanding that beers and light wines shall not be barred as a war measure, either for the preservation of the people against the abuse of alcohol or for the conservation of food.

That being the spirit of the times, why should not we submit to the legislatures of the States the alternative proposition? Why not give them the privilege, which they so dearly cherish, of deciding these things for themselves? Why pass up to them a hard and fast proposition that "You shall have the prohibition of all liquors, vinous, malt, and distilled, or you shall have a free charter to indulge in vinous, malt, and distilled liquors"—that there shall be no middle ground?

I was just approached by a Senator strongly in favor of prohibition who believes that distilled liquors—and distilled liquors only—are a distinct injury not only to the country in time of war but to the country in time of peace, and that their manufacture consumes valuable foodstuffs. He will favor, however, my amendment. We are in favor of putting a prohibition upon the manufacture of whisky; but the wine of the people, the beer of the people, which has done so much for the Latin countries, which has given perhaps much of the fortitude and valor not only to the French but to the Germans, showing that it can not undermine their ability as fighting men nor undermine their ability in the field of art and letters, in science, and invention, nor diminish, in the least degree their very great and considerable ability, should not be considered in the same category as distilled liquors.

I trust that the Senate will adopt my amendment, which has the support of many, for the reasons stated, and because we conserve the precious rights of the States by giving them the alternative proposition on which to vote.

Mr. WILLIAMS. Mr. President, I find—as far as I can see, at any rate—that the opposition to the Stone amendment is merely technical, based upon the idea that certain courts have decided that saloons are public nuisances. The States in which those courts acted did not decide that saloons were public nuisances. On the contrary, they had licensed the saloons. It can not be taken for granted that a State would license a public nuisance.

Mr. President, as well as I can size this up, it must come down to the real truth, the real question of honesty between man and man. No man and no number of men, if they were 99,000,000 out of a population of 100,000,000, have a right to take from any other one individual man a piece of property without paying due compensation for it. Men ought to be honest with one another and in their public legislation toward one another.

Everybody knows that as a matter of fact, if we pass this legislation, we are going to take away from a whole lot of people a lot of very valuable property rights. Whether you or I or somebody else agree that they ought ever to have been property rights is another proposition; but they have been property rights, they have been recognized as such, and you have no right—no moral right, no ethical right—to go up and place your hands upon that property and take it without compensation.

I heard an argument this morning from the Senator from Montana [Mr. MYERS] defending the very general proposition of taking slave property from the people of Kentucky and Maryland and Delaware, who had never even seceded, without paying for it. History condemns it, and history always will condemn it. Slave property might have been wrong in principle, but the Constitution had granted it, the laws had granted it; and except where a State had seceded and declared war against the United States Government, and therefore subjected itself to the rights of war rather than the rights of peace, you committed robbery and brigandage and stealing when you took their property without due compensation. It rests as a stain upon your escutcheon until yet.

So far as I am concerned, I never expect to be a candidate for office again, and I do not care what anybody thinks about what I am saying. I am trying to do what I think is right. I repeat, no number of men—I do not care how big the number is—have a right to take from me, as the only one individual in the United States, if I should be the only one, a property right without due compensation.

The Senator from Colorado [Mr. SHAFROTH] quotes some authority which justifies, or attempts to justify, this robbery upon the ground that the saloon is a public nuisance. It may have been, as a matter of fact, but it was not as a matter of law, because the law had granted the license.

I propose to vote for this constitutional amendment whether the Stone amendment to the amendment goes with it or not. I propose to vote for it for three reasons.

The first is that in doing so I shall represent the State of Mississippi, and I intend to represent her as long as I stand here as one of her Senators. She has uttered her voice in no uncertain tones. I am a State-rights Democrat, and I am going to stand by the State. My primary allegiance is due to the State, and not even to the Federal Government. That perhaps is uttering treason in this body, but at any rate that is the fact so far as I am concerned.

The next thing is that this amendment, if adopted, can do no harm, and it may do a great deal of good. Stamping the liquor traffic out of existence can do nobody any harm. It may lead now and then to the sudden death of a man who has been deprived of his liquor too quickly, but what does that amount to in comparison with the entire American people? It may do immense good.

The third proposition, Mr. President, is that whatever the good may cost, it is worth the money, and not only worth the money in the shape of stamping out the evil, but it is still better worth the money in the way of preserving and maintaining the honor of the United States. If you are going to stamp property out of existence, you ought to pay for it. You have no more right, as a legislator, to vote for a proposition that does that without indemnity than you have a right to take a dollar bill of mine, accidentally left upon this desk, and put it in your pocket.

The PRESIDENT pro tempore. The hour of 4 o'clock has arrived, when, under the unanimous-consent rule, voting must begin on the pending amendment and any amendments that may be offered to the joint resolution. The question before the Senate is the amendment offered by the Senator from Missouri [Mr. STONE].

Mr. SHERMAN. I offer the following amendment to the amendment offered by the Senator from Missouri.

The PRESIDENT pro tempore. The Secretary will report the proposed amendment to the amendment.

The SECRETARY. After the last word change the period to a comma and add the following words:

Under such rules of evidence as Congress may provide.

Mr. STONE. Mr. President, I have no right to debate and I do not mean to do it, but I do not think the amendment proposed by the Senator from Illinois would change the situation materially as a legislative proposition, and——

Mr. SMOOT. A parliamentary inquiry, Mr. President.

The PRESIDENT pro tempore. The Senator from Utah will state his parliamentary inquiry.

Mr. SMOOT. Under the unanimous-consent agreement no speeches can be made.

Mr. STONE. It was not a speech but a statement.

Mr. SMOOT. If we allow it to one we must allow it to another.

Mr. STONE. Mr. President, I am therefore willing to modify my amendment.

The PRESIDENT pro tempore. The Senator from Missouri accepts the proposed amendment to the amendment. The question is on the amendment as modified. [Putting the question.] The noes seem to have it.

Mr. STONE. I ask for the yeas and nays.

Mr. HARDWICK. Let the Secretary read the amendment.

The PRESIDENT pro tempore. Is there a call for the yeas and nays?

Mr. STONE. I asked for the yeas and nays, but some Senator asked to have the amendment read.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The Secretary will first read the amendment.

The SECRETARY. In lieu of section 3 as in the joint resolution insert:

SEC. 3. The Congress shall have power to enforce this article by appropriate legislation; but this article shall not be enforced until the Congress shall have made provision for the ascertainment and payment of damages to the property employed in the manufacture of said liquors resulting from the enforcement of this article, under such rules of evidence as Congress may provide.

Mr. BRANDEGEE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Connecticut will state it.

Mr. BRANDEGEE. Does the Senator intend to use the language "in lieu of section 3"? As the amendment is drawn it is in lieu of section 3, and there are but two sections in the joint resolution.

Mr. STONE. No; I presented it as a section to be inserted at the proper place.

Mr. BRANDEGEE. Then the language "in lieu of section 3" should be stricken out.

The PRESIDENT pro tempore. A second section has already been added. The yeas and nays are ordered, and the Secretary will call the roll on the amendment of the Senator from Missouri.

The Secretary proceeded to call the roll.

Mr. MCCUMBER (when his name was called). I have a pair with the senior Senator from Colorado [Mr. THOMAS]. Not knowing what his vote on this amendment would be, I am compelled to withhold my vote.

Mr. MYERS (when his name was called). I transfer my pair with the Senator from Connecticut [Mr. MCLEAN] to the Senator from South Dakota [Mr. JOHNSON] and vote "nay."

Mr. ROBINSON (when his name was called). On this vote I am paired with the Senator from Michigan [Mr. TOWNSEND]. I therefore withhold my vote.

Mr. SHAFROTH (when Mr. THOMAS's name was called). I wish to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness.

The roll call was concluded.

Mr. MARTIN. I desire to state that the senior Senator from Maryland [Mr. SMITH] is detained from Chamber by illness. He is paired with the senior Senator from Vermont [Mr. DILLINGHAM].

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Maryland [Mr. SMITH]; and

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN].

The result was announced—yeas 31, nays 50, as follows:

YEAS—31.

Brandegee	Hardwick	Penrose	Stone
Broussard	Hollis	Phelan	Underwood
Calder	James	Pittman	Wadsworth
France	Johnson, Cal.	Pomerene	Warren
Frelinghuysen	La Follette	Ransdell	Watson
Gerry	Lodge	Reed	Weeks
Gore	New	Saulsbury	Williams
Harding	Newlands	Sherman	

NAYS—50.

Ashurst	Hale	Martin	Smith, Mich.
Bankhead	Hitchcock	Myers	Smith, S. C.
Beckham	Jones, N. Mex.	Nelson	Smoot
Borah	Jones, Wash.	Norris	Sterling
Brady	Kellogg	Overman	Sutherland
Chamberlain	Kendrick	Owen	Swanson
Colt	Kenyon	Page	Thompson
Culberson	King	Poindexter	Trammell
Cummins	Kirby	Shafroth	Vardaman
Curtis	Knox	Sheppard	Walsh
Fernald	Lewis	Shields	Wolcott
Fletcher	McKellar	Simmons	
Gronna	McNary	Smith, Ga.	

NOT VOTING—15.

Dillingham	Hughes	McLean	Thomas
Fall	Husting	Robinson	Tillman
Gallinger	Johnson, S. Dak.	Smith, Ariz.	Townsend
Goff	McCumber	Smith, Md.	

So Mr. STONE's amendment was rejected.

The PRESIDENT pro tempore. The joint resolution is still as in Committee of the Whole and open to amendment.

Mr. PHELAN. My amendment is on the desk, Mr. President.

The PRESIDENT pro tempore. It will have to be called up if the Senator desires a vote upon it.

Mr. PHELAN. I desire to call it up and ask that it be submitted to the Senate.

The PRESIDENT pro tempore. The Secretary will read the amendment submitted by the Senator from California [Mr. PHELAN].

The SECRETARY. It is proposed to insert as a substitute:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following two amendments to the Constitution be, and hereby are, proposed to the States, to become valid as a part of the Constitution when ratified by the legislatures of the several States as provided by the Constitution.

ARTICLE —.

SECTION 1. The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, and the exportation thereof from, the United States and all Territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited: *Provided*, That this article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, on or before the 1st day of July, A. D. 1923.

SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

ARTICLE —.

SECTION 1. The manufacture, sale, or transportation of distilled spirituous liquors within, the importation thereof into, or the exportation thereof from, the United States and all Territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited: *Pro-*

vided, That this article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, on or before the 1st day of July, A. D. 1923.

SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

Mr. BORAH. Is an amendment in order to the substitute?

The PRESIDENT pro tempore. The Chair would so rule.

Mr. BORAH. I move to strike ou the date "1923" where it appears and insert "1927."

Mr. PHELAN. I have no objection to that modification.

Mr. BORAH. The mover of the proposed amendment accepts the amendment, and the question is on the proposal of the Senator from California as modified.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from California as modified. [Putting the question.] The noes seem to have it.

Mr. PHELAN. I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDENT pro tempore. The noes have it and the amendment is not agreed to.

Mr. NEWLANDS. I move that the joint resolution be amended by substituting the word "distilled" for the word "intoxicating," in line 10, page 1, so that the article will read as follows:

SECTION 1. The manufacture, sale, or transportation of distilled liquors within, the importation thereof into, or the exportation thereof from, the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Nevada.

Mr. NEWLANDS. I ask the Secretary to read the amendment.

The PRESIDENT pro tempore. The Secretary will read the amendment.

The SECRETARY. On page 1, line 10, strike out the word "intoxicating," before the word "liquors," and insert in lieu thereof the word "distilled," so that it will read "manufacture, sale, or transportation of distilled liquors."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Nevada. [Putting the question.] The noes seem to have it.

Mr. NEWLANDS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. McCUMBER (when his name was called). Again announcing my pair with the Senator from Colorado [Mr. THOMAS] I withhold my vote.

Mr. MYERS (when his name was called). I make the same announcement of the transfer of my pair as before and vote "nay."

Mr. ROBINSON (when his name was called). I again announce my pair with the Senator from Michigan [Mr. TOWNSEND]. Being unable to secure a transfer, I withhold my vote. If at liberty to vote, I would vote "nay."

Mr. MARTIN (when the name of Mr. SMITH of Maryland was called). I desire to state that the senior Senator from Maryland [Mr. SMITH] is detained from the Chamber by illness. He is paired with the senior Senator from Vermont [Mr. DILLINGHAM]. I ask that this statement may be considered as applying to all the votes that have been taken and to such votes as may be taken up to the time of adjournment to-day.

The roll call was concluded.

Mr. CURTIS. I desire to announce that the Senator from West Virginia [Mr. GOFF] is paired with the Senator from South Carolina [Mr. TILLMAN].

The result was announced—yeas, 22, nays 57—as follows:

YEAS—22.

Brandegee	Gerry	Lewis	Reed
Broussard	Hardwick	Lodge	Wadsworth
Calder	Hitchcock	Newlands	Warren
Culberson	James	Phelan	Weeks
France	Johnson, Cal.	Pomerene	
Frelinghuysen	La Follette	Ransdell	

NAYS—57.

Ashurst	Jones, N. Mex.	Overman	Smoot
Bankhead	Jones, Wash.	Owen	Sterling
Beckham	Kellogg	Page	Sutherland
Borah	Kendrick	Penrose	Swanson
Brady	Kenyon	Pittman	Thompson
Chamberlain	King	Poindexter	Trammell
Colt	Kirby	Saulsbury	Underwood
Cummins	Knox	Shafroth	Vardaman
Curtis	McKellar	Sheppard	Walsh
Fernald	McNary	Sherman	Watson
Fletcher	Martin	Shields	Williams
Gronna	Myers	Simmons	Wolcott
Hale	Nelson	Smith, Ga.	
Harding	New	Smith, Mich.	
Hollis	Norris	Smith, S. C.	

NOT VOTING—17.

Dillingham	Hughes	Robinson	Tillman
Fall	Husting	Smith, Ariz.	Townsend
Gallinger	Johnson, S. Dak.	Smith, Md.	
Goff	McCumber	Stone	
Gore	McLean	Thomas	

So Mr. NEWLANDS's amendment was rejected.

The PRESIDENT pro tempore. The joint resolution is still before the Senate as in Committee of the Whole and open to amendment.

Mr. PHELAN. Mr. President, at the request of Senators who desire to have a record vote I now wish to reserve the right to have a vote on my amendment in the Senate.

Mr. BORAH. Mr. President, I desire to reserve a separate vote in the Senate upon what is known as the Harding amendment.

Mr. SHEPPARD. I ask to have the entire joint resolution read as amended.

The PRESIDENT pro tempore. At the request of the Senator from Texas the joint resolution will be now read as amended.

The Secretary read the joint resolution as amended as follows:

Joint resolution proposing an amendment to the Constitution of the United States.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of the Constitution when ratified by the legislatures of the several States as provided by the Constitution:

"ARTICLE —.

"SECTION 1. The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

"SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, within six years from the date of the submission hereof to the States by the Congress.

"SEC. 3. The Congress shall have power to enforce this article by appropriate legislation."

Mr. BRANDEGEE and Mr. BORAH addressed the Chair.

The PRESIDENT pro tempore. The Senator from Connecticut.

Mr. BRANDEGEE. I will yield to the Senator from Idaho if he desires to ask a question.

Mr. BORAH. I desire to make a parliamentary inquiry. Do I understand that this joint resolution provides in one portion of it that the amendment shall be ratified according to the provisions of the Constitution and in another portion provides that it shall be ratified by a vote which shall be had within six years?

The PRESIDENT pro tempore. That seems to be the construction.

Mr. STONE. The amendment speaks for itself.

Mr. BRANDEGEE. Mr. President, I desire to call the attention of the Senator from Texas [Mr. SHEPPARD] to the language in line 6, of page 1, of the joint resolution providing that the amendment shall "become valid as a part of the Constitution when ratified by the legislatures of the several States as provided by the Constitution." I think it would be more accurate to say "by the legislatures of three-fourths of the States as provided by the Constitution."

Mr. REED. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Missouri?

Mr. BRANDEGEE. I do.

Mr. REED. I am rising to a point of order, Mr. President.

The PRESIDENT pro tempore. The Senator will state it.

Mr. REED. Clearly we can not debate this question now. We have padlocked our own tongues.

Mr. BRANDEGEE. I am suggesting an amendment. I did not intend to debate it.

The PRESIDENT pro tempore. The Chair so understood.

Mr. REED. I understood the Senator from Connecticut was addressing himself to the Senator from Texas.

Mr. BRANDEGEE. I did not think it was necessary to put my suggestion in the form of an amendment, but I desired to call the attention of the chairman of the committee to the matter.

Mr. SHEPPARD. I think the language used is sufficiently accurate.

Mr. BRANDEGEE. Very well.

The PRESIDENT pro tempore. The joint resolution is still before the Senate as in Committee of the Whole and open to amendment. If there be no further amendment, the joint resolution will be reported to the Senate as amended.

The joint resolution was reported to the Senate as amended.

The PRESIDENT pro tempore. The question is on concurring in the amendments made as in Committee of the Whole, with the exception of the amendment which has been reserved.

Mr. BORAH. Mr. President, if I may do so under the rule, I desire to offer an amendment to the amendment of the Senator from Ohio [Mr. HARDING] to strike out "twenty-three" and to insert in lieu thereof the word "twenty-seven."

The PRESIDENT pro tempore. The Chair will state that the amendment of the Senator from Ohio as reported to the Senate does not contain the word referred to by the Senator from Idaho, the amendment having been amended as in Committee of the Whole. The Secretary will state the amendment as it now stands.

The Secretary read as follows:

SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, within six years from the date of the submission hereof to the States by the Congress.

Mr. BORAH. I move to strike out the words "six years" in the amendment and to insert in lieu thereof the words "ten years."

The PRESIDENT pro tempore. The question is on the amendment.

Mr. BORAH. On that I ask for the yeas and nays.

Mr. HARDING. Mr. President, I raise the point of order that the amendment to which the amendment is offered was not reserved.

The PRESIDENT pro tempore. The Chair thinks the Senator from Idaho reserved the amendment.

Mr. WILLIAMS. Mr. President, I suppose that the amendment offered by the Senator from Idaho [Mr. BORAH] is subject to discussion, is it not?

The PRESIDENT pro tempore. Not under the unanimous-consent rule. The question is on the amendment proposed by the Senator from Idaho, on which he has asked for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. McCUMBER (when his name was called). Again announcing my pair, I withhold my vote.

Mr. MYERS (when his name was called). Announcing the transfer of my pair as heretofore, I vote "nay."

Mr ROBINSON (when his name was called). Again announcing my pair, I withhold my vote.

The roll call was concluded.

Mr. MARTIN. I desire to state that the senior Senator from Maryland [Mr. SMITH] is detained from the Chamber by illness. He is paired with the senior Senator from Vermont [Mr. DILLINGHAM].

The result was announced—yeas 19, nays 61, as follows:

YEAS—19.

Borah	Kenyon	Page	Sutherland
Brady	Kirby	Poindexter	Trammell
Cummins	McNary	Shafroth	Vardaman
Gronna	Nelson	Sherman	Warren
Kellogg	Norris	Smoot	

NAYS—61.

Ashurst	Hale	Martin	Smith, Mich.
Bankhead	Harding	Myers	Smith, S. C.
Beckham	Hardwick	New	Sterling
Brandegee	Hitchcock	Overman	Stone
Broussard	Hollis	Owen	Swanson
Calder	James	Penrose	Thompson
Chamberlain	Johnson, Cal.	Phelan	Underwood
Colt	Jones, N. Mex.	Pittman	Wadsworth
Culberson	Jones, Wash.	Pomerene	Walsh
Curtis	Kendrick	Ransdell	Watson
Fernald	King	Reed	Weeks
Fletcher	Knox	Saulsbury	Williams
France	La Follette	Sheppard	Wolcott
Frelinghuysen	Lewis	Shields	
Gerry	Lodge	Simmons	
Gore	McKellar	Smith, Ga.	

NOT VOTING—16.

Dillingham	Hughes	McLean	Smith, Md.
Fall	Husting	Newlands	Thomas
Gallinger	Johnson, S. Dak.	Robinson	Tillman
Goff	McCumber	Smith, Ariz.	Townsend

So Mr. BORAH's amendment was rejected.

The PRESIDENT pro tempore. The question is on concurring in the amendment of the Senator from Ohio [Mr. HARDING] agreed to as in Committee of the Whole.

Mr. BORAH. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. STONE. What is the vote on?

The PRESIDENT pro tempore. The question is on concurring in the amendment offered by the Senator from Ohio and adopted as in Committee of the Whole.

Mr. LODGE. May I ask a question? Those in favor of the amendment of the Senator from Ohio, I understand, vote "yea"?

The PRESIDENT pro tempore. Those in favor of the amendment vote "yea" and those opposed "nay."

The Secretary proceeded to call the roll.

Mr. McCUMBER (when his name was called). Announcing my pair as heretofore, I withhold my vote.

Mr. MYERS (when his name was called). Announcing the same transfer of my pair as heretofore, I vote "yea."

Mr. ROBINSON (when his name was called). Again announcing my pair, I withhold my vote.

The roll call was concluded.

Mr. MARTIN. I desire to state that the senior Senator from Maryland [Mr. SMITH] is detained from the Chamber by illness. He is paired with the senior Senator from Vermont [Mr. DILLINGHAM].

Mr. CURTIS. I desire to announce the pair of the Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN].

The result was announced—yeas 55, nays 23, as follows:

YEAS—55.

Ashurst	Harding	Martin	Simmons
Bankhead	Hitchcock	Myers	Smith, Ga.
Beckham	Hollis	New	Smith, S. C.
Broussard	James	Newlands	Stone
Calder	Johnson, Cal.	Overman	Swanson
Chamberlain	Jones, N. Mex.	Owen	Thompson
Colt	Jones, Wash.	Penrose	Underwood
Curtis	Kendrick	Phelan	Wadsworth
Fernald	King	Pittman	Walsh
Fletcher	Knox	Pomerene	Watson
France	La Follette	Ransdell	Weeks
Frelinghuysen	Lewis	Saulsbury	Williams
Gerry	Lodge	Sheppard	Wolcott
Hale	McKellar	Shields	

NAYS—23.

Borah	Kellogg	Page	Sterling
Brady	Kenyon	Poindexter	Sutherland
Brandegee	Kirby	Shafroth	Trammell
Culberson	McNary	Sherman	Vardaman
Cummins	Nelson	Smith, Mich.	Warren
Gronna	Norris	Smoot	

NOT VOTING—18.

Dillingham	Hardwick	McLean	Thomas
Fall	Hughes	Reed	Tillman
Gallinger	Husting	Robinson	Townsend
Goff	Johnson, S. Dak.	Smith, Ariz.	
Gore	McCumber	Smith, Md.	

So the amendment of Mr. HARDING was concurred in.

The PRESIDENT pro tempore. The bill is still in the Senate and open to amendment.

Mr. PHELAN. Mr. President, I call up the amendment submitted by me, providing for the submission of two amendments.

The PRESIDENT pro tempore. The Senator from California offers an amendment. Does the Senator desire it read?

Mr. PHELAN. I was informed by several Senators that they did not understand the proposition, and they requested a record vote. That is my interest in bringing it up at this time. I ask that the Secretary state it.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The Secretary read as follows:

Joint resolution proposing an amendment to the Constitution of the United States.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following two amendments to the Constitution be, and hereby are, proposed to the States, to become valid as a part of the Constitution when ratified by the legislatures of the several States, as provided by the Constitution:

ARTICLE —.

SECTION 1. The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, and the exportation thereof from, the United States and all territories subject to the jurisdiction thereof, for beverage purposes, is hereby prohibited: *Provided*, That this article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, on or before the 1st day of July, A. D. 1927.

SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

ARTICLE —.

SECTION 1. The manufacture, sale, or transportation of distilled spirituous liquors within, the importation thereof into, or the exportation thereof from, the United States and all territories subject to the jurisdiction thereof, for beverage purposes, is hereby prohibited: *Provided*, That this article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, on or before the 1st day of July, A. D. 1927.

SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from California.

Mr. WADSWORTH. I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. McCUMBER (when his name was called). Again announcing my pair, I withhold my vote.

Mr. MYERS (when his name was called). Announcing the same transfer of my pair as before, I vote "nay."

Mr. ROBINSON (when his name was called). Again announcing my pair with the Senator from Michigan [Mr. TOWNSEND], I withhold my vote.

The roll call was concluded.

Mr. CURTIS (after having voted in the negative). I desire to inquire whether the junior Senator from Georgia [Mr. HARDWICK] has voted?

The PRESIDENT pro tempore. He has not.

Mr. CURTIS. I transfer my pair on this question with him to the senior Senator from New Hampshire [Mr. GALLINGER] and will let my vote stand.

Mr. MARTIN. I desire to state that the senior Senator from Maryland [Mr. SMITH] is detained from the Chamber by illness. He is paired with the senior Senator from Vermont [Mr. DILLINGHAM].

The result was announced—yeas 26, nays 55, as follows:

YEAS—26.

Brandegee	Gore	Lodge	Stone
Broussard	Harding	Newlands	Wadsworth
Calder	Hitchcock	Norris	Warren
Culberson	James	Phelan	Weeks
France	Johnson, Cal.	Pomerene	Williams
Frelinghuysen	La Follette	Ransdell	
Gerry	Lewis	Reed	

NAYS—55.

Ashurst	Jones, N. Mex.	Overman	Smith, Mich.
Bankhead	Jones, Wash.	Owen	Smith, S. C.
Beckham	Kellogg	Page	Smoot
Borah	Kendrick	Penrose	Sterling
Brady	Kenyon	Pittman	Sutherland
Chamberlain	King	Poindexter	Swanson
Colt	Kirby	Saulsbury	Thompson
Cummins	Knox	Shafroth	Trammell
Curtis	McKellar	Sheppard	Underwood
Fernald	McNary	Sherman	Vardaman
Fletcher	Martin	Shields	Walsh
Gronna	Myers	Simmons	Watson
Hale	Nelson	Smith, Ariz.	Wolcott
Hollis	New	Smith, Ga.	

NOT VOTING—15.

Dillingham	Hardwick	McCumber	Thomas
Fall	Hughes	McLean	Tillman
Gallinger	Husting	Robinson	Townsend
Goff	Johnson, S. Dak.	Smith, Md.	

So Mr. PHELAN's amendment was rejected.

The PRESIDENT pro tempore. The joint resolution is still in the Senate and open to amendment. If there be no further amendment to be proposed, the question is, Shall the joint resolution be engrossed and read a third time?

The joint resolution was ordered to be engrossed and read a third time.

The joint resolution was read the third time.

The PRESIDENT pro tempore. The joint resolution having been read three times, the question is, Shall it pass?—which question must be taken by yeas and nays. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. PAGE (when Mr. DILLINGHAM's name was called). My colleague [Mr. DILLINGHAM] is necessarily absent from the Senate. He is paired with the senior Senator from Maryland [Mr. SMITH]. If present and at liberty to vote, my colleague would vote "yea."

Mr. CURTIS (when Mr. FALL's name was called). I have been requested to announce the absence of the senior Senator from New Mexico [Mr. FALL] on account of illness in his family. Were he present, he would vote "yea." Later on I will announce his pair.

Mr. CURTIS (when Mr. GALLINGER's name was called). I have been requested to announce that the senior Senator from New Hampshire [Mr. GALLINGER] is absent on account of illness. Were he present, he would vote "yea." Later on I will announce his pair.

Mr. CURTIS (when Mr. GOFF's name was called). I have been requested to announce the absence of the senior Senator from West Virginia [Mr. GOFF] on account of illness. Were he present he would vote "yea." I will announce his pair later.

Mr. KENDRICK (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. FALL]. In view of the announcement made by the Senator from Kansas [Mr. CURTIS] I feel at liberty to vote. I therefore vote "yea."

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Colorado [Mr. THOMAS], but I am informed that a transfer has been made, so that the senior Senator from Montana [Mr. MYERS] and the senior Senator from Colorado [Mr. THOMAS] may stand paired with the junior Senator from Connecticut [Mr. McLEAN]. That leaves me at liberty to vote on the final passage of the joint resolution. I vote "yea."

Mr. MYERS (when his name was called). I have a general pair with the junior Senator from Connecticut [Mr. McLEAN] who, if present, I understand would vote "nay." I transfer my pair to the senior Senator from New Mexico [Mr. FALL] and the senior Senator from Colorado [Mr. THOMAS], each of whom I understand if present would vote "yea," giving a pair of "yeas" to one "nay," which leaves me at liberty to vote. I therefore vote "yea."

Mr. ROBINSON (when his name was called). I have a pair with the Senator from Michigan [Mr. TOWNSEND]. Being advised that if he were present he would vote "yea," I feel at liberty to vote, and I do so. I vote "yea."

Mr. SHAFROTH (when Mr. THOMAS's name was called). I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of sickness and to say that he is paired with the junior Senator from Connecticut [Mr. McLEAN] on this question, and that if present my colleague would vote "yea."

Mr. SMITH of Michigan (when Mr. TOWNSEND's name was called). Making the same announcement as on the previous vote, I desire to say that if my colleague [Mr. TOWNSEND] were present he would vote "yea."

The roll-call was concluded.

Mr. CURTIS. I have been requested to announce that the Senator from West Virginia [Mr. GOFF] and the Senator from Michigan [Mr. TOWNSEND], who would vote "yea" if present, are paired with the Senator from South Carolina [Mr. TILLMAN]; and that the Senator from New Hampshire [Mr. GALLINGER] and the Senator from South Dakota [Mr. JOHNSON], who would vote "yea" if present, are paired with the Senator from New Jersey [Mr. HUGHES].

Mr. MARTIN. I desire to state that the senior Senator from Maryland [Mr. SMITH] is detained from the Chamber by illness. He is paired with the senior Senator from Vermont [Mr. DILLINGHAM].

The result was announced—yeas 65, nays 20, as follows:

YEAS—65.

Ashurst	Johnson, Cal.	Newlands	Smith, Mich.
Bankhead	Jones, N. Mex.	Norris	Smith, S. C.
Beckham	Jones, Wash.	Overman	Smoot
Borah	Kellogg	Owen	Sterling
Brady	Kendrick	Page	Stone
Chamberlain	Kenyon	Pittman	Sutherland
Colt	King	Poindexter	Swanson
Cummins	Kirby	Ransdell	Thompson
Curtis	Knox	Robinson	Trammell
Fernald	La Follette	Saulsbury	Vardaman
Fletcher	McCumber	Shafroth	Walsh
Frelinghuysen	McKellar	Sheppard	Watson
Gore	McNary	Sherman	Williams
Gronna	Martin	Shields	Wolcott
Hale	Myers	Simmons	
Harding	Nelson	Smith, Ariz.	
Hollis	New	Smith, Ga.	

NAYS—20.

Brandegee	Gerry	Lewis	Reed
Broussard	Hardwick	Lodge	Underwood
Calder	Hitchcock	Penrose	Wadsworth
Culberson	Husting	Phelan	Warren
France	James	Pomerene	Weeks

NOT VOTING—11.

Dillingham	Goff	McLean	Tillman,
Fall	Hughes	Smith, Md.	Townsend
Gallinger	Johnson, S. Dak.	Thomas	

So the joint resolution was passed, two-thirds of the Senators present voting therefor.

RIVER AND HARBOR APPROPRIATIONS—CONFERENCE REPORT.

Mr. FLETCHER. I present a conference report on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, and I ask for its immediate consideration.

Mr. SMOOT. I ask the Senator from Florida if the report has been printed.

Mr. FLETCHER. It has not been printed.

Mr. SMOOT. Does not the Senator think it ought to go over and be printed and be taken up at the next meeting of the Senate? No one knows what is in it. I think that course is due to the Senate. The report is just submitted. No Senators, except the three conferees, know what changes have been made, and it is a bill of quite considerable importance. I do not know that there will be any objection to the report, but we at least ought to know what the changes are. I ask the Senator to let it go over and be printed.

Mr. FLETCHER. I will state that there were not a great many matters in conference, and it is not a very complicated report. I think it could be thoroughly understood from the reading of it. I do not know of any rule which requires a conference report to go over until the next day. If, however, Senators would prefer that course, I do not want to stand in the way of it. In that case I shall call it up the first thing to-morrow.

Mr. SMOOT. I ask the Senator to let it go over. I know that the Senator might immediately have a vote upon it in the Senate, but there is hardly ever a time when there is a request made that a conference report shall go over and be printed that it is refused. I will say to the Senator I do not think there is any disposition whatever to fight the report in any way, but at least we ought to know what it contains.

Mr. FLETCHER. Very well, then, Mr. President, I present it now and ask to have it printed, although I do not see any reason why we should not lay it aside temporarily. Would the Senator object to that?

Mr. SMOOT. I do not think the Senator will make any time by doing that. Perhaps there will not be a word said when the report is read, but I do believe that we ought to know what it contains. I ask the Senator to let it go over until to-morrow.

Mr. KENYON. Has it been printed in the RECORD?

Mr. FLETCHER. It has not. I am just presenting it now.

Mr. KENYON. I ask the Senator to let it go over until to-morrow and that it be printed in the RECORD.

Mr. FLETCHER. Very well.

The PRESIDENT pro tempore. Does the Senator from Florida withdraw the motion for the consideration of the conference report?

Mr. FLETCHER. I merely present the report now.

The PRESIDENT pro tempore. The report will be printed.

Mr. FLETCHER. I give notice that I shall ask for its consideration to-morrow.

WOMAN SUFFRAGE.

Mr. CUMMINS. Mr. President, I submit a motion that the Senate Committee on Woman Suffrage be discharged from the further consideration of S. J. Res. 2, proposing an amendment to the Constitution of the United States conferring upon women the right of suffrage, now before that committee, and that the same be placed on the calendar of the Senate. I ask that the motion may lie over under the rule, and I shall call it up to-morrow.

The PRESIDENT pro tempore. The motion will be received.

ENLISTMENT OF ALIEN RESIDENTS.

Mr. McCUMBER. I ask unanimous consent for the present consideration of Senate resolution 108. I understand from the Senator from Oregon [Mr. CHAMBERLAIN] that there will be no objection to it on his part, and I think it can be passed immediately.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate resumed the consideration of Senate resolution 108, reported on the 30th of July by Mr. McCUMBER from the Committee on Foreign Relations, looking to the enlistment of certain alien residents in the Army of the United States.

Mr. McCUMBER. I ask unanimous consent to withdraw the preamble.

The PRESIDENT pro tempore. That may be done by the Senator having charge of the resolution, and it is so ordered.

Mr. McCUMBER. Now, in order to conform the resolution to the proper reading I move to amend, on page 2, line 3, by striking out the word "said" and inserting, after "central powers," the words "of Europe." The word "said" refers to the preamble, and it merely makes the sentence complete.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 2, line 3, strike out the word "said" before the word "central," and after the word "powers" insert the word "of Europe," so as to read "engaged in war against the central powers of Europe."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to. The question is on the adoption of the resolution as amended.

Mr. CHAMBERLAIN. The Senator from North Dakota correctly stated my attitude with reference to the matter. I do not see any conflict between this resolution and the joint resolution proposed by me. I shall later call up that joint resolution and ask for its consideration, but not this afternoon.

The PRESIDENT pro tempore. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to, as follows:

Resolved, That the President of the United States be, and he is hereby, requested to propose to all European nations engaged in war against the central powers of Europe and, if possible, secure from them an agreement authorizing and empowering the United States to apply the provisions of the act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917, to all such subjects and citizens domiciled in this country in the same manner and to the same effect as such provisions are applied to the citizens of the United States in selecting and raising an army or navy for service in the present war.

Mr. McCUMBER. I desire to have inserted in the RECORD what appears to be in the nature of a petition from the Bohemian National Alliance. I agree with everything in the petition with the exception of that portion of the petition which calls for the enlistment of alien enemies. In other respects I think it is very pertinent, and I ask that it be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

BOHEMIAN (CZECH) NATIONAL ALLIANCE OF AMERICA,
Chicago, Ill., July 27, 1917.

Senator PORTER J. McCUMBER,
Washington, D. C.

SIR: As one of the members of the subcommittee of the Senate to determine the liability of aliens to military service, you may be interested in learning the attitude of people of Bohemian birth.

There can not be two opinions on the question of the duty of resident aliens to fight for the country in which they make their living. The alien enjoys all the rights of the citizen—the right of life, liberty, and the pursuit of happiness. He is protected by our laws; he is given opportunity not merely to make a better living than in his native land but to earn wealth he never dreamed of. The only right withheld from the alien resident is the right to vote, although even that is granted him in some States.

All the rules of square deal, all the obligations of gratitude, demand that when the country is in danger all residents, citizens and aliens alike, should offer their lives in its defense. We feel confident, sir, that the overwhelming majority of people of foreign birth residing in the United States will heartily approve as just any measure Congress may enact to make the obligations of citizens and resident aliens equal in the matter of military duty.

Speaking for our entire membership of 120,000; in fact, speaking for all residents of this country who are of Bohemian birth, whether naturalized or not, we urge you, sir, and all the Members of Congress so to amend our laws as to make all residents of the United States equally liable to service in the National Army.

We of Bohemia have a special interest in seeing a measure of this kind enacted promptly, for we are being discriminated against by the Department of War. After several thousand of our young men had been accepted for service in the Regular Army, a large proportion of whom took out their first papers solely so as to become eligible for enlistment, we were notified by The Adjutant General that Bohemian boys could serve only if fully naturalized, for "it is not the policy to permit the enlistment in the Army of any person who may be legitimately claimed as subject by an enemy country or by a country allied with an enemy country."

The motive of the War Department was very praiseworthy—not to accept the volunteer services of men who, if captured by the enemy, would probably be denied the rights of prisoners of war. Not that our men would let that consideration overbalance the privilege of fighting the Germans. The Czecho-Slovak brigade in Russia, composed of Bohemian (Czech) and Slovak prisoners of war, fought the more bravely and covered themselves with glory, since they well knew that they could expect no mercy in case of capture.

But the humanitarian objection of the War Department will be eliminated if Congress makes it the duty of all resident aliens, Czechs and others still claimed as subjects by Austria-Hungary, to fight in defense of the country wherein they made their homes.

We are, sir, most respectfully, yours, for the
BOHEMIAN NATIONAL ALLIANCE OF AMERICA,
L. J. FISHER, *President.*
J. F. SMETANKA, *Secretary.*

TREASURY DEPARTMENT BUILDING.

Mr. SWANSON. I move that the Senate proceed to the consideration of the bill (S. 2477) to authorize the construction of a building for the use of the Treasury Department.

Mr. KING. I object to its consideration.

Mr. SWANSON. I made a motion.

The PRESIDENT pro tempore. The Senator from Virginia moves that the Senate proceed to the consideration of the bill.

Mr. KING. I thought he was asking unanimous consent.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Virginia.

On a division the motion was not agreed to.

MESSAGE FROM THE HOUSE.

A message from the House, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the enrolled bill (S. 2695) to authorize the construction, maintenance, and operation of a bridge across Little River, at or near the foot of the gar hole about one-half mile south of the Jonesboro, Lake City & Eastern Railway bridge across Little River, Ark., and it was thereupon signed by the President pro tempore.

PETITIONS AND MEMORIALS.

The PRESIDENT pro tempore. The Chair lays before the Senate certain telegrams addressed to the Vice President of the United States, which will be noted in the RECORD.

Telegrams from the congregation of the First Baptist Church, of Plainwill, Mich., and from the Swedish Lodges, of Holyoke, Mass., praying for national prohibition.

Telegrams from the Wisconsin State Federation of Labor; from the National Bottle Manufacturers' Association and the Glass Bottle Blowers' Association in convention at Atlantic City, N. J.; from the Pennsylvania Grains and Feed Co., of Philadelphia, Pa.; and from Local No. 15 of the Glass Bottle Blowers' Association, of Milwaukee, Wis., remonstrating against national prohibition.

The PRESIDENT pro tempore. The telegrams will lie on the table.

Mr. PHELAN presented a petition of sundry citizens of California, praying for the establishment of a moral zone around the concentration camps of the Army, which was ordered to lie on the table.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. OWEN:

A bill (S. 2709) to amend section 11 of the act approved December 23, 1913, known as the Federal reserve act, as amended by the act of September 7, 1916; to the Committee on Banking and Currency.

A bill (S. 2710) granting the consent of Congress to Webbers Falls Railroad Co., a corporation, its successors and assigns, to construct a bridge across the Arkansas River between the towns of Webbers Falls and Gore, in the State of Oklahoma; to the Committee on Commerce.

By Mr. CALDER:

A bill (S. 2711) granting a pension to Adeline Fitch Austen; and

A bill (S. 2712) granting a pension to Cornelia A. Green; to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 2713) reappointing Edgar C. Campbell as pay clerk in Quartermaster Corps, United States Army, with rank of second lieutenant; to the Committee on Military Affairs.

By Mr. McNARY:

A bill (S. 2714) authorizing the removal of stumps from cut-over Oregon and California lands; to the Committee on Public Lands.

By Mr. SMITH of Michigan (for Mr. TOWNSEND):

A joint resolution (S. J. Res. 87) to grant citizenship to Dr. William A. Evans (with accompanying papers); to the Committee on Immigration.

PERSONAL EXPLANATION.

Mr. THOMPSON. Mr. President, I rise to a question of personal privilege.

The PRESIDENT pro tempore. The Senator from Kansas will state it.

Mr. THOMPSON. Yesterday at the close of my address on the prohibition amendment I asked permission of the Senate to insert a number of letters in the RECORD as a part of my remarks, with the understanding that the letters should not contain anything that reflected against any Senator or Member of the House. It is my earnest desire and intention to adhere strictly to that requirement, and it was my wish to personally read all the letters before they went to the printer. I did so as far as I was physically able to do it, and instructed my clerks to read the balance, and to eliminate everything that was objectionable, but in the rush of things, which all Senators will understand, a number of the letters slipped in which contain some reference to and reflection upon the junior Senator from Missouri [Mr. REED].

These letters were written, Mr. President, at a time when we had a little controversy when this matter was up a few months ago, and reference to that incident was made in some of the letters. Some of the statements in the letters were unjust and unwarranted, and statements that I did not approve, and do not now approve of, and I believe they were made under an entire misunderstanding of the facts.

I have known the Senator from Missouri favorably and well for a quarter of a century. I have never had any trouble with him in the world, and I surely have no desire nor intention to do him any wrong or injury among the people of my State or elsewhere.

I regret that the mistake occurred, and I was surprised this morning to see any letters containing any objectionable matter, which I had supposed was all eliminated. To show my good faith I went immediately to the clerk, Mr. Moxley, who has charge of such matters, and arranged for the elimination of those statements in the letters, and I also expressed my regret that the mistake occurred to the junior Senator from Missouri, as I do now to the Senate. I ask unanimous consent that all objectionable statements having reference to the junior Senator from Missouri be expunged from the RECORD.

The PRESIDENT pro tempore. Without objection the matter referred to will be expunged from the permanent RECORD.

EXECUTIVE SESSION.

Mr. MARTIN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After seven minutes spent in executive session, the doors were reopened, and (at 5 o'clock and 22 minutes p. m.) the Senate adjourned until to-morrow, Thursday, August 2, 1917, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate August 1 (legislative day of July 31), 1917.

UNITED STATES CONSULS.

CLASS 7.

Walter H. Sholes, of Oklahoma, who prior to July 20, 1917, was known as Walter H. Schulz, to be a consul of class 7 of the United States of America, to which class he was appointed September 15, 1913.

CLASS 8.

Gaston Smith, of Louisiana, who, prior to July 20, 1917, was known as Gaston Schmutz, to be a consul of class 8 of the United States of America, to which class he was appointed March 2, 1915.

EXAMINER IN CHIEF.

Richard E. Marine, of Indiana, to be an examiner in chief in the Patent Office, vice Thomas G. Steward, resigned.

RECEIVER OF PUBLIC MONEYS.

Kirk E. Baxter, of South Dakota, to be receiver of public moneys at Bellefourche, S. Dak., his present term expiring September 10, 1917. (Reappointment.)

REGISTER OF LAND OFFICE.

Edwin M. Starcher, of South Dakota, to be register of the land office at Gregory, S. Dak., his present term expiring September 10, 1917. (Reappointment.)

PROMOTIONS IN THE ARMY.

ORDNANCE DEPARTMENT.

Lieut. Col. Jay E. Hoffer, Ordnance Department, to be colonel from July 26, 1917, vice Col. Orin B. Mitcham, retired from active service July 25, 1917.

CAVALRY ARM.

Lieut. Col. Francis C. Marshall, Cavalry, to be colonel from July 25, 1917, vice Col. Elwood W. Evans, Cavalry, who died July 24, 1917.

Lieut. Col. Francis C. Marshall, Cavalry, to be colonel from June 22, 1917, vice Col. Henry T. Allen, appointed brigadier general.

Maj. Cornelius C. Smith, Cavalry, to be lieutenant colonel from June 23, 1917, vice Lieut. Col. Charles Young, retired from active service June 22, 1917.

NOTE.—Lieut. Col. Marshall was nominated to the Senate for promotion July 27, 1917. Maj. Smith was nominated to the Senate for promotion July 18, 1917. This is submitted for the purpose of correcting the dates of rank of the nominees.

To be first lieutenants with rank from May 15, 1917, to fill original vacancies.

Second Lieut. Ray Harrison, Cavalry.
Second Lieut. William F. Daugherty, Cavalry.
Second Lieut. John T. Cole, Cavalry.
Second Lieut. Stephen H. Sherrill, Cavalry.
Second Lieut. Charles H. Gerhardt, Cavalry.
Second Lieut. Walter H. Schulze, Cavalry.
Second Lieut. Herbert C. Holdridge, Cavalry.
Second Lieut. Albert C. Smith, Cavalry.
Second Lieut. Nicholas W. Lisle, Cavalry.
Second Lieut. Percy G. Black, Cavalry.
Second Lieut. Albert C. Stanford, Cavalry.
Second Lieut. Laurence B. Meacham, Cavalry.
Second Lieut. Louis Le R. Martin, Cavalry.
Second Lieut. William K. Harrison, jr., Cavalry.
Second Lieut Josiah F. Morford, Cavalry.
Second Lieut. Ernest N. Harmon, Cavalry.
Second Lieut. Joseph S. Tate, Cavalry.
Second Lieut. Arthur M. Harper, Cavalry.

Second Lieut. John W. Confer, jr., Cavalry.
Second Lieut. Herbert N. Schwarzkopf, Cavalry.
Second Lieut. Robert N. Kunz, Cavalry.
Second Lieut. Charles S. Kilburn, Cavalry.
Second Lieut. Charles R. Johnson, jr., Cavalry.
Second Lieut. Bertrand Morrow, Cavalry.
Second Lieut. Coalter B. Compton, Cavalry.

FIELD ARTILLERY.

To be first lieutenants, with rank from May 15, 1917, to fill original vacancies.

Second Lieut. Robert M. Bathurst, Field Artillery.
Second Lieut. William H. Saunders, Field Artillery.
Second Lieut. Charles E. Hurdis, Field Artillery.
Second Lieut. Henry J. Schroeder, Field Artillery.
Second Lieut. James K. Tully, Field Artillery.
Second Lieut. John M. Devine, Field Artillery.
Second Lieut. Harold A. Nisley, Field Artillery.
Second Lieut. Fenton H. McGlachlin, Field Artillery.
Second Lieut. James L. Guion, Field Artillery.
Second Lieut. George D. Wahl, Field Artillery.
Second Lieut. Basil H. Perry, Field Artillery.
Second Lieut. Ray H. Lewis, Field Artillery.
Second Lieut. Solomon F. Clark, Field Artillery.
Second Lieut. Augustus M. Gurney, Field Artillery.
Second Lieut. Oliver B. Cardwell, Field Artillery.
Second Lieut. William O. Butler, Field Artillery.
Second Lieut. Rex W. Beasley, Field Artillery.

COAST ARTILLERY CORPS.

To be first lieutenants, with rank from May 15, 1917, to fill original vacancies.

Second Lieut. Harold R. Jackson, Coast Artillery Corps.
Second Lieut. Morris K. Barroll, jr., Coast Artillery Corps.
Second Lieut. Walter W. Warner, Coast Artillery Corps.
Second Lieut. Walter F. Vander Hyden, Coast Artillery Corps.
Second Lieut. Ira A. Crump, Coast Artillery Corps.
Second Lieut. Elbert L. Ford, jr., Coast Artillery Corps.
Second Lieut. Samuel H. Bradbury, jr., Coast Artillery Corps.
Second Lieut. James L. Hayden, Coast Artillery Corps.
Second Lieut. Scott B. Ritchie, Coast Artillery Corps.
Second Lieut. George S. Beurket, Coast Artillery Corps.
Second Lieut. Burnett R. Olmsted, Coast Artillery Corps.
Second Lieut. Joel G. Holmes, Coast Artillery Corps.
Second Lieut. James A. Code, jr., Coast Artillery Corps.
Second Lieut. William Sackville, Coast Artillery Corps.
Second Lieut. Leroy H. Lohmann, Coast Artillery Corps.
Second Lieut. Christian G. Foltz, Coast Artillery Corps.
Second Lieut. Aaron Bradshaw, jr., Coast Artillery Corps.
Second Lieut. William W. Cowgill, Coast Artillery Corps.
Second Lieut. Harry R. Pierce, Coast Artillery Corps.
Second Lieut. Lawrence C. Mitchell, Coast Artillery Corps.
Second Lieut. Alexander H. Campbell, Coast Artillery Corps.
Second Lieut. Marvil G. Armstrong, Coast Artillery Corps.
Second Lieut. John R. Nygaard, Coast Artillery Corps.

PROVISIONAL APPOINTMENT BY PROMOTION IN THE ARMY.

CAVALRY ARM.

Second Lieut. Ion C. Holm, Cavalry, to be first lieutenant from November 30, 1916, vice First Lieut. Byron Q. Jones, detailed in the Signal Corps.

Second Lieut. Carl C. Krueger, Cavalry, to be first lieutenant from November 30, 1916, vice First Lieut. Bruce L. Burch, Cavalry, promoted.

Second Lieut. George M. Herringshaw, Cavalry, to be first lieutenant from November 30, 1916, vice First Lieut. Eugene A. Lohman, Cavalry, detailed in the Signal Corps.

Second Lieut. Thomas F. Limbocker, Cavalry, to be first lieutenant from November 30, 1916, vice First Lieut. Alexander H. Jones, Cavalry, promoted.

Second Lieut. Cornelius M. Daly, Cavalry, to be first lieutenant from November 30, 1916, vice First Lieut. Charles L. Stevenson, Cavalry, promoted.

Second Lieut. Richard B. Trimble, Cavalry, to be first lieutenant from December 1, 1916, vice First Lieut. Charles B. Hazeltine, Cavalry, detailed in the Signal Corps.

Second Lieut. Arthur S. Harrington, Cavalry, to be first lieutenant from December 3, 1916, vice First Lieut. Frank K. Chapin, Cavalry, promoted.

Second Lieut. Frank L. Whittaker, Cavalry, to be first lieutenant from December 25, 1916, vice First Lieut. Henry L. Watson, Cavalry, promoted.

Second Lieut. Philip H. Sherwood, Cavalry, to be first lieutenant from January 16, 1917, vice First Lieut. Murray B. Rush, Cavalry, promoted.

Second Lieut. Robert S. La Motte, Cavalry, to be first lieutenant from January 23, 1917, vice First Lieut. Augustine W. Robins, Cavalry, promoted.

Second Lieut. George M. Gillet, jr., Cavalry, to be first lieutenant from January 23, 1917, vice First Lieut. William D. Geary, Cavalry, promoted.

Second Lieut. Arthur E. Pickard, Cavalry, to be first lieutenant from January 25, 1917, vice First Lieut. Philip Coldwell, Cavalry, transferred to the Infantry Arm.

Second Lieut. James F. Dewhurst, Cavalry, to be first lieutenant from January 25, 1917, vice First Lieut. Stephen M. Walmsley, Cavalry, detailed in the Signal Corps.

Second Lieut. Donald S. Perry, Cavalry, to be first lieutenant from January 26, 1917, vice First Lieut. Clyde J. McConkey, Cavalry, transferred to Field Artillery.

Second Lieut. Thomas S. Poole, Cavalry, to be first lieutenant from January 29, 1917, vice First Lieut. Eugene T. Spencer, Cavalry, transferred to Field Artillery.

Second Lieut. Frederick G. Rosenberg, Cavalry, to be first lieutenant from January 30, 1917, vice First Lieut. Emil P. Pierson, Cavalry, promoted.

Second Lieut. Frederick R. Lafferty, Cavalry, to be first lieutenant from January 30, 1917, vice First Lieut. Edward A. Millar, jr., Cavalry, transferred to Field Artillery.

Second Lieut. Carl H. Strong, Cavalry, to be first lieutenant from January 30, 1917, vice First Lieut. Clyde V. Simpson, Cavalry, detailed in the Signal Corps.

Second Lieut. Robert L. Beall, Cavalry, to be first lieutenant from January 31, 1917, vice First Lieut. John T. Kennedy, Cavalry, transferred to Field Artillery.

Second Lieut. Meade Frierson, jr., Cavalry, to be first lieutenant from January 31, 1917, vice First Lieut. Falkner Heard, Cavalry, transferred to Field Artillery.

Second Lieut. Arthur T. Lacey, Cavalry, to be first lieutenant from February 1, 1917, vice First Lieut. Clark P. Chandler, promoted.

Second Lieut. David W. Craig, Cavalry, to be first lieutenant from February 2, 1917, vice First Lieut. Isaac Spaulding, Cavalry, transferred to Field Artillery.

Second Lieut. Edmund M. Barnum, Cavalry, to be first lieutenant from February 3, 1917, vice First Lieut. Thurman H. Bane, Cavalry, transferred to Field Artillery.

Second Lieut. Thomas A. Dobyns, jr., Cavalry, to be first lieutenant from February 3, 1917, vice First Lieut. Clarence D. Lang, Cavalry, transferred to Field Artillery.

Second Lieut. John T. Minton, Cavalry, to be first lieutenant from February 6, 1917, vice First Lieut. Richard H. Kimball, Cavalry, promoted.

Second Lieut. William T. Haldeman, Cavalry, to be first lieutenant from February 10, 1917, vice First Lieut. Abbott Boone, Cavalry, promoted.

Second Lieut. Edward S. Bassett, Cavalry, to be first lieutenant from February 10, 1917, vice First Lieut. William L. Moose, jr., Cavalry, promoted.

Second Lieut. Edward F. Shaifer, Cavalry, to be first lieutenant from February 14, 1917, vice First Lieut. Frederick S. Snyder, Cavalry, promoted.

Second Lieut. George M. Peabody, jr., Cavalry, to be first lieutenant from March 3, 1917, vice First Lieut. William C. Christy, Cavalry, promoted.

Second Lieut. Athael B. Ellis, Cavalry, to be first lieutenant from March 24, 1917, vice First Lieut. Leland Wadsworth, jr., Cavalry, promoted.

Second Lieut. Harrie K. Dalbey, Cavalry, to be first lieutenant from March 31, 1917, vice First Lieut. Robert McG. Littlejohn, Cavalry, placed on the detached officers' list.

Second Lieut. John W. McDonald, Cavalry, to be first lieutenant from March 31, 1917, vice First Lieut. Seth W. Scofield, Cavalry, promoted.

Second Lieut. Victor Kerney, Cavalry, to be first lieutenant from March 31, 1917, vice First Lieut. James L. Collins, Cavalry, promoted.

Second Lieut. David H. Blakelock, Cavalry, to be first lieutenant from March 31, 1917, vice First Lieut. William C. McChord, Cavalry, promoted.

Second Lieut. Rinaldo L. Coe, Cavalry, to be first lieutenant from March 31, 1917, vice First Lieut. William R. Henry, Cavalry, promoted.

Second Lieut. Harold J. Duffey, Cavalry, to be first lieutenant from March 31, 1917, vice First Lieut. George F. Patten, Cavalry, promoted.

Second Lieut. Jay K. Colwell, Cavalry, to be first lieutenant from March 31, 1917, vice First Lieut. William A. Robertson, Cavalry, detailed in the Signal Corps.

Second Lieut. Amory C. Cotchett, Cavalry, to be first lieutenant from April 8, 1917, vice First Lieut. Earl L. Naiden, Cavalry, detailed in the Signal Corps.

Second Lieut. Otis Porter, Cavalry, to be first lieutenant from April 9, 1917, vice First Lieut. Robert M. Cheney, Cavalry, promoted.

Second Lieut. Arthur C. D. Anderson, Cavalry, to be first lieutenant from April 12, 1917, vice First Lieut. Harry B. Anderson, Cavalry, detailed in the Signal Corps.

Second Lieut. Alan B. Edson, Cavalry, to be first lieutenant from April 13, 1917, vice First Lieut. Walter W. Wynne, Cavalry, detailed in the Signal Corps.

Second Lieut. Emory M. Mace, Cavalry, to be first lieutenant from April 20, 1917, vice First Lieut. Lawrence W. McIntosh, Cavalry, promoted.

Second Lieut. Harry H. Dunn, Cavalry, to be first lieutenant from May 3, 1917, vice First Lieut. William O. Ryan, Cavalry, detailed in the Signal Corps.

COAST ARTILLERY CORPS.

Second Lieut. Otis A. Wallace, Coast Artillery Corps, to be first lieutenant from November 30, 1916, vice First. Lieut. Philip S. Gage, Coast Artillery Corps, promoted.

Second Lieut. James M. Evans, Coast Artillery Corps, to be first lieutenant from March 22, 1917, vice First Lieut. Herbert H. Acheson, Coast Artillery Corps, promoted.

Second Lieut. Cedric F. Maguire, Coast Artillery Corps, to be first lieutenant from March 22, 1917, vice First Lieut. Leigh F. J. Zerbee, Coast Artillery Corps, detailed in the Signal Corps.

Second Lieut. Edward E. Murphy, Coast Artillery Corps, to be first lieutenant from March 22, 1917, vice First Lieut. Harold G. Douglas, Coast Artillery Corps, deceased.

Second Lieut. Marshall M. Williams, jr., Coast Artillery Corps, to be first lieutenant from March 22, 1917, vice First Lieut. Arthur W. Ford, Coast Artillery Corps, placed on the detached officers' list

Second Lieut. Henry R. Behrens, Coast Artillery Corps, to be first lieutenant from March 22, 1917, vice First Lieut. Leland H. Stanford, Coast Artillery Corps, detailed in the Signal Corps.

Second Lieut. Edward C. Seeds, Coast Artillery Corps, to be first lieutenant from March 22, 1917, vice First Lieut. Joe Eikel, Coast Artillery Corps, resigned.

Second Lieut. Edison A. Lynn, Coast Artillery Corps, to be first lieutenant from March 22, 1917, vice First Lieut. Leon R. Cole, Coast Artillery Corps, transferred to Field Artillery.

Second Lieut. Milton P. Morrill, Coast Artillery Corps, to be first lieutenant from March 22, 1917, vice First Lieut. Lewis H. Brereton, Coast Artillery Corps, transferred to Field Artillery.

Second Lieut. Guy H. Drewry, Coast Artillery Corps, to be first lieutenant from March 22, 1917, vice First Lieut. Theodore R. Murphy, Coast Artillery Corps, transferred to the Infantry arm.

Second Lieut. Raphael S. Chavin, Coast Artillery Corps, to be first lieutenant from March 22, 1917, vice First Lieut. Frank A. Buell, Coast Artillery Corps, promoted.

Second Lieut. John L. Scott, Coast Artillery Corps, to be first lieutenant from March 22, 1917, vice First Lieut. Jason McV. Austin, Coast Artillery Corps, transferred to Field Artillery.

Second Lieut. Alva F. Englehart, Coast Artillery Corps, to be first lieutenant from March 22, 1917, vice First Lieut. Francis T. Armstrong, Coast Artillery Corps, transferred to Field Artillery.

FIELD ARTILLERY ARM.

Second Lieut. Oliver L. Haines, Field Artillery, to be first lieutenant from November 30, 1916, vice First Lieut. Oliver A. Dickinson, Field Artillery, promoted.

Second Lieut. Oscar I. Gates, Field Artillery, to be first lieutenant from January 19, 1917, vice First Lieut. Albert M. Jones, declined.

Second Lieut. Gerald E. Brower, Field Artillery, to be first lieutenant from January 26, 1917, vice First Lieut. Frederick W. Stewart, Field Artillery, promoted.

Second Lieut. William J. Jones, Field Artillery, to be first lieutenant from February 3, 1917, vice First Lieut. John P. Lucas, Field Artillery, resigned.

Second Lieut. Yarrow D. Vesely, Field Artillery, to be first lieutenant from February 3, 1917, vice First Lieut. Herbert B. Hayden, Field Artillery, promoted.

Second Lieut. William B. Dunwoody, Field Artillery, to be first lieutenant from February 20, 1917, vice First Lieut. Herbert S. Clarkson, Field Artillery, placed on the detached officers' list.

Second Lieut. Charles B. Thomas, Field Artillery, to be first lieutenant from February 20, 1917, vice First Lieut. Charles G. Helmick, Field Artillery, placed on the detached officers' list.

Second Lieut. Oliver J. Bond, jr., Field Artillery, to be first lieutenant from February 20, 1917, vice First Lieut. Lloyd E. Jones Field Artillery, placed on the detached officers' list.

Second Lieut. Robert H. Ennis, Field Artillery, to be first lieutenant from February 21, 1917, vice First Lieut. Norman P. Morrow, Field Artillery, placed on the detached officers' list.

Second Lieut. Benjamin E. Carter, Field Artillery, to be first lieutenant from February 25, 1917, vice First Lieut. Richard C. Scott, Field Artillery, placed on the detached officers' list.

Second Lieut. Henry B. Parker, Field Artillery, to be first lieutenant from February 25, 1917, vice First Lieut. John N. Hauser, Field Artillery, placed on the detached officers' list.

Second Lieut. Francis Fielding-Reid, Field Artillery, to be first lieutenant from February 25, 1917, vice First Lieut. John G. Burr, Field Artillery, placed on the detached officers' list.

Second Lieut. Harold H. Ristine, Field Artillery, to be first lieutenant from February 25, 1917, vice First Lieut. John B. Anderson, Field Artillery, placed on the detached officers' list.

Second Lieut. Edmund B. Edwards, Field Artillery, to be first lieutenant from February 25, 1917, vice First Lieut. Newton N. Polk, Field Artillery, placed on the detached officers' list.

Second Lieut. Oscar L. Gruhn, Field Artillery, to be first lieutenant from February 25, 1917, vice First Lieut. William C. Houghton, Field Artillery, placed on the detached officers' list.

Second Lieut. Theodore W. Wrenn, Field Artillery, to be first lieutenant from February 25, 1917, vice First Lieut. Curtis H. Nance, Field Artillery, placed on the detached officers' list.

Second Lieut. Harold W. Rehm, Field Artillery, to be first lieutenant from February 26, 1917, vice First Lieut. John T. Kennedy, Field Artillery, promoted,

Second Lieut. John B. Pitney, Field Artillery, to be first lieutenant from February 27, 1917, vice First Lieut. Thomas J. Johnson, Field Artillery, promoted.

Second Lieut. Clifford H. Tate, Field Artillery, to be first lieutenant from March 21, 1917, vice First Lieut. Leo J. Ahern, Field Artillery, promoted.

Second Lieut. Ottomar O'Donnell, Field Artillery, to be first lieutenant from April 6, 1917, vice First Lieut. Clinton W. Harold, Field Artillery, detailed in the Signal Corps.

INFANTRY ARM.

To be first lieutenant with rank from May 28, 1917, to fill an original vacancy.

Second Lieut. Madison Pearson, Fifty-eighth Infantry.

To be first lieutenants with rank from June 3, 1917, to fill original vacancies.

Second Lieut. John M. Boon, Eighth Infantry.
Second Lieut. Roger Hilsman, Fifty-seventh Infantry.
Second Lieut. Holmes E. Dager, Fifty-first Infantry.
Second Lieut. James E. Allison, Fortieth Infantry.
Second Lieut. Harry E. Fischer, Forty-fifth Infantry.
Second Lieut. Thomas L. Alexander, Fifty-fourth Infantry.
Second Lieut. Charles E. Ravens, Forty-eighth Infantry.
Second Lieut. Charles H. Jones, Forty-third Infantry.
Second Lieut. Roger Williams, jr., Sixty-first Infantry.
Second Lieut. Harry D. Hildebrand, Sixty-fourth Infantry.
Second Lieut. William Hones, jr., Twenty-third Infantry.
Second Lieut. John J. Bethurum, Sixth Infantry.
Second Lieut. John L Cootey, Thirty-sixth Infantry.
Second Lieut. Albert C. Anderson, Sixty-second Infantry.
Second Lieut. William H. Joiner, Thirty-first Infantry.
Second Lieut. Hugh P. Schiveley, Twelfth Infantry.
Second Lieut. John D. Joanidy, Sixty-second Infantry.
Second Lieut. Gilmer M. Bell, Nineteenth Infantry.
Second Lieut. Manley Lawton, Sixteenth Infantry.
Second Lieut. Roy Sloan, Twelfth Infantry.
Second Lieut. Bryce F. Martin, Thirty-second Infantry.
Second Lieut. Harold C. Hoopes, Forty-seventh Infantry.
Second Lieut. Henley Schuck, Sixtieth Infantry.
Second Lieut. Glenn D. Hufford, Second Infantry.
Second Lieut. Paul R. Hudson, Twenty-eighth Infantry.
Second Lieut. William R. Dwyer, Fifty-ninth Infantry.
Second Lieut. Hanon F. Combs, Thirty-eighth Infantry.
Second Lieut. William E. Fentress, Thirteenth Infantry.
Second Lieut. Ralph Hall, Seventeenth Infantry.
Second Lieut. Mahlon G. Frost, Fifty-second Infantry.
Second Lieut. Benjamin H. Hensley, Thirty-fourth Infantry.
Second Lieut. Hawthorne C. Gray, Thirty-second Infantry.
Second Lieut. Donald J. Neumiller, Eleventh Infantry.
Second Lieut. Orland S. O'Neal, First Infantry.
Second Lieut. Otto Kramer, Forty-second Infantry.
Second Lieut. George D. Ramsey, Twenty-seventh Infantry.
Second Lieut. Jerome Pickett, Twenty-fifth Infantry.

Second Lieut. Lebbeus M. Cornish, Tenth Infantry.
Second Lieut. Leon F. Stevens, Fifty-sixth Infantry.
Second Lieut. William S. Rumbough, Forty-ninth Infantry.
Second Lieut. George A. Murray, Ninth Infantry.
Second Lieut. Joseph E. Young, Twentieth Infantry.
Second Lieut. Henry T. J. Weishaar, Twenty-second Infantry.
Second Lieut. Charles S. Lawrence, Fourth Infantry.
Second Lieut. Cyrus A. Hay, Forty-fifth Infantry.
Second Lieut. Benjamin J. Holt, jr., Fifty-eighth Infantry.
Second Lieut. Newton D. Hathaway, Thirty-ninth Infantry.
Second Lieut. Byron W. Fuller, Thirty-seventh Infantry.
Second Lieut. John E. Stullken, Sixty-fourth Infantry.
Second Lieut. Herman H. Meyer, Fourteenth Infantry.
Second Lieut. Carleton More, Forty-fourth Infantry.
Second Lieut. Edward P. Sheppard, Seventh Infantry.
Second Lieut. Henry J. Matchett, Forty-first Infantry.
Second Lieut. John H. Strickland, Twenty-sixth Infantry.
Second Lieut. Vincent S. Burton, Fifteenth Infantry.
Second Lieut. Griffith Wight, Third Infantry.
Second Lieut. Curtis P. Miller, Fifty-fifth Infantry.
Second Lieut. William Ernst, Eighteenth Infantry.
Second Lieut. John W. Bulger, Twenty-fourth Infantry.
Second Lieut. Roy W. Voege, Thirtieth Infantry.
Second Lieut. Taylor M. Uhler, Thirty-fifth Infantry.
Second Lieut. Roy G. Gordon, Fiftieth Infantry.
Second Lieut. Vernon L. Burge, Fifty-third Infantry.
Second Lieut. Simon Fostiak, Fortieth Infantry.
Second Lieut. Edwin L. Dittmar, Forty-fourth Infantry.
Second Lieut. Crosby N. Elliott, Fifty-second Infantry.
Second Lieut. Ernest R. Marvel, Sixty-second Infantry.
Second Lieut. Frank M. Child, Thirty-fourth Infantry.
Second Lieut. Raymond L. Price, Forty-sixth Infantry.
Second Lieut. Frederic M. Lee, Tenth Infantry.
Second Lieut. Hurley E. Fuller, Fifty-seventh Infantry.
Second Lieut. Larry McHale, Twenty-fourth Infantry.
Second Lieut. Arthur M. O'Connor, Thirtieth Infantry.
Second Lieut. John P. Horan, Nineteenth Infantry.
Second Lieut. James H. S. Wells, Fifty-third Infantry.

To be first lieutenants with rank from June 4, 1917, to fill original vacancies.

Second Lieut. Augustus B. O'Connell, Fourteenth Infantry.
Second Lieut. Charles C. Fitzhugh, Twenty-eighth Infantry.
Second Lieut. Thomas L. McMurray, Sixty-third Infantry.
Second Lieut. Hiram G. Fry, Eighth Infantry.
Second Lieut. Paul E. Jackson, Twentieth Infantry.

To be first lieutenants with rank from June 5, 1917, to fill original vacancies.

Second Lieut. Richard W. Cooksey, Thirteenth Infantry.
Second Lieut. Homer S. Youngs, Sixteenth Infantry.
Second Lieut. Edwin W. Grimmer, Thirty-fifth Infantry.
Second Lieut. William H. Clark, Fifty-fourth Infantry.
Second Lieut. Frank E. Haskell, Third Infantry.
Second Lieut. Lloyd D. Brown, Twenty-sixth Infantry.
Second Lieut. Roy C. Hilton, Sixty-first Infantry.
Second Lieut. Raymond E. O'Neill, Fifty-sixth Infantry.
Second Lieut. Justin S. Hemenway, Thirty-seventh Infantry.
Second Lieut. William A. Shely, Twenty-first Infantry.
Second Lieut. Corwin C. Smith, Eighteenth Infantry.
Second Lieut. John E. McKenney, Sixtieth Infantry.
Second Lieut. John U. Ayotte, Thirty-sixth Infantry.
Second Lieut. Charles H. Barnwell, jr., Twenty-third Infantry.
Second Lieut. Henry A. Schwarz, Fourth Infantry.
Second Lieut. Edward G. Herlihy, Thirty-eighth Infantry.
Second Lieut. Arnold J. Funk, Seventeenth Infantry.
Second Lieut. George M. Ferris, Sixth Infantry.
Second Lieut. Edwin L. MacLean, Thirty-ninth Infantry.
Second Lieut. Norman Minus, Forty-third Infantry.
Second Lieut. Ernest N. Stanton, Fifty-ninth Infantry.
Second Lieut. Thomas G. O'Malley, Fiftieth Infantry.
Second Lieut. Newell R. Fiske, Seventh Infantry.
Second Lieut. Philip B. Harrigan, Twenty-second Infantry.
Second Lieut. John D. Hill, Forty-third Infantry.
Second Lieut. Frank W. Gano, Fifty-eighth Infantry.
Second Lieut. John L. Pierce, Forty-ninth Infantry.
Second Lieut. Donald K. Mason, Forty-seventh Infantry.
Second Lieut. Lowell W. Rooks, Fifty-first Infantry.
Second Lieut. Claude J. Hayden, Eleventh Infantry.
Second Lieut. Samuel D. Bedinger, Forty-eighth Infantry.
Second Lieut. Alpheus E. W. Harrison, Ninth Infantry.
Second Lieut. Malcolm V. Fortier, Forty-second Infantry.
Second Lieut. Outram W. Sherman, Fifty-fifth Infantry.
Second Lieut. Ivan N. Waldron, Nineteenth Infantry.
Second Lieut. John J. Atkinson, Thirty-seventh Infantry.
Second Lieut. Edward C. Allworth, Sixtieth Infantry.
Second Lieut. Roland W. Wittman, Forty-first Infantry.
Second Lieut. Julian R. Orton, Twenty-second Infantry.
Second Lieut. Reginald N. Hamilton, Thirty-fifth Infantry.
Second Lieut. John W. Nicholson, Twenty-sixth Infantry.
Second Lieut. Thomas A. Young, Eighteenth Infantry.
Second Lieut. Charles H. Lee, Forty-seventh Infantry.
Second Lieut. Ray B. Conner, Thirty-sixth Infantry.
Second Lieut. James S. Moore, jr., Sixty-fourth Infantry.
Second Lieut. Franklin H. Woody, Fifty-ninth Infantry.
Second Lieut. Herbert L. Landolt, Forty-first Infantry.
Second Lieut. Samuel W. Sowerbutts, Sixth Infantry.
Second Lieut. Will Van S. Parks, Twenty-eighth Infantry.
Second Lieut. Charles B. Kelly, Fifty-sixth Infantry.
Second Lieut. Malcolm M. Maner, Twenty-first Infantry.
Second Lieut. John L. McKee, Seventh Infantry.
Second Lieut. Glenn L. Allen, Thirty-fourth Infantry.
Second Lieut. Charles R. Jones, Twentieth Infantry.
Second Lieut. Willard S. Paul, Sixty-third Infantry.
Second Lieut. Moritz A. R. Loth, Forty-ninth Infantry.
Second Lieut. Robert H. Chance, Twenty-fourth Infantry.
Second Lieut. Claude W. Shelton, Thirty-eighth Infantry.
Second Lieut. Harry G. Hodgkins, jr., Fifty-fifth Infantry.
Second Lieut. Samuel R. Ward, Eleventh Infantry.
Second Lieut. Vincent P. Rousseau, Thirty-ninth Infantry.
Second Lieut. March H. Houser, Fifty-seventh Infantry.
Second Lieut. Lamont Davis, Twenty-third Infantry.
Second Lieut. James B. Golden, Fourth Infantry.
Second Lieut. Edwin B. Banister, Thirtieth Infantry.
Second Lieut. Wilfrid R. Higgins, Forty-fourth Infantry.
Second Lieut. Eldon P. King, Sixty-second Infantry.
Second Lieut. Frederick S. Matthews, Fortieth Infantry.
Second Lieut. Arthur P. Sibold, Fifty-second Infantry.
Second Lieut. Francis M. Lasseigne, Ninth Infantry.
Second Lieut. Walter Hellmers, Twelfth Infantry.
Second Lieut. Jesse P. Green, Third Infantry.
Second Lieut. Howard W. Turner, Forty-fifth Infantry.
Second Lieut. William A. Taber, Sixty-first Infantry.
Second Lieut. P. Barbour Peyton, jr., Fiftieth Infantry.
Second Lieut. Henry G. Sebastian, Tenth Infantry.
Second Lieut. Wesley C. Brigham, Forty-second Infantry.
Second Lieut. William M. Goldston, Fifty-eighth Infantry.
Second Lieut Cyrus H. Searcy, Fourteenth Infantry.
Second Lieut. Theodore Kelly, Twenty-first Infantry.
Second Lieut. Leon E. Norris, Forty-sixth Infantry.
Second Lieut. David M. Hunter, Fifty-fifth Infantry.
Second Lieut. J. Harold Fleischhauer, Seventeenth Infantry.
Second Lieut. Tasso W. Swartz, Fifty-third Infantry.
Second Lieut. Edward W. McCaskey, jr., Forty-sixth Infantry.

To be first lieutenants with rank from June 14, 1917, to fill original vacancies.

Second Lieut. Ward C. Goessling, Forty-third Infantry.
Second Lieut. Curley P. Duson, Thirtieth Infantry.
Second Lieut. Joseph J. Johnston, Sixtieth Infantry.
Second Lieut. Richard D. Daugherity, Twenty-third Infantry.
Second Lieut. Walter R. Graham, Fifty-ninth Infantry.
Second Lieut. Albert H. Peyton, Fifty-first Infantry.
Second Lieut. Patrick Houstoun, Thirty-fourth Infantry.
Second Lieut. Miron J. Rockwell, Twenty-second Infantry.
Second Lieut. Peter Wirtz, Tenth Infantry.
Second Lieut. Allen W. Stradling, Third Infantry.
Second Lieut. Robert V. Tackabury, Forty-sixth Infantry.
Second Lieut. James P. Murphy, Thirty-sixth Infantry.
Second Lieut. Gustav A. M. Anderson, Fourteenth Infantry.
Second Lieut. William C. Peters, Thirty-fifth Infantry.
Second Lieut. Francis L. Hill, Sixty-third Infantry.
Second Lieut. Charles M. Parkin, Fifty-fifth Infantry.
Second Lieut. Jacob E. Bechtold, Thirty-eighth Infantry.
Second Lieut. Harry Adamson, Eleventh Infantry.
Second Lieut. Neal C. Johnson, Ninth Infantry.
Second Lieut. John E. McCarthy, Sixty-second Infantry.
Second Lieut. Steele Wotkyns, Fifty-seventh Infantry.
Second Lieut. John C. Lane, Forty-ninth Infantry.
Second Lieut. Norman P. Groff, Thirty-seventh Infantry.
Second Lieut. Glenn A. Ross, Forty-second Infantry.
Second Lieut. Donald J. Myers, Nineteenth Infantry.
Second Lieut. Vic K. Burriss, Sixth Infantry.
Second Lieut. Francis A. Woolfley, Fifty-sixth Infantry.
Second Lieut. Carl B. Schmidt, Fortieth Infantry.
Second Lieut. Leslie L. Connett, Twenty-fourth Infantry.
Second Lieut. Owen R. Rhoads, Twenty-fifth Infantry.
Second Lieut. Joe L. Ostrander, Thirty-eighth Infantry.
Second Lieut. Elmer F. Wallender, Fifteenth Infantry.
Second Lieut. Carl E. Driggers, Twenty-first Infantry.
Second Lieut. Allan F. House, Sixteenth Infantry.

Second Lieut. Carl G. Lewis, Fifty-eighth Infantry.
Second Lieut. John D. Burris, Fifteenth Infantry.
Second Lieut. Harry V. Hand, Fifty-third Infantry.
Second Lieut. Frederick V. Edgerton, Fifteenth Infantry.
Second Lieut. Anthony O. Adams, Forty-first Infantry.
Second Lieut. George A. Stockton, Twentieth Infantry.
Second Lieut. Charles W. Neues, Thirty-sixth Infantry.
Second Lieut. George R. Brown, jr., Fiftieth Infantry.
Second Lieut. Oscar A. Burton, Twenty-seventh Infantry.
Second Lieut. Harold W. Kelty, Forty-fourth Infantry.
Second Lieut. William H. Valentine, Second Infantry.
Second Lieut. George N. Munro, Forty-seventh Infantry.
Second Lieut. Herbert Boyer, Twenty-eighth Infantry.
Second Lieut. Myron W. Sherman, Twelfth Infantry.
Second Lieut. Woodworth B. Allen, Seventh Infantry.
Second Lieut. Robert Ferris, Fifty-fourth Infantry.
Second Lieut. Charles E. DeLeuw, Thirty-ninth Infantry.
Second Lieut. William E. Shaw, Eleventh Infantry.
Second Lieut. Lee B. Woolford, Fifty-fifth Infantry.
Second Lieut. Ned Blair, Twenty-fourth Infantry.
Second Lieut. Ernest A. Kindervater, Thirty-eighth Infantry.
Second Lieut. Oscar M. McDole, Thirty-second Infantry.
Second Lieut. Jared I. Wood, Forty-seventh Infantry.
Second Lieut. Henry H. Ranson, Twenty-second Infantry.
Second Lieut. Gordon C. Irwin Fifth Infantry.
Second Lieut. Elbridge G. Chapman, jr., Forty-eighth Infantry.
Second Lieut. Jacob H. Lawrence, Third Infantry.
Second Lieut. Everett M. Yon, Forty-eighth Infantry.
Second Lieut. Grady H. Pendergast, Sixty-third Infantry.
Second Lieut. Robert E. Frye, Seventeenth Infantry.
Second Lieut. Cornelius F. Dineen, Thirty-eighth Infantry.
Second Lieut. John C. Haynes, Thirty-first Infantry.
Second Lieut. George L. Hopkins, Fourth Infantry.
Second Lieut. George M. MacMullin, Sixty-fourth Infantry.
Second Lieut. Harold K. Coulter, Fifty-eighth Infantry.
Second Lieut. Hugh C. H. Jones, Twelfth Infantry.
Second Lieut. Otto E. Pentz, Twenty-fifth Infantry.
Second Lieut. Williston L. Warren, First Infantry.
Second Lieut. Frederick W. Hyde, Sixtieth Infantry.
Second Lieut. Gilbert Good, Fifty-fourth Infantry.
Second Lieut. Theodore Rayburn, Forty-sixth Infantry.
Second Lieut. Leland S. Hatfield, Thirtieth Infantry.
Second Lieut. Rosser L. Hunter, Twenty-third Infantry.
Second Lieut. John S. Hopper, Twenty-fifth Infantry.
Second Lieut. John P. Utinski, Twenty-seventh Infantry.
Second Lieut. James L. Allbright, Ninth Infantry.
Second Lieut. Feodor O. Schmidt, Thirty-fourth Infantry.
Second Lieut. John G. Goodlett, Forty-third Infantry.
Second Lieut. George S. McCullough, Sixty-second Infantry.
Second Lieut. Roderick A. Stamey, Fifty-first Infantry.
Second Lieut. Leo W. Glaze, Thirty-fifth Infantry.
Second Lieut. Walter E. Duvendeck, Fortieth Infantry.
Second Lieut. Abraham Cohen, Second Infantry.
Second Lieut. William F. Gent, Forty-fifth Infantry.
Second Lieut. Clarence H. Maranville, Nineteenth Infantry.
Second Lieut. Roy Sparks, Twenty-ninth Infantry.
Second Lieut. William B. Smith, Thirty-third Infantry.
Second Lieut. Carl F. Cooper, Fifth Infantry.
Second Lieut. John F. Gleaves, Fourteenth Infantry.
Second Lieut. Sterling C. Robertson, Twentieth Infantry.
Second Lieut. Allen F. Kirk, Eighteenth Infantry.
Second Lieut. Thomas G. Jenkins, Thirty-third Infantry.
Second Lieut. Francis S. B. Cauthorn, Forty-first Infantry.
Second Lieut. Lowery L. Cocke, Fifty-sixth Infantry.
Second Lieut. Madison E. Walker, Twenty-ninth Infantry.
Second Lieut. Richard S. Duncan, Forty-ninth Infantry.
Second Lieut. Alexander P. Knapp, jr., Fifty-sixth Infantry.
Second Lieut. Winthrop A. Hollyer, Sixty-first Infantry.
Second Lieut. Leslie C. Wheat, Twenty-first Infantry.
Second Lieut. Lawrence H. Bixby, Seventh Infantry.
Second Lieut. Frank D. Grantham, Forty-first Infantry.
Second Lieut. Robert W. Norton, Thirty-third Infantry.
Second Lieut. Frederic G. Dorwart, Fifty-ninth Infantry.
Second Lieut. William D. Kerns, Fifty-second Infantry.
Second Lieut. Oliver L. Garfett, Thirty-third Infantry.
Second Lieut. Thomas E. Bourke, Sixth Infantry.
Second Lieut. Hastings C. Scholl, Fifty-seventh Infantry.
Second Lieut. Claire A. Whitesell, Fifth Infantry.
Second Lieut. Reinhold A. F. Endling, Tenth Infantry.
Second Lieut. William V. McCreight, Fifty-third Infantry.
Second Lieut. John H. Ringe, Forty-fourth Infantry.
Second Lieut. Virgil Bell, Third Infantry.
Second Lieut. William G. Purdy, Forty-second Infantry.
Second Lieut. Chesley R. Miller, Fiftieth Infantry.
Second Lieut. Charles E. Robinson, Twenty-third Infantry.
Second Lieut. William C. Robinson, Sixty-second Infantry.
Second Lieut. Walter L. Mitchell, Thirty-fourth Infantry.
Second Lieut. Robert F. Dark, Eleventh Infantry.
Second Lieut. Mimucan D. Cannon, Twenty-fourth Infantry.
Second Lieut. Samuel Marshall, Fourth Infantry.
Second Lieut. Ralph Slate, Thirty-ninth Infantry.
Second Lieut. Lee S. Eads, Sixtieth Infantry.
Second Lieut. Ernest John, Fifty-eighth Infantry.
Second Lieut. Floyd H. Banta, Twenty-ninth Infantry.
Second Lieut. Ralph M. Caulkins, Seventeenth Infantry.
Second Lieut. Charles L. Moon, Forty-fifth Infantry.
Second Lieut. Claudius L. Lloyd, Sixty-fourth Infantry.
Second Lieut. Francis G. Bishop, Thirty-first Infantry.
Second Lieut. Henry D. Patterson, Fifty-fourth Infantry.
Second Lieut. Bartlett M. Egeland, Thirty-seventh Infantry.
Second Lieut. Stuart B. Taylor, Forty-sixth Infantry.
Second Lieut. Joseph P. Kiley, Twenty-ninth Infantry.
Second Lieut. Joseph L. Brooks, Sixty-first Infantry.
Second Lieut. Madefrey A. Odhner, Sixty-third Infantry.
Second Lieut. Jacob M. Pearce, jr., Sixth Infantry.
Second Lieut. Ora C. Coffey, unassigned.
Second Lieut. George D. Lehmann, Thirty-third Infantry.
Second Lieut. Jesse J. Hudson, unassigned.
Second Lieut. Robert Hill, Twenty-seventh Infantry.
Second Lieut. Robert C. Gregory, Thirtieth Infantry.
Second Lieut. Laird A. Richards, Thirty-fifth Infantry.
Second Lieut. John J. Finnessy, Fifty-ninth Infantry.
Second Lieut. Carl C. Helm, Seventh Infantry.
Second Lieut. Wayne Horton, Forty-eighth Infantry.
Second Lieut. Leo E. Bennett, jr., Forty-third Infantry.
Second Lieut. Ross Snyder, Forty-seventh Infantry.
Second Lieut. Arthur C. Boren, First Infantry.
Second Lieut. Frederick W. Schonhard, Twenty-second Infantry.
Second Lieut. Arthur R. Jernberg, Fifty-seventh Infantry.

To be first lieutenants with rank from June 15, 1917, to fill original vacancies.

Second Lieut. Edward S. Pegram, jr., Twentieth Infantry.
Second Lieut. Roger Sturgis, Forty-second Infantry.
Second Lieut. Stanley G. Saulnier, Forty-ninth Infantry.
Second Lieut. Mark R. M. Gwilliam, Twenty-first Infantry.
Second Lieut. Will H. Gordon, Ninth Infantry.
Second Lieut. Walter Tracey, Twelfth Infantry.

To be first lieutenants with rank from June 16, 1917, to fill original vacancies.

Second Lieut. William F. Stromeyer, Sixty-third Infantry.
Second Lieut. Dudley B. Howard, Twenty-fourth Infantry.
Second Lieut. Henry W. Farnam, jr., Tenth Infantry.
Second Lieut. Arthur C. Kinsley, Fourteenth Infantry.
Second Lieut. Henry E. Kyburg, Sixteenth Infantry.
Second Lieut. William B. Tuttle, Twenty-third Infantry.

INFANTRY ARM.

To be first lieutenants with rank from June 16, 1917, to fill casual vacancies.

Second Lieut. Charles H. Parker, jr., Forty-first Infantry, vice O'Brien, Fifth Infantry, promoted.

Second Lieut. Ashley S. Le Gette, Fifty-fifth Infantry, vice Hayes, Fifteenth Infantry, promoted.

Second Lieut. John L. Riddell, Forty-fourth Infantry, vice Buckner, Twenty-seventh Infantry, promoted.

Second Lieut. Joseph B. Wiener, Fifty-second Infantry, vice Barker, Second Infantry, promoted.

Second Lieut. Wallace H. Gillett, Fortieth Infantry, vice Bailey, Twenty-sixth Infantry, promoted.

Second Lieut. Benjamin W. Wood, Fifty-third Infantry, vice Whitley, Ninth Infantry.

Second Lieut. Courtney P. Young, Eleventh Infantry, vice Hobley, Second Infantry, promoted.

Second Lieut. Allyn F. Stetson, Thirty-fourth Infantry, vice Hanlon, Thirty-fourth Infantry, promoted.

Second Lieut. Chester V. Newton, Twenty-second Infantry, vice Desobry, Twenty-seventh Infantry, promoted.

Second Lieut. Frank L. Philbrook, Sixty-second Infantry, vice Cutrer, Eighth Infantry, promoted.

Second Lieut. John A. Whitson, Nineteenth Infantry, vice Crea, Fifteenth Infantry, promoted.

Second Lieut. George R. Owens, Fifty-first Infantry, vice Glover, Thirty-second Infantry, promoted.

Second Lieut. Andrew D. Bruce, Forty-ninth Infantry, vice Bouton, Ninth Infantry, promoted.

Second Lieut. Richard M. Winfield, Sixty-third Infantry, vice Muncaster, Fourth Infantry.

Second Lieut. Charles E. Hathaway, jr., Forty-fifth Infantry, vice Spencer, Seventh Infantry, promoted.
Second Lieut. Dallas L. Knoll, Thirty-sixth Infantry, vice Hartman, Third Infantry, promoted.
Second Lieut. Kenneth S. Olivier, Tenth Infantry, vice Miller, Twenty-ninth Infantry, promoted.
Second Lieut. Philip A. Helmbold, Fifty-third Infantry, vice Longeran, Thirteenth Infantry, promoted.
Second Lieut. Frederick C. Wheeler, Thirty-eighth Infantry, vice Sneed, Seventh Infantry, promoted.
Second Lieut. Floyd E. Galloway, Thirty-first Infantry, vice Matile, Twenty-sixth Infantry.
Second Lieut. William C. Trumbower, Ninth Infantry, vice Winton, Fourteenth Infantry, promoted.
Second Lieut. Gerald A. Shannon, Sixtieth Infantry, vice Phelps, Twelfth Infantry, promoted.
Second Lieut. Henry Y. Lyon, Twenty-fourth Infantry, vice Wainer, Twenty-eighth Infantry, promoted.
Second Lieut. Joseph A. Cistero, Thirty-seventh Infantry, vice Kennedy, Tenth Infantry, promoted.
Second Lieut. Thomas W. Freeman, Fifty-second Infantry, vice Harris, Thirty-seventh Infantry, promoted.
Second Lieut. Lawrence F. Braine, jr., Sixth Infantry, vice Tinker, Thirty-seventh Infantry.
Second Lieut. Paxton S. Campbell, Sixty-fourth Infantry, vice French, Third Infantry.
Second Lieut. Maxwell Miller, Thirty-ninth Infantry, vice Koehler, Fourteenth Infantry.
Second Lieut. Roy L. Schuyler, Twentieth Infantry, vice Wood, Thirty-fourth Infantry.
Second Lieut. Louis DeL. Hutson, Thirty-fifth Infantry, vice Burdett, Twenty-seventh Infantry, promoted.
Second Lieut. Gustav L. Karow, Twelfth Infantry, vice Fooks, Sixteenth Infantry, promoted.
Second Lieut. Harold D. Sites, Thirtieth Infantry, vice Rudolph, Twenty-ninth Infantry, promoted.
Second Lieut. Loren P. Stewart, Seventeenth Infantry, vice Lathrop, Thirty-fifth Infantry.
Second Lieut. Nathaniel L. Simmonds, Forty-sixth Infantry, vice Partridge, Thirteenth Infantry.
Second Lieut. John C. Colwell, jr., Fifty-eighth Infantry, vice Catron, Twenty-third Infantry, promoted.
Second Lieut. Harlan D. Kimball, Fiftieth Infantry, vice Emmons, Thirty-seventh Infantry, promoted.
Second Lieut. John W. B. Thompson, Forty-seventh Infantry, vice Krogstad, Twenty-second Infantry, promoted.
Second Lieut. William F. O'Donoghue, Sixty-first Infantry, vice Denson, Twenty-fifth Infantry, promoted.
Second Lieut. Thomas J. Moroney, Nineteenth Infantry, vice Underwood, Thirty-fourth Infantry, promoted.
Second Lieut. William Luth, Seventh Infantry, vice Pullman, Twelfth Infantry, promoted.
Second Lieut. William C. Williams, Fifty-ninth Infantry, vice Mitchell, Twenty-fourth Infantry, promoted.
Second Lieut. Alan W. Jones, Forty-third Infantry, vice Hobson, Ninth Infantry, promoted.
Second Lieut. Francis L. Johnson, Twenty-first Infantry, vice McGrath, Thirty-fifth Infantry, promoted.
Second Lieut. William W. Sanders, Third Infantry, vice Ditto, Twentieth Infantry, promoted.
Second Lieut. Charles S. Brodbent, jr., Fifty-fourth Infantry, vice Rowe, Twenty-first Infantry, promoted.
Second Lieut. Arthur R. Rockwood, Fortieth Infantry, vice Jones, Thirteenth Infantry, promoted.
Second Lieut. Wyne B. Cave, Forty-second Infantry, vice Parker, Twenty-first Infantry, promoted.
Second Lieut. Stanley A. Thomson, Fifty-fifth Infantry, vice Wilson, Thirteenth Infantry, promoted.
Second Lieut. Emery Williamson, Fifty-sixth Infantry, vice Scowden, Thirty-fifth Infantry, promoted.
Second Lieut. Charles R. Russell, Fourteenth Infantry, vice Smith, Eighteenth Infantry, promoted.
Second Lieut. Ira N. Downer, Sixty-second Infantry, vice Davies, Seventeenth Infantry, promoted.
Second Lieut. William B. Wilson, Forty-fourth Infantry, vice Leonard, Fifteenth Infantry, promoted.
Second Lieut. Lloyd W. Mason, Fifty-fifth Infantry, vice Dunlop, Fifteenth Infantry, promoted.
Second Lieut. Carroll L. Ellis, Fourth Infantry, vice Reinhardt, Eighth Infantry, promoted.
Second Lieut. Stanley Y. Kennedy, Fifty-first Infantry, vice Browne, Sixteenth Infantry, promoted.
Second Lieut. David P. McCalib, Twenty-third Infantry, vice Hardin, Twentieth Infantry, promoted.
Second Lieut. Henry A. Montgomery, Thirty-fourth Infantry, vice Byars, Thirty-fourth Infantry, promoted.
Second Lieut. Thomas H. Shea, jr., Forty-eighth Infantry, vice Sloan, Second Infantry, promoted.
Second Lieut. Franklyn T. Lord, Forty-first Infantry, vice Hartle, Twentieth Infantry, promoted.
Second Lieut. William W. Dean, Fiftieth Infantry, vice Vestal, Twelfth Infantry, promoted.
Second Lieut. John W. Stewart, Thirty-sixth Infantry, vice Palmer, Twentieth Infantry, promoted.
Second Lieut. Augustus G. Schroeder, Forty-ninth Infantry, vice Lackland, Thirty-first Infantry, promoted.
Second Lieut. Royden K. Fisher, Nineteenth Infantry, vice Gray, Ninth Infantry, promoted.
Second Lieut. Marlin C. Martin, Thirty-seventh Infantry, vice Peake, Sixth Infantry, promoted.
Second Lieut. David L. Hooper, Seventeenth Infantry, vice Carlock, Seventh Infantry, promoted.
Second Lieut. William L. Morrison, Thirty-eighth Infantry, vice McCormick, Eighteenth Infantry, promoted.
Second Lieut. Oliver E. G. Trechter, Fifty-second Infantry, vice Hicks, Sixteenth Infantry, promoted.
Second Lieut. Elmer F. Farnham, Sixtieth Infantry, vice Shekerjian, Twenty-fourth Infantry, promoted.
Second Lieut. Charles S. Reily, Thirty-ninth Infantry, vice Drolling, Sixteenth Infantry, promoted.
Second Lieut. David W. Barton, Twenty-fourth Infantry, vice Clay, Seventeenth Infantry, promoted.
Second Lieut. James T. Brazelton, Forty-second Infantry, vice Evans, Eighth Infantry, promoted.
Second Lieut. John L. Autrey, Fifty-eighth Infantry, vice Patch, Twenty-sixth Infantry, promoted.
Second Lieut. Edwin H. Haskins, Thirty-second Infantry, vice Hoffman, Twenty-fourth Infantry, promoted.

To be first lieutenants with rank from May 15, 1917, to fill original vacancies.

Second Lieut. Renn Lawrence, Cavalry.
Second Lieut. Fred H. Clark, Cavalry.
Second Lieut. Joseph A. Covington, Cavalry.
Second Lieut. John L. Rice, Cavalry.
Second Lieut. Nelson M. Imboden, Cavalry.
Second Lieut. Randolph Dickins, Cavalry.
Second Lieut. John N. Steele, Cavalry.
Second Lieut. Eugene M. Dwyer, Cavalry.
Second Lieut. Wharton G. Ingram, Cavalry.
Second Lieut. Edward S. Moale, Cavalry.
Second Lieut. Adrian St. John, Cavalry.
Second Lieut. Frederick J. Holzbaur, Cavalry.
Second Lieut. George H. Carruth, Cavalry.
Second Lieut. Robert M. Carswell, Cavalry.
Second Lieut. Walter C. Merkel, Cavalry.
Second Lieut. Joseph M. Hurt, jr., Cavalry.
Second Lieut. George I. Speer, Cavalry.
Second Lieut. Charles B. Duncan, Cavalry.
Second Lieut. Ferris M. Angevine, Cavalry.
Second Lieut. Julian W. Cunningham, Cavalry.
Second Lieut. Sam G. Fuller, Cavalry.
Second Lieut. Clinton A. Pierce, Cavalry.
Second Lieut. Thomas M. Cockrill, Cavalry.
Second Lieut. Delmore S. Wood, Cavalry.
Second Lieut. Arthur Vollmer, Cavalry.
Second Lieut. Otto B. Trigg, Cavalry.
Second Lieut. George W. L. Prettyman, Cavalry.
Second Lieut. Thomas M. Turner, Cavalry.
Second Lieut. Horace L. Hudson, Cavalry.
Second Lieut. Lawrence C. Frizzell, Cavalry.
Second Lieut. Jean F. Sabin, Cavalry.
Second Lieut. Robert F. White, Cavalry.
Second Lieut. Henry D. Jay, Cavalry.
Second Lieut. Ray L. Burnell, Cavalry.
Second Lieut. Arthur W. Hartman, Cavalry.
Second Lieut. John W. Berry, Cavalry.
Second Lieut. Joseph N. Marx, Cavalry.
Second Lieut. George Sawtelle, Cavalry.
Second Lieut. Folsome R. Parker, Cavalry.

To be first lieutenants with rank from June 3, 1917, to fill original vacancies.

Second Lieut. Guy H. Dosher, Cavalry.
Second Lieut. Cecil R. Neal, Cavalry.
Second Lieut. Myer S. Silven, Cavalry.
Second Lieut. William H. Symington, Cavalry.
Second Lieut. Philip B. Fryer, Cavalry.
Second Lieut. Donald C. Hawley, Cavalry.
Second Lieut. Vernon L. Padgett, Cavalry.

Second Lieut. Jay W. MacKelvie, Cavalry.
Second Lieut. Francis T. Bonsteel, Cavalry.
Second Lieut. William E. Barott, Cavalry.
Second Lieut. Wallace F. Hamilton, Cavalry.
Second Lieut. Frank Nelson, Cavalry.
Second Lieut. William E. McMinn, Cavalry.
Second Lieut. Edmund M. Crump, Cavalry.
Second Lieut. Herman F. Rathjen, Cavalry.
Second Lieut. Daniel J. Keane, Cavalry.
Second Lieut. Milo J. Warner, Cavalry.
Second Lieut. LeRoy Davis, Cavalry.
Second Lieut. Anthony J. Tittinger, Cavalry.
Second Lieut. Max D. Holmes, Cavalry.
Second Lieut. Charles A. Ellis, Cavalry.
Second Lieut. Demas L. Sears, Cavalry.
Second Lieut. Bankston E. Mattox, jr., Cavalry.
Second Lieut. Frank H. Barnhart, Cavalry.
Second Lieut. John A. Moschner, Cavalry.
Second Lieut. George E. Harrison, Cavalry.
Second Lieut. Wesley J. White, Cavalry.
Second Lieut. Alton W. Howard, Cavalry.
Second Lieut. Nolan Ferguson, Cavalry.

To be first lieutenants with rank from June 4, 1917, to fill original vacancies.

Second Lieut. Richard W. Carter, Cavalry.
Second Lieut. Kenneth Rowntree, Cavalry.
Second Lieut. George A. King, Cavalry.

To be first lieutenants with rank from June 5, 1917, to fill original vacancies.

Second Lieut. James B. Lockwood, Cavalry.
Second Lieut. Lionel L. Meyer, Cavalry.
Second Lieut. Frederick H. L. Ryder, Cavalry.
Second Lieut. Wallace W. Crawford, Cavalry.
Second Lieut. Theodore B. Apgar, Cavalry.
Second Lieut. Jefferson B. Osborn, Cavalry.
Second Lieut. Mortimer H. Christian, Cavalry.
Second Lieut. Marcus R. Monsarratt, Cavalry.
Second Lieut. Fabius B. Shipp, Cavalry.
Second Lieut. James J. Cecil, Cavalry.
Second Lieut. James M. Shelton, Cavalry.
Second Lieut. Albert R. Kuschke, Cavalry.
Second Lieut. George A. Moore, Cavalry.
Second Lieut. George W. Gay, Cavalry.
Second Lieut. Forsyth Bacon, Cavalry.
Second Lieut. Ralph L. Joyner, Cavalry.
Second Lieut. Roscoe S. Parker, Cavalry.
Second Lieut. Heywood S. Dodd, Cavalry.
Second Lieut. Kent C. Lambert, Cavalry.
Second Lieut. George E. Huthsteiner, Cavalry.
Second Lieut. Richard B. Lloyd, Cavalry.
Second Lieut. Maurice Morgan, Cavalry.
Second Lieut. Gilbert E. Bixby, Cavalry.
Second Lieut. Eugene Burnet, Cavalry.
Second Lieut. Charles F. Houghton, Cavalry.

To be first lieutenants with rank from June 14, 1917, to fill original vacancies.

Second Lieut. James E. Slack, Cavalry.
Second Lieut. Culver S. Mitcham, Cavalry.
Second Lieut. William O. Johnson, Cavalry.
Second Lieut. Harold B. Gibson, Cavalry.
Second Lieut. John D. Hood, Cavalry.
Second Lieut. William E. Kepner, Cavalry.
Second Lieut. Melvin S. Williamson, Cavalry.
Second Lieut. Evarts W. Opie, Cavalry.
Second Lieut. Frank P. Stretton, Cavalry.
Second Lieut. Paul Hurlburt, Cavalry.
Second Lieut. Aaron Y. Hardy, Cavalry.
Second Lieut. Earl B. Wilson, Cavalry.
Second Lieut. Edmund J. Engel, Cavalry.
Second Lieut. John E. Grant, Cavalry.
Second Lieut. Jack M. Reardon, Cavalry.
Second Lieut. George D. Coleman, Cavalry.
Second Lieut. Lewis Mesherry, Cavalry.

To be first lieutenants with rank from June 14, 1917, to fill casual vacancies.

Second Lieut. Lewis A. Weiss, Cavalry, vice First Lieut. Richard E. Cummins, promoted.

Second Lieut. Francis E. Cheney, Cavalry, vice First Lieut. Alexander L. James, jr., promoted.

Second Lieut. Robert P. Mortimer, Cavalry, vice First Lieut. Robert C. Rogers, promoted.

Second Lieut. Lee T. Victor, Cavalry, vice First Lieut. Homer M. Groninger, promoted.

Second Lieut. Henry C. Caron, Cavalry, vice First Lieut. Richard B. Newman, promoted.

Second Lieut. William W. Powell, Cavalry, vice First Lieut. Sumner M. Williams, promoted.

Second Lieut. Thomas P. Cheatham, Cavalry, vice First Lieut. Ernest G. Cullum, promoted.

Second Lieut. Robert F. Merkel, Cavalry, vice First Lieut. William W. Erwin, promoted.

Second Lieut. George F. Bloomquist, Cavalry, vice First Lieut. Chauncey St. C. McNeill, promoted.

Second Lieut. Carroll A. Powell, Cavalry, vice First Lieut. Herman Kobbé, promoted.

Second Lieut. Frank C. DeLangton, Cavalry, vice First Lieut. Harold L. Gardiner, promoted.

Second Lieut. Oscar B. Abbott, Cavalry, vice First Lieut. Claude DeB. Hunt, promoted.

Second Lieut. Carter R. McLennan, Cavalry, vice First Lieut. George S. Patton, jr., promoted.

Second Lieut. Frederick Gearing, Cavalry, vice First Lieut. Cuthbert P. Stearns, promoted.

Second Lieut. Geoffrey Galwey, Cavalry, vice First Lieut. James R. Hill, promoted.

Second Lieut. Louis G. Gibney, Cavalry, vice First Lieut. Henry D. F. Munnikhuysen, promoted.

Second Lieut. William D. Adkins, Cavalry, vice First Lieut. Hugh H. McGee, promoted.

Second Lieut. John B. Hartman, Cavalry, vice First Lieut. Joseph Plassmeyer, promoted.

Second Lieut. Harry C. Jones, Cavalry, vice First Lieut. Edgar W. Taulbee, promoted.

Second Lieut. James E. Simpson, Cavalry, vice First Lieut. John J. Waterman, promoted.

Second Lieut. Aaron T. Bates, jr., Cavalry, vice First Lieut. Charles M. Haverkamp, promoted.

Second Lieut. Charles J. Booth, Cavalry, vice First Lieut. Joseph P. Aleshire, promoted.

Second Lieut. William T. Hamilton, Cavalry, vice First Lieut. Leon M. Logan, promoted.

Second Lieut. Richard C. Boyan, Cavalry, vice First Lieut. Horace T. Aplington, promoted.

Second Lieut. Edward K. Jones, Cavalry, vice First Lieut. Alexander D. Surles, promoted.

Second Lieut. Harry P. Shaw, Cavalry, vice First Lieut. Philip J. Kieffer, promoted.

Second Lieut. Frederick F. Duggan, Cavalry, vice First Lieut. Wilfrid M. Blunt, promoted.

Second Lieut. Merl J. Flatt, Cavalry, vice First Lieut. John F. Wall, promoted.

Second Lieut. Harry H. Baird, Cavalry, vice First Lieut. Robert C. Brady, promoted.

Second Lieut. Francis H. Waters, Cavalry, vice First Lieut. William M. Grimes, promoted.

Second Lieut. William T. Bauskett, jr., Cavalry, vice First Lieut. Henry J. M. Smith, promoted.

Second Lieut. Carlisle B. Cox, Cavalry, vice First Lieut. Malcolm Wheeler-Nicholson, promoted.

Second Lieut. Walter L. Bishop, Cavalry, vice First Lieut. Alexander L. P. Johnson, promoted.

Second Lieut. Donald R. McComas, Cavalry, vice First Lieut. Henry L. C. Jones, promoted.

Second Lieut. Lilburn B. Chambers, Cavalry, vice First Lieut. Edwin O'Connor, promoted.

Second Lieut. John W. Burke, Cavalry, vice First Lieut. Harold C. Lutz, promoted.

Second Lieut. Charles W. Jacobson, Cavalry, vice First Lieut. Daniel E. Murphy, promoted.

Second Lieut. Edgar R. Garlick, Cavalry, vice First Lieut. Kenna G. Eastham, promoted.

Second Lieut. Henry P. Ames, Cavalry, vice First Lieut. James P. Yancey, promoted.

Second Lieut. Richard F. Leahy, Cavalry, vice First Lieut. Leopold J. H. Herwig, promoted.

Second Lieut. Howard C. Okie, Cavalry, vice First Lieut. Raymond E. McQuillin, promoted.

Second Lieut. William L. Gibson, Cavalry, vice First Lieut. DeForest W. Morton, promoted.

Second Lieut. James L. Franciscus, Cavalry, vice First Lieut. Harry A. Flint, promoted.

Second Lieut. Eddie J. Lee, Cavalry, vice First Lieut. Elbert L. Grisell, retired.

To be first lieutenants with rank from June 16, 1917, to fill casual vacancies.

Second Lieut. Elmer P. Gosnell, Cavalry, vice First Lieut. William P. J. O'Neill, retired.

Second Lieut. Raymond D. Adolph, Cavalry, vice First Lieut. Harrison C. Richards, detailed in Signal Corps.

Second Lieut. Donald A. Stroh, Cavalry, vice First Lieut. Jack W. Heard, detailed in Signal Corps.

FIELD ARTILLERY.

To be first lieutenants with rank from May 15, 1917, to fill original vacancies.

Second Lieut. Oliver P. Echols, Field Artillery.
Second Lieut. Clement Ripley, Field Artillery.
Second Lieut. Edward M. Smith, Field Artillery.
Second Lieut. John O. Hoskins, Field Artillery.
Second Lieut. William Clarke, Field Artillery.
Second Lieut. Albert R. Ives, Field Artillery.
Second Lieut. Arthur Brigham, jr., Field Artillery.
Second Lieut. William M. Jackson, Field Artillery.
Second Lieut. Joseph A. Sheridan, Field Artillery.
Second Lieut. Hugh C. Minton, Field Artillery.
Second Lieut. Charles W. Gallaher, Field Artillery.
Second Lieut. Laurence V. Houston, Field Artillery.
Second Lieut. Stacy Knopf, Field Artillery.
Second Lieut. James M. Garrett, Field Artillery.
Second Lieut. David M. Pope, Field Artillery.
Second Lieut. Harry B. Weston, Field Artillery.
Second Lieut. Eugene H. Willenbucher, Field Artillery.
Second Lieut. Louis C. Arthur, jr., Field Artillery.
Second Lieut. John F. Hubbard, Field Artillery.
Second Lieut. Franklin M. Davison, Field Artillery.
Second Lieut. William E. Shepherd, jr., Field Artillery.

To be first lieutenant with rank from June 2, 1917, to fill an original vacancy.

Second Lieut. Frank Langham, Field Artillery.

To be first lieutenants with rank from June 3, 1917, to fill original vacancies.

Second Lieut. William F. Maher, Field Artillery.
Second Lieut. Walter F. Wright, Field Artillery.
Second Lieut. Sidney F. Dunn, Field Artillery.
Second Lieut. Louis W. Hasslock, Field Artillery.
Second Lieut. Breckinridge A. Day, Field Artillery.
Second Lieut. Paul C. Harper, Field Artillery.
Second Lieut. Joseph Kennedy, Field Artillery.
Second Lieut. George D. Shea, Field Artillery.
Second Lieut. John V. D. Hume, Field Artillery.
Second Lieut. Woodrow W. Woodbridge, Field Artillery.
Second Lieut. Gervas S. Taylor, Field Artillery.
Second Lieut. John G. Pennypacker, Field Artillery.
Second Lieut. Richard H. Schubert, Field Artillery.
Second Lieut. Edward J. F. Marx, Field Artillery.
Second Lieut. John W. Weeks, Field Artillery.
Second Lieut. Wilbur C. Carlan, Field Artillery.
Second Lieut. George R. Rede, Field Artillery.
Second Lieut. Gilbert P. Kearns, Field Artillery.
Second Lieut. Van Rensselaer Vestal, Field Artillery.
Second Lieut. John H. Carriker, Field Artillery.
Second Lieut. Peter P. Michalek, Field Artillery.
Second Lieut. William G. Gough, Field Artillery.
Second Lieut. Joseph A. Mulherrin, Field Artillery.
Second Lieut. Azel W. McNeal, Field Artillery.

To be first lieutenants with rank from June 4, 1917, to fill original vacancies.

Second Lieut. William B. Wright, jr., Field Artillery.
Second Lieut. Victor H. Bridgman, jr., Field Artillery.
Second Lieut. Wendell L. Bevan, Field Artillery.

To be first lieutenants with rank from June 5, 1917, to fill original vacancies.

Second Lieut. Henry J. Macpeake, Field Artillery.
Second Lieut. Frank W. Lykes, Field Artillery.
Second Lieut. Richard T. Guthrie, Field Artillery.
Second Lieut. Ittai A. Luke, Field Artillery.
Second Lieut. Roger Griswold, Field Artillery.
Second Lieut. Henry Lockwood, jr., Field Artillery.
Second Lieut. Alan L. Campbell, Field Artillery.
Second Lieut. Oscar B. Ralls, jr., Field Artillery.
Second Lieut. John H. Larkin, Field Artillery.
Second Lieut. Douglas R. Coleman, Field Artillery.
Second Lieut. George P. Winton, Field Artillery.
Second Lieut. Robert N. Getty, jr., Field Artillery.
Second Lieut. George J. Downing, Field Artillery.
Second Lieut. Christiancy Pickett, Field Artillery.
Second Lieut. Rush H. Rogers, Field Artillery.
Second Lieut. John C. Adams, Field Artillery.
Second Lieut. Arthur C. Waters, Field Artillery.
Second Lieut. Ernest T. Barco, Field Artillery.
Second Lieut. Lester A. Daugherty, Field Artillery.
Second Lieut. Walter G. Witt, Field Artillery.
Second Lieut. Joseph E. Takken, Field Artillery.
Second Lieut. Raymond J. Watrous, Field Artillery.
Second Lieut. Jerome J. Waters, jr., Field Artillery.
Second Lieut. Thomas G. Hanson, jr., Field Artillery.
Second Lieut. Bertram N. Rock, Field Artillery.
Second Lieut. Alexander S. Quintard, Field Artillery.

To be first lieutenants with rank from June 14, 1917, to fill original vacancies.

Second Lieut. Marcus A. S. Ming, Field Artillery.
Second Lieut. Lewis E. Goodrich, Field Artillery.
Second Lieut. Victor R. Woodruff, Field Artillery.
Second Lieut. Robert W. Yates, Field Artillery.
Second Lieut. Dana C. Schmahl, Field Artillery.
Second Lieut. Wilbur G. Dockum, Field Artillery.
Second Lieut. Clinton M. Lucas, Field Artillery.
Second Lieut. Harry B. Berry, Field Artillery.
Second Lieut. Samuel G. Fairchild, Field Artillery.
Second Lieut. Ray S. Perrin, Field Artillery.
Second Lieut. Ben M. Sawbridge, Field Artillery.
Second Lieut. Warren D. Davis, Field Artillery.
Second Lieut. Dominic J. Sabini, Field Artillery.
Second Lieut. Herman Feldman, Field Artillery.
Second Lieut. Charles M. Stephens, Field Artillery.
Second Lieut. Oscar T. Yates, Field Artillery.
Second Lieut. Aubrey C. Stanhope, Field Artillery.
Second Lieut. John H. Fye, Field Artillery.
Second Lieut. Julius T. A. Doolittle, Field Artillery.
Second Lieut. Charles R. Lehner, Field Artillery.
Second Lieut. James V. Palmer, Field Artillery.
Second Lieut. James F. Brittingham, Field Artillery.
Second Lieut. Gordon Grant, Field Artillery.
Second Lieut. Ernest A. McGovern, Field Artillery.
Second Lieut. David S. Doggett, Field Artillery.
Second Lieut. Arthur D. Ruppel, Field Artillery.
Second Lieut. Ralph M. Balliette, Field Artillery.
Second Lieut. David H. Trevor, Field Artillery.
Second Lieut. William E. Pfeiffer, Field Artillery.
Second Lieut. Walter C. Lattimore, Field Artillery.
Second Lieut. Albert A. Fleming, Field Artillery.
Second Lieut. Russell H. Dixon, Field Artillery.
Second Lieut. Everett M. Graves, Field Artillery.
Second Lieut. William W. Thomas, Field Artillery.
Second Lieut. Leo M. Daly, Field Artillery.
Second Lieut. Francis R. Mann, Field Artillery.

To be first lieutenants with rank from June 14, 1917, to fill casual vacancies.

Second Lieut. Stephen H. Cordill, Field Artillery, vice First Lieut. Donald M. Beere, promoted.

Second Lieut. Nathan E. McCluer, Field Artillery, vice First Lieut. Herman Erienkotter, promoted.

Second Lieut. Tom W. Stewart, Field Artillery, vice First Lieut. Edwin M. Watson, promoted.

Second Lieut. Fred E. Sternberger, Field Artillery, vice First Lieut. Harold E. Minear, promoted.

Second Lieut. Harry E. Webber, Field Artillery, vice First Lieut. Joseph A. Rogers, promoted.

Second Lieut. Moe Neufeld, Field Artillery, vice First Lieut. Charles T. Griffith, promoted.

Second Lieut. Carlos W. Bonham, Field Artillery, vice First Lieut. Jacob L. Devers, promoted.

Second Lieut. Sidney J. Cutler, Field Artillery, vice First Lieut. Frank A. Turner, promoted.

Second Lieut. William R. Holcomb, Field Artillery, vice First Lieut. George G. Seaman, promoted.

Second Lieut. Harry Hollander, Field Artillery, vice First Lieut. George S. Gay, promoted.

To be first lieutenant, with rank from June 15, 1917, to fill a casual vacancy.

Second Lieut. Arthur O. Walsh, Field Artillery, vice First Lieut. Philip Hayes, promoted.

To be first lieutenants, with rank from June 16, 1917, to fill casual vacancies.

Second Lieut. Edmond C. Fleming, Field Artillery, vice First Lieut. John N. McDowell, promoted.

Second Lieut. Virgil L. Minear, Field Artillery, vice First Lieut. Raymond E. Lee, promoted.

Second Lieut. Charles E. Boyle, Field Artillery, vice First Lieut. Jason McV. Austin, promoted.

Second Lieut. Karl J. Howe, Field Artillery, vice First Lieut. Herbert R. Odell, promoted.

Second Lieut. Edwin A. Henn, Field Artillery, vice First Lieut. Ernest J. Dawley, promoted.
Second Lieut. Homer H. Dodd, Field Artillery, vice First Lieut. Bernard R. Peyton, promoted.
Second Lieut. Lawrence H. Wadsworth, Field Artillery, vice First Lieut. John Magruder, promoted.
Second Lieut. John W. L. Sutherland, Field Artillery, vice First Lieut. Whitmon R. Conolly, promoted.
Second Lieut. Alfred M. Goldman, Field Artillery, vice First Lieut. Gustav H. Franke, promoted.
Second Lieut. Arthur A. Dearing, Field Artillery, vice First Lieut. William E. Larned, promoted.
Second Lieut. James W. Stewart, Field Artillery, vice First Lieut. Charles L. Byrne, promoted.
Second Lieut. Francis C. Le Gette, Field Artillery, vice First Lieut. Roscoe C. Batson, promoted.
Second Lieut. Benjamin S. Dowd, Field Artillery, vice First Lieut. Alvan C. Sandeford, promoted.
Second Lieut. John M. Peirce, Field Artillery, vice First Lieut. Ira T. Wyche, promoted.
Second Lieut. Miles M. Elder, Field Artillery, vice First Lieut. Harvey M. Hobbs, promoted.
Second Lieut. Frederick C. Austin, Field Artillery, vice First Lieut. Thomas G. M. Oliphant, promoted.
Second Lieut. George F. Kite, Field Artillery, vice First Lieut. Edward A. Millar, jr., promoted.
Second Lieut. Herbert S. Herbine, Field Artillery, vice First Lieut. Clyde J. McConkey, promoted.
Second Lieut. Charles T. McAleer, Field Artillery, vice First Lieut. Jonathan W. Anderson, promoted.
Second Lieut. Walter A. Noyes, Field Artillery, vice First Lieut. Leon R. Cole, promoted.
Second Lieut. Paul R. Wing, Field Artillery, vice First Lieut. Harold C. Vanderveer, promoted.
Second Lieut. Edward J. Roe, Field Artillery, vice First Lieut. George E. Arnemann, promoted.
Second Lieut. Myron W. Tupper, Field Artillery, vice First Lieut. Clarence D. Lang, promoted.
Second Lieut. Harry L. Calvin, Field Artillery, vice First Lieut. Isaac Spalding, promoted.
Second Lieut. Charles R. Doran, Field Artillery, vice First Lieut. Harry J. Maloney, promoted.
Second Lieut. William W. Belcher, Field Artillery, vice First Lieut. Robert F. Hyatt, promoted.
Second Lieut. John R. Williams, Field Artillery, vice First Lieut. Archibald V. Arnold, promoted.
Second Lieut. George R. Middleton, Field Artillery, vice First Lieut. Earl B. Hochwalt, promoted.
Second Lieut. Wilbur H. Hayes, Field Artillery, vice First Lieut. Francis T. Armstrong, promoted.
Second Lieut. Robert F. Blodgett, Field Artillery, vice First Lieut. Hamilton Templeton, promoted.
Second Lieut. John F. Lynch, Field Artillery, vice First Lieut. Bertram Frankenberger, promoted.
Second Lieut. Carl C. Carney, Field Artillery, vice First Lieut. Edwin P. Parker, jr., promoted.
Second Lieut. Richard A. Gordon, Field Artillery, vice First Lieut. William R. Gruber, promoted.

To be first lieutenant with rank from July 9, 1917, to fill a casual vacancy.

Second Lieut. William B. B. Wilson, Field Artillery, vice First Lieut. Eugene T. Spencer, promoted.

COAST ARTILLERY CORPS.

To be first lieutenants with rank from June 3, 1917, to fill original vacancies.

Second Lieut. James L. Keane, Coast Artillery Corps.
Second Lieut. John A. Messerschmidt, Coast Artillery Corps.

To be first lieutenant with rank from June 4, 1917, to fill an original vacancy.

Second Lieut. Benjamin Bowering, Coast Artillery Corps.

To be first lieutenants with rank from June 5, 1917, to fill original vacancies.

Second Lieut. Henry F. Grimm, jr., Coast Artillery Corps.
Second Lieut. Henry Linsert, Coast Artillery Corps.
Second Lieut. Donald L. Dutton, Coast Artillery Corps.
Second Lieut. Leland A. Miller, Coast Artillery Corps.
Second Lieut. Arthur N. Harrigan, Coast Artillery Corps.
Second Lieut. Percy C. Hamilton, Coast Artillery Corps.
Second Lieut. Robert A. Laird, Coast Artillery Corps.
Second Lieut. Porter P. Lowry, Coast Artillery Corps.
Second Lieut. Stuart W. Griffin, Coast Artillery Corps.
Second Lieut. Joseph W. Hazell, Coast Artillery Corps.
Second Lieut. John B. Day, Coast Artillery Corps.

To be first lieutenants with rank from June 14, 1917, to fill original vacancies.

Second Lieut. Nelson Dingley, 3d, Coast Artillery Corps.
Second Lieut. Carl R. Adams, Coast Artillery Corps.
Second Lieut. Edward C. Lohr, Coast Artillery Corps.
Second Lieut. Byron T. Ipock, Coast Artillery Corps.
Second Lieut. George W. Hovey, Coast Artillery Corps.
Second Lieut. Ernest L. Bigham, Coast Artillery Corps.
Second Lieut. Raymond H. Schutte, Coast Artillery Corps.
Second Lieut. Carl R. Crosby, Coast Artillery Corps.
Second Lieut. Charles T. Halbert, Coast Artillery Corps.
Second Lieut. Claude G. Benham, Coast Artillery Corps.
Second Lieut. Henry B. Frost, Coast Artillery Corps.
Second Lieut. Roy D. Burdick, Coast Artillery Corps.
Second Lieut. Franklin A. Green, Coast Artillery Corps.
Second Lieut. Harrie J. Rechtsteiner, Coast Artillery Corps.

To be first lieutenants with rank from June 16, 1917, to fill original vacancies.

Second Lieut. Willard W. Irvine, Coast Artillery Corps.
Second Lieut. William D. Evans, Coast Artillery Corps.
Second Lieut. William C. Byrd, Coast Artillery Corps.
Second Lieut. Clarence N. Winston, Coast Artillery Corps.
Second Lieut. Albert M. Jackson, Coast Artillery Corps.
Second Lieut. Lyle B. Chapman, Coast Artillery Corps.
Second Lieut. Joseph P. Kohn, Coast Artillery Corps.
Second Lieut. Robert J. Van Buskirk, Coast Artillery Corps.
Second Lieut. Frederick L. Topping, Coast Artillery Corps.
Second Lieut. Thomas R. Phillips, Coast Artillery Corps.
Second Lieut. Charles S. Erswell, jr., Coast Artillery Corps.
Second Lieut. Lewis Merriam, jr., Coast Artillery Corps.

PROVISIONAL APPOINTMENT AS SECOND LIEUTENANTS IN THE ARMY.

CAVALRY.

Second Lieut. Philip Coleman Clayton, First Infantry, South Carolina National Guard.
First Sergt. Hans E. Kloepfer, Troop G, Twenty-fourth Cavalry.
Pvt. Edward Allen Everitt, jr., Troop A, First Squadron, Cavalry, New Jersey National Guard.
Sergt. Herbert Allyn Myers, Troop C, Sixth Cavalry.
First Sergt. Norman Norton Rogers, Troop H, Nineteenth Cavalry.
Pvt. Temple Elliott Ridgely, Troop D, First Cavalry, Illinois National Guard.
First Sergt. Harry William Maas, Troop D, Twenty-first Cavalry.
Pvt. Peter Townsend Coxe, Company K, Seventh Infantry, New York National Guard.
First Sergt. Francis Henry Bouche, First Separate Troop, Cavalry, Missouri National Guard.
Pvt. First Class William Henry Sweet, Quartermaster Corps.
Sergt. Louis Cansler, Company D, Second Telegraph Battalion, Signal Corps.
Pvt. William Van Dyke Ochs, Troop B, Cavalry, Tennessee National Guard.
Pvt. Horace Waldo Forster, Company A, First Cavalry, Massachusetts National Guard.
Sergt. Richard Nevins Mather, Company M, Second Infantry, Texas National Guard.
Corp. Lee Louis Elzas, Troop B, First Cavalry, Texas National Guard.
Pvt. Owen George Fowler, Company D, Third Engineers.
Supply Sergt. Harry Foster, Troop H, Second Cavalry.
Musician Third Class Alexander Carl Strecker, Twenty-fourth Recruit Company, General Service Infantry (Band).
First Class Pvt. Stanley Ayrault Ward, Battery A, Field Artillery, Rhode Island National Guard.
Pvt. Dwight Hughes, jr., Troop A, Cavalry, South Carolina National Guard.
Pvt. William Robert Stickman, Quartermaster Corps.
Pvt. First Class Lloyd W. Biggs, Machine Gun Troop, Sixteenth Cavalry.
Pvt. First Class Wilkie Collins Burt, Troop B, Fifth Cavalry.
Pvt. Harry Louis Sommerhauser, Troop I, Thirteenth Cavalry.
Corp. Harold Edward Dickinson, Troop H, Seventeenth Cavalry.
Pvt. Adrian Beaumont Charles Smith, Company E, First Cavalry, New York National Guard.
Sergt. Rufus Stanley Ramey, Company F, Fourth Infantry, Missouri National Guard.
Color Sergt. Carl Thompson Colt, Company G, Fourth Infantry, Ohio National Guard.
Garibaldi Laguardia, of New York.

Thomas Mitchell Hagar, of Missouri.
Will Shafroth, of Colorado.
William Draper Savage, of Minnesota.
Richard Ridgely Lytle, jr., of New York.
Harry Chapman Gilbert, of the District of Columbia.
Henry Elkins Atwood, of Minnesota.
John Christopher Taliaferro, jr., of Virginia.
Max Winfield Tucker, of Massachusetts.
Vernon McTyeire Shell, of South Carolina.
Emmons L. Abeles, of Minnesota.
James Charles Longino, of Georgia.
Woodbury Freeman Pride, of Maine.
Eugene Peter Henry Gempel, of Kansas.
Charles Baxter Sweatt, of Minnesota.
John Melville Sanderson, of the District of Columbia.
Charles William Walton, of Wisconsin.
James Vincent McConville, of Pennsylvania.
Marion Cox, of Maryland.
Hugh John FitzGerald, of Virginia.
Lyle Calhoun De Veaux, of Pennsylvania.
David Proud Minard, of Massachusetts.
Paul Joseph Matte, of Massachusetts.
Hugo Paul Wise, of Ohio.
Norman Ray Hamilton, of Massachusetts.
Robert Rush Hawes, jr., of Tennessee.
Joseph Shelburn Robinson, of Pennsylvania.
Murray Henry Ellis, of Pennsylvania.
Wolcott Paige Hayes, of the District of Columbia.
Joseph Idus Lambert, of Texas.
Ralph W. Rogers, of Minnesota.
William Paul Medlar, of Kansas.
Lawrence Augustus Shafer, of Minnesota.
Thurlby Morgan Rundel, of Michigan.
Charles Bernard Beeler Bubb, of Kansas.
Paul Elmer McDermott, of Washington.
Gustav Bismark Guenther, of Wisconsin.
William Howser Skinner, of Maryland.
Leslie Frederick Lawrence, of Connecticut.
Franklin Courtney Ketler, of Pennsylvania.
Charles Pope II, of Illinois.
Waldemar Adolph Falck, of California.
Carl John Rohsenberger, of Indiana.
Crawford McMann Kellogg, of Arizona.
Russell McKee Herrington, of the District of Columbia.
James Veto McDowell, of Texas.
Harry Lee Hart, of New York.
James Henry Beals Bogman, of Georgia.
Robert Harold Gallier, of Maine.
Percy Stuart Hayden, of Virginia.
David Jamison Chaille, of Louisiana.
Albert Edward McIntosh, of Rhode Island.
Jefferson Kinney, jr., of Virginia.
Halbert Hale Neilson, of Mississippi.
Leland Charles McAuley, of California.
Carl Rudy Johnston, of California.
Dean Reade DeMerritt, of New Hampshire.
Vance Whiting Batchelor, of Massachusetts.
Truman Everett Boudinot, of California.
James Rushmore Wood, of New York.
William James Gallagher, of New York.
Charles Rudd, of South Dakota.
James Gordon Strobridge, of Massachusetts.
Stephen Boon, jr., of Kansas.
Harold Glaucus Holt, of Washington.
Walter Gunther, of New Jersey.
Roy Vernon Morledge, of Pennsylvania.
John Wesley Noble, of Maryland.
Herman Revere Crile, of New Mexico.
Joseph Edmund Torrence, of Kentucky.
Charles Gordon Hutchinson, of Maryland.
Chester Paul Dorland, of California.
Ernest Davis McQueen, of Texas.
Archie E. Groff, of Missouri.
George Davis Wiltshire, of Virginia.
Alfonso Frederick Zerbee, of Ohio.
Jackson Broadus Wood, of Texas.
Arthur John Wehr, of Arizona.
Robert C. Scott, of Texas.
Arnold W. Shutter, of Minnesota.
Gerald Fitz-Herbert Delamer, of California.
Leland Whitney Crafts, of New Hampshire.
A. Franklin Kibler, at large.
Leonce Joseph Blanchard, of Louisiana.
John Donald Robb, of Minnesota.
Winfield Mills Putnam, of Massachusetts.
James Caruthers Lysle, of Kansas.
Francis Sylvester Conaty, of Massachusetts.
William Edward Beitz, of New York.
William Caldwell Dunckel, of Missouri.
William Hugh Burns, of Connecticut.
Bernard Reilly Kennedy, of Connecticut.
Rex Byerly Shaw, of Texas.
John Waller Faulconer, jr., of Virginia.
Richard Erastus Taylor, of New York.
Charles Deere Wiman, of Illinois.
Herbert Llewellyn Montgomery, of Minnesota.
Gennard Alban Greaves, of Virginia.
Willis Alexander Garvey, of Kansas.
Edwin Howard Blanchard, of Maine.
Francis Murry Crist, of Maryland.
Haines Beede Quimby, of Massachusetts.
Robert Carlyle Gillies, of New Jersey.
Oliver Grant Brush, of Texas.
Gordon Hunt Michler, of Connecticut.
Robert Graff Merrick, of Maryland.
Louis J. Fortier, of Louisiana.
William Mitchell Wiener, of West Virginia.
William Jay Schieffelin, jr., of New York.
William Fergus Kernan, of Massachusetts.
George Lamb Buist Rivers, of South Carolina.
Dell Hamilton McCoy, of South Dakota.
Wallace Gordon Drummond, of Washington.
Morrill Ross, of Maine.
Roland Legard Davis, of Virginia.
John Averill Steere, of Massachusetts.
Leslie Edwards Babcock, of Connecticut.
Joseph Cumming Elliff, of Missouri.
William Torrey Barker, of Massachusetts.
Erik Achorn, of Massachusetts.
Dorsey Richardson, of Maryland.
Byron Henry Mehl, of Kansas.
Leon Adolph Des Pland, jr., of Florida.
Charles Warner McCleary, of Iowa.
John Lindley Gammell, of Rhode Island.
James Wade Emison, jr., of Indiana.
Ward Hale Maris, of Missouri.
Roderick Stanley Patch, of California.

Second Lieut. Robert Edmund Tappan, Infantry Section, Officers' Reserve Corps.

First Lieut. Charles Booth Malone, jr., Ordnance Section, Officers' Reserve Corps.

James Bentley Taylor, of Missouri.
Rollin Asher Burditt, of Vermont.
Richard Henry Ballard, of Massachusetts.
Joseph Dent Hungerford, of Maryland.
James Clay Short, of Texas.
Arthur Day Edmunds, of New Hampshire.
Francis Johnstone Simons, of South Carolina.
Lawrence Byron Wyant, of Ohio.
Theodore Ludwig Sogard, of Minnesota.
John Cary Howard, of California.
Carlyle Judson Hancock, of Massachusetts.
James C. Miller, of Maryland.
Abraham Wright Williams, of Maryland.
James Thomas Duke, of Maryland.
Hiram F. Plummer, of Virginia.
Thomas Watkins Ligon, of Maryland.
Edward Hale Brooks, of New Jersey.
Wayland Bixby Augur, of California.
William Brooke Bradford, of New York.

FIELD ARTILLERY.

Second Lieut. Edward W. Austin, Philippine Scouts.

Second Lieut. Clyde Charles Alexander, First Battalion, Field Artillery, California National Guard.

Sergt. Erwin Adolph Manthey, Company K, Third Infantry, Illinois National Guard.

Corpl. Henry Barton Dawson, Battery E, Fourth Field Artillery.

Corpl. John William Kelley, Battery E, Third Field Artillery.

Sergt. Harvey Rexford Hitchcock, jr., Battery B, Field Artillery, Ohio National Guard.

Sergt. Thomas Hart Davis, Second Recruit Company, General Service Infantry.

Corpl. John P. Ratajczak, First Company, Coast Artillery Corps.

Pvt. Claude Tillinghast Porter, Battery D, First Field Artillery, Illinois National Guard.

Sergt. Thomas Hooper Eckfeldt, jr., Battery A, First Field Artillery, Massachusetts National Guard.
Pvt. (First Class) Sumter Davis Marks, jr., Battery C, First Separate Battalion, First Field Artillery, Louisiana National Guard.
Pvt. Gordon Hunt Dickson, Company L, Second Infantry, Washington National Guard.
Pvt. (First Class) Reed Emil Beck, Troop E, Fourteenth Cavalry.
Pvt. Waldo Emerson Ard, Fourth Company, Coast Artillery Corps.
Corpl. Clarence E. Cartwright, Battery D, Fourth Field Artillery.
Pvt. Raymond Joseph Walsh, Battery A, Rhode Island National Guard.
Pvt. Harold Kernan, Battery C, First Field Artillery, Louisiana National Guard.
Sergt. Innes Harwood Bodley, Field Artillery, unassigned.
Second Lieut. James Holcombe Genung, jr., Engineer Section, Officers' Reserve Corps.
Warner Merritt Pomerene, of Ohio.
Ross Seguine Mason, of Colorado.
Edwin Shelby, jr., of Louisiana.
Robert Benjamin Hood, of Kansas.
Victor A. Dash, jr., of Minnesota.
Charles William Chalker, of Tennessee.
John Lawrence Hamilton, jr., of Ohio.
Roy Crawford Moore, of South Carolina.
Theodore Edward Thomas Haley, of California.
John Franklin Hepner, of Virginia.

COAST ARTILLERY CORPS.

Corpl. Fenton Gay Epling, Coast Artillery Corps.
Pvt. Ross Gordon Hoyt, Coast Artillery Corps.
Pvt. (First Class) William Mayer, Coast Artillery Corps.
Mess Sergt. Hubert A. McMorrow, Coast Artillery Corps.
First Sergt. Douglas Graeme Clark, Company G, First Infantry, Vermont National Guard.
Corpl. Vernon Garnett Cox, Company F, Fourth Infantry, Missouri National Guard.
Sergt. Ralph Garver Lockett, Battery C, First Field Artillery, Ohio National Guard.
Thurwood Van Ornum, of Missouri.
Cecil Ray Moore, of Virginia.
Anthony Lispenard Bleecker, of New York.
Edward Allen Williford, of New York.
James Erastus Wallis, jr., of Massachusetts.
Granville Byam Smith, of Massachusetts.
Grafton Sherwood Kennedy, of Ohio.
Chester King Allen, of Massachusetts.
Harold Clarkson Mabbott, of Massachusetts.
James Arthur Blair, of Massachusetts.
Harold Arthur Maxfield, of Massachusetts.
James Patrick Ferrall, jr., of New York.
Robert Elliott Lamb, of Massachusetts.
Winthrop Chester Swain, of Massachusetts.
George Augustus Nelson, jr., of New York.
Edward Yates Keesler, of North Carolina.
Roland Hubert Dufault, of Massachusetts.
Gardner Endicott Johnson, of Massachusetts.
Frank Charles Howard, of Massachusetts.
Paul Harrington Duff, of Massachusetts.
Lucas Elmendorf Schoonmaker, of New Jersey.
Gordon Marshall Wells, of California.
Robert Ellsworth Johnston, of Pennsylvania.
Hermon French Safford, of Massachusetts.
Clifford Dean Hindle, of Rhode Island.
John Raymond Ramsbottom, of Massachusetts.
Merton Luther Haselton, of New Hampshire.
John Randolph Wheeler, of Connecticut.
Raymond James Farrell, of Massachusetts.
John Russell Haviland, of New Jersey.
Erving Goodwin Betts, of Massachusetts.
Arthur F. Benson, of New Jersey.
Joseph Frederick Williamson, of California.
Richard Whiting Logan, of Massachusetts.
Thomas Ewing Hannah, of Massachusetts.
Frank Stanley Krug, jr., of Ohio.
Henry Millet Blank, of New Jersey.
William Henry Egle Holmes, of Indiana.
Arthur Donohue Dickson, of Massachusetts.
Roswell Frederick Curtis, of Massachusetts.
Douglas Meriwether Griggs, of Virginia.
Horace Frederick Banan, of Massachusetts.
Harry Walter Capper, of Virginia.
Douglas Fuller Miner, of Massachusetts.
Edward Francis Weiskopf, of New York.
Sidney Smith Small, of Colorado.
James Paul Jacobs, of Maryland.
Cornelius Henry Menger, of Connecticut.
William Henry Seymour, of Massachusetts.
Sherwood Holmes Taber, of Massachusetts.
Walton Barr Killough, of New Jersey.
Ernest Cleveland Bomar, of South Carolina.
Jarvis Carter Marble, of Michigan.
James William Anderson, of Massachusetts.
Alfred Hall Crossman, of Massachusetts.
John Raymond Markham, of Massachusetts.
Charles Edward Atkinson, of Massachusetts.
George Davis Kittredge, of New York.
Thomas Freeman Tisinger, of Georgia.
Coburn Lee Berry, of Maine.
John Hancock Babbitt, of Massachusetts.
Carroll Cushing Taylor, of New Jersey.
Joseph Paul Gardner, of Massachusetts.
Edward Benedict McCarthy, of Massachusetts.
Herbert Arthur Dyer, of New York.
Edward Hayward Raymond, of Massachusetts.
Eugene Burton Butler, of California.
Simpson Ridley Stribling, of Texas.
Neal Everett Tourtellotte, of Idaho.
Hubert Eugene Wellcome, of Massachusetts.
Lyle D. Wise, at large.
Edwin Mortimer Woodward, of Illinois.
John Wesley Orcutt, of Massachusetts.
James Anthony Taylor, of California.
James Greenwood McDougall, of New Hampshire.
Richard Derby, of California.
Frederic Roland Cox, of Massachusetts.
James Thomas Campbell, of Oklahoma.
Howard Spencer MacKirdy, of Connecticut.
Robert Hawley Wells, of California.
Kenyon Roper, of Ohio.
Thomas William Hansberry, of Massachusetts.
Albert Jerome Hahn, of Alabama.
Maurice E. Barker, at large.
Philip Edwin Hulburd, of Massachusetts.
John Hancock LaFitte, of Virginia.
Leon Chapman Dennis, of New York.
Clarence Lee Stevens, of Vermont.
Caruthers Askew Coleman, of Mississippi.
William Fred Lafrenz, of California.
Carson Gary Jennings, of Illinois.
Charles Joseph Collins, of Florida.
Richard Gascoigne Lyne, of Virginia.
James Black Muir, jr., of California.
Edmund Hathaway Stillman, of California.
Robert Chapman Snidow, of Virginia.
John Frederick Loomis, of Missouri.
Charles H. Keck, of Ohio.

INFANTRY.

Second Lieut. Henry Pascale, Infantry Section, Officers' Reserve Corps
First Lieut. Frank Rutherford Marston, Ordnance Section, Officers' Reserve Corps.
George Warner Swift, of New York.
Lorraine Douglas Fields, of Maryland.
Remington Orsinger, of Minnesota.
William Stewart Morris, of Maryland.
Joseph W. Bollenbeck, of Wisconsin.
Kenneth Corwin Bell, of Illinois.
Arnold Michelson, of Minnesota.
Thomas Frank Keasler, of Texas.
Monroe Mark Friedman, of California.
Lee Clare Lewis, of Washington.
Cyrus Joseph Rounds, of Wisconsin.
John Dean Forsythe, of Ohio.
Marcus Brenneman Bell, of Missouri.
Samuel Louis Alexander, of Missouri.
Albert Denarvous Johnson, of Texas.
Roger William Morse, of Washington.
Leslie T. Lathrop, of Minnesota.
Andrew Annan Cook, of Florida.
Lewis Augustine Maury, of Texas.
Dan W. Flickinger, of Indiana.
Robert Duncan Porter, of South Carolina.
Ralph Edwin Richards, of Minnesota.
Chester Gilbert Hadden, of Illinois.
Ralph Hudson Wooten, of Mississippi.

Kenneth Burman Bush, of Illinois.
Donald Clark Williams, of California.
Russell Daniel Barnes, of Illinois.
Victor Patterson, of Vermont.
Thorgny Cedric Carlson, of Arkansas.
Lyman Case Ward, of New York.
James David Brown, of Texas.
Harold Clark McClelland, of Kansas.
Robert Cummings Brunson, of South Carolina.
Capt. Earl Elliott Major, Fourth Infantry, Missouri National Guard.
Capt. Lloyd Chandler Parsons, Second Infantry, Arkansas National Guard.
First Lieut. Claudius Miller Easley, Second Infantry, Texas National Guard.
Corpl. Henry Vaughon Dexter, Company B, Thirty-eighth Infantry.
Corpl. Ted H. Cawthorne, Company L, Fourteenth Infantry.
Pvt. Edward Harrah, Company I, Seventh Infantry, New York National Guard.
Battalion Sergt. Maj. Nelson Hill, Fourth Infantry, Missouri National Guard.
Pvt. Robert William Corrigan, Company L, Seventh Infantry, New York National Guard.
Corpl. Richard Hammond Elliott, Company M, First Infantry, Maryland National Guard.
Pvt. Peter Fries Connor, Troop A, First Squadron, Cavalry, Ohio National Guard.
Pvt. Robert Hughes Lord, Company K, Fourth Infantry, Ohio National Guard.
Corpl. Mose Kent Pigman, First Company, Coast Artillery Corps.
Sergt. Otto John Endres, Company M, Third Infantry, Wisconsin National Guard.
Corpl. John Joseph Hannigan, United States Military Academy, Detachment Engineers.
Pvt. (First Class) Ruthford L. Herr, Company M, Thirty-second Infantry.
Pvt. Herbert Gray Esden, Company B, Fourth Infantry, Nebraska National Guard.
Pvt. (First Class) Norman Spencer, General Service Infantry.
Corpl. Hunter Louis Girault, Company H, Seventh Infantry.
Radio Sergt. Rex Walter Minckler, Coast Artillery Corps.
First Sergt. George Albert Jackson, Company M, Fifty-fifth Infantry.
Sergt. Roy F. Lynd, Medical Department.
Sergt. Hugo John Endres, Company M, Third Infantry, Wisconsin National Guard.
Pvt. (First Class) Wade Hampton Johnson, Medical Department.
Sergt. Robert Charles Patterson, Quartermaster Corps.
Sergt. (First Class) Hoke Smith, jr., Quartermaster Corps.
Sergt. Francis Ward Kernan, Company F, Sixth Engineers.
Quartermaster Sergt. John Nicol McNaughton, Quartermaster Corps.
Pvt. Samuel Isaac Speevack, Company H, Seventh Infantry.
Sergt. Maximilian Clay, Company H, Third Infantry, Tennessee National Guard.
Pvt. Frederick Sandrus Schmitt, Company H, Tenth Infantry, Pennsylvania National Guard.
Corpl. Calvert Hinton Arnold, Machine Gun Company, Second Infantry, Georgia National Guard.
Pvt. (First Class) Clarence Littleton Morton, Fourth Company, Coast Artillery Corps.
Sergt. George Shipley Prugh, First Field Hospital Company, Ohio National Guard.
Regimental Supply Sergt. Homer Franklin Tate, Fifth Infantry, California National Guard.
Sergt. Harold Montague, Army Service Schools Detachment.
Corpl. Kenyon Harrington Clark, Company E, Seventh United States Engineers.
Corpl. Cyril M. Stillson, Company H, Forty-first Infantry.
Corpl. Richard Hutchings Johnston, Machine Gun Company, Second Infantry, Georgia National Guard.
Pvt. John Blakeway Cockburn, Third Company, Coast Artillery Corps.
Corpl. George Thurman Fleet, Company A, Eighteenth Infantry.
Sergt. Clifton Martin Brown, Company G, First Infantry, Wisconsin National Guard.
Sergt. Arthur Bloch, Company D, Seventh Engineers.
Sergt. Edward John Rasch, Quartermaster Corps, Motor Truck Company Twenty-eight.
Sergt. Walter Valentine Flynn, Company E, Seventh Infantry, New York National Guard.
Pvt. Otto Walter Neidert, Company H, Third Infantry, Missouri National Guard.
Sergt. Edwin Showalter Beall, Machine Gun Company, Thirty-fourth Infantry.
Regimental Supply Sergt. Ralph Emerson Bower, Ohio National Guard Reserve.
Sergt. Charles Weiley Ogden, Company C, Second Infantry, Texas National Guard.
Sergt. Peter William Ebbert, Company L, Fifth Infantry, New Jersey National Guard.
Sergt. George Leland Eberle, Company K, First Infantry, Arizona National Guard.
Walter Ebsworth Wynne, of New York.
Norman Lee Baldwin, of Illinois.
Roger Howell, of Maryland.
Kenneth McIntosh, of New York.
Fred Reginald Wolff, of New York.
Arthur Clifford Carlton, of Maryland.
Robert Vansant Finney, of Pennsylvania.
Philip Daniels Wessen, of Massachusetts.
Clement Dixon Johnston, of Kentucky.
Edward John Hardin, of Georgia.
Harman Paul Agnew, of Pennsylvania.
Floyd Lyle, of Minnesota.
Francis Wayland Stone, jr., of Maryland.
Don Carlos Faith, of Indiana.
Charles Barrett Herrick, of Washington.
Raymond Orr, of Texas.
Thomas A. Austin, jr., of Texas.
James William Anderson, of North Carolina.
Edgar Tremlett Fell, of Maryland.
Archibald Ross MacKechnie, of Washington.
Joseph Benedict Kilbride, of Connecticut.
Francis Howard Wilson, of Maryland.
Walter Adams Mack, of Massachusetts.
Arthur Franklin Williams, of Massachusetts.
William Hamilton Ponder, of Louisiana.
John Cleary Kernan, of the District of Columbia.
Maxton Hale Flint, of Massachusetts.
Edward Monroe Bates, of Massachusetts.
Howard Jennings Gorman, of Maryland.
Charles Swett Pettee, of New Hampshire.
Elmer E. Hagler, jr., of Illinois.
Sidney Hamlet Negrotto, of Louisiana.
Gustav Joseph Braun, of Indiana.
Frederick Vaughan Burgess, of Vermont.
Everett Langdon Upson, of Connecticut.
Walter Russell Curfman, of Maryland.
Don Forrester Pratt, of Missouri.
Ralph Edgerton Mooney, of Missouri.
Willard Allen Reddish, of Indiana.
Ernest Ransome Percy, of California.
Marcellus L. Countryman, jr., of Minnesota.
John Corwin Shaw, of Kansas.
Harry L. Stoner, of Minnesota.
James Merritt Arthur, of Indiana.
Donovan Paul Yeuell, of Illinois.
Asa Fitch Coleman, of Indiana.
Charles Joseph McIntyre, of Pennsylvania.
Phillip M. Oviatt, of Minnesota.
Edwin Hubert Randle, of Indiana.
Francis Marion Rich, of Georgia.
Edwin Gowdy Watson, of Indiana.
George Lutz Hornbrook, of West Virginia.
Leon Franklin Sullivan, of Delaware.
Walter Clark Armstrong, of Illinois.
William B. Townsend, at large.
Hunter McGuire, of New York.
Andrew Lewis Tucker, of Oklahoma.
Steven Bavard Wilson, of Massachusetts.
Edwin Ralph Rinker, of Washington.
John Henry Gibson, of Washington.
George Washington Gering, of Maryland.
Cecil Maurice Neal, of New Hampshire.
Jay Williams Sechler, of Pennsylvania.
Walter Earl Ditmars, of New York.
Paul Newman Darrington, of Maryland.
John William Spaulding, of Maryland.
Sydney Buford Scott, of Virginia.
Ralph Harrison Countryman, of California.
Edwin Ernest Aldridge, of Texas.
Edwin Blake Crabill, of Virginia.
Reade Mulkey Ireland, of Indiana.
Edmund Walton Hill, of Connecticut.
Alfred Marston Shearer, of Michigan.

James Reid Campbell, jr., of Alabama.
Edward Albert Mullon, of Washington.
James Obadiah Tarbox, of Maine.
Harry Frederick Rusch, of North Dakota.
Raymond Frank Edwards, of Kansas.
Oren Anelen Mulkey, of Oregon.
Charles Chester Bond, of New Hampshire.
Francis Robbins McCook, of Ohio.
Byron Clark Brown, of Massachusetts.
Forrest Marshall Harmon, of Missouri.
Ralph Carlin Fiewelling, of Massachusetts.
Frank Hixon Terrell, of Kansas.
Harold Ragan Priest, of Washington.
Jabez Gideon Gholston, of Nebraska.
Robert A. McClure, at large.
Frederick Meyer Vinson, of Pennsylvania.
Francis Brown McCollom, of California.
Reginald David Pappe, of Utah.
Joseph Benton Wirt, of Massachusetts.
Graham Roscoe Schweickert, of Virginia.
Norman Paul Williams, of New York.
Claude G. Hammond, of South Carolina.
Charles Holland Riggin, of New Jersey.
Winfield Wegg Smith, of Washington.
Milton Russell Barclay, of Pennsylvania.
Harold Clinton Wasgatt, of Massachusetts.
Wannie Lee Bartley, of Arizona.
Norman John McMahon, of Connecticut.
Donald Morris Bartow, of Washington.
Hilbert Alexander Canfield Jensen, of California.
Frank Allen Pattillo, of Georgia.
Paul Louis Singer, of Arizona.
Joseph Louis Ready, of Massachusetts.
James Bernard Scarr, of New Jersey.
Lloyd Russell Rogers, of Maryland.
Charles Carter Riticor, of Georgia.
Earl Coulson Flegel, of Oregon.
Abner Wisdom Goree, of Georgia.
Herbert Blish Wheeler, of Massachusetts.
Charles Carroll Nathan, of Maryland.
Crittenden Anderson Coe Tolman, of Alaska.
William Edward Tidwell, of Texas.
James Kerr Cubbison, of Kansas.
Howard Foster Ross, of Ohio.
Arthur Joseph Lacouture, of Massachusetts.
Clifford Michael Olivetti, of New York.
Josiah Bowler Mudge, jr., of Kansas.
Hugh Shaw Lee, of North Carolina.
Wilbur Storm Elliott, of Texas.
Kirke Brooks Lawton, of Massachusetts.
Neil Smith Edmond, of Texas.
Harold Haney, of Indiana.
Tully Charles Garner, of Texas.
Wilmer Brinton, jr., of Maryland.
Forrest Meade Record, of Kansas.
Luther Wesley Dear, of Virginia.
Frederick Charles Shantz, of Washington.
Martin DeWitt McAllister, of Oklahoma.
George Washington Booth, of Maryland.
William R. Colbern, of Missouri.
Marcel Alfred Gillis, of Louisiana.
John William Carroll, of Wisconsin.
Joshua Shelton Bowen, of Maryland.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Lieut. Commander Frederick J. Horne to be a commander in the Navy from the 1st day of January, 1917.

Lieut. Walter E. Reno to be a lieutenant commander in the Navy from the 23d day of May, 1917.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 5th day of June, 1917:

Frank D. Manock, and
Penn L. Carroll.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 6th day of June, 1917:

Theodore W. Sterling,
Thomas L. Nash, and
Thomas C. Slingluff.

George S. Rentz, a citizen of Pennsylvania, to be an acting chaplain in the Navy for temporary service from the 3d day of July, 1917.

Pay Clerk Frank R. Tuck to be a chief pay clerk in the Navy from the 30th day of April, 1916.

Pay Clerk Theodore S. Coulbourn to be a chief pay clerk in the Navy, from the 4th day of August, 1916.

Pay Clerk Fred A. Abbott to be a chief pay clerk in the Navy from the 5th day of September, 1916.

Machinist James M. Berlin to be a chief machinist in the Navy from the 31st day of December, 1916.

Chief Gunner Michael W. Gilmartin to be an ensign in the Navy for temporary service from the 1st day of July, 1917.

Chief Machinist James M. Berlin to be an ensign in the Navy for temporary service from the 1st day of July, 1917.

The following-named chief pay clerks to be assistant paymasters in the Navy, for temporary service, from the 1st day of July, 1917:

John E. Bibb,
Frank R. Tuck,
Theodore S. Coulbourn,
Fred A. Abbott,
Frank D. Hathaway, and
Frank Lewis.

The following-named citizens to be assistant surgeons in the Navy from the 19th day of July, 1917:

William H. H. Turville, a citizen of Pennsylvania,
Francis E. Locy, a citizen of Illinois,
Clarence J. Brown, a citizen of Wisconsin,
Ely L. Whitehead, a citizen of Virginia,
Daniel B. Kirby, a citizen of Ohio,
William J. Corcoran, a citizen of Oregon,
Thomas J. Kennedy, a citizen of Massachusetts,
Howard P. Griffin, a citizen of New York,
Abraham S. Isaacson, a citizen of Rhode Island,
Charles W. Barrier, jr., a citizen of Texas,
Robert W. Belknap, a citizen of Maine,
Maurice A. Berge, a citizen of Illinois,
Benjamin H. Hager, a citizen of California,
Frank A. Williams, a citizen of Illinois,
Gilbert H. Mankin, a citizen of the District of Columbia,
William T. McClure, a citizen of West Virginia,
William W. Behlow, a citizen of California,
Spencer A. Folsom, a citizen of Georgia,
Ben F. Norwood, a citizen of Tennessee,
Leland L. Bull, a citizen of Illinois,
Frank L. Kelly, a citizen of Missouri,
Arthur H. Dearing, a citizen of Maine,
Reuben A. Barker, a citizen of Arkansas,
Robert N. Hedges, a citizen of Illinois,
Marshall G. Williamson, a citizen of California,
John W. S. Brady, a citizen of Massachusetts,
Gerald Selby, a citizen of Georgia,
Frank J. Anderson, a citizen of Minnesota,
Harry L. Brockmann, a citizen of North Carolina,
Charles G. Terrell, a citizen of Mississippi,
Robert P. Henderson, a citizen of Florida,
George A. Gray, a citizen of Illinois,
Charles K. Reinke, a citizen of Pennsylvania,
Robert B. Miller, a citizen of the District of Columbia,
William E. Morse, a citizen of Illinois,
Robert H. McMeans, a citizen of Texas,
Joseph A. Mangiaracina, a citizen of New York,
Herbert van Thatcher, a citizen of Washington,
Hayes E. Martin, a citizen of Iowa,
Guy D. Callaway, a citizen of Missouri,
Frank R. Bealer, a citizen of Georgia,
Eben E. Smith, a citizen of Indiana,
William T. Gill, jr., a citizen of the District of Columbia,
George B. Dowling, a citizen of the District of Columbia,
Paul M. Albright, a citizen of Pennsylvania,
Edwin D. McMorries, a citizen of Mississippi,
James W. Ellis, a citizen of Colorado,
Burton E. Belcher, a citizen of Florida,
John J. Freymann, a citizen of Nebraska,
Frank W. Hartman, a citizen of Iowa,
Einar C. Andreassen, a citizen of Minnesota,
James E. Houghton, a citizen of Pennsylvania,
John M. McCants, a citizen of South Carolina,
Preston A. McLendon, a citizen of New York,
Charles H. Savage, a citizen of Alabama,
Roger M. Choisser, a citizen of Illinois,
Myron G. Wright, a citizen of Colorado,
Silas B. Hull, a citizen of New York,
George P. Carr, a citizen of New York,
Walter A. Fort, a citizen of Michigan,
Erastus M. Hudson, a citizen of New York,
Robert Mueller, a citizen of Missouri,
William R. Jepson, a citizen of Minnesota,
Lewis W. Johnson, a citizen of Massachusetts,
Charles A. Ainslie, a citizen of California,
Robert E. Watkins, a citizen of Pennsylvania,

Harry C. Gebhart, a citizen of Illinois,
Felix P. Keaney, a citizen of Missouri,
David R. Higbee, a citizen of New York,
Norman King, a citizen of Texas,
Harold S. Sumerlin, a citizen of Indiana,
Glen M. Kennedy, a citizen of California,
James R. Thomas, a citizen of Illinois,
Edward R. Guinan, a citizen of California,
John L. Shipley, a citizen of Missouri,
Walter J. Pennell, a citizen of Maine,
Archibald C. Pfeiffer, a citizen of Michigan,
Allen T. Agnew, a citizen of Minnesota,
Benjamin H. Carroll, a citizen of Virginia,
Frank W. Ryan, a citizen of South Carolina,
Louis Iverson, a citizen of Illinois,
Roy J. Heffernan, a citizen of Massachusetts,
Robert L. Schaefer, a citizen of Michigan,
John M. Huff, a citizen of North Carolina,
Nathan C. Rubinsky, a citizen of Connecticut,
Elmer R. Hancock, a citizen of Illinois,
Victor S. Armstrong, a citizen of Illinois,
Robert B. Team, a citizen of New York,
Charles J. Hutchinson, a citizen of Minnesota,
Cecil M. Burchfiel, a citizen of Missouri,
William T. McAlonan, a citizen of Michigan,
Loren W. Shaffer, a citizen of Pennsylvania,
Morris S. Bender, a citizen of New York,
Thomas P. Brennan, a citizen of Missouri,
Eugene D. Hardin, a citizen of Mississippi,
Boles A. Rosenthal, a citizen of Minnesota,
Romeo W. Auerbach, a citizen of New York,
Paul V. Greedy, a citizen of Colorado,
Wallace B. Dukeshire, a citizen of New York,
Edwin P. Bugbee, a citizen of Massachusetts,
Robert M. Furlong, a citizen of California,
Herbert S. Chapman, a citizen of California,
Francis C. Evers, a citizen of New York,
Walter M. Anderson, a citizen of Ohio,
Leslie B. Marshall, a citizen of Tennessee,
Robert T. Canon, a citizen of Texas,
William A. Neill, a citizen of Washington,
Frank J. Carroll, a citizen of Connecticut,
John W. Vann, a citizen of Virginia,
Toson O. Summers, a citizen of Virginia,
William W. Russell, a citizen of Missouri,
William E. Bryan, a citizen of Tennessee,
Joseph I. Callanan, a citizen of California,
Edward P. Ryan, a citizen of Wisconsin,
Robert P. Parsons, a citizen of Illinois,
John A. McCormick, a citizen of Pennsylvania,
John C. Adams, a citizen of Alabama,
Chester B. Van Gaasbeck, a citizen of New York,
Raymond J. Bower, a citizen of Pennsylvania,
Guy B. McArthur, a citizen of New York,
Jesse J. Hendren, a citizen of Kentucky,
Benjamin S. Davis, a citizen of Pennsylvania,
William C. Becker, a citizen of Wisconsin,
John C. Taylor, a citizen of North Carolina,
DeForest T. Layton, a citizen of New York,
Francis J. McCauley, a citizen of New Jersey,
Raymond M. Krepps, a citizen of Pennsylvania,
Thomas F. J. Hanlon, a citizen of Pennsylvania,
George O. Hartman, a citizen of Ohio,
Francis D. Gibbs, a citizen of the District of Columbia,
Henry N. Winn, a citizen of Illinois,
Charles E. Morse, jr., a citizen of Vermont,
Joseph W. White, a citizen of Massachusetts,
Paul M. Drake, a citizen of Kansas,
Edward C. Meggers, a citizen of Illinois,
Sterling S. Cook, a citizen of Virginia,
John G. Powell, a citizen of Pennsylvania,
Bertram Groesbeck, jr., a citizen of the District of Columbia,
Earl Richison, a citizen of Illinois,
Francis C. Hertzog, a citizen of Virginia,
Deane H. Vance, a citizen of Colorado,
James F. Bell, jr., a citizen of Oregon,
William H. Frampton, a citizen of South Carolina,
Waddie P. Jackson, a citizen of Virginia,
James R. Allison, a citizen of Pennsylvania,
Galen E. Moyer, a citizen of Pennsylvania,
John F. Pruett, a citizen of California,
Tracy T. Gately, a citizen of Louisiana,
Harry B. LaFavre, a citizen of Ohio,
John J. Sale, a citizen of Virginia,
Ernest A. Dans, a citizen of Idaho,
Travis S. Moring, a citizen of Alabama,
Henry L. Bockus, a citizen of Pennsylvania,
James H. Royster, a citizen of North Carolina,
William P. Williams, a citizen of New York,
Lloyd B. Greene, a citizen of Georgia,
Raymond B. Storch, a citizen of the District of Columbia,
Francis G. Speidel, a citizen of the District of Columbia,
Gustav J. Hildebrand, a citizen of Wisconsin,
Boyd Gilbert, a citizen of Alabama,
Hubert W. Harris, a citizen of Tennessee,
William W. Holley, a citizen of Minnesota,
Louis E. Mueller, a citizen of Wisconsin,
Lynn N. Hart, a citizen of California,
Robert S. G. Welch, a citizen of Maryland,
George W. Lewis, a citizen of Pennsylvania,
Edward A. Mullen, a citizen of Pennsylvania,
Frederick G. Speidel, a citizen of Kentucky,
Jesse B. Naive, a citizen of Tennessee,
Thomas V. Murto, a citizen of New York,
Wilber E. Thomson, a citizen of Ohio,
Robert Lorentz, jr., a citizen of California,
Richard C. Satterlee, a citizen of Illinois,
Frank B. Wallace, a citizen of Missouri,
Herman C. Petterson, a citizen of Illinois,
Frank M. Heacock, a citizen of Nebraska,
Francis J. McCarthy, a citizen of California,
Francis P. Dolan, a citizen of Virginia,
Henry L. Franklin, a citizen of Texas,
Edwin H. Lorentzen, a citizen of Michigan,
Lloyd E. Smith, a citizen of Illinois,
Otto W. Grisier, a citizen of Indiana.
Wilbourt E. Greenwood, a citizen of Rhode Island,
Mathison J. Montgomery, a citizen of Virginia,
Lyman E. Dockery, a citizen of Wisconsin,
Harry B. Lehmberg, a citizen of Texas,
George L. White, a citizen of Maryland,
Carl B. Campbell, a citizen of Pennsylvania,
Samuel W. Tretheway, a citizen of Pennsylvania,
Lawrence G. Beisler, a citizen of New Jersey,
Ernest W. Larkin, a citizen of Virginia,
Winfield B. Anderson, a citizen of New York,
Robert H. Collins, a citizen of Virginia,
Otis Wildman, a citizen of Indiana,
Leonard H. Denny, a citizen of Illinois,
William R. Taylor, a citizen of Pennsylvania,
Marion E. Brown, a citizen of Louisiana,
Robert W. Winberly, a citizen of Georgia.
Cyrus E. Bush, a citizen of Colorado,
Page O. Northington, a citizen of Virginia,
Russel D. Bussdicker, a citizen of Ohio,
James R. Jeffrey, a citizen of Illinois.
Harold L. Kennedy, a citizen of Washington,
Martin L. Marquette, a citizen of Indiana,
Edward P. Whistler, a citizen of Kentucky,
James O. Fields, a citizen of Virginia,
Carl A. Broaddus, a citizen of Virginia,
Joseph E. Malcomson, a citizen of Michigan,
Fairley P. James, a citizen of North Carolina,
Donald R. Davidson, a citizen of New York,
Charles L. Oliphant, a citizen of Kansas,
James F. Hooker, a citizen of Kentucky,
Lester D. Huffman, a citizen of Indiana,
Samuel C. Ketchin, a citizen of South Carolina,
Benjamin G. Holtom, a citizen of Michigan,
Hutchens C. Bishop, jr., a citizen of New York,
Stanley L. Scott, a citizen of Pennsylvania,
John E. Porter, a citizen of Virginia,
William A. Byrnes, a citizen of Illinois,
Joseph A. Owen, jr., a citizen of California,
George D. Thompson, a citizen of Indiana,
Claude R. Riney, a citizen of Kansas,
Guy B. Taylor, a citizen of South Carolina,
Robert L. Christie, a citizen of Minnesota,
Ramon A. Gilbert, a citizen of California,
William E. Beatty, a citizen of Michigan,
Leslie R. Lingeman, a citizen of Indiana,
William T. Oppenheimer, jr., a citizen of Virginia,
Andrew Sinamark, a citizen of Nebraska,
Rushmer C. Christiansen, a citizen of California,
Claude W. Colonna, a citizen of Virginia,
Bruce F. Holding, a citizen of North Carolina,
Gilbert B. Meyers, a citizen of Pennsylvania,
Waldo E. Golden, a citizen of Illinois,
Wilfred M. Peberdy, a citizen of Connecticut,
Jay Jacobs, a citizen of California,

Francis E. O'Brien, a citizen of Massachusetts,
Wylie C. Mason, a citizen of New York,
Raymond H. Leu, a citizen of West Virginia,
Watie M. Alberty, a citizen of Oklahoma,
Dozier H. Gibbs, a citizen of Alabama,
John F. Hart, a citizen of Oregon,
Dwight H. Murray, a citizen of Indiana,
Kirk C. Brown, a citizen of Washington.
Marvin C. Johns, a citizen of Pennsylvania,
Pliny B. Fiske, a citizen of New York,
Jack W. Jones, a citizen of Georgia,
Herbert L. Shinn, a citizen of the District of Columbia,
Mathew L. Carr, a citizen of North Carolina,
Charles S. Norburn, a citizen of North Carolina,
Everett B. Taylor, a citizen of South Carolina,
Paul Keller, a citizen of Pennsylvania,
Wilburn E. Saye, a citizen of Georgia,
Burchard A. Winne, a citizen of New York,
Samuel Segal, jr., a citizen of Massachusetts,
Herbert R. Coleman, a citizen of Kansas,
Claude E. Brown, a citizen of California,
Horace R. Boone, a citizen of Kansas,
Samuel A. Fuqua, a citizen of Illinois,
Robert E. S. Kelly, a citizen of Massachusetts,
Fenimore S. Johnson, a citizen of New Jersey,
Clarence N. Meador, a citizen of Virginia,
Albert D. Huffman, a citizen of Indiana,
Hugo F. A. Baske, a citizen of Virginia,
Lionel L. Lapointe, a citizen of Connecticut,
William E. Crooks, a citizen of Virginia,
Victor H. Shields, a citizen of Maine,
Max M. Braff, a citizen of Massachusetts,
Clayton W. Eley, a citizen of Pennsylvania, and
Wilbur O. Manning, a citizen of Pennsylvania.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 1 (legislative day of July 31), 1917.

AMBASSADOR TO JAPAN.

Roland S. Morris to be ambassador extraordinary and plenipotentiary to Japan.

RECEIVERS OF PUBLIC MONEYS.

John T. Hamilton to be receiver of public moneys at Miles City, Mont.

Edward C. Hargadine to be receiver of public moneys at Glasgow, Mont.

Edward J. McLean to be receiver of public moneys at Billings, Mont.

Mrs. Annie G. Rogers to be receiver of public moneys at Leadville, Colo.

REGISTERS OF THE LAND OFFICE.

Fletcher W. Appleton to be register of the land office at Bozeman, Mont.

Albert F. Browns to be register of the land office at Sterling, Colo.

Fred H. Foster to be register of the land office at Billings, Mont.

Thomas R. Jones to be register of the land office at Glasgow, Mont.

PROMOTIONS IN THE ARMY.

COAST ARTILLERY CORPS.

To be colonels.

Lieut. Col. Henry H. Whitney.
Lieut. Col. Arthur W. Chase.

To be lieutenant colonels.

Maj. George A. Nugent.
Maj. William E. Cole.

To be majors.

Capt. Jacob M. Coward.
Capt. John L. Roberts, jr.
Capt. Frederick L. Buck.
Capt. Jay P. Hopkins.
Capt. Leroy T. Hillman.
Capt. Archibald H. Sunderland.
Capt. Arthur P. S. Hyde.

To be captains.

First Lieut. Augustus Norton.
First Lieut. Thomas J. Cecil.
First Lieut. Ralph C. Harrison.
First Lieut. Francis P. Hardaway.
First Lieut. Clement C. Heth.
First Lieut. John W. Wallis.
First Lieut. Frederic A. Price, jr.
First Lieut. Charles E. Ide.
First Lieut. William D. Frazer.
First Lieut. George F. Moore.
First Lieut. Roy R. Lyon.
First Lieut. Virginius E. Clark.
First Lieut. Thomas I. Steere.
First Lieut. William N. Porter.
First Lieut. Maurice B. Willett.
First Lieut. George L. Van Deusen.
First Lieut. Cary R. Wilson.
First Lieut. John H. Hood.
First Lieut. Richard S. Dodson.
First Lieut. Christopher D. Peirce.
First Lieut. Philip M. Ljungstedt.
First Lieut. Joseph F. Cottrell.
First Lieut. Edward L. Dyer.
First Lieut. Wallace L. Clay.
First Lieut. Walter L. Clark.
First Lieut. Simon W. Sperry.
First Lieut. Daniel N. Swan, jr.
First Lieut. Charles M. Steese.
First Lieut. Harry W. Stovall.
First Lieut. Fenelon Cannon.
First Lieut. Richard F. Cox.
First Lieut. John P. McCaskey, jr.
First Lieut. Edward S. Harrison.
First Lieut. Harry T. Pillans.
First Lieut. Reginald B. Cocroft.
First Lieut. Kenneth B. Harmon.
First Lieut. Elmore B. Gray.
First Lieut. Herbert O'Leary.
First Lieut. Willard K. Richards.
First Lieut. Frank Drake.
First Lieut. Meade Wildrick.
First Lieut. Frederick A. Holmer.
First Lieut. Fred Seydel.
First Lieut. Charles A. Chapman.
First Lieut. Charles Hines.
First Lieut. Walter K. Dunn.
First Lieut. Allen R. Edwards.
First Lieut. John T. H. O'Rear.
First Lieut. Ralph E. Haines.
First Lieut. Thomas H. Jones.
First Lieut. Laurence Watts.
First Lieut. Henry N. Sumner.
First Lieut. Edward Roth, jr.
First Lieut. George W. Easterday.
First Lieut. George B. Gorham.
First Lieut. Charles N. Wilson.
First Lieut. Austin G. Frick.
First Lieut. Sydney S. Winslow.
First Lieut. Wilmot A. Danielson.
First Lieut. Francis J. Torney.
First Lieut. Edgar B. Colladay.
First Lieut. Frederick R. Garcin.
First Lieut. Douglas C. Cordiner.
First Lieut. Julian S. Hatcher.
First Lieut. Ralph W. Wilson.
First Lieut. Fred M. Green.
First Lieut. Delmar S. Lenzner.
First Lieut. Roland W. Pinger.
First Lieut. Donald Armstrong.
First Lieut. Franklin Babcock.
First Lieut. Hermann H. Zornib.
First Lieut. Gladeon M. Barnes.
First Lieut. Earl J. W. Ragsdale.
First Lieut. Raycroft Walsh.
First Lieut. Harvey C. Allen.
First Lieut. Edward B. Dennis.
First Lieut. Roger B. Colton.
First Lieut. Oliver L. Spiller.
First Lieut. Ruskin P. Hall.
First Lieut. Walter W. Vautsmeier.
First Lieut. John E. Sloan.
First Lieut. William B. Hardigg.
First Lieut. Charles A. Schimelfenig.
First Lieut. Charles R. Baxter.
First Lieut. Harold F. Nichols.
First Lieut. Franklin Kemble.
First Lieut. John G. Booton.
First Lieut. James B. Crawford.
First Lieut. Robert W. Clark, jr.
First Lieut. John L. Homer.

First Lieut. Robert C. Gildart.
First Lieut. George D. Holland.
First Lieut. Douglas B. Netherwood.
First Lieut. Arnold Heinrich.
First Lieut. Roy T. Cunningham.
First Lieut. Felix E. Gross.
First Lieut. William T. Boyd, jr.
First Lieut. Lawrence A. McLaughlin.
First Lieut. George R. Meyer.
First Lieut. Homer A. Bagg.
First Lieut. Andrew L. Pendleton, jr.
First Lieut. Cherubusco Newton, jr.
First Lieut. Walter Smith.
First Lieut. Hugh J. Knerr.
First Lieut. George F. Humbert.
First Lieut. Arthur W. Ford.
First Lieut. Reuben N. Perley.
First Lieut. Joseph R. Cygon.
First Lieut. John H. Birdsall.
First Lieut. Levin H. Campbell, jr.
First Lieut. Harold De F. Burdick.
First Lieut. John A. Baird.
First Lieut. Philip G. Blackmore.
First Lieut. Henry C. Davis, jr.
First Lieut. Benjamin N. Booth.
First Lieut. George I. Thatcher.
First Lieut. Edwin F. Silkman.
First Lieut. Octave De Carré.
First Lieut. Claude M. Thiele.
First Lieut. Cedric M. S. Skene.
First Lieut. Edward Montgomery.
First Lieut. Robert Edes Kimball.
First Lieut. Shepler W. FitzGerald.
First Lieut. Leigh F. J. Zerbee.
First Lieut. Carleton U. Edwards.
First Lieut. Coleman W. Jenkins.
First Lieut. Wilmer T. Scott.
First Lieut. Herbert E. Ellis.
First Lieut. Randolph T. Pendleton.
First Lieut. Stewart W. Stanley.
First Lieut. Kenneth T. Blood.
First Lieut. Roy S. Atwood.
First Lieut. Samuel F. Hawkins.
First Lieut. Jesse L. Sinclair.
First Lieut. Oscar Krupp.
First Lieut. Charles Thomas-Stahle.
First Lieut. Charles M. Wood.
First Lieut. Edwin J. O'Hara.
First Lieut. Alden G. Strong.
First Lieut. Rudolf W. Riefkohl.
First Lieut. John P. Leavenworth.
First Lieut. Alexander C. Sullivan.
First Lieut. Harold B. Sampson.
First Lieut. Clarence L. Gilbert.
First Lieut. Arthur E. Rowland.
First Lieut. Lee R. Watrous, jr.
First Lieut. Joseph D. Brown.
First Lieut. Spencer B. Lane.
First Lieut. Leslie MacDill.
First Lieut. Charles A. French
First Lieut. John A. Hoag.
First Lieut. Oscar A. Eastwold.
First Lieut. Earl H. Metzger.
First Lieut. Lee O. Wright.
First Lieut. Lewis A. Nickerson.
First Lieut. Philip R. Faymonville.
First Lieut. John S. Wood.
First Lieut. Robert H. Lee.
First Lieut. David McL. Crawford.
First Lieut. Oscar J. Gatchell.
First Lieut. Cris M. Burlingame.
First Lieut. Raymond V. Cramer.
First Lieut. Sidney P. Spalding.
First Lieut. Leonard L. Barrett.
First Lieut. Stephen H. MacGregor.
First Lieut. James Kirk.
First Lieut. James H. Johnson.
First Lieut. John H. Lindt.
First Lieut. Bird S. DuBois.
First Lieut. Cyril A. Phelan.
First Lieut. Harry W. Stark.
First Lieut. Stiles M. Decker.
First Lieut. Raymond G. Payne.
First Lieut. Archie S. Buyers.
First Lieut. William A. Borden.
First Lieut. Edwin B. Spiller.

CAVALRY ARM.

Capt. Grayson V. Heidt, retired, with his present date of rank.

To be colonels.

Lieut. Col. George T. Langhorne.
Lieut. Col. Charles Young.

To be lieutenant colonels.

Maj. Cornelius C. Smith.
Maj. Howard R. Hickok.
Maj. Samuel B. Arnold.
Maj. Samuel McP. Rutherford.
Maj. George W. Kirkpatrick.
Maj. Cornelius C. Smith.
Maj. Joseph E. Cusack.
Maj. Walter M. Whitman.
Maj. Lincoln C. Andrews.
Maj. William R. Smedberg, jr.
Maj. John M. Morgan.
Maj. Andrew E. Williams.
Maj. Walter C. Babcock.
Maj. Herbert B. Crosby.

To be majors.

Capt. Guy S. Norvell.
Capt. Paul T. Hayne, jr.
Capt. Fred E. Buchan.
Capt. Edward A. Sturges.
Capt. William L. Luhn.
Capt. Hu B. Myers.
Capt. Henry R. Richmond.
Capt. John J. Ryan.
Capt. Osmun Latrobe, jr.
Capt. William M. Connell.
Capt. Theodore B. Taylor.
Capt. James Longstreet.
Capt. Theodore Schultz.

To be captains.

First Lieut. Richard E. Cummins.
First Lieut. Alexander L. James, jr.
First Lieut. Robert C. Rogers.
First Lieut. Philip Gordon.
First Lieut. Horace M. Hickam.
First Lieut. Homer M. Groninger.
First Lieut. Stewart O. Elting.
First Lieut. John K. Brown.
First Lieut. Richard D. Newman.
First Lieut. William H. Garrison, jr.
First Lieut. Sumner M. Williams.
First Lieut. Henry W. Hall.
First Lieut. Edwin V. Sumner, jr.
First Lieut. Arthur E. Wilbourn.
First Lieut. Ernest G. Cullum.
First Lieut. William W. Erwin.
First Lieut. Herbert H. White.
First Lieut. Chauncey St. C. McNeill.
First Lieut. Frank K. Ross.
First Lieut. Herman Kobbé.
First Lieut. John A. Warden.
First Lieut. John B. Johnson.
First Lieut. Victor M. Whitside.
First Lieut. Harold L. Gardiner.
First Lieut. Claude De B. Hunt.
First Lieut. N. Butler Briscoe.
First Lieut. Elbert E. Farman, jr.
First Lieut. George S. Patton, jr.
First Lieut. Cuthbert P. Stearns.
First Lieut. James R. Hill.
First Lieut. Thomas De W. Milling.
First Lieut. Henry D. F. Munnikhuysen
First Lieut. Archibald T. Colley.
First Lieut. Hugh H. McGee.
First Lieut. Carleton G. Chapman.
First Lieut. Joseph Plassmeyer.
First Lieut. Chester P. Mills.
First Lieut. Edwin R. Van Deusen.
First Lieut. Francis R. Hunter.
First Lieut. Guy W. McClelland.
First Lieut. John C. F. Tillson, jr.
First Lieut. Paul C. Raborg.
First Lieut. Edgar W. Taulbee.
First Lieut. Dwight K. Shurtleff.
First Lieut. Harry D. Chamberlin.
First Lieut. John J. Waterman.
First Lieut. John Millikin.

First Lieut. Jack W. Heard.
First Lieut. Charles M. Haverkamp.
First Lieut. Guy W. Chipman.
First Lieut. Edgar W. Burr.
First Lieut. Don A. Robenson.
First Lieut. Joseph P. Aleshire.
First Lieut. Harding Polk.
First Lieut. Claude K. Rhinehardt.
First Lieut. Everett Collins.
First Lieut. Leon M. Logan.
First Lieut. Cushman Hartwell.
First Lieut. Horace T. Aplington.
First Lieut. Alexander D. Surles.
First Lieut. Philip J. Kieffer.
First Lieut. Karl S. Bradford.
First Lieut. Frederick Gilbreath.
First Lieut. Harrison H. C. Richards.
First Lieut. Arthur B. Conard.
First Lieut. John P. Lucas.
First Lieut. Wilfrid M. Blunt.
First Lieut. James C. R. Schwenk.
First Lieut. William P. J. O'Neill.
First Lieut. Thomas J. J. Christian.
First Lieut. Frank L. Van Horn.
First Lieut. Howell M. Estes.
First Lieut. William B. McLaurin.
First Lieut. John F. Wall.
First Lieut. Leo G. Heffernan.
First Lieut. Edwin N. Hardy.
First Lieut. George H. Brett.
First Lieut. Robert C. Brady.
First Lieut. Herbert E. Taylor.
First Lieut. William M. Grimes.
First Lieut. Henry J. M. Smith.
First Lieut. Malcolm Wheeler-Nicholson.
First Lieut. Alexander R. Cocke.
First Lieut. Alexander L. P. Johnson.
First Lieut. Dexter C. Rumsey.
First Lieut. Henry L. C. Jones.
First Lieut. Edwin O'Connor.
First Lieut. Eugene A. Lohman.
First Lieut. Kenneth P. Lord.
First Lieut. Harold C. Lutz.
First Lieut. John M. Thompson.
First Lieut. Daniel E. Murphy.
First Lieut. Kenna G. Eastham.
First Lieut. James P. Yancey.
First Lieut. Leopold J. H. Herwig.
First Lieut. Raymond E. McQuillin.
First Lieut. De Forest W. Morton.
First Lieut. Francis C. V. Crowley.
First Lieut. George E. A. Reinburg.
First Lieut. William H. W. Youngs.
First Lieut. Robert McG. Littlejohn.
First Lieut. Harry A. Flint.
First Lieut. Pearl L. Thomas.
First Lieut. Sidney V. Bingham.

CORPS OF ENGINEERS.

Lieut. Col. William W. Harts to be colonel.
Maj. William Kelly to be lieutenant colonel.
Capt. Virgil L. Peterson to be major.

To be captains.

First Lieut. Ernest L. Osborne.
First Lieut. Harold W. Sibert.
First Lieut. Howard G. Borden.
First Lieut. Thomas F. Farrell.
First Lieut. Kenneth S. Jones.
First Lieut. Harris Jones.
First Lieut. Francis L. Palmer.
First Lieut. William F. Heavey.
First Lieut. Harold R. Richards.
First Lieut. John J. F. Steiner.
First Lieut. Daniel Noce.
First Lieut. Willis E. Teale.
First Lieut. Clark Kittrell.
First Lieut. Samuel R. Irwin.
First Lieut. Henry Hutchings, jr.

INFANTRY ARM.

To be lieutenant colonels.

Maj. Paul B. Malone.
Maj. S. J. Bayard Schindel.
Capt. Joseph W. Beacham, jr.

To be majors.

Capt. Francis J. McConnell.
Capt. Robert H. Wescott.
Capt. Paul Hurst.
Capt. Allen Parker.
Capt. Allen Smith, jr.
Capt. John B. Sanford.

To be captains.

First Lieut. Jens A. Doe.
First Lieut. Lester L. Lampert.
First Lieut. John W. Hyatt.
First Lieut. Parley D. Parkinson.
First Lieut. Charles W. Ryder.
First Lieut. Joseph T. McNarney.
First Lieut. Omar N. Bradley.
First Lieut. Paul J. Mueller.
First Lieut. Leland S. Hobbs.
First Lieut. Charles C. Benedict.
First Lieut. Vernon Evans.
First Lieut. Roscoe B. Woodruff.
First Lieut. Lewis C. Davidson.
First Lieut. Dwight D. Eisenhower.
First Lieut. Harold W. James.
First Lieut. James B. Ord.
First Lieut. John E. Rossell.
First Lieut. Whitten J. East.
First Lieut. Sidney C. Graves.
First Lieut. Jo H. Reaney.
First Lieut. John W. Leonard.
First Lieut. John A. McDermott.
First Lieut. Clyde R. Eisenschmidt.
First Lieut. James A. Van Fleet.
First Lieut. Louis A. Merillat, jr.
First Lieut. Edward G. Sherburne.
First Lieut. Michael F. Davis.
First Lieut. Luis R. Esteves.
First Lieut. Stuart C. MacDonald.
First Lieut. Metcalfe Reed.
First Lieut. Benjamin G. Ferris.
First Lieut. Charles S. Ritchell.
First Lieut. Thomas G. Hearn.
First Lieut. Donald Henley.
First Lieut. Alfred S. Balsam.
First Lieut. George Pulsifer, jr.
First Lieut. Otto A. B. Hooper.
First Lieut. Howard Donnelly.
First Lieut. John N. Robinson.
First Lieut. Tom Fox.
First Lieut. Thomas J. Hanley, jr.
First Lieut. Jacob J. Gerhardt.
First Lieut. Vernon E. Prichard.
First Lieut. Robert B. Lorch.
First Lieut. Adlai H. Gilkeson.
First Lieut. Gilbert S. Brownell.
First Lieut. Richard C. Stickney.
First Lieut. Philip K. McNair.
First Lieut. Jesse B. Hunt.
First Lieut. John B. Duckstad.
First Lieut. John R. Mendenhall.
First Lieut. Norman Randolph.
First Lieut. Joseph M. Murphy.
First Lieut. George E. Stratemeyer.
First Lieut. Leroy H. Watson.
First Lieut. Henry H. Dabney.
First Lieut. John H. C. Williams.
First Lieut. Oscar A. Straub.
First Lieut. John Keliher.
First Lieut. Benjamin W. Mills.
First Lieut. Thomas F. Taylor.
First Lieut. Marshall H. Quesenberry.
First Lieut. Robert L. Williams.
First Lieut. Charles C. Herrick.
First Lieut. Latham L. Brundred.
First Lieut. Leslie T. Saul.
First Lieut. Charles A. Bayler, jr.
First Lieut. Fred B. Inglis.
First Lieut. Richard P. Kuhn.
First Lieut. John A. Street.
First Lieut. Sidney Herkness.
First Lieut. William E. Chambers.
First Lieut. Warner W. Carr.
First Lieut. Thomas L. Martin.
First Lieut. Geoffrey P. Baldwin.
First Lieut. John B. Bennet.

First Lieut. Kenneth M. Halpine.
First Lieut. William R. Wilson.
First Lieut. R. Potter Campbell.
First Lieut. Richard C. Birmingham.
First Lieut. Felix R. McLean.
First Lieut. John E. Martin.
First Lieut. Paul B. Parker.
First Lieut. William E. Morehouse, jr.
First Lieut. Joseph H. Grant.
First Lieut. Arthur M. Ellis.
First Lieut. Maurice L. Miller.
First Lieut. Abram V. Rinearson, jr.
First Lieut. Benjamin A. Yancey.
First Lieut. George J. Newgarden, jr.
First Lieut. John D. Miley.
First Lieut. William E. Coffin, jr.
First Lieut. Spencer A. Merrell.
First Lieut. Robert K. Whitson.
First Lieut. Otto F. Lange.
First Lieut. Harlan L. Mumma.
First Lieut. George H. Blankenship.
First Lieut. Alexander M. Weyand.
First Lieut. Walter D. Mangan.
First Lieut. Elon A. Abernethy.
First Lieut. Nelson B. Russell.
First Lieut. Henry P. Blanks.
First Lieut. Bartlett James.

To be first lieutenants.

Second Lieut. Francis E. Dougherty.
Second Lieut. Lyman L. Parks.
Second Lieut. John T. Murray.
Second Lieut. Warfield M. Lewis.
Second Lieut. Joseph L. Collins.
Second Lieut. James O. Green, jr.
Second Lieut. Daves Rossell.
Second Lieut. Harold McC. White.
Second Lieut. Lincoln F. Daniels.
Second Lieut. Frederick A. Irving.
Second Lieut. Matthew B. Ridgway.
Second Lieut. Richard M. Wightman.
Second Lieut. Charles W. Yuill.
Second Lieut. William W. Eagles.
Second Lieut. Francis A. Markoe.
Second Lieut. John J. McEwan.
Second Lieut. John A. Stewart.
Second Lieut. George W. Sackett.
Second Lieut. Francis G. Bonham.
Second Lieut. Norman D. Cota.
Second Lieut. Robert B. Ransom.
Second Lieut. Carleton Coulter, jr.
Second Lieut. James H. Frier, jr.
Second Lieut. Leo J. Erler.
Second Lieut. Robert D. Newton.
Second Lieut. Willis R. Slaughter.
Second Lieut. George H. Weems.
Second Lieut. Roy L. Bowlin.
Second Lieut. William C. McMahon.
Second Lieut. William M. Brennan.
Second Lieut. Milton B. Halsey.
Second Lieut. Charles L. Mullins, jr.
Second Lieut. Thomas S. Sinkler, jr.
Second Lieut. George F. Wooley, jr.
Second Lieut. Sterling A. Wood, jr.
Second Lieut. William F. Redfield.
Second Lieut. Mark W. Clark.
Second Lieut. Stewart W. Hoover.
Second Lieut. David S. Rumbough.
Second Lieut. Francis J. Heraty.
Second Lieut. Donovan Swanton.
Second Lieut. Francis A. Macon, jr.
Second Lieut. Laurence B. Keiser.
Second Lieut. Homer C. Brown.
Second Lieut. Clare H. Armstrong.
Second Lieut. Harris M. Melasky.
Second Lieut. Sidney H. Young.
Second Lieut. John C. Whitcomb.
Second Lieut. Wallace J. Redner.
Second Lieut. Charles D. Lewis.
Second Lieut. Edward W. Leonard.
Second Lieut. Paul H. Brown.
Second Lieut. William S. Eley.
Second Lieut. Paul W. York.
Second Lieut. Ferdinand G. von Kummer, jr.
Second Lieut. Joseph P. Sullivan.
Second Lieut. Henry H. Chapman.
Second Lieut. Asa P. Pope.
Second Lieut. Edwin H. Clark.
Second Lieut. Lewis Perrine.
Second Lieut. Clarke K. Fales.
Second Lieut. John A. Weishampel.
Second Lieut. Malcolm B. Helm.

FIELD ARTILLERY ARM.

To be major.

Capt. William F. Morrison.

To be captains.

First Lieut. Donald M. Beere.
First Lieut. Herman Erlenkotter.
First Lieut. Claude B. Thummel.
First Lieut. Edwin M. Watson.
First Lieut. Harold E. Miner.
First Lieut. Joseph A. Rogers.
First Lieut. Charles T. Griffith.
First Lieut. Jacob L. Devers.
First Lieut. Lucien H. Taliaferro.
First Lieut. Harold H. Bateman.
First Lieut. Frank A. Turner.
First Lieut. George G. Seaman.
First Lieut. Charles C. Reynolds.
First Lieut. George S. Gay.
First Lieut. Fred C. Wallace.
First Lieut. Philip Hayes.
First Lieut. Franz A. Doniat.
First Lieut. Carl A. Baehr.
First Lieut. John M. McDowell.
First Lieut. Raymond E. Lee.
First Lieut. Jason McV. Austin.
First Lieut. Burton O. Lewis.
First Lieut. Herbert R. Odell.
First Lieut. Clyde A. Selleck.
First Lieut. Ernest J. Dawley.
First Lieut. Louie A. Beard.
First Lieut. Ivens Jones.
First Lieut. William A. Pendleton, jr.
First Lieut. Robert C. F. Goetz.
First Lieut. Bernard R. Peyton.
First Lieut. John Magruder.
First Lieut. Whitmon R. Conolly.
First Lieut. E. Francis Riggs.
First Lieut. Curtis H. Nance.
First Lieut. Freeman W. Bowley.
First Lieut. Gustav H. Franke.
First Lieut. John C. Beatty.
First Lieut. Hubert G. Stanton.
First Lieut. John E. Hatch.
First Lieut. Charles A Walker, jr.
First Lieut. Bethel W Simpson.
First Lieut. Neil G. Finch.
First Lieut. William E. Larned.
First Lieut. Charles L. Byrne.
First Lieut. Roscoe C. Batson.
First Lieut. Alvan C. Sandeford.
First Lieut. Ira T. Wyche.
First Lieut. Harvey M. Hobbs.
First Lieut. Joseph Andrews.
First Lieut. Thomas G. M. Oliphant.
First Lieut. Mert Proctor.
First Lieut. William J. Wrona.
First Lieut. Lewis H. Brereton.
First Lieut. Vincent P. Erwin.
First Lieut. Frank Bloom.
First Lieut. Vincent Meyer.
First Lieut. Edward H. Hicks.
First Lieut. Norman P. Morrow.
First Lieut. Lloyd E. Jones.
First Lieut. Newton N. Polk.
First Lieut. Edward A. Millar, jr.
First Lieut. Clyde J. McConkey.
First Lieut. Follette Bradley.
First Lieut. Jonathan W. Anderson.
First Lieut. Robert S. Oberly.
First Lieut. Leon R. Cole.
First Lieut. Paul L. Ferron.
First Lieut. Percy Deshon.
First Lieut. Julian F. Barnes.
First Lieut. Harold C. Vanderveer.
First Lieut. Clift Andrus.
First Lieut. George E. Arnemann.
First Lieut. Clarence D. Lang.

First Lieut. Russell L. Maxwell.
First Lieut. Charles J. Browne.
First Lieut John N. Hauser.
First Lieut. Karl C Greenwald.
First Lieut. Richard E. Anderson.
First Lieut. James A. Gillespie.
First Lieut. Wesley M. Bailey.
First Lieut. Isaac Spalding.
First Lieut. Harry J. Malony.
First Lieut. Robert F. Hyatt.
First Lieut. Archibald V. Arnold.
First Lieut. Earl B. Hochwalt.
First Lieut. John D. von Holtzendorff.
First Lieut. Walter F. Winton.
First Lieut. Francis T. Armstrong.
First Lieut. Hamilton Templeton.
First Lieut. Bertram Frankenberger.
First Lieut. Raymond B. Austin.
First Lieut. Joseph O. Daly.
First Lieut. Edwin P. Parker, jr.
First Lieut. John M. Eager.
First Lieut. William R. Gruber.
First Lieut. Richard C. Scott.
First Lieut. Howard Eager.
First Lieut. William C. Young.
First Lieut. William C. Crane, jr.
First Lieut. Carlos Brewer.
First Lieut. David E. Cain.
First Lieut. John E. McMahon, jr.
First Lieut. Eugene T. Spencer.
First Lieut. Falkner Heard.
First Lieut. Herbert S. Clarkson.
First Lieut. Louis A. Craig.
First Lieut. Charles G. Helmick.
First Lieut. Ernst Sedlacek.
First Lieut. Philip L. Thurber.
First Lieut. William C. Houghton.
First Lieut. John C. Wyeth.
First Lieut. Arthur R. Harris.
First Lieut. John G. Burr.
First Lieut. John B. Anderson.
First Lieut. William E. Burr.
First Lieut. James A. Lester.
First Lieut. Herman Beukema.
First Lieut. Herbert S. Struble.
First Lieut. Francis J. Dunigan.
First Lieut. Edwin A. Zundel.
First Lieut. Clinton W. Howard.
First Lieut. Charles M. Busbee.
First Lieut. Albert W. Waldron.
First Lieut. John H. Wallace.
First Lieut. Raymond Marsh.
First Lieut. Joseph M. Swing.
First Lieut. Stanley E. Reinhart.
First Lieut. Dean Hudnutt.
First Lieut. Louis E. Hibbs.
First Lieut. Jesse F. Tarpley, jr.
First Lieut. Horace L. McBride.
First Lieut. Hamilton E. Maguire.
First Lieut. Ray C. Rutherford.
First Lieut. William R. Woodward.
First Lieut. Alfred K. King.
First Lieut. Henry C. Jones.

MEDICAL CORPS.

To be colonels.

Lieut. Col. Henry D. Snyder.
Lieut. Col. Allen M. Smith.
Lieut. Col. Joseph T. Clarke.
Lieut. Col. Merritte W. Ireland.
Lieut. Col. Henry C. Fisher.
Lieut. Col. Henry A. Shaw.
Lieut. Col. Francis A. Winter.
Lieut. Col. Champe C. McCulloch, jr.
Lieut. Col. Frederick P. Reynolds.
Lieut. Col. Paul F. Straub.
Lieut. Col. Alexander N. Stark.
Lieut. Col. Charles Lynch.
Lieut. Col. Edward L. Munson.
Lieut. Col. James M. Kennedy.
Lieut. Col. Deane C. Howard.
Lieut. Col. William H. Wilson
Lieut. Col. William F. Lewis.
Lieut. Col. Thomas S. Bratton.
Lieut. Col. Thomas J. Kirkpatrick.
Lieut. Col. Irving W. Rand.
Lieut. Col. Powell C. Fauntleroy.
Lieut. Col. James S. Wilson.
Lieut. Col. Basil H. Dutcher.
Lieut. Col. Leigh A. Fuller.
Lieut. Col. George A. Skinner.
Lieut. Col. Carl R. Darnall.
Lieut. Col. Henry Page.
Lieut. Col. Bailey K. Ashford.
Lieut. Col. Henry A. Webber.
Lieut. Col. Jere B. Clayton.
Lieut. Col. Weston P. Chamberlain.
Lieut. Col. Edward R. Schreiner.
Lieut. Col. Frederick M. Hartsock.
Lieut. Col. Douglas F. Duval.
Lieut. Col. Clarence J. Manly.

To be lieutenant colonels.

Maj. David Baker.
Maj. Albert E. Truby.
Maj. James R. Church.
Maj. Joseph H. Ford.
Maj. Percy M. Ashburn.
Maj. Elmer A. Dean.
Maj. Francis M. C. Usher.
Maj. Willard F. Truby.
Maj. Frederick F. Russell.
Maj. Edwin P. Wolfe.
Maj. Henry S. Greenleaf.
Maj. Louis T. Hess.
Maj. Christopher C. Collins.
Maj. Benjamin J. Edger, jr.
Maj. Samuel M. Waterhouse.
Maj. Eugene H. Hartnett.
Maj. Clyde S. Ford.
Maj. Charles E. Marrow.
Maj. M. A. W. Shockley.
Maj. Theodore C. Lyster.
Maj. Sanford H. Wadhams.
Maj. Chandler P. Robbins.
Maj. Thomas L. Rhoads.
Maj. Harry L. Gilchrist.
Maj. William J. L. Lyster.
Maj. Elbert E. Persons.
Maj. William N. Bispham.
Maj. Edward F. Geddings.
Maj. Arthur W. Morse.
Maj. Frank C. Baker.
Maj. Charles R. Reynolds.
Maj. Paul C. Hutton.
Maj. Frederick A. Dale.
Maj. Jay Ralph Shook.
Maj. William E. Vose.
Maj. Frank T. Woodbury.
Maj. Henry H. Rutherford.
Maj. Ernest L. Ruffner.
Maj. Eugene R. Whitmore.
Maj. Patrick H. McAndrew.
Maj. Charles Y. Brownlee.
Maj. John A. Murtagh.
Maj. George M. Ekwurzel.
Maj. Gideon McD. Van Poole.
Maj. William W. Reno.
Maj. Carroll D. Buck.
Maj. George H. R. Gosman.
Maj. Conrad E. Koerper.
Maj. John H. Allen.
Maj. Robert U. Patterson.
Maj. Robert E. Noble.
Maj. James W. Van Dusen.
Maj. Roger Brooke.
Maj. Wallace De Witt.
Maj. Robert M. Thornburgh.
Maj. Robert B. Grubbs.
Maj. Matthew A. De Laney.
Maj. Horace D. Bloombergh.
Maj. Paul S. Halloran.
Maj. Kent Nelson.
Maj. Peter C. Field.
Maj. Herbert G. Shaw.
Maj. Louis Brechemin, jr.
Maj. Clement C. Whitcomb.
Maj. Wilson T. Davidson.
Maj. Cosam J. Bartlett.
Maj. Reuben B. Miller.
Maj. Charles A. Ragan.

Maj. William R. Eastman.
Maj. James F. Hall.
Maj. Raymond F. Metcalfe.
Maj. Edwin W. Rich.
Maj. Perry L. Boyer.
Maj. James M. Phalen.
Maj. James L. Bevans.
Maj. William L. Little.
Maj. Allie W. Williams.
Maj. John L. Shepard.
Maj. William L. Keller.
Maj. Charles C. Billingslea.
Maj. William H. Moncrief.
Maj. Nelson Gapen.
Maj. Charles F. Morse.
Maj. Haywood S. Hansell.
Maj. Junius C. Gregory.
Maj. Clarence H. Connor.
Maj. Jay W. Grissinger.
Maj. Will L. Pyles.
Maj. William M. Smart.
Maj. Robert M. Blanchard.
Maj. Samuel M. De Loffre.
Maj. Louis C. Duncan.
Maj. Edward M. Talbott.
Maj. John A. Clark.
Maj. Samuel J. Morris.
Maj. Jacob M. Coffin.
Maj. John W. Hanner.
Maj. Levy M. Hathaway.
Maj. Alexander Murray.
Maj. Philip W. Huntington.
Maj. James D. Fife.
Maj. William A. Powell.
Maj. George H. Scott.
Maj. Robert L. Carswell.
Maj. Charles F. Craig.
Maj. William P. Banta.
Maj. Robert H. Pierson.
Maj. James I. Mabee.
Maj. George P. Peed.
Maj. Ralph S. Porter.
Maj. Henry D. Thomason.
Maj. Percy L. Jones.
Maj. Fred W. Palmer.
Maj. Edward B. Vedder.

To be major.

Capt. Ray W. Bryan.
Capt. William H. Richardson.
Capt. William K. Bartlett.
Capt. John R. Barber.
Capt. Joseph A. Worthington.
Capt. Mahlon Ashford.
Capt. Edward G. Huber.
Capt. John S. Lambie, jr.
Capt. Arthur N. Tasker.
Capt. Howard McC. Snyder.
Capt. Calvin D. Cowles, jr.
Capt. Garfield L. McKinney.
Capt. Hiram A. Phillips.
Capt. William L. Hart.
Capt. Henry C. Coburn, jr.
Capt. Arnold D. Tuttle.
Capt. William R. Dear.
Capt. Charles E. Doerr.
Capt. Daniel P. Card.
Capt. Ralph H. Golthwaite.
Capt. Edgar W. Miller.
Capt. Frederick S. Wright.
Capt. Daniel W. Harmon.
Capt. James C. Magee.
Capt. Corydon G. Snow.
Capt. Norman L. McDiarmid.
Capt. George H. McLellan.
Capt. Alexander D. Parce.
Capt. James A. Wilson.
Capt. Morrison C. Stayer.
Capt. Robert W. Kerr.
Capt. Lee R. Dunbar.
Capt. Leon C. Garcia.
Capt. William S. Shields.
Capt. Addison D. Davis.
Capt. William H. Smith.
Capt. Clarence E. Fronk.
Capt. Thomas J. Leary.
Capt. Albert S. Bowen.
Capt. Ernest R. Gentry.
Capt. Roy C. Heflebower.

To be first lieutenants.

First Lieut. Frank C. Griffis.
First Lieut. Frederick H. Mills.
First Lieut. Henry C. Bierbower.
First Lieut. Val E. Miltenberger.
First Lieut. Edgar F. Haines.

APPOINTMENT, BY TRANSFER, IN THE ARMY.

FIELD ARTILLERY ARM.

First Lieut. Ray W. Barker.

PROVISIONAL APPOINTMENTS, BY PROMOTION, IN THE ARMY.

INFANTRY ARM.

To be first lieutenants.

Second Lieut. Kirke B. Everson.
Second Lieut. John C. Daly.
Second Lieut. Paul E. Peabody.
Second Lieut. Albert F. Christensen.
Second Lieut. William S. Maxwell.
Second Lieut. Ernest H. Burt.
Second Lieut. Frederick R. Baker.
Second Lieut. James D. Basey.
Second Lieut. Ray M. O'Day.
Second Lieut. Alan Pendleton.
Second Lieut. Merritt E. Olmstead.
Second Lieut. Benjamin F. Caffey, jr.
Second Lieut. Hadyn P. Mayers.
Second Lieut. Rogers M. Wilson.
Second Lieut. Henry E. Mosher.
Second Lieut. Albin K. Kupfer.
Second Lieut. Augustine J. Zerbee.
Second Lieut. Frank A. Heileman.
Second Lieut. Arthur B. Hutchinson.
Second Lieut. Lauritz D. Simonson.
Second Lieut. Carl R. Perkins.
Second Lieut. Franklin W. Cheney.
Second Lieut. George F. Wellage.
Second Lieut. Alfred F. Biles, jr.
Second Lieut. Charles T. Hearin.
Second Lieut. Hugh M. Davis.
Second Lieut. John F. Fredin, jr.
Second Lieut. James B. Wise, jr.
Second Lieut. Harry L. Kimmel.
Second Lieut. Clarence M. Culp.
Second Lieut. Robert D. Horton.
Second Lieut. Charles B. Kehoe.
Second Lieut. Philip S. Wood.
Second Lieut. Harvey C. Kearney.
Second Lieut. Arthur W. Stedman, jr.
Second Lieut. Arthur P. Jervey.
Second Lieut. Starr S. Eaton.
Second Lieut. Oliver F. Holden.
Second Lieut. Maurice P. Walker.
Second Lieut. Thomas L. Lamoreux.
Second Lieut. Daniel N. Murphy.
Second Lieut. Adlai C. Young.
Second Lieut. Alexander N. Stark, jr.
Second Lieut. Clinton I. McClure.
Second Lieut. Roy C. L. Graham.
Second Lieut. Arthur F. J. Holben.
Second Lieut. Lloyd B. Russell.
Second Lieut. George R. Barker.
Second Lieut. John E. Gough.
Second Lieut. Leonard A. Smith.
Second Lieut. John W. Thompson.
Second Lieut. Philip Overstreet.
Second Lieut. Lara P. Good.
Second Lieut. George A. McDonald.
Second Lieut. George M. Wright, jr.
Second Lieut. Archie A. Farmer.
Second Lieut. John T. Fisher.
Second Lieut. Edwin E. Elliott.
Second Lieut. Charles S. Ferrin.
Second Lieut. George W. Titus.
Second Lieut. Samuel D. Mann.
Second Lieut. John C. Adams.
Second Lieut. Robert G. Ervin.
Second Lieut. Edward L. McKee, jr.
Second Lieut. Robert W. Nix, jr.

PROVISIONAL APPOINTMENTS BY PROMOTION IN THE ARMY.

INFANTRY ARM.

To be first lieutenants.

Second Lieut. Carl J. Lambeth.
Second Lieut. William F. Donnelly.
Second Lieut. George L. Pepin.
Second Lieut. Lloyd N. Keesling.
Second Lieut. Lawrence B. Glasgow.
Second Lieut. Charles Poterfield, jr.
Second Lieut. Beverly G. Chew.
Second Lieut. Sevier R. Tupper.
Second Lieut. Frank E. Royse.
Second Lieut. Lawrence F. Stone.
Second Lieut. Irving C. Avery.
Second Lieut. Aaron J. Becker.
Second Lieut. Wilson M. Spann.
Second Lieut. James V. Ware.
Second Lieut. Robert W. Brown.
Second Lieut. James R. Manning.
Second Lieut. Charles L. Steele.
Second Lieut. Stuart R. Carswell.
Second Lieut. Gilbert S. Harter.
Second Lieut. John W. Cotton.
Second Lieut. Ralph E. Wallace.
Second Lieut. Lawrence W. Fagg.
Second Lieut. Maury Mann.
Second Lieut. Rupert L. Purdon.
Second Lieut. Richard S. Jones.
Second Lieut. William C. Hanna.
Second Lieut. Leon G. Harer.
Second Lieut. Edwin M. Scott.
Second Lieut. Paul J. Dowling.
Second Lieut. John H. Jones.
Second Lieut. Rufus E. Wicker.
Second Lieut. Charles L. Briscoe.
Second Lieut. Roy O. Wren.
Second Lieut. Hermann C. Dempewolf.
Second Lieut. Paul I. Jones.
Second Lieut. Frank E. Hinton.
Second Lieut. Frank P. Tuohy.
Second Lieut. John R. Hermann.
Second Lieut. Louis T. Roberts.
Second Lieut. James M. Palmer.
Second Lieut. Ralph A. W. Pearson.
Second Lieut. Alfred Millard.
Second Lieut. Harry H. Ambs.
Second Lieut. William H. Bittenbender.
Second Lieut. Raymond H. Bishop.
Second Lieut. Henry D. Mitchell.
Second Lieut. James A. Summersett, jr.
Second Lieut. Hugh C. Gilchrist.
Second Lieut. Allen T. Veach.
Second Lieut. Sigurd J. Simonsen.
Second Lieut. Thomas G. Bond.
Second Lieut. John E. Haywood.
Second Lieut. Willis H. Hale.
Second Lieut. Noe C. Killian.
Second Lieut. Lindsay P. Johns.
Second Lieut. Walter R. Mann.
Second Lieut. Henry W. Lee.
Second Lieut. Charles A. Shamotulski.
Second Lieut. Sidney F. Mashbir.
Second Lieut. William P. Scobey.
Second Lieut. William C. Moore.
Second Lieut. Albion Smith.
Second Lieut. Le Roy Lutes.
Second Lieut. Edwin D. Patrick.
Second Lieut. Herman F. Kramer.
Second Lieut. Clarence P. Evers.
Second Lieut. William H. Coacher.
Second Lieut. Edward S. Johnston.
Second Lieut. John T. Henderson.
Second Lieut. Ray P. Harrison.

APPOINTMENTS IN THE ARMY.

MEDICAL CORPS.

To be first lieutenants.

Walter James Bristow.
Elias Earle Cooley.
Thomas Dreux Hurley.
Emanuel Kline.
Josiah Baker Henneberger.
Paul Miller Crawford.
George Sawyer Woodard.
John Howard Sturgeon.
Fred Grey Benton.
Abram Lee Van Meter.
Alexander Eugene Listoe.
Raymond Wright Whittier.
Wood Sue Woolford.
Herbert Clarence Neblett.
Leman Dow Cruice.
Charles Benjamin Kendall.
Cadmus James Baker.
Francis Emil Gessner.
James Walter Bunce.
Herbert Lee Quickel.
Chester Dye Allen.
David English Smith.
Leon Alexander Fox.
Charles Marion Hunter.
Rossner Enders Graham.
Joseph Haines Francis.
Charles Kettig Berle.
George Charles Henry Franklin.
William Thomas Weissinger.
Samuel McPherson Browne.
Frank Lamont Cole.
Gerald D. France.
Miner Frank Felch.
Rowland Daniel Wolfe.
Bascom Franklin Morris.
Clarke Blance.
William Adolphus Foertmeyer.
Cornelius Oliver Bailey.
Max Rievenack Stockton.

VETERINARY CORPS.

To be assistant veterinarians.

Harold Clarke.
Daniel Henry Mallan.
Louis Goldman Weisman.
Everett Cooper Conant.
James Alexander McCallan.
Harry John Juzek.
George Stutsman.
Raymond Le Roy Conklin.
William Alexander Aitken.
William Henry Dean.
Solon B. Renshaw.
John von Henry Schantz.
Horace Zenas Homer.
Joseph Walter Hastings.
Owen Howells.
Clarence William Mould.
Lewis Lathrop Shook.
Oscar Edward Gladfelter.
Charles Van Wil Morris.
Frank Holmes Woodruff.
George Philip Bard.
John James Connolly.
John Dudley Moore.
Will Charles Griffin.
George Webster Derrick.
Calvin Forrest Bennett.
Lloyd Clifford Ewen.
Charles Oliver Grace.
Alfred Gustav Gierke.
Edward Michael Curley.
Robert Miles Sarde.
Nathan Menzo Neate.
Joseph Napoleon Graves.
James Russell Sperry.
Charles Edward Fanslau.
Floyd Chauncey Sager.
Henry Emil Hess.
Robert Payne McComb.
Frank Columbus Meisner.
William De Vane Faison.
Vincent Brown Wright.
Curtice Christopher Bourland.
Charles Brenton Dunphy.
Paul Roberts King.
Forest Lee Holycross.
Daniel Sommer Robertson.
George Leander Richards.
Jerry Lewis Ruble.

CHAPLAIN.

Rev. Francis F. Donnelly, to be chaplain, with the rank of first lieutenant.

PROMOTIONS IN THE NAVY.

Axel Lindblad to be an ensign.
Philip A. Caro to be an assistant paymaster.

POSTMASTERS.

FLORIDA.

John W. Alvarez, Starke.
Joseph B. Bower, Rockledge.
Marcy B. Darnall, Key West.
Florida E. Gay, Lynn Haven.
Samuel J. Giles, Carrabelle.
Crawford I. Henry, Apalachicola.
W. H. Hoffman, Dunnellon.
Lewis L. Kenny, Fruitland Park.
Charles E. Kettle, Hastings.
George G. Langston, Haines City.
Edward C. Lewis, Marianna.
Lula Newton, Winter Garden.
Elmer J. Roux, Fernandina.
Bessie Bryan Simpson, Kissimmee.
Addison L. Smith, Groveland.
Clarence C. Thullbery, Lake Wales.
Eva R. Vaughn, Century.
J. N. Willis, Williston.
J. A. Williams, Alachua.

ILLINOIS.

E. F. Bieser, Nashville.
William B. Davis, Mount Sterling.
Daniel DuRussell, Trenton.
E. P. Kimball, Virden.
C. M. Lewis, Bridgeport.
F. Marion Martin, Noble.
George Petertil, Berwyn.
O. Cammié Seeders, Palestine.
Porter B. Simcox, Patoka.
William Twohig, Galesburg.
Edgar F. Voshall, Pleasant Hill.

TENNESSEE.

William J. Allen, Wartrace.
Alvin L. Bilbrey, Cumberland City.
Adam S. Nichols, Dandridge.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *August 1, 1917.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Lord God, Almighty, creator, upholder, and sustainer of all, rich are the endowments of life, strange are its vicissitudes. We know not how or whither; but we pray for faith to uphold us, light to guide us, and the willingness to do the right, as it is given us to see the right, that we may go about our Father's business this day and all subsequent days in the spirit of the Lord Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had insisted upon its amendments to the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. FLETCHER, Mr. RANSDELL, and Mr. NELSON as the conferees on the part of the Senate.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 2695. An act to authorize the construction, maintenance, and operation of a bridge across Little River, at or near the foot of the gar hole about one-half mile south of the Jonesboro, Lake City & Eastern Railway bridge across Little River, Ark.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bill:

H. R. 3331. An act for the protection of desert-land entrymen who enter the military or naval service of the United States in time of war.

LEAVE OF ABSENCE.

The SPEAKER. The Chair lays before the House the following personal request, which the Clerk will report.

The Clerk read as follows:

JULY 30, 1917.

Hon. CHAMP CLARK,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: I hereby request an indefinite leave of absence on account of sickness in my family.

Your friend, CLARENCE F. LEA.

The SPEAKER. Without objection, the request will be granted.

There was no objection.

ENLISTMENT OF ALIENS.

Mr. EMERSON. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. The gentleman from Ohio asks unanimous consent to address the House. Is there objection?

There was no objection.

Mr. EMERSON. Mr. Speaker, I have introduced in the House, the Chamberlain bill to conscript aliens, and at this time I desire to submit a few reasons why this bill should be immediately passed.

In the first place, the alien who comes to this country comes here for the purpose of improving his condition, and if he did not improve it he would not stay, but would return to his native land. He enjoys the privilege of our high wages, the protection of our laws, the freedom of all our institutions, and all the liberties of an American citizen, save only the right to vote. This right is not exercised by many native-born citizens. He owes an obligation to the Government that extends to him this privilege. He owes the Government the obligation to protect it in the hour of danger. If he came here with good intentions he should apply for citizenship and should be willing to protect the Government that gave him an asylum.

It is the unanimous sentiment of every American citizen in this country that if we gain nothing else from this war we should Americanize America.

In New York the registered aliens are over 20 per cent of the registration, in Pennsylvania it is 25 per cent of the registration, in New Jersey it is about 35 per cent of the registration, in Massachusetts it is over 30 per cent of the registration, in Connecticut it is 30 per cent, and in Arizona it is about 40 per cent of the registration. Just think of it, these States have to furnish their quota in accordance with the registration, and the loyal citizen must do the fighting for these aliens, while the alien is sitting around waiting for the loyal American to go to the front and he will take his job. It is up to this Congress to stop this farce, and make Mr. Alien come to the rescue of this country that has been his benefactor and protector.

This country must do something to make these aliens either become American citizens or else after a reasonable time return to their native land.

This registration indicates that this has become a serious problem. We must Americanize these aliens or they will un-Americanize us.

There are in this country 1,275,902 aliens who are not alien enemies, and only 80,538 who registered as alien enemies. Of course, we must consider the treaty rights of these aliens, but I believe we should make it for their interests to become citizens. Under this conscription law we encourage aliens not to become citizens. We place a premium upon noncitizenship and a penalty upon citizenship. I believe, on the other hand, that every alien who enlists in the United States Army should become a citizen when honorably discharged without any other formality. We must encourage aliens to become citizens in every way possible. We could forbid the employment of aliens in certain occupations, and I believe we should do it during this war. There is one thing sure, we must either draft these aliens or else not figure them in making up the quota of the different districts.

The people of this country do not take kindly to the exemption of these aliens, and I want to give you some figures from a few precincts in my own city of Cleveland, Ohio.

Ward 7, precinct E, American 125, alien 379.
Ward 9, precinct H, American 65, alien 262.
Ward 10, precinct A, American 194, alien 431.
Ward 12, precinct E, American 162, alien 313.
Ward 12, precinct F, American 59, alien 272.
Ward 23, precinct A, American 73, alien 342.
Ward 26, precinct H, American 148, alien 333.

These are appalling figures and show the actual conditions. Some of these precincts are 3 to 1 alien, and the American boy

has three chances to one that he will go over the boy in an all-American district.

This is an outrage upon the young men of this country, and we must do something to protect him. We must not give the alien the advantage over the brave American boy who gives up his position, gives up his peaceful home, gives up perhaps his wife, and goes to a foreign land to fight for his country's honor. Congress would be negligent in its duty to the young men of this country if it did not right this great wrong.

Let us pass this alien conscription bill; right the wrong that has been done. Many a mother's heart will bleed as she sees her boy march away. Let us not give the alien the opportunity to sit by and laugh. Mr. Alien either should become a citizen, enlist, be drafted, or go back home. This country has been an asylum for the oppressed. Let it not become a rendezvous for traitors, ingrates, criminals, and outcasts.

Many of these aliens would not fight for their own country and came here to avoid military service and to avoid serving their own country. Let us not encourage them in this disloyalty. Let us say to the alien you may come here, we welcome you to our land of freedom and opportunity, but you owe this country an obligation, and this obligation is to help defend it in the hour of its crisis. [Applause.]

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 8 minutes p. m.) the House adjourned until to-morrow, Thursday, August 2, 1917, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination for waterway between Sarasota Bay, near Venice, and Miakka River, Fla., with a view to giving such channel dimensions as commerce may demand (H. Doc. No. 309); to the Committee on Rivers and Harbors and ordered to be printed.

2. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of White River, above Batesville, Ark., with a view to year-round navigation by the construction of additional locks and dams (H. Doc. No. 310); to the Committee on Rivers and Harbors and ordered to be printed.

3. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Kelso Bayou, La. (H. Doc. No. 311); to the Committee on Rivers and Harbors and ordered to be printed.

4. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Pearl River, Miss., between Jackson and Edinburg (H. Doc. No. 312); to the Committee on Rivers and Harbors and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ROGERS, from the Committee on Foreign Affairs, to which was referred the joint resolution (H. J. Res. 115) requesting the Secretary of State to open diplomatic negotiations with certain Governments with a view to obtaining their approval and sanction for action by the United States permitting the inclusion in the armed forces of the United States of such citizens of the countries of such Governments as are within the United States, reported the same with amendment accompanied by a report (No. 115), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LEA of California: A bill (H. R. 5634) to provide a preliminary survey of Eel River, Cal., with a view to the control of its floods; to the Committee on Flood Control.

By Mr. BYRNS of Tennessee: A bill (H. R. 5635) to authorize the appointment of Philippine Constabulary and Philippine Scout officers to the grades of captain and first and second lieutenants in the Army; to the Committee on Military Affairs.

By Mr. FRANCIS: A bill (H. R. 5636) to amend section 27 of chapter 3592 of the Laws of 1906, entitled "An act to establish a Bureau of Immigration and Naturalization and to provide for a uniform rule for the naturalization of aliens throughout the United States"; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 5637) providing for the per diem compensation of post-office inspectors in the field; to the Committee on the Post Office and Post Roads.

By Mr. ROBINSON: A bill (H. R. 5638) to amend an act approved September 1, 1916, entitled "An act to prevent interstate commerce in the products of child labor, and for other purposes;" to the Committee on Labor.

By Mr. EMERSON: A bill (H. R. 5639) to make citizens of all aliens who enlist in the United States Army during this war and are honorably discharged;" to the Committee on Immigration and Naturalization.

By Mr. MOON: A bill (H. R. 5640) to authorize experiments in motor-truck delivery and to increase the postal revenues, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. EMERSON: Joint resolution (H. R. Jes. 134) to make the words of "The Star-Spangled Banner," as written by Francis S. Key, and the music as arranged by Francis P. Kilfoyle the national anthem;" to the Committee on the Library.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. OSBORNE: A bill (H. R. 5641) granting a pension to Major M. Bennett; to the Committee on Pensions.

By Mr. STRONG: A bill (H. R. 5642) granting an increase of pension to George W. Shaw; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of the Wisconsin State Federation of Labor against the enactment of any prohibition law; to the Committee on the Judiciary.

Also (by request), petition of certain lighthouse keepers stationed in the State of California, for an increase in compensation; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWNING: Memorial of the New Jersey State Bar Association, unanimously adopted June 16, 1917, indorsing a plan whereby the judges of the District Court of the United States for the District of New Jersey shall not receive a salary less than $10,000 per annum, and the circuit judges of the third circuit shall not receive a salary of less than $11,000 per annum; to the Committee on the Judiciary.

By Mr. BYRNS of Tennessee: Papers accompanying bill to authorize the appointment of Philippine Constabulary and Philippine Scout officers to the grades of captain and first and second lieutenants in the Army; to the Committee on Military Affairs.

By Mr. DARROW: Petition of Manayunk Council, No. 768, Order of Independent Americans, in behalf of Senate joint resolution 84, authorizing the drafting of certain aliens, etc.; to the Committee on Military Affairs.

By Mr. DICKINSON: Petition of 109 women of Windsor, Mo., protesting against being asked to conserve food in their homes and cut down the food consumption as long as Congress permits a large portion of the country's grain to be used in the manufacture of intoxicating liquors; to the Committee on Agriculture.

By Mr. EVANS: Petition of the Legislature of the State of Montana favoring the adoption of a national amendment giving national prohibition; to the Committee on the Judiciary.

By Mr. MOORE of Pennsylvania: Petition of the National German-American Alliance protesting against prohibition legislation; to the Committee on the Judiciary.

By Mr. NOLAN: Petition of Phoenix Lodge, No. 4, Knights of Pythias, San Francisco, Cal., indorsing House bill 152, known as the minimum-wage bill; to the Committee on Labor.

By Mr. REED: Petition of Mrs. H. M. Wade, chairman, and the members of the Woman's Missionary Society of St. Paul's Methodist Episcopal Church South, of the city of Clarksburg, W. Va., favoring the prohibition of the liquor business as a war measure and opposing war tax on same; to the Committee on Agriculture.

By Mr. SNYDER: Petition of the Woman's Christian Temperance Union of Rome, N. Y., urging the moral protection of military camps; to the Committee on Military Affairs.

Also, petition of Paines Hollow (N. Y.) Grange with reference to the food control of agricultural products, the make-up

of a food-control commission, etc.; to the Committee on Agriculture.

By Mr. TAGUE: Petition of National Association of Post-Office Laborers, Branch No. 9, Boston, Mass., indorsing the Tague amendment to the appropriation bill, giving a 10 per cent increase to post-office employees; to the Committee on the Post Office and Post Roads.

By Mr. ZIHLMAN: Memorial of Montgomery County (Md.) Pomona Grange for total prohibition of the manufacture, sale, and importation of all kinds of intoxicating liquors for the duration of the war at least; to the Committee on the Judiciary.

Also, memorial of the Just Government League of Maryland for the passage of the Susan B. Anthony amendment; to the Committee on the Judiciary.

Also, memorial of the Woman's Christian Temperance Union of Montgomery County, Md., to prohibit the manufacture, sale, and importation of alcoholic liquors during the war; to the Committee on the Judiciary.

Also, petition of members of the Christian Endeavor Society of the United Brethren Church at Boonsboro, Md., favoring national prohibition as a war measure; to the Committee on the Judiciary.

SENATE.

THURSDAY, *August 2, 1917.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we thank Thee that Thy purpose in us as a Nation has been revealed by the far-seeing vision of those who laid the foundations of our national life. We bless Thee that in our day there are still those who look into the coming years and anticipate something of the struggles, the trials, and the opportunities that are presented to us as a Nation and are faithfully and bravely facing them. Grant, we pray, that Thou wilt lead us on, ever giving to us a vision of the larger life, and ever calling upon us to fulfill the divine purpose. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Tuesday, July 31, 1917, when, on request of Mr. BRADY and by unanimous consent, the further reading was dispensed with and the Journal was approved.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum is suggested, and the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Harding	McKellar	Shafroth
Bankhead	Hardwick	McNary	Sheppard
Beckham	Hitchcock	Martin	Sherman
Brady	Hollis	New	Smith, Ariz.
Brandegee	Husting	Newlands	Smith, Ga.
Calder	James	Norris	Smith, S. C.
Culberson	Johnson, Cal.	Overman	Smoot
Cummins	Jones, N. Mex.	Page	Sterling
Curtis	Jones, Wash.	Penrose	Stone
Fernald	Kenyon	Pittman	Sutherland
Fletcher	King	Poindexter	Swanson
Gerry	Kirby	Pomerene	Trammell
Gore	Knox	Ransdell	Vardaman
Gronna	La Follette	Robinson	Wadsworth
Hale	McCumber	Saulsbury	Williams

Mr. McNARY. I desire to announce the absence of my colleague [Mr. CHAMBERLAIN] on official business. I will also state that he is paired with the junior Senator from Pennsylvania [Mr. KNOX].

Mr. SUTHERLAND. I desire to announce the absence of my colleague [Mr. GOFF] on account of illness. I will let this announcement stand for the day.

Mr. GERRY. I desire to announce that the Senator from California [Mr. PHELAN] is detained on official business.

The PRESIDENT pro tempore. The Chair desires to announce the absence of the senior Senator from Maryland [Mr. SMITH] because of illness. Sixty Senators have answered to their names. There is a quorum present.

SUGGESTED PEACE BASIS.

Mr. STONE. Mr. President, I am in receipt of a dispatch from a number of citizens, with an inclosure, which I desire to have read.

The PRESIDENT pro tempore. Without objection, the Secretary will read as requested.

The Secretary read as follows:

JULY 29, 1917.

Hon. WILLIAM J. STONE,
Chairman Committee on Foreign Relations,
United States Senate, Washington, D. C.

DEAR SENATOR STONE: Some of the recent discussions in the Senate prompt us to ask you, as chairman of the Senate Committee on Foreign Relations, to introduce a concurrent resolution in the Senate which would enable Congress to state its conception of the proper basis for peace negotiations. We are submitting a purely tentative draft of such a resolution. Our reasons for urging immediate action are these:

It can hardly be denied that the German peace resolution, carried in the Reichstag on July 19 by a vote of 214 to 116, is an attempt on the part of the German people to express their willingness to enter into peace negotiations on the basis of "no annexations and no indemnities." The express language of the resolution leaves no room for doubt:

"The Reichstag labors for peace and a mutual understanding and lasting reconciliation among the nations. Forced acquisitions of territory and political, economic, and financial violations are incompatible with such a peace."

The Reichstag, though not, in the democratic sense, a truly representative body, is, nevertheless, the only political body through which the German people can speak to the rest of the world. Through it they have spoken by an overwhelming majority and in unmistakable terms, disclaiming conquest and indemnities, claiming only their national integrity, professing their desire to join in an international organization for a lasting world peace. To ignore this resolution is to prove all our protestations of friendship for the German people false.

If we genuinely desire to strengthen the hand of the German people against autocracy, this is our opportunity; we must receive the Reichstag resolution with official respect and ignore the speech of the chancellor who is responsible only to the Kaiser.

We urge action by congressional resolution in this matter, because we believe it is high time for the parliament of the world to take a hand in the business of making peace. Continually called upon to approve war policies and vote war appropriations, the peoples' representatives, with the exception of Russia and now Germany, have not declared their terms of peace.

Respectfully, yours,

AMOS PINCHOT,
LILLIAN D. WALD,
L. HOLLINGSWORTH WOOD,
MAX EASTMAN,
JOHN HAYNES HOLMES,
ROGER N. BALDWIN,
ALICE LEWISOHN,
NORMAN M. THOMAS,
CHARLES T. HALLINAN,
JOHN L. ELLIOTT,
CRYSTAL EASTMAN,
For the American Union Against Militarism.

Mr. STONE. Mr. President, just a word. This communication comes to me in an official way as the chairman of one of the committees of the Senate. As it comes from citizens of undoubted respectable character and responsibility, I have thought proper to submit it to the Senate. I make no observation upon it at this time. I have had it read and ask that it may lie upon the table, for I desire to make some observations respecting the communication at an early and convenient day. I am not prepared to proceed this morning. I shall hope during the coming week to find an opportunity to say something with respect to the request of these ladies and gentlemen, and with respect to the subject about which they ask me in my official capacity to take some action.

The PRESIDENT pro tempore. The communication will lie on the table.

PETITIONS AND MEMORIALS.

Mr. CALDER. I ask to have printed in the RECORD a petition of colored people of the city of New York, praying for the redress of certain grievances.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

To the President and the Congress of the United States:

We, the committee of the negro silent-protest parade, representing the colored people of Greater New York and the sentiment of the people of negro descent throughout this land, come to you to present a petition for redress of grievances.

In the last 31 years 2,867 colored men and women have been lynched by mobs without trial. Less than a half dozen persons out of the tens of thousands involved have received any punishment whatsoever for these crimes, and not a single one has been punished for murder. In addition to this, mobs have harried and murdered colored citizens time and time again with impunity, culminating in the latest atrocity at East St. Louis, where nearly a hundred innocent, hard-working citizens were done to death in broad daylight for seeking to earn an honest living.

We believe that this spirit of lawlessness is doing untold injury to our country, and we submit that the record proves that the States are either unwilling or unable to put down lynching and mob violence.

We ask, therefore, that lynching and mob violence be made a national crime punishable by the laws of the United States, and that this be done by Federal enactment or, if necessary, by constitutional amendment. We believe that there can be found in recent legislation abundant precedent for action of this sort, and whether this be true or not, no nation that seeks to fight the battles of civilization can afford to march in blood-smeared garments.

We ask, therefore, immediate action by the Congress and the President of the United States.

Dated New York, July 28, 1917.

Frederick Asbury Cullen; James W. Johnson; John E. Vail; Everard W. Daniel; George Frazier Miller; Charles Douglas Martin; D. Insin Hoage; A. Clayton Powell, pastor Abyssinian Baptist Church; William P. Hayes, D. D., pastor Mount Olivet Baptist Church; Fred R. Moore; Alfred B. Cooley; Isaac B. Allen; Maria C. Lawton; Sarah Walker.

Mr. SHEPPARD presented a petition of the Auxiliary of the Woman's Missionary Society of the Methodist Church of Miami, Tex., praying for national prohibition as a war measure, which was ordered to lie on the table.

Mr. PHELAN presented a petition of Phœnix Lodge, No. 4, Knights of Pythias, of San Francisco, Cal., praying for the enactment of legislation to fix the compensation of certain employees of the Government, which was ordered to lie on the table.

Mr. HITCHCOCK. I ask to have read a telegram which I send to the desk, after which I desire that it be referred to the Committee on Military Affairs.

The PRESIDENT pro tempore. The Secretary will read as requested.

The Secretary read the telegram, as follows:

MARENGO, ILL., *July 29, 1917.*

Hon. GILBERT M. HITCHCOCK,
Senate, Washington, D. C.:

Millions of bushels of grain are falling on ground to rot throughout the corn belt for lack of manual labor, unobtainable at any price. This is discouraging farmers and will result in enormous reduction of 1918 acreage. Unless relief is assured, farmers will not again sow what they can not reap. Strenuous effort should immediately be made to exempt all farm laborers from draft. Situation is critical.

WM. STULL.

Mr. HITCHCOCK. Mr. President, I desire to state that the author of the telegram is a man of prominence and a very large landowner, who is probably well acquainted with the facts that he states. I think, however, that his fears are somewhat unnecessary, as the various tribunals having charge of exemptions under the draft are empowered to exempt men who are needed in agricultural pursuits.

The PRESIDENT pro tempore. The telegram will be referred to the Committee on Military Affairs.

Mr. POINDEXTER subsequently said: In connection with the telegram that was handed up a moment ago by the Senator from Nebraska [Mr. HITCHCOCK], indicating the inability of farmers to obtain farm labor at any price, as the telegram says, I should like to have the Secretary read a statement which I have just received from the Chamber of Commerce of the City of Bellingham, in the State of Washington, pointing out the great number of idle men in certain organizations who apparently are making a business of encouraging idleness on the part of the able-bodied young men of the country. I ask that it be read in that connection, because it deals with a situation that is growing serious throughout the Pacific coast region.

The PRESIDENT pro tempore. Without objection, the Secretary will read as requested.

The Secretary read as follows:

Resolutions.

Whereas there is an undue amount of industrial troubles; and
Whereas statistics show that there is a permanent approximate average of 2,000,000 young men in idleness; and
Whereas the continuous agitation on the part of some of these idle men is dangerous to the lives and property of our citizens and inimicable to the welfare of our Nation; and
Whereas the doctrines preached by certain bands or societies of these idle parasites are directly opposed to the principles on which our Nation is founded and threaten the very existence of our industries and free institutions: Therefore be it

Resolved, That the Chamber of Commerce of Bellingham urges the need of national legislation along the following lines:

1. That a census of labor be taken and a system of industrial conscription be put in force for the duration of the war.

2. That criminal syndicalism, which may be defined as advocating crime, sabotage, violence, and other unlawful methods of terrorism as a means of accomplishing industrial or political reform, be prohibited in every form under heavy penalty; and be it

Resolved further, That a copy of this statement and these resolutions be sent to the President, Secretary of Labor, Senators and Representatives of Washington, United States Chamber of Commerce, and commercial organizations of the Pacific coast and the large centers of population with a request for immediate action and cooperation.

CHAMBER OF COMMERCE OF BELLINGHAM,
C. A. SHORT, *President*,
P. E. MAGRUDER, *Executive Secretary*.

Mr. WARREN. I ask to have the following telegram printed in the RECORD and referred to the Committee on Finance. It is signed by A. E. Roedel, president of the Wyoming Pharmaceutical Association.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

CHEYENNE, WYO., *July 21, 1917.*

Hon. F. E. WARREN,
Washington, D. C.:

On behalf of the pharmaceutical association, I wish to enter objection to paragraphs 19 and 20, section 304, of the revenue bill, which reads, "Whether in original condition or mixed and combined with any other article." If this is enacted as it stands, it will entail a tremendous hardship on the druggists of this country, as it would include all tinctures, fluid extracts, elixirs, and many other pharmaceutical preparations; also perfumes, toilet waters, hair tonics, and various other toilet articles. Have no objections to the provisions as applied to alcohol itself, or where the denaturization was such that it still could be used as a beverage.

A. E. ROEDEL,
President Wyoming Pharmaceutical Association.

REPORTS OF COMMITTEES.

Mr. MYERS, from the Committee on Public Lands, to which was referred the bill (S. 2334) to authorize absence by homestead settlers and entrymen, and for other purposes, reported it without amendment and submitted a report (No. 96) thereon.

Mr. SWANSON, from the Committee on Naval Affairs, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 82. A bill to transfer Frederick W. Cobb from the list of chief machinists, United States Navy, to the list of chief pay clerks, United States Navy (Rept. No. 98); and

S. 2617. A bill authorizing the restoration of John T. Melvin, a lieutenant (junior grade), to the active list of the Navy (Rept. No. 97).

Mr. PHELAN, from the Committee on Naval Affairs, to which was referred the bill (S. 2437) to provide for the acquisition of an air-station site for the United States Navy, reported it with amendments and submitted a report (No. 99) thereon.

LEASE OF PHOSPHATE LANDS.

Mr. PITTMAN. Mr. President, I have a report on behalf of the Committee on Public Lands, and it is the desire of the committee that present consideration of the bill be had. I understand that important matters are to follow it, but I am satisfied the bill will not create any debate.

It is a bill authorizing the Secretary of the Interior to enter into leases of certain potash lands in the United States for the purpose of increasing the potash supply. I think every Senator here realizes the condition of the potash supply in the United States. We had been using, up to the time of the war, some 400,000 tons of potash in this country annually, and all except ten or fifteen thousand tons came from Germany. That supply is absolutely cut off at the present time; and not only cut off, but the German chancellor took occasion to state that the United States had gone into this war with a noose around its neck because it did not have the means to supply the foodstuffs necessary for its people without potash, and the potash position is deplorable.

The bill I am presenting on behalf of the Committee on Public Lands has been a part of the general leasing bill or a part of the so-called oil bill. That bill passed the House twice and this body once. There were violent objections to the provisions of the bill concerning oil, but there never has been any objection concerning the provisions of the bill——

Mr. BRANDEGEE. Mr. President, is the Senator going to ask unanimous consent for the present consideration of the bill?

Mr. PITTMAN. Yes, sir.

Mr. BRANDEGEE. I think until that has been obtained the Senator had better not occupy the floor.

Mr. PITTMAN. I recognize the Senator's right to make that objection. I expected that I would be asked questions regarding the bill, and I thought I would explain it.

Mr. BRANDEGEE. I have no objection to the Senator explaining it at length after the bill has been presented.

Mr. PITTMAN. I was about through with the explanation.

Mr. SMOOT. My duty upon the Finance Committee has been such that I could not attend the meeting of the Public Lands Committee. I wish to ask the Senator if the bill applies to only the Searles Lake potash lands, or does it apply to all the potash lands of the United States?

Mr. PITTMAN. The particular provisions which the Senator has in mind are leasing provisions and are general in the bill.

Mr. HARDWICK. I hope the Senator will not make the request until the morning business has been disposed of.

Mr. PITTMAN. This is a report of a committee.

Mr. HARDWICK. I know; but the Senator wants to have the bill considered.

Mr. PITTMAN. I shall submit the report and make the request.

Mr. HARDWICK. I hope the Senator will not do that until morning business is over.

Mr. PITTMAN. It is evident that the Senator from Georgia is going to object.

Mr. HARDWICK. I hope the Senator will not make that request until we get through with the routine morning business.

Mr. SMOOT. I will ask the Senator to make the report and have it printed, and then let it go over.

Mr. HARDWICK. Exactly.

Mr. PITTMAN. Of course I shall have to do that. It will be necessary to do that if there is going to be objection. I want to give notice at the present time that this matter is of such vital importance that I am going to move to take it up. I think the Senator from Utah understands the importance of the question of potash in this country.

Mr. SWANSON. I should like to ask the Senator from Nevada a question. As I understand, this measure does not in the least affect the Naval Reserve?

Mr. PITTMAN. It has nothing to do with anything except potash; and has nothing to do with the Naval Reserve.

Mr. SMITH of Georgia. I hope the Senator from Nevada will make his motion to take up this bill to-morrow and that the Senate will back him in it, and give the bill immediate consideration.

The PRESIDENT pro tempore. The Senator from Nevada makes a report from the Committee on Public Lands, which will be stated.

The SECRETARY. Mr. PITTMAN, from the Committee on Public Lands, reports favorably, with certain amendments, the bill (S. 2156) to authorize exploration for and disposition of potassium or sodium, and submits a report (No. 100) thereon.

The PRESIDENT pro tempore. The bill will be placed on the calendar.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MYERS:

A bill (S. 2715) to authorize an exchange of lands with the State of Montana in connection with Muddy Creek Reservoir site, Sun River project, and Nelson Reservoir site, Milk River project, and for other purposes; to the Committee on Public Lands.

By Mr. HARDWICK:

A bill (S. 2717) prescribing rules for the government and regulation of the land and naval forces during the period of the existing war with Germany; to the Committee on Military Affairs; and

A bill (S. 2718) to authorize experiments in motor-truck delivery; to the Committee on Post Offices and Post Roads.

By Mr. WADSWORTH:

A bill (S. 2719) to permit the reenlistment of Omer G. Paquet in the United States Army; to the Committee on Military Affairs.

By Mr. HARDING:

A bill (S. 2720) granting an increase of pension to Henry Lee Anderson; and

A bill (S. 2721) granting a pension to Paul Stanley Adams; to the Committee on Pensions.

By Mr. CALDER:

A bill (S. 2722) for the relief of Louis F. Meissner; to the Committee on Claims.

By Mr. KENYON:

A bill (S. 2723) granting an increase of pension to John W. Openchain (with accompanying papers); to the Committee on Pensions.

By Mr. POINDEXTER: A bill (S. 2724) granting a pension to Mary A. Shaffer (with accompanying papers);

A bill (S. 2725) granting an increase of pension to Theodore W. Davis (with accompanying papers); and

A bill (S. 2726) granting an increase of pension to Emily D. Brace (with accompanying papers); to the Committee on Pensions.

By Mr. COLT:

A bill (S. 2727) to reimburse the State of Rhode Island for expenses incurred in protecting bridges over waterways on main railroad lines under direction of the commanding general Eastern Department; to the Committee on Claims.

By Mr. HALE:

A bill (S. 2728) granting an increase of pension to Byron A. Hart;

A bill (S. 2729) granting an increase of pension to Henry M. Bennett (with accompanying papers);

A bill (S. 2730) granting an increase of pension to Charles Thomas (with accompanying papers);

A bill (S. 2731) granting an increase of pension to John M. Anderson (with accompanying papers); and

A bill (S. 2732) granting an increase of pension to George H. Ross (with accompanying papers); to the Committee on Pensions.

By Mr. WADSWORTH:

A joint resolution (S. J. Res. 88) amending Article V of the Constitution of the United States by providing that, to be effective, amendments to the Constitution shall be ratified within six years; to the Committee on the Judiciary.

SAN ANTONIO ARSENAL, TEX.

By Mr. SHEPPARD:

A bill (S. 2716) making appropriations for improvements of San Antonio Arsenal, San Antonio, Tex.; to the Committee on Military Affairs.

Mr. OVERMAN. Mr. President, unless the Senator from Texas desires that the bill, which proposes to make appropriations for fortifications, shall go to the Committee on Military Affairs, I wish to suggest that it properly belongs to the Committee on Appropriations, as a subcommittee of the Committee on Appropriations has charge of the matter of making appropriations for fortifications. We have had that very question before our committee. I therefore suggest to the Senator from Texas that the bill ought to go to the Committee on Appropriations rather than to the Committee on Military Affairs.

Mr. SHEPPARD. I had intended to call the attention of the Chair to that fact, and I now suggest that the bill be referred to the Committee on Appropriations.

The PRESIDENT pro tempore. The bill will be referred to the Committee on Appropriations.

INTRODUCTION OF PRIVATE BILLS.

Mr. SMITH of Arizona. Mr. President, I desire to make a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Arizona will state it.

Mr. SMITH of Arizona. I notice that a good deal of time is taken up during the morning hour in the introduction of private bills. I understand there has been adopted by the Senate a modified rule permitting private bills to be handed in at the desk or to be given to the Secretary. The Senator from Utah [Mr. SMOOT] indicates that that is the rule. I therefore suggest to Senators who are unacquainted with the rule that any private bills which they may desire to introduce should be sent to the desk instead of being presented from the floor.

The PRESIDENT pro tempore. The Chair will state to the Senator from Arizona that the rule to which he refers permits, but does not require, the presentation of such bills at the Secretary's desk.

ORDER OF BUSINESS.

Mr. FLETCHER. Mr. President, I move that the Senate proceed to the consideration of the conference report on House bill 4285, being the river and harbor bill.

Mr. SMOOT. I will ask the Chair if the morning business has been concluded?

The PRESIDENT pro tempore. The morning business has not yet closed.

Mr. SMOOT. I think the motion of the Senator from Florida had better be withheld until morning business shall have been concluded.

Mr. FLETCHER. It is in order to take up the matter for which I ask consideration at any time, and I think it ought to be taken up now.

Mr. SMOOT. The rule provides for the presentation of a conference report at any time, but not for its consideration.

Mr. FLETCHER. I think it can be considered at any time.

Mr. SMOOT. I will say to the Senator that I think the proper way would be to wait until morning business has been concluded, and then move to take up the conference report.

The PRESIDENT pro tempore. The Chair will recognize the Senator from Florida to make his motion as soon as possible, as the Chair thinks it is in the nature of a preferred motion.

Mr. FLETCHER. Very well.

WOMAN SUFFRAGE.

Mr. CUMMINS. Mr. President, on yesterday I filed a motion to discharge the Committee on Woman Suffrage from the further consideration of Senate joint resolution No. 2. I desire to call up the motion at this time, because it is in itself a report of a committee or at least has to do with the work of a committee.

Mr. HARDWICK. I rise to a question of order, that during morning business when purely perfunctory reports are being submitted, it is not in order to move to discharge a committee from the consideration of a matter which is before it; that this is not the proper time to make such a motion.

Mr. CUMMINS. Mr. President, I am not sure whether or not this is a proper time to get up the matter. I am quite willing to take the suggestion or direction of the Chair upon that point, and if it is proper to wait until we have passed through the——

Mr. HARDWICK. Routine morning business.

Mr. CUMMINS. The routine of morning business, I am quite willing to do so.

The PRESIDENT pro tempore. The regular order has been called for.

Mr. HARDWICK. Regular order, Mr. President.

The PRESIDENT pro tempore. The Chair must continue the call of the morning business. Reports of committees are still in order. If there be none, the introduction of bills and joint resolutions is in order.

Mr. CUMMINS. I ask whether the motion to which I referred a moment ago is a part of the morning business; that is, is it the equivalent of a resolution coming over from a previous day?

The PRESIDENT pro tempore. Under the rule a motion similar to the one submitted by the Senator from Iowa lies over for one day——

Mr. CUMMINS. I have no disposition to interfere with the presentation of morning business, of course, but I do not want to lose the opportunity to present my motion.

The PRESIDENT pro tempore. The Chair is quite clear about the matter. If the Senator from Iowa desires to call up his motion, which is practically a resolution coming over from a previous day, he will be privileged to do it immediately after the call for concurrent and other resolutions.

Mr. CUMMINS. Very well.

The PRESIDENT pro tempore. If there be no concurrent or other resolutions, morning business is closed.

Mr. CUMMINS. Mr. President, I now call up the motion to which I have referred and desire to submit it to the Senate with a very few observations.

The PRESIDENT pro tempore. The Chair desires to call the attention of the Senator from Iowa to the clause of Rule VIII which provides that motions before 2 o'clock to proceed to the consideration of any matter shall be determined without debate, thinking that that applies to the motion of the Senator.

Mr. CUMMINS. Mr. President, do I understand the Chair to rule that I can not call up the resolution as a matter of right?

The PRESIDENT pro tempore. The Chair does not think so.

Mr. CUMMINS. Very well. Then I move that the Senate proceed to the consideration of the motion to discharge the Committee on Woman Suffrage from the further consideration of Senate joint resolution No. 2.

The PRESIDENT pro tempore. The Senator from Iowa moves that the Senate proceed to the consideration of a motion or resolution coming over from a previous day.

Mr. CUMMINS. Mr. President, I desire to say just a word with regard to the ruling of the Chair. I can not think we quite understand each other.

The PRESIDENT pro tempore. The Chair will be very glad to have the Senator refer him to any rule on the subject.

Mr. CUMMINS. The Chair upon a former occasion ruled, as I remember, that a resolution—and this is the equivalent of a resolution—that goes over under the rule does not come up automatically, but must be called up at the close of the routine morning business. I do not think, however, that it has ever been held that a resolution of that kind during the morning hour must be taken up by a vote, nor do I think it has ever been held that a resolution of that kind during the morning hour is not debatable. The morning hour is the only opportunity for the consideration of a resolution or motion of the character I have presented, and if it can not be taken up during that time, and can not be debated during that time, there never would be any chance to consider it unless it were desirable to displace the unfinished business, which would come on after the morning hour had expired, at 2 o'clock.

I hope that the Chair upon reflection will modify his ruling, so that the motion may come up by right and so that those who are interested in it may be permitted to debate it within the morning hour. Of course, if the morning hour should expire during the pendency of the motion, it would go over automatically.

Mr. SMOOT rose.

The PRESIDENT pro tempore. Does the Senator from Utah desire to address the Chair?

Mr. SMOOT. I desire to say just a word, Mr. President. I call the attention of the Chair to Rule XXVI, paragraph 2, which reads:

> 2. All reports of committees and motions to discharge a committee from the consideration of the subject, and all subjects from which a committee shall be discharged, shall lie over one day for consideration, unless by unanimous consent the Senate shall otherwise direct.

Yesterday the Senator from Iowa offered this motion. It went over under the rule one day. It is a resolution in every sense of the word. It comes up automatically; it has a right to come up.

The PRESIDENT pro tempore. If the Senator will permit the Chair, it has been otherwise decided.

Mr. SMOOT. I desire to call the attention of the President pro tempore to the fact that the Chair decided that a Senator offering a resolution must, if he desires the resolution considered, call it up, and as soon as the Senator who offered the resolution rises in his place in the Senate and asks that the resolution be called up, then it has a right to be taken up.

The PRESIDENT pro tempore. Can the Senator refer the Chair to any such rule?

Mr. SMOOT. I have not looked it up, but I am quite sure I am right, and that that has been the ruling of Vice President MARSHALL on that very point. Not only that, Mr. President, but it has been the practice of the Senate that when any resolution that goes over for a day is called up it has always been debated as long as the morning hour lasts, if it took that time to dispose of it, and if it were not disposed of at the end of the morning hour, then it went to the calendar. That is exactly the course which the resolution of the Senator from Iowa ought to take.

Mr. BRANDEGEE. Mr. President, I wanted to suggest at that point, if the Senator would permit me, that in the enumerated articles which constitute the morning business resolutions coming over from the previous day have their place as a matter of right.

Mr. SMOOT. Yes.

Mr. BRANDEGEE. And when the Senator who has had one coming over from a previous day calls it up it must be laid before the Senate, in my opinion, just as much as any article enumerated as proper for the morning hour.

Mr. SMOOT. Yes; and I will say to the President pro tempore that that was the ruling of the Vice President, and it came about in this way: A resolution would be offered, and perhaps the Senator offering the resolution would not be ready to speak upon it on the following day, and day after day he asked that it go over without prejudice; and the ruling of the Chair was, after the question arose, that unless the resolution was called up by the Senator offering it, it would go over without prejudice and could be called up at any time that he might request.

Mr. SHAFROTH. Mr. President, I want to call the attention of the Chair to the fact that in the last Congress there was a bill called the general leasing bill, which was referred to the Committee on Mines and Mining, and there was a motion to discharge the committee and refer it to the Committee on Public Lands; and it was discussed here, and I think this very point was raised. Now, I do not think it would be fair to vote upon a measure without giving the committee an opportunity to state their position. For that reason it seems to me that there ought to be some discussion, not necessarily at any length; but it seems to me the rule should follow that precedent of the Senate, that really has been the practice for some time, of letting discussion be had upon a motion to discharge a committee.

The PRESIDENT pro tempore. The Senator has evidently misapprehended the motion. The motion which the Chair was entertaining was a motion to take up, when consideration will be had.

Mr. JONES of New Mexico. Mr. President, I find this statement on page 12 of the Rules and Manual of the Senate:

> All motions made before 2 o'clock to proceed to the consideration of any matter shall be determined without debate.

Mr. CUMMINS. Mr. President, this motion was not made——

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. The Senator from New Mexico now has the floor. To whom does he yield, if to anyone?

Mr. JONES of New Mexico. I yield to the Senator from Iowa.

Mr. CUMMINS. I suggest to the Senator from New Mexico that this motion was not made before 2 o'clock. The motion was made yesterday, and under the rules it was laid over until to-day. It is not in the category of a motion made during the morning hour. If the Chair rules that the only way in which we can reach the matter is to make a motion to proceed to its consideration, then that would be a motion made in the morning hour, and I agree it would not be debatable; but I insist that it comes up upon the suggestion of the mover of the resolution, as a matter of right, for disposition in the morning hour.

The PRESIDENT pro tempore. The Chair will state that in the interest of the progress of business in the Senate he proposes to leave this question, which seems to be considered from diverse points of view, to the decision of the Senate.

Mr. BRANDEGEE. Mr. President——

The PRESIDENT pro tempore. The Senator from Connecticut.

Mr. BRANDEGEE. I do not want to interrupt the Senator from New Mexico. I thought he had finished what he wanted to say. Had he not?

Mr. JONES of New Mexico. I had not quite finished, Mr. President.

Mr. BRANDEGEE. Very well.

Mr. JONES of New Mexico. Especially in view of what the Chair has just announced, I think it is not improper for me to make just one further remark that I intended to make, and that is in answer to what the Senator from Iowa has just said.

Under Rule XXVI, referred to by the Senator from Utah [Mr. SMOOT], in the second division of that rule, I find this statement:

All reports of committees and motions to discharge a committee from the consideration of the subject, and all subjects from which a committee shall be discharged, shall lie over one day for consideration, unless by unanimous consent the Senate shall otherwise direct.

Now, Mr. President, as I interpret that rule, it simply means that these matters shall go over one day unless by unanimous consent they are considered on the same day; but I do not understand that on the second day they occupy any privileged position before the Senate.

Mr. NORRIS. Mr. President——

Mr. JONES of New Mexico. They simply stand as other matters upon the calendar which may be considered by the Senate upon that second day——

Mr. NORRIS and Mr. BRANDEGEE addressed the Chair.

Mr. JONES of New Mexico. And in order to bring them up for consideration, it is necessary, then, to make a motion to bring up the matter on the second day, and, if within the morning hour, it must be decided without debate.

Mr. BRANDEGEE. Mr. President——

The PRESIDENT pro tempore. Does the Senator yield to any one; and if so, to whom?

Mr. JONES of New Mexico. I yield to the Senator from Connecticut.

Mr. BRANDEGEE. Mr. President, if the Senator will permit me, I want to call his attention to the ruling of the Vice President on that very question, because I want to see if the Senator does not admit his error after he listens to this ruling. The Vice President ruled on February 18, 1915, as follows:

If the Senate will permit the Chair to make a statement about this matter, the view of the Chair will be made plain to the Senate.

It has always been the custom since the Chair has been here that after the order of concurrent and other resolutions the Chair has laid before the Senate resolutions coming over from a preceding day; but upon investigation of the rules it appears that there is nothing in the rules which requires the Chair to do any such thing. Resolutions are provided for in clause 5 of Rule XIV:

"All resolutions shall lie over one day for consideration, unless by unanimous consent the Senate shall otherwise direct."

While the Chair believes that it would be to the interest of the orderly transaction of business for the Chair to lay down resolutions as they come over from a preceding day, the Chair thinks it is the duty of a Senator who has introduced a resolution which has gone over one day for consideration, at the time when concurrent and other resolutions are called for, to call up his resolution—

That is just what the Senator from Iowa has done.

He has a right to call it up and to have it either considered or referred to a committee, but it is not, under the rules of the Senate, the unqualified duty of the Chair to lay it down.

Now, the Senator from Iowa has made no motion to proceed to the consideration of this matter as though it were a bill on the calendar.

Mr. JONES of New Mexico. I understand that he has.

Mr. BRANDEGEE. He has a right to call it up. He has called it up, and it is debatable until 2 o'clock.

Mr. CUMMINS. Mr. President——

The PRESIDENT pro tempore. If the Senate will allow the Chair, in connection with the statement made by the Senator from Connecticut, an examination of Rule VIII will disclose the fact that in the order of procedure, resolutions coming over from a previous day are not called for, but on the conclusion of concurrent and other resolutions the calendar is the next order of business, which reinforces the views of the Vice President to the point where it is stated that the Senator had a right to have the bill called up.

The present occupant of the chair is not aware of any rule which would support the idea of a motion coming up on a matter and thought that the second provision referred to—that a motion made before 2 o'clock should be determined without debate—applies to this question. The Chair, however, in view of the divergence of opinion among Senators, desires to leave this question for the determination of the Senate, which will conclude the matter.

Mr. CUMMINS. Mr. President, in order that the question of whether I have a right under the rules to call up the motion filed yesterday can be laid before the Senate, I withdraw the motion to proceed to the consideration of the motion and insist upon my right under the rules to call it up and ask for its consideration.

The PRESIDENT pro tempore. The Chair leaves to the Senate the question of whether the Senator has that right, as a point of order.

Mr. STONE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Missouri will state it.

Mr. STONE. If the Senate proceeds in any form at this time to determine this question it must be determined without debate, must it not?

The PRESIDENT pro tempore. The Chair thinks so.

Mr. SMOOT. Now, Mr. President——

Mr. STONE. Well, let me finish.

Mr. SMOOT. Certainly.

Mr. STONE. The Chair thinks so, and I am inclined to agree with the Chair. But after 2 o'clock the motion to proceed would be open to debate? I am asking the Chair.

Mr. CURTIS. Mr. President——

Mr. STONE. Wait a moment; I have the floor.

Mr. CURTIS. I was going to ask the Senator to yield in order that I might read two decisions on the subject, if he had no objection.

Mr. STONE. I am trying to state a parliamentary inquiry, a part of which I have stated, and the Chair has answered that if we proceed now, before 2 o'clock, to the consideration of this question as presented, whatever we may do must be done without debate.

The PRESIDENT pro tempore. The Senator misunderstood the Chair. The Chair made no such decision as that.

Mr. STONE. Well, what is the judgment of the Chair?

The PRESIDENT pro tempore. Of course Senators recognize the fact that they may ask many questions which the Chair is not prepared to determine without reference to the rules or to the precedents. You can not proceed to the consideration of a matter and then have no consideration or debate upon it. That is not the question now before the Senate. The Chair would be very glad to have any Senator submit any precedent on this matter with which he is familiar.

Mr. SMOOT. Mr. President, I desire to call the Chair's attention to a precedent.

Mr. STONE. Well, I do not see how the Senator takes me off the floor summarily until the Chair sits me down.

Mr. SMOOT. I thought the Senator was through.

Mr. STONE. Before the time when the matter goes to the calendar, before the morning hour is over, you can not move to take up a question and then debate it. It is not subject to debate.

The PRESIDENT pro tempore. The Senator is asking, in some respects, a moot question.

Mr. STONE. I am not asking a moot question. I am asking a question that relates to the thing we have before us.

The PRESIDENT pro tempore. If the Senator will consult the second paragraph of Rule VIII, he will find that debate is not allowed upon a motion to take up; but that is not this question. The Chair is endeavoring to submit to the Senate a point of order as to the right of a Senator to call up a resolution.

Mr. STONE. Well, the main question I want to ask the Chair is this: After 2 o'clock, if the Senator from Iowa should move to discharge the committee and proceed to the consideration of the constitutional amendment, that would be in order, would it not?

The PRESIDENT pro tempore. The Chair would be inclined to say to the Senator that he would decide that question after 2 o'clock if the Senator made the motion.

Mr. STONE. In all events, the Chair can say this, that if the motion should be made after 2 o'clock, the motion itself, to take it up in the way proposed, would be open to debate.

The PRESIDENT pro tempore. There is no question about it, under the rule.

Mr. STONE. And then the one side and the other could state to the Senate the reasons why it should be done.

The PRESIDENT pro tempore. There is no question about that. There never has been any question raised about that.

Mr. STONE. I should like to hear the reasons for the motion to discharge the committee.

Mr. CURTIS, Mr. SWANSON, and Mr. SMOOT addressed the Chair.

The PRESIDENT pro tempore. The Senator from Kansas [Mr. CURTIS] addressed the Chair, and stated that he had some precedent which applied directly to this matter.

Mr. CURTIS. I yield to the Senator from Utah, who desires to read a section on precedents. When he concludes I wish to call the Chair's attention to two decisions on the same subject.

Mr. SMOOT. I ask the Chair to turn to page 602 of the Precedents, under the heading "Consideration of resolutions which have been laid over":

After resolutions have been called, and immediately upon the completion of the routine morning business, resolutions whose consideration on the day offered had been objected to are laid before the Senate in their order by the Presiding Officer.

The PRESIDING OFFICER. The Chair lays before the Senate the resolution submitted on a previous day by the Senator from ———, which was objected to and went over.

(The resolution is read by the Secretary.)

The PRESIDING OFFICER. The question is on agreeing to the resolution.

(Debate may ensue; the resolution is open to amendment and all the motions to commit, postpone, etc. After which——)

The PRESIDING OFFICER. Shall the resolution be agreed to?

(Putting the question——)

The PRESIDING OFFICER. The resolution is agreed to.

(A resolution having been under consideration in the Senate for one day during the morning hour, if not disposed of, is placed on the calendar, unless otherwise ordered.)

The PRESIDENT pro tempore. The precedent read by the Senator from Utah illustrates the desirability of obtaining the opinion of the Senate on this matter, if the Chair can obtain it, because the Vice President has adopted a different practice, and the Chair thinks——

Mr. JONES of New Mexico and Mr. CURTIS addressed the Chair.

The PRESIDENT pro tempore. One moment, if the Senators will permit the Chair. The Vice President has adopted a different practice from that described by the Senator from Utah in the Precedents, and the present occupant of the chair thinks uniformity of decision by the Chair is of very great importance, and before he changes that opinion will submit the matter to the Senate.

Mr. JONES of New Mexico. Mr. President——

The PRESIDENT pro tempore. The Senator from Kansas was recognized.

Mr. CURTIS. Mr. President, I want to call the attention of the Chair and the attention of the Senate to the fact that Vice President Morton and Vice President Sherman both held the contrary view. I will read the decisions.

The Vice President (Mr. Morton) decided that a resolution which has gone over one day, and has been considered on a day following and not disposed of, could only come up again on motion or by unanimous consent.

The Vice President (Mr. Sherman) laid before the Senate the resolution submitted by Mr. NEWLANDS relating to proposed legislation, coming over from a previous day, which was discussed until the expiration of the morning hour at 2 o'clock p. m.

Mr. SMOOT. Certainly.

Mr. CURTIS. Which shows that it was debatable.

Mr. OVERMAN. Does it show that the question was raised there as to whether it was debatable or not?

Mr. BRANDEGEE. Well, that is the ruling.

Mr. CURTIS. It was the ruling.

Mr. OVERMAN. I understand the question did not arise. Now, Mr. President, I want to ask the Senator this question: Has a resolution more dignity than a bill?

Mr. SMOOT. It has a different position.

Mr. OVERMAN. It has a different position, and what is the position? A resolution comes up automatically. The question then is voted on, not discussed, because the rule says it shall not be discussed. Now, at 1 o'clock——

Mr. CURTIS. I think the Senator is wrong in his last conclusion, because I believe under the rules a resolution coming over is debatable until 2 o'clock; and that contention is sustained by the two decisions which I read, one by Vice President Morton, where the resolution which had gone over one day and was considered the day following and not disposed of could only come up again on motion or by unanimous consent.

Mr. OVERMAN. Mr. President, I do not think it decides anything of the sort.

Mr. CURTIS. Now, the question was raised in that case, but when the motion was laid before the Senate by Vice President Sherman the question was not raised, but the resolution was laid before the Senate and discussed until 2 o'clock. The Senator from Iowa had the floor when the hour of 2 o'clock arrived, and the Vice President asked him to suspend while he laid the unfinished business before the Senate.

Those two decisions show conclusively that it has been the practice to discuss these resolutions, and the order or the rule read by the Senator from Utah shows that they are debatable until 2 o'clock.

Mr. OVERMAN. Only by unanimous consent. Now, what is the purpose of the morning hour?

Mr. BRANDEGEE. Mr. President, I rise to a question of order.

The PRESIDENT pro tempore. The Senator from Connecticut will state it.

Mr. BRANDEGEE. I understood that the Chair had submitted to the Senate the question whether the Senator from Iowa has a right to call up his resolution or not, and had also stated that in the determination of that question debate is not in order. I should like to have the regular order.

Mr. OVERMAN. Does the Senator say that a question of order is not debatable?

Mr. BRANDEGEE. The Chair ruled that this question was not debatable.

The PRESIDENT pro tempore. On a point of order made and presented, if submitted by the Chair to the Senate, there is no doubt that it is debatable by the Senate.

Mr. BRANDEGEE. An appeal from the decision of the Chair is debatable, but the rule provides that when a question of order is raised it must be determined by the Senate without debate.

Mr. OVERMAN. The Chair asked Senators to submit their views and this is the very question to be decided. How shall we make this precedent? That is the question. What is the purpose of the morning hour?

Mr. BRANDEGEE. Mr. President, I again renew the point of order that debate is not in order.

Mr. OVERMAN. I make the point of order that the morning hour is over and it goes to the calendar.

The PRESIDENT pro tempore. The Chair submits to the Senate the question as a point of order whether the Senator from Iowa has a right to have the resolution or motion which he has made for the discharge of the committee laid before the Senate.

Mr. OVERMAN. Before 1 o'clock?

The PRESIDENT pro tempore. At this time, during the morning hour.

Mr. OVERMAN. The morning hour is over.

Mr. BRANDEGEE. No; it runs for two hours.

Mr. SWANSON. If the Chair will permit me, what disposition could you make of the resolution if you do not lay it before the Senate? It is not referred to the committee. The resolution was introduced yesterday and it went over until today, and under the uniform practice it is laid before the Senate. You can not refer it to a committee; it is laid before the Senate; and the Senate can do what it pleases with it. It can lay it on the table or it can raise the question of consideration like on anything else. It seems to me the uniform practice is to lay it before the Senate, and then it is debated for two hours, and at 2 o'clock it goes to the calendar and can not come up any more except by motion. You will recall the resolution introduced here in connection with——

Mr. BRANDEGEE. Mr. President, I again make the point of order that the question before the Senate is whether the Senator from Iowa has a right to bring his resolution up.

The PRESIDENT pro tempore. The Chair has already so stated.

Mr. OVERMAN. I wish to make a point of order, or, rather, a suggestion. In order to save any trouble about the matter, I suggest to the Senator that he make his motion to proceed with it.

Mr. JAMES. The motion of the Senator from Iowa is to discharge the committee from the consideration of the joint resolution. The joint resolution has not been reported to the Senate.

The PRESIDENT pro tempore. The request of the Senator from Iowa is that his motion or resolution be laid before the Senate. The Chair submits to the Senate the question as to whether that is in order at this time.

Mr. JONES of New Mexico. Mr. President, I believe that we can adjust this matter without any further delay; and I therefore ask unanimous consent that the motion made by the Senator from Iowa be taken up for consideration.

Mr. BRANDEGEE. I object.

Mr. JAMES. I object.

The PRESIDENT pro tempore. A motion would not be in order.

Mr. JONES of New Mexico. I asked unanimous consent.

The PRESIDENT pro tempore. Objection is made.

Mr. JONES of New Mexico. Of course that ends it.

The PRESIDENT pro tempore. Those who believe that the Senator from Iowa is entitled to have his motion or resolution laid before the Senate at this time will say "aye." [Putting the question.] Opposed "no." The ayes seem to have it. The ayes have it, and the Chair lays before the Senate the motion or resolution of the Senator from Iowa. It will be stated.

The SECRETARY. That the Senate Committee on Woman Suffrage be discharged from the further consideration of Senate joint resolution No. 2, and that the same be placed on the calendar of the Senate.

Mr. OVERMAN. The submission of the question to the Senate does not change my view. It is laid before the Senate, and the question whether it is debatable before 1 o'clock has not been settled.

Mr. CUMMINS. I care nothing about that question. All I want is the opportunity to say a word about it now.

Mr. President, there seems to be a misapprehension among some Senators with regard to the motion which I have made. My motion is not to proceed to the consideration in the Senate of joint resolution No. 2. I am not concerned at this moment with regard to the time or circumstances under which the Senate will take up the resolution for consideration. My motion, Mr. President, is that the Committee on Woman Suffrage, which has had the resolution under consideration, shall be discharged and that the resolution be placed upon the calendar for such action as the Senate may desire to take upon it at such time as the Senate may decide.

Mr. President, on the 4th day of April of the present year the distinguished Senator from New Mexico [Mr. JONES] introduced a resolution which, after the ordinary preliminary statement, provides:

SECTION 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex.

This resolution expresses, I know, the thoughtful, deliberate, and sincere conclusion of the Senator from New Mexico upon this important subject, and I want all who hear me to understand that I have no reason to believe, and I do not believe, that the enthusiasm of the Senator from New Mexico during the intervening months has in any degree been lessened or that his conclusion has in any respect been disturbed or changed by conditions that have occurred since that time. I say this in justice to the Senator from New Mexico. I have the highest regard for him. There is nothing personal in the motion I have made. Before I presented it I said to the Senator from New Mexico that I intended to present it, and that if he had any personal reasons for withholding it I would be exceedingly glad to consider whatever reasons he might have in the premises. He said he had none and that he desired the motion to be considered upon its merits.

The resolution to which I have referred was committed to the Senate Committee on Woman Suffrage. The committee held hearings, although I do not believe that the hearings modified the opinion of any member of the committee. This is a subject upon which every intelligent man has long had an opinion, and, while I am glad to know that the great cause is gradually moving forward, I think that at any given time the judgment of men will not be very much changed by hearings or arguments upon the subject. We have absorbed the information upon this matter necessary to enable us to reach a final conclusion upon it.

After these hearings were concluded, and, as I remember the chronology of the matter, that was about two months ago or more, the members of the committee who were present at the close of the last meeting in discussing the matter seemed to be agreed, although there were not a majority of them present at that time, that the members of the committee were unanimously in favor of the resolution, and in favor of an immediate report upon it.

Mr. WADSWORTH. Mr. President——

Mr. CUMMINS. I yield to the Senator from New York.

Mr. WADSWORTH. Is it not conceivable that the members of the committee were unanimously in favor of the resolution before they ever became members of the committee?

Mr. CUMMINS. I do not know. I was not a member of the committee on this side of the Senate which made up the committees for this Congress, and what information they had with regard to the sentiments of various members of the committee I do not know. I assume that Senators were selected for that committee upon proper consideration and not with wrong motives.

To return, it was understood at that time, although I do not assert it as a fact, that all the members of the committee were in favor of the resolution, and in favor of reporting it at once favorably. It was suggested, and the chairman was present at that time, that he write a report and that the members of the committee should sign it, and it then should be presented to the Senate and take its course upon the calendar of this body.

A long time has intervened and there has been no meeting of the committee. There has been no report. Whether anything has occurred since the meeting of the committee which I have just mentioned to make the chairman of the committee believe that this is not an opportune time to make a report upon woman suffrage, I do not know.

Mr. NORRIS. Mr. President——

Mr. CUMMINS. I will not assert anything with regard to that subject. Undoubtedly he has what he regards good and sufficient reasons for withholding the report or failing to call the committee together in order that he may be formally authorized to make it. I yield to the Senator from Nebraska.

Mr. NORRIS. Was any effort made on the part of other members of the committee to induce the chairman to call a meeting of the committee?

Mr. CUMMINS. I was just coming to that.

Mr. NORRIS. Who is the chairman?

Mr. CUMMINS. The chairman is the distinguished junior Senator from New Mexico [Mr. JONES], the author of the resolution to which I have referred.

Mr. HITCHCOCK. Mr. President, is the Senator aware that this session of Congress was called for the purpose of carrying on the war, that there has been a general agreement that the committees will only report out such measures as contribute to make the country strong to carry on the war, and that many committees have bills before them that they would like to report out, but which they are withholding so as not to encumber the measures that are necessarily war measures?

Mr. CUMMINS. Mr. President, this committee held its hearings and reached a conclusion with regard to the merits of the resolution. So far as I am concerned, I look upon the resolution as definitely and certainly a war measure. There is nothing that this country could do which would strengthen it more than to give the disfranchised women of the country the opportunity to vote. We have just concluded our consideration of the proposed amendment relating to prohibition. Was that a war measure? I think it was, myself. I think it was imperatively necessary, and I may as well confess at this moment that one of the reasons which impelled me to bring forward this motion to discharge the committee is that the prohibition resolution will have a vastly better chance for ratification if in the meanwhile we give the women of the country the right to vote.

Mr. NELSON. Will the Senator yield to me?

Mr. CUMMINS. I yield to the Senator from Minnesota.

Mr. NELSON. I wish to say to the Senator that while I was in favor of the resolution and had no objections to its being reported, I, like the Senator from Nebraska [Mr. HITCHCOCK], did not look upon it as a war measure. But more than that, as to the women who are obnoxious in picketing in front of the White House, I thought it was a good plan to wait until they abstained from picketing and showed their fitness and worthiness for woman suffrage. I do not think any woman who will go to the front of the White House and parade as those women have done is fit for suffrage.

Mr. CUMMINS. I do not intend to be drawn into the wisdom or unwisdom of the campaign being made at the gates of the White House. That has no relevancy whatsoever to the present question.

Now I proceed to answer the inquiry propounded by the Senator from Nebraska [Mr. NORRIS]. Last week—I do not remember just what day, possibly Friday or Saturday of last week—I went to the chairman of the committee and told him it seemed to me that under the circumstances we ought to have a report; that we had finished the hearings, reached a conclusion, and that it was our bounden duty to make a report to the Senate. I reminded him of the circumstances of the last meeting of the committee, to which I have already referred. I asked him if he would not call a meeting of the committee on Monday. He said that it would be impossible, that he had some other engagement or engagements which would prevent a meeting of the committee on Monday. I asked him if he would not call a meeting of the committee on Tuesday, but his engagements prevented it. He then promised me, as I understood him—and I hope if I am wrong the Senator from New Mexico will correct me—he promised me that he would call a meeting of the committee for Wednesday. That is all that I wanted, an opportunity for the committee to either direct the chairman to make a report or to direct him to withhold a report. For some reason, which the chairman has not disclosed to me, he did not call a meeting of the committee for Wednesday, nor did he make any communication to me about it. He gave no reason for his failure to do what I understood him to promise to do. Thereupon I made the motion yesterday afternoon which is now before the Senate.

I believe profoundly that the committees of the Senate have no jurisdiction, no right, to trifle with the authority that is given to them by the Senate. For what purpose was the resolution referred to us? It was referred to us with the implied command to hear what was to be said upon the subject and then to make a report. Inasmuch as we have conducted the hearings and the members of the committee have reached conclusions with regard to it, I ask that the resolution be taken from the committee and placed upon the calendar, so that it will

be subject to the order of the Senate. I do not know whether the Senate will desire to consider the resolution at this session or not, but I do know that it is our duty to put it in a position that will enable the Senate to deal with it whenever it desires to do so.

These are my reasons, Senators, for making this motion, and I close the matter as I began by saying that it must not be understood that there is any thought of discourtesy to the chairman of the committee. It must not be understood that I have the least doubt with regard to his fidelity to the cause of woman suffrage, but I do believe that he has reached a conclusion upon some reasoning unknown to me that the Senate ought not to have possession of the resolution at this session or at this time. I differ from him with regard to that conclusion, and it is to test the sense of the Senate that I have made the motion.

Mr. JONES of New Mexico. Mr. President, when I was named by the Senate as chairman of the Committee on Woman Suffrage I made up my mind that I would try to perform a real service to the cause of woman suffrage, if I could do it. We all know the circumstances under which this session of Congress was called. Soon after the session was called, I remember on one occasion the Finance Committee in an informal way discussed the question as to what measures should be brought before this session of Congress. I believe it was the unanimous opinion of the members of the Finance Committee that there should not be brought before this session any matter which was not directly connected with the prosecution of the war. I have talked with a number of other Senators, and I believe that has been the universal consensus of opinion.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER (Mr. SWANSON in the chair). Does the Senator from New Mexico yield to the Senator from Iowa?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. CUMMINS. I am imperatively compelled to attend a meeting of the Committee on Rules, and I hope the Senator from New Mexico will not look upon it as any discourtesy if I leave the Chamber temporarily.

Mr. JONES of New Mexico. Not in the slightest, although I should have liked to have obtained some information from the Senator from Iowa. If he will permit me, I will take the liberty of asking him now what I intended to ask him a little later. Before the Senator retires, I should like to ask him the question whether he has made a poll of the Senate so as to determine the question of the likelihood of the passage of this joint resolution? Does the Senator from Iowa believe that if this joint resolution were brought before the Senate now it would be passed?

Mr. CUMMINS. Mr. President, I have not made a poll of the Senate upon this joint resolution. I have never made a poll of the Senate on any question. To me that is one of the most abhorrent things. I will not even ask a Senator how he intends to vote upon any given proposition.

Mr. JONES of New Mexico. I should like to ask the Senator further if he has discussed with other Senators the propriety of bringing before the Senate for consideration the joint resolution suggesting an amendment to the Constitution?

Mr. CUMMINS. I have discussed with a good many Senators the propriety of bringing the joint resolution from the committee to the Calendar of the Senate. I have not discussed with any considerable number of Senators, probably with none, the propriety of bringing the joint resolution up for consideration and action.

Mr. JONES of New Mexico. Then I can only express my regret, Mr. President, that, as a member of the Committee on Woman Suffrage, the very able Senator from Iowa has not endeavored to find out the status of this measure as to the probability of its consideration at this session, and also as to whether or not it would likely pass were it brought up for consideration.

Mr. CUMMINS. Mr. President, if the Senator from New Mexico will allow me, I assume that every Senator will vote his conscience upon not only this question but upon every other; and, so far as I am individually concerned, I am always willing to take that conscience upon any pending measure.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from North Dakota?

Mr. JONES of New Mexico. I yield to the Senator from North Dakota.

Mr. GRONNA. I desire to ask the Senator a question, and I ask it in all good faith and sincerity. I ask the chairman of the committee why this joint resolution has not been reported? The Senator, who is chairman of the committee, I suppose knows as well as I do that the people of the entire country are anxious to have this joint resolution submitted and to be given an opportunity to vote upon it. I think that is true as to the conditions in every State. Why should not this joint resolution be reported to the Senate and we be given an opportunity to vote upon it?

Mr. JONES of New Mexico. Mr. President, the purpose of my addressing the Senate is to try to make a statement along that line.

Mr. GRONNA. Very well.

Mr. JONES of New Mexico. Mr. President, being chairman of the committee, I have endeavored to keep in as close touch with the situation as I could, considering my various duties in the Senate. I have discussed the matter with Members of the Senate as to the question of bringing the joint resolution up for consideration at this session. I have also discussed the question with Senators who are members of the committee as well as a number of Senators who are not members of the committee, as to the advisability of reporting the joint resolution at this particular time.

It was not long after the opening of this session of Congress before I called a meeting of the committee. There were only two members of the committee present besides myself, but, without calling the roll, we assumed a quorum present and directed that the hearings upon the joint resolution proceed. We had those hearings; I think we had hearings on four different days. It was my purpose, if possible, that when a report should be brought in it be brought in with the unanimous support of the committee; I hoped to get every member of the committee to sign the report. The Senator from Minnesota [Mr. NELSON], who made a few remarks a moment ago, is a member of the committee. There are other members of the committee who have expressed their views as to the propriety of submitting a report at this time.

It has been my own purpose, so far as I could wield any influence, to bring in a report at this session of Congress. It was my further purpose to devote some personal effort in the preparation of a report which might contribute something to the cause. If I had ample time, I do not know that I should be able to do that. Doubtless the able Senator from Iowa [Mr. CUMMINS], who has just addressed us, and some others have said all that can be said in favor of woman suffrage; but, at any rate, I thought that if I had an opportunity I should be glad to study the question and try to present the matter in such form as might appeal to the country at large. Since those hearings were had, however, my time has been almost completely occupied by service upon the Finance Committee. I think many Senators here realize the very difficult task which has been undertaken by that committee.

On last Friday or Saturday for the first time the able Senator from Iowa asked me about submitting a report on the joint resolution. I told him that I hoped to get to work on the report as soon as the situation in the Finance Committee would enable me to do so. He asked me then if I would not call a meeting of the committee on Monday or Tuesday or Wednesday of this week. I told him the Finance Committee was at work all the time, and that I could not take up this work until after the work of the Finance Committee was disposed of. That committee, as Senators know, has been in session all of this week; it is in session this forenoon and will go into session again within an hour. That is the situation.

I do not want to say that the very able and amiable Senator from Iowa exemplifies the character which we have all witnessed in a celebrated comic opera, of the man who "wants what he wants when he wants it." The Senator does not fill that character completely this morning, because he did not pound the table, but that, I am afraid, is what is influencing the Senator. I would not say that the purpose of bringing the matter up at this time is to enable him to make some remarks very favorable to the cause of woman suffrage for the purpose of getting the plaudits of some of those who, regardless of the situation, seem to be insistent now to have the report made. I would not say the Senator has occupied that attitude, because I am quite certain that if from the beginning of this session of the Senate on every occasion, whether opportune or otherwise, I had risen on the floor and sought to bring before the Senate this great question I might have had some advertisement and received the plaudits of a great many people of the country; but, Mr. President, I have been trying to handle this matter so as to perform a real service to the cause. I do not want to have it prejudiced in the minds of any Senator or anyone else throughout the country. If I have erred in the course pursued, then it is an error of judgment, and the Senate, of course, has a perfect right to control my judgment, so far as my being chairman of the committee is concerned.

Mr. NORRIS. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. NORRIS. I should like to ask the Senator if, in his judgment, he was authorized by the committee to make the report, and if so, when that action was taken by the committee?

Mr. JONES of New Mexico. I will state, Mr. President, that there has never been a meeting of a majority of the committee, and no member of the committee ever requested that a committee meeting be called until the Senator from Iowa on last Friday or Saturday made that request.

Mr. President, it has been my purpose—and in spite of the very enthusiastic and able remarks of the Senator from Iowa I am still in favor of woman suffrage—and I still intend at some time during this session of Congress to bring in a report from the committee. I hope to do so at as early a date as I am able to get around to the work.

Mr. NORRIS. Mr. President, I asked the Senator the question a moment ago, and I am asking the question I am about to ask with a view of getting information so as to vote intelligently on the question. I do not think the Senator quite understood my last question. In his judgment, will he be able to make a report to the Senate without a further meeting of the committee? Does he regard himself as authorized to make the report?

Mr. JONES of New Mexico. No; I do not.

Mr. NORRIS. The Senator feels as though he would have to call a meeting of the committee before he could report the joint resolution?

Mr. JONES of New Mexico. Well, Mr. President, I had intended to prepare a report and to try to secure the signature of every member of the committee to it so as to avoid the necessity for a formal meeting. That had been my purpose; but, in view of the attitude of the Senator from Iowa, who is a member of the committee, I shall certainly call the committee together to consider the question.

Mr. NORRIS. That leads me to another question. I take it from what the Senator from Iowa has said that at the time he interpreted the action of the committee to mean that the chairman was authorized or instructed to make a report, and that while there was not a majority of the committee present, the members of the committee who were present, believing that the entire committee were in favor of the joint resolution, had instructed the chairman to report it and to get the signatures of members of the committee, or, in other words, as we do here frequently, to poll the committee. Was that the Senator's idea of that meeting? Is it the recollection of the Senator of that meeting that he could have done that and that he was authorized to take that course at that time?

Mr. JONES of New Mexico. Mr. President, there was no authorization at all. There was never any meeting of the committee at which a majority was present, and there could have been no authorization to do anything; but I was going to assume to do what is frequently done by committees of the Senate, namely, to get up the report and pass it around and secure the signatures of the members of the committee.

Mr. JOHNSON of California. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from California?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. JOHNSON of California. I think, Mr. President, that the statement that has just been made by the Senator from New Mexico probably will solve this whole problem. It is difficult to hear accurately in this position, but as I understood the Senator, he said it was his intention to call a meeting of the committee within a brief period and let the committee determine upon its course. Is that correct?

Mr. JONES of New Mexico. Mr. President, I made that statement; but if the Senator accepts that statement in lieu of the purpose sought to be accomplished by this motion, then I would prefer to remain silent upon the question.

Mr. JOHNSON of California. Mr. President, that is a sort of tweedle-dum and tweedle-dee proposition in which I think few of us are concerned. The question, it seems to me, is whether or not a committee that has agreed upon a specific course may be permitted to present their ultimate conclusion upon that course to the Senate, or whether the chairman of a specific committee may, in his judgment, refrain from permitting the committee to act in any fashion that it sees fit.

Mr. JONES of New Mexico. Mr. President, perhaps I ought to have added a word to my statement a moment ago. I am quite sure that if the members of the committee want a meeting of the committee to be called, that action will be taken; but up to the present time the very able Senator from Iowa [Mr. CUMMINS] is the only member of the committee who has requested that a meeting be called.

Mr. JOHNSON of California. Mr. President, may I suggest, as a solution of this entire problem, that we have a meeting to-morrow or the next day, and pass the pending motion temporarily? What is the use of debating this particular question if we can meet to-morrow or the next day or at any other time that is convenient, and determine the proposition for ourselves? I make that suggestion to the Senator from New Mexico. It seems to me that would solve the matter that we are discussing.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Iowa?

Mr. JOHNSON of California. I yield.

Mr. CUMMINS. If the chairman of the committee, who is the only one who has a right to call a meeting of the committee, will say to the Senate or say to me or say to the Senator from California or to any other Senator that he will call a meeting of the committee within two, three, or four days for the purpose of passing on the question, I shall be entirely satisfied and will not press the motion I have made.

Mr. JOHNSON of California. I thought that that was exactly the attitude of the Senator from Iowa, and I felt that, when the Senator from New Mexico made his statement, it was exactly his attitude, and so, not being accustomed to dividing a hair twixt north and northwest side, I thought we might solve this entire proposition and conclude debate upon it by agreeing that a meeting of the committee should be held within two, three, four, or five days, as the Senator from New Mexico might desire to suggest.

Mr. JONES of New Mexico. Mr. President, I should like to state to the Senator from Iowa, who was not present during a portion of my remarks, that I explained to the Senate that the reason I had not called a meeting of the committee in accordance with our conversation was because I had been constantly engaged in the Finance Committee.

Mr. JOHNSON of California. Mr. President, may we take it for granted, then, that within the next few days a meeting of the committee will be called?

Mr. JONES of New Mexico. If it is left to me, the committee will be called together within a reasonable time.

Mr. JOHNSON of California. Well, I take it that would mean within a few days. That solves the problem with me.

Mr. JONES of New Mexico. Mr. President, I should like to ask the Senator from California if he has made a poll of the Senate to determine whether or not a majority of the Senators want to bring this question up for discussion at this session of Congress?

Mr. JOHNSON of California. I have made no such poll, Mr. President; but that is not what is involved in this particular controversy. My design has been, in speaking thus far, not to take issue with the one side or the other, but I thought I saw a solution of the entire matter in the remarks that were made by the Senator from New Mexico. If I am in error in that, then I may proceed upon another idea and theory.

The question here is not whether we favor woman suffrage or whether we favor something else. I, of course, favor woman suffrage, coming from the State of California. That is not the point. The point is whether a chairman of a committee within his bosom alone shall have the fortunes of everything that is presented to that committee, that he and he alone may determine every matter within the jurisdiction of the committee, and whether the members of his committee shall have no voice in what shall be done in regard to the matters that are before that committee. Now, that particular phase of the question I thought it unnecessary to discuss after what was said by the Senator from New Mexico. I am sure that he does not want to be in that attitude; and I am equally sure that the Senator from Iowa, in presenting the matter, did not wish to be in the attitude of caviling or of criticizing concerning the Senator from New Mexico.

Mr. JONES of New Mexico. Mr. President, I should like to interrogate the Senator a little further. Will the Senator explain to me what he thinks would be accomplished by putting on the calendar at this time a report upon this joint resolution, if the joint resolution is not to be considered at this session of Congress?

Mr. JOHNSON of California. That, Mr. President, is not the question that is at issue here. It is not a question of what I think will be accomplished. The question is as to the right of all of the members of a particular committee to have a determination by that committee as to what shall ultimately be done with a matter before the committee. The question is whether the members of the committee shall determine for themselves what they wish done with matters within their jurisdiction, or whether the chairman of a committee shall ar-

rogate to himself the sole power of determination for all the members of the committee, and they shall be utterly nil, so far as the committee is concerned.

If the chairman of the committee will call a meeting of his committee, we can all get together and determine exactly what shall be done, and of course the members of the committee ought to have that right. So I do not discuss the question of suffrage, or the question of whether ultimately it will pass, or even whether it should be brought up for hearing before the Senate. That is not the purpose of the matter at all.

Mr. JONES of New Mexico. Mr. President, I should like to ask the Senator a further question—whether he has ever said a word to me about bringing in a report?

Mr. JOHNSON of California. Only through the Senator from Iowa. Four of us, I think, united in asking the Senator from Iowa to make a request of the Senator from New Mexico with respect to the calling of the meeting, and the Senator from New Mexico errs in getting into a spirit of antagonism and opposition to the committee. There is no such spirit among the members of the committee toward him. All they ask is that they be permitted to meet; and why should the chairman of a committee say to all the members of his committee: "You can not meet. You can not consider what is before you. You shall not be permitted to report it, and you shall not be permitted to be heard concerning it."

That is what apparently confronts us. If the Senator will give us a meeting, that is all that we desire.

Mr. JONES of Washington. Mr. President, I am a member of the committee and feel that I should say a word or two. I think I attended every hearing that was had before the committee. I remember, at the last hearing which was given to a delegation, that it was understood that they intended to urge early and prompt action by the committee upon the joint resolution. I had another committee meeting on that morning, and I appeared at the hearing before the Woman Suffrage Committee and made the statement with reference to the necessity of my attendance at another meeting, and also the same statement in behalf of the Senator from California [Mr. JOHNSON]. I also said this just before leaving:

Mr. Chairman, I think I should also say that, as I understand the purpose of this meeting, I am heartily in accord with it, as far as my personal views are concerned.

That is, I was in favor of an early and prompt report of the joint resolution. I have never changed my mind in that respect.

Just a word or two now with reference to the suggestion of the chairman regarding what members of the committee may have said to him. As I think he will recall, I have spoken to him once or twice with reference to a report. I do not remember that I urged the calling of any committee meeting, because I think this was the suggestion that I made to him—that he prepare a report; that I understood all the members of the committee were favorable to the joint resolution; that he could prepare the report and get the members of the committee to sign and submit it without a meeting, or that, if a meeting were called, it could be acted upon; and I suggested to him that I thought it ought to be reported soon.

Now, Mr. President, I agree with the position of the Senator from Iowa that this is a war measure, and ought to be considered such at this time. I made that statement in the discussion of the Army bill. That was my view. I do not see how we can very consistently talk democracy while disfranchising the better half of our citizenship. Other Senators may not look at it in that way. I do think that this joint resolution ought to be reported, at any rate.

The action of some of the women, which was referred to by the Senator from Minnesota, does not affect my views with reference to the merits of woman suffrage. If the principle that apparently has the sanction of the Senator from Minnesota were followed out, we would take proceedings right away to disfranchise all the men in the country, because there are a good many men throughout this country who are doing things now that certainly do not meet with the approval of patriotic men; things that lessen our power and weaken our strength and endanger our success in the great conflict we are engaged in. But I do not think that because they are doing those things we ought to disfranchise the men of the country, or, if they were seeking something that was for their good, that we ought to oppose it because a few are doing what we may not think is right.

I may not approve of the action of the women in picketing the White House, and I will say frankly here that I do not approve of it. Neither do I approve of what I consider the lawless action toward those women in connection with that picketing; but neither phase of that matter affects my views with reference to the merits or demerits of woman suffrage.

Now, I think the Senate is entitled to have this joint resolution reported.

Mr. HITCHCOCK. Mr. President——

Mr. JONES of Washington. I am not criticizing the chairman of the committee, either. I know that he has been a very busy man, and I know that he is in favor of the joint resolution. I know that he expressed to me the idea that he would prepare a report as soon as possible, and I was satisfied that he would do it, and I feel that he has not been derelict in that matter; but I think it would be highly proper to call the committee together and give the committee the right to say whether the report should be made or not, and the character of the report.

Mr. HITCHCOCK. Mr. President——

Mr. JONES of Washington. I yield to the Senator from Nebraska.

Mr. HITCHCOCK. I should like to ask the Senator, if he is in favor of having the committee meet, and the majority of the committee desires to meet, why the majority has not called a meeting, just as has been done in many other cases?

Mr. JONES of Washington. Why, Mr. President, nothing of that kind has ever been done on any committee that I have had any connection with during my service in the Senate. It may have been done in other committees.

Mr. HITCHCOCK. I will say to the Senator that it has been done repeatedly, and there is no question of the power of a majority of a committee to call a meeting. To my mind, it would be a much more orderly thing to do than to bring this controversy before the Senate in this way and attack the chairman of the committee.

Mr. CUMMINS. Mr. President——

Mr. JONES of Washington. Well, Mr. President, I did not bring this motion before the Senate and I am not attacking the chairman; but the motion is here, and I see justification for it and I am in favor of it.

I want to say this, however: It has always been my understanding that unless there is a rule to the contrary, no committee can be called together except by the chairman, and that a majority of that committee, by signing a petition, can not bring the committee together. How can they do it? As I say, it has never been done upon any committee of which I have been a member during my service in the Senate.

Mr. POMERENE. Mr. President——

Mr. JONES of Washington. I yield to the Senator from Ohio.

Mr. POMERENE. I think, in the case of all the committees on which I have served, if any member of the committee wanted a meeting of the committee called, all that it was necessary to do was to suggest it to the chairman and it has been called. I do not know why that would not be done in the case of the Woman Suffrage Committee.

Mr. JONES of Washington. Well, the Senator from Iowa asked for a calling of the committee, and the committee was not called. The Senator from New Mexico has stated why, and I do not question his statement; but I do say this—and I think the Senator will confirm me in this—that there is no way to call a committee meeting except by the call of the Chair, unless there is some other provision made with reference to some particular committees, and there is no provision of that kind with reference to the Woman Suffrage Committee.

Mr. HITCHCOCK. When a quorum of a committee gathers, after notice to all the members, it does not make any difference whether that notice is given by the chairman or by the secretary or by a majority of the committee; it is there with power to act, and it has acted in a number of cases.

Mr. JONES of Washington. Mr. President, no notice is ever sent out except upon the order of the chairman. No notice can be sent out except by the chairman. The secretary of the committee is under the chairman's control, and acts only upon his direction. This is the first time I have ever heard any contention of that sort made in this body—that a majority of a committee, by signing a paper requesting a call and then meeting, would make that a meeting of the committee. If that is the rule, there will be several meetings of many of the committees that have not heretofore been meeting.

Mr. CUMMINS. Mr. President, I desire to ask the Senator from Washington a question.

Mr. JONES of Washington. I yield to the Senator from Iowa.

Mr. CUMMINS. Would it not be much more of a reflection upon the chairman for a majority or four or five members of the committee to call a meeting and hold it without regard to the chairman than to proceed in the way I have done?

Mr. JONES of Washington. Oh, I think so. I do not think anything of that kind has ever been done, and I do not think

any course like that ever will be followed in the Senate. I do not think it will be necessary.

I was glad to hear the chairman of the committee suggest that a meeting of the committee would be called. I hoped, when that suggestion was made, that such an arrangement would be made and that a meeting of the committee would be called in the very near future, so that a report could be formally authorized. That would obviate any question with reference to this motion of the Senator from Iowa.

I think myself that this joint resolution ought to be reported. It ought to be put on the calendar. It is the duty of the committee to put it there with a favorable or an unfavorable report, and then whether it will be considered by the Senate or not, of course, will rest with the Senate. As has been said, the merits of this proposition are not involved upon this motion. The committee is the agent of the Senate. It has held its hearings upon a question referred to it by the Senate. There can be no good reason for it not reporting its conclusions to the Senate upon this resolution. I do not want to think the chairman does not desire to call the committee together because of some influence outside of Congress, as some have suggested. I know he has been very busy; I know he is for the resolution, and I trust he will call the committee together. If it authorizes a report, it will give him abundance of time to prepare the report, and when he prepares it I know it will be an able one.

Mr. HOLLIS. Mr. President, I have the greatest respect and admiration for the Senator from Iowa and the Senator from California. I am glad to work with them for suffrage or in any other good cause. I am very strongly for woman suffrage. I am very strongly for this amendment. But the Senator from Iowa and the Senator from California are both men of force and vigor and temperament, and they are trying to rush the chairman of the Committee on Woman Suffrage.

There is not any doubt at all that any member of the Committee on Woman Suffrage can get a meeting called, but, in my judgment, there is no member of the Committee on Woman Suffrage that can get a meeting held, that can get a quorum there. I believe it will be impossible to do it.

It is precipitate for one or two members of a committee to ask the chairman to call a meeting on Friday or Saturday, and then bring the matter before the Senate on Wednesday. That is too short a notice when the chairman of the committee is a member of the Finance Committee, and when everyone knows that the Finance Committee is working hard to get a report before the Senate, so that we may take up and consider the war-revenue bill. I think my friends, when they reflect, will see that they have tried to press it too hard.

Now, there is something that is bound to come up here and that we might just as well face.

Mr. CUMMINS. Mr. President——

Mr. HOLLIS. I yield.

Mr. CUMMINS. The Senator from New Hampshire ought to remember that after the Senator from New Mexico had given me reason to believe that he would call a meeting on Wednesday he made no suggestion to me thereafter that he would be unable to do it, so that I could reach no other conclusion than that he did not desire to do it.

Mr. HOLLIS. I had not understood the Senator from New Mexico to admit that he gave any such assurance to the Senator from Iowa.

I have been reasonably active on the Committee on Woman Suffrage. I have done as much as any member to secure a unanimous favorable report this year, and I have probably done more. I probably know more about how the members of the committee stand to-day than anybody else. I have been asked to preside at some of the hearings, and I have done so, at this session. It had not come to me that any member of that committee wanted a meeting of the committee. If it had, I would have been glad to go to the Senator from New Mexico and request him to call a meeting at the earliest possible moment.

Mr. NORRIS. Mr. President——

Mr. HOLLIS. I yield.

Mr. NORRIS. I should like to get the Senator's judgment on the question on which I have tried to get the judgment of the Senator from New Mexico. After the meeting that the Senator from Iowa has told the Senate about, a month or two ago, at the time the hearings were concluded, was it the understanding of the Senator from New Hampshire that the Senator from New Mexico was authorized and instructed to report the joint resolution and to get the signatures of other members who were not there? Was the Senator present at that meeting?

Mr. HOLLIS. I was not present, so I can not state; but I have been requested by certain members of the committee to ascertain how certain other members of the committee stood on the question, and I have not been able yet to find how one member of the committee does stand. I think it is very desirable not to have a report on this joint resolution until we can get a unanimous report. I believe it is impossible to get it, and there is one member of the committee that is doubtful now.

Mr. NORRIS. Does the Senator think that the vote of that Senator could be obtained in favor of the joint resolution by waiting? Will it be more likely to bring about a unanimous report if we wait than if we have the report at once?

Mr. HOLLIS. Of course this is only my personal judgment, but my personal judgment is very decidedly yes. This is the trouble, and it might just as well be stated: There is a small but very active group of woman suffragists who have acted in such a way that some of us who are ardently in favor of woman suffrage believe that their actions should not be encouraged by making a favorable report at this time. Now, I am one of those.

Mr. JOHNSON of California. Mr. President, will the Senator pardon me just one second?

Mr. HOLLIS. I yield.

Mr. JOHNSON of California. I merely want, with the permission of the Senator from New Hampshire, to make a dissent to the idea, because time is so limited now that the actions of any group of women in this country in any particular should influence a committee in determining whether or not suffrage should be granted.

Mr. HOLLIS. I am sorry that I can not agree with the Senator. I think that at this time to take the very unusual course of the motion and the effort of two members of a committee who seek to usurp the functions of the chairman of the committee and try to get the committee discharged from the consideration of a matter as important as this would focus the attention of the country upon the action and would give undue weight to what has been done by the group of active woman suffragists to whom I have already adverted. I should be opposed to a favorable report at this time myself, although I favor a favorable report at this session.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, under the rule the resolution goes to the calendar.

The resolution (S. Res. 109) submitted by Mr. CUMMINS, was placed upon the calendar, as follows:

Resolved, That the Senate Committee on Woman Suffrage be discharged from the further consideration of S. J. Res. 2, and that the same be placed on the calendar of the Senate.

RIVER AND HARBOR APPROPRIATIONS—CONFERENCE REPORT.

Mr. FLETCHER. I move that the Senate proceed to the consideration of the conference report on the river and harbor appropriation bill.

The motion was agreed to, and the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses upon the amendments of the Senate to the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 8, 13, 16, 22, 24, and 42.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 6, 7, 12, 14, 15, 17, 18, 19, 20, 21, 23, 25, 26, 27, 33, 34, and 35, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the language proposed insert the following:

"Waterway connecting Buzzards Bay and Cape Cod Bay, Mass.: The Secretary of War, the Secretary of the Navy, and the Secretary of Commerce are hereby authorized to examine and appraise the value of the works and franchises of the Cape Cod Canal, Mass., connecting Buzzards and Cape Cod Bays, with reference to the advisability of the purchase of said canal by the United States and the construction over the route of the said canal of a free waterway, with or without a guard lock, and having a depth and capacity sufficient to accommodate the navigation interests that are affected thereby. This investigation shall be conducted under the direction of the Secretary of War and the supervision of the Chief of Engineers in the usual manner provided by law for making preliminary examinations and surveys except that the Secretary of War shall call upon the Secretary of the Navy and the Secretary of Commerce for

such data and evidence as these Secretaries may wish to have incorporated in the report of survey, and further, that the final report of the investigation, with its conclusions upon probable cost and commercial advantages, and military and naval uses of the said canal, shall be submitted to the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce for their action before it is transmitted to Congress.

"If the said Secretaries are all in favor of the acquisition of the said canal, the Secretary of War is hereby further authorized to enter into negotiations for its purchase, including all property, franchises, and appurtenances used or acquired for use in connection therewith or appertaining thereto; and he is further authorized, if in the judgment of the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce, that the price for such canal is reasonable and satisfactory, to make contracts for the purchase of the same, at the option of the United States, subject to future ratification and appropriation by the Congress; or in the event of the inability of the Secretary of War to make a satisfactory contract for the voluntary purchase of said Cape Cod Canal and its appurtenances, he is hereby authorized and directed, through the Attorney General, to institute and carry to completion proceedings for the condemnation of said canal and its appurtenances, the acceptance of the award in said proceedings to be subject to the future ratification and appropriation by Congress. Such condemnation proceedings shall be instituted and conducted in, and jurisdiction of said proceedings is hereby given to the district court of the United States for the district of Massachusetts, substantially as provided in 'An act to authorize condemnation of land for sites for public buildings, and for other purposes,' approved August 1, 1888; and the sum of $5,000 is hereby appropriated to pay the necessary costs thereof and expenses in connection therewith. The Secretary of War is further authorized and directed to report the proceedings hereunder to Congress."

Transfer item so modified to page 32 of the bill, after line 3.

And the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In the proposed amendment, after the words "as may be necessary," insert the following: "subject to such terms of local cooperation as the Secretary of War may prescribe not to exceed one-half the cost of the improvement"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In the proposed amendment strike out the words "to Committee on Commerce on March 29, 1917," and after the words "Numbered Fifty-seven," insert the following: "Sixty-fifth Congress, first session"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: Transfer the matter included in the proposed amendment to page 37 of bill, after line 19; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: At the beginning of the proposed amendment insert the words "Sec. 9" and strike out the comma after the word "fortifications" in line 16, page 9, of Senate amendments, insert in lieu thereof a period, and strike out the following words: "or by any plant or facility engaged in the execution of any public project or river and harbor improvement; and the said Secretary of War shall have like power to regulate the transportation of explosives upon any of said waters"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In the proposed amendment change the number of the section from "9" to "10"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In the proposed amendment change the number of the section from "10" to "11"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In the proposed amendment change the section number from "11" to "12"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In the proposed amendment change the section number from "12" to "13"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In the proposed amendment change the section number from "13" to "14"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In the proposed amendment change the section number from "14" to "15"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In the proposed amendment change the section number from "15" to "16"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In the proposed amendment change the number of the section from "16" to "17"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In the proposed amendment change the section number from "17" to "18"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In the proposed amendment change the number of the section from 18 to 19, and after the words "civil life," in line 19, page 11 of Senate amendments, insert the following words: "and the remaining five of whom may each be selected either from civil life or the public service," and strike out the words "it may adopt" in line 21, page 11 of Senate amendments, and insert in lieu thereof the following words: "the President may prescribe, and subject to the approval of the heads of the several executive departments concerned," and after the words "active list" in line 24, page 12 of Senate amendments, insert the following words: "and no member selected from the public service shall receive additional compensation for services on said commission."

"SEC. 19. That a commission, to be known as the Waterways Commission, consisting of seven members to be appointed by the President of the United States, at least one of whom shall be chosen from the active or retired list of the Engineer Corps of the Army, at least one of whom shall be an expert hydraulic engineer from civil life, and the remaining five of whom may each be selected either from civil life or the public service, is hereby created and authorized, under such rules and regulations as the President may prescribe, and subject to the approval of the heads of the several executive departments concerned, to bring into coordination and cooperation the engineering, scientific, and constructive services, bureaus, boards, and commissions of the several governmental departments of the United States and commissions created by Congress that relate to the study, development, or control of waterways and water resources and subjects related thereto, or to the development and regulation of interstate and foreign commerce, with a view to uniting such services in investigating, with respect to all watersheds in the United States, questions relating to the development, improvement, regulation, and control of navigation as a part of interstate and foreign commerce, including therein the related questions of irrigation, drainage, forestry, arid and swamp land reclamation, clarification of streams, regulation of flow, control of floods, utilization of water power, prevention of soil erosion and waste, storage, and conservation of water for agricultural, industrial, munipical, and domestic uses, cooperation of railways and waterways, and promotion of terminal and transfer facilities, to secure the necessary data, and to formulate and report to Congress, as early as practicable, a comprehensive plan or plans for the development of waterways and the water resources of the United States for the purposes of navigation and for every useful purpose, and recommendations for the modification or discontinuance of any project herein or heretofore adopted. Any member appointed from the retired list shall receive the same pay and allowances as he would if on the active list, and no member selected from the public service shall receive additional compensation for services on said commission, and members selected from civil life shall receive compensation of $7,500 per annum.

"In all matters done, or to be done, under this section relating to any of the subjects, investigations, or questions to be considered hereunder, and in formulating plans, and in the preparation of a report or reports, as herein provided, con-

sideration shall be given to all matters which are to be undertaken, either independently by the United States or by cooperation between the United States and the several States, political subdivisions thereof, municipalities, communities, corporations, and individuals within the jurisdiction, powers, and rights of each, respectively, and with a view to assigning to the United States such portion of such development, promotion, regulation, and control as may be undertaken by the United States, and to the States, political subdivisions thereof, municipalities, communities, corporations, and individuals such portions as belong to their respective jurisdictions, rights, and interests.

"The commission is authorized to employ, or retain, and fix the compensation for the services of such engineers, transportation experts, experts in water development and utilization, and constructors of eminence as it may deem necessary to make such investigations and to carry out the purposes of this section. And in order to defray the expenses made necessary by the provisions of this section there is hereby authorized to be appropriated such sums as Congress may hereafter determine, and the sum of $100,000 is hereby appropriated, available until expended, to be paid out upon warrants drawn on the Secretary of the Treasury by the chairman of said commission.

"The commission shall have power to make every expenditure requisite for and incident to its authorized work, and to employ in the District of Columbia and in the field such clerical, legal, engineering, artistic, and expert services as it may deem advisable, including the payment of per diem in lieu of subsistence for employees engaged in field work or traveling on official business, rent of offices in the District of Columbia and in the field, and the purchase of books, maps, and office equipment.

"Nothing herein contained shall be construed to delay, prevent, or interfere with the completion of any survey, investigation, project, or work herein or heretofore or hereafter adopted or authorized upon or for the improvement of any of the rivers or harbors of the United States or with legislative action upon reports heretofore or hereafter presented."

And the Senate agree to the same.

DUNCAN U. FLETCHER,
JOS. E. RANSDELL,
KNUTE NELSON,
Managers on the part of the Senate.
JNO. H. SMALL,
CHAS. F. BOOHER,
Managers on the part of the House.

The PRESIDING OFFICER (Mr. ROBINSON in the chair). The question is on agreeing to the conference report.

Mr. JONES of Washington. Mr. President, I wish to ask the Senator from Florida a question with reference to the provision in the report relating to the Waterways Commission. I notice that it has been changed to read in this way with reference to the appointment of the commission:

> Consisting of seven members to be appointed by the President of the United States, at least one of whom shall be chosen from the active or retired list of the Engineer Corps of the Army, at least one of whom shall be an expert hydraulic engineer from civil life, and the remaining five of whom may be selected either from civil life or the public service.

Under the words "selected from public service" I wish to ask whether the Senator understands that the President could appoint a Cabinet officer to this position?

Mr. FLETCHER. My view of it is that that language does not materially change the amendment passed by the Senate, but that it makes it a little more specific, perhaps. As to that I should suppose that all five of the members could be appointed from civil life, and there is nothing in the amendment passed by the Senate that would prohibit, it seems to me, the appointment of a Cabinet officer.

Mr. JONES of Washington. The Senator knows that the Senate committee was overwhelmingly opposed to having members of the Cabinet upon this commission, and while the Senate committee did not expressly say that no Cabinet officer should be upon it, it did not suggest that these other members could be taken from the public service. It was clearly understood that Cabinet officers would not be considered as eligible to that position, and it made their salaries $7,500, which would preclude their appointment, because the salary of a Cabinet officer is greater. But as the amendment is now changed it expressly authorizes the President to take these members from the public service, and then they are to get no different salary from that which they get in the public service.

I want to know—and I should like to have a frank statement from the Senator—whether it is the idea that we are going to authorize the President, if he sees fit, to put Cabinet officers upon the commission? If that is not the purpose, I hope the Senator will say so, so that the RECORD will show it and it can not be said hereafter that something has been put over on the Senate by those who are especially anxious to get a commission composed of Cabinet officers and that we have given the President authority to do it.

Mr. FLETCHER. I can only say, so far as I am concerned and so far as it seems to me the plain wording of the amendment reaches this, that at least Cabinet officers would be eligible; but I have no idea that the President intends to appoint any Cabinet officers.

Mr. JONES of Washington. I wish to ask the Senator whether it was the purpose of the conferees in that language to make Cabinet officers eligible to this commission?

Mr. FLETCHER. No; the conferees did not have that purpose, as I understand it at all. There were suggestions of this kind made to the members of the committee, that perhaps a member of the Coast and Geodetic Survey might be eligible for a position on the commission and might be a valuable man on the commission.

Mr. JONES of Washington. Certainly, and I would have no objection to that—none at all.

Mr. FLETCHER. I am only using that as an illustration. I do not know whether there is any purpose or idea of appointing anyone, but that suggestion has been made, and some reasons have been given why that was deemed a wise thing to do.

Mr. JONES of Washington. I think that would be wise. I say frankly to the Senator now that I think something of that kind would be wise.

Mr. FLETCHER. It is to provide for a situation like that that the language was used in this way.

Mr. BANKHEAD. Mr. President——

Mr. JONES of Washington. If the Senator from Alabama will permit me, I will conclude in just a minute. I merely wish to say this, Mr. President: It is known that the Senate committee was overwhelmingly opposed to the provision as it was presented to the committee authorizing the President to appoint a Cabinet officer a member of the commission. The matter was considered and passed upon by the committee, and they rejected that proposition. If it had been considered that Cabinet officers would be authorized to be placed on this commission, that provision would not have been reported in any form by the committee.

I just wanted that to appear in the RECORD, and I wanted to get a statement from the Senator having charge of the bill that the language there does not contemplate that Cabinet officers shall be placed upon this commission. If I thought that was the purpose of it, I would oppose this report just as long as possible, because I deem it most unwise to place Cabinet officers upon commissions of this kind. I am not going to take the time to tell why now. I think our experience in the past has demonstrated the unwisdom of it. I might say that in my judgment the great defect in our Council of National Defense now is that it is composed of Cabinet officers and not composed of the advisory council, which ought to be made the Council of National Defense and be given authority to act. But I am not going into that. I am going to take the statement of the Senator from Florida with reference to it, and I trust that we shall not be confronted hereafter with placing the commission in the hands of Cabinet officers, and that it would be clearly contrary to the actual intent of Congress.

Mr. BANKHEAD. Mr. President, when the proposition for this so-called commission was before the Committee on Commerce it was thought best to provide that three or five, I am not sure which, Cabinet officers should be members of the commission. The Senator from Washington has stated correctly that the committee was almost unanimously opposed to the appointment of Cabinet officers on the commission, not because of any lack of confidence in Cabinet officers but because it was well known that if Cabinet officers were put on the commission they must appoint some clerks in their departments to perform the service; that they could not do it; they have no time to do it. That was one of the reasons why this opposition was developed.

I wish to ask the chairman a question. He knows my view on this matter, because I expressed it in the committee. I should like to ask the chairman if it was understood in the conference committee that this is a material change in the language of the Senate provision. I should like to ask him to state candidly if it was not understood that this change was made for the purpose of authorizing the President to appoint Cabinet officers on the commission.

Mr. FLETCHER. The Senator wants an answer to the question, and I will say that that was not the express purpose of the conferees at all. It was thought that the language used here was a little plainer than the language in the amendment that was passed, and it has been enlarged in respect to the appointment of the board.

Mr. BANKHEAD. Is the commission provided by the Senate subject to confirmation by the Senate?

Mr. FLETCHER. I think not.

Mr. BANKHEAD. Was not that in the amendment?

Mr. FLETCHER. No. That has not been changed.

Mr. BANKHEAD. Was it not in the original bill presented to the committee?

Mr. FLETCHER. No; there was no provision of that sort in the original bill or in the amendment as adopted by the Senate or in this provision. In fact, the amendment, as adopted by the Senate, has not been changed at all in that respect. The number of members was not changed, but it was simply provided that they might come from public life as well as from civil life.

Mr. WEEKS. Mr. President, do I understand that the Senator from Florida has stated to the Senate that it is not the purpose of the President to appoint Cabinet officers as members of the commission?

Mr. FLETCHER. I can not say what the purpose of the President is. I could not answer as to that.

Mr. WEEKS. What was the purpose of the conference committee? Is it that the President shall not appoint Cabinet officers?

Mr. FLETCHER. It is that the five members shall come from civil life and that they may come from those holding public office. As I mentioned a moment ago, for instance, some engineer from the Coast and Geodetic Survey might be available and some other official might be available. It leaves the field open. I presume under this provision the President might name a Member of Congress, but I do not see that any Member of Congress could afford to fill it, because it is going to take a good deal of time and a lot of work and all that sort of thing. I merely mentioned that as an illustration of what I should imagine might be covered by it.

Mr. WEEKS. That statement is equally true as to Cabinet officers. I am not a member of the Committee on Commerce, and I have not followed the course of this particular item in the bill, but I feel very strongly the desirability of excluding from these important commissions, and this will be an extremely important commission, men whose time should be devoted to their departmental or their legislative duties. No department head has the time to personally give attention to the work of a commission of this kind. He is going to drop in on the commission occasionally, and he is going to have much greater influence over the action of the commission than his own personality would ordinarily give because of his connection with the administration; whatever administration it may be, he will have a dominating influence if he happens to be a strong man. This commission, which is to cover a multitude of subjects, all of which are important, should have members who have no other employment, who could devote their entire time to the service for which the proposition provides. I hope it will be distinctly understood that that is to be the course which is likely to be followed.

I think the members of this commission should be confirmed by the Senate. I do not think it is wise that it shall be done in any other way. I say that without reference to the present President, but I think that is good public policy.

One could talk for hours about Cabinet officers who are members of commissions but who are unable to perform the duties which are incident to those commissions, who do their work through a subordinate, and who at the same time really dominate the whole action of the commission. We have had during the present administration one instance of that kind which I think has done irreparable damage to the work of an important commission. I sincerely hope that nothing of the sort will result from the appointment of this one.

Mr. JONES of Washington. Mr. President, I want to say just another word. I have been in favor for many years—almost since the proposition was advanced by the Senator from Nevada [Mr. NEWLANDS]—of a commission to coordinate the various functions of government in various lines of Government work, but I have always been opposed for the reason suggested by the Senator from Massachusetts [Mr. WEEKS] and other reasons, to placing Cabinet officers upon such a commission. When it was first suggested, Cabinet officers were not proposed as members of it. It was proposed to be an independent commission, with authority and power to act and with the time to act. That was the idea of the committee in reporting the amendment, and they agreed to that in lieu of that which was proposed by the chairman of the committee.

Now, this legislation is being enacted by Congress. It is not what the President proposes to do, as suggested by the Senator from Florida, but it is what Congress intends him to do as proposed and suggested by its legislation.

I do not understand from the Senator from Florida that it is the intention or expectation that the President shall appoint Cabinet officers to this commission. I think it ought to be clearly understood that that is not the purpose of Congress; that Congress does not desire to have that done; that Congress does not want this burden placed upon Cabinet officers.

I wish to say that if Cabinet officers should be put upon this commission, the commission's work will be interfered with and its efficiency will be destroyed; and it will also be found that Congress, in my judgment, will resent any action of that kind contrary to what is really the sentiment of Congress.

I accept in good faith the statement of the Senator from Florida that this change was made so as to enable the President to take, if he thought wise, some man of special qualifications or some man specially fitted by work along certain lines, like the Superintendent of the Coast and Geodetic Survey or like the Director of the Reclamation Service, for instance, or some man especially familiar with water-power matters and put him on the commission. That would be all right. I think that would be highly desirable, and I would be heartily in favor of it. That would carry out the real purpose and intent of Congress in organizing this commission, and I hope that will be done. I hope that no attempt will be made to act contrary to the will of Congress as it has been expressed here.

Mr. POINDEXTER obtained the floor.

Mr. FLETCHER. May I interrupt the Senator just a minute to say that as far as the language is concerned——

Mr. POINDEXTER. I will yield to the Senator in just a moment. I wish to make a comment in connection with the remarks of my colleague [Mr. JONES of Washington] and to call the attention of my colleague and of the Senator from Massachusetts to a feature of this provision which they are probably better qualified to appraise at its real merits than I am, for I have not given as much attention to the provision as they have done. As it is framed here, while it may not be contemplated that a Cabinet officer should be a member of the commission, every Cabinet officer in whose department any of the work to be supervised by the commission is has a veto power on the work of the commission. It seems to me that that has in it the possibilities of destroying almost entirely the efficacy of the commission. I think my colleague was engaged in conversation with another Senator while I was speaking about this matter. I say there is an express provision in this report providing for this commission which gives to each Cabinet officer a veto power over the work of the commission.

Mr. JONES of Washington. I will say to my colleague that I have not had time to read the entire report. I did not suppose there was any such authority as that given. Of course, that would be very unwise, I think.

Mr. POINDEXTER. It seems to me it ought to have been left out. I am not disposed to oppose the conference report on that account, but I am not willing for it to go by, now that my colleague has raised the issue, without calling attention to it. It seems to have been assumed in the answer to the queries made by the senior Senator from Washington and the Senator from Massachusetts that Cabinet officers would have no right of interference with the work of the commission, whereas there is an express provision in the report giving them that power.

Mr. JONES of Washington. Will my colleague read that provision?

Mr. POINDEXTER. After providing for the commission and specifying what it shall do it says:

> Under such rules and regulations as the President may prescribe and subject to the approval of the heads of the several executive departments concerned.

Subject to the approval of the heads of all the executive departments.

Mr. FLETCHER. No; if the Senator will allow me to interrupt him, that merely refers to rules and regulations laid down by which the commission is set to work and shall proceed with its work. That does not give them a veto power over the work of the commission at all.

Mr. POINDEXTER. It undoubtedly does. The Senator can not change by his ipse dixit the effect of the language of this provision. A commission is created, and after specifying who shall be chosen, one a member of the Engineer Corps of the Army, at least one a hydraulic engineer from civil life, and five others, who may be chosen from official life or may be from civil life, it is provided that they shall have certain power to act, under regulations fixed by the President and subject to the heads of the executive department concerned. There can not possibly be any doubt about the effect of it; it is bound to be construed in the way I have indicated. Any agent in a department, any official in a bureau of a department who has particular charge

of an irrigation project or of a river and harbor improvement makes his report to the head of the department. The head of the department is going to accept his report, is going to act upon his advice; because he is the official designated for the purpose of devoting his time to that particular work, and of knowing about it, and is regarded as an expert upon the subject. The Secretary is not. We know what the machinery of the department is. It is beyond the control of the heads of departments. It reverts back in its final control to somebody who is scarcely ever seen in the light of the sun, who lives in a back office, who is an expert upon some particular matter, who writes letters; and the Secretary does not know whether the letters are wise or unwise. It is a subject in the multitudinous duties of the department which he has not been able to master. He signs the letter when it is put before him. So the approval or the rejection of the work of this commission ultimately will go back to the very bureaus and agencies that now have control of the various branches of the work.

Mr. JONES of Washington. Mr. President, I think my colleague [Mr. POINDEXTER] is right in the matter; but the Senator from Minnesota [Mr. NELSON] is now here—he is a member of the committee of conference—and I should like to get his understanding as to the provision in the conference report with reference to the appointment of members of this commission from civil life and from the public service. Is it or is it not the intention to authorize the President to put Cabinet officers on this commission?

Mr. NELSON. Mr. President, I desire to say that that is not at all the purpose of the provision. The purpose of making the change in the conference report was to authorize the President to appoint as members of the commission experts in the civil departments of the Government, men who are already in the service. Being in the service, the Government, of course, would incur no expense in the matter of salaries by reason of their appointment; there would be no additional expense, except for traveling and subsistence. If the Senator will read the language he will see that it does not contemplate the appointment of Cabinet officers. It reads:

and the remaining five of whom may each be selected either from civil life or the public service.

That does not contemplate, and I do not think it was the purpose—at any rate, it did not so strike me—that Cabinet officers may be appointed. It simply means that the Government may utilize experts already employed in the departments. The President can appoint from either civil life or the public service. Suppose, of the five men the President can select either from civil life or from the public service, he appoints three men from the public service and two from civil life, entirely outside of the public service, the most that could be said of that would be that those who are taken from inside the public service would be represented in the final result by the Cabinet officers to whose departments they belonged.

This amendment—and I might say I looked at it in that light—was framed in a spirit of economy. The bill provided for an Army engineer as one of the appointees. Now, if two or three members of the commission are taken from the civil service of the Government, we shall have no additional salaries to pay them, and there will be that much less expense for the commission. So it seemed to me very desirable and the best thing which could be done under the circumstances.

I might say in this connection, Mr. President, that I have not much faith in the entire provision. Even though we should put the Angel Gabriel at the head of the commission, I doubt whether it could be of great value. I think if my good friend from Nevada [Mr. NEWLANDS], instead of devoting his energies to coordination and cooperation in this matter, would devote them to coordination and cooperation in respect to our transportation facilities, in order that our railroads might coordinate and cooperate with our water carriers, that would be a much more valuable enterprise.

Mr. President, I am getting to be an old man and the sands of my life will soon run out; but I want to say that if I were a young man, and were to remain here in the Senate, I should make a special effort to secure legislation to force our railroads to coordinate and cooperate with our water transportation, to the end that both might be utilized to the fullest extent.

In these days we hear much of car shortage. We had a hearing this morning in respect to coal matters—something in which we in Minnesota are greatly interested—before a board of railroad officers. They told us about the car shortage. I said to them, "Gentlemen, you are partly to blame for that, because you have failed to cooperate and to coordinate with our water carriers. If you framed your rates in such a way that water carriers could live, so that they could be utilized to the utmost, there would not be any car shortage. You would have plenty to do and our water carriers also would have plenty to do."

So, Mr. President, while I voted blindly for this provision of the Senator from Nevada, while I shut my eyes, as it were, yet I believe in perfecting it as much as possible. I think we have improved it a little in the respect to which I have referred; but I repeat the wish that the able and energetic Senator from Nevada would hereafter devote his energies to the coordination and cooperation of the railways and waterways to which I have referred, instead of to the coordination and cooperation which is involved in this provision of the bill.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

TREASURY DEPARTMENT BUILDING.

Mr. SWANSON. I move that the Senate proceed to the consideration of the bill (S. 2477) to authorize the construction of a building for the use of the Treasury Department. I wish to make a statement in regard to the bill.

Mr. JONES of Washington. Mr. President, I should like to say to the Senator from Virginia that several Senators asked to be informed when that measure was to be called up so that they might be present.

Mr. SWANSON. I will say to the Senator that I notified all whom I thought were interested in the subject.

Mr. JONES of Washington. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Washington suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson, Cal.	Overman	Smoot
Bankhead	Jones, Wash.	Page	Sterling
Beckham	Kendrick	Pittman	Sutherland
Brandegee	Kenyon	Poindexter	Swanson
Calder	King	Pomerene	Thompson
Cummins	Kirby	Ransdell	Trammell
Curtis	La Follette	Reed	Underwood
Fernald	Lewis	Robinson	Vardaman
Fletcher	McKellar	Saulsbury	Wadsworth
Gerry	McNary	Shafroth	Warren
Gronna	Martin	Sheppard	Watson
Hale	Nelson	Sherman	Weeks
Hollis	New	Shields	
Husting	Newlands	Smith, Ariz.	
James	Norris	Smith, S. C.	

Mr. GERRY. I desire to announce that the Senator from California [Mr. PHELAN] is detained on official business.

Mr. LA FOLLETTE. I desire to announce that the Senator from North Carolina [Mr. SIMMONS], the Senator from Georgia [Mr. SMITH], the Senator from Pennsylvania [Mr. PENROSE], the Senator from Massachusetts [Mr. LODGE], and the Senator from North Dakota [Mr. MCCUMBER] are detained on business of the Senate.

Mr. PAGE. I desire to announce the necessary absence of my colleague [Mr. DILLINGHAM], and to say that he is paired with the senior Senator from Maryland [Mr. SMITH]. I ask that this announcement stand for the day.

Mr. MARTIN. I desire to announce that the senior Senator from Maryland [Mr. SMITH] is detained from the Chamber by sickness.

Mr. MCNARY. I desire to announce the absence of my colleague [Mr. CHAMBERLAIN] on account of official business.

The PRESIDING OFFICER. Fifty-seven Senators have answered to their names. A quorum is present.

Mr. SWANSON. Mr. President, I have submitted a motion to take up for consideration a bill to erect a building for the Treasury Department on the vacant lot owned by the Government between the Treasury and the Belasco Theater.

The Government has owned that land ever since 1882. It was formerly occupied by the Department of Justice. Ever since 1882 the Government has owned that land, and repeated efforts to put a building on it have failed. It is valued at $575,000.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Minnesota?

Mr. SWANSON. I do.

Mr. NELSON. Is that the ground west of the Riggs Bank, and alongside the theater?

Mr. SWANSON. It is the ground west of the Riggs Bank. That will enable the Treasury Department to have 100,000 square feet of office space. The Government was offered a very high price for that property, but the Government imposed conditions in connection with the character of building to be constructed there, requiring that it should be a nice building, on account of the proximity to the Treasury Department and the

White House, and the sale was not consummated. Now the time has come when the Government ought either to dispose of that property or to erect a building on it.

The Treasury Department is renting to-day 67,719 square feet of space. It has asked additional rentals of space aggregating 38,730 feet, on account of the new boards that are associated with the Treasury Department—the Farm Loan Board, the Federal Reserve Board, and the Insurance Board. It is estimated that between two and three hundred additional clerks will be needed on account of the pending war-revenue measure in connection with internal revenue and additional war taxes; and if this space is allowed, which I am satisfied it will be, the Treasury Department then will rent 106,449 square feet.

Mr. SMITH of Arizona. I thought the Senator said the Treasury Department was renting that amount of space now.

Mr. SWANSON. I said it was renting 67,719 square feet, and that it has asked for 38,730 more feet on account of the increased space needed.

Representatives of the Health Department have gone to the officials of the Treasury Department and stated that the Treasury Department was too crowded at present for the health of the employees. There are so many clerks in the Treasury Department in proportion to space and size of rooms, and in the corridors, that they have made a report that additional space is needed to conform to the principles of hygiene.

This bill will enable the Treasury Department to have 100,000 square feet of space, which will cover all the needs of the Treasury Department. The rental of office space like this is very high. I understand that the Munsey Building is rented for $1 a square foot. The Treasury Department rents in the Bond Building 7,746 square feet for $7,500. It rents 10,000 square feet in the Munsey Building for the Coast Guard at $10,000. It rents some other space, used for minor offices and for storing, at a somewhat less rent. I think the department pays now $18,850 for 67,719 feet, which would be an average of about 43 cents a square foot, scattered all over the town as it is. If the second, third, fifth, and sixth floors in the Bond Building are rented, as they have asked, at the present rental of $1 a square foot, it would make the amount that the Government pays per square foot a great deal in excess of that.

In view of the fact that the Government owns this land and pays no taxes on it, it can put up a handsome, ornamental building there at $12.50 a square foot. I have seen the plans. They have been submitted to the committee. It will be an ornamental building, worthy of the Treasury and the White House; and the amount of money involved is $1,250,000, which at 3½ per cent would make it cost the Government 40 cents per square foot.

Now, rentals are going up in Washington. It is hard to get buildings that are suitable, and this is the only way in which the Treasury Department can be expanded, the purpose being to erect a building there conforming in architecture to the Riggs Building, the White House, and the Treasury Department, and have an underground passage to connect it with the Treasury. The Treasury then will be expanded, as it should be, and have all the space it needs.

It seems to me that it is wise for the Government to do this. Now, if you are going to erect a building on your own property—and it is not proposed to buy any property—there can be no other place found anywhere for the enlargement of the Treasury. This is the only place where it can be enlarged, and enlarged in a manner that will practically make it a part of the Treasury. The Treasury Department can not be enlarged in any other way, and it has not been enlarged, except from rentals, since the time the building was constructed.

Mr. SMOOT and Mr. POMERENE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Virginia yield, and to whom?

Mr. SMOOT. I thought the Senator was through.

Mr. POMERENE. I desire to ask the Senator from Virginia a question.

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Ohio?

Mr. SWANSON. I do.

Mr. POMERENE. In the second section of this bill I note that the Secretary of the Treasury is further authorized, without regard to civil-service laws, rules, or regulations, to obtain such special architectural or other technical services as he may deem necessary and specially order in writing. Now, in that department they have special architects, and so forth, who design public buildings generally. What is the need of that particular department employing additional architects when they already have architects of their own?

Mr. SWANSON. If the Senator will permit me, the architects of the department are about three years behind now in preparing plans for buildings already authorized. Their force has not been increased for years, and there is an indisposition to increase it. Consequently, in the case of these large buildings, they have usually employed an outside architect.

Mr. POMERENE. And a good many buildings have been put up in that way that ought never to have been constructed.

Mr. SWANSON. I do not know any buildings in the city of Washington that ought not to have been constructed.

Mr. POMERENE. Oh, I am not speaking of the city of Washington. I am speaking of some of the public buildings throughout the country.

Mr. SWANSON. We pay between six and seven hundred thousand dollars a year for rentals here, and every time a proposal comes up here to construct a building we find it nearly impossible to get it through, with the result that we pay now in Washington about $700,000 a year in rentals. The Government has enough land to construct its own buildings on, and yet it rents buildings and pays in its rentals the value of the land, the insurance on the building, and the profit to the builder.

Mr. POMERENE. I hope the Senator does not understand that I am opposed to this bill. I favor the bill.

Mr. SWANSON. I am glad to hear it.

Mr. POMERENE. But I am certainly opposed to the employment of additional architects when there are architects in that department, unless it is shown conclusively that it is necessary to be done.

Mr. SMOOT. Mr. President, there are a good many reasons that appeal to me why the money appropriated in this bill should not be expended at this time. I will state that if we are going to erect a building as an adjunct to the Treasury Department, the location suggested by the chairman of the committee is an ideal one.

Congress has already created a Building Commission, giving it power to locate and examine all the property owned by the United States, and to learn exactly the floor space of all buildings in Washington that are being rented by the Government and the rent per square foot that the Government is paying for those rented buildings, with instructions to report to Congress the views of the commission as to erecting buildings sufficient to house all of the Government employees. That report is not ready, Mr. President, and I think when it is made it ought to cover one complete program or policy of the Government; and when Congress embarks upon the policy as recommended, if adopted, it should be done systematically, and at a time when it could be carried forward without undue expense to the Government.

To-day is a very poor time to erect a building to house temporary employees in the city of Washington. We can not say that this bill is an emergency measure, as the building will not be completed for over a year; that is certain. It is impossible to erect a building that will be an ornament to the corner on which it is to be built in a year's time; and now, when the cost of everything that goes into buildings is almost prohibitive, costing perhaps 100 per cent more than it will cost immediately after the close of the war, with labor almost impossible to secure, and, when secured, only to be had at unreasonably high prices, as compared with wages paid during normal times in the building trades, it seems to me it is exceedingly unwise to authorize the building of a structure as contemplated in the bill.

Why, Mr. President, this $1,250,000 will not go any further now than $750,000 would have gone two years ago; it will not erect any better building; and the Government of the United States must take into consideration the fact that there is $500,000 of dead loss in erecting this building at this time. Now, that would pay rent for space required for a long time, Mr. President, and for a good many square feet for a good many years.

This is the business side of the proposition. I notice from the report that the Senate is supposed to believe that in order to secure sufficient accommodations for the clerks that are employed in the Treasury Department—and the building, if erected, is to be used only by the Treasury Department—we will have to pay a dollar and a half a square foot. Mr. President, the Appropriations Committee have appropriated money for renting space in the Bond Building, and we have never appropriated more than 45 cents per square foot for space in the Bond Building. The Appropriations Committee was promised by local parties to erect the building in which the Commerce Department is now located, the rent not to exceed 33½ cents a square foot, as I remember it, for all of the building. If the Treasury Department to-day are paying a dollar a square foot for space in the Munsey Building, it is because they never had to come to the Appropriations Committee and ask the Appropriations Committee to appropriate any such amount. It is paid out of some lump-sum fund, and they have given just exactly what the owner of the Munsey Building has asked.

Now, Mr. President, is it necessary? The Government owns to-day a whole block of buildings near the present Treasury Building, beginning with a hotel on the corner, including Poli's

Theater and all of the buildings on the south side of Pennsylvania Avenue down to the next corner and around the corner to the other end of the block. All of that block is owned by the Treasury Department.

Mr. SWANSON. Owned by what department?

Mr. SMOOT. By the Government of the United States.

Mr. SWANSON. But that is not the Treasury Department.

Mr. SMOOT. Well, it is under the control of the Treasury Department, and there is no doubt but that any day the tenants in those buildings can be ordered out and the Government of the United States can take charge. It seems to me that while we have so many square feet of space in buildings that are owned by the Government we should not begin at this time to erect buildings that we know will cost at least 40 per cent more than if they are built in ordinary times.

I am simply calling this matter to the attention of the Senate, not with any hope whatever that this bill is going to be defeated; but I say now that if the Senators would look at it as a business proposition, they would very much prefer to wait until the commission reports, and then let us begin and build properly and carry out the plan or program reported to Congress, if Congress agrees to the plan or program.

Mr. President, I am compelled to leave the Senate Chamber now. The Finance Committee is in session at this time and we want to get the war-revenue bill reported to the Senate this week. Therefore I shall say no more, but I believe that this is a very, very inopportune time to spend a million and a quarter dollars in constructing a building that can not be constructed in time to take care of the extra employees, who, just as soon as the war is over, certainly will not be in the employ of the Government.

Mr. SWANSON. Mr. President, I have listened to the Senator from Utah. The Public Buildings Committee of the Senate is responsible for buildings. The Appropriations Committee provides the rentals. We have no authority to provide rentals. Every time the Appropriations Committee comes in here with a bill there is a great discussion as to why the Government pays between seven and eight hundred thousand dollars a year in rentals to people in Washington. As chairman of the Public Buildings Committee I have repeatedly sought to get the Government to construct its own buildings on its land and stop paying these excessive rents.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from South Dakota?

Mr. SWANSON. I do.

Mr. STERLING. I wonder if the Senator from Virginia can state what proportion of that seven or eight hundred thousand dollars is paid for rental for the Treasury Department?

Mr. SWANSON. I have just stated that.

Mr. STERLING. I did not understand the statement as to the Treasury Department.

Mr. SWANSON. The Treasury Department rents to-day 67,719 square feet.

Mr. STERLING. At what cost?

Mr. SWANSON. At a cost of $18,850. It has asked for the second, third, fourth, fifth, and sixth floors in the Bond Building, which it is compelled to have, at a rental of $37,500. That is the price at present being paid, which would make that department rent from outsiders 106,449 square feet. That is what will be rented outside by the Treasury Department. This contemplated building will have 100,000 square feet, which will make the Treasury Department cease to be a renter of space in Washington.

Now, what is the proposition? That the Government can not take its own land, on which it pays no taxes, and construct thereon its own building as cheaply as it can rent buildings from other people, pay for the land in the rent, pay for the taxes, and pay for the insurance; and under that theory between seven and eight hundred thousand dollars each year is paid in rentals in Washington!

There is no use in delaying this matter at all. There is no other way in which to expand the Treasury Department. The Senator from Utah [Mr. SMOOT] says that if you intend to construct buildings for the Treasury Department, this is the proper place to do it. It is properly located. It is adjoining the Treasury Department. The Government owns the land. It is valued at $575,000. It is the purpose to have an underground passage connecting it with the Treasury Department. They have estimated, at the present cost of everything, what it will cost the Government to put up an ornamental building there. We are bound to have a handsome one to house the Farm Loan Board, the Federal Reserve Board, and other important branches of this Government that are now crowded and going from place to place, trying to get space at forty-odd cents a square foot—and some of the rentals would exceed that, at $1 a square foot—and the amount you would be compelled to pay for office rent would be $100,000. By doing this, you will save the Government between forty and fifty thousand dollars a year over the rentals it pays for office space.

Why should not the Government make that saving? The Senator said that the cost of constructing buildings was going up. Rents are going up in the same proportion. The Senator talks about the space down here. I brought in a bill two or three years ago to construct a building for the State Department and the Department of Justice, so that the Army and Navy could have ample space, on the site owned by the Government to which the Senator has alluded, opposite the Treasury Department and the New Willard Hotel. This bill was pending here and was beaten by people who pretended that they were renting cheaper than the Government could build on its own property. To-day the War Department, the Navy Department, the State Department, and others are paying excessive rates. Why? Because, after repeated efforts by me as chairman of the Committee on Public Buildings and Grounds, I have been unable to secure authority for the construction of buildings here in Washington.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Nebraska?

Mr. SWANSON. I do.

Mr. NORRIS. I should like to ask the Senator whether the Government is now occupying and using the buildings that are on the three blocks south of the Willard Hotel?

Mr. SWANSON. The Government has been renting those buildings. Those buildings were bought for the purpose of constructing upon the site a building for the State Department and the Department of Justice. Plans were prepared; architects were paid forty or fifty thousand dollars to prepare those plans; the committee unanimously reported in favor of the construction of a building there for the State Department and the Department of Justice, so that the Army and Navy and the Department of Justice would not be renting buildings for their use to-day. That bill has never passed; and it has been considered unwise to spend thousands and thousands of dollars to make those buildings suitable for office purposes when we are renting them and when the Government bought them for the specific purpose of erecting on the site a building for the State Department and the Department of Justice.

If the Government has no intention of ever constructing a building there for the State Department and for the Department of Justice, we might as well appropriate some money to remodel these old buildings, so that they could be utilized for offices; but it has always been considered unwise to spend money to put those buildings in shape for offices when next year we might use the ground for the purpose for which it was bought, and for which plans have already been prepared and bills reported to Congress and not passed.

Now, Senators, I am anxious for this bill to pass. Every time the Appropriations Committee comes in here with a bill the Public Buildings Committee is subject to criticism because we are paying so much rent in Washington. Every time we have a bill here for the Government, not to buy an acre of land but to construct its own buildings on its own property and showing that we can build for less than we can rent, some objection prevails, and it has been impossible to get these buildings constructed.

I think that the Government ought to house itself in Washington. I am not one of those who believe that the Government can pay interest on real estate in the shape of rents, pay taxes on real estate in the shape of rents, and pay profits on buildings constructed cheaper than it can build its own buildings on its own land.

Mr. NORRIS. Mr. President, I have no doubt that the Treasury Department needs more space. I have no doubt that the particular place where it is proposed to construct this building is the proper place to expand the activities and increase the quarters for the working force of the Treasury Department. If I thought the time were opportune, I would be in favor of this bill. But, Mr. President, it does seem to me that at a time when we are straining every nerve for the purpose of raising revenue we should not go to the expense of building an ornamental building, costing over $1,000,000, that in all probability we will never be able to utilize until the war is over.

Mr. SWANSON. Mr. President, if the Senator will permit me, the Secretary of the Treasury told me that he felt sure that he could have that building constructed easily within a year.

Mr. NORRIS. Well, the Secretary of the Treasury will have to get a livelier move on him than he has ever had before if he does it.

Mr. SWANSON. I will say, in addition to that, that I had a letter from the department saying that office rents are going

up greatly in Washington now, on account of the fact that the cost of buildings is going up, and that the rental of available floor space has gone up from a dollar to a dollar and a half.

Mr. NORRIS. Yes; I have no doubt that rents have gone up. I realize that.

Mr. SWANSON. If the Senator will permit me, I figure that if you will issue bonds bearing 3½ per cent interest for the $1,250,000, and compare that with what you have to pay now for space in the Munsey and Bond Buildings for offices for the Government, the Government would save each year in rent between $50,000 and $60,000 by constructing this building on its own land. I should like to have the Senator consider that phase of the question.

Mr. NORRIS. I will discuss that phase of it before I get through. If I forget it, if the Senator will remind me of it, I will take it up.

I was about to say, when the Senator interrupted me, that at this particular time, when we are exercising our ingenuity for the purpose of devising new methods of raising revenue, it seems to me that it is not wise to go to the expense of appropriating millions of dollars for the purpose of erecting ornamental buildings for the use of any department of the Government. I am not opposed to the erection of an ornamental building, a suitable building, at this place at the proper time. I think we ought to do it, and some day we will. But the Senator says we can issue these bonds, and that it will be a good investment. Why, Mr. President, that is one of the things I want to get away from. We have been issuing bonds. We are very likely to issue a lot more bonds, and generations that are yet unborn are going to bend their tired backs and sweat and toil to pay the bonds that we are going to saddle upon the country. The time is now here when every man ought to economize. We ought not to try to saddle bonds on the country for the purpose of erecting beautiful buildings that are going to be used after the war is over. We are going to have all the bonds we can digest before we get through. We ought to get away from that idea. That is the thing we ought to avoid.

The Government now owns three blocks on the south side of Pennsylvania Avenue that we bought several years ago upon which there are buildings, one of them five stories in height—a hotel building. I suppose that for temporary quarters patriotic employees of the Government would not object to working in offices of that kind during the war. There are stores there, restaurants, boarding establishments, and rooming houses; and they have a theater there. We are renting that to-day, getting rent, I presume, from somebody for its use, and we are going, then, to spend the money of the taxpayers to construct an ornamental building costing a million and a quarter dollars because we have not suitable places for the employees to work. I presume the employees of the Treasury Department would be entitled to a lot of sympathy if during the war, instead of working between marble walls and at mahogany desks, they would temporarily have to work in the rooms of this hotel; but we, as holders of the purse strings of the Government, ought to require it if we have departments that are so extravagant that they would undertake to spend money in these times in constructing buildings when we could utilize what we already have without paying a dollar of rent.

Mr. President, this proposition at the present time ought to shock the Congress of the United States, as it would shock the taxpayers of the United States if they realized it. But we have gotten to such a stage that all you have to do to get money out of the Treasury of the United States is to say it is a war measure and must be had immediately. All of us know how the Government constructs its buildings. Although I am not able to say how long this war will last, I do not believe, when any Senator or Member of the House considers how we construct buildings and the length of time that it takes, anyone has any idea that this building will ever be occupied during the war. We are going to construct it at a time when it will cost 100 per cent more to construct it than it would under ordinary circumstances and in ordinary times. That is not economy; it is extravagance.

Mr. President, the Senator from Ohio has called attention to section 2, where we are going to provide that in the construction of this building we will disregard the civil-service laws and select the architects from outside, when we have hundreds of architects competent to prepare plans and specifications for this building, that is going to be a copy, I presume, of the Treasury Building just across the street. The answer to it is that the architects are behind in their work of constructing buildings throughout the country. It would not be a bad plan if the Government suspended erecting public buildings throughout the United States until the war is over. It would not do very much damage if some of those buildings were postponed, and there could be enough architects now in the employ of the Government and drawing a salary taken from the regular force to prepare the plans and specifications of this building, without extra expense to the Government of the United States.

It all goes to the question of extravagance. We may belittle it now; we may think it does not amount to anything, but we are coming upon an era when the expenditure of every cent is going to be looked into. We are going soon to approach a time when the people of the United States are going to realize that we have squandered their money here in Congress, that we have spent it by the million—yes, by the billion—extravagantly and uselessly. Every man ought to be patriotic enough during this war to economize. Government officials ought to do it. Not only as Secretary of the Treasury, but as the son-in-law of the President he ought himself to practice economy before the country. Here is the place where he can do it. There is not any reason, if we shall construct this building, why we should go out and employ outside of the Government force architects to prepare the plans.

But, Mr. President, there is another reason. Every employee on this building during the war will be taken from some other employment. We are short everywhere. The cry is going up now to get men to work in all the departments to carry on this great war, and every man you put on this building to work during the war time, not for the carrying on of the war but to prepare a model home for Treasury employees after the war, will be taken out of some other occupation where he might do the country some good and assist in carrying on work that is connected with the war.

I do not suppose anything that can be said will make any difference in the passage of this bill.

Mr. SWANSON. If the Senator will permit me, the Government requires so much space for its employees. If the Government does not construct buildings, other people will construct buildings for the Government. It is cheaper for the Government to construct its own buildings.

Mr. NORRIS. It seems to me the Secretary of the Treasury could go down and take people out of these rooming houses and these stores and shut up that theater, that picture show, close up the hotel, let the barbers go somewhere else out of the barber shop, and put seven or eight hundred employees into that space, where the Government would not pay any rent at all.

Besides, I repeat to the Senator that this building in all human probability will not be occupied by the additional employees who are going to be hired. It can not be put up to-morrow or next week or next month. So when we need a place for these extra employees it is not going to help that situation. When the war is over, I take it, we can cut down the list, and we will not need as many employees as we have now, and then we can construct a building for half the money.

Mr. President, I enter my protest against this kind of legislation more as a matter of form than anything else. I think it is a serious proposition. I say "matter of form," because I realize that so far as any man has opposed an appropriation he has never been able to get anywhere, no matter how useless the appropriation might be. I presume this money will be appropriated and it will be expended. We are going to need every dollar of it to carry on the war, and we are going to need it very badly. I give it as my judgment that the Senate will find out before the war is over that we have not commenced to economize with Uncle Sam's money as we would economize with our own. We ought to do it, and we ought to do it now.

Mr. CALDER. Mr. President, I believe it is an excellent policy for the Government to own all the buildings in the city of Washington used for housing the departments of the Government. When a Member of the House of Representatives, serving upon the Committee on Appropriations, I argued in favor of that idea. But I recall that on many occasions a department head appeared before that committee and insisted that he could rent buildings cheaper than the Government could construct them. I have in mind the Department of Commerce building, to which the distinguished Senator from Virginia has referred. That question came before a subcommittee of the Appropriations Committee of the House at a time when I was a member of it. The Secretary of Commerce argued long and insistently that he could do better for the Government in renting than in building.

Mr. President, I know something about building construction matters; it happens to be my own business; and I think it can be fairly said that it would cost 100 per cent more to-day to erect a structure of the character provided in this bill than it would have two or three years ago, and at least that much more than it will cost after the war is over.

I wish to say to the Senator from Virginia that I shall be glad to join with him in working out a comprehensive plan to construct buildings to house all our departments when the present war is over, when we can build them cheaply and properly without expending such vast sums of money for them.

Ordinarily, too, I differ with the last section of the bill in permitting the employment of outside architects, but there are times, I will say to the Senator from Nebraska [Mr. NORRIS], when it pays to employ an expert architect. If the architectural staff in the Department of the Treasury are not competent to handle this work, then for the sake of a few thousand dollars we ought not to refrain from obtaining outside advice. However, for my part, I shall vote against this bill on the ground that the time is not opportune for constructing buildings because of their abnormal cost.

Mr. WARREN. There is not any kind of question but that when the Treasury Department adds anything in the way of another building to its present capacity, this is the place where the building ought to go. There is not any question, on the other hand, but that it has cost the Government already in carrying this particular piece of property unimproved more than once and probably twice the cost of the proposed building. I recall that the Government has owned this property for some 35 years. It missed the opportunity in the meantime to acquire for $150,000 the land north of it where the Belasco Theater and the building next to it are located. The piece of property has been carried—I do not know exactly what it has cost, but I do know that I personally——

Mr. SWANSON. If the Senator will permit me, we bought it in 1882 for $250,000.

Mr. WARREN. That was 35 years ago. I will say as to what it was worth that I—not for myself, but for others—offered $500,000 spot cash for it some years ago when Mr. MacVeagh was Secretary of the Treasury, and advocated before him the desirability if they were not going to build on it of taking the money instead of holding the lot when it was more or less of an eyesore. After consideration for two or three days the report came from the Secretary of the Treasury that while they might dispose of it, and while they believed that the amount offered might be all it was worth, they wanted to know what kind of a building was to go up and wanted a pledge that it should be in sky line and in general architecture a fitting match to the Treasury Building, the White House, the War Building, the Riggs Bank, and so forth, that were built near it.

The parties whom I represented were of course unable to make a guaranty, because they intended to go higher in the air.

The Secretary of the Treasury was right about it. Nothing should be built on that particular corner except an ornamental, substantial structure to correspond with its surroundings.

Years ago, when I first had a place on the Appropriations Committee, we, so far as the Senate is concerned, bought the building near here down at the foot of the Capitol Grounds, which was so long used for a Census building. We agreed to buy it on such a basis that the rent we were then paying would make it earn the Government over 14 per cent per annum. The House in conference would not entertain the matter, and so we went on paying rent until we had bought the building once and a half over, and then left it and moved out into another rented building.

There is seldom a time when we admit we have money to spare to put up public buildings in Washington. We all hesitate. It may be that this is not the proper time to expend $1,200,000, but I have seen so much of this never being ready to do anything and continuously being run into the expenditure of buying property earning nothing and paying rent somewhere else that I am going to vote to begin immediately to construct this building. However, if there shall be offered, as I understand there will be, an amendment to cut out a part of the second paragraph, I shall vote for that, for I believe that our own architects are capable of drawing plans for the building.

The PRESIDING OFFICER. The question is on the motion of the Senator from Virginia to proceed to the consideration of the bill.

Mr. KENYON. It seems to me in voting to take up such an important war measure as this we should have a quorum. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Iowa suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Beckham	Calder	Cummins	Gronna
Borah	Chamberlain	Fernald	Hale
Brandegee	Culberson	Gerry	Harding
Hitchcock	Kirby	Poindexter	Thompson
Hollis	Lewis	Pomerene	Trammell
Husting	McKellar	Ransdell	Underwood
James	Martin	Robinson	Vardaman
Johnson, Cal.	Nelson	Saulsbury	Wadsworth
Jones, N. Mex.	New	Shafroth	Warren
Jones, Wash.	Norris	Sheppard	Watson
Kellogg	Overman	Sterling	Weeks
Kendrick	Page	Southerland	
Kenyon	Phelan	Swanson	

Mr. JONES of New Mexico. I desire to announce that the Senator from North Carolina [Mr. SIMMONS], the Senator from Missouri [Mr. STONE], the Senator from Mississippi [Mr. WILLIAMS], the Senator from Georgia [Mr. SMITH], the Senator from Kentucky [Mr. JAMES], the Senator from Oklahoma [Mr. GORE], the Senator from Pennsylvania [Mr. PENROSE], the Senator from Massachusetts [Mr. LODGE], the Senator from North Dakota [Mr. MCCUMBER], the Senator from Utah [Mr. SMOOT], and the Senator from Wisconsin [Mr. LA FOLLETTE] are absent on public business.

The PRESIDING OFFICER. Fifty Senators have answered to their names. There is a quorum present.

ADJOURNMENT TO SATURDAY.

Mr. MARTIN. The Senator in charge of the bill agrees to yield to me for just a moment. I move that when the Senate adjourns to-day it adjourn to meet on Saturday at noon.

The motion was agreed to.

FOOD CONTROL—CONFERENCE REPORT (S. DOC. NO. 70).

Mr. CHAMBERLAIN. Mr. President, I desire to submit the conference report on the so-called food-control bill. Of course the Senate can not consider it until it has been acted upon by the House, but I desire to have it printed so that it may be on the desks of Senators.

The PRESIDING OFFICER. Without objection, the report will be received and printed. The Chair hears no objection, and it is so ordered.

The report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4961) to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 10, 12, 14, 15, 20, 21, 22, 30, 44, 45, 46, 51, 52, 53, 60, 62, 64, 65, 66, 70, and 73.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 9, 11, 16, 18, 19, 25, 26, 27, 28, 29, 31, 32, 35, 37, 38, 39, 40, 41, 42, 43, 48, 49, 50, 56, 57, and 59, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the Senate amendment insert the following:

"That by reason of the existence of a state of war, it is essential to the national security and defense, for the successful prosecution of the war, and for the support and maintenance of the Army and Navy, to assure an adequate supply and equitable distribution, and to facilitate the movement, of foods, feeds, fuel including fuel oil and natural gas, and fertilizer and fertilizer ingredients, tools, utensils, implements, machinery, and equipment required for the actual production of foods, feeds, and fuel, hereafter in this act called necessaries; to prevent, locally or generally, scarcity, monopolization, hoarding, injurious speculation, manipulations, and private controls, affecting such supply, distribution, and movement; and to establish and maintain governmental control of such necessaries during the war. For such purposes the instrumentalities, means, methods, powers, authorities, duties, obligations, and prohibitions hereinafter set forth are created, established, conferred, and prescribed. The President is authorized to make such regulations and to issue such orders as are essential effectively to carry out the provisions of this act."

And the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In line 30 of the Senate amendment, after the word "of," insert: "chapter 321"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and

agree to the same with an amendment as follows: In lieu of the Senate amendment insert the following:

"SEC. 5. That, from time to time, whenever the President shall find it essential to license the importation, manufacture, storage, mining, or distribution of any necessaries, in order to carry into effect any of the purposes of this act, and shall publicly so announce, no person shall, after a date fixed in the announcement, engage in or carry on any such business specified in the announcement of importation, manufacture, storage, mining, or distribution of any necessaries as set forth in such announcement, unless he shall secure and hold a license issued pursuant to this section. The President is authorized to issue such licenses and to prescribe regulations for the issuance of licenses and requirements for systems of accounts and auditing of accounts to be kept by licensees, submission of reports by them, with or without oath or affirmation, and the entry and inspection by the President's duly authorized agents of the places of business of licensees. Whenever the President shall find that any storage charge, commission, profit, or practice of any licensee is unjust, or unreasonable, or discriminatory and unfair, or wasteful, and shall order such licensee, within a reasonable time fixed in the order, to discontinue the same, unless such order, which shall recite the facts found, is revoked or suspended, such licensee shall, within the time prescribed in the order, discontinue such unjust, unreasonable, discriminatory and unfair storage charge, commission, profit, or practice. The President may, in lieu of any such unjust, unreasonable, discriminatory, and unfair storage charge, commission, profit, or practice, find what is a just, reasonable, nondiscriminatory and fair storage charge, commission, profit, or practice, and in any proceeding brought in any court such order of the President shall be prima facie evidence. Any person who, without a license issued pursuant to this section, or whose license shall have been revoked, knowingly engages in or carries on any business for which a license is required under this section, or willfully fails or refuses to discontinue any unjust, unreasonable, discriminatory and unfair storage charge, commission, profit, or practice, in accordance with the requirement of an order issued under this section, or any regulation prescribed under this section, shall, upon conviction thereof, be punished by a fine not exceeding $5,000, or by imprisonment for not more than two years, or both: *Provided*, That this section shall not apply to any farmer, gardener, cooperative association of farmers or gardeners, including live-stock farmers, or other persons with respect to the products of any farm, garden, or other land owned, leased, or cultivated by him, nor to any retailer with respect to the retail business actually conducted by him, nor to any common carrier, nor shall anything in this section be construed to authorize the fixing or imposition of a duty or tax upon any article imported into or exported from the United States or any State, Territory, or the District of Columbia: *Provided further*, That for the purposes of this act a retailer shall be deemed to be a person, copartnership, firm, corporation, or association not engaging in the wholesale business whose gross sales do not exceed $100,000 per annum."

And the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate amendment insert "c"; and on page 7, line 1 of the bill, after the word "price," insert the following: "*Provided*, That this section shall not include or relate to transactions on any exchange, board of trade, or similar institution or place of business as described in section 13 of this act that may be permitted by the President under the authority conferred upon him by said section 3:"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: Reinsert the matter stricken out by the Senate amendment with the following amendments: On page 8, line 12 of the bill, after the word "necessaries," strike out the semicolon and "or (e)," and insert in lieu thereof the words "in order"; and on the same page, line 13, after the word "price," strike out the words "of any necessaries," and insert in lieu thereof the word "thereof"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In line 2 of said amendment strike out "(e)"; and on line 5, after the word "requisition," insert the words "or otherwise provide." In lieu of the section number proposed insert "10"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Sente numbered 33, and agree to the same with an amendment as follows: After the word "time," in line 2 of said amendment, strike out the words "in order to guarantee reasonable prices to the producer"; and on line 3 of said amendment, strike out the words "and to the consumer"; and on line 4, after the word "prices," strike out the word "fuel"; and on line 7, after the word "section," strike out the word "twelve" and insert in lieu thereof the word "fourteen"; and on line 8 strike out the words "foods, feeds or fuel" and insert in lieu thereof the words "such articles"; and in lieu of the section number proposed insert "11"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the section number proposed insert "12"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate amendment insert "packing house, oil-pipe line,"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the section number proposed insert "13"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lines 7 and 8 of said amendment strike out "require the board of food administration"; in line 11, after the word "profit," strike out "Said board" and insert "The President"; in line 15 of said amendment strike out the word "It" and insert "The President"; in line 16 of said amendment strike out the word "it" and insert "he"; in line 20 of said amendment, after the word "northern," insert the word "spring"; in lines 29 and 30 of said amendment strike out the words "the board of food administration, subject to the approval of"; in line 30, after "President," strike out the comma; in lines 33 and 34 of said amendment strike out the words "from the passage of this act to the 1st day of July" and insert "for the crop of"; in line 35 of said amendment strike out "nineteen" and insert "eighteen"; in line 36 of said amendment, after the word "northern," insert "spring"; in line 38 of said amendment strike out "or said board"; in line 39 of said amendment, after the word "absolute," insert "and shall be binding until May 1, 1919"; change the section number to "14"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: In lieu of the Senate amendment insert the following:

"SEC. 15. That from and after 30 days from the date of the approval of this act no foods, fruits, food materials, or feeds shall be used in the production of distilled spirits for beverage purposes: *Provided*, That under such rules, regulations, and bonds as the President may prescribe, such materials may be used in the production of distilled spirits exclusively for other than beverage purposes, or for the fortification of pure sweet wines as defined by the act entitled 'An act to increase the revenue, and for other purposes,' approved September 8, 1916. Nor shall there be imported into the United States any distilled spirits. Whenever the President shall find that limitation, regulation, our prohibition of the use of foods, fruits, food materials, or feeds in the production of malt or vinous liquors for beverage purposes, or that reduction of the alcoholic content of any such malt or vinous liquor, is essential, in order to assure an adequate and continuous supply of food, or that the national security and defense will be subserved thereby, he is authorized, from time to time, to prescribe and give public notice of the extent of the limitation, regulation, prohibition, or reduction so necessitated. Whenever such notice shall have been given and shall remain unrevoked no person shall, after a reasonable time prescribed in such notice, use any foods, fruits, food materials, or feeds in the production of malt or vinous liquors, or import any such liquors except under license issued by the President and in compliance with rules and regulations determined by him governing the production and importation of such liquors and the alcoholic content thereof. Any person who willfully violates the provisions of this section, or who shall use any foods, fruits, food materials, or feeds in the production of malt or vinous liquors, or who shall import any such liquors, without first obtaining a license so to do when a license is required under this

section, or who shall violate any rule or regulation made under this section, shall be punished by a fine not exceeding $5,000, or by imprisonment for not more than two years, or both: *Provided further*, That nothing in this section shall be construed to authorize the licensing of the manufacture of vinous or malt liquors in any State, Territory, or the District of Columbia or any civil subdivision thereof, where the manufacture of such vinous or malt liquor is prohibited."

And the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: In line 2 of said amendment, after the word "bond," insert the words "or in stock."

Change the section number to "16."

And the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: In lieu of the amendment proposed by the Senate restore all of the matter stricken out except the proviso; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: In line 5 of said amendment strike out the word "tenth" and insert in lieu thereof the word "twenty-fifth"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the Senate amendment insert the following:

"SEC. 23. That words used in this act shall be construed to import the plural or the singular, as the case demands. The word 'person,' wherever used in this act, shall include individuals, partnerships, associations, and corporations. When construing and enforcing the provisions of this act, the act, omission, or failure of any official, agent, or other person acting for or employed by any partnership, association, or corporation within the scope of his employment or office shall, in every case, also be deemed the act, omission, or failure of such partnership, association, or corporation as well as that of the person."

And the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment as follows: In lieu of the section number proposed insert "24"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment as follows: In lieu of the Senate amendment insert the following:

"SEC. 25. That the President of the United States shall be, and he is hereby, authorized and empowered, whenever and wherever in his judgment necessary for the efficient prosecution of the war, to fix the price of coal and coke, wherever and whenever sold, either by producer or dealer, to establish rules for the regulation of and to regulate the method of production, sale, shipment, distribution, apportionment, or storage thereof among dealers and consumers, domestic or foreign; said authority and power may be exercised by him in each case through the agency of the Federal Trade Commission during the war or for such part of said time as in his judgment may be necessary.

"That if, in the opinion of the President, any such producer or dealer fails or neglects to conform to such prices or regulations, or to conduct his business efficiently under the regulations and control of the President as aforesaid, or conducts it in a manner prejudicial to the public interest, then the President is hereby authorized and empowered in every such case to requisition and take over the plant, business, and all appurtenances thereof belonging to such producer or dealer as a going concern, and to operate or cause the same to be operated in such manner and through such agency as he may direct during the period of the war or for such part of said time as in his judgment may be necessary.

"That any producer or dealer whose plant, business, and appurtenances shall have been requisitioned or taken over by the President shall be paid a just compensation for the use thereof during the period that the same may be requisitioned or taken over as aforesaid, which compensation the President shall fix or cause to be fixed by the Federal Trade Commission.

"That if the prices so fixed, or if, in the case of the taking over or requisitioning of the mines or business of any such producer or dealer the compensation therefor as determined by the provisions of this act be not satisfactory to the person or persons entitled to receive the same, such person shall be paid 75 per cent of the amount so determined, and shall be entitled to sue the United States to recover such further sum as, added to said 75 per cent, will make up such amount as will be just compensation in the manner provided by section 24, paragraph 20, and section 145 of the Judicial Code.

"While operating or causing to be operated any such plants or business, the President is authorized to prescribe such regulations as he may deem essential for the employment, control, and compensation of the employees necessary to conduct the same.

"Or if the President of the United States shall be of the opinion that he can thereby better provide for the common defense, and whenever, in his judgment, it shall be necessary for the efficient prosecution of the war, then he is hereby authorized and empowered to require any or all producers of coal and coke, either in any special area or in any special coal fields, or in the entire United States, to sell their products only to the United States through an agency to be designated by the President, such agency to regulate the resale of such coal and coke, and the prices thereof, and to establish rules for the regulation of and to regulate the methods of production, shipment, distribution, apportionment, or storage thereof among dealers and consumers, domestic or foreign, and to make payment of the purchase price thereof to the producers thereof, or to the person or persons legally entitled to said payment.

"That within 15 days after notice from the agency so designated to any producer of coal and coke that his, or its, output is to be so purchased by the United States as hereinbefore described, such producer shall cease shipments of said product upon his own account and shall transmit to such agency all orders received and unfilled or partially unfilled, showing the exact extent to which shipments have been made thereon, and thereafter all shipments shall be made only on authority of the agency designated by the President, and thereafter no such producer shall sell any of said products except to the United States through such agency, and the said agency alone is hereby authorized and empowered to purchase during the continuance of the requirement the output of such producers.

"That the prices to be paid for such products so purchased shall be based upon a fair and just profit over and above the cost of production, including proper maintenance and depletion charges, the reasonableness of such profits and cost of production to be determined by the Federal Trade Commission, and if the prices fixed by the said commission of any such product purchased by the United States as hereinbefore described be unsatisfactory to the person or persons entitled to the same, such person or persons shall be paid 75 per cent of the amount so determined, and shall be entitled to sue the United States to recover such further sum as, added to said 75 per cent, will make up such amount as will be just compensation in the manner provided by section 24, paragraph 20, and section 145 of the Judicial Code.

"All such products so sold to the United States shall be sold by the United States at such uniform prices, quality considered, as may be practicable and as may be determined by said agency to be just and fair.

"Any moneys received by the United States for the sale of any such coal and coke may, in the discretion of the President, be used as a revolving fund for further carrying out the purposes of this section. Any moneys not so used shall be covered into the Treasury as miscellaneous receipts.

"That when directed by the President, the Federal Trade Commission is hereby required to proceed to make full inquiry, giving such notice as it may deem practicable, into the cost of producing under reasonably efficient management at the various places of production the following commodities, to wit, coal and coke.

"The books, correspondence, records, and papers in any way referring to transactions of any kind relating to the mining, production, sale, or distribution of all mine operators or other persons whose coal and coke have or may become subject to this section, and the books, correspondence, records, and papers of any person applying for the purchase of coal and coke from the United States shall at all times be subject to inspection by the said agency, and such person or persons shall promptly furnish said agency any data or information relating to the business of such person or persons which said agency may call for, and said agency is hereby authorized to procure the information in reference to the business of such coal-mine operators and producers of coke and customers therefor in the manner provided for in sections 6 and 9 of the act of Congress approved September 26, 1914, entitled 'An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes,' and said agency

is hereby authorized and empowered to exercise all the powers granted to the Federal Trade Commission by said act for the carrying out of the purposes of this section.

"Having completed its inquiry respecting any commodity in any locality, it shall, if the President has decided to fix the prices at which any such commodity shall be sold by producers and dealers generally, fix and publish maximum prices for both producers of and dealers in any such commodity, which maximum prices shall be observed by all producers and dealers until further action thereon is taken by the commission.

"In fixing maximum prices for producers the commission shall allow the cost of production, including the expense of operation, maintenance, depreciation, and depletion, and shall add thereto a just and reasonable profit.

"In fixing such prices for dealers, the commission shall allow the cost to the dealer and shall add thereto a just and reasonable sum for his profit in the transaction.

"The maximum prices so fixed and published shall not be construed as invalidating any contract in which prices are fixed, made in good faith, prior to the establishment and publication of maximum prices by the commission.

"Whoever shall, with knowledge that the prices of any such commodity have been fixed as herein provided, ask, demand, or receive a higher price, or whoever shall, with knowledge that the regulations have been prescribed as herein provided, violate or refuse to conform to any of the same, shall, upon conviction, be punished by fine of not more than $5,000, or by imprisonment for not more than two years, or both. Each independent transaction shall constitute a separate offense.

"Nothing in this section shall be construed as restricting or modifying in any manner the right the Government of the United States may have in its own behalf or in behalf of any other Government at war with Germany to purchase, requisition, or take over any such commodities for the equipment, maintenance, or support of armed forces at any price or upon any terms that may be agreed upon or otherwise lawfully determined."

And the Senate agree to the same.

Amendment numbered 71: That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment as follows: In lines 13 and 14 of said amendment strike out the words "imprisonment in the penitentiary for not less than six months nor more than three years" and insert in lieu thereof the words: "a fine of not more than $5,000 or by imprisonment for not more than two years, or both"; and strike out the proviso beginning on line 21 and ending on line 26, and insert in lieu of said proviso the following: "*Provided further*, That this section shall not be construed to prohibit the holding or accumulating of any such article by any such person in a quantity not in excess of the reasonable requirements of his business for a reasonable time or in a quantity reasonably required to furnish said articles produced in surplus quantities seasonally throughout the period of scant or no production."

Change the section number to "26."

And the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In line 1 of said amendment strike out the words "and directed"; and in line 6, after the word "same" insert the words "for cash"; and in the same line, after the word "cost," strike out the words "payable in advance" and insert in lieu thereof the words "including all expenses connected therewith"; and in line 7 strike out the word "resolution" and insert in lieu thereof the word "section."

Change the section number to "27."

And the Senate agree to the same.

GEO. E. CHAMBERLAIN,
E. D. SMITH,
HOKE SMITH,
F. E. WARREN,
WM. S. KENYON,
CARROLL S. PAGE,
Managers on the part of the Senate.

A. F. LEVER,
GORDON LEE,
E. S. CANDLER,
J. THOS. HEFLIN,
G. N. HAUGEN,
JAMES C. MCLAUGHLIN,
SYDNEY ANDERSON,
Managers on the part of the House.

TREASURY DEPARTMENT BUILDING.

The PRESIDING OFFICER. The question recurs on the motion of the Senator from Virginia [Mr. SWANSON] to proceed to the consideration of the bill (S. 2477) to authorize the construction of a building for the use of the Treasury Department.

Mr. NORRIS. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. SAULSBURY (when his name was called). I transfer my general pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from New Jersey [Mr. HUGHES] and vote "yea."

Mr. SHAFROTH (when Mr. THOMAS'S name was called). I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] and to state that he is paired with the senior Senator from North Dakota [Mr. MCCUMBER]. My colleague is absent on account of illness. This announcement may stand for the day.

Mr. WATSON (when his name was called). I transfer my pair with the junior Senator from Delaware [Mr. WOLCOTT] to the junior Senator from Maryland [Mr. FRANCE] and vote "nay."

Mr. WILLIAMS (when his name was called). I have a standing pair with the senior Senator from Pennsylvania [Mr. PENROSE], but he has released me from the pair for this particular vote. I vote "nay."

The roll call was concluded.

Mr. MCCUMBER. I have a general pair with the senior Senator from Colorado [Mr. THOMAS]. I transfer that pair to the junior Senator from Oregon [Mr. MCNARY] and vote "nay."

Mr. KELLOGG. I transfer my pair with the Senator from North Carolina [Mr. SIMMONS] to the Senator from New Mexico [Mr. FALL] and vote "nay."

The PRESIDING OFFICER (after Mr. ROBINSON had voted in the affirmative). I am paired with the Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the Senator from Louisiana [Mr. BROUSSARD] and let my vote stand.

Mr. CHAMBERLAIN. I transfer my pair with the junior Senator from Pennsylvania [Mr. KNOX] to the Senator from Arizona [Mr. SMITH] and vote "yea."

Mr. SMOOT. I have been requested to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Maryland [Mr. SMITH];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Kansas [Mr. CURTIS] with the Senator from Georgia [Mr. HARDWICK]; and

The Senator from Maine [Mr. FERNALD] with the Senator from South Dakota [Mr. JOHNSON].

The result was announced—yeas 32, nays 25, as follows:

YEAS—32.

Bankhead	Jones, N. Mex.	Pittman	Shields
Beckham	Kendrick	Poindexter	Smith, Ga.
Chamberlain	Kirby	Pomerene	Smith, S. C.
Culberson	McKellar	Robinson	Swanson
Gerry	Martin	Saulsbury	Thompson
Hollis	Nelson	Shafroth	Trammell
Husting	Overman	Sheppard	Underwood
James	Phelan	Sherman	Warren

NAYS—25.

Borah	Harding	McCumber	Wadsworth
Brandegee	Johnson, Cal.	New	Watson
Calder	Jones, Wash.	Norris	Weeks
Cummins	Kellogg	Page	Williams
Gore	Kenyon	Smoot	
Gronna	La Follette	Sterling	
Hale	Lodge	Sutherland	

NOT VOTING—39.

Ashurst	Frelinghuysen	McLean	Smith, Md.
Brady	Gallinger	McNary	Smith, Mich.
Broussard	Goff	Myers	Stone
Colt	Hardwick	Newlands	Thomas
Curtis	Hitchcock	Owen	Tillman
Dillingham	Hughes	Penrose	Townsend
Fall	Johnson, S. Dak.	Ransdell	Vardaman
Fernald	King	Reed	Walsh
Fletcher	Knox	Simmons	Wolcott
France	Lewis	Smith, Ariz.	

So the motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2477) to authorize the construction of a building for the use of the Treasury Department, which had been reported from the Committee on Public Buildings and Grounds with an amendment.

Mr. POMERENE. Mr. President, I intended to offer an amendment to the pending bill, but it seems there is a committee

amendment which is first to be acted upon. I will, therefore, withhold my amendment.

The PRESIDING OFFICER. The committee amendment will be stated.

The SECRETARY. In section 1, page 2, after line 2, it is proposed to insert:

The plans for such public building to be approved by the Commission of Fine Arts.

The PRESIDING OFFICER. The question is on the committee amendment.

Mr. KENYON. Mr. President, I desire to inquire of the chairman of the committee why the Commission of Fine Arts should have anything to do with this building at this time? I should think that in this war time, in view of all the expense to which the Government is put, if we needed any additional building, it ought to be something in a plain, substantial mode instead of a mere work of art. What has the Commission of Fine Arts to do with this building, anyway?

Mr. SWANSON. Mr. President, if the Senator from Ohio will permit me, I will state that this building is to be erected opposite the Treasury Department, west of Riggs Bank and east of the White House; and I do not suppose anybody who has any pride in Washington as the Capital of the Nation would desire a building erected there at any time which would not be in harmony with the architectural surroundings. A building on such a site ought to be ornamental to some extent, and so we have required its approval by the Fine Arts Commission, whose function it is to consider plans for public buildings and make them harmonize with their surroundings.

Mr. KENYON. It does seem to me that during these times the Treasury Department could get along, if necessary, with some plainer structure. It seems a little ridiculous, although my notions may be old fashioned, at a time like this, that we should in erecting buildings require that the plans be approved by the Commission of Fine Arts. Certainly facilities could be doubled up in the Treasury Department or a plainer building could be constructed, if necessary.

Mr. SWANSON. The department has already reported on that matter. If the Senator from Iowa will go to the Treasury Department he will find that the clerks there are out in the corridors. I am informed by the Health Department that that department is already crowded to a degree that violates the requirements of the rules of health.

I differ from the Senator as to the character of building that should be erected. I am not in favor of appropriating four or five hundred thousand dollars to construct temporary buildings. If we are going to construct a shack, we had better rent one. Unless we are going to spend our money on something which will be permanent, something the construction of which is really desirable, it will be a waste of money.

Mr. KENYON. How long will it take to construct this building?

Mr. SWANSON. The Secretary of the Treasury has stated that it could be constructed within a year.

If the Senator will allow me, I desire to say that I have no interest in this matter except a public interest. Every time the Appropriations Committee come in here and report an item for the payment of $1,000,000 rent for public buildings, as it will have to do during this war, there is criticism of the committee, and we are asked, "Why do you not bring in bills to construct buildings, so that the Government shall have no rent to pay in Washington?"

Mr. KENYON. I have no interest whatever in the matter. I am simply speaking for the great unrepresented portion of the American people.

Mr. SWANSON. The unrepresented portion of the American democracy are opposed to renting public buildings in Washington and enriching landlords. They are opposed to letting them erect private buildings on private land and letting the Government pay for the rent on that land, for the taxes on it, and for the buildings on it. We have here Government land upon which we can construct our own buildings more cheaply than we can rent from the landlords of Washington.

Mr. KENYON. The Government has buildings now which it is renting, one for a theater. It can certainly get the use of those buildings in this emergency.

Mr. SWANSON. The land was bought by a Republican Congress upon which to erect a Department of State and a Department of Justice. The appropriation for the land was made; $50,000 was appropriated for the plans; the plans were prepared, but the bill for the erection of the buildings never got through.

It is exceedingly difficult to secure the passage of a bill to put up public buildings in Washington, but it is easy to get through the Senate and the other House bills to erect handsome buildings in little towns all over this country. Such a proposition is scarcely opposed; but when we come here with a proposition to erect for the great Treasury Department—one of the great departments of this Nation—a building on the Government's own land, it is practically impossible to get the bill through the Senate. It is, I repeat, more easy to get bills through to erect a thousand or fifteen hundred little public buildings all over the country.

For one, as chairman of the committee, I have favored putting public buildings on Government land and not buying land for that purpose, and stopping the paying of high rents for buildings here in Washington.

Mr. PAGE. May I ask the Senator from Virginia one question?

Mr. KENYON. I have the floor, I think.

Mr. PAGE. Then, may I ask the Senator from Iowa does he understand that the proposition is to erect this building on land owned by the Government?

Mr. KENYON. The proposition is, as I understand, to construct it on land owned by the Government.

Mr. SWANSON. If the Senator will permit me, this land has been owned by the United States since 1882. In 1882 the Government paid $250,000 for this land to put on it a public building. The proposition got through very easily when there was some one who had land to sell. The Government has held this land, as I have said, since 1882; it was bought for the purpose of erecting a public building on it, and now it is worth $575,000. This is simply a proposition to stop paying rent and to erect a building on the Government's own land.

Mr. PAGE. Where is the land located?

Mr. SWANSON. It is located opposite the Treasury Department and south of the Belasco Theater. It is proposed to erect this building there as a part of the Treasury Department. It will afford 100,000 square feet of space and will be connected by a subway with the Treasury Department.

Mr. KENYON. Mr. President, I hope the Senator from Virginia will not get excited about this matter. He makes the same argument on every public-building proposition which comes along. Here is the Government owning many buildings, some of them used for theaters, some of them used for hotels, some of them used as headquarters by woman suffrage societies, that might just as well be used during the time of the war for the purposes on which the Senator is figuring.

Of course, I realize that, as the Senator from Nebraska [Mr. NORRIS] suggested, this is such a small amount it really ought not to be discussed here. When a bill was under consideration the other day we were told that $27,000,000 was such an infinitesimal sum that no one ought to say anything about it. Of course, this is a much less amount, but I insist that we can get along without the new public buildings of which the Senator speaks, which are spread all over the country. No public-building bill of the kind to which the Senator refers has passed the Senate for some little time, though such a bill did pass the other House providing for hundreds of public buildings. I think the chairman of the committee did not care to risk the bill on the floor of the Senate. That is the only thing I am suggesting. I do not do it in any controversial spirit.

Mr. SWANSON. I do not know what the Senator from Iowa means by saying I did not care to risk the bill on the floor of the Senate. I was opposed to a bill for erecting public buildings all over this country at this time.

Mr. KENYON. I am glad of that.

Mr. SWANSON. But I say that when the Government can save from $50,000 to $60,000 a year in rent and when the Government has bought and owns the land, it is very different from a public-building bill providing for the expenditure of $40,000,000 or $50,000,000 for the erection of public buildings one-third of which are not needed and if constructed will not be a saving to the Government.

I did not favor a public-building bill last year, and I do not favor one now, but the time has come when we have got to settle this problem in the city of Washington: Are we going to utilize the land the Government now owns? We have bought the land; we have paid for it; it is valuable. Shall we erect on it a public building such as is now contemplated or shall we abandon it and continue to rent? In our rentals we pay what? We pay for the land; we pay for the taxes on the land; we pay for insurance.

I am not one of those who believe that the Government, owning here a vast amount of real estate, can not afford to erect buildings on its own real estate and stop renting buildings from landlords here in Washington. For that reason, since I have been chairman of the committee I have contended that this is a most important question to settle in connection with the erection of public buildings. The great Treasury Depart-

ment, which was one of the first departments of the Government to be organized, occupies a building which has not been enlarged since it was erected, in the time of Andrew Jackson. Its employees are scattered all over Washington. New duties have been imposed on it. The Farm Loan Board, the Federal Reserve Board, and the War Risk Board have been placed under its jurisdiction, and when you go there you find the employees are clear out in the corridors. The Department of Health says they are now too crowded, and yet when I come here with a proposition to construct a building, despite the present high prices, for forty-odd cents a square foot, when at the same time, as I can prove, the Government is paying for the Munsey Building and other buildings a dollar a square foot, some Senators seem to think that the Government is not rich enough to provide its own buildings. I say the taxpayers of this country are tired of enriching landowners in Washington. This Government is not so bankrupt that it can not afford to provide suitable accommodations for the conduct of its own business.

Mr. KENYON. Mr. President, the taxpayers are tired of something, but I did not know it was the matter which the Senator has pointed out. The point I make, and which has not been answered, is this: The Senator from New York [Mr. CALDER] has shown that it will cost 100 per cent more to erect this building now than it will after the war, provided prices then become anywhere near normal. That being true, with all the expenses which are necessarily piling up, it is a good deal of a farce to have attached to this bill a provision that the plans must be approved by the Commission of Fine Arts.

Mr. SWANSON. While it may be true that the cost of construction has gone up, at the same time rents are going up. If this Government is required to rent buildings for the next four or five years at the high rentals it will be obliged to pay, in five or six years those rentals would amount to nearly enough to construct a building of its own. Rents are going up in Washington at a great rate. I have a letter saying that the rental of some of the buildings now used for the Government will be advanced to $1.50 a square foot. There is nothing involved in this bill except a desire to see to it that the business of the Government is provided for and that the Government stops paying rent to landlords by utilizing land which was bought and paid for 35 years ago. It seems to me, if the Government is ever going to follow sensible business lines in connection with its buildings, this is as sensible a suggestion as can be presented to it.

Mr. SMITH of Georgia. Mr. President, I am opposed to having the Fine Arts Commission interfere with the building proposed to be erected or with any of the public buildings erected in Washington. I am also utterly opposed to having private citizens erect buildings and rent them to the Government. I think those of us in charge of Government affairs ought to be ashamed of ourselves because of the rents the Government pays in this city.

Mr. BORAH. That is also true of individuals who come here.

Mr. SMITH of Georgia. Well, I do not agree with the Senator about that. They occupy an entirely different position, and rents for individuals are not especially high here. But the Government owns the land; it owns much more land than it needs for all the buildings it requires, and why should a private citizen put up a building for the Department of Justice, for instance, and rent it to the Government upon a basis that must necessarily pay him back in a few years what the building cost him?

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Nebraska?

Mr. SMITH of Georgia. I do.

Mr. NORRIS. I presume the Senator understands this is a war measure. I should like to ask him if he thinks this building will be completed before the war is over?

Mr. SMITH of Georgia. I am not discussing it as a war measure. I am using this opportunity to criticize what has been going on.

Mr. NORRIS. Then, let me ask the Senator, if he is not considering it as a war measure, does he not think that it is very inopportune to erect public buildings of this kind during the war, when construction costs more than in normal times and when the Government needs the money for other purposes?

Mr. SMITH of Georgia. Not necessarily so. I think that the Government rent roll in the District of Columbia is a reflection upon all of us and an example of lack of business capacity in handling the affairs of the Government.

I repeat, the Government has the land; it has had it for years. I am not discussing simply this bill, but I happened to enter the Chamber, and am taking advantage of an opportunity to say something I have been wanting to say for some time, not with reference to this bill especially but generally.

On Pennsylvania Avenue there are a half dozen new buildings erected for the Government by private citizens. That condition is a shame; it is a reflection upon our business capacity. We can erect buildings as cheaply as private citizens can; we have the land, and why should we not put up our own buildings?

Mr. KENYON. Mr. President——

Mr. SMITH of Georgia. Wait a moment. I think one reason is the Fine Arts Commission. I am opposed to their interfering with our buildings. One reason why the Government has not gone ahead and provided itself suitable accommodations is that there has been an idea that every time the Government erected a building it must erect a monument to art to be seen and admired for all time.

Mr. NORRIS. Mr. President——

Mr. SMITH of Georgia. One moment. Let me finish, please, and then I will yield the Senator the floor. I believe we ought, as business men, to adopt a sensible office-building plan to take care of the enlarging necessities of the Government, and whenever we need more space we should put up such a building, instead of having our rent roll expand, as it has since I have been in the Senate, from about $350,000 a year to nearly a million dollars, where I understand it now is. We ought to use the ground we own, and put up buildings costing, say, $500,000—neat, plain, simple office buildings, to meet the enlarging and increasing necessities of the various departments.

I will vote against the Fine Arts Commission having anything to do with this building; I will vote with the Senator from Iowa on that proposition; but I do believe that we ought to stop paying rent, and not allow private citizens to put up another building for the Government when we can erect buildings as cheaply as the individual and when we already have the ground.

Mr. NORRIS and Mr. CALDER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. SMITH of Georgia. I yield first to the Senator from Nebraska.

Mr. NORRIS. The Senator realizes, does he not, that this bill does not contemplate the construction of the kind of building he is advocating? The proposed building is to be ornamental in character, to correspond with the Treasury Department Building.

Mr. SMITH of Georgia. The Senator, of course, understood me to say that I was opposed to the Fine Arts Commission having anything to do with it?

Mr. NORRIS. Does the Senator think we would prevent the erection of that kind of building if the provision regarding the Fine Arts Commission were stricken out?

Mr. SMITH of Georgia. You have it entirely in your power to determine the character of the building.

Mr. NORRIS. I have not.

Mr. SMITH of Georgia. Well, I mean the Senate has.

Mr. NORRIS. The Secretary of the Treasury would have.

Mr. SMITH of Georgia. The Senate has.

Mr. NORRIS. Then the bill ought to be amended if the Senator's idea is to be carried out. I agree with the Senator in the main.

Mr. SMITH of Georgia. I stated to the Senator that I used this opportunity to say something that was in my system which I wanted to get rid of.

Mr. HARDING. Mr. President——

Mr. SMITH of Georgia. I yield to the Senator from Ohio.

Mr. HARDING. I desire to ask the Senator from Georgia how it is in the power of the Senate to pass upon plans for any public building?

Mr. SMITH of Georgia. The Senate can specify the character of building; it can require the plans to be approved by it; it can specify, very briefly, the nature of the building; it can prescribe a type to correspond with office buildings erected in the cities.

Mr. HARDING. If the Senator will allow me, as I understand, the function of Congress usually appertains to appropriations of the amount to be expended.

Mr. SMITH of Georgia. I have an idea that Congress has some additional authority, although I may be mistaken.

Mr. HARDING. Does the Senator think it practical for Congress to specify the plans for public buildings?

Mr. SMITH of Georgia. I do. It could specify an office-building type, acording to the ordinary standards of office buildings.

Mr. CALDER. Mr. President——

Mr. SMITH of Georgia. I yield to the Senator from New York.

Mr. CALDER. The Senator refers to the Fine Arts Commission. I am surprised that he should object to having the

Fine Arts Commission pass upon the character of the architecture, the beauty of the architecture. We have always discussed the city of Washington as a place of magnificent distances. Is it not a proper thing, is it not the best thing in the long run for this city, that there should be a Fine Arts Commission to pass upon every public building erected?

Mr. SMITH of Georgia. No. I will say to the Senator that I have been here for six years hearing that story, and what has happened? Additional buildings have been constructed by private citizens and the rentals paid by the Government have increased from about $350,000 a year to nearly a million dollars. That is what it has meant. It has been said, "Let us wait until we can erect a great, ornamental building of exquisite architecture"; but the building has not been erected by the Government, and in the meantime we have paid hundreds of thousands of dollars to the landlords from whom the Government rents, who continue to erect building after building for use by the Government.

Mr. CALDER. If the Senator will permit me, has not that been the policy of the present administration?

Mr. SMITH of Georgia. No.

Mr. CALDER. If I have been properly informed, the Department of Commerce, the Department of the Interior, the Department of Labor, the Interstate Commerce Commission, the Navy Annex, and the building of the Civil Service Commission have all been constructed and rented under the present administration.

Mr. SMITH of Georgia. I do not think the new building of the Department of the Interior is a rented building.

Mr. CALDER. I mentioned the new Interior Department Building, but perhaps I was wrong about that.

Mr. SWANSON. Mr. President, I desire to say that I introduced a bill to construct buildings for the Department of Justice and the Department of State on the land bought by the Government opposite the Willard Hotel, contiguous to the Treasury. These buildings would have relieved the State, War, and Navy Department of some of the congestion now in evidence there. The Government paid for the land upon which those buildings were to be erected, and they paid $50,000 for plans for the buildings, which plans were approved. I sought to have that bill passed, but it was defeated repeatedly. Consideration was refused it on the objection of the former Senator from Ohio, Mr. Burton, the former Senator from New York, Mr. Root, and others.

As chairman of the Committee on Public Buildings and Grounds, I desire to say that whenever a vote has been taken, it has been found that a majority of Senators on the other side of the Chamber have voted against constructing such buildings. I hope that will not be so in this case, but ever since I have been chairman of the committee there have been some Members on the Democratic side who were strong for public buildings in their local communities, and who frequently criticized me for not bringing before the Senate public-buildings bills, who united with a large number of the Republicans to defeat every proposition that has been brought forth to construct buildings on Government land for Government uses in Washington, instead of spending thousands of dollars in rent and filling the pockets of the landlords of this city. I hope Senators will stand by me on this matter.

Mr. SMITH of Georgia. Mr. President, I must leave in a moment. I only came up at the ringing of the bells to vote, not expecting to take any part in the debate, but I could not forbear to use the opportunity to express a criticism which I have been inwardly indulging about the silly, extravagant policy which we have pursued in regard to our public buildings. One of the troubles has been that whenever it has been proposed to put up a sane office building for the Government, we have been told that the judgment of the Fine Arts Commission or some other tribunal must be followed or that some peculiar and expensive system of architecture must be employed; and so, instead of constructing buildings for the Government, we have allowed private citizens to erect nice plain office buildings which are seen in the city just as much as if they belonged to the Government.

Mr. CALDER rose.

Mr. SMITH of Georgia. I am going to yield the floor entirely to the Senator from New York in a moment, for I must go to the Finance Committee, as I promised to return at once. I hope, however, Senators will get out of the idea that we must have a great monumental architectural structure every time we put up an office annex for the Government, and that we will adopt the sane policy of erecting practical office buildings upon ground owned by the Government, which will economically provide for the Government, and stop running up inexcusable rent accounts, which now amount to nearly $1,000,000, as I understand.

Mr. PAGE. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Vermont?

Mr. SMITH of Georgia. I will yield the floor to the Senator.

Mr. PAGE. I merely want to ask the Senator a question.

Mr. SMITH of Georgia. Very well.

Mr. PAGE. The Senator from Virginia [Mr. SWANSON] says that the land upon which it is proposed to erect this building is land which the Government has owned for 35 years, and I take it for granted that it is the site near the Belasco Theater. For one, I want to say that I think I am as much of an economist as is the Senator from Georgia, but I am totally and heartily opposed to erecting on that corner, directly opposite the Treasury Department Building and contiguous to the White House, in a locality where every building is an object of art, a cheap, ordinary, office-style of structure.

Mr. SMITH of Georgia. I answer, Mr. President, that the ordinary office building is not cheap and is not lacking in harmony. The ordinary office building beautifies the streets of New York and beautifies the streets of Boston. Near the Shoreham Hotel there are a number of handsome office buildings, and a building of such character erected on the corner now proposed to be utilized would not be inharmonious and would be amply satisfying, I think, to the eyes of all except the extremely fastidious, or those who wish to be their Government's landlords.

Mr. BRANDEGEE. Mr. President——

Mr. SMITH of Georgia. Does the Senator from Connecticut want the floor for himself or to ask me a question?

Mr. BRANDEGEE. I thought the Senator had concluded.

Mr. SMITH of Georgia. I am through.

Mr. BRANDEGEE. Mr. President, I am not a member of the committee that reported this bill, and perhaps am not so well qualified to speak about it as those who have heard the evidence, but I do carry in my mind the location where it is proposed to erect this building, and, from the dimensions given in the report of the committee, 136 feet on one street and 186 on the other, being at the corner of Madison Place and Pennsylvania Avenue, it would give 25,296 square feet of ground space. The report does not indicate how many stories high it is intended to carry the building, but it estimates that there would be available 100,000 square feet of office floor space. I presume that is after deducting hallways and the dimensions of the interior walls, and that the building would probably be three or four stories high, judging from the square feet of the ground area.

But, Mr. President, I am moved to say just a word in relation to this bill, because, having read the report, it is perfectly evident to me that the Treasury Department, whose duties are increasing by leaps and bounds, needs more space. The principal question which confronts us is whether we will divide up the additional force that they are all the time being compelled to acquire to meet the duties we are imposing upon them and scatter them about in old private dwellings and private buildings throughout the city, or whether we will utilize land that the Government has now held since 1882, a period of some 35 years, and erect a building designed for the purposes and uses of the Treasury Department, the operating cost of which will be forever much less than would be the cost if they are compelled to hire a half dozen different buildings and split their force up; and, if so, whether we can make sure that it shall be built to comport with the surroundings.

I would heartily agree with the statement of the Senator from Georgia [Mr. SMITH] that if a building were to be erected in some other part of the city, in a neighborhood where the buildings are of simple factory or office construction, it would be an unwise expenditure of money to make it subject to the jurisdiction of the Commission of Fine Arts. But I entirely agree with what the Senator from Vermont said. It is universally admitted that the old Treasury Building in the city of Washington is the finest example of pure Grecian art that there is in the country. Where the Government is the proprietor, to put right across the street from that beautiful building, with its monolith granite columns, which will stand there forever, a building merely calculated to protect a certain number of employees from the weather, a mere brick building, or a building with no artistic finish at all, it seems to me among educated men—and we all pretend to be men of some artistic appreciation—would be a public calamity.

In the first place, the services of the Commission of Fine Arts are free to the Government, as I understand. The interior arrangement being the same, it seems to me beyond question that the additional cost of having a decent exterior, approved by men who have the confidence of everybody, to whose judgment anybody would submit if they were to erect a beautiful country seat for themselves or any building where art and beauty were to have any attention at all paid to them, would be

a mighty small percentage of the cost of the building. It would be merely a few columns, a few ideas of design.

To have anything placed at that corner, which we all know so well, next to the Belasco Theater, and about which we have all inquired, when we came to Washington, why such a beautiful location continued to remain vacant—to have anything put there about which every stranger who came to town would say, "How in the world does it happen that in the National Capital, where we are attempting by a slight additional expenditure of public funds to set a standard for the whole Nation for art and beauty, to make this the model city beautiful, a structure has been erected there that stands out like a sore thumb, incompatible with all its surroundings?" and to have to answer, "Well, Congress thought that the Fine Arts Commission were a set of faddists, or that the Government buildings ought to be built upon the factory plan and severely plain, and it would cost a little more to build it so that it would be a thing of beauty instead of a thing of monstrosity," would be a humiliation for any of us.

I believe, as it lies in my mind, that there is a well-built building immediately adjoining this proposed site on the east. Then comes the Riggs Bank, which itself has a beautiful front, and then the American Security & Trust Co. Building—all buildings of artistic merit, with fine granite columns, and all buildings, I have no doubt, designed with some respect and some attention to the old Treasury Building. Right in the neighborhood, too, there is a magnificent new hotel going up. I believe it is called the Hotel Washington.

If we are going to have this building at all on that site, there can not be any question that it ought to be subjected to some artistic supervision; and while the Senator from Georgia suggests that we can prescribe what sort of artistic effect would be most acceptable in that place, that is an impossible suggestion. While I have a certain degree of artistic perception myself and admire things of beauty, I am not a creator of them; and when the Senators think it over calmly I doubt if they would be willing to submit such a proposition to anybody in the Senate. We are not specialists in that line. We can all admire a beautiful oil painting, but very few of us could reproduce it or suggest the lines upon which it should be created.

For that reason, Mr. President, I hope very much that if the bill is to pass, this provision subjecting it to the approval of the Commission of Fine Arts will remain in the bill. Although we are spending a great deal of money on war measures and it is not pleasurable to have to spend another million dollars or a million and a quarter just at this time for this building, we must realize that it is not a question of spending the amount or saving it.

The question is, Shall we spend it in a way in which it will be of permanent and enduring use to the Government, or shall we spend it in such a way that after a few years we will have to lose a great deal of the amount that we have appropriated?

The report of the committee states that the increased number of employees necessitated in the Department of the Treasury by the additional duties that we have imposed upon them, and are continuing to impose, is 300 additional employees in connection with the liberty bond issue alone, and 300 more on some other duties we have imposed upon them, and more on the next issue of liberty bonds. The Secretary states that this has been somewhat necessitated by the great duties cast upon the department growing out of the great war we are entering upon. He also states, or the committee states, and I assume from evidence before the committee that these increased officials and clerks in the department will not all vanish when the war closes; that many of these duties will have to be kept up. They also state the amount of money they are paying now to private parties for disassociated locations, when the whole business of the department would be much better conducted if they were coordinated and more closely held together.

For those reasons, Mr. President, I feel that I shall support this bill, and I hope the provision in regard to the Fine Arts Commission will be left in it.

Mr. WADSWORTH. Mr. President, I have not thus far been convinced that I ought to give my support to this appropriation of a million and a quarter dollars for the erection of this building during this war, while we are so badly in need of funds; but I very much hope that if the bill is to pass it will contain this amendment, which provides that the plans for the building shall be submitted to the Fine Arts Commission. I feel as strongly as the Senator from Connecticut does about that question.

Mr. President, it is an unfortunate thing that many, many years ago the buildings which were constructed in Washington were not all submitted to a fine arts commission. If we will just go about this town and look at some of the Government buildings that were put up at unfortunate periods in the development of architecture, without any relation to the buildings in their neighborhood, I am sure we will all regret that some standardization of architectural design was not enforced at an earlier period. One has only to remember the Post Office Building, that gray monstrosity that sits down upon Pennsylvania Avenue, and will be there, presumably, for two or three hundred years to come, a sight that can never be avoided by any American citizen visiting the National Capital and seeking to stroll down or up Pennsylvania Avenue. We can think of the Pension Office Building, this red tomb over here that desecrates a park, with no more artistic beauty to it and no more right to exist in a National Capital in that particular place than a great factory building with a tall chimney arising from it; and we can think of other buildings of the same type that unfortunately sprang up and became stationary, as it were, within the limits of the National Capital.

For one, Mr. President, I have been somewhat dismayed at the tendency in recent years to house the departments of the Government in so-called office buildings. I know they are cheaper. I know perhaps the elevators in them run faster. I know that perhaps you can get more clerks in the same cubic space than you can get in a so-called monumental building. I am somewhat dismayed at the suggestion made upon the floor this afternoon that an office building, such as we have in the city of New York by the hundreds, is an object of beauty, or that the office buildings in the city of Boston are objects of beauty. I can not agree with that contention. They turn our streets into canyons. In the case of an office building there is nothing that suggests the fact that a great Government is occupying it. There is nothing monumental in their character. I hope, if this bill is to pass, that any and every building erected under its terms, or under any other bill that is brought in here for the erection of a Government building in Washington, at least, before it is put up shall be submitted, so far as its plans and its architectural design are concerned, to a fine arts commission of some kind that shall pass upon it, and prevent this Capital City of the United States being desecrated by buildings which have no place here, and which, were they to be placed anywhere else, would be taken merely as common, commercial office buildings that were to be put up for ordinary purposes.

I do not think the National Capital should be characterized by such buildings, built by the Government upon its own ground. I think the Government should put up the handsomest buildings that the ground can contain. I for one am willing to spend a hundred thousand or two hundred thousand dollars more for a building and be satisfied that the people of the United States, when they come here to visit this city, will regard it as a thing of beauty.

Mr. WEEKS. Mr. President, this is an interesting and an important subject.

I quite agree with what I have heard said this afternoon with relation to the construction of buildings for occupancy by the Government in the District of Columbia, and I hope that a systematic plan will be followed to carry out the provisions of the original plan to develop the city of Washington. While it might be practicable to have an ordinary office building for certain purposes, it does seem to me that, generally speaking, we can afford to erect in Washington buildings of great architectural merit, and I am glad the Senator from Virginia has inserted in this proposition a reference to the Fine Arts Commission. Indeed, that is one of the best things in the bill. We ought to have a systematic plan of character of the buildings to be erected, and only by reference to a competent commission can that be brought about.

I think we have been lax in Congress. I am not sure but that it is up to the majority, during the last three or four or five years, if we have not carried out the plans which have been perfected for the improvement of the location between Pennsylvania Avenue and Fourteenth and Fifteenth Streets. The Government owns a large area there, covered by buildings of no importance, and it is the natural place for the beginning of the systematic development of that area south of Pennsylvania Avenue. I wish that years ago we had adopted plans which were approved by a very competent commission of architects, and had erected there buildings which would be useful at this time or useful at any other time.

I think the Government, as a matter of economy, should, generally speaking, erect its own buildings and manage them in the District of Columbia. I think it would be cheaper than to have buildings erected, as they have been during the last three or four years, by individuals, on a basis which means, of course, considerable profit to them, and which would necessarily mean that the Government could do it on a more economical basis. That is to say, the rates of interest would be very much less.

Personally I do not approve of developing this particular site, and if I had the entire power in the matter I would sell the lot on which it is proposed to erect this building. The Senator from Virginia said it could be sold for perhaps $600,000, or that, perhaps, was its value, which is practically three times what it originally cost.

Mr. SWANSON. Mr. President, if the Senator will permit me, it can not be sold at any price with the conditions that were imposed as to the character of the building that should be put there. The prospective purchasers have refused to consider any sale that will not permit them to put up an immense office building, or something of that kind. I do not think the Government could consent to have an ordinary, common building put up there even by a private individual. As the Senator says, some architects say that the Treasury Department is the finest building we have here; and we have either got to use this site or let it remain vacant. We can not sell it for anything, unless we allow private individuals to put up any kind of a building there.

Mr. WEEKS. I agree that if a building is to be erected there it should be of suitable character for that neighborhood. It is in about the most conspicuous part of Washington, and, in my judgment, it would be a great mistake to erect an unsightly building on that particular location; and yet I would greatly prefer to expend the money on the site south of Pennsylvania Avenue between Fourteenth and Fifteenth Streets.

Mr. SWANSON. If the Senator will permit me, that site was bought for a building for the State Department and the Department of Justice. The money was paid for it for that purpose.

Mr. WEEKS. And the Department of Commerce.

Mr. WARREN. And it was intended, at least, to take in the Geological Survey.

Mr. SWANSON. Yes; but suitable plans were prepared and the Government paid the money for them. It paid $50,000 for the plans to the architect who prepared the most beautiful plans. The money was paid and the plans were adopted. I introduced a bill, and the committee unanimously reported it, to erect the building. If we had it now the Army and Navy Departments would not have to be paying a whole lot of rent that they pay now. The State Department could have moved out, and we would have avoided paying these excessively high rents that we are paying now for the Army and Navy. But I could not get the bill considered. It is nearly impossible to get these bills considered unless you load them down with a general public-building bill for every little village in the country.

I agree with the Senator; but, you see, the Treasury Department needs 100,000 square feet of floor space. It is now renting 67,000 square feet. This will give the 100,000 square feet. The Treasury Department has asked for 37,000 square feet more space. It is already renting 67,000, which makes a total of 105,000. If this building is erected the Treasury Department will not need to rent any space at all. This is the only place where the Treasury Department could be enlarged. The purpose is to have an underground passage. Then it will be a part of the Treasury Department as much as if it were immediately adjoining it. This is the only place I know of where the Treasury Department could be enlarged.

I have seen the plan of the building. It seems to me to be in accord with the Treasury Department and also with the Riggs Bank Building. I agree with the Senator that a building ought not to be put up there that is not in accord with the White House architecture, the Treasury Department, and the Riggs Bank Building, and for that reason I thought that amendment ought to be put on.

Mr. WEEKS. There is one other point to which I want to call attention. I have not any idea that this building can be completed within a year, or that it will be completed within a year; and necessarily it will cost from 25 to 50 per cent more than it would in ordinary times. If it were possible to have this building erected next week or next month, there might be some excuse, I think, for the very large increase in the cost of its erection; but as it is not possible to do that, in my judgment, within 18 months, when in all probability—at least, we hope so—the war will be over, and conditions will have returned to normal, it does not seem to me entirely wise to undertake the erection of the building at this time. But I hope the Senator from Virginia will pursue the course to which he now seems to be pointing, to have erected in the city of Washington suitable buildings, suitable in number and size, to supply the governmental needs. I am confident it will be economy, and that it will add greatly to the character of the city.

Mr. NELSON. Mr. President, I want to say only a few words.

I am somewhat familiar with this proposed site. We had a pretty fair four-story brick building there, which some years ago was occupied by the Department of Justice. It was our own building. All at once the report was given out that that building was unsafe and insanitary, and it was torn down. It was a pretty good building, a four-story building. I had occasion to go there several times to consult the Department of Justice. They finally succeeded in tearing down the building, and then they went and rented a residence north of one of the parks in the city for the Department of Justice, that they have occupied ever since. I always thought that it was a great waste to pull down a building that the department could as well have occupied, simply for the purpose of moving them into a private residence.

In respect to this matter of architectural design, I entirely concur with the Senators from Connecticut and Massachusetts. There are only three or four public buildings in this city that have any pretensions to real architecture. The White House is one of them. The Treasury Department is another. The old Interior Department, or what they call the Patent Office, is the best of all, and the building across from there. The Patent Office has the most beautiful Grecian Doric columns that I have ever seen anywhere, and the Treasury Department comes next with its other columns, which I believe belong to the Ionic style, and also the old Post Office Building, now occupied by a part of the War Department

It seems to me that this building, if the Treasury Department needs it, ought to be erected on this very site, for one or two reasons.

In the first place, it is so near the Treasury Department, and an underground passage can be easily made to communicate with the old building, so as to make them practically one. We have had some experience here with what a great help it is to have the underground passage between the Capitol and the Senate Office Building. The distance from the north end of the Treasury Department across Pennsylvania Avenue to this site is very short, and a good underground passageway would make it very convenient.

When you come to the matter of architecture, a building erected there ought to be erected in harmony with the Treasury Department and the White House. I do not know how other Senators feel about it, but a few years ago I made a trip to Europe, I saw some of the palaces there, and I came back here with a higher admiration for the White House than I had ever had before. The White House is of the most chaste and most perfect style of architecture, and I hope it will not be destroyed or injured or tampered with in any way.

This building to be erected here, being so near the White House and so near the Treasury Building—the two buildings that come nearest to the Grecian school of architecture and to perfection in that line—ought to be in harmony with those buildings. To put up an ordinary office building, like some of these office buildings, would mar the appearance both of the Treasury Building and of the White House.

I have never been enamored with the site that we were forced to purchase some years ago south of the Avenue. It is rather low ground. It is not quite so low as that monstrosity of the Post Office Department, but it is low ground. It sags down south and southeast from the corner of the Treasury Department. Now, there may be room for a State Department building there. I have always felt that the Department of Justice, with the law library and the Supreme Court, ought to be in one building, and that that building ought to be right here opposite the Congressional Library. We want the law library here near us. The Supreme Court have small quarters. If you go into the law library, you will see how confined they are. To my mind, the proper way would be to house the Supreme Court, our law library, and the Department of Justice under one roof; and I think the appropriate place, instead of going into that swampy hollow southeast of the Treasury Department, would be up here on Capitol Hill.

They talk about beautifying the city! That would complete the beautification of this square here. We have on the southeast the House Office Building and on the northeast we have the Senate Office Building and out in this direction we have the Congressional Library. If we should fill this other space, we would have the Capitol surrounded on three sides with suitable and proper buildings.

The Congressional Library is a building that is not only useful but is a work of art in itself. No one can criticize that. So I trust that if the new Treasury Building is to be built it will be built just where the Senator from Virginia proposes that it shall be built; but I further trust that when it comes to the erection of a Department of Justice building that building, including the law library and quarters for the Supreme Court, will be built up here near the two Houses of Congress, opposite the Congressional Library. It has no business down in that swamp hole there, that rough, harum-scarum part of the city.

One thing that has discouraged me a good deal has been to see, in the city here, how when people had a lot of property that was not exactly in good order and was not paying good rent, but was a sort of a dead and worthless property, they would manage to unload it on the Government. Now, look at all this space, a lot of it, between here and the depot. A lot of good buildings were torn down—for what? To make a park between here and the Union Depot. They might have had a limited park, but they extended it in front of the Southern Railway office, and extended it down in this direction. Before long there will be another drive made on Congress to take a couple of more squares down here "to round it out," as they call it, and make it perfect.

We had in this Chamber a Senator from the West who had a grand scheme, and that was to have all the Government buildings built in a row on the south side of Pennsylvania Avenue; to have them erected there like a line of Lombardy poplars in that swampy ground where the Tiber, in olden times, before it was covered with pavement, discharged its waters into the Potomac. The remnant of that project was the acquisition—and, thank God, it was limited to that—of those three or four squares next to the Treasury Department. There is a hotel there, there is a theater, and God knows what else there is in that locality; but we acquired that years ago, and perhaps we ought to utilize it for some of the departments; perhaps for the Department of Commerce, who are in that artistic building—no; not artistic, but that building which approximates to a skyscraper down on Pennsylvania Avenue. Perhaps suitable quarters could be found for them there.

Yesterday I called at the Department of Justice, and, much to my astonishment, I found they had vacated the residence that they occupied after they had torn down the brick building on the site next to the Riggs Bank. I found that they had gone into new quarters, and I ventured to state what happened in the case of the Census Office Building and had happened in that great building here on G street once occupied by the Post Office Department. When they succeed in getting the Government to enter into a contract to put up a building and rent it they generally get enough out of it to pay for the cost of the building in one or two years, and then they have the stuff left on their hands, and they always manage to load it on the Government.

As I go down here on the cars on the line that runs in front of Judiciary Square, as they call it, there is a building that is a sort of a stray building. It used to be occupied by the District government. Then I believe they managed to get it used as a sort of bureau or place for medical supplies, and I believe they have got some other department housed there now; at least there is a Government sign in front of it. What rent they pay I do not know.

Senators talk about beautifying the city. I am heartily in favor of it, but, Mr. President, I think we have allowed the real estate men in Washington to work the Government beyond all rime and reason. I hope my good friend from Virginia, now that he has stepped into the breach, will put a stop to this acquisition of dead and down property for the sake of relieving the owners, and stick to good high ground.

Let me call your attention to another matter. What use was there in putting the District Building down in that swampy country? It was nothing but a swamp, as you will see by looking at an old map of Washington. It ought to have been built upon Judiciary Square, where there is high, good ground. But the street car company had an old abandoned power house there. It had been burned and destroyed and the ground was saddled on the Government. The District Building was built there at great expense, for it takes a good deal of money to get a foundation in a swampy piece of land like that.

Take the building where the Post Office Department is. It puts me in mind of one of those old feudal castles that were built for an army of retainers and built as a matter of defense. It was built down there in the swamp. It must have taken a mint of money to obtain a proper foundation. I was told it was built there because two of the leading newspapers of the city fronted on that street and were very anxious to have that feudal castle built right in front of them. They got what they wanted, but the Government, in my opinion, was left in the lurch. If we could dispose of that building for some other purpose and get the Post Office Department on high and dry ground, it would be a great benefit to the people.

Mr. President, perhaps I have straggled and wandered on this question. In the matter of architecture and the work of the Fine Arts Commission you may think it strange that a rural chap like me, a farmer, should have any such notions; but I entirely agree with the views of the Senator from Connecticut, the Senator from Virginia, and the Senator from Massachusetts that whatever buildings we construct hereafter ought to be buildings of architectural beauty and not mere skyscrapers, and above all that it is important when we erect structures near the old Treasury Department and near the White House that those structures should be in harmony with those two best specimens of our architecture.

Mr. NORRIS. Mr. President, so that there may be no danger of my attitude being misunderstood, I want to say that I am in favor of the committee amendment. I agree to a great extent with what has been said by the Senator from Connecticut and other Senators in regard to the erection of a building at this particular place. I would not be opposed under ordinary conditions to the appropriation of money for the erection of the kind of a building that is proposed at that place. I think it would be a mistake in this particular locality where it is proposed to erect this building that we should erect a skyscraper. Of course, it ought to correspond with the Treasury Building. My opposition comes not from that but from the fact that at this particular time we ought not to be erecting buildings of that kind. It is conceded that it is to be ornamental. It is conceded that it will not be higher than the Treasury Building. It will not be an office building. As far as financial economy is concerned, it would not meet that kind of a specification, even in time of peace, when we were not so hard pushed for funds. But now we are called upon to appropriate money for the necessities of this war that stagger the imagination. Every citizen, every man, woman, and child, has been importuned from the White House, by every public official, by every newspaper, to economize in every direction. We are asked to eat less. We are asked even to wear our clothes longer. We are asked to eat certain kinds of food as a matter of economy. I have not criticized any propaganda of that kind. It has my entire approval and sympathy. I am trying to carry out in my weak way in my individual capacity those theories. I think as a patriotic duty we owe it to our country, to the men who have to foot the bills, and we owe it out of respect to the men who are going to give up their lives for our cause that we economize in every possible direction.

We are confronted now in the midst of that condition with a proposition from the committee to construct a monumental building for whom? For the Treasury Department, presided over by the son-in-law of the President. From all these men has gone forth the proclamation to everybody, economize, save, do not be extravagant, cut down what you eat, even to what you wear, make last year's machine do for this year's, if you are a farmer, and wear last year's suit and last year's shoes. But the Secretary of the Treasury, with his department right next to the White House itself, will utilize a million and a quarter of this money that we are getting from the hard-worked taxpayers of our country to build a monument of beauty in order that his working force may work in marble halls and at mahogany desks.

Mr. President, that is all wrong, in my judgment. The moral effect of it is wrong. The Secretary of the Treasury is the last man in the United States who ought to ask this. No one man, unless it is the President himself, ought to be more careful about economy now than he, and if he does ask it we ought to decline to comply with his request. It is not right; it is not fair.

If we construct a building at this place, as I said, it ought to correspond, and it will, with the Treasury Building. I am not finding fault with that. Although I have no expert knowledge, I concede, for the sake of the argument, at least, that the experts are right. They say that the Treasury Building is a beautiful specimen of art. I have noticed that beauty in architecture in recent years runs to low buildings, and I can not help but think that that means more buildings. That is more work for the architect. Low buildings will not house as many working people as tall buildings, and hence it just happens—I presume it is a coincidence—that the artistic eye of the architect demands low buildings and more buildings and more work for the architect.

The style of architecture, I think to some extent, is like women's dresses. It changes from year to year.

Senators have taken occasion to make fun of the old Post Office Building, now used by the Post Office Department, down on Pennsylvania Avenue. They call it a monstrosity. It is built out of granite; it is fireproof; it has one of the most beautiful courts in the center I have ever seen and the largest American flag that ever was made. All the workers there are safe from destruction from wind or storm or fire if they are inside of that building. It has not a crack in it from the top of the fifth floor to the bottom of the basement below. It was considered a beauty several years ago. Now it is a monstrosity. If you would take off of it three stories and leave it two stories high, I have no doubt it would be an architectural beauty. It

is constructed of the same material as the two wings of the Treasury Department and is better constructed than the main part of the Treasury Building, which is not strictly fireproof. It was constructed out of sandstone, and only a few years ago we paid $250,000 to put an outside granite facing on the Treasury Building. The immense structure that is on top of the building, that appears to be a stone fence around the top of it, it was discovered then was nothing but wood.

And yet that is a building that is perfect! We have to run under the street and take part of the next block to get enough room for the Treasury officials to work, when if that building was as high as this monstrosity down on Pennsylvania Avenue it would accommodate twice the number of people that this new building that you contemplate would accommodate.

Mr. President, it would not do for me to say that I thought the old Post Office Building was a nice-looking building, but I happened to have in charge a few weeks ago a party of gentlemen and ladies from the great city of New York. If they had been from my State, you probably would not pay much attention to their opinion on art, but they were from New York, from the very place where the Senator from New York [Mr. WADSWORTH] lives, who expresses the opinion that this building is a monstrosity. They were unable to find the New York Senators. I found them accidentally and showed them around the Capitol and took them out on the west side and pointed out the public buildings. I pointed out the different buildings that I thought they ought to see. The next day, after they had been around, they called on me. It is just a coincidence; I remember very distinctly that they commented particularly on this old monstrosity. I had asked them to go up in that building and look over that beautiful court where the mail of the Capital City used to be distributed and handled before we built a two-story building for the post office in the city of Washington, and one that met the views of architects and artists. It is peculiar that these New Yorkers thought that the most beautiful building that they had been inside of. It was a remarkable building, they thought. I have heard the expression of hundreds of people to the effect that the old Post Office Building is a beauty. When those visitors from New York had examined it they thought it was not only beautiful but it was remarkably useful, well constructed, without a flaw and without an error.

I agree—although when I say that I agree I have to confess I am not artistic—I agree with the Senator from Georgia when he says that we might construct buildings like office buildings for some of the employees of the Government with economy and without injury to the Government or to the employees. I conceive that we ought not to do it at this particular time; but one of the finest working buildings that the Government owns is the new Interior Department Building.

That is something like an office building, and they house three times as many people there without any inconvenience as they do in some of these large structures that are exhibitions of beauty and art, where in order to do any business you have to wander around one corridor and another until you are almost lost in a maze of architectural beauty. That does not help out any in the real work. I believe if we had more buildings like that one, more buildings, for instance, like the Southern Building, the office building down here, properly located, we would save money for the Government and at the same time we would not mar the sensibilities of any citizen anywhere who came to the Capital to see the sights. So I agree with the Senator from Georgia along that line. But I do not believe the Senator from Georgia would want to construct that kind of a building at this particular place.

Mr. President, we have a proposition before us now that is not practicable. As the Senator from Minnesota [Mr. NELSON] said, we own the building near the corner of the Treasury Building and we own three blocks of buildings there. One of them at least is five or six stories high. We could cut the hotel building into office rooms. As he says, they have all kinds of structures there. He said God only knows what they are; God might not know just exactly all that the Government does own in that vicinity or what is located there. We ought to occupy the buildings now during this war and save rent. The expenditure of this million and a quarter dollars to erect this building will not help the war conditions one iota. It is labeled a war measure, but it has not anything more to do with the war proposition than the flowers that bloomed last spring. The war will be over before this building is constructed. The Senator from Virginia says that the Secretary of the Treasury thinks he can build it in a year. It is well that he said the Secretary thought he could do it. I give it as my judgment they will not have the first shovelful of dirt turned in a year if we pass this bill to-day.

Everybody who has seen the Government construct buildings knows that it does not do it in that way. It will be two or three years before this building will be ready to be occupied. If we want to be patriotic and economical, it seems to me we could just as well occupy such buildings as we now own, or rent quarters for Treasury officials for the time being, if necessary—and I concede that it is necessary. The passing of this bill, however, will not relieve that situation. We shall have to rent just as many buildings and to have just as much space as though we did not pass the bill, for the emergency of the war will have passed, as everybody really knows, before this building will be constructed.

We ought to be able to do and we shall have to do a great many things in the way of economy, governmental and otherwise, before this war is over. Now, when we are hunting means of raising money, instead of passing appropriations like this carrying a million and a quarter dollars to construct a building which will not be erected until the war is over and which, if it could be erected to-morrow, would still be extravagant, so far as any war conditions are concerned, we ought to be willing to put some of the clerks in the corridors, if necessary. If the clerks are patriotic, they will not object to that. While we are asking the women of the country to save food, while we are asking the people of the country to eat corn bread, while we are asking the children of the country to wear last year's shoes, it is not too much to ask, in the same patriotic spirit, some of the clerks and some of the officials—the Secretary of the Treasury himself, if necessary—to have offices in the corridor. The corridor is better than the offices they had before they came here. Mr. President, let them work on ordinary tables, if necessary. Let us be economical in the affairs of Government, the same as we ask the people to be economical. Let them use beer kegs for tables, if it is necessary [laughter]—empty beer kegs, I mean. There will be lots of empty beer kegs when the prohibition law goes into effect.

We must economize in every way; we can not ask the people of the country to economize unless the men who are at the head of the Government will agree also to economize. If the appeal of the President to the people to be economical is effective, as I hope it may be, and if the appeal of the food director, Mr. Hoover, to the people to prevent waste and to economize has the proper effect, as I hope it will have, then the President and his son-in-law, the Secretary of the Treasury, and Mr. Hoover, and all the others ought to practice officially what they preach that the citizens of the country should do privately.

Therefore, Mr. President, this bill ought to be defeated. I am not opposed to this amendment—I am in favor of this particular amendment—but the bill itself ought to be defeated. We ought to construct specimens of architecture and beauty when we have money that comes without the great effort that is going to be made by our people in order to make the necessary contributions to keep this Government on its feet and to carry the war to a successful issue.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is still before the Senate, as in Committee of the Whole, and open to amendment.

Mr. KENYON. Mr. President, I desire to say to the Senator from Virginia that I have no particular desire to delay the bill. I realize that it is an appropriation bill, and probably can not be defeated; but I should like to ask for a yea-and-nay vote on the bill, and I suppose it is impossible to get that at this time.

Mr. SWANSON. We can have a yea-and-nay vote, and if a quorum is not developed we can adjourn.

Mr. NORRIS. I want to say to the Senator that I have no intention of delaying the bill. I am willing to vote now, so far as I am concerned, but we must have a roll call.

Mr. SWANSON. The Senator can ask for the yeas and nays.

Mr. NORRIS. Very well.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading and read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. NORRIS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). In the absence of my pair, the Senator from Pennsylvania [Mr. KNOX], I transfer that pair to the Senator from Arizona [Mr. SMITH] and vote "yea."

Mr. FLETCHER (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. GALLINGER], which I transfer to the Senator from New Jersey [Mr. HUGHES] and vote "yea."

Mr. JONES of Washington (when his name was called). The junior Senator from Utah [Mr. KING] is necessarily absent. I am paired with him for the afternoon, and therefore withhold my vote.

The PRESIDING OFFICER (when Mr. ROBINSON's name was called). I am paired with the Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the Senator from Louisiana [Mr. BROUSSARD] and vote "yea."

Mr. SAULSBURY (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the Senator from Arizona [Mr. ASHURST], and vote "yea."

Mr. WEEKS (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. JAMES], which I transfer to the Senator from Maryland [Mr. FRANCE] and vote "nay."

The roll call was concluded.

Mr. HARDING (after having voted in the negative). I notice that the junior Senator from Alabama [Mr. UNDERWOOD], with whom I have a pair, has not voted. I transfer that pair to the Senator from Vermont [Mr. PAGE] and allow my vote to stand.

Mr. STERLING (after having voted in the negative). I have a general pair with the Senator from South Carolina [Mr. SMITH]. I transfer that pair to the Senator from Maine [Mr. HALE] and allow my vote to stand.

Mr. VARDAMAN (after having voted in the negative). I desire to inquire if the Senator from Idaho [Mr. BRADY] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. VARDAMAN. I have a general pair with that Senator and therefore withdraw my vote.

Mr. PENROSE (after having voted in the negative). I observe that the senior Senator from Mississippi [Mr. WILLIAMS], with whom I have a general pair, has not voted. I transfer my pair with that Senator to the junior Senator from Illinois [Mr. SHERMAN] and let my vote stand.

Mr. SIMMONS. I have a pair with the junior Senator from Minnesota [Mr. KELLOGG]. I transfer that pair to the Senator from New Hampshire [Mr. HOLLIS] and vote "yea."

Mr. SUTHERLAND (after having voted in the negative). I have a pair with the junior Senator from Kentucky [Mr. BECKHAM], who is not present. I transfer my pair with that Senator to the junior Senator from Oregon [Mr. MCNARY] and allow my vote to stand.

The result was announced—yeas 21, nays 14, as follows:

YEAS—21.

Brandegee	McKellar	Robinson	Swanson
Chamberlain	Martin	Saulsbury	Thompson
Fletcher	Newlands	Shafroth	Warren
Gerry	Owen	Sheppard	
Husting	Poindexter	Simmons	
Kendrick	Ransdell	Smith, Ga.	

NAYS—14.

Borah	Kenyon	Norris	Wadsworth
Calder	La Follette	Penrose	Weeks
Harding	Lodge	Sterling	
Johnson, Cal.	New	Sutherland	

NOT VOTING—61.

Ashurst	Gore	McCumber	Smith, S. C.
Bankhead	Gronna	McLean	Smoot
Beckham	Hale	McNary	Stone
Brady	Hardwick	Myers	Thomas
Bronssard	Hitchcock	Nelson	Tillman
Colt	Hollis	Overman	Townsend
Culberson	Hughes	Page	Trammell
Cummins	James	Phelan	Underwood
Curtis	Johnson, S. Dak.	Pittman	Vardaman
Dillingham	Jones, N. Mex.	Pomerene	Walsh
Fall	Jones, Wash.	Reed	Watson
Fernald	Kellogg	Sherman	Williams
France	King	Shields	Wolcott
Frelinghuysen	Kirby	Smith, Ariz.	
Gallinger	Knox	Smith, Md.	
Goff	Lewis	Smith, Mich.	

The PRESIDING OFFICER. On this question a quorum has not voted.

Mr. SWANSON. I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 35 minutes p. m.) the Senate adjourned, under the order previously made, until Saturday, August 4, 1917, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

THURSDAY, *August 2, 1917.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father who art in heaven, source of every high and noble impulse, quicken our minds and hearts by Thy holy influence, that we may go forward with the new day to greater conquests and victories for ourselves and for our Republic; that the world may be a little better that we have lived and wrought; and Thine be the praise, through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

RIVER AND HARBOR APPROPRIATIONS.

Mr. SMALL presented a conference report and statement of the House conferees on the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors and for other purposes, which were ordered to be printed under the rule.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. Res. 17. Joint resolution proposing an amendment to the Constitution of the United States.

CONSERVATION OF FOOD AND FUEL.

Mr. LEVER. Mr. Speaker, I ask unanimous consent that I may address the House for a moment.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. LEVER. Mr. Speaker, it has been impossible for the clerks of the committee to get the conference report on the food-control bill ready for presentation at this moment. There is a full agreement of the conferees. I am satisfied that we can be ready to present the report and statement in the course of an hour. We have had a good deal of difficulty in finding members of the conference committee, in order to get their signatures to the report and statement. They are scattered over the city, engaged in departmental and other official business, and this has delayed the matter to some extent. In order to save the House from recessing, I ask unanimous consent that I may file this report and statement during the day, and that they be printed in the RECORD in the usual way; and I give notice that I will call up the report for consideration to-morrow.

The SPEAKER. The gentleman from North Carolina [Mr. LEVER] asks unanimous consent that he may have the privilege of handing to the proper clerk the conference report and statement on the food-control bill this afternoon, and that it be printed in the CONGRESSIONAL RECORD, and that he call it up to-morrow morning. Is there objection?

Mr. MOORE of Pennsylvania. Reserving the right to object, I should like to ask the gentleman if he has any information as to how much discussion there will be upon this report when it comes up in the regular way to-morrow?

Mr. LEVER. I should think that there would not be any very great demand for any long discussion. My own thought would be to use the usual hour, and to move the previous question at the end of that time.

Mr. MOORE of Pennsylvania. There is a very urgent desire——

Mr. LEVER. Of course I would not do that if there is any general demand for more discussion.

The SPEAKER. That is for the House to decide.

Mr. MOORE of Pennsylvania. There is an earnest desire on the part of many Members to finish this matter to-morrow, if possible, in order to get away by the close of the week. I think it would cater to the wishes of most of the Members if the river and harbor bill could be taken up by unanimous consent to-day. I do not know whether there would be any objection to that. That would leave the way clear for the consideration of the food-bill conference report to-morrow.

Mr. LEVER. Besides the river and harbor bill and the food-control bill, there is the food-survey bill, which is still in conference, but which I think may be ready to report to-morrow morning; and I think we may get unanimous consent to take it up to-morrow.

Mr. MOORE of Pennsylvania. Unless you did ask unanimous consent, as you have done in the case of the food-control bill, we would be held over again until the end of the week.

Mr. FOSS. I want to ask the gentleman if this report of the conferees will be a unanimous consent?

Mr. LEVER. The report that we shall present to-day?

Mr. FOSS. Yes.

Mr. LEVER. It will be unanimous with the exception of one senatorial conferee.

Mr. MOORE of Pennsylvania. Mr. Speaker, still reserving the right to object, I desire to say to the gentleman, without any authority whatever to make the suggestion, that it has been urged that unanimous consent be had for the consideration of the river

and harbor bill to-day, which would clear the decks for action on the food bill to-morrow.

Mr. LEVER. That is a matter over which I have no control. The gentleman from North Carolina [Mr. SMALL] would handle that situation. What I was trying to do in my request was to avoid the necessity of taking a recess, which would be necessary in order to submit the report in the regular way.

Mr. KITCHIN. I will say to the gentleman from Pennsylvania [Mr. MOORE] that I believe the Senate has the papers on the river and harbor bill, and it would have to act on that bill first.

Mr. MOORE of Pennsylvania. My idea is that if we could discuss the river and harbor bill to-day it would give more time for the other bill to-morrow, and probably get rid of both.

Mr. KITCHIN. I imagine we can take up the river and harbor bill to-morrow.

Mr. WALSH. I want to say to the gentleman from Pennsylvania that if a request is made to take up the river and harbor bill to-day I shall object.

Mr. MOORE of Pennsylvania. Well, that settles it.

The SPEAKER. Does the gentleman from Massachusetts object to the request of the gentleman from South Carolina?

Mr. LEVER. No; the gentleman does not object to my request.

Mr. STAFFORD. As I understand the request of the gentleman from South Carolina, it is that the conference report on the food-control bill shall be filed with the Journal clerk, with the same effect as if it was presented to the House through the regular channel?

Mr. LEVER. Through the regular channel.

Mr. STAFFORD. That is a very simple request.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina that he may file the conference report on the food-control bill later, when it is ready, and that it be printed in the CONGRESSIONAL RECORD, so that he may call it up to-morrow?

There was no objection.

FOOD SURVEY BILL.

Mr. BORLAND. I suggest to the gentleman from South Carolina that he make a similar request to file the conference report on the food-survey bill, H. R. 4188, in case an agreement is reached to-day.

Mr. LEVER. I may say in response to the suggestion of the gentleman from Missouri that there are only one or two points of difference between the two Houses on the food-production bill. I am satisfied we can reach an agreement probably in 15 minutes after the conferees meet, and it would expedite our getting away from here if I might have that consent.

The SPEAKER. If the gentleman will ask for unanimous consent, the Chair will put his request.

Mr. LEVER. I ask unanimous consent, Mr. Speaker——

Mr. CANNON. If the gentleman will allow me, do the conference reports to which the gentleman refers go to the House or Senate first?

Mr. LEVER. The House in both cases. Mr. Speaker, I ask unanimous consent that I may file the conference report if it is agreed upon for the food survey and production bill with the proper clerk, and that it be printed in the RECORD under the rule, and that consent be given that I call it up to-morrow.

The SPEAKER. The gentleman from South Carolina asks unanimous consent that he may file the conference report, if it is agreed upon, with the Clerk, in the food survey and production bill, and that the report and statement may be printed in the RECORD under the rule, and gives notice that he will call it up to-morrow after we get through with the conference report on the food-control bill. Is there objection?

Mr. STAFFORD. Reserving the right to object, I would like to inquire of the gentleman from North Carolina what is his idea as to adjourning after we get through with these three important bills?

Mr. KITCHIN. I think that then we ought to have a gentleman's agreement to adjourn every three days, as we did week before last, until the Senate passes the revenue bill.

Mr. MADDEN. What about the Appropriation Committee's bill?

Mr. KITCHIN. I imagine that the Appropriation Committee will prefer to wait until the latter part of the session before reporting that bill. There might be another deficiency bill.

Mr. MADDEN. Will not their report have something to do with the revenue bill?

Mr. GILLETT. Let me say to the gentleman that that report will not be ready for some time.

Mr. KITCHIN. I think it would be better policy to wait until the latter part of the session and have all the deficiencies come together.

Mr. STAFFORD. Can the gentleman from North Carolina give any assurance to the House that after disposing of the conference reports on these three respective bills it will be his disposition to ask for a gentleman's agreement to adjourn for three days at a time until the Senate passes the revenue bill?

Mr. KITCHIN. That is my wish.

Mr. RAKER. Reserving the right to object, I want to say to the gentleman from North Carolina before this matter is agreed upon that there are a number of small matters on the Unanimous Consent Calendar that ought to be disposed of.

Mr. ADAMSON. Before the gentleman from North Carolina concludes his compact——

Mr. KITCHIN. I am not making any compact yet.

Mr. ADAMSON. I want to say that there are two important commerce bills in conference, and upon which we came pretty near an agreement this morning. They will be agreed upon soon, and I hope we may not be precluded from the consideration of them.

Mr. KITCHIN. I imagine that we can dispose of them before Saturday.

Mr. ADAMSON. I hope that we will conclude them to-morrow; they are very important bills.

Mr. KITCHIN. I think we can dispose of them this week.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MADDEN. Will the gentleman from South Carolina state his request so that we will understand it?

Mr. JOHNSON of Washington. Mr. Speaker, I object to the second request of the gentleman from South Carolina.

Mr. KITCHIN. Oh, I hope the gentleman from Washington will not object to that.

Mr. JOHNSON of Washington. I will withdraw the objection.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MADDEN. Mr. Speaker, I want to have the gentleman from South Carolina state exactly what his request is.

The SPEAKER. The request is that the gentleman from South Carolina shall have the privilege, if the conferees agree on the food-survey bill, to file his report and statement and have it published in the RECORD. Is there objection?

Mr. MADDEN. To be acted upon to-morrow?

Mr. LEVER. That was not included in my request, but I give notice that I will call it up after the other food bill is disposed of.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

OBJECTION TO EXTENSION OF REMARKS.

Mr. FOSS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the food bill.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD on the food bill. Is there objection?

Mr. WALSH. I object.

Mr. SINNOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill H. R. 4954, a reclamation bill.

The SPEAKER. The gentleman from Oregon asks unanimous consent to extend his remarks in the RECORD on the bill H. R. 4954. Is there objection?

Mr. WALSH. I object.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 16 minutes) the House adjourned until to-morrow, Friday, August 3, 1917, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Navy, transmitting a proposed draft of bill to render it lawful for officers of the naval reserve force and other kindred auxiliary forces now serving with the Navy to act as members of courts-martial or as deck court officers (H. Doc. No. 313), was taken from the Speaker's table, referred to the Committee on Naval Affairs, and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. EVANS: A bill (H. R. 5643) to authorize an exchange of lands with the State of Montana in connection with Muddy Creek Reservoir site, Sun River project, and Nelson Reservoir site, Milk River project, and for other purposes; to the Committee on the Public Lands.

By Mr. LANGLEY: A bill (H. R. 5644) to revive the right of action under the act of March 12, 1863 (12 Stats. L., p. 820); to the Committee on the Judiciary.

By Mr. SINNOTT: A bill (H. R. 5645) authorizing removal of stumps from cut-over Oregon and California lands; to the Committee on the Public Lands.

By Mr. PADGETT: A bill (H. R. 5646) to amend section 1585 of the Revised Statutes of the United States; to the Committee on Naval Affairs.

Also, a bill (H. R. 5647) to provide for the reimbursement of officers, enlisted men, and others in the naval service of the United States for property lost or destroyed in such service; to the Committee on Naval Affairs.

Also, a bill (H. R. 5648) to establish certain new ratings in the United States Navy, and for other purposes; to the Committee on Naval Affairs.

By Mr. JACOWAY: A bill (H. R. 5649) extending the time for the construction of a bridge across the Arkansas River between the cities of Little Rock and Argenta, Ark.; to the Committee on Interstate and Foreign Commerce.

By Mr. KNUTSON: A bill (H. R. 5665) to enlarge and extend the post-office building at St. Cloud, Minn.; to the Committee on Public Buildings and Grounds.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ESTOPINAL: A bill (H. R. 5650) for the relief of the legal representatives of the estate of Alphonse Desmare, deceased, and others; to the Committee on War Claims.

By Mr. LANGLEY: A bill (H. R. 5651) for the relief of the legal representatives of John Boyle, deceased; to the Committee on Claims.

Also, a bill (H. R. 5652) for the relief of the legal representatives of William B. Dodd, deceased; to the Committee on Claims.

Also, a bill (H. R. 5653) for the relief of James Clark Smith; to the Committee on Claims.

Also, a bill (H. R. 5654) granting three months' pay proper to Henry C. Pearson; to the Committee on War Claims.

Also, a bill H. R. 5655) to carry out the findings of the Court of Claims in the claim of Smithmeyer & Pelz; to the Committee on Claims.

By Mr. McKINLEY: A bill (H. R. 5656) granting a pension to Samuel R. Smith; to the Committee on Pensions.

Also, a bill (H. R. 5657) granting a pension to Edward F. O'Toole; to the Committee on Pensions.

Also, a bill (H. R. 5658) granting a pension to Martin W. Westbay; to the Committee on Pensions.

Also, a bill (H. R. 5659) granting a pension to Will D. Buchanan; to the Committee on Pensions.

Also, a bill (H. R. 5660) granting a pension to James A. Kelley; to the Committee on Invalid Pensions.

By Mr. THOMPSON: A bill (H. R. 5661) granting a pension to John V. Durling; to the Committee on Pensions.

Also, a bill (H. R. 5662) granting a pension to Seaborn A. Frost; to the Committee on Pensions.

By Mr. WALDOW: A bill (H. R. 5663) granting an increase of pension to Frederick N. Dickey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5664) granting an increase of pension to Patrick Donoghue; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CAREW: Petition of the New York State Pharmaceutical Association, urging measures for the curtailment of the great privileges enjoyed by foreign manufacturers of medicinal chemicals under our liberal copyright and patent laws; to the Committee on Patents.

By Mr. DICKINSON: Petition of 151 citizens of Raymore and Peduliar, Cass County, Mo., to prohibit the manufacture, sale, and importation and exportation of all forms of intoxicating liquors as a beverage during the period of the war; to the Committee on the Judiciary.

By Mr. DOOLING: Petition of the Technical Press Chapel, Local Union "Big Six," International Typographical Union, New York City, opposing the proposed increase in second-class postal rates; to the Committee on Ways and Means.

By Mr. KINKAID: Petition of the Lutheran Churches of Dawson and Custer Counties, Nebr., urging Congress to amend the laws so as to allow the mails to carry such mailing matter as is unconditionally necessary to enable churches, one and all, to secure the wine needed for sacramental purposes; to the Committee on the Post Office and Post Roads.

By Mr. TEMPLETON: Petition of the Wilkes-Barre (Pa.) Junior Order United American Mechanics, relating to immigration restriction; to the Committee on Immigration and Naturalization.

Also, petition of the West Hazleton (Pa.) Council No. 943, Order of Independent Americans, favoring Senate joint resolution; to the Committee on Military Affairs.

By Mr. WALTON: Memorial of the State Highway Commission of the State of New Mexico, requesting an appropriation by the Congress of the United States for work in the State of New Mexico, as follows: For the building of a bridge across the Jemez River at the Jemez Indian Pueblo and the building of an approach to said bridge; for the addition of two spans to the Laguna Pueblo; and for the reduction of grade of hill near the Pajuate Indian village; for placing new planks upon and painting the bridge at the Indian village at Isleta and constructing a paved road through the village; to the Committee on Appropriations.

Also, memorial of the State Highway Commission of the State of New Mexico, requesting the immediate attention on the part of the United States Government to the request of the county of Luna, State of New Mexico, relative to the reimbursement to said county of the moneys expended for the reconstruction of the highways of the said county of Luna, for damages caused by reason of the military movements made by the War Department over the roads of said county; to the Committee on Claims.

Also, memorial of the State Highway Commission of the State of New Mexico, requesting immediate attention on the part of the United States Government to the request of the county of Dona Ana, State of New Mexico, relative to the reimbursement to said county of the moneys expended for the reconstruction of the highways of the said county of Dona Ana, for damages caused by reason of the military movements made by the War Department over the roads of said county; to the Committee on Claims.

HOUSE OF REPRESENTATIVES.

FRIDAY, *August 3, 1917.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Incline Thine ear, O God, our Heavenly Father, and hear our petition. We do not come asking for greater or more abundant blessings than Thou hast already bestowed upon us, but we do fervently pray for wisdom, strength, and courage to use the gifts Thou hast so abundantly bestowed upon us with unselfish devotion to righteousness, truth, and justice, to the honor and glory of Thy Holy Name, in the spirit of the Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVES OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. ELSTON, indefinitely, on account of illness in his family.

To Mr. VENABLE, for 10 days, on account of private business.

To Mr. FORDNEY, at the request of Mr. MCLAUGHLIN of Michigan, indefinitely, on account of sickness.

COMMUNICATION OF THE PRESIDENT TO THE PROVISIONAL RUSSIAN GOVERNMENT.

Mr. CRISP. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by having printed therein the letter of President Wilson to the Provisional Russian Government setting out America's war aims.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD by printing the letter of the President to the Russian Government. Is there objection?

Mr. MADDEN. Mr. Speaker, reserving the right to object, when was that written?

Mr. CRISP. The copy of the communication which I have does not seem to be dated, but it was written just as the commission went there. It has never been printed in the RECORD and there are a good many requests being made for it, Mr. Hempstead, the enrolling clerk, tells me.

The SPEAKER. Is there objection?

There was no objection.

The communication referred to is as follows:

In view of the approaching visit of the American delegation to Russia to express the deep friendship of the American people for the people of Russia and to discuss the best and most practical means of cooperation between the two peoples in carrying the present struggle for the freedom of all peoples to a successful consummation, it seems opportune and

appropriate that I should state again, in the light of this new partnership, the objects the United States has had in mind in entering the war. Those objects have been very much beclouded during the past few weeks by mistaken and misleading statements, and the issues at stake are too momentous, too tremendous, too significant, for the whole human race to permit any misinterpretations or misunderstandings, however slight, to remain uncorrected for a moment.

WAR GOING AGAINST GERMANY.

The war has begun to go against Germany, and in their desperate desire to escape the inevitable ultimate defeat, those who are in authority in Germany are using every possible instrumentality, are making use even of the influence of groups and parties among their own subjects to whom they have never been just or fair, or even tolerant, to promote a propaganda on both sides of the sea which will preserve for them their influence at home and their power abroad, to the undoing of the very men they are using.

The position of America in this war is so clearly avowed that no man can be excused for mistaking it. She seeks no material profit or aggrandizement of any kind. She is fighting for no advantage or selfish object of her own, but for the liberation of peoples everywhere from the aggressions of autocratic force.

BERLIN'S PROJECT OF POWER.

The ruling classes in Germany have begun of late to profess a like liberality and justice of purpose, but only to preserve the power they have set up in Germany and the selfish advantages which they have wrongly gained for themselves and their private projects of power all the way from Berlin to Bagdad and beyond. Government after Government has by their influence, without open conquest of its territory, been linked together in a net of intrigue directed against nothing less than the peace and liberty of the world. The meshes of that intrigue must be broken, but can not be broken unless wrongs already done are undone, and adequate measures must be taken to prevent it from ever again being rewoven or repaired.

GERMANY SEEKING PLEDGES.

Of course, the Imperial German Government and those whom it is using for their own undoing are seeking to obtain pledges that the war will end in the restoration of the status quo ante. It was the status quo ante out of which this iniquitous war issued forth, the power of the Imperial German Government within the Empire and its widespread domination and influence outside of that Empire. That status must be altered in such fashion as to prevent any such hideous thing from ever happening again.

We are fighting for the liberty, the self-government, and the undictated development of all peoples, and every feature of the settlement that concludes this war must be conceived and executed for that purpose. Wrongs must first be righted and then adequate safeguards must be created to prevent their being committed again. We ought not to consider remedies merely because they have a pleasing and sonorous sound. Practical questions can be settled only by practical means. Phrases will not accomplish the result. Effective readjustments will, and whatever readjustments are necessary must be made.

PRINCIPLE OF READJUSTMENTS.

But they must follow a principle, and that principle is plain. No people must be forced under sovereignty under which it does not wish to live. No territory must change hands except for the purpose of securing those who inhabit it a fair chance of life and liberty. No indemnities must be insisted on except those that constitute payment for manifest wrongs done. No readjustments of power must be made except such as will tend to secure the future peace of the world and the future welfare and happiness of its peoples.

And then the free peoples of the world must draw together in some common covenant, some genuine and practical cooperation that will in effect combine their force to secure peace and justice in the dealings of nations with one another.

MUST REALIZE COMMON LIFE.

The brotherhood of mankind must no longer be a fair but empty phrase; it must be given a structure of force and reality. The nations must realize their common life and effect a workable partnership to secure that life against the aggressions of autocratic and self-pleasing power.

For these things we can afford to pour out blood and treasure. For these are the things we have always professed to desire, and unless we pour out blood and treasure now and succeed we may never be able to unite or show conquering force again in the great cause of human liberty. The day has come to conquer or submit. If the forces of autocracy can divide us, they will overcome us; if we stand together victory is certain and the liberty which victory will secure. We can afford then to be generous, but we can not afford then or now to be weak or omit any single guarantee of justice and security.

WOODROW WILSON.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses upon the amendments of the Senate to the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The message also announced that the President had approved and signed bills of the following titles:

On July 27, 1917:

S. 2666. An act granting the consent of Congress to the Sebastian bridge district to construct a bride across the Arkansas River, at the foot of Garrison Avenue, at Fort Smith, Ark.

On July 28, 1917:

S. 1811. An act for the relief of homestead entrymen or settlers who enter the military or naval service of the United States in time of war;

S. 2106. An act to authorize the county of Cass, in the State of Indiana, to construct a bridge across the Wabash River east of the city of Logansport, at a point known as Cedar or Rock Island, in said Wabash River; and

S. 2667. An act granting the consent of Congress to the Pritchard-Wheeler Lumber Co., of Wisner, La., to construct a bridge across Bayou Macon, in Louisiana, at a point east of the town of Wisner, La.

SENATE BILL AND JOINT RESOLUTIONS REFERRED.

Under clause 2 of Rule XXIV, Senate bill and joint resolutions of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 1553. An act to give effect to the convention between the United States and Great Britain for the protection of migratory birds concluded at Washington, August 16, 1916, and for other purposes; to the Committee on Foreign Affairs.

S. J. Res. 17. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

S. J. Res. 86. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point Aurelio Collazo, a citizen of Cuba; to the Committee on Foreign Affairs.

THE REVENUE BILL.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by filing a statement of the essential differences between the House revenue bill and the Senate revenue bill as reported to the Senate July 3, especially with reference to the excess profits tax and the income tax.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to extend his remarks in the RECORD in the manner stated. Is there objection?

Mr. LONGWORTH. Mr. Speaker, may I ask the gentleman if he refers to the bill reported and subsequently withdrawn?

Mr. KITCHIN. Yes.

Mr. LONGWORTH. And not to the bill as we read of it in the newspapers?

Mr. KITCHIN. We do not know what kind of a bill they are going to report finally, but I hope after they see the differences I shall set forth between the two bills they will report a different bill.

Mr. LONGWORTH. I trust so.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I suppose this is for the purpose of expediting action in the other body?

Mr. KITCHIN. Yes; and to give the real truth about the situation.

The SPEAKER. Is there objection?

There was no objection.

RIVER AND HARBOR APPROPRIATION BILL.

Mr. SMALL. Mr. Speaker, I call up the conference report upon the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman calls up a conference report upon the river and harbor appropriation bill and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

Mr. MADDEN. Mr. Speaker, I think we ought to have the report read.

The SPEAKER. The gentleman from Illinois objects, and the Clerk will read the report.

The Clerk read the report, as follows:

CONFERENCE REPORT (NO. 116).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 8, 13, 16, 22, 24, and 42.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 6, 7, 12, 14, 15, 17, 18, 19, 20, 21, 23, 25, 26, 27, 33, 34, and 35, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the language proposed insert the following:

"Waterway connecting Buzzards Bay and Cape Cod Bay, Mass.: The Secretary of War, the Secretary of the Navy, and the Secretary of Commerce are hereby authorized to examine and appraise the value of the works and franchises of the

Cape Cod Canal, Mass., connecting Buzzards and Cape Cod Bays, with reference to the advisability of the purchase of said canal by the United States and the construction over the route of the said canal of a free waterway, with or without a guard lock, and having a depth and capacity sufficient to accommodate the navigation interests that are affected thereby. This investigation shall be conducted under the direction of the Secretary of War and the supervision of the Chief of Engineers in the usual manner provided by law for making preliminary examinations and surveys except that the Secretary of War shall call upon the Secretary of the Navy and the Secretary of Commerce for such data and evidence as these Secretaries may wish to have incorporated in the report of survey, and further, that the final report of the investigation, with its conclusions upon probable cost and commercial advantages, and military and naval uses of the said canal, shall be submitted to the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce for their action before it is transmitted to Congress.

"If the said Secretaries are all in favor of the acquisition of the said canal, the Secretary of War is hereby further authorized to enter into negotiations for its purchase, including all property, franchises, and appurtenances used or acquired for use in connection therewith or appertaining thereto; and he is further authorized, if in the judgment of the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce, that the price for such canal is reasonable and satisfactory, to make contracts for the purchase of the same, at the option of the United States, subject to future ratification and appropriation by the Congress; or, in the event of the inability of the Secretary of War to make a satisfactory contract for the voluntary purchase of said Cape Cod Canal and its appurtenances, he is hereby authorized and directed, through the Attorney General, to institute and carry to completion proceedings for the condemnation of said canal and its appurtenances, the acceptance of the award in said proceedings to be subject to the future ratification and appropriation by Congress. Such condemnation proceedings shall be instituted and conducted in, and jurisdiction of said proceedings is hereby given to the district court of the United States for the district of Massachusetts, substantially as provided in 'An act to authorize condemnation of land for sites for public buildings, and for other purposes,' approved August 1, 1888; and the sum of $5,000 is hereby appropriated to pay the necessary costs thereof and expenses in connection therewith. The Secretary of War is further authorized and directed to report the proceedings hereunder to Congress."

Transfer item so modified to page 32 of bill, after line 3.

And the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In the proposed amendment, after the words "as may be necessary," insert the following: "subject to such terms of local cooperation as the Secretary of War may prescribe, not to exceed one-half the cost of the improvement"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In the proposed amendment strike out the words "to Committee on Commerce on March 29, 1917," and after the words "Numbered 57" insert the following: "Sixty-fifth Congress, first session;" and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: Transfer item to space occupied by amendment numbered 20 following Hayden Slough survey item; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: At the beginning of the proposed amendment insert the words "Section 9;" near the end of the first paragraph strike out the words: "or by any plant or facility engaged in the execution of any public project or river and harbor improvement"; and in the second paragraph strike out the word "act" and insert in lieu thereof the word "section"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In the proposed amendment change the number of the section from "9" to "10"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In the proposed amendment change the number of the section from "10" to "11"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In the proposed amendment change the section number from "11" to "12"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In the proposed amendment change the section number from "12" to "13"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In the proposed amendment change the section number from "13" to "14"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In the proposed amendment change the section number from "14" to "15"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In the proposed amendment change the section number from "15" to "16"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In the proposed amendment change the number of the section from "16" to "17"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In the proposed amendment change the section number from "17" to "18"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In the proposed amendment change the number of the section from "18" to "19," and after the words "civil life," in line 19, page 11, of Senate amendments, insert the following words: "and the remaining five of whom may each be selected either from civil life or the public service"; and strike out the words "it may adopt," in line 21, page 11, of Senate amendments, and insert in lieu thereof the following words: "the President may prescribe, and subject to the approval of the heads of the several executive departments concerned; and after the words "active list," in line 24, page 12, of Senate amendments, insert the following words: "and no member selected from the public service shall receive additional compensation for services on said commission"; so that the amended section will read as follows:

"SEC. 19. That a commission, to be known as the Waterways Commission, consisting of seven members to be appointed by the President of the United States, at least one of whom shall be chosen from the active or retired list of the Engineer Corps of the Army, at least one of whom shall be an expert hydraulic engineer from civil life, and the remaining five of whom may each be selected either from civil life or the public service, is hereby created and authorized, under such rules and regulations as the President may prescribe, and subject to the approval of the heads of the several executive departments concerned, to bring into coordination and cooperation the engineering, scientific, and constructive services, bureaus, boards, and commissions of the several governmental departments of the United States and commissions created by Congress that relate to the study, development, or control of waterways and water resources and subjects related thereto, or to the development and regulation of interstate and foreign commerce, with a view to uniting such services in investigating, with respect to all watersheds in the United States, questions relating to the development, improvement, regulation, and control of navigation as a part of interstate and foreign commerce, including therein the related questions of irrigation, drainage, forestry, arid and swamp land reclamation, clarification of streams, regulation of flow, control of floods, utilization of water power, prevention of soil erosion and waste, storage and conservation of water for agricultural, industrial, municipal, and domestic uses, cooperation of railways and waterways, and promotion of terminal and transfer facilities, to secure the necessary data, and to formulate and report to Congress, as early as practicable, a comprehensive plan or plans for the development of waterways and the water resources of the United States for the purposes of navigation and for every useful purpose, and recommendations for the modification or discontinuance of any project herein or heretofore adopted. Any member appointed from the retired list shall receive the same pay and allowances as he would if on the

active list, and no member selected from the public service shall receive additional compensation for services on said commission, and members selected from civil life shall receive compensation of $7,500 per annum.

"In all matters done, or to be done, under this section relating to any of the subjects, investigations, or questions to be considered hereunder, and in formulating plans, and in the preparation of a report or reports, as herein provided, consideration shall be given to all matters which are to be undertaken, either independently by the United States or by cooperation between the United States and the several States, political subdivisions thereof, municipalities, communities, corporations, and individuals within the jurisdiction, powers, and rights of each, respectively, and with a view to assigning to the United States such portion of such development, promotion, regulation, and control as may be undertaken by the United States, and to the States, political subdivisions thereof, municipalities, communities, corporations, and individuals such portions as belong to their respective jurisdictions, rights, and interests.

"The commission is authorized to employ, or retain, and fix the compensation for the services of such engineers, transportation experts, experts in water development and utilization, and constructors of eminence as it may deem necessary to make such investigations and to carry out the purposes of this section. And in order to defray the expenses made necessary by the provisions of this section there is hereby authorized to be appropriated such sums as Congress may hereafter determine, and the sum of $100,000 is hereby appropriated, available until expended, to be paid out upon warrants drawn on the Secretary of the Treasury by the chairman of said commission.

"The commission shall have power to make every expenditure requisite for and incident to its authorized work, and to employ in the District of Columbia and in the field such clerical, legal, engineering, artistic, and expert services as it may deem advisable, including the payment of per diem in lieu of subsistence for employees engaged in field work or traveling on official business, rent of offices in the District of Columbia and in the field, and the purchase of books, maps, and office equipment.

"Nothing herein contained shall be construed to delay, prevent, or interfere with the completion of any survey, investigation, project, or work herein or heretofore or hereafter adopted or authorized upon or for the improvement of any of the rivers or harbors of the United States or with legislative action upon reports heretofore or hereafter presented."

And the Senate agree to the same.

JNO. H. SMALL,
CHAS. F. BOOHER,
Managers on the part of the House.

DUNCAN U. FLETCHER,
JOS. E. RANSDELL,
KNUTE NELSON,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, submit the following written statement explaining the effect of the action agreed upon:

The rivers and harbors bill as it passed the House carried cash appropriations in the sum of $27,696,150. The amount added by amendment in the Senate was $194,000 in cash appropriations, making the total of the bill as it passed the Senate $27,890,150. As a result of the conference, the amount involved in the Senate amendments has been reduced from $194,000 to $130,000, making the total of the bill as it now stands $27,826,150.

The following statement shows the action taken by the conference on each of the Senate amendments:

Amendment No.	Page of bill.	Action of conference.
1	2	Waterway connecting Buzzards Bay with Cape Cod Bay, Mass.: Item authorizes negotiations to be entered into for the acquisition of the Cape Cod Canal by purchase or condemnation proceedings, and appropriates $5,000 for the necessary expenses. House conferees recede with an amendment providing for an investigation and authorizing the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce, if, after such investigation, they think it advisable to negotiate for the acquisition of said canal either by purchase or condemnation proceedings.
2,3	11	James, Nansemond, Pagan, and Appomattox Rivers, Va.: Item reduces amount appropriated in House bill for maintenance from $26,000 to $15,000. Senate conferees recede.
4	12	Contentnia Creek: Item changes spelling to "Contentnea." House conferees recede.
5	17	Mobile Harbor, Ala.: Item removes the conditions precedent to the adoption of the project. House conferees recede.
6	21	Corrects a typographical error in House bill. House conferees recede.
7	25	Memphis Harbor, Mississippi River, at the mouth of Wolf River: Item directs the Mississippi River Commission to make plans and take such steps as will remove the large sand bar in front of Memphis to such an extent as may be necessary in the interest of navigation, expense to be paid out of funds heretofore or hereafter appropriated for the work of the Mississippi River Commission. House conferees recede.
8	26	Missouri River, between Sioux City and Fort Benton: Item amends House provision appropriating $50,000 for maintenance by appropriating $50,000 additional for continuing revetment work on both sides of the river below the bridge at Bismarck, N. Dak., and $25,000 additional for removal of snags and rock in the channel between Fort Benton, Mont., and Pierre, S. Dak. Senate conferees recede.
9	26	Missouri River, between Kansas City and the mouth: Item provides that of the sum appropriated in House bill, $25,000, or so much thereof as may be necessary, shall be expended in protecting the banks and confining the river at Cambridge Bend, near Glasgow, Mo. Item also provides for the transfer to the Missouri River of two dredges not necessarily employed elsewhere. House conferees recede with an amendment making the expenditure conditional upon local cooperation to such extent as the Secretary of War may prescribe, such cooperation not to exceed one-half the cost of the improvement.
10	30	Columbia River, Oreg. and Wash.: Effect of item is to increase project depth in Columbia River from Brookfield to the mouth from 26 feet to 30 feet. House conferees recede with verbal amendment.
11	34	Columbia and lower Willamette Rivers, Oreg. and Wash.: Item provides for a survey with a view to securing a channel 35 feet deep. House conferees recede with an agreement to transfer provision to p. 41 of bill.
12	34	Survey of inland waterway along the southern shore of Long Island from Jamaica Bay to Peconic Bay: Item strikes out House provision, ordering a new survey, and inserts provision amending item for similar survey in river and harbor act approved Mar. 2, 1907, by providing for a channel of suitable depth and width instead of for a channel 100 feet wide and 6 feet deep. House conferees recede.
13	35	Survey of Northwest River, Va. and N. C.: Senate conferees recede.
14	35	Survey of Northwest River, Va. and N. C.: Item amends House provision verbally. House conferees recede.
15	37	Survey of Indian and Halifax Rivers, Fla.: House conferees recede.
16	38	Survey of Tchula Lake, Miss.: Senate conferees recede.
17	38	Survey of Atchafalaya River, Bayous Courtableau, Teche, and Vermilion, with a view to forming navigable connections between said streams: House conferees recede.
18	39	Instrumental survey of Black River, Ark. and Mo.: House conferees recede.
19	41	Survey of Petaluma Creek, Cal.: House conferees recede.
20	41	Survey of Columbia River from Brookfield, Wash., to the mouth: Item strikes out House provision. (This provision is embodied in amendment No. 11.) House conferees recede.
21	42	Survey of East Channel, Coos River, Oreg.: House conferees recede.
22,23	43	Items amend House proviso that no survey provided for in the bill shall be made until after the close of the war with Germany except such as the Secretary of War shall recommend as associated with the prosecution of the war, by including examinations as well as surveys, and by substituting the word "direct" for the words "recommend as associated with the prosecution of the war." House conferees recede with an amendment which will permit examinations to be made.
24	43	Item provides for the leasing of surplus water flowing over the dams at Lake Winnibigoshish and Lake Pokegama, Minn., to municipal or other public service corporations, and that the moneys paid for same shall be used for maintenance of the dams and the improvement of navigation in the headwaters of the Mississippi River. Senate conferees recede.
25	43	Item provides that the States of Minnesota, North Dakota, and South Dakota, or any two of them, may enter into agreements to aid in improving navigation and to control floods on the boundary waters of said States and waters tributary thereto, and appropriates $25,000 to enable the Secretary of War to make surveys of any projects proposed by said States. House conferees recede.
26	44	Item renumbering section of House bill. House conferees recede.
27	45	Item renumbering section of House bill. House conferees recede.

Amendment No.	Page of bill.	Action of conference.
28	45	Item authorizes the Secretary of War to prescribe regulations for the use and navigation of any portion of areas of the navigable waters of the United States, or waters under the jurisdiction of the United States, endangered by Coast Artillery fire in target practice or otherwise, or by the proving operation of the Government ordnance proving ground at Sandy Hook, N. J., or near any Government ordnance proving ground that may be established on or near such waters, and of any portion of said waters occupied by submarine mines, mine fields, cables, etc., and to regulate the transportation of explosives upon any of said waters. House conferees recede, with an amendment making a separate section of the amendment and striking out matter covered in the preceding section.
29, 30, 31, 32	46, 47, 48	Items renumbering sections of House bill. House conferees recede, with amendments changing the numbers of the sections.
33, 34, 35	48, 49	Items changing typographical and verbal errors in sec. 10 of House bill, permitting the Betterton-Morgan Co. (Inc.) to construct docks upon tide lands at Seattle, Wash., for a reasonable rental. House conferees recede.
36	49	Item provides that funds hereafter received from private parties for rental of Government plant in connection with the prosecution of river and harbor works shall be deposited to the credit of the appropriation to which the plant belongs. House conferees recede, with an amendment changing the number of the section.
37	50	Item renumbering section of House bill. House conferees recede.
38	51	Item declares Mosquito Creek, S. C., to be a nonnavigable stream. House conferees recede.
39	51	Item declares Bayou Meto, Ark., to be a nonnavigable stream. House conferees recede.
40	51	Item declares St. Marys River, Ohio and Ind., to be a nonnavigable stream. House conferees recede.
41	52	Item provides for the creation of a waterways commission consisting of 7 members, to be appointed by the President, with a view to bringing into coordination all the services of the governmental departments and commissions that relate to study, development, or control of waterways and subjects related thereto, and with a view to making investigations and reports to Congress on comprehensive plans for the development of waterways for every useful purpose, and recommendations for the modification or discontinuance of any project herein or heretofore adopted, consideration being given to the cooperation between the United States and States or subdivisions thereof, or other local interests, in improvement works to be recommended. House recedes with amendments providing that appointments to membership on the commission can be made from civil life or the public service; that the rules and regulations to bring into coordination and cooperation the several services of the Government and commissions appointed by Congress shall be prescribed by the President, subject to the approval of the heads of the several executive departments; and that no member selected from the public service shall receive additional compensation for services on said commission.
42	55	Item adopts the following section: "SEC. 19. That the Auditor of the Treasury is hereby restrained from allowing the Secretary of the Treasury, and all other officials of the Treasury Department are hereby restrained from paying any claims against the Government on account of labor, supplies, materials, or cash furnished to the contractor or the subcontractor and used in the construction of the Corbett Tunnel, a part of the Shoshone irrigation project, in the State of Wyoming, until the provisions of this section are complied with. The Secretary of the Interior shall investigate and hear evidence and determine what may be reasonable compensation to reimburse Mrs. Katherine Macdonald for time and services devoted to procuring an appropriation by Congress for the payment of such claims, and when he may so determine such sum shall be deducted pro rata from all such claims as have been or may be allowed and paid to the said Mrs. Katherine Macdonald, and the residue thereof paid pro rata to the persons holding such claims." Senate conferees recede.

All of which is respectfully submitted.

JNO. H. SMALL,
CHAS. F. BOOHER,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. SMALL. How much time does the gentleman want?

Mr. STAFFORD. I would like to have five minutes.

Mr. WALSH. I would like to have five minutes.

Mr. SMALL. I yield five minutes to the gentleman from Wisconsin.

Mr. TREADWAY. I would like to have five minutes.

Mr. CANNON. Mr. Speaker, how much time is to be occpied? Can not some agreement be made about time touching a discussion of this report?

Mr. SMALL. It is my purpose to move the previous question, at any rate, at the end of an hour,

Mr. CANNON. After all is said and done, that is a very small time.

Mr. SMALL. This bill has been extensively debated. I yield five minutes to the gentleman from Wisconsin [Mr. STAFFARD].

Mr. CANNON. I just want to see if we can not agree upon some time. I would like to have 20 minutes. The Waterways Commission has never been discussed in this House, and yet it ranges almost supreme power from the birth of the Master to the death of the devil.

Mr. SMALL. I yield five minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Speaker, will the gentleman be willing to accede to the request of the gentleman from Illinois for 20 minutes?

Mr. SMALL. In view of other requests, I would be glad to yield to the gentleman from Illinois 10 minutes.

Mr. CANNON. I could not much more than call attention to the Waterways Commission provision in that time. We have plenty of time to-day to dispose of all of these conference reports, and I would like to have 20 minutes.

Mr. SMALL. Mr. Speaker, after the gentleman from Wisconsin concludes I shall be glad to yield 20 minutes to the gentleman from Illinois.

Mr. STAFFORD. Mr. Speaker, I wish to congratulate the Democratic conferees on the part of the House upon their success in agreeing to nearly all of the Senate amendments, especially all of the Senate amendments that could in any wise be considered a further raid upon the Treasury. There was considerable discussion during the consideration of this bill in the House to that provision which provided no surveys provided for in this bill should be undertaken unless the Secretary of War would recommend that they were associated with the prosecution of the war. The Senate struck out that provision. The House conferees, at least the Democratic Members on the part of the House, as this report has not been approved by the Republican Members, acquiesced in the position of the Senate.

This bill throughout has the vice that in these war times, when every energy of the Government should be concentrated on war activities, of calling the men, like Government engineers, civil engineers, and others employed in these various engineering stations throughout the country, who are fitted for war employment, into avenues of employment that are not necessary for war purposes. But the conferees go further. They have provided for the creation of a commission to study territorial conditions in every particular so far as water is concerned except prohibition. I am surprised they did not include the dry provision that is agitated at both ends of the Capitol and everything connected with this subject in this Waterways Commission.

We all know that this commission proposal has never received any consideration in this House. It provides for the appointment of seven members, at a salary of $7,500, to report on all kinds of omnibus provisions, which upon the face of the amendment shows that it can not be put into effect during war times, but will just detract from the force of men needed for war activities on work that is largely academic and will result in little practical advantage.

Mr. MADDEN. Will the gentleman yield?

Mr. STAFFORD. I will.

Mr. MADDEN. And the commission is authorized to employ an unlimited number of men at any price the commission seeks to pay, and thereby makes another raid on the Treasury.

Mr. STAFFORD. A raid to the extent of $100,000 and in the preparation of large volumes of testimony which will never be used, just like the work of all such commissions has been in the past. That is in line with the whole theory of this bill, a withdrawal from the activities of war to the activities of peace, and this country can not afford to have these men employed in anything but war activities. Take, for instance, the hundreds of men who are employed in these various engineering depots throughout the country. Those men could well be utilized in war employment; but no, you go directly against the demands of the time and have them concentrated upon the survey of some hundred or more little creeks, fishing creeks, or what-not, which everyone knows will never have any substantial commerce of the country upon them. The gentleman from Missouri [Mr. BORLAND] rises——

Mr. BORLAND. Will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman.

Mr. BORLAND. I want to say that in these matters the policy is to use retired engineer officers.

Mr. STAFFORD. The gentleman forgets that he only takes into consideration retired officers, and he has no idea of the hundreds of civilian employees now employed by the Govern-

ment on the pay roll that will be utilized in the survey of these fishing creeks and dry creeks.

Mr. BORLAND. I call the gentleman's attention to Gen. Bixby——

Mr. STAFFORD (continuing). And retired officers are necessary for war activities and should be able to be employed as such, unless it might be the Missouri River creek——

Mr. MADDEN. Will the gentleman yield? I will call his attention to the fact that while this report only appropriates $100,000, it authorizes the commission to do anything, and that might commit the Government to an expenditure of $100,000,000.

Mr. STAFFORD. I think it is the most outlandish and fantastic scheme ever submitted to the Congress, especially in war times; and we may be well justified, in view of all conditions, in rejecting the whole report.

The SPEAKER. The time of the gentleman has expired.

Mr. MADDEN. I would like to ask the gentleman from North Carolina if he will yield me five minutes?

Mr. SMALL. Mr. Speaker, the gentleman from Illinois yields back the remainder of his time.

The SPEAKER. The gentleman from Illinois yields back nine minutes.

Mr. SMALL. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. MADDEN].

The SPEAKER. The gentleman from Illinois is recognized for five minutes.

Mr. MADDEN. Mr. Speaker, I have been strenuous in my opposition to the passage of this bill, because I did not believe that it was justified at this time, and I made up my mind, after the bill passed the House and passed the Senate, that I would not interpose any further objection to it. But I had no idea that the conferees were going to report in favor of this commission, which, when created, will be authorized to expend anything up to $1,000,000 in the performance of the work with which this law will charge them.

I was in hopes that the conferees would take the House into their confidence. The proposition submitted in the report for the creation of a commission has never been considered by the House. No man in this House knows a thing about the provisions of this commission item, and the conferees really ought to be sent back with instructions to eliminate this uncertain proposal from the river and harbor bill. Unlimited numbers of men may be employed by this commission. Places can be filled at any rate of wage which they choose to pay. The civil-service law is to be ignored. There is to be a new raid upon the Treasury for the purpose of paying political obligations by the appointment of political hacks to positions under the Government. Appropriation committees of the House are directed by the law to appropriate any money which this commission proposes to have appropriated, and they can not refuse to appropriate, because the law authorizes the commission to create the obligation. I hope every man in the House believes we ought not to pass a law giving any commission unlimited power to expend public money without having some information upon which to base our action. No exception can be taken by the conferees to the demand of the House for the right to consider the most important provision that has ever been reported in a river and harbor bill. I presume the conferees were strictly within their rights in agreeing to the Senate amendment, but it seems to me that the importance of the item and the uncertainty of the obligations created by the adoption of that item should have made the conferees pause and consider, and ask the House for advice, and give the House an opportunity to discuss the questions involved in it; but we come here at the last hour with a report containing an item upon which we are not allowed to vote separately. We must either vote the whole bill up or vote it down. There is no opportunity given for a separate vote upon this item, and I submit to the judgment of the House that we ought not to vote for the confirmation of this report until this commission item is eliminated from it. If there is to be a commission appointed, let the House have an opportunity to consider that important question. There has been no opportunity given to the House for its consideration, and it is not fair to the people of America to saddle this uncertain obligation upon them when they are being taxed beyond their limit of endurance to find the money to pay the cost of the war; and, gentlemen, this ought not to be allowed to go through.

Mr. DUPRÉ. Will the gentleman yield?

Mr. MADDEN. I yield to the gentleman.

Mr. DUPRÉ. The gentleman is aware that this proposition was in the bill when it came into the House, and that it would have been considered had not the gentleman from Massachusetts [Mr. TREADWAY] made a point of order against it. The gentleman from Massachusetts, who sympathized with the gentleman from Illinois [Mr. MADDEN], prevented its consideration.

Mr. STAFFORD. But it was not considered.

Mr. SMALL. How much time does the gentleman from Massachusetts [Mr. TREADWAY] desire?

Mr. TREADWAY. Ten minutes.

Mr. SMALL. I yield to the gentleman from Massachusetts 10 minutes.

Mr. TREADWAY. Mr. Speaker, I desire to move to recommit the conference report to the conferees, with instructions to report the same back forthwith, striking therefrom the commission section. I make that motion.

The SPEAKER. The gentleman's motion will be put just before the vote on the conference report.

Mr. TREADWAY. Mr. Speaker, the remarks made by both gentlemen from Illinois [Mr. CANNON and Mr. MADDEN], in reference to this commission item in the bill, have covered the ground very thoroughly. The last gentleman [Mr. MADDEN] stated that he was surprised that the conference report included this item. He said he had no idea that it would be included. Let me say to him and to the House, as a member of the Committee on Rivers and Harbors, that was the one provision we were told at the beginning of the consideration of this bill by which a river and harbor bill could be approved at this time. We took up the consideration of the various items in the river and harbor bill confronted with the fact that unless the commission was established the bill could not become a law. The members of the committee understood that, and the minority of the committee objected to its inclusion.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. CANNON. By what authority was that statement made?

Mr. TREADWAY. To the committee?

Mr. CANNON. Yes.

Mr. TREADWAY. Well, possibly I overstepped the rights of committee membership in making that statement; but it was certainly the general understanding among the members of the committee that unless the commission was included no river and harbor bill would receive Executive approval.

Mr. CANNON. Will the gentleman allow me just one remark?

Mr. TREADWAY. Certainly.

Mr. CANNON. This proposition has been lurking around Congress for a number of years. It is known as the Newlands proposition.

Mr. TREADWAY. Yes.

Mr. CANNON. It covered almost everything that you can think of. I do not believe that this bill would fail if that amendment were disagreed to.

Mr. LONGWORTH. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. LONGWORTH. I understood the gentleman to say that this bill would not receive Executive approval without this commission provision.

Mr. TREADWAY. That is my understanding, and has been from the very first of the consideration of this bill.

Mr. LONGWORTH. Has the President ever advocated this commission?

Mr. TREADWAY. I will not say that he has, so far as my individual knowledge goes; but it is the general understanding of the committee that the President favors the establishment of this commission, and it was on that account that it was included in this bill, and for the very purpose of securing Executive approval of the bill.

Mr. LONGWORTH. To the gentleman's knowledge, has the President ever written a letter to any Member of this House advocating the creation of this commission?

Mr. TREADWAY. The chairman of our committee had several conferences with the President in reference to the consideration of the river and harbor bill, and I think I am fair in stating that at the beginning of the conferences it was understood there should be no river and harbor bill at this session, and, further than that, I understand the Democratic caucus so voted. The gentleman can draw his own conclusion as to the reason for the change of sentiment later on.

Mr. MOORE of Pennsylvania. Is it not a fact that substantially this same provision was reported in the House bill by the Committee on Rivers and Harbors, and was stricken out in the House on a point of order?

Mr. TREADWAY. At the last session of Congress?

Mr. MOORE of Pennsylvania. No; at this session of Congress.

Mr. TREADWAY. It certainly was stricken out on a point of order, and it was also stricken out of the previous bill. The House committee reported the bill with this item in it for the very purpose of securing Executive sanction to the bill.

Mr. MOORE of Pennsylvania. Yes; but the impression has been given here that this is an entirely new matter, so far as the House is concerned.

Mr. TREADWAY. Not at all; this has been floating around here for years. It has been talked of as long as I have been a member of the committee. It is nothing new, but it has not been considered on the floor of the House; and not only that, but every time it has bobbed up here it is made broader; it is broader to-day than ever before. It is carrying higher salaries and more employees than ever before. It can not get much broader than it is now, because it is proposed to study everything under the skies above and the ground beneath. It has nothing whatever to do with river and harbor work in any sense of the word. It excludes the civil service and is designed to take care of good Democratic politicians that have no other employment under the Government. [Applause on the Republican side.] That is what this commission is for and nothing else.

Mr. DUPRÉ. Will the gentleman yield?

Mr. TREADWAY. Certainly.

Mr. DUPRÉ. Is it not a fact that it was the gentleman's own motion in making the point of order which prevented the House from considering the item on the floor?

Mr. TREADWAY. I certainly raised the point of order, but what has that got to do with its coming back here in the conference report? It was out of order in the bill and ought to have been out of order in the conference report.

Mr. DUPRÉ. It would have given an opportunity to thrash the question out on the floor of the House.

Mr. TREADWAY. Yes; but what would have been the result? It was a part of the report of the committee, and the committee stood for the bill as a whole. It had pork enough in it, but this commission is a whole hog of pork for the Democratic Party.

Mr. DUPRÉ. Then, if it is bound to go through, what is the use of kicking about the result?

Mr. TREADWAY. The gentleman from Pennsylvania the other day said that we were only giving 26 cents for each individual for the streams in the country, but this will give them 26,000 if they conclude to spend that amount, because they can spend money unlimited. It is true that the bill only appropriates $100,000——

Mr. MOORE of Pennsylvania. That is the limit, if the gentleman pleases.

Mr. TREADWAY (reading)—

There is hereby authorized to be appropriated such sums as Congress may hereafter determine, and the sum of $100,000 is hereby appropriated, available until expended.

In other words, when this high-priced Democratic commission proceeds to expend any sum it has a mind to, it can then come to Congress and tell us that we must pay the bills.

Mr. DUPRÉ. Will the gentleman yield?

Mr. TREADWAY. I will.

Mr. DUPRÉ. I want to ask the gentleman if he included in his motion to recommit a disagreement to the Senate amendment which relates to the acquisition of the Cape Cod Canal?

Mr. TREADWAY. I will be frank with the gentleman, I never was in favor of the purchase by the Government of the Cape Cod Canal. I never have favored it and do not favor it now, but if you are going to pass such a miserable bill as this bill is, let us include a fairly decent item, such as the Cape Cod proposition. It is better than a thousand of the other items that you pass in the rivers and harbors bill and better than lots of items in this bill.

Mr. DUPRÉ. The gentleman does not approve of it, but he lets it remain in the bill.

Mr. HARDY. Will the gentleman yield?

Mr. TREADWAY. I will.

Mr. HARDY. The gentleman spoke about the commission expending more than the $100,000 and then coming to Congress for the money. Is it the gentleman's opinion that the commission is authorized to make contracts for indebtedness without an appropriation being made?

Mr. TREADWAY. Theoretically the gentleman is correct. As a matter of fact the expenditures of a commission of the Government would have an unlimited scope, but their requests for such expenses as they desired to incur would be promptly met.

Now, Mr. Speaker, I would like to talk some in my time about the bill. The whole bill has been based on the proposition of helping each other. The chairman of the committee criticized the opposition to this bill, said it was not fair, that it had not honestly criticized any item in the bill. Why, we criticized hundreds of them, but what was the use? The criticisms were legitimate and fair, but of what avail when those interested in the passage of the bill were banded together in an effort to keep the bill as reported by the committee, in order not to strike out any item if it was beneficial for any Member of Congress? These items do not stand on their own merit, they are in an omnibus bill, and there are a sufficient number of unmeritorious items in the bill to permit the opposition to be absolutely honest and fair when they say and can demonstrate that it is a pork-barrel bill. That is exactly what it is. It is not a war-emergency measure in any sense of the word.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. SMALL. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. TEMPLE].

Mr. TEMPLE. Mr. Speaker, it seems to me that in discussing this commission some assertions have been made that the text of the paragraph will not support. It is as follows:

SEC. 19. That a commission, to be known as the Waterways Commission, consisting of seven members, to be appointed by the President of the United States, at least one of whom shall be chosen from the active or retired list of the Engineer Corps of the Army, at least one of whom shall be an expert hydraulic engineer from civil life, and the remaining five of whom may each be selected either from civil life or the public service, is hereby created and authorized, under such rules and regulations as the President may prescribe, and subject to the approval of the heads of the several executive departments concerned, to bring into coordination and cooperation the engineering, scientific, and constructive services, bureaus, boards, and commissions of the several governmental departments of the United States and commissions created by Congress that relate to the study, development, or control of waterways and water resources and subjects related thereto, or to the development and regulation of interstate and foreign commerce, with a view to uniting such services in investigating, with respect to all watersheds in the United States, questions relating to the development, improvement, regulation, and control of navigation as a part of interstate and foreign commerce, including therein the related questions of irrigation, drainage, forestry, arid and swamp-land reclamation, clarification of streams, regulation of flow, control of floods, utilization of water power, prevention of soil erosion and waste, storage and conservation of water for agricultural, industrial, municipal, and domestic uses, cooperation of railways and waterways, and promotion of terminal and transfer facilities, to secure the necessary data, and to formulate and report to Congress, as early as practicable, a comprehensive plan or plans for the development of waterways and the water resources of the United States for the purposes of navigation and for every useful purpose, and recommendations for the modification or discontinuance of any project herein or heretofore adopted. Any member appointed from the retired list shall receive the same pay and allowances as he would if on the active list, and no member selected from the public service shall receive additional compensation for services on said commission, and members selected from civil life shall receive compensation of $7,500 per annum.

In all matters done, or to be done, under this section relating to any of the subjects, investigations, or questions to be considered hereunder, and in formulating plans, and in the preparation of a report or reports, as herein provided, consideration shall be given to all matters which are to be undertaken, either independently by the United States or by cooperation between the United States and the several States, political subdivisions thereof, municipalities, communities, corporations, and individuals within the jurisdiction, powers, and rights of each, respectively, and with a view to assigning to the United States such portion of such development, promotion, regulation, and control as may be undertaken by the United States, and to the States, political subdivisions thereof, municipalities, communities, corporations, and individuals such portions as belong to their respective jurisdictions, rights, and interests.

The commission is authorized to employ, or retain, and fix the compensation for the services of such engineers, transportation experts, experts in water development and utilization, and constructors of eminence as it may deem necessary to make such investigations and to carry out the purposes of this section. And in order to defray the expenses made necessary by the provisions of this section there is hereby authorized to be appropriated such sums as Congress may hereafter determine, and the sum of $100,000 is hereby appropriated, available until expended, to be paid out upon warrants drawn on the Secretary of the Treasury by the chairman of said commission.

The commission shall have power to make every expenditure requisite for and incident to its authorized work, and to employ in the District of Columbia and in the field such clerical, legal, engineering, artistic, and expert services as it may deem advisable, including the payment of per diem in lieu of subsistence for employees engaged in field work or traveling on official business, rent of offices in the District of Columbia and in the field, and the purchase of books, maps, and office equipment.

Nothing herein contained shall be construed to delay, prevent, or interfere with the completion of any survey, investigation, project, or work herein or heretofore or hereafter adopted or authorized upon or for the improvement of any of the rivers or harbors of the United States or with legislative action upon reports heretofore or hereafter presented.

This is the language of the section. An outline of its purpose may be stated more briefly. It creates a commission of seven members whose duty it shall be to prepare a plan for dealing more wisely than we have yet been able to deal with legislation for the improvement of our waterways.

In preparing its plan the commission is to bring into coordination and cooperation all the various agencies of the Government that have to do with the study, development, or control of waterways, water resources, or related questions.

The related questions include irrigation, drainage, forestry, arid and swamp land reclamation, clarification of streams, regulation of flow, control of floods, utilization of water power, prevention of soil erosion and waste, storage and conservation of water for agricultural, industrial, and domestic uses, cooperation of railways and waterways, and promotion of terminal and transfer facilities. The field is a vast one, but all these interests are directly affected or may be affected by work upon a

single project undertaken for only one purpose. For example, a dam built to impound waters as a measure for flood control may serve also to maintain a water supply for industrial and domestic purposes through the dry season of the year or even to prolong the annual period during which slack-water navigation is possible in a stream which is not navigable throughout the year.

A comprehensive plan for the development of waterways for navigation and other useful purposes is to be prepared by the commission and presented to Congress for consideration. In the meantime none of the provisions of this legislation shall be permitted to delay or interfere with the progress of any investigation of work heretofore or hereafter undertaken for the improvement of any of our rivers or harbors. When the commission has prepared its plan and reported it to Congress the Congress will, of course, have full power to adopt it in whole or in part or to reject it altogether.

It seems to me that if any one thing is needed to redeem the whole method of making appropriations for rivers and harbors, it is that we have such a comprehensive plan as this legislation attempts to provide. The opposition to river and harbor legislation that is made every year by such Members as the gentleman from Wisconsin has been very largely opposition to the present plan. The opposition that exists in the minds of people throughout the country is to the present plan, the log-rolling plan, sometimes spoken of as the pork-barrel plan. If I might speak of myself, I would say that I have voted against more than one rivers and harbors bill because of the so-called pork-barrel item in them. I am convinced that our best chance to get rid of the pork-barrel characteristics of these bills, and also of the public-buildings bills, is to have some definite, comprehensive plan by which we undertake to make appropriations for needed items. This is not a new notion of mine.

Mr. MOORE of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. TEMPLE. Yes.

Mr. MOORE of Pennsylvania. Does not the gentleman remember that the gentleman from Wisconsin has frequently suggested the importance of having a systematic plan for the development of waterways?

Mr. TEMPLE. That has been my understanding of his position.

I had begun to say that I have not been recently converted to the project of creating a National Waterways Commission. I desire to call attention to a bill (H. R. 6283) which I introduced in the Sixty-third Congress, which provides practically for the same kind of a commission to do the same kind of work and report on the same subject. Section 3 reads as follows:

SEC. 3. That the national rivers commission shall proceed forthwith to gather, classify, and analyze such information as it may deem necessary in order to prepare a comprehensive plan for the utilization and control of the rivers of the United States in such manner as to yield the greatest practicable benefit to all the people. Such plan shall be prepared as speedily as practicable and shall take account of all users of said rivers and benefits to be derived from their control, including among other matters navigation, irrigation, water power, domestic and municipal water supply, flood prevention and control, stream pollution, soil erosion, and terminals and cooperation between rail and river transportation.

The question is not a new one to me; it may have been sprung as a new thing on certain Members of the present Congress. I believe that it is the only way that we can get a comprehensive plan. Concerning the power of the commission to spend money I desire to say a word if I may have the time. This measure will appropriate $100,000 to enable the commission to make its investigations and to prepare and report its plan. Before the commission can expend another cent it must, of course, have another appropriation from Congress. We are not voting anything away from the power of Congress. Before the plan that the commission adopts can be put into operation it must be presented to Congress and be approved here. Before they can spend one cent beyond the $100,000 they must come to us and ask for an appropriation. Not only is the plan free from danger, but it is the most sensible plan for taking care of the rivers and harbors proposition and getting rid of the pork-barrel element that has yet been proposed in Congress. [Applause.]

Mr. SMALL. Mr. Speaker, I yield five minutes to the gentlemen from New York [Mr. HULBERT].

Mr. HULBERT. Mr. Speaker, as one member of the Committee on Rivers and Harbors, who has been as punctual in his attendance at meetings of the committee as any other member, I wish to deny, so far as I am concerned, that any understanding was had or any suggestion made that this bill would not receive Executive approval unless there were contained in it some such provision for the appointment of a commission as is now under consideration. And I propose to vote for the commission only because I believe that the President will appoint men of such high character and ability that the report submitted by them will do more than anything else to eliminate the conditions which have given rise to the cry of "pork barrel" when legislation of this character has been submitted to the House for its consideration. My greatest surprise is to find the men who have been loudest in their denunciation of "pork barrel," the most vigorous in their protest against the plan for its eradication.

This commission is merely one of investigation. Its duties are to collate information and submit it to this Congress, and everyone who has sat here and listened to the discussion of the rivers and harbors bill certainly appreciates that many who have attacked this measure are sadly in need of information which this commission will report to Congress. If, on the other hand, the majority of the membership is not favorable to the enactment of the plan recommended, Congress need have no compunction to reject it.

There is just one other matter to which I desire to direct attention in this connection. I had hoped it would be remedied by the conferees. Section 19 provides that this commission shall investigate matters, among others—

that relate to the study, development, or control of waterways and water resources and subjects related thereto, or to the development and regulation of interstate and foreign commerce.

There is not, in my judgment, a sufficient direction incorporated in that language to indicate that it will be within the purview of this commission to study the improvement of streams with respect to their navigation for military, naval, and strategic requirements, and appreciating the difficulty with which we met in securing the enactment in this bill of the amendment providing for the deepening of the East River at Hell Gate to 40 feet, in my judgment, the bill should provide that one of the seven commissioners to be appointed should be a civil engineer of the Navy, as was provided in the Panama Canal act, and under the authority of which President Roosevelt appointed Admiral Rosseau upon the commission that constructed that great waterway. While the bill does not specifically provide that, it does not contain any prohibition against the appointment of any such official, and I hope that the Members of this House who have at heart the making of suitable provision for the development of our harbors and their tributary waterways for naval purposes will interest themselves to the extent of bringing this condition to the attention of the Secretary of War and the Secretary of the Navy and the President, as the Commander in Chief of both branches of the service, urging that the Navy as well as the Army be recognized in filling appointments upon this commission. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. SMALL. Mr. Speaker, I ask how much time has been consumed?

The SPEAKER. The gentleman has 19 minutes left.

Mr. SMALL. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. FREAR]. I wish I could make it more.

Mr. FREAR. Mr. Speaker, I would like to have 10 minutes, because this is a large subject to discuss. I am a member of the committee and have made something of a study of the matter, and I went to the chairman of the committee a few minutes ago and asked for 10 minutes, and whereas extended time has been given to other gentlemen not connected with the committee, it seems to me I am entitled to express my views. I wish to say briefly to you gentlemen that no worse "pork-barrel" plan has been conceived in the history of this country than that which is comprehended in the proposition contained in this commission plan found in the bill. The Newlands bill in its original proposition asked for $600,000,000, and this is only intended to carry out the provisions of that bill, to be divided, as I now remember, in 10 districts throughout the country of $60,000,000 each. No such bill was ever proposed before in Congress, and when any gentleman says that this is to carry out a river and harbor proposition let me say he has not the faintest conception of what has been proposed in the Newlands bill, with which this is simply in line. Let me suggest——

Mr. DUPRÉ. Will the gentleman yield?

Mr. FREAR. I have been given only five minutes.

Mr. DUPRÉ. I want to ask if Senator NEWLANDS made a speech for the commission yesterday?

Mr. FREAR. He made a speech for his commission. What is this commission? I introduced a bill, referred to, which provides for a commission of experts in waterways familiar with conditions in Europe as well as conditions in this country, who would take over the harbors, who would take over the real waterways of this country, and proceed to the developing of them whenever commercial needs demand, giving authorizations at the

start for the full expenditure not in the dribbling way we have to-day but pursuing a businesslike, intelligent handling of waterways in the same manner that we handle the railway problem. What have we here in this commission? I will read it:

To the study, development, or control of waterways and water resources and subjects related thereto, or to the development and regulation of interstate and foreign commerce.

Now, gentlemen on the Interstate and Foreign Commerce Committee, you can go out of business.

With a view to uniting such services in investigating, with respect to all watersheds in the United States, questions relating to the development, improvement, regulation, and control of navigation as a part of interstate and foreign commerce, including therein the related questions of irrigation, drainage, forestry, arid and swamp land reclamation, clarification of streams, regulation of flow—

Gentlemen on the Public Lands Committee, you are to be superseded by this commission—

regulation of flow, control of flood—

Where is that Flood Control Committee we have just appointed? It is to be superseded by this commission—

utilization of water power, prevention of soil erosion and waste—

Here we have a half dozen committees that are given jurisdiction over such matters—

prevention of soil erosion and waste; storage and conservation of water for agricultural, industrial, municipal, and domestic uses; cooperation of railways and waterways; and promotion of terminal and transfer facilities.

Now, I will not read beyond that. Mr. Speaker, I merely want to state that this commission is practically called upon to take the jurisdiction of a dozen committees of this House which to-day are performing their functions in the House. It is impossible in its conception or administration. This is the Newlands commission primarily, and is favored by those generally who have supported river and harbor bills. This, as I said, is the first step to secure the passage of the enormous scheme he introduced providing for $600,000,000, of which $60,000,000 each was to be distributed to 10 different districts, as I now remember the figures. Such a wasteful proposition has never been seriously urged in either House until injected in this river and harbor bill. Now, we have never had any discussion of this measure, and yet Congress is asked to put that proposition in a river and harbor bill.

Mr. HARDY. Will the gentleman yield?

Mr. FREAR. I will.

Mr. HARDY. Was not the Newlands proposition to expend $600,000,000 spread over 10 or 12 years?

Mr. FREAR. I think it was. It was one proposition in the direction of controlling waterways at the head of flood waters; also for irrigation, reclamation, and closely related matters.

The SPEAKER. The time of the gentleman has expired.

Mr. FREAR. Mr. Speaker, I would ask that I may have a couple of minutes more.

Mr. SMALL. I am sorry I can not grant the gentleman that time. If the gentleman had spoken earlier——

Mr. FREAR. Mr. Speaker, I ask unanimous consent that I may have two minutes more, with the consent of the chairman.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that the time be extended two minutes and he to use that time. Is there objection? [After a pause.] The Chair hears none.

Mr. FREAR. Now let me say, Mr. Speaker, in reply to the question of the gentleman from Texas, that Senator NEWLANDS's proposition was only for a limited commission, for limited work in line with the development of his proposition that proposed to control the floods, reclamation, and so forth, and the $600,000,000 was for such items alone. But think of it—$600,000,000 for such items—and it was well said that it would cost over a billion dollars by men of this House, some of whom were on the Committee on Rivers and Harbors.

I do not care to discuss the river and harbor bill further. I opposed it as strenuously as I could at different times. I think the bill ought not to pass, for the reason so well stated by my friend and colleague from Massachusetts [Mr. TREADWAY], and in contradiction of the statement of the gentleman from New York [Mr. HULBERT] I say the committee was informed the President demanded the commission section in the bill, and I challenge the gentlemen who know most about it to deny it. It was stated that the President of the United States demanded this commission, that he insisted upon this commission, that it was one of the primary things in which he was interested. No one will dispute that fact.

That is the situation with which this bill is confronted. I think the whole bill ought to be defeated. I do not believe the legitimate waterways will be injured in any way or in any particular because of the enormous balance of appropriations already on hand. [Applause.]

The SPEAKER. The time of the gentleman from Wisconsin has again expired.

Mr. SMALL. Mr. Speaker, I yield one minute to the gentleman from Pennsylvania [Mr. MOORE].

The SPEAKER. The gentleman from Pennsylvania is recognized for one minute.

Mr. MOORE of Pennsylvania. Mr. Speaker, answering the gentleman from Wisconsin [Mr. FREAR], I call attention to a bill I have in my hand, introduced by the gentleman from Wisconsin, to create a National Waterway Commission, bearing date April 3, 1917, the present year, in which the gentleman from Wisconsin, in the course of 11 pages of legislative matter, proposes that a commission shall be created, with salaries of $10,000 per annum each, to take charge of the investigation of all waterway projects, the kind and draft of vessels to be used thereon, land reclamation, freight rates, transportation, and various other things, the total appropriation to be $500,000. [Applause.]

Mr. FREAR. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Pennsylvania. No; I can not yield in one minute. There seems to be a conflict here between the Newlands bill and the Frear bill. The Newlands bill amendment calls for an appropriation of only $100,000 and the bill introduced by the gentleman from Wisconsin calls for $500,000. [Applause.]

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. SMALL. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. DEMPSEY].

The SPEAKER. The gentleman from New York is recognized for five minutes.

Mr. DEMPSEY. Mr. Speaker, it seems to me that the gentleman from Wisconsin [Mr. FREAR], in stating as he did that this proposed commission combines a great many functions now handled by some 12 committees, stated, instead of an objection to the commission, the very strongest argument possible in favor of it.

Here are waterways, and out of those waterways grow a dozen different subjects. First there is the direct subject of navigation. Next comes the question of water power. Next that of redeeming lands which are bad, either by reason of their being arid or of their being swamp lands. Then comes the question of erosion. Those are a few only of the many subjects, correlated, which really are one subject and can be best considered as a whole.

Yet the gentleman from Wisconsin says that the objection to this bill is that we will consider as a comprehensive whole, as one matter, that which really is, in fact and in truth, but one matter, and which can not be considered here in its entirety because of the division by committees.

That is my first answer to this question of a commission. Now, let us take the second question. From the time that any of us have considered this question of waterways we all of us have heard it stated here upon the floor again and again that waterways were not made use of in the proportion to the amount expended for them. Why? Because railroads have their traffic managers and go forth and solicit and secure the traffic of the world. They obtain and have terminal and transfer facilities. Who does that for the waterways? No one. It remains undone and the waterways are unused because we do not provide terminal and transfer facilities and because we have no traffic managers.

What does this commission do? It provides for all those things—the crying need of the day. Why, the railroads solicit and carry the heavy, bulky, nonperishable products, every pound of which should go by water and go slowly. They should not carry a pound of it, and this provision will provide that they shall not carry any of it.

Now, what is the next——

Mr. WALSH. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from New York yield to the gentleman from Massachusetts?

Mr. DEMPSEY. I yield.

Mr. WALSH. Do I understand the gentleman to say that the Government is going to improve these rivers so that it can go out and solicit traffic to use them? Is that the purpose of the bill?

Mr. DEMPSEY. I say the purpose of the bill is to coordinate the railway and water transportation so that that which should properly go by water, the slow-moving, nonperishable freight, should go that way, and that the lighter and more perishable products should go by rail.

Mr. WALSH. The gentleman mentions "soliciting traffic." How is the Government going to solicit the traffic?

Mr. DEMPSEY. The waterways should have a traffic manager and solicitor, and that would be a long step toward the solution of the transportation problem, in order that we may use all our transportation facilities, in order that we may divert to the water that portion of our freight which the water should carry. To that end, I say, we should have a transportation and traffic manager.

Mr. PLATT. Mr. Speaker, will my colleague yield?

Mr. DEMPSEY. In a moment. Gentlemen attack this bill because they say it provides for projects which do not merit appropriations, but those who raise this objection apparently have not read the language of this clause at all. I call attention to the closing part of the first paragraph:

> That a commission * * * is hereby created and authorized * * * to formulate and report to Congress * * * recommendations for the modification or discontinuance of any project herein or heretofore adopted.

So if there are in the bill projects that are not meritorious, if there are projects that should not have been embarked upon, if there are projects that have been included by mistake, if there is a project for the improvement of a river upon which no money should be expended, the commission will say that that project is one that should be abandoned.

Now, what is the remaining argument against this provision? The remaining argument is that, although we appropriate only $100,000, we may appropriate more. Are we afraid of ourselves? Are we afraid that we are going to do something improper because we do to-day something which is advisable and proper? Are we so distrustful of ourselves that that is the position that we take? Is that the ground upon which we should refuse to act? I hardly think so. [Applause.]

Mr. SMALL. Mr. Speaker, how much time is there remaining?

The SPEAKER. Eight minutes.

Mr. SMALL. I yield two minutes to the gentleman from Illinois [Mr. GALLAGHER].

Mr. GALLAGHER. Mr. Speaker, I am opposed to the passage of this bill. I believe that it is simply a waste of public money to spend it as provided here in this bill. Any bill that has for its object the useless expenditure of the people's money is nothing short of public plunder and is a bad bill. [Applause.] I have been on this committee as long as any other member of it. I have seen vast sums spent for river improvement. I have seen millions annually voted for the improvement of rivers and harbors, but as a member of that committee I can testify to you that I do not believe commerce has been helped in a single instance by these large expenditures of money. Tell me where are the boats upon these rivers and where is the increased traffic? Nobody can point it out. Still we go ahead annually, as is provided here, and expend $27,000,000, exactly as we have spent similar and greater sums before, without any benefit or results to the people—no commerce, no boats, no river traffic.

This commission that is provided for in the bill will not help matters or improve conditions in any particular. It is not intended for such a purpose. Why, we all thought that when the board of review of Army engineers was established men who are provided with life positions, and competent men, nothing would be recommended to this House other than necessary and actually needed improvements in river and harbor work. With this bill this board will go out of existence and some very nice jobs provided instead. With all the money we have spent I can not find out where we have benefited commerce in any particular. [Applause.]

Mr. SMALL. Mr. Speaker, I will consume the remainder of the hour.

The SPEAKER. The gentleman has six minutes.

Mr. SMALL. Mr. Speaker, we are considering the conference report, and the question is upon its adoption.

Before adverting to the particular item creating a waterways commission, which has been the theme of criticism upon the part of those who are opposed to this bill, I would like to call attention to the fact that every one of the gentlemen who are opposed to this conference report voted against the river and harbor bill; and among those who have spoken in opposition, and who voted against the river and harbor bill, and who have been critical in their discussion of the bill, three of them are members of the River and Harbor Committee—Messrs. TREADWAY of Massachusetts, FREAR of Wisconsin, and GALLAGHER of Illinois. They are divided as to political parties, and therefore any statement which I may make can not be regarded as partisan. I ask, Does the statement that they are members of this great committee, coupled with their attitude in reference to this bill, carry any reasonable and necessary inference regarding the propriety of their violent antagonism to the bill?

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. SMALL. Not at this time. In a moment I will. I put that interrogation to the membership of the House. Perhaps with propriety I could not go further. Now I yield to the gentleman from Massachusetts.

Mr. WALSH. I should like to ask the gentleman from the committee why it is that in the Cape Cod Canal item it requires three Cabinet officers to enter into negotiations for the purchase of that ditch, while in negotiating for the purchase of the Chesapeake & Delaware Canal the matter is confided to the Secretary of War alone?

Mr. SMALL. In answer to the gentleman, I would say that in accordance with the general precedents it should have been confided to the Secretary of War alone. There have been precedents, however, for delegating such powers jointly to several heads of departments, so that it is not entirely without precedent. And if I might answer the gentleman further I would make the suggestion that for more detailed information he inquire of his two Senators.

Mr. WALSH. Does the gentleman mean to say that the House Committee on Rivers and Harbors simply relied upon the two Senators from the State of Massachusetts before putting this into the bill?

Mr. SMALL. No; I simply meant to say that there was no harm in it, and the gentleman must know that conference reports are sometimes the result of compromises.

Mr. WALSH. Will the gentleman please state what investigation the House committee have made with reference to this item?

Mr. SMALL. I will say to the gentleman that for myself I have read probably a thousand pages or more, going back a hundred years. The matter of having a waterway across the isthmus of Cape Cod was discussed in Massachusetts more than a hundred years ago, and it has been discussed at intervals since that time.

Mr. WALSH. So that the knowledge which this committee had before it was in reference to a compromise provision, which has not been discussed in the House.

Mr. SMALL. There is no question about its being a very important provision. May I ask the gentleman in reply, Is he opposed to this item in the conference report?

Mr. WALSH. I have voted against the bill, and expect to vote to recommit it, and also expect to vote against the conference report.

Mr. SMALL. And this particular item?

Mr. WALSH. And am opposed to this item, because it will involve an expenditure of over $50,000,000 before this Government gets any benefit from it. [Applause.]

Mr. COX. Will the gentleman yield?

Mr. SMALL. Very briefly, because my time has about expired.

Mr. COX. I want to ask the gentleman in regard to this commission, and whether he has given any thought or consideration to putting that matter under charge of the Shipping Board, especially in view of the fact that Congress passed a law two years ago giving the Shipping Board power to fix water rates? Has the gentleman any well-defined idea as to whether the work proposed to be given to this commission could be given to the Shipping Board, and save the creation of so everlastingly many independent commissions?

Mr. SMALL. I will answer the gentleman, Mr. Speaker. How much time have I remaining?

The SPEAKER. About one-quarter of a minute.

Mr. SMALL. Mr. Speaker, in view of these interruptions I ask unanimous consent that my time be extended for three minutes.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that the time be extended three minutes, and that he have the time. Is there objection?

There was no objection.

Mr. SMALL. Mr. Speaker, in answer to the gentleman from Indiana I will say that our committee have had the thought that we must at some time repose in some bureau or branch of the Government the power to supervise water transportation and the promotion of commerce on navigable rivers.

Mr. COX. Does not the gentleman believe that the Shipping Board would be the proper repository for that?

Mr. SMALL. It may be that the Shipping Board would be the proper body.

Mr. COX. I hope the gentleman will study that and see that that provision is made at the next session.

Mr. SMALL. The gentleman from Indiana has given us a valuable thought along that line. Now, Mr. Speaker, the gentleman from Massachusetts [Mr. TREADWAY] said that this

provision for the Waterway Commission had as its purpose a partisan advantage to the Democratic Party. Mr. Speaker, in reply to that I will say that the appointment of this commission rests with the President of the United States. [Laughter on the Republican side.]

Gentlemen may laugh, but gentlemen can not point to a single act of President Wilson in discharging a public duty where he has not put the country above the party. [Applause on the Democratic side.] And the President will do it in this instance. The gentleman also referred to politics in this bill. I take the liberty of saying to the gentleman—and I think I will be sustained by every member of the committee, including the gentleman from Massachusetts himself—that he has never seen during his membership on the committee any politics or partisanship entering into the consideration of any item before the committee.

Mr. TREADWAY. Will the gentleman yield?

Mr. SMALL. Yes; for half a minute.

Mr. TREADWAY. I am delighted to agree with the gentleman's statement so far as the action of the Rivers and Harbors Committee is concerned, but I can not agree with him in his eulogistic statement as to the nonpartisanship of the President in his appointments. [Applause on the Republican side.]

Mr. SMALL. Fortunately for the President of the United States, his reputation now and in the future will not be dependent upon the gentleman from Massachusetts. [Applause on the Democratic side.]

Now, Mr. Speaker, about this commission, and with that I shall conclude. Gentlemen who have opposed this commission here to-day have been standing here for years advocating the appointment of a commission with substantially similar powers to this. The provision for this commission, let me say, has the distinct and unqualified approval of a great many students of transportation, particularly of waterway transportation in this country. They are men who believe, as has been frequently stated in this House and was so clearly expressed by the gentleman from Pennsylvania [Mr. TEMPLE], that there should be some more comprehensive plan; that there should be a larger and more complete coordination of the uses of water, and they believe that this provision here in the language employed will accomplish that large purpose. I am free to say that this provision has the approval of the President of the United States, and yet there has been no intimation or expression at any time that he would veto the bill if it was not in the bill.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question now is on the motion of the gentleman from Massachusetts [Mr. TREADWAY] to recommit the bill, which the Clerk will report.

The Clerk read as follows:

Mr. TREADWAY moves that the conference report be recommitted to the conference committee with instructions to the House conferees to disagree to amendment 41, known as the commission section.

The question was being taken, when Mr. TREADWAY demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 142, nays 207, answered "present" 4, not voting 78, as follows:

YEAS—142.

Ashbrook	Fuller, Mass.	McClintic	Scott, Iowa
Austin	Gallagher	McCormick	Sherley
Ayres	Gard	McCulloch	Shouse
Bell	Gillett	McFadden	Sisson
Bland	Glynn	McKenzie	Sloan
Blanton	Graham, Ill.	McKinley	Smith, Mich.
Browne	Graham, Pa.	McLaughlin, Mich.	Snook
Brumbaugh	Green, Iowa	Madden	Stafford
Burroughs	Greene, Vt.	Magee	Stephens, Miss.
Butler	Hadley	Mapes	Strong
Byrnes, S. C.	Haskell	Moores, Ind.	Sweet
Campbell, Kans.	Haugen	Morgan	Tague
Cannon	Heim	Nelson	Taylor, Colo.
Carter, Mass.	Hersey	Norton	Thomas
Cary	Huddleston	Parker, N. J.	Thompson
Chandler, Okla.	Hull, Tenn.	Phelan	Timberlake
Classon	Husted	Platt	Tinkham
Claypool	Hutchinson	Pratt	Towner
Connelly, Kans.	Ireland	Purnell	Treadway
Cox	Johnson, Ky.	Ragsdale	Vestal
Cramton	Johnson, S. Dak.	Ramsey	Voigt
Crisp	Johnson, Wash.	Ramseyer	Waldow
Dale, Vt.	Jones, Tex.	Rankin	Walsh
Dallinger	Keating	Rayburn	Wason
Davidson	Kelley, Mich.	Reavis	Welling
Denison	Kelly, Pa.	Reed	Wheeler
Dillon	Kincheloe	Rogers	White, Me.
Doolittle	King	Romjue	White, Ohio
Dowell	Kinkaid	Rose	Williams
Dunn	Knutson	Rouse	Wilson, Ill.
Elliott	Kraus	Rubey	Winslow
Esch	La Follette	Sabath	Woods, Iowa
Fairfield	LaGuardia	Sanders, N. Y.	Young, N. Dak.
Fitzgerald	Lehlbach	Sanford	Zihlman
Focht	Longworth	Saunders, Va.	
Frear	McAndrews	Schall	

NAYS—207.

Adamson	Doughton	Kettner	Riordan
Alexander	Dupré	Key, Ohio	Robbins
Almon	Dyer	Kless, Pa.	Roberts
Anderson	Eagan	Kitchin	Robinson
Aswell	Eagle	Larsen	Rodenberg
Bacharach	Edmonds	Lazaro	Rowe
Bacon	Ellsworth	Lee, Ga.	Rucker
Bankhead	Evans	Lesher	Russell
Barkley	Fairchild, B. L.	Lever	Sanders, La.
Barnhart	Farr	Linthicum	Scott, Pa.
Bathrick	Ferris	Little	Sells
Black	Fields	Lobeck	Shackleford
Blackmon	Fisher	London	Sherwood
Booher	Flood	Lonergan	Siegel
Borland	Foster	Lundeen	Sims
Brand	Francis	Lunn	Sinnott
Browning	Freeman	McArthur	Slayden
Bruckner	French	McKeown	Small
Buchanan	Garland	McLaughlin, Pa.	Smith, Idaho
Burnett	Garner	McLemore	Smith, C. B.
Byrns, Tenn.	Garrett, Tenn.	Maher	Smith, T. F.
Campbell, Pa.	Garrett, Tex.	Mansfield	Steagall
Candler, Miss.	Goodall	Martin, La.	Stedman
Caraway	Goodwin, Ark.	Mays	Steele
Carew	Gordon	Miller, Minn.	Steenerson
Carlin	Gould	Miller, Wash.	Stephens, Nebr.
Carter, Okla.	Gray, Ala.	Montague	Stevenson
Chandler, N. Y.	Gray, N. J.	Moon	Swift
Clark, Pa.	Greene, Mass.	Moore, Pa.	Switzer
Coady	Gregg	Morin	Talbott
Collier	Griest	Mudd	Taylor, Ark.
Connally, Tex.	Griffin	Nichols, Mich.	Temple
Cooper, W. Va.	Hamill	Oldfield	Tillman
Cooper, Wis.	Hamlin	Oliver, Ala.	Vare
Copley	Hardy	Oliver, N. Y.	Vinson
Costello	Harrison, Va.	Olney	Volstead
Crosser	Hastings	Osborne	Walker
Curry, Cal.	Hawley	O'Shaunessy	Walton
Dale, N. Y.	Hayden	Overmyer	Watkins
Darrow	Heflin	Overstreet	Watson, Pa.
Davis	Heintz	Padgett	Watson, Va.
Decker	Hensley	Park	Weaver
Dempsey	Hicks	Parker, N. Y.	Webb
Dent	Holland	Polk	Welty
Denton	Hood	Porter	Whaley
Dewalt	Houston	Pou	Wilson, La.
Dickinson	Howard	Powers	Wilson, Tex.
Dies	Hulbert	Price	Wingo
Dill	Igoe	Quin	Wise
Dixon	Jacoway	Rainey	Wood, Ind.
Dominick	Jones, Va.	Raker	Young, Tex.
Doremus	Kehoe	Randall	

ANSWERED "PRESENT"—4.

Fuller, Ill.	Glass	Langley	Snell

NOT VOTING—78.

Anthony	Flynn	Kahn	Sanders, Ind.
Bowers	Fordney	Kearns	Scott, Mich.
Britten	Foss	Kennedy, Iowa	Scully
Brodbeck	Gallivan	Kennedy, R. I.	Sears
Caldwell	Gandy	Kreider	Shallenberger
Cantrill	Godwin, N. C.	Lea, Cal.	Slemp
Capstick	Good	Lenroot	Snyder
Church	Hamilton, Mich.	Littlepage	Sterling, Ill.
Clark, Fla.	Hamilton, N. Y.	Mann	Sterling, Pa.
Cooper, Ohio	Harrison, Miss.	Martin, Ill.	Stiness
Crago	Hayes	Mason	Sullivan
Currie, Mich.	Heaton	Meeker	Sumners
Dooling	Helvering	Mondell	Templeton
Drane	Hill	Mott	Tilson
Drukker	Hilliard	Neely	Van Dyke
Elston	Hollingsworth	Nicholls, S. C.	Venable
Emerson	Hull, Iowa	Nolan	Ward
Estopinal	Humphreys	Paige	Woodyard
Fairchild, G. W.	James	Peters	
Fess	Juul	Rowland	

So the motion to recommit was rejected:

The Clerk announced the following pairs:

For rest of session:

Mr. LEA of California with Mr. EMERSON.

Until further notice:

Mr. FLYNN with Mr. SNYDER.

Mr. KEY of Ohio with Mr. HILL.

Mr. GALLIVAN with Mr. GOOD.

Mr. GLASS with Mr. SLEMP.

Mr. HELVERING with Mr. HAMILTON of New York.

Mr. NEELY with Mr. KEARNS.

Mr. SULLIVAN with Mr. KAHN.

Mr. BRODBECK with Mr. GEORGE W. FAIRCHILD.

Mr. MARTIN of Illinois with Mr. FESS.

Mr. NICHOLLS of South Carolina with Mr. HOLLINGSWORTH.

Mr. HILLIARD with Mr. ELSTON.

Mr. STERLING of Pennsylvania with Mr. HEATON.

Mr. CHURCH with Mr. MOTT.

Mr. DRANE with Mr. NOLAN.

Mr. GODWIN of North Carolina with Mr. PETERS.

Mr. SHALLENBERGER with Mr. WARD.

Mr. SUMNERS with Mr. STERLING of Illinois.

Mr. VAN DYKE with Mr. SNYDER.

For the session:

Mr. CALDWELL with Mr. SNELL.

On the vote:

Mr. KREIDER (for motion) with Mr. TEMPLETON (against).

Mr. SANDERS of Indiana (for motion) with Mr. ESTOPINAL (against).
Mr. CANTRILL (against motion) with Mr. LANGLEY (for).
Mr. SCULLY (for motion) with Mr. WOODYARD (against).
Mr. STINESS (for motion) with Mr. BOWERS (against).
Mr. GANDY (for motion) with Mr. SEARS (against).
Mr. PAIGE (for motion) with Mr. LITTLEPAGE (against).
Mr. KENNEDY of Iowa (for motion) with Mr. HARRISON of Mississippi (against).
Mr. SCOTT of Michigan (for motion) with Mr. HUMPHREYS (against).
Mr. ROWLAND (for motion) with Mr. DOOLING (against).
Mr. FULLER of Illinois (for motion) with Mr. CLARK of Florida (against).
Mr. COOPER of Ohio (for motion) with Mr. VENABLE (against).
The result of the vote was announced as above recorded.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. SMALL, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

Mr. SMALL. Mr. Speaker, I ask unanimous consent for the present consideration of the House concurrent resolution which I send to the desk and ask to have read.

The Clerk read as follows:

House concurrent resolution 19.

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 4285) entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," the Clerk be, as he is hereby, authorized and directed to number the sections following section 4 of the bill in consecutive numerical order, anything in the conference report to the contrary notwithstanding.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

FOOD CONTROL.

Mr. LEVER. Mr. Speaker, a number of gentlemen have requested time upon the food-control bill. It is absolutely impossible to accommodate them all, and I move the previous question at the end of an hour. I therefore ask unanimous consent that gentlemen who desire to extend their remarks on the food-control bill may have five legislative days within which to do it.

The SPEAKER. The gentleman from South Carolina asks unanimous consent that all gentlemen who so desire shall have five legislative days within which to extend their remarks upon the food-control bill. Is there objection?

Mr. WALSH. Mr. Speaker, I object.

Mr. LEVER. Mr. Speaker, I call up the conference report on the bill H. R. 4961.

The SPEAKER. The Clerk will report the conference report.

Mr. LEVER. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. The gentleman from South Carolina asks unanimous consent that the statement may be read in lieu of the report. Is there objection? [After a pause.] The Chair hears none.

The conference statement was read.

CONFERENCE REPORT (NO. 117).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4961) to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 10, 12, 14, 15, 20, 21, 22, 30, 44, 45, 46, 51, 52, 53, 60, 62, 64, 65, 66, 70, and 73.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 9, 11, 16, 18, 19, 25, 26, 27, 28, 29, 31, 32, 35, 37, 38, 39, 40, 41, 42, 43, 48, 49, 50, 56, 57, and 59, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the Senate amendment insert the following:

"That by reason of the existence of a state of war, it is essential to the national security and defense, for the successful prosecution of the war, and for the support and maintenance of the Army and Navy, to assure an adequate supply and equitable distribution, and to facilitate the movement, of foods, feeds, fuel including fuel oil and natural gas, and fertilizer and fertilizer ingredients, tools, utensils, implements, machinery, and equipment required for the actual production of foods, feeds, and fuel, hereafter in this act called necessaries; to prevent, locally or generally, scarcity, monopolization, hoarding, injurious speculation, manipulations, and private controls, affecting such supply, distribution, and movement; and to establish and maintain governmental control of such necessaries during the war. For such purposes the instrumentalities, means, methods, powers, authorities, duties, obligations, and prohibitions hereinafter set forth are created, established, conferred, and prescribed. The President is authorized to make such regulations and to issue such orders as are essential effectively to carry out the provisions of this act."

And the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In line 30 of the Senate amendment, after the word "of," insert "chapter 321"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the Senate amendment insert the following:

"SEC. 5. That, from time to time, whenever the President shall find it essential to license the importation, manufacture, storage, mining, or distribution of any necessaries, in order to carry into effect any of the purposes of this act, and shall publicly so announce, no person shall, after a date fixed in the announcement, engage in or carry on any such business specified in the announcement of importation, manufacture, storage, mining, or distribution of any necessaries as set forth in such announcement, unless he shall secure and hold a license issued pursuant to this section. The President is authorized to issue such licenses and to prescribe regulations for the issuance of licenses and requirements for systems of accounts and auditing of accounts to be kept by licensees, submission of reports by them, with or without oath or affirmation, and the entry and inspection by the President's duly authorized agents of the places of business of licensees. Whenever the President shall find that any storage charge, commission, profit, or practice of any licensee is unjust, or unreasonable, or discriminatory and unfair, or wasteful, and shall order such licensee, within a reasonable time fixed in the order, to discontinue the same, unless such order, which shall recite the facts found, is revoked or suspended, such licensee shall, within the time prescribed in the order, discontinue such unjust, unreasonable, discriminatory and unfair storage charge, commission, profit, or practice. The President may, in lieu of any such unjust, unreasonable, discriminatory, and unfair storage charge, commission, profit, or practice, find what is a just, reasonable, nondiscriminatory and fair storage charge, commission, profit, or practice, and in any proceeding brought in any court such order of the President shall be prima facie evidence. Any person who, without a license issued pursuant to this section, or whose license shall have been revoked, knowingly engages in or carries on any business for which a license is required under this section, or willfully fails or refuses to discontinue any unjust, unreasonable, discriminatory and unfair storage charge, commission, profit, or practice, in accordance with the requirement of an order issued under this section, or any regulation prescribed under this section, shall, upon conviction thereof, be punished by a fine not exceeding $5,000, or by imprisonment for not more than two years, or both: *Provided*, That this section shall not apply to any farmer, gardener, cooperative association of farmers or gardeners, including livestock farmers, or other persons with respect to the products of any farm, garden, or other land owned, leased, or cultivated by him, nor to any retailer with respect to the retail business actually conducted by him, nor to any common carrier, nor shall anything in this section be construed to authorize the fixing or imposition of a duty or tax upon any article imported into or exported from the United States or any State, Territory, or the District of Columbia: *Provided further*, That for the purposes of this act a retailer shall be deemed to be a person, copartnership, firm, corporation, or association not engaging in the wholesale business whose gross sales do not exceed $100,000 per annum."

And the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate amendment insert "c"; and on page 7, line 1 of the bill, after the word "price," insert the following: "*Provided*, That this section shall not include or relate to transactions on any exchange, board of trade, or similar institution or place of business as described in section 13 of this

act that may be permitted by the President under the authority conferred upon him by said section 13:"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: Reinsert the matter stricken out by the Senate amendment with the following amendments:

On page 8, line 12 of the bill, after the word "necessaries," strike out the semicolon and "or (e)," and insert in lieu thereof the words "in order"; and on the same page, line 13, after the word "price," strike out the words "of any necessaries," and insert in lieu thereof the word "thereof"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows:

In line 2 of said amendment strike out "(a)"; and on line 5, after the word "requisition," insert the words, "or otherwise provide."

In lieu of the section number proposed insert "10."

And the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: After the word "time," in line 2 of said amendment, strike out the words "in order to guarantee reasonable prices to the producer"; and on line 3 of said amendment, strike out the words "and to the consumer,"; and on line 4, after the word "prices," strike out the word "fuel,"; and on line 7, after the word "section," strike out the word "twelve" and insert in lieu thereof the word "fourteen"; and on line 8 strike out the words "foods, feeds or fuel" and insert in lieu thereof the words "such articles"; and in lieu of the section number proposed insert "11"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the section number proposed insert "12"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate amendment insert "packing house, oil pipe line,"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the section number proposed insert "13"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows:

In lines 7 and 8 of said amendment strike out "require the Board of Food Administration."

In line 11, after the word "profit," strike out "Said board" and insert "The President."

In line 15 of said amendment strike out the word "It" and insert "The President."

In line 16 of said amendment strike out the word "it" and insert "he."

In line 20 of said amendment, after the word "northern," insert the word "spring."

In lines 29 and 30 of said amendment strike out the words "the Board of Food Administration, subject to the approval of"; in line 30, after "President." strike out the comma.

In lines 33 and 34 of said amendment strike out the words "from the passage of this act to the 1st day of July" and insert "for the crop of."

In line 35 of said amendment strike out "nineteen" and insert "eighteen."

In line 36 of said amendment, after the word "northern," insert "spring."

In line 38 of said amendment strike out "or said board."

In line 39 of said amendment, after the word "absolute," insert "and shall be binding until May 1, 1919."

Change the section number to "14."

And the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: In lieu of the Senate amendment insert the following:

"SEC. 15. That from and after 30 days from the date of the approval of this act no foods, fruits, food materials, or feeds shall be used in the production of distilled spirits for beverage purposes: *Provided*, That under such rules, regulations, and bonds as the President may prescribe, such materials may be used in the production of distilled spirits exclusively for other than beverage purposes, or for the fortification of pure sweet wines as defined by the act entitled 'An act to increase the revenue, and for other purposes,' approved September 8, 1916. Nor shall there be imported into the United States any distilled spirits. Whenever the President shall find that limitation, regulation, or prohibition of the use of foods, fruits, food materials, or feeds in the production of malt or vinous liquors for beverage purposes, or that reduction of the alcoholic content of any such malt or vinous liquor, is essential, in order to assure an adequate and continuous supply of food, or that the national security and defense will be subserved thereby, he is authorized, from time to time, to prescribe and give public notice of the extent of the limitation, regulation, prohibition, or reduction so necessitated. Whenever such notice shall have been given and shall remain unrevoked no person shall, after a reasonable time prescribed in such notice, use any foods, fruits, food materials, or feeds in the production of malt or vinous liquors, or import any such liquors except under license issued by the President and in compliance with rules and regulations determined by him governing the production and importation of such liquors and the alcoholic content thereof. Any person who willfully violates the provisions of this section, or who shall use any foods, fruits, food materials, or feeds in the production of malt or vinous liquors, or who shall import any such liquors, without first obtaining a license so to do when a license is required under this section, or who shall violate any rule or regulation made under this section, shall be punished by a fine not exceeding $5,000, or by imprisonment for not more than two years, or both: *Provided further*, That nothing in this section shall be construed to authorize the licensing of the manufacture of vinous or malt liquors in any State, Territory, or the District of Columbia or any civil subdivision thereof, where the manufacture of such vinous or malt liquor is prohibited."

And the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: In line 2 of said amendment, after the word "bond," insert the words "or in stock."

Change the section number to "16."

And the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: In lieu of the amendment proposed by the Senate restore all of the matter stricken out except the proviso; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: In line 5 of said amendment strike out the word "tenth" and insert in lieu thereof the word "twenty-fifth"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the Senate amendment insert the followed:

"SEC. 23. That words used in this act shall be construed to import the plural or the singular, as the case demands. The word 'person,' wherever used in this act, shall include individuals, partnerships, associations, and corporations. When construing and enforcing the provisions of this act, the act, omission, or failure of any official, agent, or other person acting for or employed by any partnership, association, or corporation within the scope of his employment or office shall, in every case, also be deemed the act, omission, or failure of such partnership, association, or corporation as well as that of the person."

And the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment as follows: In lieu of the section number proposed insert "24"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment as follows: In lieu of the Senate amendment insert the following:

"SEC. 25. That the President of the United States shall be, and he is hereby, authorized and empowered, whenever and wherever in his judgment necessary for the efficient prosecution of the war, to fix the price of coal and coke, wherever and when-

ever sold, either by producer or dealer, to establish rules for the regulation of and to regulate the method of production, sale, shipment, distribution, apportionment, or storage thereof among dealers and consumers, domestic or foreign; said authority and power may be exercised by him in each case through the agency of the Federal Trade Commission during the war or for such part of said time as in his judgment may be necessary.

"That if, in the opinion of the President, any such producer or dealer fails or neglects to conform to such prices or regulations, or to conduct his business efficiently under the regulations and control of the President as aforesaid, or conducts it in a manner prejudicial to the public interest, then the President is hereby authorized and empowered in every such case to requisition and take over the plant, business, and all appurtenances thereof belonging to such producer or dealer as a going concern, and to operate or cause the same to be operated in such manner and through such agency as he may direct during the period of the war or for such part of said time as in his judgment may be necessary.

"That any producer or dealer whose plant, business, and appurtenances shall have been requisitioned or taken over by the President shall be paid a just compensation for the use thereof during the period that the same may be requisitioned or taken over as aforesaid, which compensation the President shall fix or cause to be fixed by the Federal Trade Commission.

"That if the prices so fixed, or if, in the case of the taking over or requisitioning of the mines or business of any such producer or dealer the compensation therefor as determined by the provisions of this act be not satisfactory to the person or persons entitled to receive the same, such person shall be paid 75 per cent of the amount so determined, and shall be entitled to sue the United States to recover such further sum as, added to said 75 per cent will make up such amount as will be just compensation in the manner provided by section 24, paragraph 20, and section 145 of the Judicial Code.

"While operating or causing to be operated any such plants or business, the President is authorized to prescribe such regulations as he may deem essential for the employment, control, and compensation of the employees necessary to conduct the same.

"Or if the President of the United States shall be of the opinion that he can thereby better provide for the common defense, and whenever, in his judgment, it shall be necessary for the efficient prosecution of the war, then he is hereby authorized and empowered to require any or all producers of coal and coke, either in any special area or in any special coal fields, or in the entire United States, to sell their products only to the United States through an agency to be designated by the President, such agency to regulate the resale of such coal and coke, and the prices thereof, and to establish rules for the regulation of and to regulate the methods of production, shipment, distribution, apportionment, or storage thereof among dealers and consumers, domestic or foreign, and to make payment of the purchase price thereof to the producers thereof, or to the person or persons legally entitled to said payment.

"That within 15 days after notice from the agency so designated to any producer of coal and coke that his, or its, output is to be so purchased by the United States as hereinbefore described, such producer shall cease shipments of said product upon his own account and shall transmit to such agency all orders received and unfilled or partially unfilled, showing the exact extent to which shipments have been made thereon, and thereafter all shipments shall be made only on authority of the agency designated by the President, and thereafter no such producer shall sell any of said products except to the United States through such agency, and the said agency alone is hereby authorized and empowered to purchase during the continuance of the requirement the output of such producers.

"That the prices to be paid for such products so purchased shall be based upon a fair and just profit over and above the cost of production, including proper maintenance and depletion charges, the reasonableness of such profits and cost of production to be determined by the Federal Trade Commission, and if the prices fixed by the said commission of any such product purchased by the United States as hereinbefore described be unsatisfactory to the person or persons entitled to the same, such person or persons shall be paid 75 per cent of the amount so determined, and shall be entitled to sue the United States to recover such further sum as, added to said 75 per cent, will make up such amount as will be just compensation in the manner provided by section 24, paragraph 20, and section 145 of the Judicial Code.

"All such products so sold to the United States shall be sold by the United States at such uniform prices, quality considered, as may be practicable and as may be determined by said agency to be just and fair.

"Any moneys received by the United States for the sale of any such coal and coke may, in the discretion of the President, be used as a revolving fund for further carrying out the purposes of this section. Any moneys not so used shall be covered into the Treasury as miscellaneous receipts.

"That when directed by the President, the Federal Trade Commission is hereby required to proceed to make full inquiry, giving such notice as it may deem practicable, into the cost of producing under reasonably efficient management at the various places of production the following commodities, to wit, coal and coke.

"The books, correspondence, records, and papers in any way referring to transactions of any kind relating to the mining, production, sale, or distribution of all mine operators or other persons whose coal and coke have or may become subject to this section, and the books, correspondence, records, and papers of any person applying for the purchase of coal and coke from the United States shall at all times be subject to inspection by the said agency, and such person or persons shall promptly furnish said agency any data or information relating to the business of such person or persons which said agency may call for, and said agency is hereby authorized to procure the information in reference to the business of such coal-mine operators and producers of coke and customers therefor in the manner provided for in sections 6 and 9 of the act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and said agency is hereby authorized and empowered to exercise all the powers granted to the Federal Trade Commission by said act for the carrying out of the purposes of this section.

"Having completed its inquiry respecting any commodity in any locality, it shall, if the President has decided to fix the prices at which any such commodity shall be sold by producers and dealers generally, fix and publish maximum prices for both producers of and dealers in any such commodity, which maximum prices shall be observed by all producers and dealers until further action thereon is taken by the commission.

"In fixing maximum prices for producers the commission shall allow the cost of production, including the expense of operation, maintenance, depreciation, and depletion, and shall add thereto a just and reasonable profit.

"In fixing such prices for dealers, the commission shall allow the cost to the dealer and shall add thereto a just and reasonable sum for his profit in the transaction.

"The maximum prices so fixed and published shall not be construed as invalidating any contract in which prices are fixed, made in good faith, prior to the establishment and publication of maximum prices by the commission.

"Whoever shall, with knowledge that the prices of any such commodity have been fixed as herein provided, ask, demand, or receive a higher price, or whoever shall, with knowledge that the regulations have been prescribed as herein provided, violate or refuse to conform to any of the same, shall, upon conviction, be punished by fine of not more than $5,000, or by imprisonment for not more than two years, or both. Each independent transaction shall constitute a separate offense.

"Nothing in this section shall be construed as restricting or modifying in any manner the right the Government of the United States may have in its own behalf or in behalf of any other Government at war with Germany to purchase, requisition, or take over any such commodities for the equipment, maintenance, or support of armed forces at any price or upon any terms that may be agreed upon or otherwise lawfully determined."

And the Senate agree to the same.

Amendment numbered 71: That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment as follows: In lines 13 and 14 of said amendment strike out the words "imprisonment in the penitentiary for not less than six months nor more than three years" and insert in lieu thereof the words "a fine of not more than $5,000 or by imprisonment for not more than two years, or both," and strike out the proviso beginning on line 21 and ending on line 26 and insert in lieu of said proviso the following: "*Provided further*, That this section shall not be construed to prohibit the holding or accumulating of any such article by any such person in a quantity not in excess of the reasonable requirements of his business for a reasonable time or in a quantity reasonably required to furnish said articles produced in surplus quantities seasonally throughout the period of scant or no production."

Change the section number to "26."

And the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In line 1 of said amendment strike out the words "and directed"; and in line 6, after the word "same," insert the words "for cash"; and in the same line, after the word "cost," strike out the words "payable in advance" and insert in lieu thereof the words "including all expenses connected therewith"; and in line 7 strike out the word "resolution" and insert in lieu thereof the word "section"; change the section number to "27"; and the Senate agree to the same.

A. F. LEVER,
GORDON LEE,
E. S. CANDLER,
J. THOS. HEFLIN,
G. N. HAUGEN,
JAMES C. MCLAUGHLIN,
SYDNEY ANDERSON,
Managers on the part of the House.

GEO. E. CHAMBERLAIN,
E. D. SMITH,
HOKE SMITH,
F. E. WARREN,
WM. S. KENYON,
CARROLL S. PAGE,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4961) to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel, submit the following written statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report as to each of the amendments of the Senate, namely:

On amendment No. 1: This amendment strikes out the whole of section 1 following the enacting clause and substitutes new language. The Senate amendment is made applicable to foods, feeds, and fuels, including kerosene and gasoline, while the House provision applies to foods, feeds, fuel, and articles required for their production. The House language includes, but the Senate amendments omits, reference to "private controls" among the things to be prevented. The Senate amendment authorizes the President to make regulations and issue orders to carry out the provisions of the act. It also directs the President, with the approval of the Senate, to appoint a board of food administration composed of three members. The House recedes and agrees with an amendment restoring the original House language, except that (1) the enumeration of articles affected is changed so as to read "foods, feeds, fuel, including fuel oil and natural gas, and fertilizer and fertilizer ingredients, tools, utensils, implements, machinery, and equipment required for the actual production of foods, feeds, and fuel"; and (2) there is added the language of section 16 of the House bill, which authorizes the President to make regulations and issue orders essential in carrying out the provisions of the act.

On amendment No. 2: This amendment strikes out section 2 of the House bill, but a part of the matter stricken out is included in amendment No. 67. The House recedes.

On amendment No. 3: This amendment changes section 3 to section 2. The House recedes.

On amendment No. 4: This amendment strikes out that portion of section 3 of the House bill which establishes a governmental control of necessaries and processes, methods, instrumentalities, and activities connected therewith and which declares them to be affected with a public interest. The House recedes.

On amendment No. 5: This amendment substitutes in section 3 of the bill the word "act" for the word "section," thereby extending the authority conferred by the section upon the President to cover the purposes of the whole act. The House recedes.

On amendment No. 6: This amendment authorizes the President, in section 3 of the bill, to create, as well as to use, any agency. The House recedes.

On amendment No. 7: This amendment adds, in section 3 of the bill, the words "in his discretion" to the language authorizing the President to accept the services of any person without compensation. The Senate recedes.

On amendment No. 8: This amendment inserts a new section 3, dealing with the negotiation of Government contracts or agreements by persons employed with or without compensation by the United States who may be interested in such contracts. The House recedes and agrees with an amendment completing the citation of the statute referred to.

On amendment No. 9: Section 4 of the bill prohibits conspiring, combining, agreeing, or arranging to limit facilities for transporting, producing, manufacturing, supplying, storing, or dealing in any necessaries, to which this amendment adds the harvesting of such necessaries. The House recedes.

On amendment No. 10: This amendment qualifies subdivision (d) of the House provision in section 4 of the bill which prohibits conspiring, etc., to prevent, limit, or lessen the manufacture or production of necessaries by inserting therein the word "willfully." The Senate recedes.

On amendment No. 11: This amendment changes the language of subdivision (d) of the House provision in section 4, which reads "to prevent, limit, or lessen the manufacture or production of any necessaries, or to enhance the price thereof," by making it read "to prevent, limit, or lessen the manufacture or production of any necessaries in order to enhance the price thereof." The House recedes.

On amendment No. 12: This amendment strikes out that part of section 4 which prohibits aiding or abetting the doing of any act made unlawful by the section, and the amendment inserts new language providing punishment for violation of any of the provisions of the section The Senate recedes.

On amendment No. 13: This amendment strikes out section 5, which relates to the licensing of the importation, exportation, manufacture, storage, mining, or distribution of necessaries, and substitutes a new section 5, which deals with the licensing of persons engaged in the business of dealing in certain specifically enumerated classes of articles in interstate or foreign commerce. The House recedes and agrees with an amendment making the section applicable to any business of importation, manufacture, storage, mining, or distribution of any necessaries, and containing other incidental changes.

On amendment No. 14: This amendment strikes out that portion of section 6 which provides punishment for willfully hoarding any necessaries. The Senate recedes.

On amendment No. 15: This amendment strikes out subdivision (a) of the definition of hoarding in section 6 and changes subdivision (b) to (a). The Senate recedes

On amendment No. 16: This amendment substitutes in section 6 the word "seasonally" for the word "seasonably." The House recedes.

On amendment No. 17: This amendment changes subdivision (c) of section 6 to subdivision (b). The House recedes and agrees with an amendment restoring the House lettering of the subdivision, and inserting a proviso that the section shall not include or relate to transactions on exchanges that may be permitted by the President under the authority of section 13.

On amendment No. 18: This amendment in effect strikes out the comma in the proviso to section 6 between the words "farmer" and "gardener" and inserts in lieu thereof the word "or." The House recedes.

On amendment No. 19: This amendment adds cooperative associations of farmers or gardeners, including live-stock farmers, to the list of persons who are exempted by the proviso to section 6 from the operation of that section. The House recedes.

On amendment No. 20: This amendment makes a change in the form of the second sentence in section 7 by substituting the word "in" for the word "of." The Senate recedes.

On amendment No. 21: This amendment makes a change in the form of the second sentence of section 7 by substituting the word "nearly" for the word "near." The Senate recedes.

On amendment No. 22: This amendment strikes out section 8, which provides punishment for the willful destruction of necessaries. The Senate recedes.

On amendment No. 23: This amendment strikes out section 9, which provides punishment for persons who conspire, combine, agree, or arrange to do certain acts connected with the facilities for the handling, and with the supply, distribution, manufacture or production, and prices, of necessaries. The House recedes and agrees with an amendment restoring the House language and combining subdivisions (d) and (e) so as to read as follows: "(d) To prevent, limit, or lessen the manufacture or production of any necessaries in order to enhance the price thereof."

On amendment No. 24: This amendment strikes out all that part of section 10 which authorizes the President, in order to carry into effect the purposes of the act, to purchase and provide for the production or manufacture of, to store and provide storage facilities for, to sell, and to requisition necessaries and storage space therefor, and to fix and pay a reasonable price for requisitioned necessaries and storage space. This amendment provides, as a part of a new section 8, new language which authorizes the President to requisition foods, feeds, fuels, and other supplies necessary for the support of the Army or Navy, or for any other public use connected with the common defense,

and storage facilities therefor, and to pay just compensation ascertained by him. The House recedes and agrees with an amendment making minor changes in phraseology and changing the section number to 10.

On amendment No. 25: This amendment substitutes the word "compensation" for the word "price" in section 10 of the House bill. The House recedes.

On amendment No. 26: This amendment provides that in case the compensation determined by the President under new section 8 be not satisfactory to the person entitled thereto, such person shall be paid 75 per cent thereof. The House recedes.

On amendment No. 27: This amendment substitutes the words "so determined" for the word "prescribed" in section 10 of the House bill. The House recedes.

On amendment No. 28: This amendment substitutes the words "said 75 per cent" for "the amount so paid" in harmony with amendment No. 26. The House recedes.

On amendment No. 29: This amendment inserts in section 10 of the House bill the words "make up such amount as will," so that the language reads "will make up such amount as will be just compensation." The House recedes.

On amendment No. 30: This amendment gives jurisdiction, in suits to recover just compensation under section 10 of the House bill, to the Court of Claims in addition to the United States district courts. The Senate recedes.

On amendment No. 31: This amendment brings the section following new section No. 8 within the operation of the proviso to new section No. 8, which exempts from the power of requisition any necessaries held by a natural person and reasonably required for consumption or use by himself and dependents. The House recedes.

On amendment No. 32: This amendment strikes out the words "for a reasonable time" at the end of the proviso referred to in the foregoing statement regarding amendment No. 31. It also strikes out all the language making provision for a revolving fund, and provides that no person shall be required to furnish to the Government seed necessary for the seeding of land owned, leased, or cultivated by him. The House recedes.

On amendment No. 33: This amendment inserts a new section 9, which authorizes the President, in order to guarantee reasonable prices to the producer and the consumer, to purchase, store, provide storage facilities for, and sell for cash at reasonable prices fuel, wheat, flour, meal, beans, and potatoes, the price paid in no case to be less than any minimum price therefor fixed pursuant to the provisions of (new) section 12 of this act. A revolving fund is authorized. The House recedes, and agrees with an amendment eliminating the statement of the purpose of the section, excluding fuel from the operation of the section, and making certain other incidental changes, including changing the section number to 11.

On amendment No. 34: This amendment changes section 11 to section 10. The House recedes, and agrees with an amendment changing the section number to 12.

On amendment No. 35: This amendment limits the operation of section 11 of the House bill to cases when the President shall find it necessary to secure an adequate supply of necessaries for the support of the Army or the Navy, or for any other public use connected with the common defense. The House recedes.

On amendment No. 36: This amendment specifically authorizes the President, under section 11 of the House bill, also to requisition packing houses. The House recedes, and agrees with an amendment extending the power of requisition to include both packing houses and oil pipe lines.

On amendment No. 37: This amendment amplifies the language in the first sentence of section 11 of the House bill by adding the words "or through." The House recedes.

On amendment No. 38: This amendment specifically authorizes the President, under section 11 of the House bill, to operate requisitioned plants. The House recedes.

On amendment No. 39: This amendment substitutes, in the fourth sentence of section 11 of the House bill, the word "compensation" for the word "amount." The House recedes.

On amendment No. 40: This amendment reduces the amount to be paid, under section 11 of the House bill, in case of disagreement, to 75 per cent of the amount fixed by the President instead of the whole amount. The House recedes.

On amendment No. 41: This amendment substitutes, in the fourth sentence of section 11 of the House bill, the words "so determined" for the word "prescribed." The House recedes.

On amendment No. 42: This amendment substitutes, in the fourth sentence of section 11 of the House bill, the words "said 75 per cent" for the words "the amount paid," in harmony with amendment No. 40. The House recedes.

On amendment No. 43: This amendment inserts, in the fourth sentence of section 11 of the House bill, the words "make up such amount as will," so that the language reads: "will make up such amount as will be just compensation." The House recedes.

On amendment No. 44: This amendment eliminates from the language in section 11 of the House bill, conferring authority on the President to make regulations, the clause specifically including the operation of any requisitioned factory, mine, or plant, or part thereof. The Senate recedes.

On amendment No. 45: This amendment provides that the reasonableness of wages fixed by the President, under section 11 of the House bill, in case the wage earner is dissatisfied, shall be determined by the Board of Mediation and Conciliation created under the act of July 15, 1913. A finding by the board that a higher rate should be allowed is made conclusive. The Senate recedes.

On amendment No. 46: This amendment provides that the word "mine," as used in section 11 of the House bill, shall include oil and gas wells and oil and gas pipe lines. The Senate recedes.

On amendment No. 47: This amendment changes section 12 to section 11. The House recedes and agrees with an amendment changing the section number to 13.

On amendment No. 48: This amendment strikes out the following language in the first sentence of section 12 of the House bill: "undue enhancement or fluctuation of prices of, or injurious speculation in, or unjust market manipulation or unfair and misleading market quotations of the prices of necessaries, are hereby prohibited, and." The House recedes.

On amendment No. 49: This amendment substitutes, in the second sentence of section 12 of the House bill, the words "Such regulations" for the words "Further, for the purposes of this section, the President." The House recedes.

On amendment No. 50: This amendment substitutes the word "their" for the word "its" in the second sentence of section 12 of the House bill. The House recedes.

On amendment No. 51: This amendment to section 12 strikes out the language specifically authorizing the President to appoint agents to conduct investigations, under the section, and to fix and pay their compensation. The Senate recedes.

On amendment No. 52: This amendment strikes out the provision for punishing, aiding, or abetting any violation of section 12 of the House bill. The Senate recedes.

On amendment No. 53: This amendment inserts in section 12 of the House bill additional language defining a grain exchange, traders in grain, and dealings in futures, and authorizes the President, in case dealings in futures on any grain exchange unduly or unreasonably enhance the price of wheat or other food cereals to the injury of the people of the United States, to request the discontinuance, for a specified time, of dealings in futures by traders. If such request is not promptly complied with, the President is authorized to order the discontinuance of such dealings in futures, and, if the order is not promptly complied with, to declare the exchange closed. Thereupon it is made unlawful to utilize such grain exchange or for any trader in grain to engage in the business theretofore conducted on such grain exchange. This amendment further provides punishment by fine of not less than $500 or imprisonment for not more than one year, or both, for any violation of any provision of the act. The Senate recedes.

On amendment No. 54: This amendment strikes out section 13, which makes provision for the fixing by the President of a price which shall be guaranteed to producers of any nonperishable agricultural food or feed products produced within the United States and inserts a new section 12. The new section authorizes the President to require the board of food administration to fix a reasonable guaranteed price for wheat and contains provisions governing the manner in which the board of food administration shall act with reference to such guaranty. The new section further provides that the guaranteed prices for wheat from the passage of the act to July 1, 1919, shall be not less than $2 per bushel at the principal interior primary markets, based upon No. 1 northern or its equivalent, and that this guaranty shall not be dependent upon the action of the President or the board under the first part of the section. The new section also makes provision for the collection of a duty, if necessary, on the importation of wheat, and for a revolving fund, in the same manner as in section 13 of the House bill. The House recedes and agrees with an amendment changing the section number to 14, substituting the President for the board of food administration, making No. 1 northern spring instead of No. 1 northern the basis of the guaranteed price for wheat, making the price of not less than $2 a bushel guaranteed by the section apply to the crop of 1918 only and providing that this guaranty shall be binding until May 1, 1919.

On amendment No. 55: This amendment strikes out section 14, which prohibits the use of any foods, food materials, or

feeds in the production of alcohol, except for certain specified purposes, or of alcoholic beverages. The amendment inserts a new section 13, which prohibits, after 30 days from the approval of the act, the use of foods, fruits, food materials, or feeds, in the production of distilled liquors, except for certain specified purposes, and prohibits the importation of any distilled liquors during the period of the war. The new section contains provisos (1) directing the President to take over all distilled liquors held in bond at the time the act goes into effect and to pay the owners thereof the actual cost plus not exceeding 10 per cent, (2) suspending the collection, so long as the act is in force, of all excise taxes on distilled spirits in bond at the time of the passage of the act and discharging the distiller from any taxes on distilled spirits taken by the Government, and (3) that the owner of distilled liquors shall not withdraw any part thereof without the payment of the excise tax. The House recedes and agrees with an amendment changing the section number to 15, prohibiting, after 30 days from the approval of the act, the use of foods, fruits, food materials, or feeds in the production of distilled spirits for beverage purposes, and prohibiting the importation into the United States of such spirits, but permitting the use of such materials in the production of distilled spirits for other than beverage purposes or for the fortification of pure sweet wines, subject to rules, regulations, and bonds prescribed by the President. It also subjects the use of foods, fruits, food materials, or feeds in the production of malt or vinous liquors, and the importation of such liquors to presidential regulations under certain specified conditions. It provides that the section shall not be construed to authorize the licensing of the manufacture of such liquors in any State, Territory, or civil subdivision thereof, where the manufacture of such liquors is prohibited, or in the District of Columbia.

On amendment No. 56: This amendment strikes out section 14a, which authorizes the President to require any person having control of alcohol and distilled spirits to turn the same over to the Government for use or redistillation, providing just compensation therefor. The House recedes.

On amendment No. 57: This amendment strikes out section 15, which authorizes the President, in carrying out the purposes of the act, to create agencies, to accept services without compensation, to cooperate with any agency or person, to utilize any governmental department or agency, and to coordinate their activities. The subject matter of this section is contained in section 3 of the bill. The House recedes.

On amendment No. 58: This amendment inserts a new section 14, which directs the President to commandeer distilled spirits in bond at the date of the approval of the act, for redistillation as far as may be necessary to meet governmental requirements in the manufacture of munitions and other military and hospital supplies; just compensation therefor is provided. The House recedes and agrees with an amendment changing the section number to 16, and making the section applicable to distilled spirits in stock as well as in bond.

On amendment No. 59: This amendment strikes out section 16, which authorizes the President to make regulations and issue orders for carrying out the provisions of the act, but the subject matter stricken out is included in amendment No. 1. The House recedes.

On amendment No. 60: This amendment changes section 17 to section 16. The Senate recedes.

On amendment No. 61: This amendment, in effect, eliminates that part of section 18 which provides that all persons, except persons serving without compensation, shall be appointed in accordance with the provisions of the civil-service act, and substitutes a proviso that all salaries and wages paid under the act shall be the equivalent of those paid in other departments of the Government for like services, but that no salary in excess of $3,500 shall be paid, except as specifically provided in the act. The House recedes and agrees with an amendment restoring the House language without the proviso.

On amendment No. 62: This amendment changes section 19 to section 17. The Senate recedes.

On amendment No. 63: This amendment adds to section 19 of the House bill a proviso that itemized statements of all purchases and disbursements under this and the preceding section shall be filed with the Secretary of the Senate and the Clerk of the House on or before the 10th day of each month after the act takes effect, covering the business of the preceding month, such statements to be subject to public inspection. The House recedes and agrees with an amendment requiring that the reports be made on or before the 25th instead of the 10th of each month.

On amendment No. 64: This amendment changes section 20 to section 18. The Senate recedes.

On amendment No. 65: This amendment changes section 21 to section 19. The Senate recedes.

On amendment No. 66: This amendment strikes out section 22, which, in substance, provides that if any part of the act shall be adjudged to be invalid, the remainder of the act shall not be affected by such judgment. The Senate recedes.

On amendment No. 67: This amendment inserts a new section 20, containing the first two sentences of section 2 of the House bill, which were stricken out by amendment No. 2, and which provide that words used in the act shall be construed to import the plural or singular, as the case demands, and that the word "person" shall include individuals, partnerships, associations, and corporations. The House recedes and agrees with an amendment inserting as section 23 in lieu of the Senate amendment the matter stricken out by amendment No. 2.

On amendment No. 68: This amendment changes section 23 to section 21. The House recedes and agrees with an amendment changing the section number to 24.

On amendment No. 69: This amendment inserts a new section 22, providing for comprehensive governmental control of the coal and coke business, including the fixing and regulating of prices, the requisitioning and operating of plants and businesses, the governmental purchase and sale of coal and coke, and a detailed investigation of the coal and coke business. The House recedes and agrees with an amendment changing the section number to 25; limiting the operation of the section to the period of the war; extending the power of regulation by the President to include the method of production, in addition to the sale, shipment, distribution, apportionment, or storage of coal and coke; eliminating recourse to the Board of Mediation and Conciliation by any person dissatisfied with wages fixed by the President; reducing the amount to be paid to any person dissatisfied with the compensation fixed in the exercise of the requisitioning or purchasing power to 75 per cent instead of the entire amount, with the right to sue the United States to recover such further sum as added to said 75 per cent will constitute just compensation; eliminating the provision that there shall be but one dealer between the producer and consumer in fixing maximum prices for dealers; and making other changes of a minor or incidental nature.

On amendment No. 70: This amendment inserts a new section 23, providing for a joint committee of the Senate and House of Representatives, to be known as "The joint committee on expenditure in the conduct of the war," and makes it the duty of the committee to keep itself advised with regard to the expenditure of all appropriations bearing on the conduct of the war and contracts relating thereto, and from time to time to report to Congress. The committee is given certain powers with reference to the acquisition of information required by it. The Senate recedes.

On amendment No. 71: This amendment inserts a new section 24, prohibiting persons carrying on or employed in commerce among the States or with foreign nations, or with or in the Territories or other possessions of the United States, in articles suitable for human food, fuel, or other necessaries of life, from storing, acquiring, holding, destroying, or making away with any such article for the purpose of limiting the supply or affecting the market price in such commerce, whether temporarily or otherwise, and providing punishment therefor. Two provisos of the new section exempt storing or holding by any person of the products of any land cultivated by him, and also farmers and fruit growers, cooperative and other exchanges, or societies of a similar character. A third proviso is added, that the section shall not be construed to prohibit acquiring, storing, or holding for future sale for such advanced price as might prevail in the ordinary course of business and in a free and unrestricted market. It is also provided that the section shall not be construed to repeal the Sherman Antitrust Act. The House recedes and agrees with an amendment changing the punishment for violation of the section to fine or imprisonment, or both, instead of imprisonment only; eliminating the third proviso and substituting a proviso exempting holding or accumulating of any article suitable for human food, fuel, or other necessaries of life by any person in a quantity not in excess of the reasonable requirements of his business for a reasonable time, or reasonably required to furnish such articles produced in surplus quantities seasonally throughout the period of scant or no production; and changing the section number to 26.

On amendment No. 72: This amendment inserts a new section 25, which authorizes the President to procure or aid in procuring nitrate of soda for increasing agricultural production during the calendar years 1917 and 1918 and to dispose of the same at cost, payable in advance. A specific appropriation of $10,000,000 is provided. The House recedes and agrees with an amendment eliminating the specific direction to the President

to procure nitrate of soda, authorizing the disposition of the same for cash at cost, including all expenses connected therewith, and changing the section number to 27.

On amendment No. 73: This amendment inserts a new section 26, which provides that nothing in the act shall be construed to repeal, modify, or affect either section 6 or section 20 of the act to supplement existing laws against unlawful restraints and monopolies, and for other purposes, approved October 15, 1914. The Senate recedes.

A. F. LEVER,
GORDON LEE,
E. S. CANDLER,
J. THOS. HEFLIN,
G. N. HAUGEN,
JAMES C. MCLAUGHLIN,
SYDNEY ANDERSON,
Managers on the part of the House.

Mr. LEVER. Mr. Speaker, with the understanding that I shall move the previous question at the end of an hour, I yield 30 minutes to the gentleman from Iowa [Mr. HAUGEN].

Mr. GILLETT. Mr. Speaker, does not the gentleman think he should allow more time than that? The House has not had a moment to discuss this bill since it came over from the Senate with all the Senate amendments, and I would like 15 minutes myself. I would not wish it, of course, if we only had half an hour, and I know a great many men would like a reasonable time to discuss it.

Mr. CANNON. I would like five minutes.

Mr. NORTON. To-day is quite young yet, and it seems to me we could spend a couple of hours or three hours discussing this report.

Mr. LEVER. We have another conference report which we would like to pass to-day.

Mr. NORTON. I understand that, but that probably will not take more than an hour.

Mr. McLAUGHLIN of Michigan. Will the gentleman yield? When this bill is finished the House will adjourn to mark time, and it seems to me the chairman might very well spend a little more time than he suggests for the discussion of this report.

Mr. LEVER. I will say to the gentleman from Michigan that a number of gentlemen on both sides of the aisle have come to me this afternoon, urging that we expedite the consideration of this bill. Many of them have their tickets bought for home, and some wish to leave early——

Mr. GILLETT. Does the gentleman think that is a good argument against devoting more time to the consideration of this conference report?

Mr. LEVER. I know it is not a good argument, but this bill has been discussed a whole week in the House and five weeks in the Senate.

Mr. GILLETT. The Senate bill has never been discussed for more than three minutes in the House since it came over from the Senate with all the Senate amendments.

Mr. LEVER. I will say to the gentleman from Massachusetts that the House conferees do not think that this bill has been very materially changed in principle by the Senate.

Mr. GILLETT. We would like an opportunity to discuss that.

Mr. LEVER. The gentleman from Iowa, I am satisfied, will be satisfied with 30 minutes of time.

Mr. HAUGEN. There have been a number of requests here, and if time is to be granted to comply with those requests I think it will take more than an hour on this side, possibly two hours, but I agree with the chairman that a great many are very anxious to get away and we would like to accommodate them. Of course, that is for the House to determine, and if the chairman yields 30 minutes to this side I should try to parcel it out to Members so as to accommodate them the best I can, but many of them can not be accommodated, but I think they will be fairly satisfied with the arrangement suggested by the chairman.

Mr. LEVER. Then I yield 30 minutes to the gentleman from Iowa, and at the end of the hour I shall move the previous question.

Mr. CANNON. Mr. Speaker, reserving the right to object, I think the gentleman will have plenty of time for the other bill, which is not so important as this. I think the gentleman had better grant one hour to a side.

Mr. LEVER. I appreciate what the gentleman from Illinois says and I would like to reiterate that many gentlemen on both sides of the House are very anxious to leave, and some desire to leave early.

Mr. CANNON. It is impossible for them to leave to-day, if the other conference report is to be considered. What would the gentleman say to an hour and a half; that is, three-quarters of an hour to a side?

Mr. LEVER. Would the gentleman be willing that the previous question shall be considered as ordered?

Mr. CANNON. Oh, I have no objection to that at all.

Mr. HAUGEN. I was about to make the suggestion that we have three-quarters of an hour on each side, and that the previous question then be considered as ordered.

Mr. LEVER. Then, Mr. Speaker, I ask unanimous consent that the time for debate on this conference report shall be an hour and thirty minutes, one half to be used by the gentleman from Iowa and the other half by myself, and at the end of that time the previous question shall be considered as ordered.

Mr. CANNON. I think that is right.

The SPEAKER. The gentleman from South Carolina asks unanimous consent that debate on this conference report be limited to an hour and a half, one half to be controlled by himself and the other half by the gentleman from Iowa [Mr. HAUGEN], and at the end of the hour and a half the previous question be considered as ordered. Is there objection? [After a pause.] The Chair hears none.

Mr. LEVER. Mr. Speaker, I ask the gentleman from Iowa to use some of his time.

The SPEAKER. The gentleman from Iowa is recognized for three-quarters of an hour.

Mr. HAUGEN. I yield 10 minutes to the gentleman from Massachusetts [Mr. GILLETT].

Mr. GILLETT. Mr. Speaker, I shall vote for this conference report. It probably does not exactly express the views of any Member of the House, and it certainly does not mine, but in a bill which covers so much ground and so many inflammable topics I agree that it is wise that a compromise report should be adopted, especially when it is very important that some action should speedily be taken.

I am skeptical as to its effects. I do not believe it will accomplish what its authors predict. It establishes a despotic power in one man which is quite contrary to the spirit of our Government, and which we are all reluctant to agree to; and yet in the terrible emergency which is facing us, and in view of the experience of the European countries, whose fate may be ours, this seems to be the wisest remedy.

I hope it will prove adequate and helpful, although I am not sanguine. At any rate, if it fails, it will be no argument against republican government, while if it succeeds it will be a strong illustration of the advantages of despotism. It is an emergency measure, justified only by the extreme pressure of war, and as such I reluctantly vote for it.

There has been an unusual and unreasonable disposition on that side of the House to suppress debate since this bill came over from the Senate. A week ago last Tuesday, when they brought in their rule and were ready to adopt it and then they found there had been an agreement so that they could not have any vote that day, I suggested they give the afternoon to a discussion of the bill, but they declined and adjourned at 1 o'clock, when we might just as well have had the whole afternoon for discussion. The next day when they brought up the bill they immediately moved the previous question before a man on this side could speak a word. I do not think it is particularly surprising they do not want all the amendments of the Senate discussed. I was particularly interested in the amendment providing for a committee on expenditures, and as they had determined to reject that I should not think they would want it discussed, because I can not see any reason for refusing that committee except the usual reason that the Executive always wants his power just as absolute and irresponsible as possible; but I was surprised that the gentleman from South Carolina, the chairman of the committee of conference, the representative of the House, an able, industrious, and popular legislator, instead of wanting to find out what the opinion of the House was upon this bill, rushed up to the White House, and the only information he seemed to care about was the opinion of the President of the United States. And he not only asked the President to write him a letter but he asked of him permission to publish that letter, with the obvious purpose that he might bring presidential pressure to bear for the rejection of that amendment. Perhaps an even more practical pressure than the opinion of the President was exerted, because I saw the great dispenser of administration patronage—the Postmaster General—haunting that day the lobby of the House, as he has on various other days when there was pending a vote which they thought important. I think the gentleman from South Carolina ought to have represented the Congress and not represented the President. [Applause.]

If there ever was a question when the chairman of a conference committee ought to have wanted the opinion of the

House, it was here, because this amendment stood up for the rights and powers and privileges of Congress as against the rights and powers and privileges of the Executive. There is always that opposition between Congress and the Executive. Each one always wants to maintain if not increase its own power. Congress is given power over the purse, and the only object that I can see of this amendment, which provided simply that there should be a committee of expenditures which should have power to keep itself posted and advise Congress about expenditures—the only purpose of that was to keep in Congress the power over the purse to which it is entitled; and the gentleman representing Congress in such an issue as that ought not to have rushed up to the White House and catered to the Executive instead of representing the power and the will of their own body. [Applause.]

That side of the House years ago used to criticize us on this side when we controlled the White House and Congress, because bills were sometimes brought in here that were drafted by heads of departments. They used to say it was not the duty of heads of departments to draft bills. They said it was the duty of Congress. But now, when they have the power, as to every bill of any importance that comes in they brag and boast and use as an argument for its passage the fact that it was drafted in some department of the administration. The gentleman from South Carolina, when a question between the House and the Executive comes up, simply asks the opinion of the Executive, and he refuses to allow any debate or any expression of opinion on the part of the House. They would not allow any separate vote; they would not allow any separate word of debate on that amendment until after the whole bill was sent to conference. It seems to me that it is a far greater catering and yielding to Executive influence than anything which they so freely criticized us for doing. Now, it is peculiarly necessary in this session of Congress that we should have such a committee on expenditures as has been proposed, if the House is going to live up to its convictions and seek to retain some control over expenditures, because, with the billions of dollars that we are appropriating, it is impossible for the appropriating committees to make themselves familiar with and to probe deeply into these expenditures. To-day there is a subcommittee of the Committee on Appropriations that has been sitting for weeks, considering estimates which amount to between $5,000,000,000 and $6,000,000,000 of deficiencies, and we will be sitting weeks more, I have no doubt, before we are ready to report it.

But when we shall have done that I do not flatter myself that we shall have been really able to go to the bottom of those estimates. You can not do it when they are so enormous and when haste is so necessary; you can not do it particularly when the departments themselves are so vague and uncertain. I do not blame them for it. Under this sudden expansion of business they can not give us the full details, because they have not been able to fully post themselves. The only way that Congress can know what is being done with the money appropriated is by having some committee on expenditures like this.

It is not a partisan committee. The committee would consist mainly of men of the President's own party, and my own fear respecting the committee would be that, being of the President's own party, they might imitate the gentleman from South Carolina and find out what the President wanted and act as he preferred. But there is nothing partisan about it, and it is the only possible way in the present juncture by which we can keep in close control of appropriations.

Mr. LONGWORTH. Mr. Speaker, will the gentleman yield?

Mr. GILLETT. Certainly.

Mr. LONGWORTH. The gentleman will remember that the amendment was offered by a Democrat in the Senate.

Mr. GILLETT. Certainly.

Now, what argument is offered against it? The only argument is the letter of the President which the gentleman from South Carolina reported to us, and which he begged the President to send to him in order that he might publish it. And what does that letter allege? It alleges, in the first place, that the adoption of the amendment would show a lack of confidence in the President, and it alleges, in the second place, that it would tend to cripple his work. The only way it would show lack of confidence in the President is the same way that the authors of the American Constitution showed a lack of confidence in the President when they provided that no money should be paid out of the Treasury except as authorized by Congress. It is showing it in the same way as is shown by the checks and balances in our Constitution, which are a part of our republican form of government, which were put in for the purpose of giving Congress the power over appropriations and preventing either the executive or the legislative branch being all powerful. If those showed lack of confidence, then this does; otherwise it does not.

Now, I have great respect for the President, but I do not think that he is omniscient or impeccable, or that we are showing any unfair lack of confidence in him if we provide a committee on expenditures to know how our money is expended. If that is lack of confidence we might as well say "Give the President all power; give up all theories of a republican form of government, and let the President have unlimited autocratic control over expenditures and over legislation." Judging from the action of the chairman of this committee, that is about the kind of authority over expenditures that he thinks we ought to exercise.

Mr. MOORE of Pennsylvania. Mr. Speaker will the gentleman yield?

Mr. GILLETT. Yes.

Mr. MOORE of Pennsylvania. Would there be any opportunity to get this expenditures committee matter before the House for a vote?

Mr. GILLETT. No. They were careful that we should not have an opportunity to vote upon it.

Mr. MOORE of Pennsylvania. It was stricken out in conference, so that we have no opportunity to vote upon it here?

Mr. GILLETT. Absolutely none.

The other argument in the President's letter is extraordinary. He states that the existence of such a committee would render his task of conducting the war practically impossible. Of course, if that is correct, no one would for a moment favor such a committee; but I can not but suspect that the President in making that statement did not have in mind how limited the power of this committee was. He compares it to the Committee on the Conduct of the War during the Lincoln administration, but this committee has no such jurisdiction. It is strictly limited to investigation of expenditures. Let me quote the amendment:

SEC. 23. A joint committee of the Senate and House of Representatives shall be appointed, composed of five Members of the Senate, including three Democrats and two Republicans, and five Members of the House of Representatives, including three Democrats and two Republicans, to be known as "the joint committee on expenditures in the conduct of the war."

It shall be the duty of said committee to keep itself advised with regard to the expenditure of all appropriations bearing on the conduct of the war made by Congress and the contracts relating thereto made by officers of the executive departments, and it shall be the duty of the executive departments, on request, to keep said committee fully advised as to such expenditures and contracts.

Such committee shall confer and advise with the President of the United States and the heads of the various executive departments, commissions, voluntary boards, or other organizations connected with the conduct of the war, with a view to safeguarding expenditures, and shall report to Congress from time to time in its own discretion, or when requested to do so by either branch of Congress.

The membership of such committee shall be designated by the respective committees of the Senate and House which select the members of the regular standing committees.

Such committee shall have power to act by subcommittee or otherwise, and to send for persons and papers, and administer oaths, to summon and compel the attendance of witnesses, and to employ such clerical, expert, and stenographic assistance as shall be necessary; and to pay the necessary expenses of such committee there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $50,000, to be paid out upon the audit and order of the chairman or acting chairman of said committee.

How that could seriously hamper an Executive it is impossible for me to conceive. It might sometimes cause inconvenience and perhaps be troublesome, but in this case, when a majority of the committee would be of the President's own party, even that could hardly be true. I should think an Executive would welcome the oversight of a committee of the appropriating body over the expenses, as it would tend to safeguard against errors and graft; but whether welcome or unwelcome, inasmuch as it could do nothing but keep advised as to the contracts and expenditures which were made, and had no power at all over any Executive action or to prevent or veto any contract or expenditure, but simply exists for the purpose of getting information, it seems to me impossible that it could seriously impair Executive freedom or in any way interfere with the conduct of the war, and it creates a suspicion that the President, weighed down with more important duties, did not have time to read the amendment himself, but accepted its contents at secondhand from some one who misled him.

If the creation of this committee indicates lack of confidence in the President or prevents the successful prosecution of the war, why does not the same hold true of the expenditure committees of this House as they now exist? The rules now give to those committees the following powers:

The examination of the accounts and expenditures of the several departments of the Government and the manner of keeping the same; the economy, justness, and correctness of such expenditures; their conformity with appropriation laws; the proper application of public moneys; the security of the Government against unjust and extravagant demands; retrenchment; the enforcement of the payment of moneys due to the United States; the economy and accountability of public officers; the abolishment of useless offices; the reduction or increase of

the pay of officers, shall all be subjects within the jurisdiction of the nine standing committees on the public expenditures in the several departments.

Those committees have to-day quite as much power as is given to this joint committee. The question may be asked, Why, then, is this joint committee necessary? Because these committees are by long habit inactive and dormant, while this new joint committee will occupy such a responsible place as the organ of the two branches of Congress that I think it would feel obliged to at least make a pretense of performing the duties imposed upon it, although with a majority in sympathy with the administration they would have no inclination to expose any extravagances or scandals which were not unquestioned.

I regret that the House conferees have been unwilling to allow this House to express itself on this amendment either by vote or by debate and have insisted that it should not be separately considered. And I regret that when the question arose between the power and rights of Congress and the power of the Executive they have refused to even consult the body which they represent, but have eagerly rushed to ask the opinions and wishes of the Executive and then availed themselves of the arbitrary rules of the House to aggrandize the Executive and to minimize their own body.

Mr. LEVER. Mr. Speaker, I desire to be recognized in my own right for five minutes.

The SPEAKER pro tempore (Mr. JONES of Virginia). The gentleman from South Carolina is recognized for five minutes.

Mr. LEVER. Mr. Speaker, we have listened to a very remarkable story of complaint and scolding from the gentleman from Massachusetts [Mr. GILLETT]. He scolds because we have not had unlimited time in which to debate a proposition which is not before the House, because it is not in conference at all.

Mr. GILLETT. Mr. Speaker, will the gentleman yield a moment?

Mr. LEVER. I prefer not to yield. I did not interrupt the gentleman.

Mr. GILLETT. What I complained of was that you did not give us a minute of time to debate it when it was before the House.

Mr. LEVER. When I waived my right to move the previous question at the end of one hour and asked unanimous consent that we have an hour and a half of debate upon this conference report the gentleman from Massachusetts [Mr. GILLETT] gave his acquiescence to that, and we got unanimous consent to close the debate in one hour and thirty minutes, and yet the gentleman complains that he has not had time to debate this proposition. Well, there is no such proposition pending in this conference report, touching which the gentleman spent 15 minutes in making a speech which he concluded just a moment ago.

The bill came back to the House with Senate amendments, one of which provided for the creation of a committee to investigate various and sundry things connected with the conduct of the war. By a vote of the House of 101 to 169 the House conferees were practically instructed to stand out against that provision, and we did stand out against it. [Applause.]

Mr. GILLETT. Will the gentleman yield?

Mr. LEVER. We won in our contention. That provision is not in this conference report, and it is a credit to the House conferees that they upheld the hands of the House in this struggle between the two bodies, and it comes with poor grace from the gentleman from Massachusetts, who has been here for 20 years, representing this House in its struggles from time to time with the Senate, for the gentleman to criticize me personally or the House conferees for doing the bidding of the House of Representatives in standing by its own bill and securing the elimination of an extraneous proposition. [Applause.] It seems to me that it would come with better grace from the gentleman from Massachusetts, with his long service here, to stand upon the floor of the House and congratulate the House conferees in their conduct of this bill in conference, because I think we can say that the bill has come back to the House in all of its substantial provisions as it left the House. [Applause.]

The gentleman complains that I should ask the President his opinion about a proposition of this character. The gentleman seems to fail to realize that this country is in the greatest struggle in all the history of time, and that the President of the United States is the constitutional leader of the people of America in this great conflict. [Applause.] Here was a proposition which, to my mind, would shackle him hand and foot, and as a Member of the House and as an American citizen I took the liberty of asking the Commander in Chief of the Army and the Navy of the United States if he thought such a provision would affect his conduct of the war in any way badly, and he replied in the most vigorous terms that it would do so [applause]; and representing this House, representing the almost unanimous concensus of opinion of the American people, we have stood back of the President, and I have no apologies either for the victory of the conferees or for the fact that I consulted the constitutional head of our Government. [Applause.]

Mr. HAUGEN. I yield five minutes to the gentleman from Nebraska [Mr. REAVIS].

Mr. REAVIS. Mr. Speaker, it will be impossible for me in the limited time allotted to say what I have in mind regarding this bill. I have participated so little in the debate, however, that I am unwilling to permit a vote without a brief expression of my views.

I expect to support the measure because I believe the stress of circumstances not only justify the act but in fact demand it or some similar legislation. My criticism is not against the bill, but I do desire to condemn the publicity campaign, carried on at Government expense, which has so deceived the Nation as to the purpose of the measure and the probable result of its practical operation.

This bill is justified only as a military necessity. It would not have been proposed nor would it have an advocate in this Chamber if it were not for the extraordinary conditions of the hour. Its provisions are so revolutionary that its proponents seem to have feared its reception by the Nation, and doubtless for that reason a press agent has been busy for many weeks, not only flooding the mails with foolish and fulsome articles regarding "the miracle man" who is to administer it but with predictions as to its purposes and probable accomplishments that in many instances amount to absolute misstatement. As a result of this campaign every Congressman has received hundreds of letters from those who are distressed by the high cost of food products appealing to them to support this measure as the means of relief from the present almost intolerable economic conditions in America. I can imagaine nothing more cruel than the raising of such false hopes. On the other hand, the farmer has been taught to believe that the bill is designed to stimulate production by offering him greater rewards for the fruits of his toil. Many Nebraska farmers have written me urging haste in the enactment of this bill as calculated to benefit them.

In my judgment this legislation is to prove the greatest disappointment of this session. Not because it will not accomplish the purpose of its enactment, but because it will accomplish the purpose of its enactment and because that purpose is exactly the reverse of what the Nation has been educated to expect. This bill is not designed to benefit the American producer nor the American consumer. It will quite likely cause sacrifice on the part of both. It is designed with the single purpose of relieving the food shortage among the allied powers as an absolute military necessity, and any other operative effect will be merely incidental to the main object.

It is amazing to me how the press bureau of this food administration has been able to convince the farmer that he is to get a higher price for his products as a result of this legislation and at the same time convince the laboring man that he is to buy these same products for less money. I am unable to comprehend the mental operations of men who contend that the bill will at once stimulate production and reduce prices. My observation of human nature prevents me from believing that you can stimulate production by reducing the price to the producer.

I have never entertained great faith in the ability of a legislative body to re-create humanity, nor to repeal natural law. The laws which control this universe are founded in the eternal equities and are in harmony with every fact, every incident, every other law of existence. The circumstance has never been nor never will it be upon which the operation of natural law will disturb the equilibrium. This bill not only seeks to interfere with the due operation of the fundamental law of supply and demand as a factor in prices, but it substitutes in its stead a law of our own making.

The law of supply and demand furnishes a great conduit through which products will flow from the producer to the consumer if not interfered with. If one through avarice or other unworthy motive seeks to retard the flow by obstruction and thereby corner the market, I favor the most drastic legislation not only to remove the obstruction, but to punish him who erects it. Such legislation is in harmony with the operation of natural law. I am therefore unqualifiedly in favor of the provisions of this measure which seek to prevent speculation in food products and to punish speculators. I can imagine no more despicable and unpatriotic man than he who under present conditions seeks to coin dollars out of the necessities and hunger of the poor. But this legislation does not stop there. It provides that competitive buying for the products of the farm shall cease and that a single agency shall purchase for America and the allied powers. It provides further that consumption at home

shall be reduced to a minimum and that our citizens generally are to be encouraged to consume as little as possible of those things raised on the farm. The natural and legitimate demand is to be curtailed by legislative mandate. If the matter were left here, reenforced as it is by the embargo on shipments to neutral countries, the legislation would defeat its sole purpose, which is to increase the supply of wheat and flour for military needs. If demand were discouraged and destroyed, the result would inevitably show in a decreased supply. It was to prevent, or to minimize, such result that a minimum price for wheat is established. It looks like legislating in a circle, but the situation discloses that the author of the measure has not been without ingenuity.

Two dollars a bushel for wheat is a very high price under normal conditions. Wheat is now selling for a higher price, and if demand were not interfered with would doubtless sell much higher before the next crop season. If under normal conditions wheat were selling for $2 a bushel, the wheat acreage would be greatly increased and the supply vastly enlarged. This increased supply would result in a lower price, but under the operation of this act the operation of the natural law is superseded by the provision that the price can not go below $2 a bushel. This minimum price is offered, in part, with the hope that it will stimulate production. You can not increase the wheat acreage in those sections of the country where wheat is the only crop. The prevailing price has accomplished everything that a high price can accomplish. If the wheat acreage is increased, as the proponents of the bill contend, such increase must come from those sections which raise more than one crop. Grant that the minimum-price section will stimulate production and result in a larger acreage, what is the result? Necessarily less land will be in corn, oats, barley, rye, potatoes, and pasture, and this means less of these products, less of live stock, less of milk, cheese, and butter. To decrease the supply of these products means higher prices for them than even now prevails. I have it upon excellent authority that "man can not live by bread alone," and I wonder what the laboring man will think of those who convinced him that this bill would reduce the high cost of living when the situation is brought home to him.

I am not certain that the guaranty of $2 wheat is to prove the stimulus so devoutly hoped. If the minimum-price feature operates as it has done in other countries, it will, as a rule, be the maximum price as well. The Nebraska farmer can not afford to raise $2 wheat with corn at the current price. I would not care to hazard the prediction that the minimum price will be approximately the maximum price, because I doubt if it will; but if the stimulus is such that the wheat acreage is greatly increased and the supply very materially enlarged, these facts, in connection with the interference with competitive buying, the reduced consumption at home, and the embargo may produce that result. That my views are shared by those who are loudest in their support of this measure is at least indicated by the almost hysterical condition of certain Members of Congress when cotton was placed alongside wheat in the bill. The cotton growers and their representatives became very active, and as a result of their activity cotton quietly slipped out of the legislation in the Senate and the southern farmer will be permitted to reap the vast reward the abnormal conditions furnish.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. REAVIS. With pleasure.

Mr. MOORE of Pennsylvania. I have been informed that with the price of wheat fixed at $2 a bushel it will mean flour will sell at $12.50 a barrel in the large cities.

Mr. REAVIS. Of that I am not certain, but I believe the statement is approximately correct. I will say, however, that I believe the wheat farmer would get $5 a bushel if there were no interference with the demand.

The statement has been frequently made both in Congress and in the press that the delay in passing this act results from the opposition of the farmers. This statement is unqualifiedly false. I represent an agricultural district and I have not received a single protest against the measure. The Nebraska farmer realizes how essential food is to our success in this war and that without it in abundance disaster would probably ensue. Those who have written me regarding the apparent injustice of the measure in segregating them as the object of hostile legislation have recognized the apparent injustice as one of circumstance and not of design, and have asked for the speedy enactment of the bill.

Mr. Speaker, this bill is designed solely to increase the food supply essential to our success in this war. Its purpose is found in the military necessity. The feeling, so earnestly fostered by a press bureau, that it is to better economic conditions at home is not justified by the facts, and I can not support the measure without frankly stating my views. I earnestly hope and believe that it will tend to hasten the end of the appalling conflict in which we have entered, and that it will aid us in furnishing at all times a sufficient food supply for those brave boys who are to fight for our liberties and our security on the other side of the sea. [Applause.]

Mr. HAUGEN. Mr. Speaker, I yield to the gentleman from Indiana [Mr. WOOD].

Mr. WOOD. Mr. Speaker and gentlemen of the House, I think it a great mistake that the conferees on this measure have seen fit to eliminate section 23 as the same passed the Senate.

I regret also that there has been so much misunderstanding concerning the purposes of this section and that so much confusion has arisen by comparing it with the law passed during the Civil War, creating a Committee on the Conduct of the War of the Rebellion. I also regret that the attitude occupied by President Lincoln with reference to the committee just referred to has been so woefully misrepresented.

The Committee on the Conduct of the Civil War had for its purpose what its title indicated. It had to do with the policy and conduct of the war solely.

An examination of the report filed by Senator Benjamin F. Wade and submitted by him to the Thirty-eighth Congress, discloses to some degree the great scope of authority vested in that committee. In this report Senator Wade, among other things, says:

> The investigations of your committee have embraced many subjects. The results of their investigations under the directions of the Thirty-seventh Congress have already been made public. The subjects of their inquiry under the directions of the Thirty-eighth Congress, some of which have already been reported upon, include the following: Army of the Potomac, Battle of Petersburg, Red River expedition, Fort Fisher expedition, massacre at Fort Pillow, heavy ordnance, light-draft monitors, rebel treatment of prisoners, and massacre of Cheyenne Indians, all of which are or have been specially reported upon. Testimony has been taken upon other subjects which is submitted without reports, either because of the incomplete character of the evidence or because special reports were not necessary.

There was absolutely nothing in the Senate amendment to the pending food-control bill to warrant the comparison that has been made between it and the Civil War committee. The only purpose of the Senate amendment, as provided in section 23 is to create a committee on expenditures in the conduct of the war and has absolutely nothing to do with the policy of the administration in the conduct of ways or with the conduct of generals or other officers in carrying out the policy of the administration. It is limited entirely to expenditures, and all that has been said with reference to the opinion entertained by President Lincoln as to the Committee on the Conduct of the Civil War is beside the mark. And in order to defeat this Senate amendment the opinion of Mr. Lincoln with reference to his war committee has likewise been misrepresented and falsified. All histories of the Civil War without a single exception, so far as I have been able to find, have commended that committee and set forth in no uncertain terms the approval of President Lincoln of the same. W. O. Stoddard, the historian, was not only contemporary of the martyred President, but he was as close to him during the days of the Civil War as any living man, with the possible exception of John Hay. Both of these gentlemen were secretaries at the White House during this period. Mr. Stoddard did not have to depend for his facts upon hearsay or upon perusing the writings of others. He got his impressions at first-hand from actual contact with the President of the United States and with the men who composed the Commitee on the Conduct of the Civil War. And this is what he has to say upon this subject:

> It was not long before the "legislative branch" of the Government began to interfere with the "executive branch" in military matters. It was little more patriotic than constitutional, but Mr. Lincoln had no manner of objection. When, in December, 1861, Congress appointed a strong and capable "Committee on the Conduct of the War," its members were at once taken into hearty and intimate consultation. What would surely have been a peril or a hindrance to a weak or selfish ruler was transformed at once into an additional and powerful guaranty of congressional cooperation. It was not so much thenceforward that Congress had assumed a part of the Executive province, but that the Executive had deftly provided himself with personal and official representatives upon the floor of Senate and House.
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> This committee, constantly advised with, cordially invited to investigate, to consider, to come, and to go, and to know everything before it happened, became a priceless safety valve for the growing discontent over inexplicable delays. Without it there can now be but little question that Mr. Lincoln would have been more seriously misunderstood and even antagonized by the body of men nominally represented by the committee.
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> The President of the United States is constitutionally the Commander in Chief, and Abraham Lincoln was also actually dictator; but he was entirely at ease as to all his rights and dignities when a joint committee of Senators and Representatives freely summoned before them his military officers by the dozen and called for their views of

things in general and their professional opinions of battles and campaigns. He knew beforehand that the sure result would be the strong and unanimous sympathy of that "jury" of clear-headed men, with him personally, and their approval of the general outlines of his policy, however much they might disagree among themselves or with him as to details of specific operations.

I think it is generally conceded that the most trustworthy life and history of Lincoln that has ever been written is that by Nicolay and Hay. This history sets forth more fully and at greater detail the personal opinions of Lincoln and his views respecting conditions during the war than any other history, and nowhere in this Life of Lincoln can a single word of complaint or criticism emanating from President Lincoln be found with reference to the committee on the conduct of the Civil War. On the other hand, these historians in giving their estimate of this committee as held by the public and that they knew Mr. Lincoln entertained concerning it, have expressed themselves as follows:

This committee, known as the committee on the conduct of the war, was for four years one of the most important agencies in the country. It assumed, and was sustained by Congress in assuming, a great range of prerogative. It became a stern and zealous censor of both the Army and the Government; it called soldiers and statesmen before it and questioned them like refractory schoolboys. It claimed to speak for the loyal people of the United States, and this claim generally met with the sympathy and support of a majority of the people's representatives in Congress assembled. It was often hasty and unjust in its judgment, but always earnest, patriotic, and honest; it was assailed with furious denunciation and defended with headlong and indiscriminating eulogy, and on the whole it must be said to have merited more praise than blame. (Vol. V, pp. 150, 151.)

You will observe by reading what Stoddard and Nicolay and Hay have said in their histories upon this subject that the Civil War committee had very little if anything to do with the expenditures incident to the Civil War, but they had much to do with the policy and actual conduct of the war, while the committee proposed to be created by the Senate amendment to this food-control bill has absolutely nothing to do with the conduct of this war, and has only to do with the expenditures incident thereto.

President Wilson is a historian of note himself. He has written a history of the Civil War, and you may search that history from beginning to end and you will find no criticism therein of the Civil War committee that we have been discussing. In fact, you will find no mention of that committee at all in his history. Had that committee been the great stumbling block in the way of President Lincoln to the proper conduct of the Civil War, it is only fair to presume that Mr. Wilson would have discovered that fact and made some mention of it in his history of that great struggle.

I do not think that it should take a great amount of argument to convince any fair and unprejudiced mind that there is necessity now, and that there will be a growing necessity, for the character of committee provided for in the Senate amendment. Already has the Congress appropriated and authorized the expenditure of ten billions of dollars and, in all probability, before this present session adjourns the expenditure of five billions more will be authorized. These appropriations have been made by the Members of this Congress as representatives of the people and the people will have these staggering sums to pay. Are they not entitled to know how they are expended, whether wisely or unwisely?

Immediately after our entering into this war this Congress turned over millions and millions of the public money to the Treasurer of the United States to be loaned and spent by him at his own discretion, without any check whatever, and the people of the United States who have this burden to bear do not know and never will know, in all probability, how this money has been expended. It has become known to a few, however, that $400,000,000 of this money was handed over to the firm of J. P. Morgan & Co in payment of advance credits which that concern had made to foreign governments. I do not believe that the people of the United States who will have to bend their backs to bear the additional burden of taxation would have given their stamp of approval to this transaction. And this is only one of many transactions involving millions that have been kept from the people and concerning which they are entitled to the fullest information.

If a committee similar to that provided for in the Senate amendment had been created at the commencement of this war, millions of dollars would have been saved to the people in the letting of public contracts for the building of cantonments and other Government works, and would have prevented the public scandal that now exists with reference to many of these contracts. Time forbids my entering into any considerable discussion of this proposition, but I do want to call the attention of the House to some conditions that are prevailing at Indianapolis, Ind., in the construction that is now going on at Fort Benjamin Harrison. And what can be said with reference to conditions there can likewise be truthfully said with reference to conditions prevailing in many other sections of the country, for these contracts in the main are alike. The contract for the construction work at Fort Benjamin Harrison was let to the Gaylord Construction Co, the contractors to receive the full amount of the cost of construction plus a profit of 10 per cent. Immediately these contractors, proceeding upon the theory of the more cost the more profit, increased the cost account by paying not only the most exorbitant prices for material but the amounts that they have paid and are paying for labor are outrageous and unjustifiable. Items taken from the pay roll of the Gaylord Construction Co. disclose the amounts paid by these gentlemen to their workmen, as follows, figures being compensation for two weeks' services: Carpenter, $167.04; foreman plumbers' gang, $169.13; cement worker, $146.25; plumber, $212.63; superintendent of laborers, $151.30; sawyer, $145.50; lumber checkers, whose only business was to count pieces of lumber, paid $168 to $175 per month; and foreman of common laborers paid from $200 to $250 per month. Plumbers are paid from $9 to $12 per day, and the work of many of these plumbers was rendered in carrying pipe and laying the same down along trenches. Ordinary carpenters are paid $9 to $10 per day, and boys from 14 to 16 years of age paid $3.75 and $4 per day for carrying drinking water to the workmen. Eight hours is taken as the basis of a full day's work. An hour, however, out of this is allowed to the mechanics in going out to Fort Benjamin Harrison from Indianapolis, another hour is allowed in the evening for their return to the city, and one-half hour is allowed for luncheon. So there are but five and a half hours left in which these workmen pretend even to labor. These are but a few samples of the many that might be pointed out to show how the public money has been and is being wasted on this contract.

It is now known that public contracts based upon this scheme of the entire cost of the contractor plus 10 per cent profit have been let to men who were guilty of robbing the Canadian Government and who upon discovery were drummed out of that country and forbidden to ever come back again. If we had a committee on expenditures incident to this war, composed of the high-class men who would be appointed under the terms of the Senate amendment, is there anyone who believes for a moment that such expenditures as I have enumerated would be tolerated or that contractors without some warrant as to their integrity would be permitted to secure these Government contracts?

Instead of objecting to the creation of this committee the administration should welcome it. It is physically impossible for the President of the United States or for the heads of the various departments to supervise these contracts or to give the expenditures incident thereto the scrutinizing care that they deserve. Their duties, already multifarious, will increase from day to day, and I would think that they would be glad to see transferred to a responsible body the very important duty of seeing that the public money is properly and honestly expended.

In these trying times one of the greatest assets that the administration can have is the confidence of the people. That confidence can best be secured by seeing to it that the people's money is not wasted. The people will be patient and long suffering and bear almost any burden so long as they know that their substance is not being cast into the graft maws of public contractors. But not long will they patiently endure after they are convinced that their hard-earned dollars are being worse than wasted; and the confidence of the people once destroyed is not easily restored.

The very fact that such a committee as provided for in the Senate amendment was created would of itself be a check upon the rapacity of the men who seek to make extraordinary profits out of war contracts and who are taking advantage of existing conditions to enrich themselves, and many practices that are now boldly resorted to would not even be thought of. I hold in my hand a copy of Ordnance Pamphlet No. 368, revised March 16, 1917, which purports to be instructions for marking and painting ammunition for the United States naval service of projectiles as furnished by manufacturers. This pamphlet contains the specifications and requirements for painting projectiles, setting forth with considerable detail how the painting is to be done and the various color schemes and the quality of paint that should be used in doing the work, and on page 3 of this pamphlet we find this remarkable clause embodied in these specifications:

Cebaline paint No. 2, manufactured by the Miller & McLean Co., New York City, is a satisfactory paint.

This is but a sample of the graft that is going on and being permitted in some of the branches of our Government. Anyone seeking to obtain a contract, as provided for in the specifications

that I have just referred to, would take the hint at once that in order to stand any show whatever of obtaining a contract under these plans and specifications would have to specify in his proposal that he would use "Cebaline Paint No. 2, manufactured by the Miller & McLean Co., New York City." If we had a committee such as provided for in this Senate amendment, I dare say that there would be no more special advertisements such as the one referred to in public specifications issuing from governmental offices of the United States.

I do hope for the best interests of the Government and its good name and for the saving of the people's money that the Senate amendment which the conferees have seen fit to eliminate from this bill, if not finally placed back in the same, will be consummated in a separate law.

Mr. HAUGEN. Mr. Speaker, I yield five minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Speaker, this afternoon we are to consider and pass upon the conference reports on the two bills referring to food production and control. The first bill presented and considered, H. R. 4188, is known as the food-survey or food-census bill. It passed the House May 28, 1917.

FOOD-SURVEY BILL.

This bill is an administration bill. It was prepared by the Department of Agriculture and had the approval of the President. It is distinctively a war measure. Its main features as it comes to us now are:

Provisions for an investigation by the Department of Agriculture as to the demand, supply, cost of production, and methods of distribution of foods, feeds, seeds, fertilizers, agricultural implements, and so forth, now in the country.

It authorizes the Secretary of Agriculture in case of "special need in any restricted area for seed" to purchase such seed and sell to the farmers at cost.

It makes large additional appropriations for expenditures by the Department of Agriculture for encouragement to live-stock production, for educational and demonstrational work, for the conservation of all forms of food products, and for other purposes.

It admits tick-infected cattle from Mexico and South America under certain conditions.

The bill also contains several other provisions of minor importance.

A FOOD CENSUS.

It was the opinion of the advisers of the administration that the first step necessary to take was an invoice of the Nation's supply of food products. This had been done in some European countries and had been found valuable as a basis for regulation. It is apparent now that such a survey in this country will be practically impossible. Our territorial extent and the diversity and amount of our resources are so vast that an invoice of our food supplies would be an immense undertaking and require a great deal of time. Besides our production is constantly increasing from month to month and our home consumption is so vast and so variable that unless a census could be taken all over the country at a fixed date anything like an accurate survey would be impossible. In European countries of small territorial extent and comparatively limited production the task is much easier. With tens of thousands of warehouses, and with millions of individual granaries with constant augmentations and withdrawals the task would appear hopeless.

Neither does it seem so necessary as would appear. From national and State organizations we secure reports of supplies and crop conditions, which, while only estimates, are, after all, approximately correct, and are always available. These are of sufficient accuracy on which to base any governmental action which it may be necessary to take.

After all, whatever our supplies, it will be necessary to augment them as much as possible. The extreme of effort is demanded whether the supplies are large or small.

For these reasons it is not probable that much benefit will result from the food-census provision.

EXTRAVAGANCE.

There were many objections to the bill as originally introduced. Happily, during debate, many of the objectionable features have been eliminated. As the bill came from the department it provided for a lump-sum appropriation of $25,000,000, to be spent principally, as shown in the hearings, in employing an army of so-called "experts," 7,000 in number, to go about the country telling the farmers how to raise their crops and the farmers' wives how to cook. It was stated that great saving could be made if the experts could go about and teach the farmers' wives how to make corn bread and cottage cheese!

The absurdity of such a proposition enabled the committee to reduce the amount to about $18,000,000, and this amount was still further reduced during debate until the amount now carried is about $12,000,000, or less than half the amount originally demanded.

The temptation on the part of the administrative branches of the Government to make extravagant demands for appropriations in times like these is great. The temptation on the part of Congress to grant whatever is demanded as a war measure is likewise great. But if this were done, if Congress did not stand guard over the Treasury, if it did not carefully scrutinize the estimates and debate the demands made there would be a veritable riot of extravagance, the money obtained from the people by extraordinary and burdensome taxes would be wasted and the efficiency of administration impaired.

The present is an instance in point. The sum of $12,000,000, which if appropriated would have been worse than wasted, has been saved by a careful examination by Congress of the way it was proposed to expend it. No one now would propose such an appropriation for such a purpose. An ostentatious display of expenditures seems to be characteristic of administrators. They profess economy and then boast of the amount of money they spend. During war times these characteristics seem accentuated. The officials seem to consider it a patriotic duty to see how much money can be spent to save the country. It is a singular delusion that it is our duty to save everything except money. That may be spent, in the opinion of some, without restraint, lavishly, indiscriminately. The thought seems to be that we have plenty of money and can get all we want, therefore we should spend and spend freely. We are the richest Nation in the world and don't need to be careful of our money!

ADMISSION OF TICK-INFECTED CATTLE.

The provision which was ingrafted on the bill by a Senate amendment allowing the importation of tick-infected cattle from Mexico and South America is a dangerous provision and should have been defeated in conference. The danger of spreading the infection is greatly lessened, however, by the provision secured by the House conferees which requires the infected cattle to be slaughtered at the port of entry. Still the provision is otherwise objectionable and should not have been inserted.

FOOD-CONTROL BILL.

H. R. 4961, known as the food-control bill, was introduced June 11, 1917. It passed the House June 23. It passed the Senate and went to conference July 21. As reported from the conference committee its principal features are:

Provisions for governmental control during the war of foods, feeds, fuel, including fuel oil and natural gas, fertilizer and fertilizer ingredients, machinery, and equipment required for the production of foods, feeds, and fuel, and gives the President authority to issue orders to carry out the provisions of the act.

The Senate adopted an amendment to this section which provided for the appointment of a board of food administration to consist of three commissioners. The conference committee refused to approve of this amendment and struck it out, thus leaving the power exclusively in the hands of the President. It is understood this will mean the appointment of Mr. Herbert Hoover as sole food administrator, who will exercise all the powers conferred by the act upon the President.

The President is authorized to select any agencies he desires and to accept the services of persons who desire to act without compensation. But no person can act for the Government in any contract or transaction who has any pecuniary interest in such contract or transaction.

Whenever the President shall so determine, he may announce that no person shall thereafter engage in the importation, manufacture, storage, mining, or distribution of foods, feeds, or fuel without securing a Government license, and if the President shall find any storage charge, commission, profit, or practice unjust, unreasonable, discriminatory, unfair, or wasteful, he may order such practice modified or stopped; and if the licensee does not comply, his license may be revoked, and he is made subject to fine and imprisonment. This section is not to apply to farmers or gardeners.

Hoarding of foods, feeds, or fuel is defined and is made a crime subject to punishment. The willful destruction of such articles for the purpose of enhancing the price or restricting the supply is also made unlawful. It is also made unlawful to conspire with others to limit the production or restrict the supply in order to enhance the price.

The President is authorized to requisition foods, feeds, fuels, and other supplies necessary for the Army and Navy, or any other public use connected with the common defense, and to ascertain and pay a just compensation therefor.

The President, at his discretion, is authorized to purchase, store, and sell for cash, at reasonable prices, wheat, flour, beans, and potatoes.

The President is authorized to requisition and take over for use or operation by the Government any factory, packing house, oil pipe line, mine, or other plant, and to operate the same. Just compensation shall be made for such taking over and use.

The President is authorized to prohibit or regulate the operations of boards of trade, exchanges, or other similar institutions, in order to prevent, correct, or remove unjust speculation, manipulation, or other evil practices.

The President is authorized to determine and fix in advance a guaranteed price for wheat for any year. The guaranteed price for 1918 for No. 1 northern spring or its equivalent is fixed by the terms of the act at $2 per bushel. This special guaranty is not dependent upon action by the President.

Thirty days from the date of the approval of the act no foods, fruits, food materials, or feeds shall be used in the production of distilled spirits for beverage purposes, nor shall there be imported any distilled spirits. Whenever the President shall deem it necessary he may limit, regulate, or prohibit the use of food materials for malt or vinous liquors for beverage purposes.

The President is authorized to take over all distilled spirits in bond or in stock for redistillation for governmental purposes in the manufacture of military and hospital supplies and to pay a just compensation therefor.

The President is authorized to fix the prices at which coal and coke shall be sold and to establish rules for their production, sale, shipment, and disposition. If any producer or dealer does not conform to the requirements fixed, the President is authorized to take over his mine or plant and to operate it under governmental control, paying a just compensation therefor. The President is also authorized to require such producers to sell their entire product to the Government, which may use or sell such products as it may determine necessary.

DELAY.

Much complaint has been made because of the delay in the passage of this legislation. If there is legitimate cause of complaint because of delay, it certainly can not be charged to the House. The first bill passed the House May 28, 1917. The second bill passed the House June 23. As soon as the bills passed the Senate they were sent to conference, and we will today approve both conference reports. Certainly whatever delay has occurred can not be attributed to the House.

It must be apparent now that it was a mistake to separate these food bills. The purpose of separating them was to expedite their passage. The result was directly the opposite. The consideration of two bills along parallel lines, containing provisions many of them intended to accomplish the same result, has resulted in delaying legislation rather than facilitating it.

The demand so generally expressed for the immediate passage by Congress, without consideration and without debate, of all bills introduced which have administrative approval is unjustifiable and dangerous. Legislation of such transcendent importance must be considered and debated if the interests of the country and the people are to be regarded. The President approves the object and purpose of the intended legislation and acts on the presumption that the bills introduced will accomplish such object and purpose. But the President does not examine and pass upon the bills as to their terms and conditions until Congress has acted and he is called upon to approve or disapprove of them. Bills of this nature are prepared in the departments. It is the business of Congress to consider, first, whether the legislation is desirable or necessary, and, second, if it approves the legislation, to consider and debate its provisions in order to carry out its intended purpose. Only thus can legislation be perfected and extravagance prevented. Congress is doing not only a commendable but an absolutely necessary work in perfecting as nearly as is possible the vital legislation proposed and in guarding the Treasury. It would be calamitous if under administrative pressure or popular clamor Congress should cease to exercise its constitutional duty in the consideration and passage of war legislation.

THE TWO COMMITTEES.

Two amendments made by the Senate and rejected by the conference committee have been the subject of much comment and discussion.

One of these amendments directed the President to appoint a board of food administration to consist of three commissioners who should "perform such duties in carrying out the purposes of this act as the President shall direct." It was expected that Mr. Hoover would be one of these commissioners and the chairman of the board, but it was intended that by appointing two associate members some check on his authority would be obtained.

This amendment was strenuously opposed by the President and administration supporters as intended to hamper the President and embarrass Mr. Hoover. It was urged that dissentions in the board would impede the operation of the law and decrease its efficiency.

On the other hand the supporters of the amendment urged that while Mr. Hoover was doubtless an able man and exceptionally qualified for the work, he had been 20 years outside the country and could not know existing conditions as well as was desirable. It was thought that two associates, selected by the President, who would know better our needs and conditions and who would be in entire harmony with the President's policies, could effectively aid in carrying out the provisions of the law.

The other amendment proposed the creation of a "joint committee on expenditures in the conduct of the war" to be composed of five Members of the Senate and five Members of the House, a majority of each to be Democrats. The principal duty of this committee was "to keep itself advised with regard to the expenditures of all appropriations bearing on the conduct of the war made by Congress."

This amendment was likewise disapproved by the President, who stated that its adoption would be considered by him as an expression of a lack of confidence in his leadership. While this view was hardly justified, the country would probably have taken the President's view and considered that Congress had refused to trust the President in his conduct of the war.

It is perhaps best that both these amendments failed at this time. In the tremendous undertaking which the President assumes, he should be given a free hand, and as far as possible be made to feel that he is not hampered by restrictions which he considers would seriously hinder his successful prosecution of the war.

There were many who believed that both amendments should have been retained but who did not wish to throw any impediment in the way of the undertaking. A fair trial without restrictions, and just as the President desires, can thus be obtained, and if modifications are necessary they can be secured by further legislation.

PRICE FIXING AND THE $2 GUARANTY ON WHEAT.

It is, of course, understood that the object of this legislation is to secure for the Government and for the people cheaper food products. Everyone who has the slightest knowledge of economic history knows that wars cause high prices, not only of food products but of all commodities. This is an acknowledged economic law. It is useless to endeavor to prevent the operation of such a law. To decrease the number of producers and to increase the number of consumers as well as to increase enormously the demand for exclusively war material will inevitably bring about a rise in prices.

The farmer is merely one of the producing classes. With others he receives higher prices during war time for his products. To that extent he is benefited. But the farmer is not only a producer, he is a consumer as well. He is compelled to buy fertilizers, farm implements, harness, clothing, groceries, fuel, and all that is necessary both to carry on his business and to support his family. If he receives higher prices for his products he is enabled to pay high prices for the things he is compelled to buy. In the general scale he is enabled to hold his place if his products share in the general rise of prices.

It does not require argument to show that if the farmer's prices are to be fixed on a low scale in order to secure cheap food products, while the prices of everything else are allowed to rise without restriction, that the farmer is placed at a disadvantage. It is unjust to him to be compelled to sell all he produces at low prices, and compel him to buy everything he has to purchase at inflated, unrestricted war prices.

Either there should be no restriction in the prices of any of the necessities of life or there should be restriction in all. For that reason I proposed an amendment giving the President power to fix prices on all necessaries as well as on farm products. This amendment was not adopted.

The advocates of a different policy disclaim any intent to do injustice to the farmer. To show their friendly attitude they have placed in the bill a guaranty of $2 per bushel for wheat. A suspicion might be entertained regarding the purpose of this provision, when it is remembered that wheat is now far beyond that price in the market, and if the war continues will probably go to a much higher price. A guaranty in such case would be a restriction, and operate against rather than in favor of the farmer.

But if it should under any circumstances operate as a stimulant to production, then the general effect would be injurious. There is an established relation between the prices of farm products which if disturbed always results disastrously. To guarantee the price of wheat at a price above the market, would

cause an excessive planting of wheat. This would work injuriously on the meat and dairy producing interests. We are in greater danger of a famine in fats than in cereals.

There is the greatest danger that what has occurred with our allies will occur here. They have already slaughtered more than 33,000,000 head of their stock animals. This immense impairment of breeding capital is a double loss, and one that can not be repaired in time to help in the war.

This will make the demand for all meat products, animal fats, and dairy products greater in this country, while our supply is continually diminishing. Already the excessive price of feeds has caused the slaughtering of thousands of dairy cattle, when every dairy cow is as valuable to the Nation as a 10-inch gun. Already the excessive price of corn has caused tens of thousands of immature cattle and swine to be thrown on the market, to the permanent diminution of our meat supplies for next winter.

In some way, by some means, the slaughter of dairy cows and of immature cattle and swine should be prevented. If Mr. Hoover can devise means to accomplish this he will prove a national and international benefactor.

The fields of our allies will this year fall short of their normal yield, we are told, 500,000,000 bushels. They have never been able to feed themselves, even under normal conditions. It will be our task to keep their armies and people from starving this winter. That will be a tremendous undertaking. We have done what we could in the way of production. Our present and future duty is to eliminate waste, to preserve perishable products, and to utilize every possible device, both of scientific management and practical experience, to conserve all the food resources we have available.

It should be understood that our obligation to our allies does not arise from charitable or philanthropic grounds. They are fighting our battles for us. Their soldiers are our soldiers. Every victory won by the allies is our victory, and every defeat suffered is our defeat. To allow their strength to wane or their efforts to be impeded by lack of supplies prolongs the war, means the sacrifice of more American lives, and delays the coming of peace indefinitely.

TO PREVENT AND PUNISH HOARDING, STOCK GAMBLING, AND EVIL PRACTICES.

The bill contains ample, and I believe effective, provisions to prevent and punish hoarding, willful destruction, and market manipulation of food products for the purpose of enhancing prices and controlling the market. It also contains provisions to prevent stock gambling and injurious speculation in food products.

In this purpose I am in entire sympathy. While believing that a price-fixing policy on farmers' products without giving the Government power to control the prices of other necessaries is both unjust and an unwise interference with economic law, it is not only justifiable, but it is our duty, to prevent the food pirates, the board-of-trade gamblers, and the market manipulators from extorting exorbitant prices and profits from either the Government or the people.

It is because of these evil practices that our principal ground of complaint arises. War is of necessity a burden. It brings in its train injury and loss inevitably. But everything should be done to prevent these injuries from being intensified by evil, designing men—men who would sacrifice the Nation's life to further their own interests; men who would starve the poor or rob the afflicted to add to their ill-gathered profits. To get rich out of the war should be so certain a proof of dishonesty and dishonor as to drive every man who does so from the country he has betrayed and from the society of the people he has injured.

For these reasons I most heartily approve of the provisions of this legislation designed to prevent and punish these evil practices. So necessary and important do I consider these provisions that I support the bills containing them earnestly and heartily, although they contain provisions which I do not approve. He is neither a wise legislator nor a patriotic one who can not broaden his vision to see benefits as well as defects. If those benefits exceed in value the defects, it is not best to spend time in exaggerating the defects, discrediting the legislation, and preventing the passage of laws necessary to the conduct of the war and the preservation of the Nation.

There is one primary patriotic duty which rests on every business man during the war. It is to sell his product at cost plus a reasonable profit. To extort exorbitant profits because of war conditions is to impair the Nation's resources and to render aid to the enemy.

I approve unreservedly the President's declaration that the prices to the public must be the same as the prices to the Government. It would be very easy to make Government prices moderate and to offset this by exorbitant prices to the people. The trade chain will remain unbroken. If the Steel Corporation charges exorbitant prices to the implement maker, the implement maker will charge exorbitant prices to the dealer, and the dealer to the farmer. Then the farmer tries to get along with a worn-out implement, and the result is a lessened yield. There is but one golden rule now—reasonable prices all along the line.

Many will not be able to realize the necessity of the passage of these bills to the successful conduct of the war, yet everyone can realize the extreme difficulty of carrying out successfully their provisions. Their success or failure will depend on the manner of their administration. Many have been loath to confer such extreme power on an individual. They have felt, however, when told that such action was necessary that the Government might successfully carry on the war, that they could not refuse to give to the administration the power it deemed essential to success. Certainly the administration carries with it the hopes of all loyal Americans for such success. That such success may come, and come quickly, to bring the war to a triumphant conclusion, and so bring us a lasting peace, is the object of this legislation.

For these reasons, Mr. Speaker, I shall support these conference reports.

Mr. LEVER. Mr. Chairman, I yield to the gentleman from Texas [Mr. MCLEMORE].

Mr. MCLEMORE. Mr. Speaker, I was one of a very small minority that voted against the food-control bill when it was before the House the first time, because it impressed me as being the most drastic, the most extraordinary, and the most un-American piece of legislation ever attempted by any American Congress. It was my hope that when the bill came back from the Senate and the conference committee it would be so amended that I could conscientiously give it my support and vote, but I have been disappointed, for the bill seems now to be in a worse condition than it was when it passed the House some weeks ago. To me it seems that the bill is intended only to control the price of American farm products in the interest of certain European nations. They call these nations our allies in the war in which we are now engaged, and as such I am willing to accept them. It may not be out of the way to call attention to the fact that the metropolitan papers and others which they influence are busy impressing it on the public mind that the allies are "helping us" to win this war. I am willing to go the limit in the prosecution of the war to a successful and speedy termination, now that war has been declared, but I do not think it necessary, in our effort to destroy autocracy and establish democracy in the nations of the Old World, that we should completely un-Americanize ourselves, destroy our own democracy, and create an autocracy in this country by far more powerful than that of which any Old World monarch ever dared to dream.

Mr. Speaker, this bill has many features that should cause American citizens to pause and reflect. It is unnecessary to point them out, for they stand out so boldly that even a blind man should see them. In one or two instances, however, I can not refrain from specializing. This bill carries with it the creation of a "food dictator" who is invested with autocratic powers greater than those ever conferred upon any Old World ruler. These powers will enable the "food dictator" to have absolute control of the farm products of the United States, and the farmer who dares disobey his dictates will find himself in serious trouble. And who is the man that has been selected to fill this most un-American, most extraordinary, and most autocratic position? Is he an all-American citizen, a man whose home, whose interests, and whose ideas are of and for this country? Mr. Speaker, he is not; but rather he is a man who has not been a resident of the United States for 20 years or more and who himself before the House Committee on Agriculture made this statement:

Now, as to the problems in this country, I feel myself very much a stranger to my own country, as I have been away since the war began.

He did not tell us how long he had "been away" before the war began, but I can state authoritatively that he has not been a resident of the United States for all of 20 years. A portion of this time has been accounted for by the Merchants' Association of New York, which has been very active in behalf of the gentleman under discussion. In a letter written to me, under date of May 29, 1917, the association says:

While we understand that Mr. Hoover is a man of considerable wealth, we have no knowledge of his having made his money in Wall Street. We understand he is a mining engineer; that he worked his way through the School of Mines at Stanford University; then went to Australia, from which country in four years he was called by the Chinese Government to take charge of its bureau of mines. After a year in that position, we are informed that he became manager of mining properties of a Belgian corporation in China, and a year later, because of his great success, was made a partner in a large British mining firm.

Here are six years of Mr. Hoover's absence from the United States accounted for prior to the war—four in Australia; a year in China, as the head of the Chinese bureau of mines; and then another year as the manager of a Belgian corporation in China. How long he has resided in England since becoming "a partner in a large British mining firm," the Merchants' Association of New York does not tell us and is silent on the subject; but from an authoritative source we have it that he formed business connections in London, England, in 1902, and that he has maintained his home and large business interests in that city ever since; and yet it is this man, a mining engineer, who has not been a citizen of the United States for all of 20 years and whose home and interests are all in a foreign land, who knows absolutely nothing of farming and of cattle raising, yet who has been brought over here to assume a dictatorship over our producers and invested with such autocratic powers that to disobey his mandates may mean prison walls for all who may dare offend. With a population of more than 100,000,000 to choose from, why was it necessary to go out of the United States to get a man to preside as dictator over our American producers and invest him with autocratic powers greater than those ever exercised by kaiser, emperor, or czar? Have we become so fallen that there is not one of our own citizens to be trusted with these autocratic powers, one whose interests are in the United States and whose ideals are for and of America?

But, Mr. Speaker, this is not all. Not only do we propose to make this "food dictator" by far the most powerful autocrat this country has ever seen, but the bill also carries with it an appropriation of $150,000,000 of the people's money, which will be placed at his disposal to do with as he pleases. In addition to this, we are to appropriate $2,500,000 for office forces, and so forth; and he also asks for the sum of $150,000 with which to erect an office building. If his dictatorship is to last only until the war is over, why spend this big sum of the people's money in erecting for him an office building? Is his request for a new building to be taken as an indication that the dictatorship is to be made permanent? I should judge so, Mr. Speaker, when it is generally believed in well-informed circles that the war will be over in three years at most.

Mr. Speaker, working through the organized women's clubs and other organizations, the literature of this new autocracy has been scattered broadcast throughout the country. The women are appealed to "to accept membership in the United States Food Administration," and the membership card that is sent to them to sign assures them that "there are no fees to be paid." At the bottom of the card, however, in fine type, we have this:

DIRECTIONS.

Mail your pledge card to the Food Administrator, Washington, D. C., and you will receive free your first instructions and a household tag to be hung in your window.

Upon receipt of 10 cents with your pledge card and a return addressed envelope, the official button of the administration, and if desired the shield insignia of the Food Administration, will also be sent you.

From the best that I can learn upon diligent inquiry these buttons cost the Hoover administration not exceeding a half cent each. There is another item, not noted on the card but concerning which information is imparted in another way, and which is that all ladies registering should wear a one-piece frock when in the kitchen and the pattern for which is furnished the ladies by the Hoover administration for the modest sum of 10 cents. These patterns, it is said, cost even less than the buttons. But this is not all. Those who purchase the patterns are informed that the one-piece frock should be made of a certain kind of cloth, and those who went to purchase the cloth in this city discovered that it had suddenly increased in price from 10 or 12 cents per yard to 18 cents, and they were informed that the price would soon be advanced to 25 cents per yard. This is what happened in Washington, Mr. Speaker, and it is reasonable to suppose that the merchants of other cities and towns throughout the country were as wise as those in Washington.

It is claimed by the Hoover administration, Mr. Speaker, that 1,000,000 women registered on the first registration day. It is presumed that the women who registered also "fell" for the button and pattern, in which event the Hooveristas took in $200,000 in money the first day. Estimates sent out from Hoover headquarters place the number of those who will register and "join the move" at 20,000,000. If each buys a button and pattern, and which each is expected to do in order to retain her standing with the Hoover administration, it means "a pick-up on the side" of the neat little sum of $4,000,000. Compared to some financial propositions that are now being pulled off by the Congress, this little sum of $4,000,000 is a very insignificant matter, but it is a straw which shows the way the wind blows, and is well worth keeping in mind. A fad of this kind, once well under way, with the proper machinery to push it along, develops "new ideas" each passing day, and each "idea" is supposed to add more money to the coffers of the organization responsible for the fad. Is it any wonder, then, that Mr. Herbert C. Hoover, of Red House, Hornton Street, London, England, should offer his services "free" to the American Government to accept the position of "food dictator" of the United States and clothed with autocratic powers greater than those ever conferred upon king, kaiser, or czar, with $150,000,000 of the people's money placed at his disposal to do with as he pleases?

Mr. Speaker, perhaps the most remarkable and most extraordinary thing that ever happened in the United States is found in the statement that Mr. Hoover has been made "food dictator" and clothed with great autocratic powers weeks before a bill has even been passed by Congress creating the office. He already has an army of assistants and clerks doing his bidding and has leased an entire hotel building, with its furnishings, etc., where he maintains his offices and where he and numerous assistants also maintain their homes. No eastern potentate ever exercised greater autocratic powers than those now being exercised by Mr. Herbert C. Hoover, of Red House, Hornton Street, London, England, and who, it seems, did not have to wait for Congress to act before assuming the rôle of food dictator and taking charge of the produce of 45,000,000 farmers of the United States. The least paid of the army of clerks he has employed at Government expense is $1,200 per year, so I am informed, and I believe authoritatively. Whether or not his lieutenants are paid salaries I do not know, but if these lieutenants are all in the class of the two he has taken from the State of Texas, then they do not need the money and can afford to show their patriotism by serving for glory on Mr. Hoover's official staff. One of these distinguished Texan lieutenants is a millionaire oil king and the other an alleged millionaire ranchman and the owner of the "greatest dairy in the world." The latter also had the distinction of being the Bull Moose nominee for governor of Texas in 1912, although since then he has, I believe, proclaimed himself a "Wilson Democrat." I have no criticism to make of these gentlemen and merely mention them to show the class of men the new autocrat is calling to his assistance to dictate to our country's producers, and that, too, under an administration which claims to be democratic and the friend of the plain people. Both of the gentlemen named have expressed themselves in print as being in favor of the Government taking charge of everything our farmers raise and produce, and evidently they are satisfied to let Mr. Herbert Hoover be the "food dictator" and clothed with autocratic powers never before dreamed of in the land of the free and which gave us George Washington, Thomas Jefferson, and Andrew Jackson.

Mr. Speaker, the Hoover administration is very busy these days advising the people to conserve their food, but we hear nothing about Congress conserving the people's money. If the so-called food administration keeps up as it has begun, it will, at the end of three years, have spent several hundred millions of dollars of the people's money, which money, if correctly applied, would be of far more benefit to the country than all the food administrations Mr. Hoover might suggest or devise. In fact, the so-called food administration is going to be one of the most expensive luxuries the people of this country have ever enjoyed and will prove a burden on the people under which they will groan for many a year to come.

Mr. Hoover may be the most honest and most honorable man that ever trod this mundane sphere, but as an American citizen, Mr. Speaker, I am not in favor of clothing any man, whether or not he be sent to us by England, with unlimited autocratic powers and placing in his hands $150,000,000 of the people's money—to use as he pleases—and the destiny of the 45,000,000 producers in this country. That Mr. Hoover is a most wise man I am ready to admit, for he tells us so himself, and I take it that he speaks knowingly. In fact, he is a little ahead of Solomon, for Solomon, though a man of exceeding human wisdom, did not, as I understand it, perform miracles, while Mr. Hoover does. At least, that is the conclusion I draw from some of the literature sent to the newspapers by the publicity department of his administration, a sample of which I will here give:

PUBLICITY DEPARTMENT, FOOD ADMINISTRATION,
FOOD CONSERVATION SECTION,
Washington, D. C., July 14, 1917.

To the EDITOR:

Herewith I am inclosing to you some material that has been sent out from the Food Conservation Section of the Food Administration to the news associations and by them sent over their wires. I feel that there are stories in this material that you have not seen and that these may be of use to you.

Your name is on the mailing list of the Food Conservation Section, and after this news stories will be mailed to you Mondays, Wednesdays, and Fridays.

I hope you will find here something useful to your paper and to the great cause of food saving.

Faithfully, yours,

KATHERINE LECKIE.

Among this "material" sent to the different papers throughout the country, we have this item which is of special interest, as it refers to Mr. Hoover himself and shows the exalted opinion the gentleman has of Mr. Herbert Hoover. The item bears date of July 13, 1917, and reads as follows:

[For release July 13, 1917.]

FOOD ADMINISTRATION,
FOOD CONSERVATION SECTION.

Post-office clerks rubbed their eyes to-day when they found in an incoming mail sack a letter bearing no other address than "Mr. Miracle-Man Hoover, Washington." On a guess as for whom it was intended the letter was carried to Herbert Hoover, United States Food Administrator. The guess proved correct. The writer tells of the pressing need for food conservation, and adds "God bless you in your service to our country."

A distinguished Member of the United States Senate, in discussing this highly interesting news item on the floor of the Senate a few days ago, expressed himself as follows:

This statement is being sent out by Mr. Hoover about himself, in order that he may thereby glorify himself by having it printed in all the papers of the country. It is, I assume, sent out at Government expense.

And no doubt the papers printed it, and which recalls a very interesting item concerning many newspapers published in this country. The item referred to is taken from pages 2947 and 2948 of the CONGRESSIONAL RECORD, and is as follows:

Mr. CALLAWAY. Mr. Chairman, under unanimous consent, I insert in the RECORD at this point a statement showing the newspaper combination, which explains their activity in this war matter, just discussed by the gentleman from Pennsylvania [Mr. MOORE]:

"In March, 1915, the J. P. Morgan interests, the steel, shipbuilding, and powder interests, and their subsidiary organizations, got together 12 men high up in the newspaper world and employed them to select the most influential newspapers in the United States and sufficient number of them to control generally the policy of the daily press of the United States.

"These 12 men worked the problem out by selecting 179 newspapers, and then began, by an elimination process, to retain only those necessary for the purpose of controlling the general policy of the daily press throughout the country. They found it was only necessary to purchase the control of 25 of the greatest papers. The 25 papers were agreed upon; emissaries were sent to purchase the policy, national and international, of these papers; an agreement was reached; the policy of the papers was bought, to be paid for by the month; an editor was furnished for each paper to properly supervise and edit information regarding the questions of preparedness, militarism, financial policies, and other things of national and international nature considered vital to the interests of the purchasers.

"This contract is in existence at the present time, and it accounts for the news columns of the daily press of the country being filled with all sorts of preparedness arguments and misrepresentations as to the present condition of the United States Army and Navy and the possibility and probability of the United States being attacked by foreign foes.

"This policy also included the suppression of everything in opposition to the wishes of the interests served. The effectiveness of this scheme has been conclusively demonstrated by the character of stuff carried in the daily press throughout the country since March, 1915. They have resorted to anything necessary to commercialize public sentiment and sandbag the National Congress into making extravagant and wasteful appropriations for the Army and Navy under the false pretense that it was necessary. Their stock argument is that it is 'patriotism.' They are playing on every prejudice and passion of the American people."

From the manner in which the papers are eternally advertising, without charge, the game of Mr. Herbert C. Hoover, of Red House, Hornton Street, London, England, and publishing daily boosts of the "Miracle man," written in his own office, they—the newspapers—are evidently doing their best to stand squarely by the contract of the 25 papers alluded to in the item extended to the RECORD by Mr. Callaway and quoted above.

Mr. Speaker, shortly before the food bill was drawn in the Department of Agriculture to be introduced in the House, and while certain newspapers were busy preparing the way for the creation of a food dictator, the Secretary of Agriculture, in order to offset this claim of the newspapers, published an article in a food journal, from which the following excerpts are taken:

There is nothing in the food situation of the country which justifies hysterical thinking or action.

The department and all agricultural agencies of the country are giving definite and careful attention to these problems. The Federal Government, through several of its departments, is giving continuous consideration to the immediate problems presented and to the possibility of remedial legislation.

The solution will certainly not involve a Federal dictatorship, and it is highly unlikely that it will involve a dictatorship in any State or community.

America does not take kindly to dictators. The difficulties, in any event, would be very nearly insuperable. We have a continent to deal with, and there are difficulties of double jurisdiction.

Consider, for instance, the matter of fixing a minimum price. The Federal Government could deal only with commodities passing into interstate commerce. The States might be hampered in attempting to fix prices.

Mr. Speaker, we are maintaining a Department of Agriculture at an expense of millions of dollars annually. The department has an army of paid experts, men who have made a study of and understand every phase of farm conditions, and yet who are now brushed aside while a mining expert is brought over from England to take over the destinies of the farmers of this country and put on their produce a price that will no doubt be agreeable to the country where he makes his home and where his business interests are maintained. Well may we pause and ask ourselves, "Whither are we drifting?" And we also have cause for deep reflection when we recall that the Senate a few days ago voted down an amendment authorizing the President to appoint only bona fide American citizens when he named the commission to control the farm produce of the United States. Mr. Speaker, when we can not trust our own citizens in matters of such vast importance to themselves and to their country, then surely are we drifting on dangerous shoals and rocks. If we have men, Mr. Speaker, who violate our laws by forming combinations in restraint of trade—such men as are classed as middlemen—then we have laws sufficient to check them, and the matter of their prosecution should be left with the Department of Justice and not with the food administration.

Mr. Speaker, there is another feature of this bill to which I wish to call special attention. It is that feature which has been injected into it by an element known as the Anti-Saloon League. It is to the Anti-Saloon League that I wish to pay my respects, and I shall tell some things of this organization that are evidently not known to some of my fellow Congressmen, who, it seems, stand in awe of this unholy alliance of men who are "uplifters" for the money they may get out of their "uplift" work. Mr. Speaker, I do not know how I can better describe the Anti-Saloon League than to quote from Clean Commonwealth, a prohibition paper published in Butler, Pa., and which evidently speaks by the card. That paper says:

For cold effrontery, brazen pretense, impertinence, blasphemy, and colossal humbuggery the Anti-Saloon League leads anything of the last hundred years. Look at the facts and see:

It is a colossal pretender. Why? Because it has heralded itself in assembly and paper and pulpit as a "federation of the churches," when no federation existed or had ever been formed.

It has practiced outrageous fraud. How? By exhibiting false and lying maps in the pulpits everywhere, which represent that great victories have been won, that the country is rapidly growing dry, when the volume of drink traffic is all the time increasing.

The Anti-Saloon League is an unmitigated liar. Why? It has everywhere represented itself as the stepping-stone method, while it can't take a single step until it first carries the State and gets control of the legislature.

It is an unspeakable fraud. Why? Because it has collected millions of dollars of sacred money from the churches under pretense of securing or enforcing law and has squandered it among a lot of hypocritical grafters.

The strange and disgraceful feature of this gigantic fraud is that it is operated by preachers. The star-route frauds were worked by a coterie of politicians, the Credit Mobilier was a coterie of detestable thieves, but the Anti-Saloon League is composed of preachers robbing the church.

But Clean Commonwealth does not state it all. The Anti-Saloon League does not work its grafting scheme through the churches alone, but it also gets money from big corporations; and it has even been charged, and I believe with justice, that certain mail-order whisky houses have in the past been heavy contributors to its game, in return for which the league was expected to close saloons in counties or States into which whisky could be shipped from the outside. A near-by State is a notable instance, and it is openly charged that an Anti-Saloon League worker, who stands high in the league's councils, was responsible for this State's quart law. The harvest reaped by certain mail-order whisky houses, especially one in Washington, has simply been enormous. And it is a rule, unwritten it may be, but a rule, nevertheless, of mail-order whisky houses to reward those who best serve them; and how can you better serve a mail-order whisky house than to create a market for its merchandise?

Mr. Speaker, the Anti-Saloon League is no federation, as its name would imply, but instead it is a close corporation and practically under the control of one individual, who has grown immensely rich from his enterprise. It maintains national headquarters at Westerville, Ohio, and all State leagues are only branches of this Ohio corporation and to which the State leagues (or "department," as they are termed) must pay a certain percentage of all the money they collect. A few years ago in Texas a legislative investigating committee had before it the superintendent of the Texas Anti-Saloon League. That State superintendent was Dr. J. H. Gambrell, still a resident of Texas, and that he may not be misrepresented I will quote from his testimony taken before the legislative investigating committee and duly recorded in the journal of the House of Representatives of the Texas Legislature. The testimony follows:

Dr. J. H. Gambrell, called for examination before the committee on examination by Mr. Bagby, testified as follows:

Q. Dr. Gambrell, where do you reside?—A. Dallas.

Q. Are you connected with a political party organization for political purposes?—A. I am connected with——
Q. In what official way?—A. I am superintendent of the Anti-Saloon League, which is an interdenominational organization.
Q. What?—A. An interdenominational organization.
Q. As an organization, did it take any active interest in the campaign which has just ended?—A. Yes, sir.
Q. What do you mean by the expression interdenominational, Doctor?—A. I mean that it is a combination for the antisaloon sentiment of all denominations.
Q. Religious denominations?—A. Yes, sir.
Q. By what authority do you act, how are you organized, and how are your officers elected?—A. I was not in the organization of the league in this State; the organization is made up of representatives of various denominations and such others as are in sympathy with the purposes of the organization.

* * * * * * *

Q. Has it [the league] any connection with any antisaloon league that is a corporation?—A. No.
Q. Does it send delegates?—A. We have what we call a conference, you understand.
Q. Where do these conferences assemble? Are they held—where do the conferences assemble?—A. Well, at different places; I don't remember just where, because I wasn't connected with the league at the time; they are held in different States, but they are made up of the representatives of the different leagues who care to come together for the conference.
Q. Do you know whether any of those organizations are incorporated or not?—A. I understand, though—that is, I won't state this of my knowledge.
Q. I understand that.—A. I understand the Ohio league is incorporated for the reason that that is the organization that furnishes the supplies for most of the leagues in the State. I go further and say——
Q. The State of Ohio?—A. Yes, sir; and say we do not get our supplies from the Ohio league, except just when we can get them there on better terms than we can elsewhere. The States are, also, as I understand it, absolutely free to get their supplies wherever they please; they can get them there if they want to; we have ours printed in this State.
Q. Is there a national organization?—A. Yes, sir—well, no; I don't know that you can say that; there is a national superintendent and there is a national assistant superintendent.
Q. Who are they, Doctor?—A. Dr. P. A. Baker is the national superintendent.
Q. Where?—A. Westerville, Ohio.
Q. Who is the assistant?—A. Rev. E. W. Young; I think his postoffice address is Louisville, Ky.
Q. Doctor, how are you elected as superintendent of that organization?—A. I was elected by what is known as the headquarters committee.
Q. Composed of whom?—A. Let's see if I can——
Q. I mean composed of what men? I don't care about their names. I mean the manner of their selection.—A. Well, composed of representatives of the various denominations.
Q. In the State of Texas?—A. Yes, sir.
[Dr. Gambrell then explained that the office force at Dallas during the Texas prohibition campaign of 1911 was composed of four people, viz. the State superintendent, two stenographers, and a bookkeeper. "Occasionally somebody was called on just for emergency, but that was the regular office force during the campaign." The doctor again explained that the State was divided into nine districts, and each district had a district superintendent. The following is a list of the district superintendents as given by Dr. Gambrell, the State superintendent: Dr. G. A. Faris, Dallas district; Rev. G. W. Eichelberger, Fort Worth district; Rev. R. C. Dial, Abilene district; Rev. J. H. Thorn, Nacogdoches district; Rev. W. M. Shelton (of Grayson County), San Antonio district; Rev. Atticus Webb, Brownwood district; Rev. W. C. Dunn, Houston district; Rev. P. H. Faulk, Waco district. Only eight names are given here.]
Resuming the examination:
Q. Now, is that your field force—that is, what you designate as your field force—or are they just superintendents?—A. Yes, sir; these men, these district superintendents, sometimes have men to help them. That has always been done by agreement.
[Later on in the record the names of H. F. Sutton, E. G. Shouse, W. W. Nunn, and H. A. Ivey are given as helpers and who received commissions.]
Q. What salary do you receive, Doctor, as superintendent of the association?—A. Three thousand dollars.
Q. What does each superintendent of the field force receive?—A. They are employed on a commission basis and pay the force according to the work they do.
Q. What commission do they receive?—A. Fifty per cent.
Q. Of what amount?—A. Fifty per cent of the amount collected.
Q. What from—from what sources do they collect this money—what manner?—A. Wherever they speak we have a card system, a pledge-card system, whereby pledges are taken for 12 months, payable quarterly, in any amount that the subscriber wishes to give, any amount from 10 cents up; these cards are all passed in, and all cash passed in by the field men to the headquarters; all these pledges are entered on the books, cash all entered, of course; quarterly statements are sent these parties making these pledges, and, whatever is paid on these pledges, the field men get 50 per cent of it; they pay their own expenses.
Q. What becomes of the other 50 per cent?—A. It is used in the office in maintaining the office force.
Q. This 50 per cent that the field men receive of the collections is 50 per cent of the amount pledged by these cards for the year as it is paid in?—A. As it is paid in?
Q. Yes, sir. This 50 per cent which comes into your office, as reported by the field superintendent, does it remain in your office as a part of the funds to be expended in the State of Texas, or is any portion of it sent out of the State?—A. It is; there is 2½ per cent of the funds that goes to the support of the national superintendent.

* * * * * * *

Q. Do you know of your own knowledge what salary is received by the national superintendent of the national association?—A. No, sir; I do not.
[It will be noted in a previous portion of his examination Dr. Gambrell stated that the Texas league had no connection with antisaloon leagues of other States or with any antisaloon league that is a corporation. The superintendent of the Ohio concern, which is a corporation (the State leagues being only branches of the Ohio concern), and P. A. Baker, one of its original five organizers, is the national superintendent to whom the Texas league, according to Dr. Gambrell, sends 2½ per cent of all money collected. Baker was a very poor man—a preacher receiving a salary of $100 a month—when he organized the antisaloon league, and he is now reputed to be one of the wealthiest men in his section of Ohio.]
Q. This 2½ per cent paid by you to the national association, was that the 2½ per cent of the entire amount collected by you?—A. Yes, sir.
Q. Was it 2½ per cent after the 50 per cent commission had been deducted to be paid to the different field superintendents?—A. It is 2½ per cent of the entire amount.

* * * * * * *

Q. Then your method of conducting this campaign (referring to the prohibition campaign of 1911) was to distribute literature by mail?—A. And through the chairman.
Q. And through the chairman?—A. And through the preachers and general discussion.
Q. And through the preachers and general discussion! Of this amount collected, more than half was paid, wasn't it, to those——A. I don't remember the figures exactly.
Q. Well, it figures $16,000; 50 per cent that was collected, necessarily by your contract, was to be paid to the field agents?—A. Yes, sir.
Q. Or field superintendents?—A. Fifty per cent of it.
Q. Fifty per cent of it; and 2½ per cent was to be sent to the National Anti-Saloon League?—A. Yes, sir.
Q. So that was 52½ per cent of the amount collected that must be necessarily paid out for conducting this work?—A. Yes, sir.
Q. Out of your office?—A. Yes, sir.
Q. Then, if these eight men engaged in that work from the 1st of January to the 22d day of July, approximately seven months, they received for that seven months' service approximately $800 apiece?—A. Well, that is just a matter of figures; I haven't figured it out, but they didn't receive—that would not be accurate, an accurate statement, for the reason that some of them received a good deal more than others.
Q. Yes, sir; I see Mr. Dunn has received a good deal more than anybody else. Did these field superintendents have any authority to appoint assistants to do this work, assistants to themselves, who were conducting the same character of work throughout their particular districts?—A. Only in their own fields and by agreement; they could not do it independent of approval, and it was never done except when it was thought it was necessary in order to cover definite territory.

Mr. Speaker, I think this testimony of a former superintendent of the Texas Anti-Saloon League—a branch of the Ohio corporation—is all that is necessary to convict the league of being a very crooked concern. The men, chiefly so-called preachers, who made the collections, were allowed to disgrace the pulpits with their presence, and being skilled in their work they excited their hearers by painting horrible pictures of the saloons, and then appealed to those thus excited to give freely of their money that these saloons, these "sink holes of iniquity," might be closed. They didn't once tell their congregations that they, the collectors, were to receive 50 per cent of all money thus collected, and that the remainder, saving 2½ per cent, which went to the parent league of Ohio, was to be paid out in high-priced salaries and that a very small per cent of the money collected, less than 10 per cent, went to the cause of prohibition, and this in the way of a little literature that was disseminated, as a general thing, through the Anti-Saloon League workers. Statements furnished by Dr. Gambrell to the legislative investigation committee showed that two of the league's workers in Texas, the Rev. W. C. Dunn and the Rev. G. W. Eichelberger, received as their share of the spoils in a period of six months, respectively, $1,701.82 and $1,330.18.

This money, as a general thing, was collected from pulpits, and the people who gave it did so under the belief that they were contributing to help close the saloons and not to help swell the purses of men who were using the cause of prohibition to feather their own nests.

In one part of his testimony before the legislative investigation committee Dr. Gambrell stated that he was elected State superintendent "by what is known as the headquarters committee, composed of representatives of the various denominations" in the State of Texas, and that his organization had no connection with any antisaloon league that is a corporation. However, not a very great while after this statement was made the Rev. P. A. Baker, of Ohio, the controlling spirit of the Anti-Saloon League that is a corporation, and to which Dr. Gambrell's league paid a certain per cent of all the money it collected, visited Texas, had some kind of a meeting called at Waco, put Dr. Gambrell out, and "elected" in his stead the Rev. Arthur J. Barton, who seemed to "chime in" better with the Rev. Baker's policies. The Rev. Barton has since been given additional duties as one of the Anti-Saloon League lobbyists at Washington, and if there ever was an impudent lobby at Washington it is this Anti-Saloon League lobby, headed by Rev. Mr. Dinwiddie. As an instance of its impudence, I will quote an editorial from the Cincinnati Enquirer of July 10, 1917, and which reads as follows:

THE LIMIT.

For brazen effrontery, unmitigated gall, superlative egoism, transcendant audacity, supreme impudence, commend us to the legislative committee of the prohibition lobby that has throttled war legislation and has delayed the Nation's preparation for the great conflict in which it is engaged. The story is told with such charming sang-froid by the official organ of the antiliquor lobby that we leave it to that publication to relate:

"On last Thursday, June 28, the legislative committee of the Anti-Saloon League of America, which was in session with the national executive committee of the league in Washington, was summoned to the

office of United States Senator MARTIN, of Virginia, the Democratic floor leader of the Senate. On arrival at his office we were informed that the President had just sent a messenger to him to ascertain, in view of a prolonged threatened filibuster by the representatives of the liquor interests in the Senate, if we would not consent to strike from the food administration legislation, now pending in the Senate, beer and wine, as he was very anxious that this legislation should speedily be enacted. The appeal was made in the name of patriotism. We asked if the appeal had been made to the other side, and were informed that it was no use, as Senators like PENROSE, of Pennsylvania, and his type declared they would filibuster all summer before it should pass unless beer and wine were exempt. Knowing as we did that that traffic always puts personal gain over patriotism, we informed the Senator that if the President would put his request in writing, thus assuming the responsibility, we would give the matter careful consideration."

There you have it, and that's all there is to it The President of the United States is under orders from this officious and offensive lobby. Mr Wilson must give written bond for his own conduct and for that of the industry the lobby is seeking to destroy. This, perhaps, is the first instance in the history of the Republic wherein the simple word of the Chief Executive was not of sufficient force and character to stand by itself. For unadulterated effrontery, even mendacity, this lobby's act deserves a niche in history.

Mr. Speaker, I have in my possession the names of 19 men who were workers for the Michigan Anti-Saloon League not a very great while ago. Their records as Anti-Saloon League workers are taken from the church and court records of Michigan, and they are shown to be as tough a lot as ever inflicted any community with their presence. Of the 19 whose names I have, 17 of them are known as preachers, and the crimes for which they were either "run in" or "run out" are listed as follows: Misappropriation of Anti-Saloon League money, licentious conduct, adultery, perjury in a divorce case, unprovoked assault on a small boy, theft, drunkenness, bigamy, seduction, assaulting a negro girl, blackmail, undue intimacy with women of a church congregation, and swindling.

Of these, 4 were sent to prison. 6 were expelled from the church, 3 fled the State to escape arrest, 3 were convicted of misdemeanor and paid their fines, and the remainder managed to wear their cases out. As far as I know, these men are still known as Anti-Saloon League workers, for they understand their business and are good "money getters," where they are not known, and to be a good "money getter" is one thing that always recommends a man to the Anti-Saloon League.

Mr. Speaker, it is this class of "uplifters" that is busy telling the people what to do, and their impudence is simply superb and knows no bounds. They have succeeded, however, in making the politicians believe that they possess great political power, and that is why the Anti-Saloon League lobby is permitted to insult Congress with its impudence and insolence. If Congressmen would treat these lobbyists as they deserve to be treated, we would, in the future, hear but little of this bunch of religious grafters, who boast that they not only influence Congressmen, but those even in higher official life.

Mr. LEVER. Mr. Speaker, I yield to the gentleman from Texas [Mr JONES].

Mr. JONES of Texas. Mr. Speaker, we have heard a great deal in this discussion about the conservation of our present supply of food and the encouragement of additional production. Much abuse has been heaped, with perfervid eloquence and vitriolic fire, upon the head of the middleman and speculator who have been pictured as fiends incarnate, wholly lacking in patriotism and absolutely devoid of honor. No doubt they merit much that has been said about them, but the elimination of the abuses in connection with their activities will not furnish a complete remedy for the present situation. The trouble is a more fundamental one, is of an economic nature, and has been brought about by a condition that has prevailed in this country through a period of years. The reason for the high cost of living and the shortage of food production has been brought about largely by the fact that for many years young men have been lured from the country to the city because of better opportunities and what appeared to be larger fields of activity. The trend has been away from the open country, away from the farm, and away from the fields of production to the crowded cities and thickly settled districts. Thirty years ago about 65 per cent of our people lived in the country and only about 35 per cent lived in the city. This ratio has gradually changed until now nearly 60 per cent of our people live in the cities. This has been caused by the fact that in the country the hours of work have been long, the character of the work has been burdensome, and the prices have been so low it has been impossible for the farmer to receive the just rewards of his labor.

In the district that I have the honor to represent there are 20,000,000 acres of land that have never been touched by a plow and that are just as virgin as when Columbus first set foot upon American soil. More than 18,000,000 acres of this land are rich and fertile and only need the intelligence and industry of man to make them productive. The only way to cause this land to be cultivated, to cause it to become productive, and cause it to be settled up is for the tillage of the soil to be made attractive by virtue of higher prices and greater opportunities. My father has lived on a farm all of his life, and during my youth I have lived upon the old farm, when prices were so low that only by the most rigid economy could a living be had.

Now, for the first time in the history of this great Government, the farmer is coming into his own, and prices of farm products are such as to make farm life attractive, and I glory in the fact that the farmer is finally getting a reward for his labors. I hesitate to support any measure that might interfere with his present prosperity, and I shall only support this measure after voting to strike out certain features which I regard as objectionable as war legislation, and because of the fact that the Commander in Chief claims it is necessary for the proper conduct of this war. But even as war legislation I think it should be properly safeguarded and the interests of the farm carefully protected.

In my judgment the interests of the farmer and this country would be best subserved by letting the farmer alone. If you let him have a real price for his products and conditions are such as to make his returns attractive, he will produce all the food and food products that are necessary to feed both ourselves and our allies. If there is danger of food shortage, it is well for us to remember that people eat less and waste less when food is high than when it is low in price; that people will use and waste less wheat when it is $2 per bushel than when it is $1 per bushel; and that at the same time there will be a greater effort and a greater resultant production when wheat is $2 than when it is $1 per bushel.

A great deal of wheat is grown in the district that I have the honor to represent in Congress. I would not fear if the farmer were let alone and his wheat prices were left untouched by law, as I think the world-wide demand would insure him a liberal price for that necessity. However, in view of the fact that the President has seen fit to place an embargo upon wheat and in view of the fact that this embargo may be made more stringent at any time by adding to the countries upon which the ban is placed; and in view of the fact that the President and Congress have determined that we are to have a food bill; and in view of the fact that it is determined on the part of those in authority that there shall be a minimum price, it is highly important that that minimum price should be placed high enough to really stimulate production.

The food administrator declared in his testimony before the Senate that the power which the administration is asking would enable him by control of the foreign sales to reduce wheat to the price of 75 cents per bushel. Of course he disavows the intention of so reducing it; but I am unwilling to place in the hands of any one person, whether that person be English or American, the right to reduce the price of so necessary an article below the cost of production. In view, therefore, of the powers that are being conveyed, I think a minimum price of $2 per bushel should be placed upon wheat, and I think it should be so stipulated in this bill. The testimony before the committee shows that with wheat at $2 per bushel, flour can be sold at $9.20 per barrel, which is much lower than it is being sold at the present time.

Many things are being done during this emergency that do not entirely meet with the approval of my judgment. For instance, I have not thought, nor do I now think, it wise to send our armies to European soil. When the original resolution was up and it was voted to recognize the existence of a state of war, I supported the amendment which would have confined our activities to the defense of our country and to warfare upon the high seas. In the legislation with reference to the increase of the Military Establishment and the raising of an army, I voted for the amendment which would have forbidden this country to send any soldiers, whether of the Regular or the selected Army, to foreign soil unless they specifically volunteered for the foreign service. As our rights had been violated upon the high seas, and as the freedom of the seas is all important in view of the fact that the commerce of the world is carried on on that great highway, and as the prices of our products would be reduced to a pitiless minimum if we lost the freedom of the high seas, it was my judgment that our warfare should have been confined to that activity. But other and perhaps wiser counsels prevailed. The administration has decreed that our armies shall be sent to Europe. An overwhelming majority of the Members of Congress support this attitude, and I willingly submit to their judgment. I voted to authorize the raising of an army—as it takes a long time to train a real army—and since, in an hour like this, when the world appears to be insane, no one can tell when an army will be needed for defensive purposes.

There is no doubt that the Kaiser dreamed of a world-wide conquest just as much as did Napoleon or Alexander. Therefore preparation both with reference to an army and navy was absolutely necessary. This policy, however, has now been settled and this country, from Lakes to Gulf, and from sea to sea, should unite in a common purpose.

Now, in my judgment, our allies need munitions and food supplies more than they need men, and our primary activities should be exercised in the promotion of food production, the building of ships, and the carrying of those food products to the markets of the world. However, the policy of this country having already been established, and our country having entered the war fully and finally with a declared policy of fighting the same to her utmost limit, I shall vote for every measure that it seems would hasten an early and successful termination of this inhuman strife. The one purpose of this country should be to achieve a victory and to mold that victory into a just and permanent peace.

A great many of the men who have spoken here seem to have had the idea that we should absolutely control the prices of food products and reduce the high cost of living by law. In other words, a great many of those who have the consumers' viewpoint seem to think that the mad rush of the last few years to the cities, and the absurd conditions that have been brought about by reason of that fact, can be remedied by limitations of law. This is like trying to amend the laws of nature. In carrying out our purposes in this war we should not lose sight of our own economic conditions, and prices should be high enough to encourage men to move not from the country to the city but from the city to the country, and thus to get our population properly apportioned.

I realize that the gambler and food speculator have been guilty of abuses, and I have voted and am still willing to vote to give the President power to force the sale of foods that have been hoarded and where it has been sought to secure a corner on any article of food. But some people seem to have gone wild on the proposition of food control. One Member has introduced a bill to prohibit the sale for slaughter of any "heifer under 6 years of age." This is another effort by some one to regulate the details of a business he does not know anything about. You might as well say you could not kill a chicken until it reaches 3 years of age or a rooster until his spurs were a certain length. However, I shall have more to say about that bill if it is ever reported by a committee. I merely mention it to show the absurd lengths to which men will go when excitement prevails.

Another feature that I think deserves more than passing attention is the proposal to regulate the prices of machinery, farm implements, and tools which are necessary and essential to the production of our food crops. The American farmer is patriotic; he has always been willing to make sacrifices for his country. He has fought for the rights of this country on every field of battle since its organization, but it is unfair and unjust to expect him to do more than offer his share of the sacrifice.

If he is producing an article that is absolutely essential to the welfare of this Nation and to the winning of the war in which we are engaged, it seems highly important that those who are selling him products should come under the same rule and submit to the same regulation to which the producer is asked to submit. It is true that the prices of farm products are high at the present time, but everything that the farmer uses is also high, and prices of everything that are being sold both in and out of this country have gone to unheard of limits. The prices of farm products should be high. I am anxious to see the time come when the young men of this country who live in the cities will plan to go to the country for greater opportunities than can be found in the crowded cities.

Another matter I consider of far more importance than the present food bill is the establishment in this country of a thorough marketing system to the end that the producer and consumer may be brought in closer touch with each other, that there may be greater publicity of prices that the consumer pays and that the producer receives, and that those prices may be more nearly uniform and much nearer the same. In many instances the products of the farm are wasted because there is no apparent market, when at the same time in other sections of the country there may be a very great demand for that particular article or product. It would be folly to destroy our present system of distribution without at the same time providing a new and better one. By the establishment of a system of licensed and bonded selling agents the country over, together with a thoroughgoing publicity system which would make known the local demands and supplies in various sections of our country, a better market may be had for the products of this land and at the same time a more reasonable price had for the consumer. The food bill is a temporary matter. The establishment of a great marketing system should be a permanent one. Nothing would do more to promote the prosperity of our land than the assurance to producers that they would have the advantage of ready markets, and an assurance to the consumers that they would be able to receive those products at the price paid the producer plus only a reasonable profit for distribution. This system would reach the heart of our economic troubles and do much toward prosperity all over the Nation.

The tiller of the soil is the most important citizen in this country and has always been. He is the foundation and groundwork of this country's surpassing prosperity. On his primary efforts rests the magnificent commercial superstructure that has been reared in our land. If he fails, all is lost. "When tillage begins, the other arts follow. The farmer therefore is the founder of human civilization." He must feed the world in this crisis. How foolish it would be to hamper his efforts, to discourage his industry, or to diminish the rewards of his labor. How shortsighted would be a policy that would shackle his progress for a temporary advantage to the consumer when that advantage would mean an ultimate and far greater loss both to the producer and to the consumer. Our hopes, our aspirations, our future as a nation are dependent upon the efforts and permanent prosperity of the producer. This great country, cradled in liberty and founded in honor, must walk by his side in prosperity as in adversity. How wise that government and how wise its policy which zealously guards the liberties of all its citizens and neglects the rights of none; no prouder boast could any nation have, no surer guaranty of success.

Mr. LEVER. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. LOBECK].

Mr. LOBECK. Mr. Speaker, when the pending bill was before the House on June 23 I voted for it because the state of the Nation required, and it requires now and will continue to require during the period of the war, the most extraordinary stimulation in the production of the necessaries of life, together with an immediate and adequate conservation, a quickened distribution, and a rigid safeguarding of them against gamblers, speculators, and price fixers.

This measure embodies so many wholesome and necessary reforms demanded by the people in all sections of the country that it is to be regretted that it could not have been put into operation weeks ago, because, while the agitation of the question by both Houses of Congress has prepared the country for it, deserving penalties are not being meted out to those who are doing the things which will be unlawful for them to do when this legislation is finally enacted into law.

The country was thoroughly aroused before and during the crop-planting season by a wholesome propaganda in favor of increasing the acreage and yield of food products in general. The country responded promptly, and now that the harvests are being harvested let us hasten the enactment of this legislation in order to do the all-important thing of conserving the already increased supply of food and food commodities.

Briefly the bill provides for Government control of foods, feeds, and fuels, for a food administrator, for drastic penalties against hoarding and speculation, for a licensing system giving the President power over dealers, for presidential authority to close exchanges and boards of trade, for presidential authority to control the buying and selling prices of food products and fertilizers for the production of farm products, for a guarantee of $2 a bushel as a minimum price for wheat, for prohibition against the use of foodstuffs in the making of whisky, and appropriates the sum of $152,000,000 to enforce its provisions.

In my State, though the wheat yield is 50,000,000 bushels less than last year, due to the winter wheat failing because of climatic conditions, nevertheless it is estimated that nearly 20,000,000 bushels (although late reported results from thrashing give hope for larger increase) will be produced, and a rigid conservation will have to be exercised. All other crops are increased, the potato crop being twice as large as last year. It is estimated that the corn crop will amount to 240,000,000 bushels, as compared with 185,000,000 bushels produced in 1916, and that there will be an oats crop of 93,000,000 bushels, against 30,000,000 bushels produced a year ago. The barley crop will be 6,000,000, while last year it was less than 3,000,000; and the rye crop is 4,500,000 bushels, as compared with the yield of 4,000,000 last season. With these total estimates before us, Nebraska will produce a grand total of 21,500,000 bushels of food producing cereals in excess of last year's yield. Here is proof of Nebraska's response to the Nation's call for greater production, and she will respond to the purposes of this bill and help conserve these commodities and prevent gambling and speculating in them.

Yes; Nebraska has produced, and will conserve. When war was declared she came forward with her full quota of recruits for the Army and the Navy. She oversubscribed the liberty-loan bonds and her quota to the Red Cross. In the operation of the selective-draft law not a single disorder was reported, and to-day the youths of the State are obeying the Commander in Chief of the Army and Navy by coming forward for service as their names are called, because they have faith in the President and in his purposes in carrying on the war.

Some think the Executive is being given too much power under this bill. That might be, but Congress makes the laws and the President executes them, and this being a war measure, it properly comes under his jurisdiction to enforce it as Commander in Chief of the Army and Navy, and we can rest assured that he will put its provisions into active operation. It is assumed he will appoint a food commissioner to assist him, just as we have a collector of customs and a commissioner of revenue to carry out the provisions of the tariff and revenue laws. If the President in his judgment selects a gentleman much discussed now, Herbert Hoover, he will have the energy, experience, and executive ability of a man who has made a success of everything undertaken so far, and who has already, without the title of food commissioner, made a very profound and wholesome impression on the people of the Nation, and holds forth a flattering promise of making good in this proposed important work. His motto is, and it should become the motto of the Nation at large, "Eat plenty, wisely, without waste."

In all legislation pertaining to the war, we have placed our confidence in the President, properly and necessarily so. In the last Congress I voted to give him authority to arm our merchant ships and for the national defense act. I voted for the declaration of war which gave him full and absolute authority to conduct the war against Germany to a successful conclusion, for the military bill which authorized the President to raise and equip a select army, for the bond issue which was to help finance the war, for the revenue bill which is to raise additional funds, for the aviation bill, for the amendment to the Federal reserve banking law, for the food-survey bill, and for the law to give the soldiers that are fighting the battles more pay, and for all other measures looking to a successful prosecution of the war. I will continue to support the President and his advisers in this great emergency, because the people of the United States have trusted him in the past and will continue to do so, having the greatest confidence in his discretion, ability, and patriotism in upholding the dignity and honor of our beloved country.

This is no time for debate or argument; the time is for concerted and united action, that this terrible war that has come to us may be ended quickly and brought to a successful termination and glorious victory.

"A song for our banner," the watchwords recall
Which gave the Republic her station—
United we stand, divided we fall!
It made and preserves us a Nation.

Mr. HAUGEN. Mr. Speaker, I yield to the gentleman from North Dakota [Mr. NORTON].

Mr. NORTON. Mr. Speaker, I wish to express my congratulations to the chairman and to the members of the Committee on Agriculture that this bill is now soon to be enacted into law. This legislation will, in my judgment, accomplish a great deal of good for the country. At the present time and for many months even prior to the entrance of the United States into the war widespread, unconscionably greedy profiteering in food products and fuel has been going on in the country. It has long been patent to every intelligent and honest citizen that some drastic action by the Government must be taken to prevent, in so far it may be humanly possible, further extortions during this war by gamblers and speculators in food and fuel supplies. A wise and vigorous administration of the provisions of this measure will, in my opinion, be highly beneficial to not only the consumers of food products and fuel, but to the producers and honest distributors of food products and fuel as well. I think I now realize how fully the success or failure of this legislation will depend upon the manner in which the powers granted to it by the President are administered. Personally I am gratified that the responsibility of the administration of this legislation is to be placed in the hands of one man. While I do not overlook in any way the tremendous powers granted by this legislation, I do firmly believe that under existing circumstances better results for all our people will be derived through its administration by one man rather than by a commission of several men. [Applause.] In the administration of this legislation it will be most unwise if the fullest and fairest consideration is not given to the producers of food products. The farmers of this country should and must be allowed as much for their hours of labor and for their capital invested in the production of food supplies as is allowed to other laborers in the most necessary manufacturing industries of the country for their hours of labor and for their capital invested. The farmers of this country want no more than this, and they should be asked to accept no less.

A great economic error will be made and a grave wrong will be done our people engaged in agricultural pursuits if an intelligent and well-concerted effort is not made under the provisions of this measure to have paid to the farmers of the country for their products prices that will give them for their hours of labor and for their capital invested at least as much as they would receive for their labor and capital in any manufacturing or distributing business. This is the best way to make farm life more inviting and attractive, and it is the fairest and most certain way of increasing the production of food products. As I have said in the House before, this legislation is not at all as broad as it should be to meet the problems which now confront our people in this country. To my mind there is every reason now why the President should be given the power to conserve the supply and control the distribution of all articles of clothing and all manufactured products. Until this power is given to the President or some executive authority, and until it is used with a most firm hand, manufacturers and retail dealers will continue to extort from the people, as they are now doing, exorbitant prices and profits.

I regret that the House did not have a fair opportunity to vote upon the Senate amendment for a joint committee on expenditures in the conduct of the war. I am certain that if the House had been given any opportunity to vote directly upon this amendment the vote would not have been 101 for it to 160 against it, as suggested by my good and genial friend from South Carolina [Mr. LEVER]. Nor do I for a moment think that my good friend from South Carolina seriously thinks this provision would have been overwhelmingly defeated in the House if it had been brought to a separate vote. However, that is water that has already gone over the dam. My sincere hope is that this legislation which we are now about to enact will be fairly and wisely administered.

Mr. HAUGEN. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. KINKAID].

Mr. KINKAID. Mr. Speaker, I shall not hesitate to vote for the adoption of the conference report. This does not mean that the provisions of the bill, including the amendments of the Senate adopted by the conferees, are entirely satisfactory to me. My vote for the report will mean that, as it is up to me to vote for or against it at this parliamentary stage when no change can be made, I choose the alternative of voting for it.

Mr. Speaker, let it be borne in mind that I am also contemplating that the law is one thing and its administration another. How the law will operate necessarily must depend entirely on how it is applied. Vast authority is conferred by the bill, intended to be so administered as to promote the general welfare without doing injustice to individuals. Great care and wisdom will be required to secure its successful administration, while, if mistaken policies be pursued, wrong and injustice must result.

But as it is for the Congress to do its part by conferring the authority asked by the administration, then it will be for the executive branch to promote the greatest good possible by its salutary application.

Mr. Speaker, my chief purpose in saying anything at this time is to go on record against the war-council amendment, which I am glad to know the conferees have eliminated, but which several of the Members yet contend should have been preserved as part of the act. Fundamentally, I am decidedly opposed to the principle of the proposition to divide up the authority and responsibility of the administration of the law and the exercise of the war power in such manner, and, in this instance, especially opposed since the President has said that the providing of such a committee would mark a lack of confidence and put him under "daily espionage." I believe in strongly centralized power for war purposes to the end that prompt decision and efficiency may be secured. This centralized power is what makes Germany efficient in the war, while the lack of it is what renders military conditions in Russia deplorable.

Mr. Speaker, I shall vote without cavil and ungrudgingly for the authority conferred by the act, preferring to avoid rather than to find differences with the administration as to matters pertaining to the prosecution of the war. I deem it paramount that in the recognition of the unity of the Nation on the issues of the war all partisanship, all politics, shall be forgotten, since whatever appears to reveal division of sentiment gives encouragement to the enemy and feeds the mad hope of the final subjugation of the world.

I keep in mind that legislating the law by Congress is one thing and its administration by the executive branch of the

Government is another. We can do our part by conferring upon the President such supreme power and such vast responsibilities as have never been expressly granted to any of his predecessors, and in doing this we shall act with an abiding faith in his high purpose and his resolute will to conserve the welfare of the Nation. [Applause.]

Mr. LEVER. Mr. Speaker, I yield three minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Speaker, I shall of course support the report made by the conference committee, but as a matter of precaution against future conditions which I feel sure will arise, I wish to say that I do not approve of the effort to fix a minimum price of a product by law. I regret very much that the situation was such as that the conferees of the House felt constrained to agree to the Senate amendment, which fixed $2 as a minimum price for wheat. This is said without any criticism of the conferees on the part of the House, for I understand the situation; but that is a proposition which once written into law under stress of a great emergency is going to rise to plague this Congress and this country again and again and again in the years that are to come. The demand will be here when no emergency exists such as now exists. I do not know whether I will be here when that demand comes or not, but as a matter of precaution I felt that I wanted to express my convictions upon the proposition at this time. I do not think it will have any good effect in increasing production of food products generally. It may, as the gentleman from Nebraska [Mr. REAVIS] said a few moments ago, cause an abnormal increase in the production of wheat, but a corresponding reduction in the production of corn, oats, and other food products. I believe it to be an unwise proposition and I regret exceedingly that we have to agree to it.

Mr. DENISON. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Certainly.

Mr. DENISON. Does the gentleman think that the minimum price fixed in the bill will, in effect, amount to the maximum price?

Mr. GARRETT of Tennessee. I do not think so at all. I think that wheat will be worth more than $2 a bushel. The only possible way in which it can affect the maximum price will be by creating such a production of wheat as that it will bring it down to that point.

Mr. ROSE. Mr. Speaker, a convention was recently held in Washington where the coal men of the United States agreed that the price of coal should not exceed a certain amount. My recollection is $3 per ton. I desire to ask the gentleman from Tennessee whether that was an agreement entered into voluntarily or under pressure used upon the people representing those operating the coal mines?

Mr. GARRETT of Tennessee. I will say to the gentleman that I have no information about that subject beyond what I read in the press. I read with a great deal of interest what the newspapers said concerning it. I do not know, but the impression that I got was that it was a voluntary proposition.

Mr. HAUGEN. Mr. Speaker, I yield one minute to the gentleman from Pennsylvania [Mr. FARR].

Mr. FARR. Mr. Speaker, I shall vote for this bill with a great deal of pleasure, and I believe it will result in much good to the country. My prediction is that unless we do something quickly in respect to the enactment of the food-control bill, instead of flour being fifteen, sixteen, or seventeen dollars a barrel, it will soon be twenty-five to thirty dollars a barrel.

As indicating the serious condition confronting the country because of the scarcity of last year's crop of wheat and the difficulty in securing new wheat, I shall read to the House a communication from a miller in Scranton who is unable to secure wheat, and a letter from Mr. Herbert Hoover, to whom I presented the predicament of my constituent:

SCRANTON, PA., *July 24, 1917.*

Hon. JOHN R. FARR,
Washington, D. C.

DEAR SIR: The Community Mills were started the first of the year, and we have experienced little or no trouble in getting wheat until the last three or four weeks. Most of the wheat was brought from the West, but the last few weeks the western houses have refused to quote, and the Philadelphia concerns have always refused to quote, claiming there was no wheat to be had. As all our wheat is shipped with draft attached (all of which has been taken care of promptly), we conclude there must be a reason for the apparent reluctance to sell.

As this is the only flour mill in Lackawanna County, we thought perhaps you would be glad to put us in touch with some one having wheat to sell. We would like a car of good spring and a car of good winter wheat. This is a mill of 50-barrel capacity for 24 hours.

Do you think the Government will take the flour mills over?

Any information will be greatly appreciated.

Yours, sincerely,

COMMUNITY MILLS,
GEO. A. SUTHERLAND.

WASHINGTON, D. C., *July 26, 1917.*

Hon. JOHN R. FARR,
House of Representatives, Washington, D. C.

MY DEAR MR. FARR: Referring to your letter of the 25th and the letter from the Community millers in your district of July 24, which I return herewith, as you probably are aware the amount of old wheat carried over in this country from the last crop to the new one has been reduced to a minimum. The new crop which should have relieved this situation ere this is, in the eastern section, delayed by rains and in the western is being held by the grower to an extent never before known. Besides that the old grain marketing machinery, which for 30 years served its purpose excellently, has broken down under war strain and gone, and dealers in grain no longer dare to buy from the farmer nor sell to mills as they used to do, nor will this be restored until Congress grants some authority for a steadying influence.

I have no disposition nor intention to take over or operate the flour mills of this country under any authority which Congress may give. I do not think it is necessary. I do think it absolutely necessary that authority be given me so that I may extend the steadying hand to every facility between producer and consumer, and if this is not done and done shortly the condition your correspondent speaks of will be duplicated in every community in the United States and chaos will rule. I can not make my conviction of this too strong.

Yours, truly,

HERBERT HOOVER.

This correspondence forcefully presents the necessity for this legislation and immediate determination of it to prevent a chaotic condition and a much higher range of prices for foodstuffs.

Following the outbreak of the European war, three years ago, I foresaw the danger to our country in the advanced cost of living that would follow the tremendous drain on our food resources made by the warring nations, and I then introduced a bill to ascertain the amount of the wheat supply, wheat flour, and the products of wheat, and to authorize the President to issue an embargo on wheat and its products when our needs were endangered. On December 4, 1916, I reintroduced this measure, but without avail. Action then on what we now realize was a most vital question would have been of incalculable benefit to us in the understanding and control of the food question which we now seek and so seriously need.

Mr. HAUGEN. Mr. Speaker, I yield one minute to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Speaker, before I begin, I ask unanimous consent to extend my remarks in the RECORD upon the bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. FOCHT. Mr. Speaker, I simply desire to say that I have grave doubts as to the efficiency of this measure. I doubt that it will accomplish any good results. In the presence of the multitudinous agencies that are now in force to regulate everything and everybody in this country I doubt very seriously whether any single individual is big enough to extend himself with any effect over this great Western Hemisphere, or, in fact, over the whole world, which, according to the provisions of this bill, he will have the authority to supervise. However, this authority has been sought by the Chief Executive and by the majority party in power, and, inasmuch as they have sought it and are to assume the responsibility for it, I am willing that it shall be done. But for the fact that I am called away to the hospital on account of the sickness of my daughter I should vote for the conference report, but I shall not be able to be present when it is voted upon. I wish to reassert that I do not believe the bill is going to accomplish anything whatever except confusion and disorder, disappointment, if not disgust, and dismay throughout the land, much as I hope to the contrary.

Mr. CANDLER of Mississippi. Mr, Speaker, I yield four minutes to the gentleman from Oklahoma [Mr. THOMPSON].

Mr. THOMPSON. Mr. Speaker, within the limited time yielded me by the chairman of the committee it will be impossible to discuss at any very great length the provisions of the food bill as reported by the conference committee.

At the outset I desire to congratulate the chairman of the House committee, the gentleman from South Carolina [Mr. LEVER], and the members of the conference committee on the bill which they have been able to report. In my judgment it is an improvement in many respects over the bill as it passed the House and as it passed the Senate. Many provisions were added in the Senate which improved the bill, and some were added which detracted from it. I am glad to note that the bill contains at least some provisions which I proposed in the Committee on Agriculture and again in the House, and which were there rejected.

It will be remembered that in both the committee and the House I proposed an amendment which prohibited persons accepting employment from the Government, either voluntarily or at a salary, from entering into contracts with themselves; in other words, prohibited them or companies or corporations with which they were connected from furnishing the Government with any supplies whatever. This provision was voted down in the committee and in the House, but was accepted by

the Senate and by the conferees and is now a part of the bill. This is a good provision; and while those who accepted employment from the Government might not have taken advantage of the employment in order to enrich themselves or the companies or corporations with which they were associated or with which they were interested, it is a good thing to make it absolutely impossible for them to do so if they were so disposed, and the bill as it reads does that very thing. The bill as it comes back to the House from the conference does not authorize the commandeering of food products or feed in the hands of the original producer. This is in accordance with an amendment which I offered in the committee and again on the floor of the House. It was added in the Senate and is a most splendid provision. It takes care of the farmer and prohibits taking from him involuntarily the result of his labor and toil. It is in accordance with the views of the President and of Mr. Hoover, and it never was intended that such a condition should be possible, though the original bill made it possible. In this respect, also, the bill is a very great improvement over the measure as it passed the House.

Mr. Speaker, it is very safe for gentlemen to criticize a bill and at the same time announce that they are going to vote for it. It is always the part of political wisdom to vote against practically everything that comes up, because it is very seldom that any proposition that is advanced works out exactly as those who propose it say it will work out, and the man, therefore, who opposes it is always safe in opposing it.

My friend from Tennessee [Mr. GARRETT] said that he regretted very much that the minimum price for wheat had been fixed in this bill. I have a statement here in my hand, furnished me by a distinguished citizen of my State, Senator Marvin, of Woodward, made by a cooperating milling company at Woodward, Okla., the city of my colleague [Mr. MORGAN], which gives the price paid for wheat during the fiscal year beginning July 1, 1916, and ending June 30, 1917, and the price charged per barrel for flour, the product of this wheat. Sixty pounds of wheat makes a bushel, and 4½ bushels of wheat make a barrel of flour—196 pounds. The bran and the shorts are supposed to pay the entire expense between the farmer and the ultimate consumer. Four and one-half bushels of wheat at $2 per bushel would make the price of a barrel of flour $9. All millers will tell you that the bran and shorts pay all the legitimate expense of handling the wheat, milling it, and handling the flour between the farmer and the ultimate consumer.

The statement which I have discloses the following facts:

Now, in July, 1916, this mill paid 95 cents a bushel for wheat and sold flour at $5 a barrel, 196 pounds to the barrel. In August they paid $1.26 a bushel for wheat and sold flour at $5.40 a barrel. In September they paid $1.47 per bushel for wheat and sold flour at $7.20 per barrel. In October they paid $1.52 a bushel for wheat and sold flour at $6.80 per barrel. In November they paid $1.78 per bushel and sold flour at $8.80 per barrel. In December they paid $1.65 per bushel for wheat and sold flour at $8.80 per barrel. In January they paid $1.85 a bushel for wheat and sold flour at $8.80 a barrel. In February they paid $1.75 a bushel for wheat and sold flour at $8.80 per barrel. In March they paid $1.85 a bushel for wheat and sold flour at $9.20 a barrel. In April they paid $2.45 a bushel for wheat and sold flour at $12 per barrel. In May they paid $3 a bushel for wheat and sold flour at $13 a barrel. In June they paid $2.60 a bushel for wheat and sold flour at $11.80 a barrel. Now, the average during the year was 1.84\frac{5}{12}$ per bushel for wheat, and they sold the flour at $8.80 per barrel. The average cost of 4½ bushels of wheat, insurance, and so forth, was $8.87. Now, the insurance was $1,820 for the entire output per year. This was a mill of 25-barrel capacity, and the interest on the investment was $2,464, and the interest and insurance per barrel was 57½ cents.

Now, Mr. Speaker, this $2 minimum price provided by the conferees in this bill is less than $10 per barrel for flour, and the consumers of the country at this time are paying $17.50 per barrel for flour. This bill is intended—these conferees, the people who wrote this bill—intended that the President of the United States and the food conservator should take out this slack between the producer and the consumer, take out this $7.50, and if they will do that, Mr. Speaker, everybody in this country will be satisfied. The producer will get a good price for his product and the consumer at the same time will get flour at a reasonable price. [Applause.] And, Mr. Speaker, the conferees ought to be congratulated upon securing an agreement upon this item, because one of the great objects of the bill is to encourage an increase in the production, and you can only do this by making it profitable to the man who is in the business of production.

Mr. LEVER. Mr. Speaker, I yield two minutes to the gentleman from Colorado [Mr. KEATING].

Mr. KEATING. Mr. Speaker, I desire to ask unanimous consent to extend my remarks in the RECORD and yield back the balance of my time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado? [After a pause.] The Chair hears none.

Mr. LEVER. Mr. Speaker, I yield three minutes to the gentleman from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. Speaker, while I do not indorse in their entirety the provisions of the conference report on this bill, I shall nevertheless vote to adopt it, because I have no desire to see this bill delayed any longer, and because I realize that differences between the two Houses of Congress have to be adjusted in the light of the situation existing in each House.

I desire to congratulate the House conferees on two propositions. One is that they eliminated the provision for a board of three men to administer this law instead of one, and the other is the elimination of the provision for the appointment of a congressional committee to nose around through the departments to see if they could find some fault with the executive branch of the Government. If that provision had remained in the bill, the recent row in the Shipping Board would have been a Sunday-school frolic compared with the performances of such a congressional committee. From every standpoint it was an unwise and unnecessary provision, and its elimination is to be commended.

In so far as the conference report falls short of the House provision with respect to the use of foods or foodstuffs in the manufacture of vinous or malt liquors, I regret the failure of the House conferees to induce the Senate conferees to agree entirely to the House provision. But it is a great thing to be able to stop the manufacture of distilled liquor in this country, and the provision as to beer and wine is better than it was as adopted by the Senate. The Senate ignored these beverages entirely, while the conference report authorizes the President to stop or restrict their manufacture, if necessary, for the conservation of food, or if by so doing the national security and defense would be subserved. If this war shall last two or three years, as it may, the time will undoubtedly come when we will be compelled to conserve every item of food in the United States.

Those who are interested, directly or indirectly, in the manufacture of these liquors will be compelled to undergo the same sacrifices others are now asked to undergo. Not only is this true, but all fair-minded men must agree that it would greatly enhance the national defense and security to save not only the foods now wasted in the manufacture of these liquors, but also the vast sums annually expended for these beverages which should be diverted into channels more worthy and more productive. We should put aside every unnecessary indulgence or luxury that may in any way contribute to shorten our supply of food or weaken our national defense.

Mr. PLATT. Will the gentleman yield?

Mr. BARKLEY. Therefore I am glad that instead of agreeing to the Senate amendment ignoring these beverages and leaving them entirely out of any sort of control under the bill the conference report restores them to the bill by authorizing the President to prohibit their manufacture in order to insure an adequate supply of food, and I trust the wisdom of exercising this authority will be made immediately to appear. I yield to the gentleman from New York for a question.

Mr. PLATT. The gentleman says he would put aside every luxury. Does that apply to tobacco?

Mr. BARKLEY. Mr. Speaker, I hope the gentleman from New York does not mean to convey the impression that he thinks tobacco is used as food.

Mr. PLATT. But the gentleman referred to luxuries. He said he would put aside every luxury.

Mr. BARKLEY. I said every luxury or indulgence that interfered with an ample supply of food; and I desire to inform the gentleman that tobacco is not a food. People do not eat it or anything made from it.

Mr. PLATT. But can we not use the tobacco land in the production of food?

Mr. BARKLEY. I will answer the gentleman by saying that if the use of tobacco interfered in any way with a supply of food, those who produce it would be willing to make whatever sacrifice their country might call upon them to make, and would do so more cheerfully than those who are interested in the manufacture of intoxicating liquors which do waste food. And I may say also that those who are producing tobacco are also doing their share toward the production of food for ourselves and those with whom we are cooperating in this war.

Now, Mr. Speaker, I regret that the commandeering section of the bill was not so changed as to include alcohol in any form,

whether necessary for redistillation or not. It was my understanding that this section was to be changed so as to give authority and direction to take over not only liquors in bond or in stock for redistillation but for use also, thus authorizing the commandeering of alcohol made for commercial or other legitimate purposes, and preventing the necessity to use foodstuffs in the manufacture of alcohol for any purpose until the available supply had been appropriated. I regret that the situation seems to have prevented the House conferees from insisting on strengthening this provision, but I trust the authority granted may be construed to be broad enough to include the taking of all alcohol wherever found, either for governmental use or for preventing the destruction of foods in its manufacture.

In view of the certain adoption of this report, and in view of the long delay in the passage of this bill, a delay for which no one in this House is responsible in any degree, I trust that the results to be obtained from this legislation will justify the hopes of all its advocates and hasten a successful conclusion of the war. [Applause.]

The SPEAKER pro tempore. The gentleman from Missouri [Mr. BORLAND] is recognized for five minutes.

Mr. BORLAND. Mr. Speaker, no one realizes more than I do the tremendous task that the conferees have had to perform in bringing in this conference report. It is a report that brings the bill back to a condition nearer to that in which it left the House than we had reason to anticipate. I want to congratulate the managers of the conference on the part of the House for the splendid work that they have done in framing this conference report.

I have been very much interested in the question of fuel supply for the wage earners and the people of the cities, the small householders. I suggested to the conference committee that if provision were made for the regulation of coal, provision ought also to be made for the regulation of natural gas and fuel oil, and I am glad to see that in the rewritten first section of the conference report provision is made so that the bill includes fuel oil and natural gas. It seems to me that if the coal situation is regulated all the other fuel that comes into competition with coal ought also to be regulated, and that it would be the part of wisdom if that was done. But I notice that in the section referring to the control of prices of articles of fuel the price control is limited to coal and coke. There is no provision for the regulation of prices specifically as to the other great fuels of the country—natural gas and fuel oil. In my judgment it might have been the part of wisdom to include them. However, we can not expect in this conference report that all that every Member has suggested or would agree to should be included, but it seems to me when we come to the actual operation of this act we will find it necessary to regulate the price of fuel oil and natural gas in competition with coal and coke.

Now, I understand that in including natural gas and fuel oil in the term "necessaries" it prevents the hoarding, the manipulation, the speculation in and restraining of commerce of these commodities—natural gas and fuel oil—and it thereby gives the food conservator a large measure of control over these matters of fuel.

I want to say that the fuel situation is acute all over the West to-day. It is especially acute in the Southwest. Not only will the supply of coal be taxed to its utmost this coming winter on account of the shortage of transportation facilities, but everything that can supplant coal and which can be used to relieve the shortage of coal and the shortage of transportation must be resorted to. People who can not obtain coal must obtain natural gas and fuel oil to take the place of coal, and I should think it would be the part of wisdom if we could regulate equally the price of each. But we have a provision here now for regulating the manipulation and control and sale and distribution of fuel oil and natural gas as one of the necessities in this bill.

Mr. Speaker, I have been of opinion, and still am of opinion, that the subject of food control is so large that it will require a special administrator, and will be found too large for the food administrator to undertake in conjunction with the important duties of food control; but in the present condition of affairs it may be that a subcommissioner can take care of the situation. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.

Mr. HAUGEN. Mr. Speaker, I yield two minutes to the gentleman from Ohio [Mr. LONGWORTH].

The SPEAKER pro tempore. The gentleman from Ohio is recognized for two minutes.

Mr. LONGWORTH. Mr. Speaker, I am entirely in favor of the conference report, and have but this one regret, that it does not contain the Senate provision to establish a committee on expenditures on the conduct of the war.

I rose primarily for the purpose of asking the chairman of the committee a question, if he will give me his attention—a question on that subject. As a preliminary, may I congratulate the gentleman also on his extremely able handling of this measure and other measures of which he has had charge? The gentleman from South Carolina is sometimes accustomed to say that he has not a deep knowledge of parliamentary law, but I think I can truthfully say that there is no more effective parliamentarian on the floor of this House than he. [Applause.]

Now, of course, I do not know the proceedings indulged in during the conference, but, following the newspapers, it seemed that this committee proposition was the last which was agreed on, and in fact for some time the conference was in a deadlock about it. But when the deadlock was broken it was announced in a number of newspapers that it was by reason of an agreement which was reached that both in the House and in the Senate an opportunity would be given to vote upon this proposition separately. I would like to ask the gentleman from South Carolina if such an agreement is in sight?

Mr. LEVER. I am glad the gentleman asked the question, because it gives me an opportunity to say what I should say, on the part of the House conferees that there was no such agreement entered into by the conferees on the part of the House. On the contrary, the conferees disclaimed any power over the Senate Committee on Rules or over the Senate, to handle that situation, and we had no promise to make to the House.

Mr. LONGWORTH. That was so far as the House conferees were concerned?

Mr. LEVER. Yes; that is so.

Mr. LONGWORTH. But it seems in fact an agreement was reached as to the conferees of the Senate, because the Committee on Rules only yesterday reported the bill.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. LEVER. Mr. Speaker, I yield five minutes to the gentleman from California [Mr. KAHN].

The SPEAKER pro tempore. The gentleman from California is recognized for five minutes.

Mr. KAHN. Mr. Speaker, I desire to congratulate the House conferees on the splendid work they have accomplished, and in particular I wish to congratulate them for having stricken out of the bill the provision for the "snooping" committee. [Applause.]

I remember, and I want to call the attention of my colleagues on the Republican side of the House to the fact, that when the Democrats obtained control of the House in the Sixty-second Congress they appointed about a dozen of these "snooping" committees. They cost the country many thousands of dollars, paid out in attorneys' fees, witness' fees, and the Lord knows what. And what did they accomplish? Not a God blessed thing. That is just exactly what would be accomplished by a "snooping" committee at this time.

I believe it is the duty of Congress during this emergency to present a solid front to the country. I believe in standing by the President of the United States in this emergency. [Applause.] He is the Commander in Chief of the Army and the Navy. He will have to give an account of his stewardship in proper time to the people of the United States. Let us not hamper him, and we will be doing a service to our country. We will let the common enemy know that the American people, represented by the Congress of the United States, intend to stand by the President in order that he may bring this war to a speedy and successful conclusion. [Applause.]

There are a number of features of the bill that I should like to discuss. I have not the time to do it, but I have no misgivings as to the benefits this bill will bring to the people of the United States. I feel confident that it will result in a reduction of the price of articles of food to the consumers of this country. They are clamoring for relief. This bill has been delayed too long. I am glad, indeed, that the conferees have brought the bill in here for our vote to-day. I again wish to congratulate the chairman of the committee and his colleagues for the splendid work they have done. They deserve the thanks of the House, and I as one member of the minority desire to extend my thanks. [Applause.]

Mr. HAUGEN. I yield five minutes to the gentleman from Kentucky [Mr. POWERS].

Mr. POWERS. Mr. Speaker, I wish in my time to offer a motion to recommit.

The conferees have made three important and far-reaching changes in the so-called Pomerene or coal-price-fixing amendment. Bad as it was, they have made it worse. The membership of this House are aware that under the Pomerene amendment the President of the United States is authorized to fix

the price of coal and to prescribe such rules and regulations as he sees fit under which the mines shall be operated. This House is further aware that if the coal operators of the country fail to operate their coal mines at the prices fixed by the President, in the way and manner in which the President believes they ought to be operated, in that event he is given the power to take over the coal mines of the country and operate them on Government account.

The Pomerene amendment further provided that in the event the President should take over the coal mines of the country and operate them, he shall have the power, while operating or causing to be operated any such plant or business, to prescribe such regulations as he may deem essential for the employment, control, and compensation of the employees necessary to conduct the same.

The Pomerene amendment as it passed the Senate further provided that if the wages fixed by the President were not satisfactory to the miners of the country, in that event they should have the authority to appeal their cases to the board of mediation and conciliation for relief. In my speech on this floor the other day I did not attack this bill on the ground that the miners themselves had been discriminated against except I called attention to the fact that unless the operators were paid a fair price for their coal it would be impossible for them to pay the miners a reasonable wage for their labor; that you could not damage the one without injuring the other, and other than that I believed that the interests of the laboring man had been fairly well guarded; but the conferees have so changed this bill as to deprive the miners of any right of appeal to any board or court against the most flagrant violation of their rights. In other words, they will be compelled to accept without question, whatever wage the President may fix. It is proposed here to give the President the power to make the miners work at a fair or an unfair wage, as he sees fit. On behalf of the miners, I protest against such arbitrary power over their wages, their destinies, and their lives.

The conferees have made another serious and far-reaching change in the Pomerene amendment. Bad as it was, it was not all bad. As it passed the Senate this provision was contained in it:

> There shall be but one such dealer between the producer and consumer or user.

In other words, as this bill passed the Senate, it cut out the middlemen who must bear their full share of responsibility for the high price of coal. I thoroughly indorsed the cutting out of those middlemen. I indorsed that part of the Pomerene amendment. It cut all of them out but one. But when the conferees got through with it, and as we are called upon to vote upon it, that provision of the bill, as I say, was cut out, and there may be one, ten, or a million middlemen between the producer and the ultimate consumer so far as this bill is concerned. What will it profit the Government, what will it profit the consuming public to fix a price of coal at the mouth of the mines, and then give every dealer who cares to touch it even a reasonable profit for getting his finger in the pie?

This bill is unjust to the operators; it is unfair to the miners. The coal operators are called upon to make a sacrifice of their business, while the United States Steel Corporation, for example, goes on rolling up its millions without let or hindrance on the part of the Government or this administration.

The New York Times of yesterday said:

> The aggregate net income of the United States Steel Corporation before depreciation allowances were made was $144,498,076 in the three months ended June 30, 1917, a total greater than the result of every full year in the corporation's history except three.

The coal operators are asked to cut down the price of coal to the United States Steel Corporation so it can still make its millions. The steel corporation has not been asked to make any sacrifice for the coal operators, the Government, or anybody else, and it still continues to sell its steel rails to the coal operators and others for $100 per ton when $24 is the normal price.

The coal miners are asked to take for their wages whatever price the President may choose to fix for them, while the employees of the steel mills, iron foundries, munition plants, and so forth, are at liberty to make money hand over fist.

It is not fair. It is not right. Millions of men and women fondly believe that this food bill will perform a miracle in the reduction of prices, especially on necessaries. They will be sadly disappointed. I do not believe that prices will be cut down much, if at all, to the individual consumer. They are likely to increase; but President Wilson says that if we will pass this bill it will greatly aid him in the prosecution of the war and that it will cause prices to come tumbling down. We all want to see prices come tumbling down. Many believe that we ought to give the administration whatever it asks and hold it to a strict accountability. While I did all I could to prevent it, nevertheless, "hit or miss, win or lose, for better or for worse, President Wilson is the Nation's leader; all, for the time being, we have to look to and rely upon," but thank God it will not always be thus. [Applause.]

Mr. CANDLER of Mississippi. I yield five minutes to the gentleman from Alabama [Mr. HEFLIN]. [Applause.]

Mr. HEFLIN. Mr. Speaker and gentlemen of the House, I regret very much to see that my good friend from Massachusetts [Mr. GILLETT] has undertaken to play politics at a time like this. There ought not to be any politics played. All gentlemen ought to do everything in their power, regardless of political affiliations, to aid and to back the President in this time of war. This is a war measure, and I regret that there is anyone in this House who would undertake to delay or defeat this legislation. Gentlemen, the people back home are getting weary of the way one branch of Congress is tying up legislation, and I think we ought to make it clear and plain that this branch is not responsible, but that another body is responsible for the delay, for the dragging out all summer and holding back these important war measures.

The other day one Member in another body by his objections held up for 10 days the aeroplane bill, a very important war measure. Would Germany have asked anything more? Another one praised the slackers and the traitors of Canada for resisting the selective draft. Would the Kaiser have asked more? Another has tried to discredit Mr. Hoover before the country. Yes; they have belittled him and besmirched him as much as they could. Would the Kaiser have asked more? And on yesterday one introduced a bill to have a referendum as to whether or not the Commander in Chief should send men out upon the ocean or beyond to fight for the honor and the liberty of this country. Would the Kaiser have had him change his tactics? And in this House a Member from Illinois [Mr. MASON] introduced a bill, which is now pending, asking that the selective-draft law be repealed, and the German spy system is urging that petitions be sent to Members to vote to repeal the law—the law under which we are forming an army to defend the life of this Nation from the dangers that threaten it.

Shades of Abraham Lincoln, the martyred President, whose memory we all love and honor. [Applause.] I call upon the State of Illinois to repudiate this action of the gentleman from Illinois [Mr. MASON]. The remains of Lincoln sleep in the soil of that State. My God, how restless he must be in his grave when a man from Illinois introduces a bill that would prevent the raising of an army to defend the Nation in this time of war! [Applause.] Another gentleman from Illinois [Mr. BRITTEN] introduced a bill to exempt all men who had German blood in their veins from the provisions of the selective-draft law. What would that do? Why, the Kaiser would say to Germany: "The people of the United States are not with the President; the people of German blood in the United States will not fight against Germany." The gentleman from Illinois [Mr. BRITTEN] has a bill which would present that situation. The other Member from Illinois [Mr. MASON] desires to undo the selective draft and leave us without an army, and a Senator from Georgia has introduced a bill to get every man's consent as to whether he will go abroad and fight for the country. On my responsibility as a southerner and as an American citizen, loyal to that flag, I repudiate the action of every southern Member who is not loyal to the country and to the President in this war. [Applause.]

It is true that the gentleman from Illinois [Mr. MASON] in his position here does not speak the views of the people of that State, and it is true that the gentleman from Illinois [Mr. BRITTEN] does not speak the views of the people of German blood in Illinois. His bill is a reflection upon all of them. There are a few anarchists and a few traitors. Emma Goldman has been arrested and Berkman has been arrested. If I were President, I would point out some others who belong in the class with them.

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. HEFLIN. Will the gentleman give me two minutes more?

Mr. LEVER. How much time have I remaining, Mr. Speaker?

The SPEAKER. The gentleman has 12 minutes.

Mr. LEVER. I yield to the gentleman two minutes more.

Mr. KNUTSON. Mr. Speaker, what is the subject under consideration?

The SPEAKER. The conference report on the food bill.

Mr. HEFLIN. Judging from that question, you are under consideration. [Laughter.] Sam Jones used to say that it is the hit dog that hollers. If I am weaving a cap that fits the gentleman, he must wear it.

Mr. MILLER of Minnesota. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MILLER of Minnesota. Was the gentleman from Alabama given two additional minutes?

The SPEAKER. He was.

Mr. MILLER of Minnesota. The gentleman from Alabama is aware that the two gentlemen from Illinois, Mr. MASON and Mr. BRITTEN, are not in the Chamber.

Mr. HEFLIN. I looked for them, but did not see them. Does the gentleman think that their presence would have anything to do with me in making the statement? I will tell the gentleman where I think these two gentlemen are.

Mr. MILLER of Minnesota. I think it would have a great deal to do with the gentleman from Alabama in what he has done heretofore.

Mr. HEFLIN. If the gentleman thinks that, then a part of my remarks apply to him.

[At this point Mr. HEFLIN used words that were subsequently ordered to be expunged from the RECORD.]

Mr. STAFFORD. Mr. Speaker, I make the point of order that the words used by the gentleman are not parliamentary, and I ask that the words be taken down.

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. HEFLIN. Mr. Speaker, I do not want my time taken up——

The SPEAKER. The time of the gentleman has expired.

Mr. MOORE of Pennsylvania. Mr. Speaker, I rise to a point of order.

The SPEAKER. The gentleman will state it.

Mr. MOORE of Pennsylvania. The gentleman has been using the names of Members in the first person, which is contrary to the rules.

The SPEAKER. Of course that is contrary to the rules.

Mr. MOORE of Pennsylvania. Is it in order, then, to make a motion to have stricken from the RECORD that portion of the gentleman's remarks which were contrary to the rule?

The SPEAKER. The Chair thinks that that is such a small matter——

Mr. MOORE of Pennsylvania. But it affects the character of Members of this House.

The SPEAKER. The Chair understands that perfectly well. The rule is that one Member must not address another or refer to him by his name, except where it is as, for instance, "the gentleman from Illinois, Mr. BRITTEN," but Members do that so often without thinking about it sufficiently—I have done it thousands of times myself—that it is not held to be unparliamentary except when attention is called to it at the time. If the gentleman from Pennsylvania had raised the point while the gentleman from Alabama [Mr. HEFLIN] was doing it, the Chair would have sustained the point of order and admonished the gentleman from Alabama to keep within the rule.

Mr. MOORE of Pennsylvania. Mr. Speaker, the gentleman from Alabama was linking up the names of two Members of the House with "traitors" and with "anarchists," and he attributed to them——

The SPEAKER. If there are any particular words in that speech which the gentleman from Pennsylvania wants taken down, the Chair will hear him.

Mr. MOORE of Pennsylvania. I demand those words be taken down whereby the gentleman from Alabama [Mr. HEFLIN] links up the names of two Members of the House with "treason," with "anarchists," and with "stirring up opposition to the war."

Mr. KNUTSON. Mr. Speaker, I think that if the gentleman from Pennsylvania [Mr. MOORE] would consider the source, he would not do that.

Mr. HEFLIN. Mr. Speaker, I demand the gentleman's words be taken down. The gentleman from Pennsylvania demands that my words be taken down in which I coupled, as he said, the names of two Members with those of traitors. I am willing that my words should be taken down, in order that the gentleman might have opportunity to make connection between the parts of my speech, and I am willing that this House shall vote upon my speech, to see where it stands.

The SPEAKER. The rule is that when one Member asks that another's words be taken down the Member complained of shall take his seat.

Mr. HEFLIN. I am willing to do that.

The SPEAKER. Now, if the gentleman from Pennsylvania——

Mr. MOORE of Pennsylvania. Mr. Speaker, I move——

The SPEAKER. If the gentleman will cease until the Chair can state the case. If the gentleman from Pennsylvania will suggest the part of the remarks of the gentleman from Alabama that were out of order, which he wants taken down, the Chair will have them taken down.

Mr. MOORE of Pennsylvania. I did not make a stenographic report of the gentleman's remarks.

The SPEAKER. The gentleman can indicate what part it was.

Mr. MOORE of Pennsylvania. That part of his remarks wherein he used the names of two Members of the House in connection with "traitors," or with "treason," and with "anarchists," and wherein he charged them with stirring up enmity to the draft law.

Mr. STAFFORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. STAFFORD. Before the gentleman from Pennsylvania rose I rose and gained the recognition of the Chair, and I made the point that the gentleman from Alabama had used unparliamentary language, and made a request that the words be taken down. I referred particularly to the language used just immediately preceding my request, in which he charged two Representatives of this House, the gentleman from Illinois, Mr. MASON, and the gentleman from Illinois, Mr. BRITTEN, with being out in the country stirring up the country in trying to oppose conscription.

Mr. HEFLIN. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. Amounting practically to a crime under the laws of this country. It is that language that I requested the Speaker to have taken down as being unparliamentary. I request a ruling upon the part of the Speaker upon that point.

The SPEAKER. The Chair can not rule upon it until he knows what he said. The Clerk will report the words.

The Clerk read the words complained of.

Mr. MOORE of Pennsylvania. Mr. Speaker, in addition to that, I ask that the words of the gentleman be taken down wherein he referred, contrary to the rules, to the Senator from Georgia.

Mr. LEVER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LEVER. I was about to inquire if the gentleman's request does not come too late upon that proposition? The gentleman from Alabama had completed his speech and had yielded the floor.

Mr. STAFFORD. Oh, the gentleman is in error as to that.

The SPEAKER. As to the words which the gentleman from Wisconsin [Mr. STAFFORD] asked to be taken down, that request certainly does not come too late, because it was the very last sentence in the speech of the gentleman from Alabama, but as to the other remarks the Chair thinks the request comes too late.

Mr. LEVER. It seems to me so.

The SPEAKER. Of course, the rule is, although nobody seems to pay any attention to it, especially at the other end of the Capitol [laughter], that it is against the rules of both Houses for a Senator in one instance or a Member in the other to refer to a Member of the other body. That is the rule. But the Chair thinks he could stand here and enumerate 20 instances that happened in the last 10 days where that has been violated. The Chair thinks the request comes too late. Now, the question is on these last words which were taken down at the demand of the gentleman from Wisconsin.

Mr. STAFFORD. Mr. Speaker, I move that those words be expunged from the RECORD.

The SPEAKER. The gentleman from Wisconsin moves that those words be expunged from the RECORD.

The question was taken, and the Speaker announced the noes seemed to have it.

Mr. STAFFORD. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman demands the yeas and nays. Evidently a sufficient number, and the Clerk will call the roll.

The question was taken; and there were—yeas 190, nays 122, answered "present" 17, not voting 103, as follows:

YEAS—190.

Alexander	Chandler, Okla.	Dillon	Freeman
Anderson	Clark, Pa.	Dominick	French
Austin	Classon	Dooling	Fuller, Ill.
Bacharach	Connally, Tex.	Dowell	Fuller, Mass.
Bland	Connelly, Kans.	Drukker	Gallagher
Blanton	Cooper, W. Va.	Dunn	Garland
Bowers	Cooper, Wis.	Dyer	Gillett
Browne	Costello	Edmonds	Gordon
Browning	Cramton	Elliott	Gould
Burnett	Curry, Cal.	Ellsworth	Graham, Ill.
Burroughs	Dallinger	Esch	Graham, Pa.
Butler	Darrow	Fairchild, B. L.	Green, Iowa
Campbell, Kans.	Davidson	Fairfield	Greene, Mass.
Cannon	Davis	Farr	Gregg
Carter, Mass.	Dempsey	Foster	Griest
Cary	Denison	Francis	Griffin
Chandler, N. Y.	Dill	Frear	Hadley

Haskell	Longworth	Powers	Strong
Haugen	Lundeen	Pratt	Sweet
Hawley	McAndrews	Purnell	Swift
Heintz	McArthur	Ramsey	Switzer
Hensley	McCulloch	Ramseyer	Tague
Hersey	McFadden	Randall	Temple
Hicks	McKenzie	Rankin	Timberlake
Hulbert	McKinley	Reavis	Tinkham
Husted	McLaughlin, Pa.	Reed	Towner
Hutchinson	McLemore	Riordan	Treadway
Igoe	Madden	Robbins	Vare
Ireland	Magee	Roberts	Vestal
Johnson, S. Dak.	Maher	Rodenberg	Voigt
Johnson, Wash.	Mapes	Rogers	Volstead
Jones, Tex.	Martin, La.	Rose	Waldow
Juul	Meeker	Rowe	Walsh
Kahn	Miller, Minn.	Sabath	Wason
Keating	Miller, Wash.	Sanders, N. Y.	Watson, Pa.
Kelley, Mich.	Moore, Pa.	Sanford	Wheeler
Kelly, Pa.	Moores, Ind.	Scott, Iowa	White, Me.
Kennedy, R. I.	Morgan	Scott, Pa.	White, Ohio
Kiess, Pa.	Morin	Sells	Williams
King	Nelson	Sherwood	Wilson, Ill.
Knutson	Nichols, Mich.	Siegel	Wilson, Tex.
Kraus	Norton	Sloan	Winslow
La Follette	Osborne	Smith, Idaho	Wood, Ind.
LaGuardia	O'Shaunessy	Smith, Mich.	Woods, Iowa
Lehlbach	Parker, N. J.	Smith, C. B.	Young, N. Dak.
Little	Parker, N. Y.	Smith, T. F.	Zihlman
London	Phelan	Stafford	
Lonergan	Porter	Steenerson	

NAYS—122.

Adamson	Denton	Kehoe	Robinson
Allen	Dewalt	Key, Ohio	Romjue
Ashbrook	Dickinson	Kincheloe	Rouse
Aswell	Dies	Kitchin	Rucker
Bankhead	Dixon	Larsen	Russell
Barkley	Doolittle	Lazaro	Sanders, La.
Bathrick	Doughton	Lee, Ga.	Shouse
Bell	Dupré	Lesher	Snook
Blackmon	Eagan	Lever	Steagall
Booher	Eagle	Linthicum	Stedman
Borland	Ferris	Littlepage	Stephens, Nebr.
Brand	Fisher	Lobeck	Sterling, Pa.
Brodbeck	Garrett, Tex.	McClintic	Stevenson
Buchanan	Glynn	McKeown	Talbott
Byrnes, S. C.	Goodwin, Ark.	McLaughlin, Mich.	Taylor, Ark.
Campbell, Pa.	Gray, Ala.	Mansfield	Taylor, Colo.
Candler, Miss.	Gray, N. J.	Mays	Thomas
Caraway	Greene, Vt.	Montague	Thompson
Carew	Hamlin	Moon	Tillman
Carlin	Hardy	Nicholls, S. C.	Vinson
Carter, Okla.	Harrison, Miss.	Oldfield	Walker
Clark, Fla.	Harrison, Va.	Oliver, Ala	Walton
Claypool	Hastings	Oliver, N. Y.	Watkins
Coady	Helm	Olney	Watson, Va.
Collier	Holland	Overmyer	Weaver
Cox	Hood	Overstreet	Welty
Crisp	Houston	Park	Whaley
Crosser	Howard	Polk	Wilson, La.
Dale, Vt.	Jacoway	Rainey	Wingo
Decker	Johnson, Ky.	Raker	
Dent	Jones, Va.	Rayburn	

ANSWERED "PRESENT"—17.

Barnhart	Langley	Schall	Welling
Black	Platt	Shackleford	Young, Tex.
Evans	Quin	Stephens, Miss.	
Hayden	Ragsdale	Sisson	
Heflin	Rubey	Snell	

NOT VOTING—103.

Anthony	Flynn	James	Scott, Mich.
Ayres	Focht	Kearns	Scully
Bacon	Fordney	Kennedy, Iowa	Sears
Britten	Foss	Kettner	Shallenberger
Bruckner	Gallivan	Kinkaid	Sherley
Brumbaugh	Gandy	Kreider	Sims
Byrns, Tenn.	Gard	Lea, Cal.	Sinnott
Caldwell	Garner	Lenroot	Slayden
Cantrill	Garrett, Tenn.	Lunn	Slemp
Capstick	Glass	McCormick	Small
Church	Godwin, N. C.	Mann	Snyder
Cooper, Ohio	Good	Martin, Ill.	Steele
Copley	Goodall	Mason	Sterling, Ill.
Crago	Hamill	Mondell	Stiness
Currie, Mich.	Hamilton, Mich.	Mott	Sullivan
Dale, N. Y.	Hamilton, N. Y.	Mudd	Sumners
Doremus	Hayes	Neely	Templeton
Drane	Heaton	Nolan	Tilson
Elston	Helvering	Padgett	Van Dyke
Emerson	Hill	Paige	Venable
Estopinal	Hilliard	Peters	Ward
Fairchild, G. W.	Hollingsworth	Pou	Webb
Fess	Huddleston	Price	Wise
Fields	Hull, Iowa	Rowland	Woodyard
Fitzgerald	Hull, Tenn.	Sanders, Ind.	
Flood	Humphreys	Saunders, Va.	

So the motion was agreed to.

The Clerk announced the following additional pairs:

Until further notice:

Mr. HULL of Tennessee with Mr. HILL.

Mr. STEPHENS of Mississippi with Mr. KENNEDY of Iowa.

Mr. SCULLY with Mr. WOODYARD.

Mr. CANTRILL with Mr. LANGLEY.

Mr. HUMPHREYS with Mr. G. W. FAIRCHILD.

Mr. GANDY with Mr. HEATON.

Mr. SEARS with Mr. HOLLINGSWORTH.

Mr. AYRES with Mr. ROWLAND.

Mr. BRUCKNER with Mr. PAIGE.

Mr. BRUMBAUGH with Mr. SANDERS of Indiana.

Mr. ESTOPINAL with Mr. STINESS.

Mr. BYRNS of Tennessee with Mr. KREIDER.

Mr. DALE of New York with Mr. TEMPLETON.

Mr. DOREMUS with Mr. ANTHONY.

Mr. VENABLE with Mr. BACON.

Mr. FITZGERALD with Mr. FORDNEY.

Mr. GARNER with Mr. COOPER of Ohio.

Mr. FLOOD with Mr. COPLEY.

Mr. GARD with Mr. CURRIE of Michigan.

Mr. GARRETT of Tennessee with Mr. FOCHT.

Mr. KETTNER with Mr. GOODALL.

Mr. LUNN with Mr. HAMILTON of Michigan.

Mr. POU with Mr. MONDELL.

Mr. PRICE with Mr. MUDD.

Mr. SAUNDERS of Virginia with Mr. TILSON.

Mr. SHERLEY with Mr. KINKAID.

Mr. SLAYDEN with Mr. JAMES.

Mr. STEELE with Mr. CRAGO.

Mr. SULLIVAN with Mr. FESS.

Mr. WEBB with Mr. HAYES.

Mr. WISE with Mr. HERSEY.

Mr. PADGETT with Mr. MANN.

Mr. LANGLEY. Mr. Speaker, did my colleague, Mr. CANTRILL, vote?

The SPEAKER. He did not.

Mr. LANGLEY. I have a general pair with him. I voted "aye." I wish to withdraw my vote and answer "present."

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. LANGLEY, and he answered "Present."

Mr. RUCKER rose.

The SPEAKER. For what purpose does the gentleman from Missouri rise?

Mr. RUCKER. On the second roll call I misunderstood the Clerk, and I voted at a time when another Member's name was called.

The SPEAKER. Who was the other Member?

Mr. RUCKER. Mr. DRUKKER, as I now believe. I thought it was "RUCKER."

The SPEAKER. If Mr. DRUKKER's name appears on the tally sheet as voting, the Clerk will scratch it out.

Mr. RUCKER. I understand from a gentleman here that he was present.

The SPEAKER. He might not vote the way the gentleman from Missouri voted him.

Mr. RUCKER. I voted him "no." [Laughter.]

The SPEAKER. How did the gentleman from New Jersey vote?

Mr. LEHLBACH. Mr. Speaker, Mr. DRUKKER was present and voted "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The words are expunged from the RECORD. [Applause.] The gentleman from Iowa [Mr. HAUGEN] has 17 minutes, and the gentleman from South Carolina [Mr. LEVER] 10 minutes.

Mr. HAUGEN. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. CANNON].

The SPEAKER. The gentleman from Illinois is recognized for five minutes.

Mr. CANNON. Mr. Speaker, now that the storm is passed and the weather is clear outside and inside, I want, in my five minutes, to begin by saying I congratulate the House Committee on Agriculture and the conferees of the House. This bill as now reported is an improvement, in my judgment, upon the House bill and upon the Senate bill.

"Many men of many minds." We have a Constitution in the United States. Under that Constitution all the guaranties are given under normal conditions for the protection of life and property. Under the war power in the Constitution we have the power to enact legislation that would not stand for a holy minute under normal conditions.

I recollect very well that during the Civil War there was legislation that was denounced by one-third of the people north of Mason and Dixon's line as unconstitutional, and as the epithets that were put upon the President of the United States, Mr. Lincoln, what is spoken now amongst ourselves, about anybody in Congress or in official life, is like a gentle summer evening zephyr as compared with a whirlwind. [Laughter.]

So much for that. It is behind us. There has been much of criticism, and I have no doubt from the standpoint of gentlemen, honest criticism, concerning the provision in this bill creating a joint committee of the House and Senate, which was stricken out. From my present viewpoint I believe it was fortunate that the House had its way.

The gentleman from California [Mr. KAHN] has already called attention to the fact that there are 10 committees of this House on expenditures in the various departments, a majority of whom are Democrats and a minority Republican. We have 10 committees that can investigate. It is said that they are not investigating. Would another committee on investigation simply because it is joint improve upon the 10 committees? I apprehend not.

Much has been said about the committee on the conduct of the war during the Civil War. After all is said and done, my recollection is—and my reading confirms me in that recollection—that that committee did no service that was valuable politically or that was valuable otherwise in that great contest. The time has passed when we can stop and consider why we are in this war or how we might have avoided it. Right or wrong, wise or unwise, we are in it, and so far I believe there is no way to get out except by cooperation with our allies whether we like them or not in all particulars. [Applause.]

Gentlemen talk about the price of wheat. Some gentlemen object to the minimum price that was fixed. That price applies only to the crop of 1918. Now, in my judgment, the price of wheat will be higher than $1.75 a bushel, as the minimum price, when you take on the average the soft wheat as well as the hard wheat—the hard wheat, the spring wheat, being at the maximum—because it is now patent that we have got a short crop, and under the law of supply and demand, if you choose, so far as it can operate, I believe the price will be higher than $1.75 on the average.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. CANNON. Mr. Speaker, I ask that I may briefly extend my remarks.

The SPEAKER. The gentleman from Illinois asks that he may extend his remarks very briefly. [Laughter.] Is there objection?

There was no objection.

Mr. CANNON. I merely want to add that in my opinion under existing war conditions we must first feed ourselves, second our allies. Therefore, I indorse the proclamation issued by the President, which is authorized by law, laying an embargo on the export of wheat and other articles to neutral nations that we can not spare or that would reach Germany, with which nation we are at war.

This being the situation, and especially wheat as to its price is not subject to the economic law of supply and demand; it is, in my judgment, proper to fix a minimum price for that product, with the guaranty of the Government.

Mr. HAUGEN. Mr. Speaker, I yield to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks on the subject.

The SPEAKER. Is there objection to the gentleman's request?

There was no objection.

Mr. HAUGEN. Mr. Speaker, I yield to the gentleman from California [Mr. OSBORNE].

Mr. OSBORNE. Mr. Speaker, I was in New York one day last week, and, passing down Riverside Drive, I noticed in the Hudson River, at anchor, a fleet of about 50 ships—a fleet of ships of neutral nations—with their names and the flags of their various countries marked conspicuously on their sides. Many of them were marked "Rotterdam," "Amsterdam," and other European cities. In looking at that fleet I could not fail to be convinced that here was an illustration of the manner in which Germany is being fed. No one can look at that fleet as it lies there in the river to-day, withheld from sailing by the rigid enforcement by our Government of the recently enacted embargo law, without the conviction that Germany during the past three years has been largely fed by the United States through the neutral seaboard nations bordering on Germany. The graphic illustration which I have mentioned was most illuminating to my mind, and I wish that a moving picture might be made and exhibited throughout the country of that great fleet of neutral ships all loaded to the guards with grain and other food supplies ostensibly for their respective neutral countries, but which for a considerable part soon would have passed the boundaries of these countries into Germany, or an equivalent quantity of food of native production, to feed the armies with which we are now at war. This fleet also gave a strong hint as to one of the reasons of the high price of foodstuffs now prevailing—the demand of Germany for our products, through Holland and other neutral countries, for which Germany is willing to pay any price, however exorbitant.

The embargo law, which has enabled our Government to stop this method of feeding the armies of the enemy, is one of the drastic laws necessitated by the war, and which was bitterly opposed upon the floor of Congress because of the great power that it conferred upon the administration.

Such a law as the embargo law would be abhorrent to our free American system of commerce in time of peace. In time of war, however, and in conditions that have prevailed since the 6th of April it constitutes a weapon of national strength second to none other, and it would have been worse than a great mistake to have withheld it from the Commander in Chief and his advisers.

The control-of-food bill, the conference report upon which the House now has under consideration, is even more sweeping and drastic than the embargo act. It enters upon fields of governmental control of the most radical nature, heretofore unexplored in the history of the United States. As a law in time of peace it would be utterly at variance with American policy and without merit. In a state of war, however, everything is changed. As war lends itself on the battlefield to all manner of terrible crime and violations of the moral law that exists between individuals who happen to be citizens of different nations, so it also lends itself to all manner of exploitation and money-making by unscrupulous and voracious men devoid of patriotism, who deal in food and other supplies necessary to the conduct of war and the sustenance of the people.

On the battlefield drumhead courts-martial may summarily punish the vandals who violate the rough rules of war. It is essential to have some arbitrary authority to deal with these vandals who prey upon our people and our armies by forcing the prices of food and the necessaries of life to exorbitant and impossible prices for their own profit.

That war power—and it is essentially a war power and confined to the period of war—is conferred by Congress in this bill. It is an enormous power, and its exercise will frequently interfere with the interests of individuals—interests that would be inviolate in time of peace, but which must give way to the interests and welfare of the Nation in time of war.

War speculation and the undefined fears of deprivation by the people of food and fuel are the instruments that raise the prices to impossible heights.

Let war, therefore, be the warrant for the exercise of the strong arm to stimulate production, conserve consumption, and control speculation in the necessities of life, so that the great majority of us, who are not rich, may neither hunger nor live in fear of hunger and cold.

These powers are intended to be conferred by this bill, and I believe that in a large measure they are so conferred.

The two Houses of Congress, in their care over the enactment of so extraordinary and unprecedented a measure as this, have devoted weeks to its discussion and consideration. While Congress ought not to act on great questions inadvisedly or hurriedly, I would have been glad to have had the measure acted on upon its merits, and without the attachment of extraneous subjects, which were not necessarily a part of this bill, and which necessitated the loss of valuable time. They could better have been treated in separate bills, or attached to other bills in which the element of time was of less importance.

The proposed congressional committee on the expenditures of the war is one that I favor, but I do not think it essential as a part of this bill. I would not interfere with the President in the conduct of the war in the slightest degree through a congressional committee or otherwise. On the contrary, I recognize the enormous importance of centralized power in war, and on this floor I stand firmly for giving the President and Commander in Chief every possible essential authority, and I believe that Congress and the people have to-day conferred upon him the greatest degree of power, actual and potential, that is now exercised by any man on earth. I further believe that this power is worthily bestowed and is being patriotically, carefully, and conscientiously exercised—the very opposite of that which has been exercised by the crowned autocrats of Europe, who have used their power to plunge the world into the most bloody and terrible war of all recorded time.

I respectfully disagree with the President, however, in his misgivings in regard to this committee. In its objects and character it is unlike the Committee on the Conduct of the War appointed during the Civil War, and which, while of great service to President Lincoln in many ways, undoubtedly at times caused that great and patient man some anxiety. That committee dealt with the conduct of the war, and inquired into the management and strategy of campaigns, as well as into the financial affairs of the Nation, while the joint committee on expenditures in the conduct of this war, provided in the Senate amendment to this bill, but which is stricken out in this conference report, is confined to the single subject of expenditures and to advising with the President and the heads of the various

executive departments, commissions, and boards in relation thereto. That such a committee, six-tenths of which would be members of the President's political party and four-tenths members of the minority party, would prove a hindrance to the efficient action of the Executive is to me inconceivable.

On the other hand, I can see a distinct advantage in a closer personal relation and a better understanding between Congress and the President than now exists in such a committee. Without intending criticism, and in the way of suggestion only, I would state my impression with deference and as a new and inexperienced Member of Congress that it would be to the advantage of cooperative legislation and effective teamwork in this great war in which we are so earnestly and vitally interested if the President were to call in the leading Senators and Representatives in Congress a little more frequently than is the custom and inform them, confidentially or otherwise, as to war conditions and as to prospective plans in connection therewith. I feel sure that much time would be saved if such agreeable personal intercourse with representative Members on the Republican side of the House were even more common than it is at present. I can not speak with the same assurance for the Democratic side of the Chamber, which may be and doubtless is kept better informed than the Republican side, but I have an impression that increased confidence might also be extended in that direction with good results.

I am constrained to congratulate the Republican side of the House upon its uniform support as a party of every bill that has come before this body, from the hour that the President addressed the Congress on the 2d day of April until the present moment, intended to fortify the President in his great work of prosecuting the war. The Republican Party in Congress has marched straight to the front on every war measure from the formal declaration on April 5, through the various enormous appropriation bills and bills conferring extraordinary and almost unlimited power, until the present time. On one of the most vital war measures—that providing for the selective draft—the leadership in carrying the bill fell upon my distinguished colleague from California [Mr. KAHN], and was ably and manfully carried out by him, supported by nearly all his Republican colleagues.

While the President has been thus loyally supported by the minority party on this floor, it has been upon their part a pure exercise of patriotism. It might have been easier or more spontaneous had our great President—who has been harassed with so many grave and perplexing questions that slight and unintentional lapses may well be overlooked—occasionally or more frequently followed the example of the beloved McKinley and the immortal Lincoln, and called into consultation some of the leaders of the minority party, and allowed them to become for the moment the sharers of his anxieties. President McKinley's road was made smooth by these considerations to the minority leaders, and his appointment of distinguished Confederate officers, like Gen. Joe Wheeler and Gen. Fitzhugh Lee, to high station, was as popular in his own party as it was in the country at large. Lincoln's great Secretary of War, Edwin M. Stanton, was drafted from among his theretofore most bitter political opponents.

As we are not to have this joint committee on war expenditures in this bill, I venture the respectful opinion that it would prove a great advantage to a more thorough understanding between Congress and the President, and thus expedite necessary legislation, if the President would a little more frequently call in the leaders of the two Houses, the Republicans as well as the Democrats, and take them into his confidence so far as he might deem proper in regard to the war and the needed legislation. It would be well received by the minority and by the country, and would be of substantial moral value.

Whether these suggestions of more cordial cooperation shall be fruitful or otherwise, there will be no diminution in the loyal support of the President upon the part of the minority party or upon that of the great mass of the people of the country. They are loyal to the core, and the longer that the great struggle lasts and the better that it is understood, the stouter will be that support and the more willing will be the great sacrifices that may be made.

It is not easy to become accustomed to a condition of war. Many are asking the question why we are at war, and what will be our conditions of peace. The majority of those who ask these questions are not disloyal, and do not intend thereby to aid the enemy. But the time may come, when the situation and the issues are more fully understood, when all distracting movements from the great struggle to win the war will be regarded and will be in fact less innocent.

The prime object of this war is to abolish all wars in the future. It will not successfully end until that purpose has been accomplished. If all the nations in Europe had been democracies or constitutionally governed monarchies in 1914, this horrible war would never have occurred. It is only the nations that are so autocratically ruled that vast armies can be gathered and controlled by the will of a single man, or a few men, that can plunge great nations into war. Germany, Austria-Hungary, and Russia were the great autocratic Governments that were capable of accomplishing this miracle of horrors in 1914. Russia, as the first mighty result of the war, has passed completely from the ranks of autocracy, and never again will mobilize an army of 5,000,000 or 6,000,000 men in a night. The great Russian people will grope and stumble for a time, but with less pain and suffering than they have endured in the past they will eventually come into their own, with liberty, peace, order, and happiness. It is the task of the great peaceful nations of the world, in the interest of the world's peace in the future, to win this war and place such restraints upon all, and especially upon those nations which through a century of false materialistic philosophy have gone war mad, that its repetition will be impossible.

Mr. Speaker, we of the United States are a peaceful and peace-loving people. We hate and abhor war and entangling alliances with other nations. We would have avoided this war if possible. We maintained our patience and restrained our temper under many bitter affronts. For my own part, rather than engage in the bloody exploits of war, I would have said: "Let us bear still further affronts and injuries. Let us shut our eyes to the murder of our citizens—men, women, and children—on the high seas, rather than engage in war and sacrifice thousands of other lives of the dear sons of our soil." But it was not to be. War was inevitable.

Mr. Speaker, I have heretofore stated on this floor that it is my conviction, borne out by all the evidence, that for more than a year prior to the entry of the United States into the war, on April 6, 1917, Germany was determined to force this country into war sooner or later. In many ways we had angered the German Government and people. While ostensibly treating all belligerent nations alike and opening our markets for supplies and munitions of war to all nations who cared to or could come and get them, in practical operation it worked against the Germans, as they could not avail themselves of our open markets because of the British fleet. We properly took Germany to task for sinking our ships and drowning our people and declared our determined opposition to the operations of German submarines in sinking ships without warning. In all these measures we were fully justified and could not escape making the issue without exercising abject cowardice. Nevertheless all these things angered the German Government, which no doubt had fully determined to call us to rigid account; but they would have preferred to wait until the close of their European war, when Germany could have dealt with the United States single handed. We would then have been without the aid of allies and would, indeed, as the only nation which financially had profited enormously by the war, have been universally despised by the other powers.

At such a time Germany, whether a winner or a loser in Europe, would have found a thousand pretexts for war with the United States—rich, fat, and helpless. We would have been an easy prey, and the billions of indemnity that would have been exacted would in all likelihood have reduced the United States to the position of a vassal nation for a long period—certainly until the indemnity should be fully paid. In the meantime the Monroe doctrine would have been reduced in fact to a "scrap of paper." The Zimmermann note, promising the States of Texas, New Mexico, and Arizona to Mexico, illustrates the materialistic sort of statesmanship that we have to deal with.

This war is a war to prevent and abolish war—which in all time has been the curse of the human race and the cause of its greatest sorrows. We say that it is a war for the democracy of the world. That is true, because it is only through the supremacy of democracy that war can be abolished. Autocracy alone makes great wars possible. Therefore, autocracy, however efficient and wise may its methods be in many ways, is the enemy of mankind, because it fosters war, and conducts war with an almost superhuman effectiveness—all the more effective because it is inhuman and knows no law but that of the most complete terrorism and destruction.

As this powerful autocracy had without question marked the United States for war, with the object of compelling our country to pay the great cost of the European struggle, it was a wise decision of our President to bring the challenge of Germany to the immediate attention of Congress, and it was wise in Congress to at once declare a state of war. We accepted the challenge at once in a manly way, and thereby made friends for our

country throughout the world and strong allies of powerful countries.

By abject cringing and backing down, we might have postponed the issue for a few months, or perhaps for a few years; but, like all cowards, we would have forfeited the respect of the world, and other nations, now our allies, would later have witnessed our humiliation and defeat at the hands of Germany—a result which would have been inevitable—without intervention and doubtless with slight sympathy.

It is this one great act of President Wilson—the choice of immediate war even though we were physically unprepared, rather than a paltering policy that would simply have postponed war—that will be marked in history as his loftiest exercise of statesmanship. It was to that exhibition of high statesmanship and strong national policy to which Congress rose with utter disregard to partisanship, and has sustained the President with sweeping and unprecedented powers. For myself, I have voted and shall continue to vote for all these necessary powers with profound satisfaction that I can so serve my country.

The country at large has responded in a thousand ways that bring joy to the hearts of all patriots. Men of affairs—the greatest in the land—have abandoned their private business, and have come here to Washington, without cost of any kind to the Government, and have given months and will give years of their time and their best efforts to systematize and successfully conduct the enormous activities and agencies of the Government, brought into existence by the great emergency.

The most important and impressive thing, however, is that the brave young men of our land have taken their lives in their hands and already have expanded our little Army to nearly 1,000,000 men. In a few months undoubtedly we will have 2,000,000 men under arms, and a great majority of them will be in active service on the battle fields of Europe, fighting for their country, for the democratizing of the world, and fighting to make this the last great war of all time.

Let us all get together—all American citizens, whether native or foreign born—and actively and daily sustain and support our elected leader—the President of the United States, the Commander in Chief of our Army and Navy—in the gigantic work in which he is engaged. Let us sustain in every conceivable way, day by day, those 1,000,000 or 2,000,000 of our dear sons, who shortly will be enveloped in the uniform of our Army. What are the paltry advantages of partisanship? What is the use of asking whether we could have avoided war or not? What is the use of pestering the administration about terms of peace before war has really commenced, and when no one by any possibility can know anything about the terms of peace? We are in the war, and our all-absorbing business the next year or two will be to fight it out like men.

If we, who are too old to fight, or who are physically unsuited to be soldiers, can do nothing else, let us at least refrain from holding back the President and the Nation, and let us not make it more difficult for the million or two of brave boys who have or are about to go out from us, by asking foolish questions and clamoring about a peace, between which and ourselves lies a bloody and tragic war. Let there be no hanging back. Let everyone do his "bit"—not once only during the war, but once or more times every day. I am touched by the loyal constancy of these good women and girls who daily knit the sweaters and wristlets for the brave boys. It shows that their gentle and tender hearts are all the time in the right place.

Let us who have been honored by seats in Congress at this great hour in our Nation's history fully appreciate our grave duties and heavy responsibilities. Let us as quickly as may be decide upon the laws necessary to the most effective conduct of this war, and enact them with the least possible delay.

Let everyone, whatever may be his station in life, each day do his "bit" for his country, in ways which he or she will recognize. It may be little, but it all tends to the final result. We are all Americans—all brethren. Let us fight out this great war with the utmost determination and self-sacrifice, and with a fixed and unalterable purpose to make it impossible that there shall be left on earth a power that can ever after destroy the peace of the world.

Mr. VARE. Mr. Speaker, I intend to vote for this conference report. I intend to cast no reflection upon the motives of those who have advocated the section in the food-control bill which would have established a joint congressional committee on expenditures, although I feel very strongly that there should be no encroachment by the legislative branch of the Government upon the executive branch. We would resent it if the President were to appoint a committee to supervise or even cooperate in the framing of legislation, and the President has plainly indicated that he considers this section of the food bill implies a lack of confidence in him.

It would be regrettable indeed, and I think the public would resent it, if, after a period of whole-souled cooperation, Congress should now establish a joint committee to supervise the expenditures of the Government. Congress has ample power to regulate expenditures without establishing such a committee. Its function would be mainly inquisitorial. It would have no power to halt expenditures, but it would add to the red tape of administration at a time when the great need is to cut red tape altogether.

Dual control of executive work even now is the subject of public discontent. We have lately seen the whole ship program held up because of such dual control. The late chairman of the Shipping Board insisted that he did not want to hold up Gen. Goethals's program, but in his insistence upon inquiring into every feature of it and talking it over unpardonable delay resulted.

The House, furthermore, rejected the idea of controlling the food situation by a commission of three and instead gave authority to one man. This was in harmony with the idea of getting results. The best thought of the country favors the concentration of authority and responsibility. Upon Congress rests the responsibility for wise legislation to make America's war effective. Upon the President rests the responsibility of making the legislation effective by good administration. With complete responsibility there should be complete authority.

If the House fails to reject this amendment which is objectionable to the President, it will lay itself open to the charge that it is hamstringing the President and his Cabinet in their efforts to win the war. Every day's delay due to discussion and inquiry will be laid at the door of Congress.

I am a Republican, and I believe in the principles of the Republican Party. As a Member of Congress, I believe in legislative freedom from Executive coercion. But, first of all, I am an American, and I stand with the President of the United States. With the Nation at war he no longer can be regarded as the titular leader of the Democratic Party. He is the leader of the American people, the Commander in Chief of the American Army and Navy, and as such he should be left free from any hampering influence.

It has been said that the congressional war committee established to work with President Lincoln caused him great embarrassment. It has been said also that this committee caused him no embarrassment but aided him. Whichever statement may be true, the fact remains that the Civil War lasted longer than it should have lasted, and President Wilson is justified in his belief that the administration can act more speedily and effectively without a congressional committee on expenditures.

Time is the essence of the problem. Victory will not be brought nearer by talking over every move the Nation makes or discussing every dollar that is to be spent. Any information we want we can call for. Any restrictive legislation we want to pass can be passed. For my own part, I believe the patriotic course for the House to pursue is to give full authority and a free hand to the President, responding to his every request for appropriations or laws to make America effective in the war against German autocracy.

The first duty of a good Republican to-day is to be a good American. The great need of the war situation is action. No matter how laudable our motive might be in establishing a committee on expenditures, with power to inquire into the work of the executive departments, the public would construe it as an effort to interfere—to halt and delay prompt American action. Let us put aside partisanship, pettiness, jealousy, and the desire for personal power and glory and put our trust in the Commander in Chief of the Army and Navy. Let us do nothing which even he can misunderstand or which might be misconstrued by the American public or the German Government as a lack of confidence in the Chief Executive. I will vote against the Senate amendment, in accordance with the President's request in his letter to Chairman LEVER, of the Committee on Agriculture.

Mr. ROBBINS. Mr. Speaker, I favor the enactment of this food bill as a war measure without further delay. So many of its provisions are essential in order to conserve the food supply of the Nation, and, believing and hoping that it will bring cheaper food to the people, I enthusiastically support it, as I have all the measures for the prosecution of this war to a successful conclusion.

The provisions of this bill, however, so far as they apply to bituminous coal, are oppressive, drastic, and wrong. For the purpose of directing attention to these, with the hope that they may never be enforced, I submit a few observations on this part of the bill.

Gentlemen, the pending bill entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distri-

bution of food products and fuel," designated as House bill 4961, seems to be especially directed against the coal industry. A number of its sections refer to this important commodity.

The bill as originally passed by the House was intended only in general terms to apply to food, feed, and fuel, without designating practically the manner in which it was to deal with coal, leaving that to the good judgment of the President and the food administrator to be appointed to carry the bill into effect. But the Senate has entirely changed its provisions.

By section 5, which is a new section altogether, the President is authorized to require "any person operating a coal mine producing coal, and any person dealing in coal which enters into interstate or foreign commerce" to take out a license, and provides a penalty of $5,000 for failure to do so.

This is followed by section 6, which prevents hoarding, so that it would be difficult under that section to lay in a winter's supply of coal before obtaining permission to do so, without being charged with hoarding.

Section 8 as amended gives the President power to requisition fuel, and upon compensating the persons from whom it was taken to 75 per cent of the value thereof the remainder must be collected by a suit against the United States, which will be a hardship to compel the owner to resort to this means to recover his full compensation.

Section 10 authorizes the President, when it is necessary to secure adequate supply, to requisition and take over for the use of the Government any mine and to operate the same, and to compensate the owner to the extent of 75 per cent of the amount thereof, and to compel him to collect the remainder by a suit against the United States.

Under this section as amended the President is authorized to use and operate said mine without regard to the wishes of the owner.

Under section 25, which is a new section added by the Senate, the President is authorized to fix the price of coal and coke "whenever and wherever sold, either by producer or dealer," and if the owner fails to conform to such price the President is authorized "to requisition and take over the plant and business" and, further, the President is authorized by the same section to "prescribe such regulations as he may deem essential for the employment, control, and compensation of the employees necessary to conduct the same."

The same section further provides by a new provision, which has never been considered here, added thereto the President is "hereby empowered and authorized to require any or all producers of coal and coke, either in any special area or in any special coal fields, or in the entire United States, to sell their products only to the United States through an agency to be designated by the President, such agency to regulate the resale of such coal and coke, and the prices thereof, and to fix the compensation to be paid to producers by the United States, and to establish rules for the regulation of and to regulate the methods of production, transportation, distribution, apportionment, or storage thereof among merchants and consumers, domestic or foreign, and to make payment of the purchase price thereof to the producers thereof, or to the person or persons legally entitled to said payment."

Thus it will be seen that if this bill becomes a law the coal industry of the United States is practically taken away from the rightful owners, and put under the jurisdiction of the food dictator, and the wages of the workers in and about the coal and coke works of the United States is to be fixed by the President.

Just why the coal and coke business of the country is made a target at this time for such drastic action as here proposed does not appear. If this bill is enforced fully, it will mean the destruction of this industry. It means to drive out of employment the men who are engaged in it, earning wages now at as high a rate as any labor, skilled or unskilled, in the whole United States.

This bill can only be characterized in some of its sections as an attack on this important and widespread industry.

The twenty-second congressional district of Pennsylvania, which I represent, composed of the counties of Westmoreland and Butler, last year produced over 20,000,000 tons of bituminous coal, employed in that industry over 15,000 men, representing a population well onto 75,000, which represents a money investment of upward of $200,000,000. I therefore can not sit silent and see this industry demoralized without making a protest.

Bituminous coal is produced in 30 States of the Union, but Pennsylvania leads them all in this great basic industry, and it is high time that the Representatives of the other States in which the mining industry exists were taking notice of this attack upon coal.

This bill, because coal is now selling at a high price, fails to correct the two fundamental causes. The coal operators are not to blame for the high price of coal; neither are the coal miners, and in the name of both of these I protest here against the wrongful treatment of the bituminous coal-mining industry by this food bill.

The two fundamental causes of the high price of coal are:

1. Lack of transportation facilities.

2. Increased cost of all materials that enter into the production of coal.

For instance, the increased cost of the various articles and commodities necessary to the production of coal between April 1, 1914, and July 1, 1917, as furnished by the leading bituminous coal company of western Pennsylvania are as follows:

Increase of wages 37½ per cent.
Increase in the cost of corn for feed from 78 cents to $2.44.
Oats from 42 cents to 77 cents.
Pit posts increased 65 per cent.
Pit ties increased 100 per cent.
Lumber increased 100 per cent.
Copper wire and copper fixtures increased 125 per cent.
Cement and cement pipe increased 80 per cent.
Iron pipe, wrought iron and cast, increased 200 per cent.
Electric locomotives and mine machines increased 100 per cent.
Pit cars increased from $38 to $200.
Bar iron increased from $27 to $110 per ton.
Bit steel and smithing steel increased from $100 per ton to $240 per ton.
Steel rails increased from $23 to $100 per ton.
Spikes from $31 to $140 per ton.
Mules and horses from 50 to 100 per cent.

The increased cost of coal has been from $1.50 to $3 and $4, and in some instances $5 per ton, for coal that was not under contract, but 75 per cent of the coal of the large corporations is under contract to the railroads, steel companies, and other manufacturing concerns that purchase it under long-time contracts, where the advance has not been greater than an average of from $1 to $2.50 per ton.

It is, therefore, unfair to say that the price of coal has been advanced all around from 100 to 300 per cent; a fair average advance has been about 100 per cent, taking the contract and free coal both into consideration, which is the only fair way to estimate it, while the cost of materials has advanced over 100 per cent. The advance in coal is not greater than the advance in other commodities.

Now, it is proposed by this bill to ignore everything except the cost of coal, and to seize the mines and take them away from the rightful owners, without regulating the cost of any of the commodities which have rendered necessary the advance in the price of coal. Why not regulate the price of cotton, of copper, of iron, of lumber? These basic articles are almost as important as coal and are controlling in fixing the price of coal. Because cotton is a southern product the majority of this House protect it.

It must not be overlooked that if the price of coal is to be reduced the price of wages must also be reduced. The miners and coke workers of my district are making to-day more than they ever made. But if their wages are to be reduced, then the price of flour, meat, sugar, coffee, clothing, and shoes, which these men must buy and consume, must also be reduced. A fair statement of the situation as it prevails in western Pennsylvania and throughout the mining region generally is that although the men are making more money they have to pay so much more for the necessities of life that when they pay their debts at the end of the semimonthly pay period they have less money left than they had before the recent advance in the price of all these necessaries of life occurred.

Therefore, Mr. President, in the name of not only the coal men, but in the name of the coal miners and the day laborers about the mines, and the whole coal industry regardless of their employment, I protest against fixing of the price of coal as proposed in this bill by seizing the coal mines.

The Federal Trade Commission has characterized the whole coal industry, as the result of its investigation recently made, as one in which no profit was made from 1900 to 1915. Hence, to make this industry a special target now is unfair and unjust.

The second great cause of the high price of coal is the lack of transportation facilities.

Of this phase of the coal situation, the Federal Trade Commission says:

> The present production of bituminous coal the country over is about 40 per cent short of the possible maximum, and this limitation is solely to be charged, as to primary cause, to faulty rail transportation. The present demand for coal is unprecedented, but the mines now open are capable of filling this demand if adequate car supply is furnished.

Hence we see that but 60 per cent of the cars are furnished to the coal industry it requires, and, while it is true the railroads have only been permitted to increase their freight rates 15 per cent, yet the coal that moves by water has been compelled to pay greatly increased freights. For example, the cost of the water haul from New York to Boston, which was caused by poor

transportation by rail, has increased from 50 cents to $3 per ton, and from Newport News, from 70 cents and 90 cents to $3.50 and $4 per ton to New England points.

In addition to this there is springing up all over the country a large number of mines, known as "wagon mines," to which the various public-service commissions of the different States have compelled the railroads to furnish cars, and these cars are tied up more or less, but these new mines have furnished a vast amount of coal and have given employment to many men who would not work in the public coal mines. In many instances it costs from $1 to $2 to haul this coal from the mines and put it in the cars. If this bill is put into effect and the price fixed under it, such as has been suggested, at $3 per ton, practically all these mines will go out of commission, and instead of stimulating and increasing the output of coal the result will be directly opposite, the production of coal will be diminished.

In the latter part of June the Secretary of the Interior summoned the coal operators of the country to meet the coal production committee of the Board of National Defense to discuss the coal situation and fix prices. It was currently printed in the public press that a price of $3 was agreed upon as the amount to be paid, to which these various coal operators assented. After they had returned to their homes it was also generally reported in the public press, and not denied, that the Secretary of the Navy and the Secretary of War refused to abide by this arrangement of the Board of National Defense and stated that coal would have to be produced at $1.50 per ton, which under existing conditions means that the wages of every man that works in and about the coal mines will have to be reduced, and greatly reduced, and that all the supplies that enter into the production of coal will have to be reduced in price, and that even then a large number of the mines of the country—in fact, all the small ones—will either be closed up or go into bankruptcy.

Against this course, Mr. Speaker, in behalf of the miners and operators and all those interested in the coal industry, not only of Pennsylvania but of the Nation, I enter my defiant protest.

It must be remembered, gentlemen of the House of Representatives, that section 25 of this bill has never been considered by the House of Representatives and no opportunity was given to analyze or discuss it. It was inserted by the Senate and has been modified by the conferees.

By the Senate amendment it was provided that the President had the power to fix wages, and any workman who was dissatisfied with the wages fixed could appeal to the Board of Mediation and Conciliation; but in the bill as it is amended this right of appeal is taken out and the law now stands thus:

> While operating or causing to be operated any such plants or business the President is authorized to prescribe such regulations as he may deem essential for the employment, control, and compensation of the employees necessary to conduct the same.

Workmen have no right of appeal. The President or some agency that may be unfamiliar with the various mining districts, thickness of the vein, working conditions, or proper compensation are here clothed with the absolute power to fix wages, and that is the end of it. This is improper, drastic, and unreasonable. To allow the workmen to have no voice whatever in fixing their compensation or working conditions, and then allow them to have no right to appeal from an unjust decision of those who fixed them is wrong. Against any such proposition I am unalterably opposed. This is equally unfair to employer and employee.

It would hardly be possible to draft a more impracticable and unreasonable law to govern and control any business than this. To apply this rule simply means to take charge of the coal properties and operate them and take from the owners their possession, ownership, operation, and care of the property, and all this simply because it is alleged that coal is selling in the market at a price above what it should be sold at.

How is it possible to work out any such plan as this?

The output of bituminous coal in the United States is approximately 2,200,000 tons a day. At the average cost price of $2 a ton it would require $4,400,000 to pay for the product of the mines each day. How could the United States Government possibly place men at all the mines, regulate the production, and pay for the same and handle this immense business? In addition to being unreasonable and illegal, this whole program is impossible and impracticable.

Then, again, if this coal is taken over it must be sold and disposed of. How is the Government going to carry out any such gigantic business operation as this and at the same time engage in this gigantic war?

This bill has no respect for existing contracts, because it provides that after 15 days' notice to private owners the United States will purchase all the coal, and although the railroads may be depending on it, yet such coal must be turned over to the Government. This violates the sacred terms of all contracts then in existence. Although these contracts may be made at a greater figure than the Government would fix, the purchaser will have to meet the Government price, and the free coal on which the coal operator is making a profit to carry him through on the low-price contract, wherein he loses. All these conditions are disregarded, the parties to the contract are treated as if they were infants, and the property taken out of their hands, and should any coal producer violate the provisions of this bill he is met by a penal clause, which subjects him to a fine of $5,000 or imprisonment for not more than two years, or both, with the added warning that each individual contract will be construed as a separate offense. By this provision it might be possible, where an operator has failed to comply, who is engaged in filling a number of small contracts, to be met with prosecution at any time and be subject to many fines. In fact, the whole coal business by this section is simply raped out of existence. Just why a bill which is aimed at the existing evil of food manipulation should contain a provision of this kind is difficult to understand. It is, therefore, a matter of astonishment that a bill containing such an unreasonable clause should be passed by a legislative body containing 435 Members, coming from all over the Union, when bituminous coal is produced in at least 30 of the States, and only two Members would enter their solemn protest against it.

The bituminous coal produced in the United States last year amounted to 509,000,000 tons, three-fourths of which was mined in Pennsylvania, West Virginia, Illinois, and Ohio, and the remaining one-fourth in 26 other States. As near as can be ascertained, there are about 5,000 producers engaged in mining coal for commercial purposes. There is now in existence the Sherman law, which prevents any unlawful combinations among these producers to enhance the price, and it is believed that there is now no such combination or agreement in existence anywhere. The price of coal, as has been shown heretofore, is not unreasonably high compared with other commodities, and the present price of coal is the result entirely of the failure of transportation facilities, the high cost of material entering into the production of coal, and the scarcity of labor. Strange to say, this bill apparently makes no effort to cure either one of these three evils, but aims at the coal operator, and proposes to make a martyr out of him by imprisoning him and bringing financial ruin by seizing his property and cause widespread distress by throwing his miners out of work, all because, under the inevitable business conditions, his product has been forced up in price.

Another remarkable situation is that the Federal Trade Commission was, by a resolution of Congress adopted July 22, 1916, directed to investigate these conditions, and a long, thorough investigation was made and a finding promulgated by this commission, and, among many other things, the commission says:

> The commission believes that the coal industry is paralyzing the industries of the country and that the coal industry itself is paralyzed by the failure of transportation.

But the Trade Commission further says that there are sufficient cars and sufficient railroad facilities in the country, if properly operated, to carry all the coal to market, and if the coal is properly marketed the whole situation will be cleared and right itself in a short time.

The commission condemns this bill, in this respect, namely, uniformity of price, in these words:

> If a uniform price were fixed, many mines would be shut down, unless the price is high enough to make the highest cost mine profitable.

How, then, can the section above quoted be enforced? There are in the United States approximately 2,600,000 privately owned and railroad-owned cars, of which 6 per cent, or 156,000, are always out of repair. Many of these cars are used by the railroads for company use, and as storage bins, standing at terminal points and at coal sidings. Another very large number is routed by circuitous routes and kept out of use.

Another very large number is placed and held for loading at small mines longer than is necessary, and it is confidently believed and the Trade Commission finds it as a fact, as a result of their investigation, that if the rolling stock of the railroads could be operated as a unit and could be mobilized, so as to care for the large demands of the coal trade, there would be adequate transportation to convey all the coal to market that was needed, and if the market could be supplied and maintained that there would be no further trouble about high cost of coal and no further shortage in the supply.

In fact the Trade Commission, after its investigation, which has been very thorough and extended all over the country, makes the following recommendation as a complete solution for the whole coal trouble:

1. That the production and distribution of coal and coke be conducted through central agencies under the supervision of the Government; and

2. That the transportation agencies of the United States, both rail and water, also operate under the supervision of the Government, and that all such means of transportation be operated as a unit, the owning corporations being paid a just and fair compensation for use of its equipment, which would cover the normal net profit, upkeep, and betterments.

In fact this is practically what the railroads have been doing for some time, so that they are now all operated through a central agency in Washington for the movement of Government freight, and by adding the movement of coal the recommendations of the Trade Commission would be effective at once.

This plan would leave the coal properties in the hands of their owners, who can best operate them. It would permit the movement of railroad transportation to be under the direction of an efficient corps of operators of the various interests which own and control the transportation lines, and it is believed and confidently asserted, not only on the authority of the Trade Commission, but as a sound business proposition, that with these two interests acting in harmony the coal operators would receive a proper liberal and reasonable profit from the operation of their properties, and the coal miners would continue to receive the present high standard of wages, which is necessary so long as prevailing high prices of necessities are in effect, and that the whole situation would clarify and normal conditions would naturally and easily be resumed.

I therefore, in the name of the owners of the coal properties and the miners and laborers employed thereat, protest against the enforcement of this drastic provision of the food-control bill in the case of bituminous coal, and I believe I voice the sentiment of all the people engaged in this industry, whether operators or miners, and believe further that the plan above suggested is the only one that will inure to the benefit of the public and do justice to all concerned in this great industry.

Mr. ZIHLMAN. Mr. Speaker, it was inevitable that something would have to be done to regulate the constantly mounting price of foodstuffs, just as it was apparent to students of world conditions that if the European war continued for any length of time we would sooner or later be drawn into its vortex; just so was it apparent that with the food-producing population of the Old World engaged in the devastating occupation of war, with the rich plains and valleys of Europe being overrun by the iron heel of the warring nations, and this country endeavoring to supply their needs, it was but a foregone conclusion that we must have either one of two things—either an embargo or governmental regulation.

We adopted a limited embargo on certain articles some time ago, and we now provide for the latter in this bill which has been agreed upon between the conference committee of the two Houses.

In peace times Great Britain raises about one-fourth of her bread and France about one-half. Heretofore they have drawn supplies from Russia, Roumania, and Bulgaria. For three years a wall of flame has shut them off. Day by day the vacuum of Europe's needs has drawn upon our resources. One warring power has bid against the other. Brokers, speculators, and middlemen have taken advantage of the needs of countless millions engaged in the grim business of war, of men who had ceased to produce and are in the trenches or engaged in forging implements of slaughter.

Men of strong capacity and an intimate knowledge of just what was being produced, of the difficulties of transportation and distribution, and with vast sums at their disposal, have added from 50 to 200 per cent profit upon all necessaries while traveling from the producer to the consumer.

The chief staple, which averaged the American farmer $1.51 per bushel for last year's crop, was sold at such prices as to force the price of flour to $15 and $16 a barrel, when it should have sold for from $7.50 to $8.

Every other necessary soared also, and when finally this country declared war the people of the land began to cry out in protest against existing prices.

Obtainable reports showed that our crops were fully 25 per cent below the amount required to feed this country and our foreign allies.

Stringent laws became necessary. Prevention of waste, prohibition of speculation and of hoarding were demanded.

In no other way could we hope to keep our people at work and at war and meet the great emergency thrust upon us. And so, taking the position that the welfare and preservation of the Nation was paramount to any and all of its existing laws, we began to agitate for broader powers, for authority to cut down the profits accruing to nonproducers and brokers, to prevent duplication and repetition of transportation, to punish the hoarding and destroying of foods to bolster up the market, and to simplify the distribution from the producer to the consumer by as direct a route as possible.

The Council of National Defense threw its energy and talent into the problem and recommended that Mr. Herbert C. Hoover be called upon to serve in this hour of the country's need.

Some of us met with him. We found him a man singularly modest, gifted with the faculty of clearly stating his thoughts and inspiring confidence, a man accustomed to the handling of great problems and possessing the magnetism necessary to gather about him men of ability, of proven success in their chosen fields, and willing to lend their aid for the common good.

We found him in deadly earnest and anxious to carry out his plans, but with no authority to do so except to seek voluntary cooperation.

A committee waited upon the President and urged that he hasten the enactment of the necessary legislation.

We found the President anxious and willing to do so, but doubtful as to the means to produce results.

In fact, those who were engaged in dealing with the terms of the bill were more or less uncertain as to just what powers were necessary.

We were embarking upon an unknown sea.

There is no past history, there are no precedents to guide us.

The only thing agreed upon was the necessity for haste, for regulation before the crops began to move.

Already in the early part of June signs of the speculator and food hoarder were in evidence.

Unless the legislation was hastened the man or the men choosen would be helpless.

And so the legislation before Congress was sidetracked and this bill was given the right of way.

June 23, after about a week's debate, it passed the House with only a few dissenting votes and went to the Senate.

And then the country was treated to one of the strangest spectacles ever witnessed in the history of the American Government.

With the country crying for relief from existing prices, with people suffering for food, with the fact already apparent that we were unable to supply the allies with more than 60 per cent of their needs, men rose day after day on the floor of the Senate and spent hour after hour vilifying the man who was to be given broad powers under this bill, as though he had committed some crime in giving his services to the people of America to do his part in winning the war.

I do not think that Mr. Hoover claims to be gifted with omniscient and impeccable powers.

Speaking before the Senate Committee on Agriculture, he is reported to have said:

> I do not believe I can do this job; I do not believe that any man living can, but I may last six months and pave the way for the man to come after me.

I venture the assertion that some of the men who have belittled and besmirched him from the floor of the Congress would not even admit that they were incapable of solving any of the problems confronting us.

But, finally, after delaying the bill with all kinds of extraneous propositions never dreamed of by Mr. Hoover, or any of its sponsors, we have about decided to place this instrument in his hands and bid him go forth and do a man's work; to bring order out of chaos, to accomplish the seemingly impossible.

I do not hope or think he will accomplish the setting aside of all or any natural laws, or that he will at once bring relief to the people of the New World and of the Old, who are engaged in this grim business of war, but I do feel that the broad grants of power conveyed in this bill will be in the hands of a man who will not abuse them; that he will go forward through the days and nights of strife and sacrifice, and endeavor to bring to each American home the necessaries they need with all possible unearned profits eliminated.

And surely we need some central authority, some responsible head, at this time.

To-day there exists only confusion and duplication of efforts. What is done to-day is undone and contradicted to-morrow. Meanwhile the profiteers continue to profit.

The bituminous mine owners of the country were called here some time ago, and volunteered—some say were forced under threat of confiscation—to reduce the price of free coal—that is, coal not under contract—to $3 per ton at the mines, when they had been obtaining from $5 to $7.

A few days later the Secretary of War repudiated this agreement and stated that coal would have to be reduced to $1.50 per ton.

The prices which obtain to-day in the coal trade are made by the buyers, by the unprecedented demand for fuel.

The high prices have encouraged the working of difficult and abandoned workings.

Men have even engaged in digging the out-cropping coal and hauling this to the railroads in wagons and automobile trucks.

They can only do this when prices are high, for it costs from $1 to $2 per ton more to put this coal on the car than by the machinery of the modern mine.

This should be recognized by the Government, for to bring relief in this matter of coal prices we must not decrease the production.

The President or his representative can do nothing which will better conditions in the coal trade so much as to see that the railroads furnish cars as they are needed. This has been one of the great problems confronting the mine owners of the country.

Due to red tape, to duplication of transportation, to embargoes at the ports of shipment, not more than 60 per cent of the required hauling facilities have been available at the mine.

The Government can, and I trust will, remedy this condition by providing for priority in needed shipments of this and other commodities.

And it must be borne in mind that the Government should not lower the price of this commodity to such a degree as to make necessary a readjustment of wages, and it can not in fairness reduce their wages without lowering the cost of those commodities which they eat and wear, and which have increased from 60 to 150 per cent during the past three years.

I believe that Government regulation does not necessarily mean monetary loss nor confiscation to the American producers.

And when they made a price of $3 a ton at the mine they were cognizant of the fact that everything connected with the cost of production had increased, that labor in the mines had gone up in the past three years 37 per cent, mining props 65 per cent, crossties 100 per cent, lumber 100 per cent, steel rails 300 per cent, horses and mules from 50 to 100 per cent, machinery and tools 100 per cent, and feed from 100 to 125 per cent.

And the men who made the arrangement referred to no doubt had those things in mind, and a further investigation will convince the Secretary of War that this arrangement which saved the consumer from $2 to $4 a ton was not such a bad thing for the country.

Then the Secretary of the Navy issued a statement that he had purchased coal for the Navy last year at $1.38 per ton.

Anyone familiar with the conditions in the coal trade knows that coal can not be mined under present conditions at that figure; that if the Secretary purchased coal at that figure it must have been the product of some poorly paid and terrorized nonunion miners, where wages were low, where housing conditions were bad, and where the "pluck me" company store flourishes, and reduced the miner to a state of peonage.

I have been steadfast in the belief that governmental regulation does not necessarily mean confiscation, and that the business under restraint was to be destroyed. I have not now lost that faith and belief.

If we destroy industry, we decrease production.

If we decrease production, the natural laws of supply and demand will force the prices up.

This is recognized by the insertion of the section providing for a minimum price of $2 for wheat in 1918, which is to encourage the planting of a vast acreage for next year by the farmers of the country.

It is hoped by this method to have the natural laws reduce existing prices.

The Government can not compel the producer to continue his business at a loss, and no one, I believe, has any such idea. We can hope to keep profits within reasonable bounds.

The authority given in section 10 of this bill, which gives the President power to requisition and take over and operate the mines and compensate the owners to the extent of 75 per cent of the amount thereof, and compel them to collect the remainder by suit against the United States, will, to my mind, never be used.

How is a Government engaged in a world war going to carry on a gigantic business such as this, involving the production of more than two and one-half million tons per day?

How are they to man and oversee and supervise the operation of more than 5,000 mines? All this under our system of government, with men appointed because of their political usefulness, with the word going out to put only men of a certain party in charge, with the President prescribing the regulations, the control, and the compensation of the employees as provided in this bill.

It is unthinkable unless we are ready to adopt paternalism or communism, or unless we believe that Utopia is here—that all greed, all selfishness, all desire for self-aggrandizement and self-elevation has been eliminated, and the brotherhood of man at last realized.

I feel that this is an unsafe and untenable proposition.

I do not know why this one industry has been singled out for governmental control or confiscation if the men engaged in it do not hew to the line marked out for them arbitrarily when cotton, steel, iron, and copper are not mentioned. There is some reason, I am sure, which the conferees have not made clear to us. This section was not in the bill when it passed the House; it should not be in it now. It can only serve to embarrass the food administrator. The Government is not yet ready to take over the coal mines or any other public utility.

They will not be until we can change human nature, or at least change our system of government so the public official will be forced to give a fair day's attention to his duty and not practice law or medicine or run a country store "back home."

But believing, as I do, it will never be utilized, I shall vote for the conference report as I voted for the bill, confident that the powers here given will not be used to elevate or benefit one class of our people above another, but that they will be used to benefit and relieve the whole country, the men and women of America, who are now looking to the Government under which they live to lead the way in this great struggle of free people against autocracy and despotism, and who, because of the sacredness of their cause, are now ready to give their all, even life itself, to the common good, that nations governed by a despot may never again draw the sword upon free and untrammeled people.

I venture the assertion that the word "confiscation" which appears in this bill will never be used in that sense, and that the regulatory powers will be found sufficient to cope with the problems growing out of this conflict and will be found sufficient to cause men to put patriotism above profits in this hour of the Nation's need. With these high ideals before us, who is so base that he will not, day in and day out, do his part and meet such duties and responsibilities as he must face with fearless determination to play his part as a man and as an American?

Mr. DILL. Mr. Speaker, I desire now to ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, does the gentleman ask to extend his remarks on this bill?

Mr. DILL. On this bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. DILL. Mr. Speaker, I had hoped that when this bill came back from conference it would contain the provision regarding prohibition that was placed in it by the House; and while I think the conferees have greatly improved the provisions of the Senate bill regarding prohibition it is not as it should be, in my judgment. But the country is very anxious to have this food bill enacted into law, and so I believe it is better to accept it as it is than it would be to delay its enactment. There are so many excellent provisions now in this bill as it has come from conference that I have not the time to review them in detail, but I desire to mention especially the provision against hoarding. Early in the session I introduced a bill covering almost this identical subject matter, and I believe it will prove of great value to the President in protecting the people against the exorbitant prices they are being compelled to pay. The men who would hoard food at a time like this should be dealt with severely, and I have no doubt but that the President will so deal with them when this bill becomes a law.

The provisions for the regulation of the prices of coal, the minimum of $2 per bushel for wheat, and the power to commandeer food products when necessary are all such excellent ones that I believe this conference report should pass unanimously. For these reasons, Mr. Speaker, I shall vote for the conference report.

Mr. LEVER. Mr. Speaker, I yield to the gentleman from Texas [Mr. WILSON].

Mr. WILSON of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. WALSH. Reserving the right to object, is it on this bill?

Mr. WILSON of Texas. Yes.

Mr. WALSH. I have no objection.

There was no objection.

Mr. HAUGEN. Mr. Speaker, I yield three minutes to the gentleman from Wisconsin [Mr. COOPER].

Mr. COOPER of Wisconsin. Mr. Speaker, I shall vote for the conference report, as, I presume, will also every other Member of the House. I have arisen at this time not to discuss the report, but simply to say a word in the interest, as I hope at least, of historical accuracy. We have heard so much about the committee on the conduct of the war of 1861 to 1865 that I thought possibly we had better read what John Nicolay and John Hay, the private secretaries of Abraham Lincoln, said about that committee. They probably knew as well as does anybody of this generation whether that committee rendered good service or bad, and whether it was worthy of having a successor. The President in his letter to the gentleman from South Carolina has severely condemned the committee, and the gentleman from Illinois [Mr. CANNON] has just said that his recollection is that it did no good service. The President asks that the Senate amendment be defeated, that no committee be appointed during this war, and declares that the committee during the Civil War made Lincoln's task almost impossible. But John Nicolay and John Hay, the men who of all men were closest to Lincoln through those four terrible years, who witnessed his trials and knew his innermost thoughts, said of the committee on the conduct of the war:

Congress convened on the 2d of December, and one of its earliest subjects of discussion was the Battle of Ball's Bluff. Roscoe Conkling in the House of Representatives and Zachariah Chandler in the Senate brought forward resolutions for the appointment of committees to investigate and determine the responsibility for that disaster, but on motion of Grimes, of Iowa, the Senate chose to order a permanent joint committee of three Senators and four Representatives to inquire into the conduct of the war.

I pause to say that this committee of 1861–1865 possessed and exercised very much more power than was ever proposed to be given to the committee to be created under the Senate amendment to this bill. The Senate amendment provided simply for a committee to act during the present war and keep Congress informed as to contracts and expenditures.

This action was unanimously agreed to by the House and the committee was appointed, consisting of Senators B. F. Wade, Chandler, and Andrew Johnson, and of Representatives Gooch, Covode, Julian, and Odell. This committee, known as the Committee on the Conduct of the War, was for four years one of the most important agencies in the country. It assumed, and was sustained by Congress in assuming, a great range of prerogative. It became a stern and zealous censor of both the Army and the Government; it called soldiers and statesmen before it and questioned them like refractory schoolboys. It claimed to speak for the loyal people of the United States, and this claim generally met with the sympathy and support of a majority of the people's representatives in Congress assembled. It was often hasty and unjust in its judgments but always earnest, patriotic, and honest; it was assailed with furious denunciation and defended with headlong and indiscriminating eulogy; and on the whole it must be said to have merited more praise than blame.

[Applause.]

That committee "merited," said Lincoln's secretaries, "more praise than blame."

It helped to keep this country safe for democracy. [Applause.] And, too, it helped to expose some of the graft which otherwise would have been kept a secret from the people of the United States.

What I have read is found on pages 150 and 151, volume 5, of Nicolay and Hay's biography of Abraham Lincoln. [Applause.]

Mr. HAUGEN. Mr. Speaker, I yield the balance of my time to the gentleman from New York [Mr. LAGUARDIA].

The SPEAKER. The gentleman is recognized for five minutes.

Mr. LAGUARDIA. Mr. Speaker, I suppose that my remarks will strike an unpleasant discord in the harmonious chorus of congratulations which have been showered upon the committee. I know that I have been beaten in my amendment. I shall make a last effort on a motion to recommit, which I have here, and if I am defeated then I shall extend my congratulations to the chairman of the committee, but with him will rest the responsibility and the blame of putting into this bill a system whereby slackers, incompetents, favorites, and relatives may find easy jobs in Washington. When the food-survey bill was under discussion I introduced an amendment requiring all employees to come under the civil service, and that was ruled out upon a point of order. The chairman of the Committee on Agriculture at the time raised the point that this was an emergency measure; that employees would be required imediately; and that we could not resort to the civil-service requirements. I then took up the matter with the Civil Service Commission and presented the report of the Civil Service Commission here when the food bill was under discussion, and after hearing that letter the House voted for my amendment requiring that all employees should come under the civil service by a vote of 175 to 135. The bill went to the Senate, and some of the gentlemen there stated that Mr. Hoover had intimated that civil-service rules would hamper him; that he could not find the right kind of employees and could not avail himself of the personnel he now has. I then took up the matter with Mr. Hoover, and he stated that of his present staff not more than 12 men would he classify as specialists or men with such extraordinary experience that could not be obtained from civil-service lists. That letter was before this House and is in the RECORD.

The chairman of the committee had notice of it. After that letter went into the RECORD I received another letter from the Civil Service Commission, which, with your permission, I shall insert in the RECORD.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., July 26, 1917.

Hon. FIORELLO H. LAGUARDIA,
House of Representatives.

SIR: The commission has the honor to advise you that its attention has been called to the copy of letter from the Hon. Herbert Hoover under date of July 14, 1917, appearing in the CONGRESSIONAL RECORD of July 24. It is noted that the one point raised by Mr. Hoover in this letter is that the civil-service system should be elastic enough "to meet the present situation" to the extent that the voluntary services of experts may be accepted, and that the services of paid employees already in the organization pending the passage of legislation may be retained.

The civil-service system already provides, and has provided for years, for the acceptance of what amounts to voluntary service on the part of experts. This authority is found in that section of the civil service rules which provides that where the commission is satisfied that the qualifications are so rare or the compensation so low that competition would not result from an examination, appointment may be authorized without competitive examination.

There is also provision in the civil service rules whereby it is possible to retain the services of persons temporarily employed pending the passage of legislation under circumstances similar to those present in this case.

By direction of the commission.

Very respectfully,
JOHN A. MCILHENNY,
President.

It will be seen that the contention by Mr. Hoover that the civil-service law should be more elastic to meet the present situation is not well founded. The law is sufficiently elastic, and he could appoint these men under the law as it exists. Of course, it is not sufficiently elastic to make wholesale appointments of minor positions, such as clerks, examiners, inspectors, stenographers, and so forth. So, then, in the face of this evidence what other interpretation can be put upon the action of the committee than that they want jobs, and there are $2,500,000 in this bill and $11,000,000 in the food survey bill to gratify these partisan desires. Oh, yes; Mr. Hoover can say that he has men who can render special services and who are patriotic and willing to render such services—I do not question their patriotism or ability. Some, a few, are really indispensable. But you show me a man of middle age or a young man who comes to Washington and says that he is too good for the trenches, that he can render more valuable service here at a desk, and I will show you in that man a yellow streak a foot wide. [Applause.] Yes; the gentleman from Alabama [Mr. HEFLIN] stated that this is no place for politics. He stated that you should put politics aside, but you have not done so. You have not put politics aside when you refused the amendment which was passed in this House. [Applause and cheers.] Oh, yes; you can make as much noise as you want, but at least when I say something to a man I say it to his face. I do not wait until he is absent. [Applause.]

The chairman of the committee stated that he was doing the bidding of this House, and yet he ignored the bidding of this House when he permitted the civil-service amendment, which passed by a vote of 175 to 135, to be stricken out. All through the departments, right in the corridors of our office buildings, there have been slinking around for weeks men who are waiting for the enactment of this law. The Civil Service Commission stated they could furnish daily as many men as the administration requires. And yet you refuse that, because you want these jobs to hand out.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. LEVER. Mr. Speaker, I yield the remainder of my time to the gentleman from Mississippi [Mr. CANDLER]. [Cries of "Vote!"]

Mr. LEVER. I yield all the remainder of the time to Mr. CANDLER of Mississippi, who will close the debate for this important bill. [Applause.]

Mr. CANDLER of Mississippi. Mr. Speaker, I desire to say to the Members that they shall have an opportunity to vote in a very few minutes. I feel greatly honored in being permitted to close the debate on this great bill of such far-reaching importance to the American people; and I assure you, all I shall say will be in the interest of harmony and good feeling. [Applause.] The gentleman from New York, who has just ad-

dressed the House, referred to the civil-service proposition. That matter is not now in this bill as it stands at the present time. The whole conference report is before you, and you can do with it as you please. These employees, I am advised, will be under civil service, except the ones that are experts, whether his proposed amendment be adopted or not. Therefore the amendment is not material.

Mr. SMITH of Idaho. Mr. Speaker, will the gentleman yield?

Mr. CANDLER of Mississippi. I decline to yield; I have not the time. The gentleman has occupied some time in presenting that proposition. He is very solicitous in this House about taking care of jobs which he thinks may be handed out. I have been here a good deal longer than he has; the distinguished chairman of the Committee on Agriculture has been here a great deal longer than he has, and I can testify for myself, and I think also for him, that we have not been handing out jobs and have not had the opportunity to do so. The services of employees of this Government have been rendered in the interest of the people, and the offices have been administered by officials of the Government in such a way as to bring about that result, and they will continue to be so administered with or without his amendment, especially in these good patriotic American times. [Applause.]

I am thankful myself and on behalf of all the House conferees, as well as the distinguished chairman of the conference committee on the part of the House [Mr. LEVER], who is the chairman of the Committee on Agriculture., I want to express appreciation for the many complimentary references about us in the speeches made upon the floor of the House to-day; but I want to say that, while all the members of the conference committee are entitled to credit, the distinguished chairman of our committee [Mr. LEVER] has taken care of the bill in conference and at all times been on the firing line, just exactly as he has taken care of it on the floor of the House, and borne the brunt of the sharpest conflicts, and, while we may have some credit coming to us all, the greatest credit for our success, if achieved, is due to him, and I do him the justice to-day to make this statement on the floor of the House, that credit may be accorded fully where credit is surely due. [Applause.]

This is a food bill—that is what it is intended to be—to control food, feeds, and fuel, and nothing else. It was confined to food, feeds, and fuel when it went from the House of Representatives to the Senate, and that is the way the conferees on the part of the House, who are the managers on the part of the House, tried to bring it back to the House of Representatives; and I think I can say without successful contradiction that we were successful in a very large measure in doing so, and therefore the bill which you passed in the outset is practically and in substance the same bill upon which you are called upon to vote now. [Applause.] While that is true, I believe in some respects the bill is better, and hence I fully indorse the remarks made by the distinguished gentleman from Illinois [Mr. CANNON] when he said a few moments ago that the bill as it now comes back to the House of Representatives is in some respects superior to the bill which passed the House and superior to the bill which passed the Senate. We did our best to improve it, and if we did so, then the 14 gentlemen who were conferees on the part of the House and Senate who brought about that result are sure enough entitled to a good deal of credit.

I know we labored with no other purpose in the world except for that which we believed to be for the interest of the country and for the welfare and prosperity of the people. What we desired to do was to give benefit to the consumer and benefit to the producer and eliminate the robbers and gamblers in food products throughout this country, and to bring about a result which would bless the homes and help the people around the firesides and bring gladness to the communities in which they live. [Applause.] That is the object and the purpose of the bill, and with this object in view in the conference committee we determined we would represent not so much the Senate, not so much the House, but try as best we could to represent the country at large and bring about the best possible results regardless of whether the Senate stood for it or whether the House stood for it. That is the bill as it now stands which we present to you, and we ask you to vote for it, and I hope there will not be a single, solitary vote against it. To have so many approve and compliment our work is very pleasing, indeed, and if we have succeeded in meeting your approval, I feel sure it has been accomplished because of the patriotic desire of each and all of the 14 conferees to eliminate politics, pride of opinion of the House or Senate, and meet the great questions on a broad, American platform. And now I appeal to each and all of you to stand on that same patriotic American platform, and, regardless of politics or pride of opinion, vote solidly and unanimously for this bill. Let us lose all differences in a unanimous patriotic vote. [Great applause.]

The SPEAKER. The question is on agreeing to the conference report.

Mr. SABATH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SABATH. Would it be proper now to recommit with instructions to strike out the $2 and insert $1.50 as to the wheat proposition?

The SPEAKER. There is one motion to recommit before the House of which the Chair did not know.

Mr. POWERS. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Kentucky rise?

Mr. POWERS. To make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. POWERS. I have a motion to recommit pending.

The SPEAKER. The Chair is going to put the gentleman's motion. He did not know it was pending.

Mr. LANGLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LANGLEY. Has there been given general leave to print?

The SPEAKER. There has not.

Mr. LANGLEY. Mr. Speaker, I desire to ask unanimous consent to extend my remarks on the motion of the gentleman from Kentucky to recommit.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to extend his remarks in the RECORD on the motion of his colleague to recommit. Is there objection?

Mr. WALSH. Mr. Speaker, I object.

The SPEAKER. The gentleman from Massachusetts objects.

Mr. MOORE of Pennsylvania. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MOORE of Pennsylvania. Will it be in order to offer more than one motion to recommit?

The SPEAKER. It is not. The gentleman can offer an amendment to a motion to recommit or a substitute for it, but he can not offer two motions to recommit. The Clerk will report the motion of the gentleman from Kentucky [Mr. POWERS] to recommit.

The Clerk read as follows:

Mr. POWERS moves to recommit the conference report on H. R. 4961, with instructions to the House conferees to disagree with Senate amendment 69, known as the Pomerene or Senate coal-price-fixing amendment.

Mr. LEVER. Mr. Speaker, on that I move the previous question.

Mr. LAGUARDIA. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from New York rise?

Mr. LAGUARDIA. I move to amend the motion to recommit——

Mr. LEVER. Mr. Speaker, I move the previous question on the motion to recommit.

The SPEAKER. The gentleman from New York was on his feet first.

Mr. LAGUARDIA. I want to amend the motion now pending by instructing the conferees to insert the proviso stricken out by Senate amendment No. 61——

Mr. LEVER. Mr. Speaker, I make the point of order that is not germane to this motion to recommit.

The SPEAKER. The point of order is sustained. The gentleman from South Carolina moves the previous question on the motion to recommit.

The question was taken, and the previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken, and the motion was rejected.

The SPEAKER. The question is on the conference report.

Mr. LEVER. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. The gentleman from South Carolina demands the yeas and nays. Evidently there is a sufficient number and the yeas and nays are ordered.

The question was taken; and there were—yeas 360, answered "present" 2, not voting 69, as follows:

YEAS—360.

Adamson	Ayres	Bell	Brand
Alexander	Bacharach	Black	Browne
Almon	Bacon	Bland	Browning
Anderson	Bankhead	Blanton	Bruckner
Ashbrook	Barkley	Booher	Brumbaugh
Aswell	Barnhart	Borland	Buchanan
Austin	Bathrick	Bowers	Burnett

Burroughs	Gard	Littlepage	Sabath
Butler	Garland	Lobeck	Sanders, La.
Byrnes, S. C.	Garner	London	Sanders, N. Y.
Byrns, Tenn.	Garrett, Tenn.	Lonergan	Sanford
Campbell, Kans.	Garrett, Tex.	Longworth	Saunders, Va.
Campbell, Pa.	Gillett	Lundeen	Schall
Candler, Miss.	Glynn	Lunn	Scott, Iowa
Cannon	Godwin, N. C.	McAndrews	Scott, Mich.
Caraway	Good	McArthur	Scott, Pa.
Carew	Goodall	McClintic	Sells
Carlin	Goodwin, Ark.	McCulloch	Shackleford
Carter, Mass.	Gordon	McFadden	Shanley
Carter, Okla.	Gould	McKenzie	Sherwood
Cary	Graham, Ill.	McKeown	Shouse
Chandler, N. Y.	Graham, Pa.	McKinley	Siegel
Chandler, Okla.	Gray, Ala.	McLaughlin, Mich.	Sims
Clark, Fla.	Gray, N. J.	McLaughlin, Pa.	Sinnott
Clark, Pa.	Green, Iowa	Madden	Sisson
Classon	Greene, Mass.	Magee	Sloan
Claypool	Greene, Vt.	Maher	Small
Coady	Gregg	Mansfield	Smith, Idaho
Collier	Griest	Mapes	Smith, Mich.
Connally, Tex.	Griffin	Martin, La.	Smith, C. B.
Connelly, Kans.	Hadley	Mays	Smith, T. F.
Cooper, W. Va.	Hamill	Meeker	Snell
Cooper, Wis.	Hamlin	Miller, Minn.	Snook
Copley	Hardy	Miller, Wash.	Stafford
Costello	Harrison, Miss.	Montague	Steagall
Cox	Harrison, Va.	Moon	Stedman
Cramton	Haskell	Moore, Pa.	Steele
Crisp	Hastings	Moores, Ind.	Steenerson
Crosser	Haugen	Morgan	Stephens, Miss.
Curry, Cal.	Hawley	Morin	Stephens, Nebr.
Dale, N. Y.	Hayden	Mudd	Sterling, Pa.
Dale, Vt.	Heflin	Nelson	Stevenson
Dallinger	Heintz	Nicholls, S. C.	Strong
Darrow	Helm	Nichols, Mich.	Sweet
Davidson	Hensley	Norton	Swift
Davis	Hicks	Oldfield	Switzer
Decker	Holland	Oliver, Ala.	Tague
Dempsey	Hood	Oliver, N. Y.	Talbott
Denison	Houston	Olney	Taylor, Ark.
Dent	Howard	Osborne	Taylor, Colo.
Denton	Huddleston	O'Shaunessy	Temple
Dewalt	Hulbert	Overmyer	Thomas
Dickinson	Hull, Tenn.	Overstreet	Thompson
Dies	Husted	Padgett	Tillman
Dill	Hutchinson	Park	Timberlake
Dillon	Igoe	Parker, N. J.	Tinkham
Dixon	Ireland	Parker, N. Y.	Towner
Dominick	Jacoway	Phelan	Treadway
Dooling	Johnson, Ky.	Platt	Vare
Doolittle	Johnson, S. Dak.	Polk	Vestal
Doremus	Johnson, Wash.	Porter	Vinson
Doughton	Jones, Tex.	Pou	Voigt
Dowell	Jones, Va.	Powers	Volstead
Drukker	Juul	Pratt	Waldow
Dunn	Keating	Price	Walker
Dupré	Kehoe	Purnell	Walsh
Dyer	Kelley, Mich.	Quin	Walton
Eagan	Kelly, Pa.	Ragsdale	Wason
Eagle	Kennedy, Iowa	Rainey	Watkins
Edmonds	Kennedy, R. I.	Raker	Watson, Pa.
Elliott	Kettner	Ramsey	Weaver
Ellsworth	Key, Ohio	Ramseyer	Webb
Esch	Kiess, Pa.	Randall	Welling
Evans	Kincheloe	Rankin	Welty
Fairchild, B. L.	King	Rayburn	Whaley
Fairfield	Kinkaid	Reavis	Wheeler
Farr	Kitchin	Reed	White, Me.
Ferris	Knutson	Riordan	White, Ohio
Fields	Kraus	Robbins	Williams
Fisher	La Follette	Roberts	Wilson, Ill.
Fitzgerald	LaGuardia	Robinson	Wilson, La.
Flood	Langley	Rodenberg	Wilson, Tex.
Foster	Larsen	Rogers	Wingo
Francis	Lazaro	Romjue	Winslow
Frear	Lee, Ga.	Rose	Wise
Freeman	Lehlbach	Rouse	Wood, Ind.
French	Lesher	Rowe	Woods, Iowa
Fuller, Ill.	Lever	Rubey	Young, N. Dak.
Fuller, Mass.	Linthicum	Rucker	Young, Tex.
Gallagher	Little	Russell	Zihlman

ANSWERED "PRESENT"—2.

Glass	McLemore

NOT VOTING—69.

Anthony	Focht	Kearns	Shallenberger
Blackmon	Fordney	Kreider	Slayden
Britten	Foss	Lea, Cal.	Slemp
Brodbeck	Gallivan	Lenroot	Snyder
Caldwell	Gandy	McCormick	Sterling, Ill.
Cantrill	Hamilton, Mich.	Mann	Stiness
Capstick	Hamilton, N. Y.	Martin, Ill.	Sullivan
Church	Hayes	Mason	Sumners
Cooper, Ohio	Heaton	Mondell	Templeton
Crago	Helvering	Mott	Tilson
Currie, Mich.	Hersey	Neely	Van Dyke
Drane	Hill	Nolan	Venable
Elston	Hilliard	Paige	Ward
Emerson	Hollingsworth	Peters	Watson, Va.
Estopinal	Hull, Iowa	Rowland	Woodyard
Fairchild, G. W.	Humphreys	Sanders, Ind.	
Fess	James	Scully	
Flynn	Kahn	Sears	

So the conference report was agreed to.

The Clerk announced the following additional general pairs:

Mr. SCULLY with Mr. MONDELL.

Mr. SULLIVAN with Mr. ANTHONY.

Mr. ESTOPINAL with Mr. HAYES.

Mr. AYRES with Mr. SANDERS of Indiana.

Mr. NEELY with Mr. ELSTON.

Mr. MARTIN of Illinois with Mr. FORDNEY.

Mr. VENABLE with Mr. KAHN.

Mr. CALDWELL with Mr. GOULD.

Mr. BRODBECK with Mr. PETERS.

Mr. WATSON of Virginia with Mr. PAIGE.

Mr. HELVERING with Mr. STINESS.

Mr. SLAYDEN with Mr. HILL.

Mr. GANDY with Mr. JOHNSON of South Dakota.

Mr. BLACKMON with Mr. HEATON.

The result of the vote was announced as above recorded.

Mr. LANGLEY. Mr. Speaker, I ask unanimous consent to extend my remarks on this conference report.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to extend his remarks on this conference report. Is there objection?

Mr. WALSH. I object.

The SPEAKER. The gentleman from Massachusetts objects.

FOOD SURVEY.

Mr. LEVER. Mr. Speaker, I call up the conference report on the bill H. R. 4188.

Mr. KENNEDY of Rhode Island. Mr. Speaker, my colleague from Rhode Island [Mr. STINESS] is unavoidably absent. He authorized me to say that if present he would vote "yea" on this food-control bill.

Mr. LEVER. Mr. Speaker, I call up the conference report on the bill (H. R. 4188) to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products, and I ask unanimous consent that the statement be read in lieu of the report.

Mr. STAFFORD. Mr. Speaker, the conference report is shorter than the statement.

Mr. LEVER. I observe that, Mr. Speaker, and I ask that the report be read.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report.

CONFERENCE REPORT (NO. 118).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4188) to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 5, 10, 11, 12, 14, 15, 16, 17, 18, 20, 21, 24, 25, 26, 29, 31, 32, 33, 35, and 38.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 7, 8, 9, 13, 19, 23, 28, and 39, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the Senate amendment insert the following:

"It shall be the duty of any person, when requested by the Secretary of Agriculture, or any agent acting under his instructions, to answer correctly, to the best of his knowledge, under oath or otherwise, all questions touching his knowledge of any matter authorized to be investigated under this section, or to produce all books, letters, papers, or documents in his possession, or under his control, relating to such matter. Any person who shall, within a reasonable time to be prescribed by the Secretary of Agriculture, not exceeding 30 days from the date of the receipt of the request, willfully fail or refuse to answer such questions or to produce such books, letters, papers or documents, or who shall willfully give any answer that is false or misleading, shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $1,000 or by imprisonment not exceeding one year, or both."

And the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter stricken out by the Senate amendment insert ", or contract with persons to grow"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In line 4 of said amendment, after the word "at," insert "such important

central"; in the same line, after the word "markets," insert "as the Secretary of Agriculture may from time to time designate and"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the amount proposed by the Senate amendment insert "$650,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In line 11 of said amendment, after the word "admission," insert "for immediate slaughter at ports of entry"; in the same line, after the word "cattle," insert "which are otherwise free from disease and which have not been exposed to the infection of any other disease within 60 days next before their exportation"; in line 17 of said amendment, after the word "ninety," change the period to a colon and insert: "*Provided*, That the importation of tick-infested cattle from any country referred to in this section in which foot-and-mouth disease exists, which existence shall be determined by the Secretary of Agriculture, is prohibited: *Provided further*, That all cattle imported under the provisions of this section shall be slaughtered in accordance with the provisions of the act of June 30, 1906 (34 Stat. L., p. 674), commonly called the meat-inspection amendment, and the rules and regulations promulgated thereunder by the Secretary of Agriculture, and that their hides shall be disposed of under rules and regulations to be prescribed by the Secretary of Agriculture"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the section number proposed insert "10"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In line 2 of said amendment, after the word "authorize," insert "in his discretion"; and change the section number to "11"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the section number proposed by the Senate amendment insert "12"; and the Senate agree to the same.

A. F. LEVER,
GORDON LEE,
E. S. CANDLER,
G. N. HAUGEN,
JAMES C. MCLAUGHLIN,
Managers on the part of the House.

T. P. GORE,
E. D. SMITH,
HOKE SMITH,
C. S. PAGE,
WM. S. KENYON,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4188) to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products submit the following written statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report as to each of the amendments of the Senate, namely:

On amendment No. 1: This amendment strikes out the whole of section 1 following the enacting clause. The Senate recedes.

On amendment No. 2: This amendment strikes out, at the beginning of section 2 of the House bill, the following: "SEC. 2," so that the section becomes the first section in the bill. The Senate recedes.

On amendment No. 3: This amendment inserts in the first sentence of section 2 of the House bill the words "with the approval of the President," so that the action of the Secretary of Agriculture is dependent upon the approval of the President. The House recedes.

On amendment No. 4: This amendment strikes out all of the language of section 2 of the House bill after the first sentence and inserts in lieu thereof a provision that it shall be the duty of any person, when requested by the Secretary of Agriculture or any agent acting under his instructions, to answer correctly to the best of his knowledge all questions necessary to carry into effect the provisions of this section and punishing any person who shall willfully give answers that are false. The House recedes and agrees with an amendment making it the duty of any person to answer correctly to the best of his knowledge, under oath or otherwise, questions touching his knowledge of any matter authorized to be investigated under this section, or to produce books, letters, papers, or documents in his possession or under his control relating to such matter, and punishing any person who shall, within a reasonable time, not exceeding 30 days from the receipt of the request therefor, willfully fail or refuse to answer such questions or to produce such books, letters, papers, or documents, or who shall willfully give any false or misleading answer.

On amendment No. 5: This amendment changes section 3 to section 2. The Senate recedes.

On amendment No. 6: This amendment strikes out of the first sentence of section 3 of the House bill the authority granted to the Secretary of Agriculture to grow or otherwise procure seeds. The House recedes and agrees with an amendment authorizing the Secretary of Agriculture to contract with persons to grow seeds.

On amendment No. 7: This amendment strikes out of the first sentence of section 3 of the House bill the words "by sale" used in connection with the authority to furnish seeds to farmers. The House recedes.

On amendment No. 8: This amendment strikes out of the first sentence of section 3 of the House bill the authority to furnish seeds "on credit or other terms," and inserts in lieu thereof "for cash." The House recedes.

On amendment No. 9: This amendment strikes out all of section 3 of the House bill after the first sentence. The part stricken out confers authority on the Secretary of Agriculture to requisition seeds and to use moneys received in connection with furnishing seeds to farmers as a revolving fund. The House recedes.

On amendment No. 10: This amendment changes section 4 to section 3. The Senate recedes.

On amendment No. 11: This amendment changes section 5 to section 4. The Senate recedes.

On amendment No. 12: This amendment changes section 6 to section 5. The Senate recedes.

On amendment No. 13: Section 6 of the House bill is so worded as to authorize coordination of activities for the purpose of avoiding preventable duplication of "effort or funds." This amendment substitutes the work "work" for "effort or funds." The House recedes.

On amendment No. 14: This amendment changes section 7 to section 6. The Senate recedes.

On amendment No. 15: This amendment changes section 8 to section 7. The Senate recedes.

On amendment No. 16: This amendment strikes out of the first item of appropriation in section 8 of the House bill the authority to expend moneys for the prevention, control, and eradication of the diseases and pests of live stock. The Senate recedes.

On amendment No. 17: This amendment changes the amount of the appropriation made by the first item of appropriation contained in section 8 of the House bill from $885,000 to $880,000. The Senate recedes.

On amendment No. 18: This amendment changes the reference in the second item of appropriation in section 8 of the House bill from section 3 to section 2. The Senate recedes.

On amendment No. 19: This amendment changes the amount of the appropriation under the second item of appropriation in section 8 of the House bill from $5,778,000 to $2,500,000, and authorizes its use as a revolving fund until June 30, 1918. The House recedes.

On amendment No. 20: This amendment strikes out the third item of appropriation in section 8 of the House bill appropriating $441,000 for the prevention, control, and eradication of insects and plant diseases injurious to agriculture and the conservation and utilization of plant products. The Senate recedes.

On amendment No. 21: This amendment changes the reference in the fifth item of appropriation in section 8 of the House bill from section 2 to section 1. The Senate recedes.

On amendment No. 22: This amendment inserts in the fifth item of appropriation, in section 8 of the House bill, a provision authorizing the Secretary of Agriculture to investigate and certify to shippers the condition as to soundness of fruits, vegetables, and other food products when received at markets, under regulations prescribed by him, with a proviso that certificates

issued by authorized agents of the department shall be received in all courts as prima facie evidence of the truth of the statements contained therein. The House recedes and agrees with an amendment limiting the operation of the amendment to such important central markets as the Secretary of Agriculture may from time to time designate.

On amendment No. 23: This amendment inserts the word "further" after the werd "provided" in the proviso contained in the fifth item of appropriation in section 8 of the House bill. The House recedes.

On amendment No. 24: This amendment qualifies the proviso in the fifth item of appropriation in section 8 of the House bill, which directs the Secretary of Agriculture to engage the services of women for the work provided in the item by inserting therein the words "without occasioning delay." The Senate recedes.

On amendment No. 25: This amendment adds to the purposes for which the appropriation is made for miscellaneous items in section 8 of the House bill labor necessary to conserve and preserve perishable products of the farm or garden. The Senate recedes.

On amendment No. 26: This amendment limits the expenditure for printing under the appropriation for miscellaneous items in section 8 of the House bill to printing done at the Government Printing Office. The Senate recedes.

On amendment No. 27: This amendment changes the amount of the appropriation for miscellaneous items under section 8 of the House bill from $547,400 to $1,200,000. The House recedes and agrees with an amendment changing the amount to $650,000.

On amendment No. 28: This amendment inserts in section 8 of the House bill a requirement that the Secretary of Agriculture shall submit to Congress at its regular session in December of each year a detailed report of the expenditure of all moneys therein appropriated. The House recedes.

On amendment No. 29: This amendment inserts a new section 8, authorizing the Secretary of War to construct in the Colorado River, between the States of California and Arizona, weirs necessary to divert water into canals of the Imperial irrigation district for irrigating lands in Imperial County, Cal. The Senate recedes.

On amendment No. 30: This amendment inserts a new section 9, amending the act of August 30, 1890 (26 Stats., p. 414), so as to authorize the Secretary of Agriculture, under regulations prescribed by him and the Secretary of the Treasury, to permit the admission of tick-infested cattle from Mexico, South and Central America, the islands of the Gulf of Mexico, and the Caribbean Sea into the United States below the southern cattle quarantine line at ports of entry designated in such regulations, and subject to sections 7, 8, 9, and 10 of said act of August 30, 1890. The House recedes and agrees with an amendment limiting the admission of cattle to the purpose of immediate slaughter at ports of entry; limiting the cattle which may be admitted to those which are otherwise free from disease and which have not been exposed to the infection of any other disease within 60 days next before their exportation from the countries from which admitted; and inserting at the end of the section a proviso that the importation of tick-infested cattle from any country mentioned in this section in which the Secretary of Agriculture determines the foot-and-mouth disease exists, is prohibited; and a further proviso that cattle imported under this section shall be slaughtered in accordance with the meat-inspection act of June 30, 1906, and their hides disposed of under regulations of the Secretary of Agriculture.

On amendment No. 31: This amendment inserts a new section 10, which prohibits persons carrying on or employed in commerce among the States or with foreign nations, or with or in the Territories or other possessions of the United States, in articles suitable for human food, fuel, or other necessaries of life from storing, acquiring, holding, destroying, or making away with any such article for the purpose of limiting the supply or affecting the market price in such commerce, whether temporarily or otherwise, and providing punishment therefor. Two provisos of the new section exempt storing or holding by any person of the products of any land cultivated by him, and also farmers and fruit growers, cooperative and other exchanges, or societies of a similar character. A third proviso is added, that the section shall not be construed to prohibit acquiring, storing, or holding for future sale for such advanced price as might prevail in the ordinary course of business and in a free and unrestricted market. The Senate recedes.

On amendment No. 32: This amendment inserts a new section 11, which makes all public surveyed unreserved lands within the States of New Mexico, Arizona, Colorado, Utah, and South Dakota, without further classification or action, subject to the provisions of the act of December 29, 1916, known as the 640-acre homestead act. The Senate recedes.

On amendment No. 33: This amendment inserts a new section 12, defining a grain exchange, traders in grain, and dealings in futures, and authorizing the President, in case dealings in futures on any grain exchange unduly or unreasonably enhance the price of wheat or other food cereals to the injury of the people of the United States, to request the discontinuance for a specified time of dealings in futures by traders. If such request is not promptly complied with, the President is authorized to order the discontinuance of such dealings in futures and, if the order is not promptly complied with, to declare the exchange closed. Thereupon it is made unlawful to utilize such grain exchange or for any trader in grain to engage in the business theretofore conducted on such grain exchange. This amendment further provides punishment by fine of not less than $500 or imprisonment for not more than one year, or both, for any violation of any provision of the act. The Senate recedes.

On amendment No. 34: This amendment inserts a new section 13, which amends section 6 of the act of June 17, 1910, entitled "An act to provide for an enlarged homestead," so that the section provides that whenever the Secretary of the Interior shall find any tracts of land in the State of Idaho subject to entry under the act do not have upon them a sufficient supply of water suitable for domestic purposes to make continuous residence upon the lands possible, he may designate not exceeding 1,000,000 acres of such tracts of land, and thereafter they shall be subject to entry without the necessity of residence thereon. Certain conditions which must be complied with by the entryman are made. The House recedes with an amendment changing the number of the section to 10.

On amendment No. 35: This amendment inserts a new section 14, prohibiting the creation of, or addition to already created, forest reservations within the limits of the States of New Mexico and Arizona, except by act of Congress. The Senate recedes.

On amendment No. 36: This amendment inserts a new section 15, authorizing the Secretary of the Interior to suspend, during the continuance of this act, the provision of the "reclamation act" requiring residence upon lands in private ownership, or within the neighborhood, for securing water for the irrigation of the same and to permit the use of available water thereon under terms and conditions deemed proper by him. The House recedes and agrees with an amendment changing the section number to 11 and adding the words "in his discretion" to the language authorizing the Secretary of Interior to take action under the amendment.

On amendment No. 37: This amendment changes section 9 to section 16. The House recedes and agrees with an amendment changing the section number to 12.

On amendment No. 38: This amendment excepts section 10 (a new section inserted by Senate amendment No. 31) from the operation of section 9 of the House bill. The Senate recedes.

On amendment No. 39: This amendment provides that the date when the act shall cease to be in effect shall be not later than the beginning of the next fiscal year after the termination of war with Germany.

A. F. LEVER,
GORDON LEE,
E. S. CANDLER,
G. N. HAUGEN,
JAMES C. MCLAUGHLIN,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

Mr. LEVER. I give notice that I shall move the previous question at the end of 20 minutes.

SEVERAL MEMBERS. Let us vote now.

Mr. SCOTT of Michigan. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Michigan rise?

Mr. SCOTT of Michigan. I rise to move the previous question.

Mr. LEVER. The gentleman is not recognized for that purpose.

The SPEAKER. The gentleman from South Carolina, chairman of the committee, has the floor.

Mr. LEVER. I am more anxious than any other man on the floor to expedite this matter, but some of these gentlemen desire to have a word to say.

Mr. RUBEY. Will the gentleman yield for a moment.

Mr. LEVER. I yield for a question.

Mr. RUBEY. Mr. Speaker, I desire to say to the gentleman that I am violently opposed to one particular part of this report, and I would like to be heard for two or three minutes.

Mr. LEVER. The gentleman from Missouri is a member of the committee and should have that right.

Mr. HAUGEN. Will the gentleman yield two or three minutes to this side?

Mr. LEVER. Certainly.

Mr. YOUNG of Texas. I should like to have two or three minutes.

Mr. LEVER. If it is in order, I yield to the gentleman from Georgia [Mr. ADAMSON].

The SPEAKER. Does the gentleman from South Carolina yield the floor?

Mr. LEVER. No; I desire to yield to the gentleman from Georgia for a moment.

Mr. ADAMSON. The gentleman yields to me for the purpose of presenting two conference reports for printing in the RECORD.

Mr. LEVER. I do that if it is in order. I do not yield the floor, however.

Mr. ADAMSON. I desire to present conference reports on two bills, S. 1866 and S. 2356, to print in the RECORD.

The SPEAKER. The gentleman can not yield to the gentleman from Georgia for that purpose.

Mr. LEVER. Then I yield five minutes to the gentleman from Oklahoma [Mr. FERRIS].

The SPEAKER. The Chair again asks the gentleman from South Carolina if he has any motion or request to make? The Chair wishes to find out what we are doing.

Mr. LEVER. No; I simply give notice that I will move the previous question at the end of 20 minutes, and I am yielding five of those minutes to the gentleman from Oklahoma.

Mr. SCOTT of Michigan. Mr. Speaker, I rise for the purpose of asking recognition.

The SPEAKER. For what?

Mr. SCOTT of Michigan. To make a motion for the previous question.

The SPEAKER. The Chair declines to recognize the gentleman, because the gentleman from South Carolina [Mr. LEVER] has charge of this bill.

Mr. CANDLER of Mississippi. And he is entitled to the floor for an hour.

The SPEAKER. The Chair declines to recognize the gentleman from Michigan for the purpose stated. The gentleman from Oklahoma is recognized for five minutes.

Mr. FERRIS. Mr. Speaker, the Senate added five public-land amendments to this bill. Some of them were good amendments and some of them were bad amendments. Two of them were amendments in which I was vitally interested, not personally, but for the group of States in the West that have to do with public lands. I had very much hoped that Senate amendment 32, which provided for the classification of public lands in the West, where 70,000 applicants are waiting to have the land classified, might have been dealt with so as to provide for classifying these lands and allowing these 70,000 applicants to have gotten on the land, because by so doing we would have been able to get some real food production. However, I do not criticize the House conferees, knowing how great a burden and how great a responsibility they have had. But I do want to say that it is extremely unfortunate that 70,000 families who are trying to get onto the land have not been provided for in some way in this bill.

There is $150,000 available to operate this bill, but that is only one and a half cents an acre, or only $2.50 for 640 acres. It is no part of the amount required to classify these lands. The bill passed December 29, 1916, and as yet not one claim has been classified. I feel that criticism will come on the House for not providing for it in this bill. The gentleman from South Carolina and his conferees could not do everything, and they are not permitted to know about public lands, and do not pretend to know, and what has happened, I fear, is that the Senate did not acquaint itself enough with the matter to insist upon their own rights.

Now, as to amendment 34. That provides that a million acres of land in Idaho can be entered and taken without any residence at all. That amendment ought not to have been agreed to. That amendment only makes trouble for succeeding days. If we give Idaho the right to take land without any residence at all, we will have to do the same thing with Colorado and California and all the rest of the Western States, which means giving away the public land without any bona fide residence at all. Of course I realize that nothing I can say and nothing I can do at this stage of the proceedings will modify this amendment to the bill. The major part of the bill is the food bill, which everyone wants and will agree to. What I do say is that it is extremely important when public-land amendments are added to these bills that some one who knows about public lands should be listened to rather than to allow amendments to go in which are not for the best interests of the country and not for the best interests of the West, and which could get but very few votes if they stood alone on their own bottom.

I would be denying myself a great pleasure if I did not congratulate the gentleman from South Carolina [Mr. LEVER] and his able committee. I have voted for both the bills all the way through. He has had plenty of ability and votes that were needed to do everything that was needed to be done with the two bills all the way through. He is able himself, and with his conferees was able to sweep a lot of things out of the bill which were not necessary. I regret that the only words I speak on the bill are to be in the nature of criticizing Senate amendments. When foreign amendments are added to a bill they ought to be stricken out or be gone into very carefully. The provision making a million acres of land in the West available without residence is practicing unfairness on other States. It is but borrowing trouble for the morrow, because if we afford relief of that kind for one State we must afford it for other States.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. JOHNSON of Washington. Why is the land in Idaho to be given away?

Mr. FERRIS. I am not presenting their side of it, but they contend that there is no water on the land and so men can not live there, which I assume is true. There are seven or eight other States that have land in exactly the same condition as that.

Mr. DILL. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. DILL. Is the land in Idaho any different from the land in Nevada that has been up before the committee?

Mr. FERRIS. I do not think it is. If this is to be the policy, which I hope is not, several other States are entitled thereto. Senate amendment No. 32, known as the Fall amendment, directed a summary allowance of some 60,000 pending entries without any examination whatever. This would have allowed homestead applicants to secure large areas of Government land under the larger unit of 640 acres, which should in truth and in fact be entered under the smaller units. It would have allowed the entrymen to have secured timbered lands, mineral lands, irrigible lands, and other lands not properly falling under the 640-acre homestead law. Immediately upon examination of this Senate amendment the House Public Lands Committee was called together and consideration given to it. The House Public Lands Committee recommended as a substitute for Senate amendment 32 the following:

That for enabling the Secretary of the Interior to expedite the classification or designation of public lands for entry under the act of Congress approved December 29, 1916, known as the stock-raising homestead act, there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated available immediately and until June 30, 1918, $100,000, in addition to the amount heretofore appropriated: *Provided*, That the Secretary of the Interior is hereby authorized and directed to complete the classification or designation of land as provided in the stock-raising homestead act for which application has been made prior hereto within six months from the approval of this act or as soon thereafter as is practicable.

This provision was not agreed upon until after it had been submitted to the Interior Department, the Agricultural Department, the Geological Survey, and the Commissioner of the General Land Office, and met the approval of each of the departments. I can not help but feel that it is extremely unfortunate that some provision was not made so that these sixty or seventy thousand applicants might have their lands examined, might have the opportunity to go on the same and begin the production of food. The pending bill is a food bill. It was entirely proper to expect legislation of this sort to be dealt with, and while I know it was impossible for the House conferees to look after everything, it is exceedingly unfortunate that in the rush this had to be omitted. It works a severe injustice to the public-land States of the West. It ought to be remedied at the earliest possible moment.

The Interior Department has $150,000 available to carry on this work. Additional estimates ought to be made at once for a sufficient amount to carry this work forward. It is poor economy to allow this work to drag. It is unjust to the homesteader who is seeking to homestead these lands under the law. It is unjust to the West that is seeking development. It is a short-sighted policy all around.

I have appealed before to the Interior Department, the Geological Survey, the Commissioner of the General Land Office, and to the several committees to take some action regarding this

matter, and I will continue to do so. I want to show complete diligence in this matter, for I am morally sure that just criticism will come to Congress and the departments if these 60,000 applications are not hastily and intelligently dealt with. I do not desire to longer detain the House.

Mr. LEVER. Mr. Speaker, I yield two minutes to the gentleman from Texas [Mr. YOUNG].

Mr. YOUNG of Texas. Mr. Speaker, there is one amendment added to the bill which I regret to find in the conference report. That is one that opens up the shipment of cattle from Mexico and the Central American country and around the Caribbean Sea. That proposition has been before the Agriculture Committee for some four or five years and invariably we have defeated the effort to open up our country to the shipment of cattle from that diseased section of the country.

Mr. Speaker, for years we have been spending hundreds and thousands of dollars on the part of this Government to rid the southern sections of this country from diseased cattle, and we have been making some headway during the past few years. I have had hopes that it would only be a short time before the great breeding ground would be rid of the cattle tick and diseases incident thereto. But when we open up this Pandora's box and permit cattle to be shipped from Mexico and Central American Republics and the islands of the seas, then it strikes me that it is a waste of money that we have been making in order to rid our section of the country from the disease we have been combating all these years. I understand that it is only a temporary proposition; but it is an entering wedge, and I want to sound the alarm. When the year is up I hope the fight may come again and be made to protect our country from these shipments. [Applause.]

Mr. SCOTT of Michigan. Mr. Speaker, I rise to a point of order.

The SPEAKER. The gentleman will state it.

Mr. SCOTT of Michigan. I make the point of order that there is no quorum present.

Mr. LEVER. Will the gentleman yield to me for just a moment?

Mr. SCOTT of Michigan. Yes; solely for the purpose of moving the previous question.

Mr. LEVER. The gentleman from Michigan, Mr. MCLAUGHLIN, is a member of the committee, and he desires to have two minutes; and, in view of the gentleman's attitude, I trust that other gentlemen will permit me to move the previous question at the conclusion of his remarks.

The SPEAKER. Does the gentleman withhold his point of order or not?

Mr. HAUGEN. Mr. Speaker, I would like to say just a word.

The SPEAKER. The gentleman can not say a word until the gentleman from Michigan withholds his point of order.

Mr. SCOTT of Michigan. I withhold it momentarily.

Mr. LEVER. I think we can arrange the matter and get through by the time we are talking about it. In five minutes more I shall move the previous question.

Mr. SCOTT of Michigan. With that understanding—that it will be done in five minutes—I withdraw the point of order. With other gentlemen, I have been waiting patiently now for weeks.

Mr. LEVER. I yield one minute to the gentleman from Iowa [Mr. HAUGEN].

Mr. HAUGEN. Mr. Speaker, I desire to say that I heartily concur in every word that has been said by the gentleman from Missouri [Mr. RUBEY]. It is absolutely unfair to import these cattle into the United States that can be obtained at a cost of less than 2 cents a pound. Cattle can be bought that weigh 800 pounds and imported into this country for $10. Those cattle can be had for 2 cents a pound in competition with the beef of the United States, and it is unfair. We have been appropriating hundreds of thousands of dollars for the eradication of the tick, and now we propose to import these cattle from the tick-infested districts, and that is all I care to say. I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEVER. Mr. Speaker, I now yield half a minute to the gentleman from Minnesota [Mr. STEENERSON].

Mr. STEENERSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEVER. Mr. Speaker, I now yield to the gentleman from New Mexico [Mr. WALTON].

Mr. WALTON. Mr. Speaker, I, too, regret exceedingly that the conferees on this bill (H. R. 4188) have seen fit to strike out the so-called Fall amendment inserted by the Senate, relative to the classification of lands under the stock-raising homestead act, without affording some relief to the applicants for homesteads under that act.

In New Mexico, practically every acre of the unappropriated public domain is subject to entry under that act. There are now pending in New Mexico over 3,000 entries, the majority of them original applications. When the so-called 640-acre act was passed by Congress, home seekers came into New Mexico from other States, bringing their families and their possessions with them, thinking that the land referred to in the law was immediately available. They are there yet, anxiously waiting for relief and suffering hardship and privation as a result of the long delay to which they have been subjected.

In my opinion, Mr. Speaker, an amendment to this bill providing for the immediate classification of these lands is strictly and essentially a part of the scheme of increased food production, which is the aim of the bill, for it is not yet too late to plant and raise dry-farming and bean crops in the State which I represent. I do not suppose that anything that I may say at this time will have any effect on the action of this House; but I deem it my duty to call attention to the injustice that has been and is being done to the people of New Mexico and to express my regret that advantage has not been taken of the opportunity to give relief to honest and deserving home seekers and home builders.

However, Mr. Speaker, it is not my intention to do or say anything which by any possibility could further delay action on this bill. I realize that there is an urgent demand on the part of the people of the entire country that something be done and done at once—a feeling that Congress has already wasted valuable time in a matter that vitally affects the personal interests of every man, woman, and child in the United States. I believe that there is some justification for this feeling, and speaking for the people of New Mexico, I say that it is better that we should suffer injustice a little longer, waiting for the right to prevail in the end, as it surely will, than that we should have any part in further delaying the passage of a measure that is imperatively needed for the relief of more than a hundred million American citizens.

Mr. LEVER. Mr. Speaker, I yield now to the gentleman from New York [Mr. HULBERT].

Mr. HULBERT. Mr. Speaker, early in the session I brought to the attention of the House the question of the dehydrating of vegetables, and provision is made therefor in this bill under which I understand the Department of Agriculture is going to establish the first experimental station at Takoma Park, in the District of Columbia. I congratulate the committee upon the splendid achievement which will conserve the supply and reduce prices of fruits and vegetables. I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEVER. Mr. Speaker, I yield two minutes to the gentleman from Michigan [Mr. MCLAUGHLIN].

Mr. MCLAUGHLIN of Michigan. Mr. Speaker, I wish to speak briefly in reply to what has been said by the gentleman from Missouri [Mr. RUBEY]. The Committee on Agriculture has heretofore refused, and during ordinary times would, I believe, continue to refuse, to recommend a measure of this kind, but now, when we are trying to increase the food supply, the number of meat animals, and the quantity of meat products, this has the approval of the Secretary of Agriculture and ought to be adopted. There is no danger in bringing tick-infested cattle into this country or of the spread of that disease. Tick-infested cattle are now being brought, and for years have been brought, from Mexico into the State of Texas, and there has been no spread of the cattle tick as a result. This bill requires that these imported cattle shall be slaughtered at the ports of entry, so there is no danger of spreading the cattle tick. It requires further that no cattle shall be permitted to come in if within six months they have been exposed to any other disease; they must be found upon inspection to be absolutely free of all diseases except the cattle tick. And it provides also for the proper inspection and treatment of hides, so that no disease shall be spread by use of the hides. In every respect the entire matter is safeguarded by provisos added at the suggestion or upon the demand of the conferees on the part of the House. The danger spoken of by the gentleman from Missouri [Mr. RUBEY] does not exist. Importation of cattle from Mexico may possibly have a tendency to decrease the price of meat in this country, but if that will be the result we ought to welcome it. It was stated to us on the other hand, though, that these packers at the seacoast, where these cattle will be slaughtered, as the bill provides they shall be slaughtered at the ports of entry, will take advan-

tage of existing high prices of cattle and meat and will not reduce the price, but by a provision in the food-control bill the President is authorized to control all packing houses and regulate prices, so that these new packers who will engage in the business of slaughtering cattle brought from Mexico, if they undertake unreasonably to increase the prices or improperly to hold up the prices, can be regulated and their prices can be regulated by invoking the provisions of the other bill. In my judgment this provision is entirely unobjectionable.

EXTENSION OF REMARKS.

Mr. MORGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to extend his remarks in the RECORD.

Mr. SMITH of Idaho. Mr. Speaker, I make the same request, to extend my remarks in the RECORD on this subject.

Mr. GALLAGHER. Mr. Speaker, I make the same request.

Mr. WILLIAMS. Mr. Speaker, I make the same request.

Mr. TIMBERLAKE. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection to these requests? [After a pause.] The Chair hears none.

Mr. LEVER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

On motion of Mr. LEVER, a motion to reconsider the votes by which both conference reports were agreed to was laid on the table.

SPEECH OF HON. FREDERICK C. HICKS (H. REPT. 124).

Mr. BARNHART. Mr. Speaker, I send to the Clerk's desk a privileged resolution and ask that the same be read and for its present consideration.

The SPEAKER. The Clerk will report the concurrent resolution.

The Clerk read as follows:

House Concurrent Resolution 13.

Resolved by the House of Representatives (the Senate concurring), That 100,000 copies of the speech of the Hon. FREDERICK C. HICKS, of New York, delivered in the House of Representatives on June 14, on "The Flag of the United States," together with the illustrations in color referred to by Mr. HICKS, be printed as a document, 70,000 for the use of the House and 30,000 for the use of the Senate, to be distributed through the folding room.

The question was taken, and the resolution was agreed to.

CONFERENCE REPORTS.

Mr. ADAMSON. Mr. Speaker, I desire to present for printing in the RECORD under the rule a conference report on the bill S. 2356, the preferential-shipment bill.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

An act (S. 2356) to amend the act to regulate commerce as amended, and for other purposes.

The SPEAKER. Ordered printed under the rule.

Mr. ADAMSON. Mr. Speaker, I also present a conference report on the bill S. 1816. This is the bill increasing the Interstate Commerce Commission.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

S. 1816. An act to amend an act to regulate commerce, as amended, and for other purposes.

The SPEAKER. Ordered printed under the rule.

Mr. ADAMSON. Mr. Speaker, the gentleman from North Carolina [Mr. KITCHIN] has suggested that as the changes are so few and unimportant between the House bills that probably gentlemen would prefer to dispose of this now rather than meet in the morning.

Mr. GILLETT. Mr. Speaker, I would like to see them.

The SPEAKER. The gentleman from Massachusetts objects to any such request.

ADJOURNMENT.

Mr. FITZGERALD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 1 minute p. m.) the House adjourned to meet at 12 o'clock noon to-morrow, Saturday, August 4, 1917.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Acting Secretary of the Treasury, transmitting copy of a communication of the Secretary of War submitting an estimate of appropriation additional to the amount provided for this purpose by the act of June 15, 1917 (H. Doc. No. 314); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting copy of a communication of the Secretary of Commerce submitting an estimate of appropriation under the title "Cost accounting, Department of Commerce, fiscal year 1918" (H. Doc. No. 315); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. TAYLOR of Colorado, from the Committee on Irrigation of Arid Lands, to which was referred the bill (H. R. 4958) to amend section 3 of an act entitled "An act providing for patents on reclamation entries, and for other purposes," approved August 9, 1912, reported the same with amendment, accompanied by a report (No. 120), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. PADGETT, from the Committee on Naval Affairs, to which was referred the bill (H. R. 5647) to provide for the reimbursement of officers, enlisted men, and others in the naval service of the United States for property lost or destroyed in such service, reported the same without amendment, accompanied by a report (No. 121), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (H. R. 5648) to establish certain new ratings in the United States Navy, and for other purposes, reported the same without amendment, accompanied by a report (No. 122), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (H. R. 5646) to amend section 1585 of the Revised Statutes of the United States, reported the same without amendment, accompanied by a report (No. 123), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ALEXANDER, from the Committee on the Merchant Marine and Fisheries, to which was referred the bill (H. R. 4988) to authorize the changing of the name of the steamship *Caldera*, reported the same without amendment, accompanied by a report (No. 119), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. STEENERSON: A bill (H. R. 5666) to provide for the free transmission of duly certified letters of soldiers, sailors, and marines in the service of the United States, and to authorize the Postmaster General to negotiate and conclude postal treaties with foreign countries for the free transmission of such letters therefrom to the United States during the war; to the Committee on the Post Office and Post Roads.

By Mr. BURNETT: A bill (H. R. 5667) to provide for the deportation of certain aliens, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. CROSSER: A bill (H. R. 5668) to authorize the Secretary of Labor to cooperate with other departments of the Government in fostering, promoting, and developing the welfare of the wage earners of the United States by creating new opportunities for permanent and profitable employment, and for other purposes; to the Committee on Labor.

By Mr. RAINEY: A bill (H. R. 5669) authorizing the drafting of resident aliens, except alien enemies, into the military service of the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. McKEOWN: A bill (H. R. 5670) authorizing the Secretary of the Interior to make per capita payment, not to exceed $200, to the enrolled members of the Semiole Tribes of Indians of Oklahoma, and for other purposes; to the Committee on Indian Affairs.

By Mr. GREEN of Iowa: A bill (H. R. 5671) providing for the payment of allowances to dependent members of the families of certain soldiers and sailors in the service of the United States; to the Committee on Military Affairs.

By Mr. LUNN (by request): A bill (H. R. 5672) for the adjudication and determination of the claims arising under joint resolution of July 14, 1870 (16 Stats. L., p. 670), authorizing the Postmaster General to continue in use in the Postal Service Marcus P. Norton's combined postmarking and stamp-canceling hand-stamp patents, and directing him to "determine upon a fair, just, and equitable compensation for the use of said inventions"; or arising otherwise; to the Committee on the Post Office and Post Roads.

By Mr. DILL: A bill (H. R. 5673) to extend payment to the homesteaders on the south half of the Colville Reservation; to the Committee on the Public Lands.

By Mr. GOULD: A bill (H. R. 5674) granting leave of absence with pay to the employees of the Post Office Department or Postal Service who have entered the military or naval service of the United States; to the Committee on Expenditures in the Post Office Department.

Also, a bill (H. R. 5675) to provide for the free transportation through the United States mails of reading matter for United States Army, Navy, and Marine Corps; to the Committee on the Post Office and Post Roads.

By Mr. CARTER of Oklahoma: A bill (H. R. 5676) to refund the cotton tax collected; to the Committee on Appropriations.

By Mr. POU: Resolution (H. Res. 128) appointing a committee to investigate conditions in Illinois and Missouri interfering with interstate commerce between said States; to the Committee on Rules.

By Mr. CARY: Memorial of the Legislature of the State of Wisconsin, relating to the fishing industry on the Great Lakes; to the Committee on Foreign Affairs.

By Mr. COOPER of Wisconsin: Memorial of the Legislature of the State of Wisconsin, relating to the regulation of the fishing industry on the Great Lakes; to the Committee on the Merchant Marine and Fisheries.

By Mr. FREAR: Memorial of the Legislature of the State of Wisconsin, pledging loyal support of the State of Wisconsin and its citizens to the President of the United States and the Government in the prosecution of the war; to the Committee on Foreign Affairs.

By Mr. BROWNE: Memorial of the Legislature of the State of Wisconsin, pledging loyal support of the State of Wisconsin and its citizens to the President of the United States and the Government in the prosecution of the war; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARNHART: A bill (H. R. 5677) granting an increase of pension to Frederick Butt; to the Committee on Invalid Pensions.

By Mr. COADY: A bill (H. R. 5678) granting a pension to Mary J. Sullivan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5679) granting a pension to John Cantwell; to the Committee on Pensions.

Also, a bill (H. R. 5680) granting a pension to Samuel W. Norton, alias Samuel W. Legg; to the Committee on Pensions.

By Mr. KIESS of Pennsylvania: A bill (H. R. 5681) granting a pension to Fred Reidy; to the Committee on Pensions.

By Mr. LANGLEY: A bill (H. R. 5682) granting an increase of pension to Alfred York; to the Committee on Invalid Pensions.

By Mr. OSBORNE: A bill (H. R. 5683) granting an increase of pension to Llewellyn A. Cole; to the Committee on Pensions.

Also, a bill (H. R. 5684) granting a pension to Frances A. Sapp; to the Committee on Invalid Pensions.

By Mr. RODENBERG: A bill (H. R. 5685) for the relief of Sarah Shelton; to the Committee on Claims.

By Mr. SHOUSE: A bill (H. R. 5686) granting an increase of pension to Francis M. Belt; to the Committee on Invalid Pensions.

By Mr. SWITZER: A bill (H. R. 5687) granting an increase of pension to John Henson; to the Committee on Pensions.

By Mr. TALBOTT: A bill (H. R. 5688) for the relief of William J. Arthur; to the Committee on Claims.

By Mr. VAN DYKE: A bill (H. R. 5689) granting a pension to Arthur J. Jerome; to the Committee on Pensions.

By Mr. VOIGT: A bill (H. R. 5690) granting an increase of pension to Charles Nack; to the Committee on Invalid Pensions.

By Mr. WELTY: A bill (H. R. 5691) granting a pension to Odessa Beall; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of State Board of Charities of New York City, relative to taxing gifts and charity contributions, etc.; to the Committee on Ways and Means.

Also (by request), petition of Washington (D. C.) Central Labor Union, against prohibition laws; to the Committee on the Judiciary.

By Mr. COOPER of Wisconsin: Petition of the Mothers' Club of Beloit, Wis., urging the establishment of effective zones around all military camps; to the Committee on Military Affairs.

By Mr. ESCH: Petition of the National Editorial Association favoring "zone" postage rates on second-class matter; to the Committee on Military Affairs.

By Mr. GLYNN: Petition of certain citizens of Bridgeport, Conn., against the enactment of nation-wide prohibition; to the Committee on the Judiciary.

By Mr. LINTHICUM: Petition of Hubbs & Corning Co., Baltimore, Md., opposing the scheme of taxation as proposed in Schedule A, page 70, second section of the war-revenue bill, as unjust to mail-order houses; to the Committee on Ways and Means.

Also, petition of McCormick & Co., Baltimore, Md., opposing the further increase of $1 on distilled spirits, which would make the tax on the proof gallon $3.20; to the Committee on Ways and Means.

Also, petitions of Henry A. Kries; Albert W. Adt; Louis E. Bartel; Maryland Lithographing Co.; the Baltimore Enamel & Novelty Co.; Engineers and Firemen's Union, Local No. 177; Becker Bro. & Son; the Old Town National Bank; the Baltimore Trades Unionist; Riggs, Rossmann & Hunter; Henry Morton; the National Building Supply Co.; the Beer Drivers, Chauffeurs, and Stablemen's Local Union, No. 173; Hotelmen's Association of Maryland; the Beer and Soft Drink Bottlers' Local Union, No. 258; Baltimore Federation of Labor; the Executive Board Maryland State and District of Columbia Federation of Labor; and the Personal Liberty League of Maryland, all of Baltimore, Md., protesting against the Sheppard national prohibition bill; to the Committee on the Judiciary.

By Mr. McKEOWN: Petition of the Oklahoma City Chamber of Commerce, relating to the practice of putting trash in cotton seed; to the Committee on Agriculture.

By Mr. SANDERS of New York: Petition of Caledonia Grange, No. 870, of Caledonia, N. Y., opposing any food-control legislation predicated on the false proposition that the farmers are overpaid for their produce, and protesting against the appointment of any person by any food council or board of food control who is not a practical operative farmer or a man actually engaged in the business of the distribution of food products; to the Committee on Agriculture.

Also, petition of the women of Arcade Woman's Christian Temperance Union, urging immediate national prohibition of the liquor traffic as a war measure; to the Committee on Military Affairs.

Also petition of the churches of Middlebury, West Middlebury, and Linden, N. Y., favoring bone-dry prohibition; to the Committee on the Judiciary.

Also, petition of Kendall Lodge, No. 538, International Order of Good Templars, with over 200 members, urging the submission of the national prohibition amendment; to the Committee on the Judiciary.

Also, petition of the Church, Sunday School, Woman's Missionary Society, Woman's Christian Temperance Union, and the Y. P. B., of Dale, N. Y., favoring bone-dry prohibition; to the Committee on the Judiciary.

Also petition of over 300 citizens of York, N. Y., urging immediate prohibition of the manufacture and sale of all intoxicants in the United States, expressing full sympathy for all food conservation, but not for its destruction in the making of intoxicants; to the Committee on Agriculture.

By Mr. SHOUSE: Petition of Evangelical Lutheran congregation, of Chase, Kans., relative to churches securing wine for sacramental purposes; to the Committee on the Judiciary.

Also, petitions of citizens of Hardtner, Kans., and vicinity, favoring prohibition; to the Committee on the Judiciary.

Also, petitions of citizens of Hutchinson, Kans., favoring bill for closing of all boards of trade; to the Committee on Agriculture.

By Mr. SINNOTT: Petition of the Woman's Missionary Society of Richland, Oreg., favoring prohibition as a war measure; to the Committee on the Judiciary.

By Mr. STEENERSON: Petitions of Henry Raknerud, P. Folden, Henry Erickson, and 19 others, of Clay County, Minn.,

favoring repeal of the conscription act; to the Committee on Military Affairs.

Also, memorial of Fosston (Minn.) Chapter of Woman's Benefit Association, favoring prohibition as war measure; to the Committee on the Judiciary.

Also, memorial of Presbyterian Church of Maplewood and Erhard, Minn., favoring prohibition as a war measure; to the Committee on the Judiciary.

By Mr. RAKER: Petition of John J. Joesten, San Francisco, Cal., favoring passage of Stephens-Ashurst bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of Utter & Allen, of Alhambra, Cal., favoring passage of House bill 5410, purple-cross bill; to the Committee on Military Affairs.

Also, petitions of Malsters Bureau of Statistics and Daniel C. Murphy, San Francisco, Cal., against Sheppard amendment to national prohibition; to the Committee on the Judiciary.

Also, petition of Arthur T. Seymour, of Stockton, Cal., favoring passage of House bills 5118 and 5407 relative to osteopathic physicians to serve the Nation; to the Committee on Military Affairs.

Also, memorial of Mrs. Edity T. Bremer, of New York City, favoring appropriation for a Nation-wide Americanization program; to the Committee on Appropriations.

Also, memorial of National Council, Junior Order of United American Mechanics, relative to immigration law; to the Committee on Immigration and Naturalization.

Also, memorial of San Francisco Labor Council relative to settlement of Irish question; to the Committee on Foreign Affairs.

SENATE.

SATURDAY, *August 4, 1917.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we thank Thee for the freedom with which Thou dost make men free. Thou dost destine us to the domination of the world by the principles of law and order founded upon Thy revealed will. Thou dost call us to a freedom not only from the forces of the world about us but from the lower forces that subject men to evil. Thou dost make us free in Christ Jesus. Grant, we pray, that we may have the spirit of Christ; that we may go forward in the work committed to our hands doing all for the honor and glory of Thy name and for the uplift of humanity. Smile upon us in our undertaking. Bring us speedily to victory. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of Thursday last, when, on request of Mr. BRANDEGEE and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CONSERVATION OF FOOD—CONFERENCE REPORT (S. DOC. NO. 70).

Mr. BRANDEGEE. Mr. President, the report of the conference committee on House bill 4961, commonly known as the food-control bill, was printed and before us yesterday, but the Senate was not in session. I hold in my hand a copy of the print of the bill as agreed to in conference. It is somewhat difficult for anyone not familiar with the way the bill is printed to understand exactly what is in it and what is not, because it carries the type with large portions of it stricken through, and there are all sorts of brackets and parentheses and different kinds of type—roman and italics.

I suggested to the chairman of the committee, the Senator from Oklahoma [Mr. GORE], that he have a clean print of it made, omitting what the conferees agreed to omit and inserting what they agreed to insert, so that it would read just as it would read when it was placed upon the United States statutes. The Senator said he would have that done; that it could be done without much trouble; but the copy did not get to the printers until too late, and they were unable to print a clean draft of it just as I suggested.

Inasmuch as this is a very important measure and the debate on the conference report may not be very illuminating unless the public may be able to see exactly what the bill in its final shape is, I ask that it may be printed in the CONGRESSIONAL RECORD so that it will appear to-morrow in that shape.

Mr. NORRIS. May I suggest to the Senator that he ask unanimous consent to have it printed in parallel columns also?

Mr. BRANDEGEE. There is no objection to that being done also. I should like to have it printed in the ordinary type that the RECORD is printed in.

Mr. NORRIS. I have no objection to that, of course, but it is desirous that we shall have before us the bill as the conferees agreed to it and the bill as passed by the Senate in parallel columns. That would very materially assist us in the debate upon the proposition.

Mr. BRANDEGEE. I do not want to ask that, but I have no objection to the Senator asking it when I am through. I want to have it printed in the RECORD just as the conferees have agreed to it.

Mr. SMITH of South Carolina. If the Senator will allow me, I suggest to the Senator from Nebraska that the present print striking out and inserting will give the material the Senator is desirous of having, for he will find the bill printed just as it will be the law if it is passed.

Mr. BRANDEGEE. Then that is already printed in bill form.

Mr. NORRIS. If, however, it is printed in parallel columns, we would see exactly as the law would be if the conference report is agreed to. I will not object to the request of the Senator from Connecticut. I am willing that his request shall be put, and then I will make my request.

Mr. CHAMBERLAIN. Mr. President, if the Senator will pardon me——

Mr. BRANDEGEE. I yield.

Mr. CHAMBERLAIN. As having the bill in charge, I will state that I have no objection in the world to having it printed as the Senator from Connecticut suggests, or in any other way that may be necessary to make its provisions clear. But does not the Senator's request involve the postponement of the bill?

Mr. BRANDEGEE. I would not think of asking that. I simply want it in to-morrow morning's RECORD, so that when there shall appear the desultory and scattered colloquies that have been engaged in in relation to different parts of the conference report, and probably only on those questions in dispute, the whole bill may be printed which the conference committee recommends, so that the public will know what we are talking about.

Mr. CHAMBERLAIN. I rather thought the Senator's request would postpone the discussion of the report.

Mr. BRANDEGEE. I should not ask that.

Mr. CHAMBERLAIN. It is my purpose to ask to have it taken up this morning.

Mr. BRANDEGEE. I presume it will be taken up immediately. What I want is to have to-morrow's RECORD contain the measure as it would go upon the statute books if the conference report is agreed to, that the RECORD may also contain the measure that we are debating.

Mr. CHAMBERLAIN. I hope that will be done.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Connecticut? The Chair hears none, and it is so ordered.

The bill as agreed to in conference is as follows:

An act (H. R. 4961) to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel.

Be it enacted, etc., That, by reason of the existence of a state of war, it is essential to the national security and defense, for the successful prosecution of the war and for the support and maintenance of the Army and Navy, to assure an adequate supply and equitable distribution, and to facilitate the movement of foods, feeds, fuel, including fuel oil and natural gas, and fertilizer and fertilizer ingredients, tools, utensils, implements, machinery, and equipment required for the actual production of foods, feeds, and fuel, hereafter in this act called necessaries; to prevent, locally or generally, scarcity, monopolization, hoarding, injurious speculation, manipulations, and private controls, affecting such supply, distribution, and movement; and to establish and maintain governmental control of such necessaries during the war. For such purposes the instrumentalities, means, methods, powers, authorities, duties, obligations, and prohibitions hereinafter set forth are created, established, conferred, and prescribed. The President is authorized to make such regulations and to issue such orders as are essential effectively to carry out the provisions of this act.

SEC. 2. That in carrying out the purposes of this act the President is authorized to enter into any voluntary arrangements or agreements, to create and use any agency or agencies, to accept the services of any person without compensation, to cooperate with any agency or person, to utilize any department or agency of the Government, and to coordinate their activities so as to avoid any preventable loss or duplication of effort or funds.

SEC. 3. That no person acting either as a voluntary or paid agent or employee of the United States in any capacity, including an advisory capacity, shall solicit, induce, or attempt to induce any person or officer authorized to execute or to direct the execution of contracts on behalf of the United States to make any contract or give any order for the furnishing to the

United States of work, labor, or services, or of materials, supplies, or other property of any kind or character, if such agent or employee has any pecuniary interest in such contract or order, or if he or any firm of which he is a member, or corporation, joint-stock company, or association of which he is an officer or stockholder, or in the pecuniary profits of which he is directly or indirectly interested, shall be a party thereto. Nor shall any agent or employee make, or permit any committee or other body of which he is a member to make, or participate in making, any recommendation concerning such contract or order to any council, board, or commission of the United States, or any member or subordinate thereof, without making to the best of his knowledge and belief a full and complete disclosure in writing to such council, board, commission, or subordinate of any and every pecuniary interest which he may have in such contract or order and of his interest in any firm, corporation, company, or association being a party thereto. Nor shall he participate in the awarding of such contract or giving such order. Any willful violation of any of the provisions of this section shall be punishable by a fine of not more than $10,000, or by imprisonment of not more than five years, or both: *Provided*, That the provisions of this section shall not change, alter, or repeal section 41 of chapter 321, Thirty-fifth Statutes at Large.

SEC. 4. That it is hereby made unlawful for any person willfully to destroy any necessaries for the purpose of enhancing the price or restricting the supply thereof; knowingly to commit waste or willfully to permit preventable deterioration of any necessaries in or in connection with their production, manufacture, or distribution; to hoard, as defined in section 6 of this act, any necessaries; to monopolize or attempt to monopolize, either locally or generally, any necessaries; to engage in any discriminatory and unfair, or any deceptive or wasteful practice or device, or to make any unjust or unreasonable rate or charge, in handling or dealing in or with any necessaries; to conspire, combine, agree, or arrange with any other person (a) to limit the facilities for transporting, producing, harvesting, manufacturing, supplying, storing, or dealing in any necessaries; (b) to restrict the supply of any necessaries; (c) to restrict distribution of any necessaries; (d) to prevent, limit, or lessen the manufacture or production of any necessaries in order to enhance the price thereof; or (e) to exact excessive prices for any necessaries or to aid or abet the doing of any act made unlawful by this section.

SEC. 5. That, from time to time, whenever the President shall find it essential to license the importation, manufacture, storage, mining, or distribution of any necessaries, in order to carry into effect any of the purposes of this act, and shall publicly so announce, no person shall, after a date fixed in the announcement, engage in or carry on any such business specified in the announcement of importation, manufacture, storage, mining, or distribution of any necessaries as set forth in such announcement, unless he shall secure and hold a license issued pursuant to this section. The President is authorized to issue such licenses and to prescribe regulations for the issuance of licenses and requirements for systems of accounts and auditing of accounts to be kept by licensees, submission of reports by them, with or without oath or affirmation, and the entry and inspection by the President's duly authorized agents of the places of business of licensees. Whenever the President shall find that any storage charge, commission, profit, or practice of any licensee is unjust, or unreasonable, or discriminatory and unfair, or wasteful, and shall order such licensee, within a reasonable time fixed in the order to discontinue the same, unless such order, which shall recite the facts found, is revoked or suspended, such licensee shall, within the time prescribed in the order, discontinue such unjust, unreasonable, discriminatory, and unfair storage charge, commission, profit, or practice. The President may, in lieu of any such unjust, unreasonable, discriminatory, and unfair storage charge, commission, profit, or practice, find what is a just, reasonable, nondiscriminatory, and fair storage charge, commission, profit, or practice, and in any proceeding brought in any court such order of the President shall be prima facie evidence. Any person who, without a license issued pursuant to this section, or whose license shall have been revoked, knowingly engages in or carries on any business for which a license is required under this section, or willfully fails or refuses to discontinue any unjust, unreasonable, discriminatory, and unfair storage charge, commission, profit, or practice, in accordance with the requirement of an order issued under this section, or any regulation prescribed under this section, shall, upon conviction thereof, be punished by a fine not exceeding $5,000 or by imprisonment for not more than two years, or both: *Provided*, That this section shall not apply to any farmer, gardener, cooperative association of farmers or gardeners, including livestock farmers, or other persons with respect to the products of any farm, garden, or other land owned, leased, or cultivated by him, nor to any retailer with respect to the retail business actually conducted by him, nor to any common carrier, nor shall anything in this section be construed to authorize the fixing or imposition of a duty or tax upon any article imported into or exported from the United States or any State, Territory, or the District of Columbia: *Provided further*, That for the purposes of this act a retailer shall be deemed to be a person, copartnership, firm, corporation, or association not engaging in the wholesale business whose gross sales do not exceed $100,000 per annum.

SEC. 6. That any person who willfully hoards any necessaries shall upon conviction thereof be fined not exceeding $5,000 or be imprisoned for not more than two years, or both. Necessaries shall be deemed to be hoarded within the meaning of this act when either (a) held, contracted for, or arranged for by any person in a quantity in excess of his reasonable requirement for use or consumption by himself and dependents for a reasonable time; (b) held, contracted for, or arranged for by any manufacturer, wholesaler, retailer, or other dealer in a quantity in excess of the reasonable requirements of his business for use or sale by him for a reasonable time, or reasonably required to furnish necessaries produced in surplus quantities seasonally throughout the period of scant or no production; or (c) withheld, whether by possession or under any contract or arrangement, from the market by any person for the purpose of unreasonably increasing or diminishing the price: *Provided*, That this section shall not include or relate to transactions on any exchange, board of trade, or similar institution or place of business as described in section 13 of this act that may be permitted by the President under the authority conferred upon him by said section 13: *Provided, however*, That any accumulating or withholding by any farmer or gardener, cooperative association of farmers or gardeners, including live-stock farmers, or any other person, of the products of any farm, garden, or other land owned, leased, or cultivated by him shall not be deemed to be hoarding within the meaning of this act.

SEC. 7. That whenever any necessaries shall be hoarded as defined in section 6 they shall be liable to be proceeded against in any district court of the United States within the district where the same are found and seized by a process of libel for condemnation, and if such necessaries shall be adjudged to be hoarded they shall be disposed of by sale in such manner as to provide the most equitable distribution thereof as the court may direct, and the proceeds thereof, less the legal costs and charges, shall be paid to the party entitled thereto. The proceedings of such libel cases shall conform as near as may be to the proceedings in admiralty, except that either party may demand trial by jury of any issue of fact joined in any such case, and all such proceedings shall be at the suit of and in the name of the United States. It shall be the duty of the United States attorney for the proper district to institute and prosecute any such action upon presentation to him of satisfactory evidence to sustain the same.

SEC. 8. That any person who willfully destroys any necessaries for the purpose of enhancing the price or restricting the supply thereof shall, upon conviction thereof, be fined not exceeding $5,000 or imprisoned for not more than two years, or both.

SEC. 9. That any person who conspires, combines, agrees, or arranges with any other person (a) to limit the facilities for transporting, producing, manufacturing, supplying, storing, or dealing in any necessaries; (b) to restrict the supply of any necessaries; (c) to restrict the distribution of any necessaries; (d) to prevent, limit, or lessen the manufacture or production of any necessaries in order to enhance the price thereof, shall, upon conviction thereof, be fined not exceeding $10,000 or be imprisoned for not more than two years, or both.

SEC. 10. That the President is authorized, from time to time, to requisition foods, feeds, fuels, and other supplies necessary to the support of the Army or the maintenance of the Navy, or any other public use connected with the common defense, and to requisition, or otherwise provide, storage facilities for such supplies; and he shall ascertain and pay a just compensation therefor. If the compensation so determined be not satisfactory to the person entitled to receive the same, such person shall be paid 75 per cent of the amount so determined by the President, and shall be entitled to sue the United States to recover such further sum as, added to said 75 per cent will make up such amount as will be just compensation for such necessaries or storage space, and jurisdiction is hereby conferred on the United States district courts to hear and determine all such controversies: *Provided*, That nothing in this section, or in the section that follows, shall be construed to require any natural person to furnish to the Government any necessaries held by him and reasonably required for consumption or use by himself

and dependents, nor shall any person, firm, corporation, or association be required to furnish to the Government any seed necessary for the seeding of land owned, leased, or cultivated by them.

SEC. 11. That the President is authorized from time to time to purchase, to store, to provide storage facilities for, and to sell for cash at reasonable prices, wheat, flour, meal, beans, and potatoes: *Provided*, That if any minimum price shall have been theretofore fixed, pursuant to the provisions of section 14 of this act, then the price paid for any such articles so purchased shall not be less than such minimum price. Any moneys received by the United States from or in connection with the disposal by the United States of necessaries under this section may, in the discretion of the President, be used as a revolving fund for further carrying out the purposes of this section. Any balance of such moneys not used as part of such revolving fund shall be covered into the Treasury as miscellaneous receipts.

SEC. 12. That whenever the President shall find it necessary to secure an adequate supply of necessaries for the support of the Army or the maintenance of the Navy, or for any other public use connected with the common defense, he is authorized to requisition and take over, for use or operation by the Government, any factory, packing house, oil pipe line, mine, or other plant, or any part thereof, in or through which any necessaries are or may be manufactured, produced, prepared, or mined, and to operate the same. Whenever the President shall determine that the further use or operation by the Government of any such factory, mine, or plant, or part thereof, is not essential for the national security or defense, the same shall be restored to the person entitled to the possession thereof. The United States shall make just compensation, to be determined by the President, for the taking over, use, occupation, and operation by the Government of any such factory, mine, or plant, or part thereof. If the compensation so determined be unsatisfactory to the person entitled to receive the same, such person shall be paid 75 per cent of the amount so determined by the President, and shall be entitled to sue the United States to recover such further sum as, added to said 75 per cent, will make up such amount as will be just compensation, in the manner provided by section 24, paragraph 20, and section 145 of the Judicial Code. The President is authorized to prescribe such regulations as he may deem essential for carrying out the purposes of this section, including the operation of any such factory, mine, or plant, or part thereof, the purchase, sale, or other disposition of articles used, manufactured, produced, prepared, or mined therein, and the employment, control, and compensation of employees. Any moneys received by the United States from or in connection with the use or operation of any such factory, mine, or plant, or part thereof, may, in the discretion of the President, be used as a revolving fund for the purpose of the continued use or operation of any such factory, mine, or plant, or part thereof, and the accounts of each such factory, mine, plant, or part thereof, shall be kept separate and distinct. Any balance of such moneys not used as part of such revolving fund shall be paid into the Treasury as miscellaneous receipts.

SEC. 13. That whenever the President finds it essential in order to prevent undue enhancement, depression, or fluctuation of prices of, or in order to prevent injurious speculation in, or in order to prevent unjust market manipulation or unfair and misleading market quotations of the prices of necessaries, hereafter in this section called evil practices, he is authorized to prescribe such regulations governing, or may either wholly or partly prohibit, operations, practices, and transactions at, on, in, or under the rules of any exchange, board of trade, or similar institution or place of business as he may find essential in order to prevent, correct, or remove such evil practices. Such regulations may require all persons coming within their provisions to keep such records and statements of account, and may require such persons to make such returns, verified under oath or otherwise, as will fully and correctly disclose all transactions at, in, or on, or under the rules of any such exchange, board of trade, or similar institution or place of business, including the making, execution, settlement, and fulfillment thereof. He may also require all persons acting in the capacity of a clearing house, clearing association, or similar institution, for the purpose of clearing, settling, or adjusting transactions at, in, or on, or under the rules of any such exchange, board of trade, or similar institution or place of business, to keep such records and to make such returns as will fully and correctly disclose all facts in their possession relating to such transactions, and he may appoint agents to conduct the investigations necessary to enforce the provisions of this section and all rules and regulations made by him in pursuance thereof, and may fix and pay the compensation of such agents. Any person who willfully violates any regulation made pursuant to this section, or who knowingly engages in any operation, practice, or transaction prohibited pursuant to this section, or who willfully aids or abets any such violation or any such prohibited operation, practice, or transaction, shall, upon conviction thereof, be punished by a fine not exceeding $10,000 or by imprisonment for not more than four years, or both.

SEC. 14. That whenever the President shall find that an emergency exists requiring stimulation of the production of wheat and that it is essential that the producers of wheat, produced within the United States, shall have the benefits of the guaranty provided for in this section, he is authorized, from time to time, seasonably and as far in advance of seeding time as practicable, to determine and fix and to give public notice of what, under specified conditions, is a reasonable guaranteed price for wheat, in order to assure such producers a reasonable profit. The President shall thereupon fix such guaranteed price for each of the official grain standards for wheat as established under the United States grain standards act, approved August 11, 1916. The President shall from time to time establish and promulgate such regulations as he shall deem wise in connection with such guaranteed prices, and in particular governing conditions of delivery and payment, and differences in price for the several standard grades in the principal primary markets of the United States, adopting No. 1 northern spring or its equivalent at the principal interior primary markets as the basis. Thereupon the Government of the United States hereby guarantees every producer of wheat produced within the United States that, upon compliance by him with the regulations prescribed, he shall receive for any wheat produced in reliance upon this guarantee within the period, not exceeding 18 months, prescribed in the notice, a price not less than the guaranteed price therefor as fixed pursuant to this section. In such regulations the President shall prescribe the terms and conditions upon which any such producer shall be entitled to the benefits of such guaranty. The guaranteed prices for the several standard grades of wheat for the crop of 1918 shall be based upon No. 1 northern spring or its equivalent at not less than $2 per bushel at the principal interior primary markets. This guaranty shall not be dependent upon the action of the President under the first part of this section, but is hereby made absolute and shall be binding until May 1, 1919. When the President finds that the importation into the United States of any wheat produced outside of the United States materially enhances or is likely materially to enhance the liabilities of the United States under guaranties of prices therefor made pursuant to this section, and ascertains what rate of duty, added to the then existing rate of duty on wheat and to the value of wheat at the time of importation, would be sufficient to bring the price thereof at which imported up to the price fixed therefor pursuant to the foregoing provisions of this section, he shall proclaim such facts, and thereafter there shall be levied, collected, and paid upon wheat when imported, in addition to the then existing rate of duty, the rate of duty so ascertained; but in no case shall any such rate of duty be fixed at an amount which will effect a reduction of the rate of duty upon wheat under any then existing tariff law of the United States. For the purpose of making any guaranteed price effective under this section, or whenever he deems it essential in order to protect the Government of the United States against material enhancement of its liabilities arising out of any guaranty under this section, the President is authorized also, in his discretion, to purchase any wheat for which a guaranteed price shall be fixed under this section, and to hold, transport, or store it, or to sell, dispose of, and deliver the same to any citizen of the United States or to any Government engaged in war with any country with which the Government of the United States is or may be at war or to use the same as supplies for any department or agency of the Government of the United States. Any moneys received by the United States from or in connection with the sale or disposal of wheat under this section may, in the discretion of the President, be used as a revolving fund for further carrying out the purposes of this section. Any balance of such moneys not used as part of such revolving fund shall be covered into the Treasury as miscellaneous receipts.

SEC. 15. That from and after 30 days from the date of the approval of this act no foods, fruits, food materials, or feeds shall be used in the production of distilled spirits for beverage purposes: *Provided*, That under such rules, regulations, and bonds as the President may prescribe such materials may be used in the production of distilled spirits exclusively for other than beverage purposes, or for the fortification of pure sweet wines as defined by the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916. Nor shall there be imported into the United States any distilled spirits. Whenever the President shall find that limita-

tion, regulation, or prohibition of the use of foods, fruits, food materials, or feeds in the production of malt or vinous liquors for beverage purposes, or that reduction of the alcoholic content of any such malt or vinous liquor, is essential, in order to assure an adequate and continuous supply of food, or that the national security and defense will be subserved thereby, he is authorized, from time to time, to prescribe and give public notice of the extent of the limitation, regulation, prohibition, or reduction so necessitated. Whenever such notice shall have been given and shall remain unrevoked no person shall, after a reasonable time prescribed in such notice, use any foods, fruits, food materials, or feeds in the production of malt or vinous liquors, or import any such liquors except under license issued by the President and in compliance with rules and regulations determined by him governing the production and importation of such liquors and the alcoholic content thereof. Any person who willfully violates the provisions of this section, or who shall use any foods, fruits, food materials, or feeds in the production of malt or vinous liquors, or who shall import any such liquors, without first obtaining a license so to do when a license is required under this section, or who shall violate any rule or regulation made under this section, shall be punished by a fine not exceeding $5,000, or by imprisonment for not more than two years, or both: *Provided further*, That nothing in this section shall be construed to authorize the licensing of the manufacture of vinous or malt liquors in any State, Territory, or the District of Columbia, or any civil subdivision thereof, where the manufacture of such vinous or malt liquor is prohibited.

SEC. 16. That the President is authorized and directed to commandeer any or all distilled spirits in bond or in stock at the date of the approval of this act for redistillation, in so far as such redistillation may be necessary to meet the requirements of the Government in the manufacture of munitions and other military and hospital supplies, or in so far as such redistillation would dispense with the necessity of utilizing products and materials suitable for foods and feeds in the future manufacture of distilled spirits for the purposes herein enumerated. The President shall determine and pay a just compensation for the distilled spirits so commandeered; and if the compensation so determined be not satisfactory to the person entitled to receive the same, such person shall be paid 75 per cent of the amount so determined by the President and shall be entitled to sue the United States to recover such further sum as, added to said 75 per cent, will make up such amount as will be just compensation for such spirits, in the manner provided by section 24, paragraph 20, and section 145 of the Judicial Code.

SEC. 17. That every person who willfully assaults, resists, impedes, or interferes with any officer, employee, or agent of the United States in the execution of any duty authorized to be performed by or pursuant to this act shall, upon conviction thereof, be fined not exceeding $1,000 or be imprisoned for not more than one year, or both.

SEC. 18. That the sum of $2,500,000 is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, to be available until June 30, 1918, for the payment of such rent, the expense, including postage, of such printing and publications, the purchase of such material and equipment, and the employment of such persons and means, in the city of Washington and elsewhere, as the President may deem essential.

SEC. 19. That for the purposes of this act the sum of $150,000,000 is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, to be available during the time this act is in effect: *Provided*, That no part of this appropriation shall be expended for the purposes described in the preceding section: *Provided further*, That itemized statements covering all purchases and disbursements under this and the preceding section shall be filed with the Secretary of the Senate and the Clerk of the House of Representatives on or before the 25th day of each month after the taking effect of this act, covering the business of the preceding month, and said statements shall be subject to public inspection.

SEC. 20. That the employment of any person under the provisions of this act shall not exempt any such person from military service under the provisions of the selective-draft law approved May 18, 1917.

SEC. 21. The President shall cause a detailed report to be made to the Congress on the 1st day of January each year of all proceedings had under this act during the year preceding. Such report shall, in addition to other matters, contain an account of all persons appointed or employed, the salary or compensation paid or allowed each, the aggregate amount of the different kinds of property purchased or requisitioned, the use and disposition made of such property, and a statement of all receipts, payments, and expenditures, together with a statement showing the general character and estimated value of all property then on hand, and the aggregate amount and character of all claims against the United States growing out of this act.

SEC. 22. That if any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

SEC. 23. That words used in this act shall be construed to import the plural or the singular, as the case demands. The word "person," wherever used in this act, shall include individuals, partnerships, associations, and corporations. When construing and enforcing the provisions of this act, the act, omission, or failure of any official, agent, or other person acting for or employed by any partnership, association, or corporation within the scope of his employment or office shall, in every case, also be deemed the act, omission, or failure of such partnership, association, or corporation as well as that of the person.

SEC. 24. That the provisions of this act shall cease to be in effect when the existing state of war between the United States and Germany shall have terminated, and the fact and date of such termination shall be ascertained and proclaimed by the President; but the termination of this act shall not affect any act done, or any right or obligation accruing or accrued, or any suit or proceeding had or commenced in any civil case before the said termination pursuant to this act; but all rights and liabilities under this act arising before its termination shall continue and may be enforced in the same manner as if the act had not terminated. Any offense committed and all penalties, forfeitures, or liabilities incurred prior to such termination may be prosecuted or punished in the same manner and with the same effect as if this act had not been terminated.

SEC. 25. That the President of the United States shall be, and he is hereby, authorized and empowered, whenever and wherever in his judgment necessary for the efficient prosecution of the war, to fix the price of coal and coke, wherever and whenever sold, either by producer or dealer, to establish rules for the regulation of and to regulate the method of production, sale, shipment, distribution, apportionment, or storage thereof among dealers and consumers, domestic or foreign; said authority and power may be exercised by him in each case through the agency of the Federal Trade Commission during the war or for such part of said time as in his judgment may be necessary.

That if, in the opinion of the President, any such producer or dealer fails or neglects to conform to such prices or regulations, or to conduct his business efficiently under the regulations and control of the President as aforesaid, or conducts it in a manner prejudicial to the public interest, then the President is hereby authorized and empowered in every such case to requisition and take over the plant, business, and all appurtenances thereof belonging to such producer or dealer as a going concern, and to operate or cause the same to be operated in such manner and through such agency as he may direct during the period of the war or for such part of said time as in his judgment may be necessary.

That any producer or dealer whose plant, business, and appurtenances shall have been requisitioned or taken over by the President shall be paid a just compensation for the use thereof during the period that the same may be requisitioned or taken over as aforesaid, which compensation the President shall fix or cause to be fixed by the Federal Trade Commission.

That if the prices so fixed, or if, in the case of the taking over or requisitioning of the mines or business of any such producer or dealer, the compensation therefor as determined by the provisions of this act be not satisfactory to the person or persons entitled to receive the same, such person shall be paid 75 per cent of the amount so determined, and shall be entitled to sue the United States to recover such further sum as, added to said 75 per cent, will make up such amount as will be just compensation in the manner provided by section 24, paragraph 20, and section 145 of the Judicial Code.

While operating or causing to be operated any such plants or business, the President is authorized to prescribe such regulations as he may deem essential for the employment, control, and compensation of the employees necessary to conduct the same.

Or if the President of the United States shall be of the opinion that he can thereby better provide for the common defense, and whenever, in his judgment, it shall be necessary for the efficient prosecution of the war, then he is hereby authorized and empowered to require any or all producers of coal and coke, either in any special area or in any special coal fields, or in the entire United States, to sell their products only to the United

States through an agency to be designated by the President, such agency to regulate the resale of such coal and coke, and the prices thereof, and to establish rules for the regulation of and to regulate the methods of production, shipment, distribution, apportionment, or storage thereof among dealers and consumers, domestic or foreign, and to make payment of the purchase price thereof to the producers thereof, or to the person or persons legally entitled to said payment.

That within 15 days after notice from the agency so designated to any producer of coal and coke that his, or its, output is to be so purchased by the United States as hereinbefore described, such producer shall cease shipments of said product upon his own account and shall transmit to such agency all orders received and unfilled or partially unfilled, showing the exact extent to which shipments have been made thereon, and thereafter all shipments shall be made only on authority of the agency designated by the President, and thereafter no such producer shall sell any of said products except to the United States through such agency, and the said agency alone is hereby authorized and empowered to purchase during the continuance of the requirement the output of such producers.

That the prices to be paid for such products so purchased shall be based upon a fair and just profit over and above the cost of production, including proper maintenance and depletion charges, the reasonableness of such profits and cost of production to be determined by the Federal Trade Commission, and if the prices fixed by the said commission of any such product purchased by the United States as hereinbefore described be unsatisfactory to the person or persons entitled to receive the same, such person or persons shall be paid 75 per cent of the amount so determined and shall be entitled to sue the United States to recover such further sum as added to said 75 per cent will make up such amount as will be just compensation in the manner provided by section 24, paragraph 20 and section 145 of the Judicial Code. All such products so sold to the United States shall be sold by the United States at such uniform prices, quality considered, as may be practicable and as may be determined by said agency to be just and fair.

Any moneys received by the United States for the sale of any such coal and coke may, in the discretion of the President, be used as a revolving fund for further carrying out the purposes of this section. Any moneys not so used shall be covered into the Treasury as miscellaneous receipts.

That when directed by the President, the Federal Trade Commission is hereby required to proceed to make full inquiry, giving such notice as it may deem practicable, into the cost of producing under reasonably efficient management at the various places of production the following commodities, to wit: Coal and coke.

The books, correspondence, records, and papers in any way referring to transactions of any kind relating to the mining, production, sale, or distribution of all mine operators or other persons whose coal and coke have or may become subject to this section, and the books, correspondence, records, and papers of any person applying for the purchase of coal and coke from the United States shall at all times be subject to inspection by the said agency, and such person or persons shall promptly furnish said agency any data or information relating to the business of such person or persons which said agency may call for, and said agency is hereby authorized to procure the information in reference to the business of such coal-mine operators and producers of coke and customers therefor in the manner provided for in sections 6 and 9 of the act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and said agency is hereby authorized and empowered to exercise all the powers granted to the Federal Trade Commission by said act for the carrying out of the purposes of this section.

Having completed its inquiry respecting any commodity in any locality it shall, if the President has decided to fix the prices at which any such commodity shall be sold by producers and dealers generally, fix and publish maximum prices for both producers of and dealers in any such commodity, which maximum prices shall be observed by all producers and dealers until further action thereon is taken by the commission.

In fixing maximum prices for producers the commission shall allow the cost of production, including the expense of operation, maintenance, depreciation, and depletion, and shall add thereto a just and reasonable profit.

In fixing such prices for dealers, the commission shall allow the cost to the dealer and shall add thereto a just and reasonable sum for his profit in the transaction.

The maximum prices so fixed and published shall not be construed as invalidating any contract in which prices are fixed, made in good faith, prior to the establishment and publication of maximum prices by the commission.

Whoever shall, with knowledge that the prices of any such commodity have been fixed as herein provided, ask, demand, or receive a higher price or whoever shall, with knowledge that the regulations have been prescribed as herein provided, violate or refuse to conform to any of the same, shall, upon conviction, be punished by a fine of not more than $5,000 or by imprisonment for not more than two years, or both. Each independent transaction shall constitute a separate offense.

Nothing in this section shall be construed as restricting or modifying in any manner the right the Government of the United States may have in its own behalf or in behalf of any other Government at war with Germany to purchase, requisition, or take over any such commodities for the equipment, maintenance, or support or armed forces at any price or upon any terms that may be agreed upon or otherwise lawfully determined.

SEC. 26. That any person carrying on or employed in commerce among the several States, or with foreign nations, or with or in the Territories or other possessions of the United States in any article suitable for human food, fuel, or other necessaries of life, who, either in his individual capacity or as an officer, agent, or employee of a corporation or member of a partnership carrying on or employed in such trade, shall store, acquire, or hold, or who shall destroy or make away with any such article for the purpose of limiting the supply thereof to the public or affecting the market price thereof in such commerce, whether temporarily or otherwise, shall be deemed guilty of a felony and, upon conviction thereof, shall be punished by a fine of not more than $5,000, or by imprisonment for not more than two years, or both: *Provided*, That any storing or holding by any farmer, gardener, or other person of the products of any farm, garden, or other land cultivated by him shall not be deemed to be a storing or holding within the meaning of this act: *Provided further*, That farmers and fruit growers, cooperative and other exchanges, or societies of a similar character shall not be included within the provisions of this section: *Provided further*, That this section shall not be construed to prohibit the holding or accumulating of any such article by any such person in a quantity not in excess of the reasonable requirements of his business for a reasonable time or in a quantity reasonably required to furnish said articles produced in surplus quantities seasonally throughout the period of scant or no production. Nothing contained in this section shall be construed to repeal the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies," approved July 2, 1890, commonly known as the Sherman Antitrust Act.

SEC. 27. That the President is authorized to procure, or aid in procuring, such stock of nitrate of soda as he may determine to be necessary, and find available, for increasing agricultural production during the calendar years 1917–18, and to dispose of the same for cash at cost, including all expenses connected therewith. For carrying out the purposes of this section, there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, available immediately and until expended, the sum of $10,000,000, or so much thereof as may be necessary, and the President is authorized to make such regulations, and to use such means and agencies of the Government as, in his discretion, he may deem best. The proceeds arising from the disposition of the nitrate of soda shall go into the Treasury as miscellaneous receipts.

Mr. NORRIS. Now, I ask unanimous consent that the bill be printed in bill form in parallel columns showing the bill as agreed to by the conferees and the bill as it passed the Senate.

Mr. CHAMBERLAIN. That is what was practically done by the committee itself in the print that was made.

Mr. NORRIS. There was also the House part of it, all in one print.

Mr. CHAMBERLAIN. I have no objection to the Senator's request if it does not involve delay.

Mr. NORRIS. I am not in favor of any delay, but I take it the Senator does not expect to conclude the debate and reach a vote on the conference report to-day.

Mr. CHAMBERLAIN. I hope so, Mr. President.

Mr. NORRIS. My own idea is that the debate will not be concluded to-day.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and it is so ordered.

Mr. NORRIS subsequently said: Mr. President, I have just been talking with the printing clerk of the Senate, who would have to carry out the order for printing the food bill in parallel

columns, which was made at my request and some other Senators. I find that it is almost an impossibility to carry out that order, inasmuch as the conference agreement is composed of some matters which were put in by the other House, some of which were put in by the Senate, others which were put in by the conferees, and some portions stricken out by the Senate, and then restored by the conferees. So it would be a very difficult matter to carry out the order. On an examination of the committee print now before us I have reached the conclusion that it shows the bill in its present condition better than would a parallel-column print. I therefore ask that the order be rescinded.

The PRESIDENT pro tempore. The Senator from Nebraska asks unanimous consent that the order for the printing of the food-control bill, so-called, in parallel columns be rescinded. Is there objection? There being no objection, it will be so ordered.

Mr. BRANDEGEE. Mr. President, it is understood that the order which was granted at my request will stand?

The PRESIDENT pro tempore. That was a separate order, the Chair will say to the Senator from Connecticut, and it stands.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4961) to provide further for the national security and defense, by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4188) to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products.

The message also announced that the House had passed a concurrent resolution authorizing the printing, with illustrations, of 100,000 copies of the speech of Hon. FREDERICK C. HICKS, of New York, delivered in the House of Representatives on June 14, 1917, on the "Flag of the United States," etc., in which it requested the concurrence of the Senate.

The message further announced that the House had passed a concurrent resolution authorizing the Clerk, in the enrollment of the bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, to number the sections following section 4 of the bill in consecutive numerical order, etc., in which it requested the concurrence of the Senate.

CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum, and then let us get through with the morning's business.

The PRESIDENT pro tempore. The Senator from Utah suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Husting	Nelson	Smith, Ga.
Bankhead	James	New	Smith, Md
Beckham	Johnson, Cal.	Norris	Smith, S. C.
Brady	Jones, N. Mex.	Overman	Smoot
Brandegee	Jones, Wash.	Page	Sterling
Chamberlain	Kellogg	Penrose	Stone
Culberson	Kendrick	Phelan	Sutherland
Cummins	Kenyon	Pittman	Thompson
Curtis	King	Poindexter	Trammell
Fernald	Kirby	Pomerene	Vardaman
Fletcher	Knox	Ransdell	Wadsworth
France	La Follette	Robinson	Warren
Gore	McCumber	Saulsbury	Weeks
Gronna	McKellar	Shafroth	Williams
Harding	McNary	Sheppard	
Hitchcock	Martin	Sherman	
Hollis	Myers	Simmons	

Mr. CURTIS. I desire to announce the unavoidable absence of the senior Senator from New Hampshire [Mr. GALLINGER] for the present. I wish this announcement to stand for the day.

Mr. PAGE. I wish to announce the unavoidable absence of my colleague [Mr. DILLINGHAM]. He is paired with the senior Senator from Maryland [Mr. SMITH]. I should like to have this announcement stand for the day.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness. I will let this stand for the day. My colleague is paired with the senior Senator from North Dakota [Mr. MCCUMBER].

The PRESIDENT pro tempore. My colleague [Mr. WOLCOTT] is detained from the Senate by important business and will not be able to be here to-day.

Mr. MCKELLAR. I desire to announce the unavoidable absence of my colleague [Mr. SHIELDS] on account of illness in his family. I should like to have this announcement stand for the day.

Mr. SUTHERLAND. I wish to announce the absence of my colleague, the senior Senator from West Virginia [Mr. GOFF], on account of illness. I will let this stand for the day.

Mr. THOMPSON. I desire to announce that the Senator from Illinois [Mr. LEWIS] and the Senator from Rhode Island [Mr. GERRY] are detained on important public business.

Mr. JAMES. I wish to announce that the Senator from New Jersey [Mr. HUGHES] is detained from the Senate on account of illness.

The PRESIDENT pro tempore. Sixty-five Senators have answered to their names. There is a quorum present. The presentation of petitions and memorials is in order.

PETITIONS AND MEMORIALS.

Mr. PHELAN presented a petition of the Woman's Christian Temperance Union of Cupertino, Cal., praying for the establishment of a moral zone around the concentration camps of the Army, which was ordered to lie on the table.

Mr. NORRIS. I ask to have printed in the RECORD some resolutions adopted by the National Editorial Association favoring zone postage rates for second-class matter and for the governmental control through the instrumentality of the Trade Commission of print-paper prices and distribution, and also relating to the special newspaper-profits tax.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Resolutions addressed to Congress adopted by the National Editorial Association in convention at Minneapolis, Minn., July 9 to 12, 1917.

FAVORING "ZONE" POSTAGE RATES.

Whereas the members of the National Editorial Association are deeply interested in pending legislation before the Congress of the United States affecting rates of postage on second-class mail matter; and

Whereas it seems advisable to state the position of the country press on this important question: It is hereby

Resolved, That this association, as representative of the country press, hereby indorses the so-called zone system of rates on second-class mail matter and urges Congress to enact legislation based on this principle, with a charge of not exceeding 5 cents per pound for the farthest zone.

FOR TRADE COMMISSION CONTROL OF PRINT-PAPER PRICES AND DISTRIBUTION.

Whereas for the past 18 months there has been a determined and persistent effort on the part of the print-paper manufacturers and jobbers to create a panic market for print paper; and

Whereas for several months they succeeded in making the publishers believe that there was good and sufficient reasons for the extraordinary prices they were charging, but during the past seven or eight months it has been clearly demonstrated by the investigations of the Federal Trade Commission and by your legislative committee that there was and is no good reason for the large advances made, as the Trade Commission clearly demonstrated that there has been but a very slight increase in the cost of manufacture: Therefore be it

Resolved, That the National Editorial Association in convention assembled at Minneapolis calls upon Congress to pass legislation immediately that will give the Federal Trade Commission power to fix prices and operate the mills and distribute the print paper manufactured in the United States during the period of the present war, in accordance with the recommendations of the Trade Commission in its report to Congress; and further be it

Resolved, That arrangements be made with the Canadian Government so that the print paper manufactured in Canada and shipped into this country shall also be handled by the Trade Commission, in order that all the publishers of the United States may be provided with sufficient paper at a reasonable price.

SPECIAL NEWSPAPER-PROFITS TAX.

Whereas the National Editorial Association believes that it is the intention of Congress to levy taxes in a just and equitable manner; and

Whereas the newspapers of the country are taxed on their incomes, taxed as corporations, if they are corporations, and, if any of them make excess profits, are taxed on the excess profits, the same as every other business: Therefore be it

Resolved, That, in the judgment of the convention, it will be unjust to levy the special tax of 5 per cent on profits exceeding $4,000 earned by any newspaper, and we most earnestly urge Congress to remove this tax, which is in the bill as now before the United States Senate. We are willing to bear our just share of burdens for the conduct of the present war, but do not believe that there should be an additional tax placed upon us that is not placed upon other business.

Mr. MCKELLAR. I desire to have printed in the RECORD certain letters and telegrams from citizens of Tennessee in the nature of petitions.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MEMPHIS, TENN., *July 27, 1917.*

Hon. K. D. MCKELLAR,
Washington, D. C.

DEAR SIR: Section 304 of the revenue bill as it stands would work an injustice and hardship on every druggist and manufacturer of preparations containing grain alcohol.

We would request that you have the following omitted from the section (whether in the original condition, mixed, or combined with any other articles). This section is objectionable for a number of reasons:

In the first place, it is retroactive and will require a payment of the tax on goods already purchased and paid for and upon which the manufacturer has already in many cases fixed a resale price.

In the second place, almost every drug stock, wholesale and retail, has some articles that are unsalable or of very slow sale. If these contain even a trace of alcohol, the tax will apply also to them, thus adding an unwarranted tax to practically dead stock.

In the third place, when this additional tax has been removed, the article containing the alcohol on which the tax has been paid will come in competition with newly manufactured articles, upon which the additional tax does not have to be paid, and the result will be a loss of value.

In the fourth place, the tax is impractical of administration and can produce very little revenue to the Government; we all know that there are literally thousands of preparations in the drug business which contain all the way from a trace of alcohol to less than what might be considered a considerable amount. A large number of these preparations are in packages containing comparatively few ounces and in which the alcoholic content is very small. If the Government is to attempt to figure this alcoholic content to assess and collect tax upon it, the expense of determining and collecting the tax will leave little, if any, net revenue.

In the fifth place, the tax is discriminatory. The drug trade is already bearing more than its fair share of taxation and should not be burdened with this.

So will ask you to use your influence to have the parts above which are objectionable stricken from the bill, and very much oblige.

Yours, very truly,

VAN VLEET-MANSFIELD DRUG CO.,
Per W. G. BEST, *Manager.*

—

CHATTANOOGA, TENN., *August 1, 1917.*

Hon. KENNETH MCKELLAR,
Senate Chamber, Washington, D. C.

MY DEAR SENATOR: Senate bill No. 2660, introduced by Senator BROUSSARD, of Louisiana, corrects a very serious injustice to the medicine and drug trade which has been done by the Post Office Department ruling that ethyl alcohol is an intoxicating liquor, and which would mean that advertisements of medicines containing alcohol could not be mailed.

Senator BROUSSARD'S bill makes an exception of ethyl alcohol for governmental, scientific, medicinal, manufacturing, and industrial purposes, and would clear the matter up in a very satisfactory way.

I trust you will use your influence in the committee to report this bill favorably, as it is a matter of great importance to us and many of our friends in this State.

Thanking you in advance for your consideration, I remain,

Very truly, yours,

THE CHATTANOOGA MEDICINE CO.,
Z. C. PATTEN, Jr., *President.*

—

KNOXVILLE, TENN., *July 24, 1917.*

Hon. KENNETH D. MCKELLAR,
United States Senate, Washington, D. C.

DEAR SENATOR: As you know, the Senate Finance Committee reported in favor of a war tax of 1 cent each on out-of-town letters with no tax on drop letters and postal cards, which already pay a profit of 300 to 700 per cent.

We also understand that since the liquor legislation was passed in the Senate that the bill has been returned to the committee for the purpose of having them provide for a large revenue.

We want you to know that we loyally favor the 1-cent war tax on out-of-town letters, and hope you will support same.

We also ask you to oppose with all your might any war tax on drop letters and postals now paying a profit of over 300 to 700 per cent.

As you know, second-class mail matter is being distribuated at an annual loss of over $80,000,000. Why not advance their rate enough to at once reduce that loss one-half and use this revenue for war purposes as long as needed and afterwards for the purpose of giving us 1-cent letter postage?

We understand certain Members of the Senate and House are going to make a vigorous fight for the legislation outlined above, and beg to request that you be one of those to lead in this fight.

Kindly let us hear from you, and oblige,

Very respectfully, yours,

WALTER E. AUBIN.

—

CHATTANOOGA, TENN., U. S. A., *July 19, 1917.*

Senator KENNETH D. MCKELLAR,
Care United States Senate, Washington, D. C.

DEAR SIR: We have noticed with a great deal of interest your fight for economical and clean deal on the part of the various boards and committees having charge of the war situation.

We know that your hands are more than full and doubtless you are annoyed with many suggestions. On several occasions the writer has been asked to go down to Chickamauga Park and consult with some of the authorities there relative to handling certain conditions and situation here in Chattanooga. While at the park we have been wonderfully surprised to see the tremendous waste going on there daily in foodstuffs as well as other material.

It would pay the United States Government 100 per cent to have an honest inspector who would look after food economy in this camp, and we suppose that this is true, perhaps, in all other camps of this character. There is a daily waste at Chickamauga of 100 pounds of bread that is fed to the hogs being raised by people who buy slop from the camp. One party told us yesterday that he got daily perhaps 300 to 400 pounds, all too when flour is selling for from $13 to $14 per barrel, which is a little wasteful, especially in view of the fact that our Government is warning the people to economize in foodstuffs.

We do not know on what basis the contract was let for building the cantonment at Chickamauga Park. From the awful waste of material we would judge that it was on the percentage basis. Any wise contractor could have saved from one-third to one-half of the material used in this building. This would apply especially to the lumber and roofing material.

It might be unwise to take your time in mentioning these matters, but we have done so, seeing your interest in trying to influence the Government authorities to work these matters on an honest and economic basis.

A matter about which we are very much concerned is the coal situation. We kindly desire to state that Secretary of War Baker was exceedingly correct in his criticism of the Government authorities on that question of the coal operators covering their outrageous prices named by that conference.

These prices are more than 100 per cent in excess of what they were a few months ago. It is, of course, but natural to expect that coal prices, like everything else, would run up by war conditions, but the prices made by the war conference with the coal operators are almost prohibitive on the manufacturer, and one of the most unjust features of this price is the fact that they make but little difference between the high-grade coal to be used in domestic affairs and the low-grade coal that can be used in the manufacturing plants. Less than 12 months ago we made a contract for nut and slack coal at $1.40 delivered at our plant in Chattanooga. According to to-day's Government figures agreed upon with the coal operators this same coal would to-day cost us $4.05 per ton, and this is, indeed, about what it is costing us.

The coal operators of this section are simply gloating over the terms that they have made with the Government, and what a great majority of our working people and the poorer people are to do this winter for coal is a problem. Something ought to be done to correct these tremendous evils.

Respectfully,

TENNESSEE COFFIN & CASKET CO.,
T. C. BETTERTON,
Secretary and Manager.

—

NASHVILLE, TENN., *August 1, 1917.*

Hon. KENNETH D. MCKELLAR,
United States Senate, Washington, D. C.

DEAR SIR: At a meeting of the Nashville Manufacturers' Association, held at the Commercial Club of Nashville, Wednesday, August 1, 1917, it was unanimously ordered that this association go on record with our Representative in Washington as being opposed to some features of the seeming proposed methods of taxing manufacturers, as are now being considered in the United States Senate.

This association in no way desires to appear in the attitude of shirking from a proper proportionate part of the tax burdens, and assures the Government its loyal allegiance in all of its efforts to bear the tremendous expense of bringing to an end the world's greatest war.

We feel that Congress is liable to impose the excess tax to some extent in an inequitable way. Smaller manufacturers, who have not enjoyed more than a normal profit and whose capitalization is conservatively low—without water—under the present proposed plan, it seems to us, will be taxed a heavier proportion than the larger manufacturers who have enjoyed large and extremely profitable contracts and who have large and excessive capitalization.

We are opposed to making the war tax retroactive and think that past business should not be taxed, which only means an additional burden on present business.

We are opposed to the Government undertaking to pay its war bills in too short a period of time. With the exception of some special classes of manufacture the regular run of factory profits will not be able to stand the pressure.

It appears to us at this time that our war expense will run as high as $25,000,000,000. Supposing this is the amount to be cared for, in our opinion our Government would subject most manufacturers to a great and severe loss and hardship to undertake to care for this amount in less time than 25 years.

We urge our representatives in Congress to use their best efforts to defeat any measure which, in the distribution of tax burdens, is not equitable to all classes of business, individuals, and to proper period of time.

Yours, very truly,

NASHVILLE MANUFACTURERS' ASSOCIATION,
L. G. ARCHER, *Secretary-Manager.*

—

EXCESS WAR TAX VERSUS THE SOUTHERN JOBBER.

KNOXVILLE, TENN., *August 2, 1917.*

Hon. KENNETH D. MCKELLAR,
United States Senate, Washington, D. C.

DEAR SENATOR: If your honor pleases, we crave permission to plead for the defense of this cause, not according to the law, perhaps, for we know know it not, unless it be the old adage that all law is founded on equity, but rather from the actual facts as found by us in our business experience, which experience prompts us to say that in our opinion the proposed Senate Finance Committee bill regardinging income and excess profit is discriminating and inequitable in its application, extremely expensive in its assessment and collection, and so complex that the average layman will be compelled to call in a Treasury expert before he can figure it out correctly.

In order to put this properly before you as we see it, we are submitting herewith a hypothetical case (Exhibit A) showing the presumed tax return of an average southern jobber in our line under actual conditions, on which we beg to comment as follows:

The first item, 4 per cent direct tax on actual net income is easily understood and fair in its application, just, and equitable, as it plays no favorites and asks each man coming under its rulings to pay the same proportion of his earnings.

The second item, however, exemptions to be based upon average net earnings for the years 1911, 1912, and 1913, is, in our opinion, unjust and unfair, as it discriminates heavily against some and in favor of others. We will confine ourselves to our own line, as we know it best, and say to you frankly that the years 1911, 1912, 1913, and 1914 were the worst ever known in the dry goods business, when losses both by depreciation of merchandise and on bad accounts were at their highest, when best profits averaged only about 6 per cent to 7 per cent on capital invested, and we have it on good authority that many averaged less than 6 per cent, while many closed these years with actual net losses.

Now, while this was true of the dry goods jobbers, we are likewise informed that during these same years many manufacturers showed handsome earnings, as large, or larger, than they will this year, but by virtue of these good profits are now exempt and pay little or nothing on 1917 business. For illustration, refer again to Exhibit A and presume that our subject had realized an average net profit of $60,000 for the years 1911, 1912, and 1913 and you can readily see the small proportion of excessive-profit tax he would now pay.

To the contrary, had the Senate specified the years 1903, 1904, 1905, 1906, and 1907 as criterions, the situation would no doubt have been reversed and these same manufacturers have been taxed heavily while the dry goods jobbers would have been almost exempt.

Is this equitable and will it bring forth the immense sums that our country must have now, when she needs it most, and when each and every one must feel, act, and oe one for all and all for one?

Why any exemption, as each and every individual, corporation, or firm should willingly and cheerfully give according to their respective means, or, if we must have some exempt basis, why not make it a lump sum, so much for each $1,000 of capital and surplus invested for the year 1917 and a certain fixed proportion of the net profits remaining as a direct tax, equal and alike to all?

We respectfully submit, therefore, this plan, no exemptions to anyone for any reason, and a direct tax, be it what it may, on all profits for the year 1917 as being more equitable, just, and desirable from every point of view also promising larger returns, and trust your honor will see fit to rule in our favor, assuring you that we as humble representatives of our Southland will cheerfully and willingly do our part.

With best regards, we are,

Yours, very truly,

DEAVER-KENNEDY CO.
G. E. BRADFORD.

—

THE CASEY-HEDGES CO.,
Chattanooga, Tenn., August 2, 1917.

Hon. K. D. MCKELLAR,
United States Senate, Washington, D. C.

DEAR SIR: Re war-revenue bill, may we venture to submit our views?

We believe the so-called "Jones amendment" is unsound in that it strikes at the cardinal virtues of prudently conducted business; that it penalizes the "savings fund" and forces a distribution that may be dissipated to the detriment of capital-stock value and interest of creditors. Surplus and undivided profits created through the refining process of income accounting would be doubly taxed by the Jones amendment. Surplus accumulation should be encouraged, as it stands in equal relation to ordinary forms of capital—both are income producing and productive of revenue whether in the hands of the corporation or turned over to the stockholders individually; more certain, however, of being prudently invested controlled as a mass left with the corporation. Again, values are abnormally high and surplus will be required to take care of probable future radical adjustments, and sound financing demands the surplus as a margin of safety.

We also are inclined to think that an arbitrary rate to determine excess profits would be more equitable than an average prewar basis; the latter would appear in effect to be continued profits to the prosperous and continued losses to the losers. No fault can be found, we should think, with a uniform arbitrary rate. We are also of the opinion that a higher rate than 6 per cent should be used as a basis for excess-profits taxation, having in mind that business of manufacturing requires a higher rate for protection in financing its needs.

Yours, respectfully,

WM. W. GEROERE, *Auditor.*

—

CHATTANOOGA, TENN., *July 24, 1917.*

Senator K. D. MCKELLAR,
Washington, D. C.:

The amendment to the war-revenue bill, section 304, page 27, lines 19 and 20, would impose an impossible task on wholesale druggists. When you consider there are thousands of items in a wholesale drug store containing alcohol in various strengths you will see it would be impossible to arrive at the proof gallons contained in our entire stock. The man who suggested this amendment evidently does not understand that he is imposing an impossibility on wholesale druggists and the drug trade generally. If it is possible to eliminate this amendment please do so.

FRITTS & WIEHL CO.

—

NASHVILLE, TENN., *July 25, 1917.*

Senator K. D. MCKELLAR,
Washington, D. C.

HONORABLE SIR: We are writing this letter to you to protest against the enactment of the excess profits law as recommended by the Senate Finance Committee.

This is, without doubt, the most unfair measure to the average business man we have ever heard of. We are perfectly willing to pay taxes for the maintenance of the war, but in many cases with the excess profits tax, and the same profits being taxed again on the individual incomes of members of the firm, would take from 50 to 65 per cent of the income of such manufacturers. No more unjust or unfair measures, in our opinion, could be conceived than the one recommended by the Finance Committee of the Senate, and we are sure your good sense and your desire to see that the manufacturers in your State are treated fairly would prompt you to vigorously oppose this measure. In our opinion the only fair excess profits tax that can be levied would be a flat tax of 5 or 10 per cent on all net profits of merchants, manufacturers, and business men generally, without regard to what they have made in former years. The profit of 5 or 10 per cent of the net earnings of business would cause no hardship on anyone, would fall equally on all, and would raise vastly more revenue than anything yet proposed.

Yours, respectfully,

FLETCHER & WILSON COFFEE CO.

—

NASHVILLE, TENN., *July 26, 1917.*

Senator MCKELLAR,
United States Senate, Washington, D. C.:

Excessive profits tax unfair and penalizes one's ingenuity. We realize Government's necessities and are willing to do our share, but tax should be equally distributed. Lawyers, doctors, farmers, in fact, all citizens, should participate. We earnestly protest against excessive profits tax as class legislation and urge the fairest plan of increasing rate on income tax.

NASHVILLE MANUFACTURERS' ASSOCIATION,
By JAMES H. PARKES, *President.*

ROANE IRON CO.,
Chattanooga, Tenn., July 27, 1917.

Hon. K. D. MCKELLAR,
Washington, D. C.

DEAR SIR: It is not our habit to appeal to our representatives unnecessarily in regard to legislation, and we especially feel at this time that every effort should be made to assist them in the many problems they have to solve.

We know that the Government now needs a great deal of money, and we are back of it heart and soul, but our lawmakers should, above all, be fair in passing measures for obtaining revenue.

In the first place, the larger part of the money needed should not be raised by taxation. This war is not only for the benefit of the present generation but for those who come after us. For this reason the Government should issue as many bonds as can be sold to advantage and the business of the country should not be saddled with heavy taxation, which will be thrown upon them within a few years.

Secondly, we believe you should tax the corporations according to their earnings. If the individual pays taxes on the amount of his income, why not the corporations?

The Senate plan for taxing only "increased profits" is based on a faulty principle, which is neither logical or just. We know of officers in certain corporations who openly state they favor the Senate plan, because they would have to pay no taxes, inasmuch as their earnings for the years 1911, 1912, and 1913 were higher than 1917 will show. These corporations have fine earnings now, and yet they would bear little part of the expense of the war. On the other hand, corporations like our own have had over 10 years of continuous depression. Our concern gives a living to over 5,000 people, and for 25 years the stockholders have received less than 4 per cent annually on their investment, and we ran our plant for over two years at an actual loss of several thousand dollars.

Owing to the present demand for iron we are now making money, but the larger part of it is going into improvements, which have been needed for the past 20 years.

For example, contrast our earnings, roughly estimated, with a concern we know of with the same capital invested.

	Our earnings.	Their earnings.
1911, 1912, 1913	$50,000	$750,000
1917	500,000	250,000
	550,000	1,000,000
Our taxes (possibly)	125,000	Nothing.

We are going to cheerfully pay our part of any tax, but such taxation should be evenly distributed. A business that has been continuously prosperous should not escape taxes while industries that have run at a loss for many years pay practically everything.

We believe if you understand this situation you can have no other view than our own, and we earnestly ask that you give your support and influence to these ends.

Yours, very truly,

M. CHAMBERLAIN,
Secretary and Treasurer.

—

EXHIBIT A.

ILLUSTRATION.

Presume a jobber in business for the past 5 or 10 years with an average capital and surplus of $200,000 on which his earnings for the year 1917 are $80,000, with an average earning for 1911, 1912, and 1913 as $20,000.

We will also presume that this jobber declared a dividend of 15 per cent, or $30,000; his taxes under the proposed Senate bill will show as follows:

	$80,000	At	P. ct. 4	$3,200
	20,000	Exempt		
$20,000 to $23,000	3,000	At	12	360
$23,000 to $25,000	2,000	At	16	320
$25,000 to $30,000	5,000	At	20	1,000
$30,000 to $35,000	5,000	At	25	1,250
$35,000 to $40,000	5,000	At	30	1,500
$40,000 to $50,000	10,000	At	35	3,500
$50,000 to $60,000	10,000	At	40	4,000
$60,000 to $70,000	10,000	At	45	4,500
$70,000 to $80,000	10,000	At	50	5,000
		Surplus	15	6,000
Total tax	80,000		38.29	30,630

CLEVELAND LUMBER & MANUFACTURING CO.,
Cleveland, Tenn., July 30, 1917.

Senator K. D. MCKELLAR,
Washington, D. C.

DEAR SIR: We noticed in the press reports yesterday morning where the Finance Committee on revenue had written in the bill to take 15 per cent of surplus and undivided profits of corporations. We want to ask you if this is not a misprint, as it is so manifestly unjust that we do not believe any representative that has influence enough to be elected to Congress would use such judgment as this. We have corporations in this little town founded before the Civil War that have paid very small dividends and have turned most of their profits into surplus and increased their business—one concern capitalized at $40,000, with a surplus of $450, which represents an accumulation of 50 years; our own company organized 16 years ago, being a close corporation, has never paid a dividend but turned the profits back into the surplus to increase the business—as well as many real-estate sales turned into surplus account. We would like to ask if you gentlemen think it fair to take 15 per cent of a man's accumulation for 16 years in one case, and in many cases 50 years? If so, there will not be much money saved in the future.

Yours, most respectfully,

B. M. WEBB.

MEMPHIS, TENN., *July 26, 1917.*

Hon. KENNETH MCKELLAR,
United States Senate, Washington, D. C.

DEAR SIR: We wish to direct your attention to section 304 of the revenue bill, which has been referred to the Finance Committee and will be before the Senate in a short time.

This section, we think, is entirely unfair and unjust, and if enacted would work a very great hardship on manufacturers of medicines and drugs as well as wholesalers and retailers, and very little revenue would be received by the Government after the cost of obtaining this information has been deducted.

For instance, as explained to us this would necessitate every retail druggist of the United States making a complete inventory of every article in stock which contains any percentage of alcohol and a tax levied against the net amount of alcohol.

We ask your support and influence in defeating this section if possible.

Yours, very truly, HAMNER-BALLARD DRUG CO.,
CHAS H. NASH, Jr., *Treasurer.*

—

KNOXVILLE, TENN., *July 30, 1917.*

Senator K. D. MCKELLAR,
Washington, D. C.

DEAR SIR: We are taking the liberty of addressing you on the Senate Finance Committee bill as drawn regarding income and excess profits tax.

We are perfectly willing and anxious to pay our part of war taxes of the United States at the present time. Not only is it our duty but it is our pleasure to help in every way we can. Still, at the same time, we feel it is unfair the way this bill has been drawn, and is going to be extremely injurious to a great many—especially southern concerns.

There are many concerns, manufacturers of advertised goods, which made enormous profits during the years 1911, 1912, and 1913, owing to cheap labor and low cost of materials, who will not make as much during 1916 and 1917 as in the three years before the war, as they did not advance their prices in proportion to the advances in labor and material. Hence these firms will be eliminated entirely from excess tax, although their net profits are still very large. Therefore we feel that a straight tax on all of the net profits of a fixed per cent would be much more equitable and at the same time bring in a larger income to the Government.

As we understand from press reports, the Government figures on excess profits will be in the neighborhood of $5,000,000,000, and from this amount they wish to raise about $800,000,000 on excess profits, which is nearly 16 per cent.

Now, this Senate bill as drawn, based on the poor years of 1911, 1912, and 1913, and figuring a profit of $50,000 for 1917 on a concern whose capital amounts to $200,000, the excess tax will be from $18,000 to $20,000, or nearly 40 per cent.

You and every other man familiar with conditions know that from 1907 until 1914 business in the South was very poor, and it was not a question of making money but a question of being able to stay in business at all. From 1910 until 1914 the majority of concerns in the South—especially in the wholesale dry goods and notion business—did not make interest on their capital. Other concerns in different lines may have fared a little better, but none made any money.

We are to-day buying merchandise that is costing us from 100 to 150 per cent more than it did during 1912 and 1913, and have made an additional profit on the advancing market, but if we are not going to be allowed to accumulate a good surplus we will be unable to stand the declines on our lines when the readjustment comes, which will come sooner or later; and if the concerns carrying stocks of merchandise are not allowed to protect themselves to some extent in that way they will be forced out of business after these declines come.

Will furthermore say that our excess profits are not in cash, but in high-price merchandise, which is likely to decline, also in unpaid accounts in the country, many of which we may be a long time collecting and some of which may never be collected.

The majority of concerns in the South are all operating under a small capital. Their capital stocks represent the exact amount of money in their business, and these small concerns will be hit for a larger part of this tax than any concerns in the country. The large concerns who have immense capitals with a great deal of watered stock, although they are making enormous profits, will be practically eliminated from this excess profits tax.

As above stated, we are willing and anxious to do our part, but we feel the way this excess profits tax has been drawn it will force the majority of concerns out of business—both the jobbers and manufacturers—while others who are equally as able to pay this tax as ourselves, or even more so, will be practically eliminated from paying their part of the same.

We assure you we will appreciate your kind consideration to this matter, and, thanking you in advance for the same, we are,

Yours, very truly,

COWAN-MCCLUNG CO.,
Per C. M. THOMAS,
President.

—

MEMPHIS, TENN., *July 26, 1917.*

Senator K. D. MCKELLAR,
Washington, D. C.

DEAR SIR: Please refer to section 304 of the revenue bill, which, in our opinion, is very objectionable from a number of standpoints.

In the first place, it is retroactive and will require a payment of the tax on goods already purchased and paid for, and upon which the manufacturer has already, in many cases, fixed a resale price.

In the second place, almost every drug stock, wholesale and retail, has some articles that are unsalable or of very slow sale. If these contain even a trace of alcohol, the tax will apply also to them, thus adding an unwarranted tax to practically dead stock.

In the third place, when this additional tax is removed the article containing alcohol on which the tax has been paid will come in competition with newly manufactured articles upon which the additional tax does not have to be paid and the result will be a loss of value.

In the fourth place, the tax is impractical of administration, and can produce very little net revenue to the Government. We all know that there are literally thousands of preparations in the drug business which contain all the way from a trace of alcohol to less than what might even be considered a considerable amount. A large number of these preparations are in packages containing comparatively few ounces and in which the alcoholic content is very small. If the Government is to attempt to figure this alcoholic content, to assess and collect a tax upon it, the expense of determining and collecting the tax will leave little, if any, net revenue.

In the fifth place, the tax is discriminatory. The drug trade is already bearing more than its fair share of taxation and should not be burdened with this.

We must respectfully and vigorously protest against this measure.

Yours, very truly,

THE HESSIG-ELLIS DRUG CO.,
Per J. W. WYNNE.

—

BROWN COAL CO. (INC.),
Memphis, Tenn., July 26, 1917.

Hon. K. D. MCKELLAR,
Senate Chamber, Washington, D. C.

MY DEAR MR. MCKELLAR: I sent you a telegram this morning, which I confirm, as follows:

"Proposed legislation giving Federal Trade Commission power to fix coal prices very unjust, unless equally applied on all commodities, and trust you will use all your efforts to combat its enactment into law."

I am moved to send you this telegram on account of the gross injustice it appears the Government is willing to inflict upon the coal trade; that is, in fixing the price of coal, or authorizing the Federal Trade Commission to fix the price of coal, and practically leaving all other commodities on a competitive basis as they have been heretofore.

Since the war began the price of coal has not advanced in anything like the same ratio as many other basic commodities, such as steel, iron, copper, cotton, cotton seed, wheat, corn, and most all other farm products. At our mines right now we are paying $2.40 per bushel for corn with which to feed our mules as against a price of 75 cents two years ago.

This year we have bought $9,000 worth of steel rails, $7,000 worth of copper wire, and have paid three times the normal price for both of these. A great deal of heavy machinery is used in the mining of coal, and we are paying from two to three and one-half times the normal price, not only for any new equipment we have to get but for any repairs that we have to have. We are now paying $1.92½ per keg for powder as against $1.12½ on our contract which expired last August.

If we are to have the sale price of our product fixed, which probably means reduced, then we are indeed in a sad plight when all the commodities we have to buy are permitted on a free market.

As you are well aware, there has not been a dollar profit in the coal-mining business up until last year for the past 10 years, and the price of coal during that time being entirely too low, the present price looks like, no doubt, high in comparison; but the difficulty is more largely in that the price was too low in former years instead of too high at the present time.

Yours, very truly, R. L. BROWN, *President.*

—

COUNCIL OF NATIONAL DEFENSE,
OFFICE OF DIRECTOR,
Washington, August 2, 1917.

Hon. KENNETH MCKELLAR,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Referring further to your communication of July 11, making certain inquiries, I have just received from the War Department the information in answer to your inquiries numbered 1, 5, 6, and 7, as follows:

"1. Yes.

"5. Yes.

"6. Prior to coming into the Quartermaster Corps, Maj. Whitson had four years' training in a military school, after which he held a brevet captaincy in the Illinois National Guard, in which organization he was a commissioned officer. His commission in the Quartermaster Corps is dated June 6, 1917.

"7. Maj. Hamilton has had 14 years' experience in the Massachusetts National Guard, in which organization he was a commissioned officer. He was commissioned as an officer in the Quartermaster Corps June 6, 1917. He never had any assignment with the advisory commission of the Council of National Defense."

The other queries contained in your letter have heretofore been answered.

Very truly, yours, W. S. GIFFORD, *Director.*

GERMAN PROPAGANDA IN MEXICO.

Mr. SHERMAN. I submit the following communication, which came in my mail this morning marked "Bulletin of Mexican News Bureau, 613 Riggs Building, Washington, D. C.," which I ask to have printed in the RECORD. I do this in view of the press communication or news item in the Washington Post and other papers to-day announcing that a propaganda will be carried on for some time in this country as preparatory to the Carranza Government applying in due season to the United States for a loan, variously estimated at from $100,000,000 to $150,000,000. I wish to call attention to this first of the series, and I shall from time to time, as appropriate occasions appear, put in the CONGRESSIONAL RECORD other information showing the activities and the friendly interest of the Carranza Government in preserving peace and chasing out pro-German agents in Mexico.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

[Bulletin of Mexican News Bureau, 613 Riggs Building, Washington, D. C. Aug. 2, 1917.]

GERMAN PROPAGANDA IN MEXICO.

The fact that the Mexican Government is opposed to the carrying on of any pro-German propaganda in that country is demonstrated by some noteworthy occurrences. It recently came to the knowledge of the officials that a shipment of several hundred cases of arms and ammunition had been made to the port of Salina Cruz, on the Pacific side of the Isthmus of Tehuantepec, and consigned to certain private parties who were suspected of being engaged in pro-German intrigue in the State of Chiapas. The shipment was ordered to be seized, which was done immediately upon its arrival.

The local authorities of the city of Guadalajara recently became cognizant of a plan on the part of certain German agents in that city to hold a meeting or festival in one of the leading theaters for the purpose of "advancing the cause of the Hohenzollerns against the civilized nations of Europe," as the local newspapers phrased it. The authorities let it be understood that this project would be regarded unfavorably, whereupon the promoters of the movement changed the announced purpose and character of the meeting to one for the benefit of the poor children of the city.

The recent strike of workingmen in the Tampico oil fields which is claimed by a portion of the foreign press to have been instigated by German sympathizers or agents, but of which there is no proof and little probability, was settled by the State authorities and normal conditions promptly restored.

Several months ago the authorities of Mexico City arrested the managers of a theater for proposing to give moving pictures purporting to illustrate the German side of the campaign in Europe, but which were declared after inspection by the officials to be "fakes," but at the same time permission was given to the exhibition of films taken by English photographers and giving accurate representations of the Battle of the Somme. These facts are cited in order to prove that no encouragement is held out in official quarters in support of any movement against absolute neutrality.

WAR REVENUE.

Mr. SMITH of Georgia. I desire to have placed in the RECORD without reading some discussion by the Atlanta (Ga.) Merchants and Manufacturers' Association in regard to the war revenue bill.

The PRESIDENT pro tempore. Without objection, permission to do so will be granted.

The matter referred to is as follows:

ATLANTA MERCHANTS AND MANUFACTURERS' ASSOCIATION,
OFFICE OF SECRETARY,
Atlanta, Ga., August 2, 1917.

Hon. HOKE SMITH,
Finance Committee, United States Senate,
Washington, D. C.

DEAR SIR: At a special meeting of the board of directors of the Merchants and Manufacturers' Association of Atlanta, representing the jobbing and manufacturing interests of this city, held for the purpose of considering the proposed war-revenue bill, known as H. R. 4280, the undersigned were appointed a committee to present for your consideration the views of the members of the Merchants and Manufacturers' Association regarding certain features of said bill.

The committee was instructed to exercise its discretion as to whether it would go to Washington and seek an audience with you at which to present these views, or offer them in the form of a simple statement over their signatures. We decided that in the interest of economy both in money and time to adopt the latter medium.

We will endeavor to confine ourselves to the more salient features of the bill, having particular regard to those provisions which, in our judgment, are calculated to work grievous inequalities for the great majority of the merchants of our section; to impair their productive powers, if not actually to threaten their existence. Let us say here that the members of this organization are thoroughly alive not only to the needs of the Government but to the great difficulty of levying such a tax as is contemplated so as to make it bear equally upon every class of business; and there is not the slightest desire on the part of any member to avoid his fair share of the responsibility; but they believe that the bill as it now stands, owing to certain conditions prevailing in the South for several years prior to the war, is not only discriminatory in its effect but places a burden upon the mercantile houses of this section that only the strongest can survive, and that the ultimate result of its operation will be to deprive the Government of, rather than provide it with, revenue.

We wish, therefore, on behalf of the members of this association to enter our very earnest protest against—

First. The arbitrary and inflexible basis upon which the maximum normal profit is fixed and from which point the supertax begins.

Second. The Jones amendment, imposing an extra tax of 15 per cent on 80 per cent of the amount of undistributed net income.

We would point out that the years 1911, 1912, and 1913, the average of which is to be the measure of a normal year—except where the amount so produced is less than 6 per cent on the invested capital, when a minimum of 6 per cent is to be allowed as the standard of normal earnings—were three notoriously lean years in our section of the country, and their average would reflect in a majority of cases no more than 50 per cent of a normal year. In fact, there has not been any such thing as a normal year in our section since the panic of 1907. Business was just beginning to reach for normal results in 1914, when the war broke out, and the situation was changed in a day from one of great promise of prosperity to one of extreme depression and small net earnings.

We therefore submit that the basis should be either fixed by selecting and averaging the three years immediately prior to 1907, or by allowing the taxpayer to choose three years out of the five prewar years of 1909 to 1913, inclusive, from which to arrive at a just basis.

Where under the foregoing plan the earnings fall below a fair minimum of percentage of earnings to invested capital, in fixing a permissible minimum from which to superimpose the "war excess profits" taxation the law should discriminate between mercantile houses and large industrial corporations; between the small close corporations whose earnings are as much a matter of personal service and enterprise on the part of its members as they are of capital invested; between those whose administrators draw moderate salaries and whose earnings are largely absorbed by salaries; between those whose capital is real and those whose stock is partly represented by good will or other assumed value. In each of such former cases a minimum normal earning of 10 per cent on capital and surplus should be allowed before the supertax begins.

In the judgment of the members of this association the Jones amendment is indefensible, either as an economic measure or from a standpoint of fairness to a class of taxpayers on whose producing powers the Government is so largely depending and who as a body are desirous of meeting their full responsibilities. We entertain the firm belief that for the sake of the stability and unimpaired earning capacity of the mercantile concerns of the country, if the Government assumed to regulate such matters at all, it should be to prohibit such concerns from paying out, in dividends, exceeding 50 per cent of its net earnings for any fiscal period during the war rather than encourage excessive dividends from profits which are, in part at least, unquestionably fictitious or "paper" profits.

It is undeniably true that the average jobber and manufacturer is carrying the largest stocks, both in quantity and value, he has ever before been called upon to carry. This is not of his own choosing, but grew out of the exigencies of rising prices and competition. These stocks are owned at pinnacle prices. He has had to assume larger risks in extending credits than ever before in supplying his customers with no more than their usual requirements in quantity. This has served to correspondingly increase his receivables. By the measure of the amount of increased stocks and the amount of increased receivables the average jobber and manufacturer has increased his own liabilities. It will therefore appear to you quite plain that the amounts withdrawn in the payment of reasonable dividends to stockholders and to meet the demands of the Government will greatly strain the best-fortified concerns, and we capitally fear will prove embarrassing to others not so fortunately situated. To place an extra war tax of 15 per cent upon undivided profits (granting that 50 per cent of such profits were applied to dividends and the payments of the Federal taxes) would, in our judgment, cost the Government more in impaired productive power than the tax thus derived would amount to, and we trust to the wisdom and prudent forethought of our lawmakers to see that this amendment is defeated.

In conclusion, we wish to say, on behalf of every member of our organization, that we fully appreciate the unprecedented magnitude of the task with which our Representatives in Congress are confronted, but we beg leave to remind you that in a small sphere we shall have a duty to perform and a privilege to exercise in meeting whatever demands are laid upon us, and we want to feel not only that our share has been as equitably assessed as the exigencies of the situation allowed, but that the interests our organization represents may "meet with unimpaired strength the duty of enlarged production, extensive developments for national defense, and find proper opportunity for fortification for the commercial struggle of peace while remaining unimpaired as a revenue producer, capable of meeting extraordinary demands for financial contribution."

Yours, very truly,

H. E. CHOATE, *Chairman.*
Of J. K. Orr Shoe Co.
JAMES J. RAGAN,
Of Ragan-Malone Co.
J. D. ROBINSON,
Of A. M. Robinson Co.

TERRITORIAL ADJUSTMENT IN EUROPE.

Mr. KING. Mr. President, many of the newspapers of the country have been in an intelligent and patriotic way setting forth the rights of our Republic in the great contest now going on in Europe. Among the newspapers that have been writing some very strong editorials on that and cognate subjects is the Washington Post. I present an editorial appearing in the columns of that paper, which I should like to have read and printed in the RECORD.

The PRESIDENT pro tempore. Is there objection to the reading of the editorial? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

"SAFE FOR DEMOCRACY."

There has been much discussion in Europe as to the territorial adjustment that would make a satisfactory basis for permanent peace. The allies have made it plain that they stand for the complete restoration of Belgium. Former Premier Asquith has recently reiterated that Great Britain is in complete sympathy with the aim of France to force the restoration of Alsace-Lorraine.

In refraining from making any political alliances with the allies the United States has followed historic tradition. Most Americans of vision realize, however, that America's stake in the war is quite as big as that of any of the nations on whose side this country is fighting. America is being made safe from a future direct attack by the German Government. That such an attack would be made if Germany should become a world conqueror is shown by the records of German intrigue in the United States.

Germany's spy system covered, and perhaps still covers, every State in the Union. It is especially significant that Capt. Boy-Ed, the former naval attaché in the United States, should now be at the head of the German intelligence bureau.

The primary interest of the United States in the war is to make this country safe from any possible aggression of German autocracy, drunk with its belief in its own power. With the territorial aims of the allies, this country can have no interest except where they bear upon the future safety of democracy.

A recurrence of war after the world has been so shaken by the present catastrophe would be disastrous to America, as it would be to the smaller democracies. It is in this light that any territorial aims of the allies or the central powers must be viewed in America.

Fortunately, this country has not committed itself to any principle of settlement except that implied in the statement which reverberates through the civilized nations of the world, "The world must be made safe for democracy."

Well may the American people pour forth their blood and treasure in fighting for the safety of themselves and the generations of Americans yet to come!

The frontier of America is where the flag flies in the Pershing expedition in France. It is better that the fight should be waged and won there now than that it should be waged on American soil later on.

Talk of peace from Germany will deceive no patriotic American. It will not serve its shrewd purpose in delaying the training and equipment of a large force of American troops.

When the German people reform their Government and prove that militarism has given way to the free thought and expression of the people who henceforth will run their own nation, then will the world have assurance of safety. But so long as mad rulers continue in unlimited power no democracy will be safe.

When the time comes to consider peace terms American representatives at the council table need ask themselves but one question, "Do these terms make the world permanently safe for democracy?"

SENATOR GALLINGER AND THE MERCHANT MARINE.

Mr. WEEKS. I ask to have printed in the RECORD an editorial taken from the Marine Journal of Saturday, July 14.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A MAN WHO WAS RIGHT.

Senator GALLINGER has left Washington for a needed rest at home, and this marks a proper occasion to say that if ever a public man found every argument and warning absolutely verified in the result this distinction belongs to the New Hampshire Senator, the senior leader of his party in the Upper Chamber at the National Capitol.

First as lieutenant to the lamented Senator Frye, of Maine, and then as foremost in the fight, Senator GALLINGER has emphasized for many years the need of a large American merchant shipping in peace and war. It is a matter of history how difficult it was to make this heard and realized by the Senators and Representatives of the solid South and the Mississippi Valley. But Senator GALLINGER, undiscouraged, pressed on and on, and was able to command entire respect and increasing support, even from his political and sectional antagonists. However, the careful measures which he proposed unfortunately failed to command the few votes requisite for a majority in both Senate and House of Representatives at the same time, and therefore the country met the shock of this great war fearfully unprepared in one department of the national defense.

That war, however, has brought a wonderful awakening. It must be a matter of amusement and satisfaction to Senator GALLINGER to observe how frequently the facts and figures of his arguments have been iterated and reiterated since the war began by President Wilson, Secretary McAdoo, and other leaders of the other side, which was so long indifferent to the truth about our merchant shipping. In fact, if there was such a thing as copyright of public utterances, the New Hampshire Senator might claim most of what is valid and convincing in recent Democratic shipping reports and speeches as his own.

If the bills which Senator GALLINGER framed and advocated had prevailed, the war would have found the United States with well-established steamship lines of large, fast ships to South America, the Orient, and other quarters of the world, officered by American citizens, manned by capable crews, and constituted a naval reserve of incalculable value to the United States in this emergency. There would have been auxiliary cruisers, transports, and supply ships of a kind for which fabulous prices must now be paid. There would have been more and greater shipyards to produce new vessels.

And the maximum appropriation called for by these bills which Senator GALLINGER championed were three or four million dollars a year. It is safe to say that every business day that passes sees three or four million dollars now spent by the United States for maritime preparation that would not have had to be spent at all if Senator GALLINGER'S policies had been adopted. Where he asked for a million, the United States is now disbursing a hundred million in the most gigantic subsidies that were ever dreamed of by mortal men, for materials, labor, and supplies have so enormously advanced, and haste makes waste inevitable.

We shall get a great merchant marine by the war plan, but it will prove to have cost incalculably more than if the Gallinger plan, which the South and West opposed, had become, 10 years ago, the plan of the American people.

JOINT COMMITTEE ON THE CONDUCT OF THE WAR.

Mr. OVERMAN. From the Committee on Rules I report back adversely the joint resolution (S. J. Res. 25) providing for the appointment of a joint committee to be known as the joint committee on the conduct of the war, and I submit a report (No. 102) thereon.

The PRESIDENT pro tempore. The joint resolution will be placed on the calendar.

MISSOURI RIVER BRIDGE.

Mr. SHEPPARD. From the Committee on Commerce I report back favorably without amendment the bill (S. 2688) to extend the time for constructing a bridge across the Missouri River near Kansas City, Mo., authorized by an act approved June 17, 1914, and I submit a report (No. 101) thereon. I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for the third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, and referred as follows:

By Mr. CULBERSON:

A bill (S. 2734) to amend an act entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes," approved June 15, 1917; to the Committee on the Judiciary.

By Mr. MYERS:

A bill (S. 2735) providing for an amendment to section 2293 of the Revised Statutes, allowing homestead and other public-land affidavits to be taken before the military commander of any person engaged in military or naval service of the United States; to the Committee on Public Lands.

By Mr. CUMMINS:

A bill (S. 2736) to establish a Bureau of Publicity in the Department of Commerce to have charge of all the advertising of the Federal Government; to secure greater publicity for information intended for the general public and coming from the various departments of the Government; to advise and counsel with all private interests regarding foreign advertising; and to cooperate with organized advertising interests of the Nation in promoting and in securing legislation to compel adherence to honesty and reliability in the advertising of all firms and individuals throughout the Nation; to the Committee on Commerce.

By Mr. McCUMBER:

(By request.) A bill (S. 2737) to enable the Government of the United States to secure means to protect American shipping from the attacks of submarine torpedoes; to the Committee on Naval Affairs.

A bill (S. 2738) to establish a fish hatchery on Strawberry Lake in North Dakota; and

A bill (S. 2739) to establish a fish-culture station on the upper Des Lacs Lake in North Dakota; to the Committee on Fisheries.

A bill (S. 2740) granting an increase of pension to Seward Newtson (with accompanying papers); to the Committee on Pensions.

By Mr. FERNALD:

A bill (S. 2741) to provide for the erection of a public building at Dover, Me.; to the Committee on Public Buildings and Grounds.

By Mr. WATSON:

A bill (S. 2742) granting an increase of pension to William A. Schooley;

A bill (S. 2743) granting an increase of pension to Isaiah P. Watts; and

A bill (S. 2744) granting a pension to J. Monroe Fitch; to the Committee on Pensions.

FOREIGN VESSELS IN COASTWISE TRADE.

Mr. FLETCHER. I introduce a bill, and I desire to state that I do not approve of the policy involved in the bill as a permanent one, but under existing circumstances I am inclined to think that such a measure as is embodied ought to be approved. I ask that the bill be referred to the Committee on Commerce.

The bill (S. 2733) to authorize the President to permit, by proclamation, foreign-built vessels registered under the laws of the United States and vessels of foreign registry to engage in the coastwise trade of the United States was read twice by its title and referred to the Committee on Commerce.

SPEECH OF HON. FREDERICK C. HICKS.

The PRESIDENT pro tempore laid before the Senate the following concurrent resolution of the House of Representatives, which was read:

HOUSE CONCURRENT RESOLUTION 13.

Resolved by the House of Representatives (the Senate concurring), That 100,000 copies of the speech of the Hon. FREDERICK C. HICKS, of New York, delivered in the House of Representatives on June 14 on "The Flag of the United States," together with the illustrations in color, referred to by Mr. HICKS, be printed as a document, 70,000 for the use of the House and 30,000 for the use of the Senate, to be distributed through the folding room.

Mr. FLETCHER. I move that the concurrent resolution be referred to the Committee on Printing.

The motion was agreed to.

ENROLLMENT OF RIVER AND HARBOR BILL.

The PRESIDENT pro tempore laid before the Senate the following concurrent resolution of the House of Representatives, which was read:

HOUSE CONCURRENT RESOLUTION 19.

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill H. R. 4285, entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other puposes," the Clerk be, and he is hereby, authorized and directed to number the sections following section 4 of the bill in consecutive numeral order, anything in the conference report to the contrary notwithstanding.

Mr. FLETCHER. I move that the Senate concur in the resolution of the House.

The motion was agreed to.

DISTRIBUTION OF AGRICULTUAL PRODUCTS—CONFERENCE REPORT (S. DOC. NO. 73).

Mr. GORE. I submit a report from the conference committee of the two Houses on House bill 4188, known as the food-survey bill. I wish to say that I shall take advantage of the first opportunity to ask for the consideration of this report. I ask that it be printed and lie on the table.

The PRESIDENT pro tempore. Without objection, the report will be received and printed.

The report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4188) to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 5, 10, 11, 12, 14, 15, 16, 17, 18, 20, 21, 24, 25, 26, 29, 31, 32, 33, 35, and 38.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 7, 8, 9, 13, 19, 23, 28, and 39, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the Senate amendment insert the following:

"It shall be the duty of any person, when requested by the Secretary of Agriculture, or any agent acting under his instructions, to answer correctly, to the best of his knowledge, under oath or otherwise, all questions touching his knowledge of any matter authorized to be investigated under this section, or to produce all books, letters, papers, or documents in his possession, or under his control, relating to such matter. Any person who shall, within a reasonable time to be prescribed by the Secretary of Agriculture, not exceeding 30 days from the date of the receipt of the request, willfully fail or refuse to answer such questions or to produce such books, letters, papers, or documents, or who shall willfully give any answer that is false or misleading, shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $1,000 or by imprisonment not exceeding one year, or both."

And the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter stricken out by the Senate amendment insert ", or contract with persons to grow"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In line 4 of said amendment, after the word "at," insert "such important central"; in the same line, after the word "markets," insert "as the Secretary of Agriculture may from time to time designate and"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the amount proposed by the Senate amendment insert "$650,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In line 11 of said amendment, after the word "admission," insert "for immediate slaughter at ports of entry"; in the same line, after the word "cattle," insert "which are otherwise free from disease and which have not been exposed to the infection of any other disease within 60 days next before their exportation"; in line 17 of said amendment, after the word "ninety," change the period to a colon and insert: "*Provided*, That the importation of tick-infested cattle from any country referred to in this section in which foot-and-mouth disease exists, which existence shall be determined by the Secretary of Agriculture, is prohibited: *Provided further*, That all cattle imported under the provisions of this section shall be slaughtered in accordance with the provisions of the act of June 30, 1906 (34 Stat. L., p. 674), commonly called the meat-inspection amendment, and the rules and regulations promulgated thereunder by the Secretary of Agriculture, and that their hides shall be disposed of under rules and regulations to be prescribed by the Secretary of Agriculture"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the section number proposed insert "10"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In line 2 of said amendment, after the word "authorize," insert "in his discretion"; and change the section number to "11"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the section number proposed by the Senate amendment insert "12"; and the Senate agree to the same.

T. P. GORE,
E. D. SMITH,
HOKE SMITH,
C. S. PAGE,
WM. S. KENYON,
Managers on the part of the Senate.

A. F. LEVER,
GORDON LEE,
E. S. CANDLER,
G. N. HAUGEN,
JAMES C. MCLAUGHLIN,
Managers on the part of the House.

LEASE OF PHOSPHATE LANDS.

Mr. PITTMAN and Mr. BRANDEGEE addressed the Chair.

The PRESIDENT pro tempore. The Senator from Nevada.

Mr. PITTMAN. I move that the Senate proceed to the consideration of the bill (S. 2156) to authorize exploration for and disposition of potassium or sodium.

Mr. REED. What is the bill?

Mr. PITTMAN. It is the potash bill, which I brought up day before yesterday and then asked unanimous consent for its consideration. It was intimated, however, that there was objection because some Senators desired to examine the bill. They have since that time had opportunity to examine it, and the report has been printed.

Mr. CHAMBERLAIN. Mr. President, before that motion is put, I will request that the conference report on the food-administration bill be laid before the Senate.

The PRESIDENT pro tempore. The Chair lays before the Senate the conference report on House bill 4961.

Mr. PITTMAN. Mr. President, there is a motion pending before the Senate.

The PRESIDENT pro tempore. The Chair thinks that a request to lay before the Senate a conference report is always in order.

Mr. PITTMAN. It is always in order to present a conference report, but I do not understand that when a motion is pending it is in order to disturb the order of business for any purpose whatever. I rise to a question of order. There is a motion pending, and it must be determined before anything else can be acted upon.

The PRESIDENT pro tempore. The Chair will say to the Senator from Nevada that only when a motion to adjourn is pending is it not proper to lay a conference report before the Senate, according to Rule XXVII, which is the rule governing the matter.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. The motion, of course, is not debatable. The Chair lays before the Senate the conference report, which will be stated.

The Secretary proceeded to read the conference report on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4961) to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel.

Mr. BRANDEGEE. I rise to a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Connecticut will state his parliamentary inquiry.

Mr. BRANDEGEE. This conference report was presented to the Senate day before yesterday, I believe. Has the Senate now voted to proceed to its consideration?

The PRESIDENT pro tempore. The Chair will say to the Senator from Connecticut that it was in order to call up the conference report after the message came from the House this morning.

Mr. BRANDEGEE. The question still is, then, I assume, whether or not the Senate will now proceed to its consideration? A conference report can be presented at any time, of course, but whether or not the Senate will proceed to its consideration must be determined by a vote of the Senate.

Mr. SMOOT. Certainly.

Mr. CHAMBERLAIN. I rise to a point of order, Mr. President.

The PRESIDENT pro tempore. The Senator from Oregon will state his point of order.

Mr. CHAMBERLAIN. As the President pro tempore has just decided, the presentation of the report is in order at any time under Rule XXVII, "except when the Journal is being read or a question of order or a motion to adjourn is pending." The rule provides further:

And when received—

It has been received—

the question of proceeding to the consideration of the report, if raised, shall be immediately put, and shall be determined without debate.

I request, therefore, that the Senate proceed to the consideration of the conference report.

Mr. REED. Mr. President, I desire to make this suggestion: I hope the chairman of the committee will not put us in the position where we can not even ask to have this matter go over or offer any reasons for having it go over until Monday. I suggest to the Chair that the Senator from Nevada had the floor, and when the Senator from Nevada had the floor nobody else could take the floor except by his consent. He had the floor and had made a motion—and is still holding the floor, as I understand—when the Senator from Oregon rose. But, however that may be, I appeal to the Senator from Oregon not to put us in a position where we can not have any conference among ourselves with reference to whether this conference report shall be taken up to-day or go over until Monday.

Mr. BRANDEGEE. Mr. President, I do not know that I made myself plain in regard to the point of order which I suggested. I thought I distinctly heard the Senator from Nevada move to proceed to the consideration of a certain bill. Whereupon the Senator from Oregon rose and moved to proceed to the consideration of a conference report. That is not in order. The Senator from Nevada, it seems to me, is entitled to a vote on his motion.

The PRESIDENT pro tempore. The Chair does not agree with the Senator, this being the case of the conference report; but, if the Senator desires, the Chair has no possible objection to the Senator taking an appeal from the decision of the Chair.

Mr. BRANDEGEE. The conference report had been presented before the Senator from Nevada made his motion, and was in the possession of the Chair. Now, the Senator from Nevada has moved to proceed to the consideration of a bill after the morning business has been closed. I think that motion is in order, and nothing else is in order except to vote on his motion one way or the other, either up or down. I do not see how he has lost the floor or how his motion has been swept away from the consideration of the Senate.

The PRESIDENT pro tempore. The Chair will say that the conference report having been presented, the question now is one of consideration, and the Chair, on reflection, thinks that the point of order made by the Senator from Connecticut is well taken under the circumstances, and will, therefore, reverse himself on that point.

Mr. SMOOT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. SMOOT. When was the conference report presented to the Senate?

The PRESIDENT pro tempore. It must be taken up on motion.

Mr. SMOOT. I ask, when was it presented to the Senate?

The PRESIDENT pro tempore. It was presented to the Senate on August 2.

Mr. CHAMBERLAIN. Mr. President, when the conference report was presented on the 2d day of August I said at the time that it had no official standing in the Senate, and was simply presented for the purpose of having it printed for the information of the Senate; that was all. The first time the report has been presented officially to the Senate is this morning, when the report came over from the other House, after having been voted upon favorably there.

The PRESIDENT pro tempore. The Chair is informed by the officers of the Senate that the report was duly presented in accordance with precedent on the 2d of August, and, therefore, the Chair thinks the motion of the Senator from Nevada is the pending business of the Senate. That motion, of course, at this time is not debatable.

The Senator from Nevada moves that the Senate proceed to the consideration of Senate bill 2156, to authorize exploration for and disposition of potassium or sodium.

Mr. KENYON. Mr. President, a parliamentary inquiry. Is it proper to ask that the bill be read, so that we may know what the bill is before voting?

The PRESIDENT pro tempore. It is, of course, proper. The Secretary will read the bill. Does the Senator desire the title read or the bill read in full?

Mr. KENYON. I should like to have the bill read in order that we may know what the bill is before voting.

Mr. PITTMAN. Mr. President, I also ask that the report be read for the information of the Senate.

Mr. BRANDEGEE. Mr. President, a parliamentary inquiry. On a motion to proceed to the consideration of a bill, can the bill be read before we have decided to proceed to its consideration?

The PRESIDENT pro tempore. The Chair thinks the bill might be read, but on objection would not think the report could be read.

Mr. KENYON. Mr. President, I withdraw the request to have the bill read if the report can be read. I notice that it is shorter, and it will perhaps give the facts just as well.

The PRESIDENT pro tempore. Is there objection to the reading of the report? The Chair hears none, and the report will be read before the question of the consideration of the bill is decided.

The Secretary read the report on Senate bill 2156, submitted by Mr. PITTMAN on the 3d instant, as follows:

The Committee on Public Lands, to which was referred the bill (S. 2156) to authorize exploration for and disposition of potassium, having had the same under consideration, begs leave to report it back to the Senate with amendments, and recommends that the bill do pass.

The provisions of this bill, with the exception of the amendments, are not unfamiliar to the Senate. With the exceptions named, the provisions in the bill are practically identical with the provisions concerning potash contained in the so-called general leasing bill known as H. R. 16136, which passed the House of Representatives during the second session of the Sixty-third Congress and the Senate during the third session of the Sixty-third Congress. The bill died, however, in conference upon the adjournment of that Congress and with it the legislation relative to potash. The same provision was carried in H. R. 406, which passed the House of Representatives during the first session of the Sixty-fourth Congress.

Although there has been an intense controversy over the provisions concerning oil in the general leasing bills referred to, there has never been any controversy with regard to the potash provision except in the Committee on Public Lands during the present consideration of this bill. The controversy is believed by the committee to have been settled by the amendments offered by the committee and approved by the Department of the Interior hereinafter set out.

The potash situation in the United States is extremely serious. Mr. John D. Pennock, chairman of the subcommittee of the chemical committee under the advisory committee on alkalies, said:

"I should say when you come to sum it all up that at the present time, from all these sources, we shall not get for the year 1917 over twenty to twenty-five thousand tons, perhaps, of potassium oxide. I think that is a high figure, out of the requirements of the country for 250,000 tons."

The Secretary of the Interior, in a letter addressed to Senator MYERS, under date of May 11, 1917, in discussing the bill under consideration, said:

"Potash is an essential in the production of food and cotton and essential in the manufacture of certain munitions of war. I am advised that in 1913 the United States imported approximately 529,000 tons, while the domestic production was 400 tons, and that during that year about 20,000 tons of potassium chloride were used in the industries and about 500,000 tons in agriculture. In 1916 the importation of potash was only about 10,000 tons and the domestic production in the neighborhood of 16,000 tons."

The apparent discrepancy between this statement and the testimony of Mr Pennock is explained by the fact that Mr. Pennock is referring to the concentrated product in the form of an oxide, whereas the Secretary is referring to the product in its usual commercial form of a chloride.

The extreme demand for potash is evidenced by the fact that its normal price is about $40 per ton, while at the present time it is about $475 per ton. We must have a supply of potash. Germany now has a monopoly on the product. The German Government, through its officers, has boasted of this monopoly and has stated that the United States has gone into the war with a rope around its neck, and that it will be unable, through the lack of potash fertilizer, to meet its demands for foodstuffs.

There is an adequate supply of potash in the United States, but it can not be developed or utilized until means have been provided by legislation. The Secretary of the Interior, in the letter above referred to, says:

"One hundred and thirty thousand six hundred and twenty-nine acres of public lands containing this mineral are withdrawn from development. This area includes Searles Lake, Cal., one of the largest known deposits. I am informed that two reduction plants have recently been completed on the shores of the lake and that they have direct railroad connections, and can not only start work immediately but can increase their capacities if authority for the development be given."

The present bill has been carefully prepared to meet the requirements of the development of the known area above referred to and to encourage the prospecting for unknown supplies of potash on other portions of the public domain. To accomplish the first purpose the bill authorizes the Secretary of the Interior to lease known deposits in areas not to exceed 2,560 acres under such conditions as will insure the production of potash and guarantee its sale to the public at a reasonable price. The second object of the bill is accomplished by granting the prospectors a permit on not to exceed 2,560 acres of land with the privilege of prospecting the same for potash. If potash is discovered, the prospector is granted one-fourth of such land contained in the permit as a reward for his industry and discovery. The remainder of such land contained in such permit is then subject to lease under the terms of the bill. In other words as to unknown deposits, a permittee may obtain title to 640 acres by discovery, and as to the known deposits a citizen of the United States may operate the same under a lease.

The amendments recommended by the committee are as follows:

(1) In the title strike out "or sodium."

(2) Line 5, page 1, strike out words "qualified under this act" and insert "who is a citizen of the United States, an association of such citizens, or a corporation organized under the laws of any State or Territory thereof,".

(3) Line 10, page 1, strike out "public lands belonging to the United States" and insert in lieu thereof "lands of the United States not known to contain valuable deposits of the kinds above described,"

(4) Line 19, page 2, strike out words "permits or" and insert, after the words "may be," in same line, "operated by the United States, or,".
(5) Line 12, page 6, strike out words "phosphate, oil, gas,".
(6) Add to line 11, page 7, the following proviso:
"*Provided*, That nothing in this act shall prevent any State or Territory wherein the lands or deposits leased are located from levying and collecting taxes on improvements upon or the output or product from any lands or minerals leased under this act."
(7) Insert an additional section, as follows:
"That the Secretary of the Interior is hereby authorized and directed to incorporate in every lease issued under the provisions of this act a provision reserving to him the right to regulate the price of minerals extracted and sold from the leased premises, which stipulation shall specifically provide that the price or prices fixed shall be such as to yield a fair and reasonable return to the lessee upon his investment and to secure to the consumer the product at the lowest price reasonable and consistent with the foregoing: *Provided*, That each lease issued under this act shall also stipulate that during the present war or during any other war in which the United States may be engaged the Secretary of the Interior shall have authority to so regulate the disposal of the minerals produced under such lease as to secure their distribution and lease wholly within the limits of the United States or its possessions."

There is attached hereto, as a part of this report, a letter of Mr. Bernard M. Baruch, addressed to Senator PITTMAN, and that portion of the letter of the Secretary of the Interior of May 11, 1917, addressed to Senator MYERS, dealing with potash:

THE ADVISORY COMMISSION,
COUNCIL OF NATIONAL DEFENSE,
Washington, D. C., June 28, 1917.

Hon. KEY PITTMAN,
United States Senate.

MY DEAR SENATOR: The potash situation in the United States can not be better stated than was stated by Dr. Ostwald, an eminent German scientist, who stated that if the United States entered the war it would do so with a rope around its neck. This prediction was based upon our dependence upon the German potash supply, without access to which agricultural production in this country would suffer serious curtailments.

To meet this situation a study was made of the possible sources of potash within the limits of the United States. This investigation developed the fact that the Searles Lake property in California could be made to produce a supply of considerable magnitude; furthermore, it is the only material source so far developed.

Action tending to open up this field will be of enormous benefit to the agricultural interests in this country, and in fact if some source of supply is not almost immediately made available serious consequences might result.

Stocks of potash available in this country at the outbreak of the war have been exhausted. Some relief in this direction must be provided in the immediate future.

Very truly, yours, BERNARD M. BARUCH.

DEPARTMENT OF THE INTERIOR,
Washington, May 11, 1917.

MY DEAR SENATOR: I am in receipt of your request for report upon S. 2156, a bill "To authorize exploration for and disposition of potassium or sodium."

The measure appears to be identical with sections relating to potash in H. R. 406, Sixty-fourth Congress, first session, as reported by the Senate Committee on Public Lands May 18, 1916. Said H. R. 406 also provided for the development and disposition of deposits of oil, gas, and phosphate, and I am of opinion that legislation providing for and encouraging the development of all of these deposits should be had at the earliest possible moment as a war measure.

Potash is an essential in the production of food and cotton and essential in the manufacture of certain munitions of war. I am advised that in 1913 the United States imported approximately 529,000 tons, while the domestic production was 400 tons, and that during that year about 20,000 tons of potassium chloride were used in the industries and about 500,000 tons in agriculture. In 1916 the importation of potash was only about 10,000 tons and the domestic production in the neighborhood of 16,000 tons. One hundred and thirty thousand six hundred and twenty-nine acres of public lands containing this mineral are withdrawn from development. This area includes Searles Lake, Cal., one of the largest known deposits. I am informed that two reduction plants have recently been completed on the shores of the lake and that they have direct railroad connections, and can not only start work immediately but can increase their capacities if authority for the development be given.

Phosphate rock is present in large and valuable quantities in the public lands of Idaho, Wyoming, Utah, Montana, and Florida, and approximately 2,400,000 acres containing such deposits are at present withdrawn. This mineral also is an exceedingly valuable element of fertilization of farm lands, and the supply at reasonable prices would greatly stimulate our agricultural production.

Cordially, yours,
FRANKLIN K. LANE, *Secretary.*

Hon. HENRY L. MYERS,
Chairman Committee on Public Lands, United States Senate.

The PRESIDENT pro tempore. The question before the Senate is the motion to proceed to the consideration of the bill concerning which this report is made.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2156) to authorize exploration for and disposition of potassium or sodium, which had been reported from the Committee on Public Lands with amendments.

The PRESIDENT pro tempore. The Secretary will state the amendments of the committee.

The first amendment was, on page 1, line 5, after the words "any applicant," to strike out "qualified under this act" and insert "who is a citizen of the United States, an association of such citizens, or a corporation organized under the laws of any State or Territory thereof," so as to read:

That the Secretary of the Interior is hereby authorized and directed, under such rules and regulations as he may prescribe, to grant to any applicant who is a citizen of the United States, an association of such citizens, or a corporation organized under the laws of any State or Territory thereof, a prospecting permit, etc.

The amendment was agreed to.

The next amendment was, in section 1, page 2, line 1, after the word "on," to strike out "public lands belonging to the United States" and insert "lands of the United States not known to contain valuable deposits of the kinds above described," so as to read:

A prospecting permit which shall give the exclusive right to prospect for chlorides, sulphates, carbonates, borates, silicates, or nitrates of potassium, or borates, carbonates, or nitrates of sodium, or borates of calcium, or associated similar salts on lands of the United States not known to contain valuable deposits of the kinds above described for a period of not exceeding two years.

Mr. SMOOT. Mr. President, I desire to ask the Senator that that amendment go over for the present, as I desire to offer an amendment to accompany it; and by letting it go over we can amend it without asking for a reconsideration.

Mr. PITTMAN. There is no objection to that, Mr. President.

The PRESIDENT pro tempore. Without objection, the Secretary will proceed with the next amendment.

The next amendment was, in section 2, page 2, line 24, after the word "by," to strike out "permits or"; and on the same line, after the word "be," to insert "operated by the United States, or," so as to read:

All other lands described and embraced in such a prospecting permit from and after the exercise of the right to patent accorded to the discoverer, and all other lands known to contain such valuable deposits as are enumerated in section 1 hereof and not covered by leases, may be operated by the United States, or leased by the Secretary of the Interior, through advertisement, competitive bidding, or such other methods as he may by general regulations adopt, etc.

The PRESIDENT pro tempore. The amendment will be agreed to, without objection.

Mr. KING. Mr. President, I want to ask the Senator from Nevada, having this bill in charge, why this amendment was inserted, which would permit the United States to enter upon the public domain and operate mining claims.

It seems to me that any effort upon the part of the Government to engage in mining operations must be attended with very great expense, and the operations would not be at all satisfactory; and I can not conceive of the United States going into the mining business. If it does, it will certainly result in extravagance, in waste, in inefficiency, and in nonproductiveness. It is a departure to which I could hardly reconcile myself; and I shall be very glad to hear the Senator from Nevada, if he will, give such explanation as he desires to give relative to this radical departure from the policy heretofore governing and obtaining in this country with respect to the development of our mineral resources.

Mr. PITTMAN. Mr. President, I hold largely the same views with regard to the Government operation of mining properties as does the Senator from Utah, but this is undoubtedly an exception.

In the first place, the known supplies of potash in this country, as we are informed by the various governmental departments and by all those who are familiar with the subject, are very limited. The report shows and the hearings before the committee show that the principal deposit in the United States to-day is at Searles Lake, Cal. That deposit is in solution, or brine. It is liquid. In the very nature of things, its development will be monopolistic. There can not be competition in it. These solutions may be drained from this lake from any one point. There is another phase of it, and that is that there is competition in the sale of all other minerals that I know of except potash. The only great supply of potash in the world is in Germany. Germany has had a monopoly of the potash of the world for years. Germany controls the price of that potash, though it is owned by private individuals. It has used its power of control over the potash in Germany for international political purposes. It has controlled the export and raised and lowered the price as it saw fit.

Why, let me call your attention to a statement on that subject. It will probably astonish the Senators. This is from the hearings:

The following recently published quotation of privy councilor of the German Empire, Wilhelm Ostwald, is of interest and has a direct bearing on the situation:

"America went into the war like a man with a rope around his neck which is in enemy's hands and is pretty tightly drawn. With its tremendous deposits, Germany has a world monopoly in potash, a point of immense value which can not be reckoned too highly when once this war is going to be settled. It is in Germany's power to dictate which of the nations shall have plenty of food and which shall starve. Germany is in the position, often realized by Bismarck, to handle the long arm of the lever. The dearth of potash, as well as the ever-increasing results of the U-boat war, is working in Germany's favor."

It is that peculiar situation that has led the committee to make an exception with regard to this matter. Now, then, the

Senator from Utah would not have that deposit in Searles Lake worked unless it could be so worked as to inure to the benefit of the people of this country. It may be necessary in the lease to specify terms which will guarantee the supply of that potash to the people of this country at such prices that they can afford to use it in farming; and if no one will take a lease under those conditions, if no one will take a lease under conditions that this Government thinks essential to the welfare of the people of this country, then the Government must operate those deposits itself, because we must have the potash. These hearings disclose the fact that potash is absolutely essential for the production of foodstuffs in this country.

Mr. SMITH of South Carolina. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from South Carolina?

Mr. PITTMAN. I yield.

Mr. SMITH of South Carolina. There is no more important ingredient to the agricultural interest than potash. There are others. There are three ingredients that make up what is called the balanced fertilizer. They are phosphate, potash, and ammonia.

I rose to call the attention of the Senator from Nevada to the fact that previous to the war, on May 1, 1912, statistics furnished me by the Agricultural Department show that muriate of potash 95 per cent pure was $40.15 a ton. On January 1, 1916, it was $500 a ton. It is now selling at $360 a ton. So it is only a question of time when the potash that has been put from year to year on the farms throughout the country will have been exhausted.

It is not very soluble except through the mechanical action of the plant itself, and from one crop to another it will stay in the soil. The lack of it is beginning to be evidenced throughout the country in a deterioration of the plant itself and in a falling off of the fruitage.

If the Senator from Nevada will permit me further, I see the difficulty before us in reference to the Government entering into it. In this emergency where the Government owns the land and has the deposits and this ingredient is so essential, I think it is a wise provision to put in the bill giving the Government the power to furnish the people of the country this needed article. I am not going to discuss the question of embarking on it as a policy, but I personally have no objection to this, as the very foundation upon which the prosperity of this country depends is the farmer. I think if the Government is going to depart from its custom of engaging in business it may very well take the initiative in furnishing people those things upon which the production of agriculture depends, and which ultimately spell the prosperity or failure of this country.

I call attention to this to show that even now the prices are prohibitive. We are depending upon the small trace of potash that is found in cottonseed meal, but as indicated there is nothing like an adequate amount for proper production throughout the entire agricultural interests of the country.

Mr. PITTMAN. Mr. President, I did not intend to go into any general discussion at this time.

Mr. KING. Mr. President, I wish to ask the Senator from Nevada whether later on he purposes generally entering into a discussion of the merits of the bill.

Mr. PITTMAN. Not unless there are some questions asked, because the merits of the bill seem so obvious that I do not want to take up the time of the Senate with debate. I have said all I desire to say in the report on behalf of the committee.

Mr. NORRIS. May I ask the Senator a question?

Mr. PITTMAN. I yield.

Mr. NORRIS. On what page is the Senate committee amendment under discussion?

Mr. PITTMAN. It is the amendment allowing the Government of the United States to operate these potash deposits.

Mr. NORRIS. On what page?

Mr. PITTMAN. Line 24, page 2.

Mr. NORRIS. I have it now.

Mr. PITTMAN. Mr. President, I would not favor as a general policy the Government going into the mining business or into any other business, as far as that is concerned, except where it is necessary for the public welfare. In this particular case I consider it essential to the public welfare that these potash deposits shall be worked and worked immediately. I want them worked through individual enterprise if possible, and if not possible I still want them worked.

I will say that it is not the intention of the present administration—I speak now with authority—to operate as a Government proposition any of these deposits, provided they can obtain the development of those fields by individual capital and energy on a reasonable basis.

Mr. KING. Mr. President——

Mr. PITTMAN. I yield to the Senator.

Mr. KING. I wish to submit to the Senator from Nevada a suggestion, and then upon the suggestion predicate a question. Has not the liberal policy of our Government which encouraged individuals to enter upon the mineral lands of the United States and prospect and develop them and obtain patent thereto resulted in the greatest good to all, and secured the most rapid working and development of the mineral deposits found in such lands? In other words, under our present mineral policy have we not obtained the very best results in the extraction of minerals from the earth and in putting into circulation the mineral wealth which has so greatly enriched our country?

Now, if such policy has been a successful one—and I think it has—why would not a continuation of that policy answer the present situation? If the potash lands have been withdrawn from entry, why not rescind the order of withdrawal and throw them open to private entry and permit the individual to go upon the lands and work them and obtain title thereto? It is obvious that if the price of potash is as high as stated by the Senator from Nevada it would encourage private capital and individual effort, so that these lands would be developed and developed quickly in order that the occupants and owners of the same might reap the rich harvest that is now before it. We all know what activity there has been in copper, lead, zinc, iron, and other mining properties owing to the high prices paid for these metals since the war began. The Senator knows that there never has been greater mining activity, and that there are now being developed hundreds of mines supposed to have been worked out that have been idle for years, and great quantities of mineral wealth are being shipped from them. Prospects are being worked, new mines discovered and operated, and the wisdom of the mining policy of the Government demonstrated.

Does not the Senator think the same policy with respect to potash lands would result in their development as it has resulted in the development of other mineral lands of the United States?

Mr. PITTMAN. There is no great difference between the Senator from Utah and the Senator from Nevada, but I do not think the Senator from Utah is familiar with this peculiar situation. The bill does provide for prospecting. The bill provides for prospecting for unknown deposits, and it gives a title in fee to a portion of the discovered territory just the same as the present mining law. There is not any distinction between that portion of the bill with regard to prospecting and the existing mineral law except in this, that under the existing mining law a man has no particular right on the public domain for any particular period of time. While he is prospecting under this bill he gets a permit which protects him in an exclusive right to prospect on 2,560 acres for two years. If during that time he discovers a deposit of potash, the Government gives him in fee simple one-quarter of that land, or 640 acres, as a bonus for his discovery, and that 640 acres is operated and worked by him just like all other mining property. But when there is no discovery to be made, when the discovery has already been made, when it is not unknown mineral land, but Government mineral land in which potash is known to exist, then such conditions do not call into exercise the energy or skill of any prospector. The Government then says as to this deposit which the agent of the Government itself has possibly discovered, we will lease such land, or work it ourselves if satisfactory leases can not be made——

Mr. HUSTING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Wisconsin?

Mr. PITTMAN. I yield.

Mr. HUSTING. While the Senator is discussing the question whether the present system of mining has been entirely satisfactory, I should like to suggest to him the further question whether he does not consider the coal-mining situation more analogous to this situation than the mining of gold and silver, and why should not the Government at the present time take the control of the mines and exercise the right to operate them. In that case we in the Northwest would not be in the deplorable situation we are now in, whereby, although the winter is fast approaching, there is not, by any means, a sufficient amount of coal in sight obtainable to keep the people from freezing. Unless extraordinary means, drastic means, are used in the next four weeks the Northwest will find itself in the midst of winter without any supply of coal, notwithstanding coal is found in abundance by those who claim absolute control and ownership of the coal,

Mr. PITTMAN. There is even a distinction between the coal and potash. We know that there are millions of acres of coal in the United States and that a large portion of it is withdrawn. It can not be utilized in any way at present. But experts both in the Government employ and out of the Government employ state that the only practical deposit of potash to-day to meet the immediate needs of the Government is in one little lake in California probably 10 miles square. It must be operated as a monopoly. You could not give a man title to it without giving him a monopoly. There is no way to do it. You can not conceive any way on earth by which that deposit can be fairly and economically and justly mined except either by the Government itself or by lessees of the Government. That is the thing we are dealing with. We are dealing in this bill both with that known deposit and with the unknown deposits. I ask the Senator from Utah [Mr. KING] to read the report that has just been read into the RECORD.

Mr. KELLOGG. Mr. President——

Mr. PITTMAN. I yield to the Senator from Minnesota.

Mr. KELLOGG. I hope the Senator from Utah will not object to that clause in this bill. There was no intention of the committee to report a bill to change the general policy of the country and to launch the Government into general mining transactions. I am as much in favor of encouraging private enterprise in the development of mines as in all other business, but in this particular it seems wise in view of the limited supply, in view of this great lake, that the Government should control it. Beyond that, if private enterprise will not take out what is absolutely necessary to the country during this war or any other time it is provided that the Government may do it itself. Realizing the fact that Germany practically controls all of its potash supply to the equal extent as though it owned it and operated it we thought it wise for this Government to be authorized to operate Searles Lake if it was found necessary. It is not launching the Government into a general mining enterprise, because there are millions of acres of coal and of land where other metals may be mined requiring discovery and enterprise and mining operations all over the country.

I hope the Senator from Utah will not object to the Government operating this particular property if it is found necessary. I do not believe it will be necessary, but it may be. Beyond that the Government has this great potash supply. It ought not only to have an authorization to operate it but to control the price and distribution in case of war. We felt that it was wise in this particular case to give that power in the bill and place that limitation upon it.

Mr. SMOOT. Mr. President, if the object of the committee was as just stated by the Senator from Minnesota [Mr. KELLOGG], that can be easily accomplished by offering an amendment to the bill, and I shall offer certain amendments later.

I call attention to the report that the Geological Survey considers, after an examination made, that there are at least 130,629 acres of the public lands containing potash, for that many acres of public land have already been withdrawn from entry on the ground that they are potash lands. I have no doubt at all if our Government had allowed the prospectors to go into the State of Utah and enter potash land and work it the same as they develop other minerals, instead of having a few tons of potash produced a year, as in the case to-day, there would have been many, many times the amount of potash produced in that one State than we find produced to-day.

I had a sample of mineral sent to me the other day by a prospector with the request that I take it to the Geological Survey and find out what it contained and what the mineral was. I sent the sample to the Geological Survey for an analysis, and the report showed that it was almost pure potash, and from what the prospector told me there were mountains of it. But if the prospector filed on the land containing the potash under the mining laws as they exist to-day, as he has a perfect right to do, he never would be allowed to secure a title to the land. Just as soon as the filing was made and sent to Washington there would be a field agent sent to make the examination, and when it was discovered that the entry contained potash it would be immediately withdrawn from entry, and in such case the prospector loses all of his time, all of his expense, with nothing to show for it. It is true the Government would benefit from his labors. The prospector would not be allowed to secure a title.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from Utah yield to the Senator from Minnesota?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. KELLOGG. The very object of this bill is to make these lands subject to lease.

Mr. SMOOT. Certainly; Mr. President I know the object of the bill is to provide that all such lands can be leased. That, to my knowledge, has been the object of the department for the last 14 years.

Mr. KELLOGG. Does the Senator object to any leasing?

Mr. SMOOT. Why, Mr. President, I abhor any policy that makes of the Government of the United States a landlord, a lessor, and being in a position to say that a man who goes out and spends all of his time and, more than likely, all he has on earth, and all that he can possibly secure from friends, to discover a mineral location shall then have it taken from him.

Mr. NORRIS and Mr. KELLOGG addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. Just as soon as the Senator from Minnesota gets through I shall yield to the Senator from Nebraska.

Mr. KELLOGG. I will ask the Senator from Utah if he does not think it wise for this Government to control its potash supplies, as foreign Governments have done as to theirs?

Mr. SMOOT. Well, Mr. President, foreign people live under different laws from those under which the people of the United States live. Foreign Governments do a great many things which the people of the United States would not consent to have done under their form of government.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. Yes; I yield.

Mr. NORRIS. The Senator from Utah is of course opposed to any leasing system, but there is somewhat of a compromise proposed by this bill. In the very instance which the Senator gives of his constituent—taking him as an example—if this bill were on the statute books and he had discovered territory where potash existed in great abundance, and he would be able to get a patent for 640 acres of land, does not the Senator think that would be enough?

Mr. SMOOT. Under the provisions of the bill the party seeking to discover such land and locate on it may not even have the opportunity to make the discovery. We are providing here that the property may be operated by the Government of the United States.

Mr. NORRIS. Yes.

Mr. SMOOT. And there is nothing at all to prevent the Government of the United States as soon as a lease is applied for from beginning the production of potash on the very land on which the man has asked a lease.

Mr. NORRIS. If the Senator from Utah will read section 2 of the bill he will find that the real intent of the proposed law is that a person prospecting for and finding potash shall be able to obtain a patent for 640 acres of the land. By his discovery it has been disclosed that all around that 640-acre tract very likely there are other deposits of potash. It is not necessary to prospect for that; this prospector has disclosed that by his energy and his efforts. He is given a reward by getting a fee-simple title to 640 acres. Then, it would be hardly fair, after through his energy the discovery is made, for other people to come in and get title to the remainder of the land in that particular tract. There is where the provision applies, that the remainder of the land shall be leased, and if it is not leased the Government shall have the right to operate it.

Mr. SMOOT. Mr. President, the Senator from Nebraska [Mr. NORRIS] and the Senator from Nevada [Mr. PITTMAN] do not agree on what the real object of the bill is. I take it for granted that what the Senator from Nevada says is true, that there is no intention on the part of the Government of the United States to develop and work these mines in case satisfactory leases can be made, but what we have got to recognize is what the law, if this bill becomes a law, says and what it means.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Florida?

Mr. SMOOT. I do.

Mr. FLETCHER. The Senator does not contend that in case a prospector goes upon land and discovers potash the Government would then withdraw that land upon which he discovered potash or would refuse to give him title to 640 acres of land?

Mr. SMOOT. Certainly, Mr. President, the Government can do so under this bill.

Mr. FLETCHER. I do not understand that to be the case at all.

Mr. SMOOT. I do not know what the Senator understands, but that is what the bill provides.

Mr. FLETCHER. I think not; I disagree with the Senator from Utah there. My construction of the bill is that people are allowed to prospect for potash, but wherever there are lands

upon which there is known to be potash they are not allowed to prospect; that the Government holds such lands back.

Mr. SMOOT. Certainly.

Mr. FLETCHER. And the Government could operate a plant on lands where it is known that potash exists; but where it is not known to exist and the prospector goes on the lands and finds potash, the Government could not then refuse to reward him for his discovery, because he has discovered it. It is not known when he enters upon the land that it contains potash, but he, by his work, develops that fact, and it then becomes known. However, in that situation the Government can not say "Since we know potash is there, we will not let you have title to the lands." That would be absolutely unfair.

Mr. SMOOT. Mr. President, the Senator is mistaken. A prospector can file upon public land to-day, thinking it contains potash or other minerals, and the Government withdraw it before a discovery is made as I have stated before, and if this bill becomes a law he could make an application for a lease and it be denied him.

Mr. FLETCHER. I thought the very purpose of the bill was to provide for just that sort of case.

Mr. SMOOT. The bill provides as to certain of these lands that they may be "leased by the Secretary of the Interior through advertisement, competitive bidding, or such other methods as he may by general regulations adopt," and so forth.

Another thing, under the practice to-day, if a locator locates a claim for potash he never would get title to the land, as the land would be withdrawn from entry as soon as an examination was made. The Senator from Nevada knows that.

Mr. PITTMAN. One moment——

Mr. SMOOT. All of the western Senators know that that is the practice.

Mr. PITTMAN. I shall have to disagree with the Senator from Utah there. If a prospector started to prospect and it were suspected that he was going to make a discovery, the department would probably withdraw the land and then defeat him; but under the mining law after a man makes a discovery you can not take it away from him because he then has a vested right.

Mr. SMOOT. Mr. President, provided the land is not withdrawn before the discovery is made, of course, the Senator from Nevada is right; but that is not the practice. The practice is to withdraw the land after it is entered upon just as soon as it is possible for some agent of one of the departments in Washington to go and examine the land.

Mr. PITTMAN. Yes; but the Senator from Utah——

Mr. SMOOT. That is how potash lands have been already withdrawn. There are 130,000 acres of potash lands that have been withdrawn, and I have no doubt, Mr. President, that many of those lands were lands which were undertaken to be entered by citizens of the United States.

Mr. NORRIS. Mr. President——

Mr. FLETCHER. But will not the Senator——

The PRESIDING OFFICER. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. I yield to the Senator from Florida.

Mr. FLETCHER. I desire to ask the Senator a question in that connection. The Senator says that 130,000 acres of land have been already withdrawn?

Mr. SMOOT. Yes.

Mr. FLETCHER. But those are lands not known to contain potash; at least all of them are not. Those lands are available for investigation under this act, are they not?

Mr. SMOOT. The Senator says that those lands are not known to contain potash?

Mr. FLETCHER. Exactly.

Mr. SMOOT. The very reason they were withdrawn was because the department learned that some one thought they did contain potash.

Mr. FLETCHER. The department may have thought so or may have suspected that they did. For instance, I know that the department has withdrawn lands in Florida on the theory that they contained phosphate, but, as a matter of fact, it has been found since those lands were withdrawn that a great many, if not all, of those lands—I will not say all of them, but a large proportion of them—do not contain phosphate at all.

Mr. SMOOT. I will say to the Senator that there have been large parts of counties in the State of Utah withdrawn as oil lands.

Mr. FLETCHER. That is because they were suspected to contain oil.

Mr. SMOOT. Certainly; and the only theory upon which they could be withdrawn was that they were oil lands.

Mr. FLETCHER. Precisely; but now this bill is intended, as I understand its purpose, to encourage investigation and promote the development of potash on public lands. So, in order to do that it is said, "Here we have withdrawn so many thousand acres of land; we believe they may contain potash. If you will go upon those lands and make the proper investigation and study, and take the proper steps to ascertain the facts, and if you find potash we will give you 640 acres of that land." That is the purpose of the bill, and that land is all to come out of these withdrawals.

Mr. SMOOT. We can give title to 640 acres of the land; there is no question about that.

Mr. NORRIS. The Government can not help itself; it is imperative that it shall. The man is entitled to it as a matter of right.

Mr. SMOOT. It is imperative, Mr. President, if a permit to go upon the land is granted.

Mr. NORRIS. And the object of this bill is to grant those permits and give authority to do that.

Mr. SMOOT. I know what the object of the bill is, and I know what it says.

Mr. NORRIS. Yes; but the Senator argues as though he did not know what it says and did not know what it means.

Mr. SHAFROTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Colorado?

Mr. SMOOT. I should like to go on; but I will yield to the Senator.

Mr. SHAFROTH. I want to suggest a compromise of this matter, to which I think it will be easy to agree. I was before the Public Lands Committee during the investigation of this and the general bill which the committee had under consideration. The understanding was in the committee that there was but one known deposit in the United States, and that was at Searles Lake. Although I do not like the idea of the Government operating, and voted against the bill in the committee, nevertheless I feel that if we confine the operation of the Government to that one deposit no injury will be worked. It was stated in the committee, and repeated time and time again, that that was the only known deposit in the United States; and if the operations of the Government were confined to that locality other locations would be opened up under the general provisions of the bill. If the bill can be amended in that respect, so as to let the Government, if it so desires, take over the Searles Lake deposit and operate it, I say, well and good. I suggest that to the Senator from Nevada.

Mr. SMOOT. Mr. President, that was exactly one of the amendments that I intended to offer to this bill. It has been stated upon the floor to-day that there is only one known deposit of potash in the United States, and that is at Searles Lake. What I want to provide for is that the Government of the United States may, if necessary, operate the potash beds at Searles Lake, and when the committee amendments are finally disposed of, and when I have a right to offer an amendment, I am going to offer such an amendment.

There was another thing, Mr. President, that was understood in the committee, and that was that this bill should only apply to potash and not to sodium, and I am going to offer an amendment to the bill striking out all that pertains to sodium. I take it that even the committee had that in view, because in the report made by the Senator from Nevada I find on page 2 near the bottom of the page, "The amendments recommended by the committee are as follows," and the very first amendment recommended is to the title striking out the words "or sodium."

Mr. SHAFROTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield further?

Mr. SMOOT. Yes.

Mr. SHAFROTH. I think the Senator from Nevada will admit that it was intended that this bill should apply only to potassium, because in the general bill which we brought in at the same time sodium is treated separately.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nevada?

Mr. SMOOT. I yield.

Mr. PITTMAN. That is my idea of the intention of the committee. There is a special provision in the leasing bill in regard to sodium, although originally the two minerals were placed together in the one bill.

Mr. SMOOT. Then, will the Senator allow me to suggest the amendments right now, and we can settle this question very quickly, if the amendments are satisfactory?

The PRESIDING OFFICER. If the Senator from Utah will pardon the Chair, the Chair is advised that no unanimous-consent agreement has been made that the committee amendments

shall be first considered. So amendments from the floor are in order.

Mr. SMOOT. Then, of course, I would be in order in offering amendments. I move to strike out on line 10, page 1, beginning with the last word in the line, the words "or borates, carbonates, or nitrates of sodium, or borates of calcium, or associated similar salts on public lands belonging to the United States" and insert, in line 2, before the word "lands" the words "on public"; and also after the word "States," on page 2, line 2, to strike out "not known to contain valuable deposits of the kinds above described" and insert "except lands in San Bernardino County, Cal.," so as to read:

That the Secretary of the Interior is hereby authorized and directed, under such rules and regulations as he may prescribe, to grant to any applicant who is a citizen of the United States, an association of such citizens, or a corporation organized under the laws of any State or Territory thereof, a prospecting permit which shall give the exclusive right to prospect for chlorides, sulphates, carbonates, borates, silicates, or nitrates of potassium on public lands of the United States, except lands in San Bernardino County, Cal., for a period of not exceeding two years.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Nebraska will state his parliamentary inquiry.

Mr. NORRIS. Is not the committee amendment at the bottom of page 2 the pending amendment?

Mr. PITTMAN. It is.

The PRESIDING OFFICER. That is the pending amendment.

Mr. NORRIS. Then I make a point of order against the amendment offered by the Senator from Utah.

Mr. SMOOT. I understood that the Senate had passed over the amendment referred to.

Mr. NORRIS. We can not take up the amendment offered by the Senator from Utah while another amendment is pending. Why not go on with the committee amendments?

The PRESIDING OFFICER. The Chair understands the pending amendment is the amendment on page 2, line 24, which will be disposed of first.

Mr. PITTMAN. Mr. President, the Senate has passed over the amendment at the top of page 2.

Mr. SHAFROTH. Mr. President, I think we had better try to perfect the provision at the top of the page, because what follows is dependent on that, and it seems to me, if we are going to get this measure through by 2 o'clock, action should be taken.

Mr. NORRIS. I do not think that the provision at the bottom of the page is dependent on what is above.

Mr. SMOOT. Mr. President, I have a right, then, to offer an amendment to the pending amendment.

The PRESIDING OFFICER. The Senator has that right.

Mr. HUSTING. Mr. President, I make the point that the amendment on page 2, lines 1, 2, and 3, has already been adopted.

Mr. SMOOT. No. I will state to the Senator that I asked the Senator from Nevada to allow that amendment to go over temporarily. It has not been adopted.

Mr. HUSTING. My understanding is that it was agreed to.

Mr. NORRIS. The amendment of the Senator from Utah, as I understand, applies to the text of the bill.

Mr. SHAFROTH. Mr. President, there have been no amendments agreed to as yet, except the first one.

Mr. PITTMAN. Mr. President, the Senator from Utah asked unanimous consent that we pass over the committee amendment at the top of page 2, and the Senator from Nevada, having the bill in charge, said he had no objection to that course being pursued. We did not vote upon or act upon the amendment at the top of page 2, but passed to the amendment at the bottom of page 2.

Mr. NORRIS. But that would make no difference, so far as the amendment of the Senator from Utah is concerned, because there is a pending amendment, as I understand—and I made inquiry to find out some time ago when the Senator from Nevada was discussing it—and that amendment is on line 24, page 2. So it is not in order for the Senator from Utah to propose the amendment he seeks to offer.

The PRESIDING OFFICER. The Senator is correct about that. There is an amendment pending, although the amendment at the top of page 2 was passed over. The present occupant of the chair was not in the Chamber at the time, but accepts the statement of the Senator from Nevada [Mr. PITTMAN] as absolutely correct. The Chair, of course, has no other way of deciding the matter.

Mr. SMOOT. I think the Chair is correct in his ruling.

Mr. NEWLANDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nevada?

Mr. SMOOT. Yes.

Mr. NEWLANDS. May I ask the Senator from Utah if he does not think that this bill will be better than no legislation at all? In that connection, let me say that I share his views largely regarding the existing lockup of the natural resources of the country in the West arising from divergent views as to the policy which shall be pursued. I realize that that is producing an increase in the prices of oil and other things, and it is a most unfortunate condition; but, as I understand, this is a compromise bill that both sides of this controversy are willing shall go through, and, of course, its passage will not prevent the agitation of the Senator for the advancement of his views with reference to our public domain generally. Is it not wise to avail ourselves of this opportunity and put it through now?

Mr. SMOOT. Why, Mr. President, I am not going to make any violent opposition to the passage of this bill. Of course, if I had my way, such a bill as this never would pass the Senate; but what I want is to have the bill perfected so that it carries out the idea that the committee has, and that is that it treats only upon the question of potash, in the first place; and then another point is that if the United States is to operate potash mines it ought to be confined to the Searles Lake deposit. With those amendments I shall say nothing more about it, but allow it to pass.

Mr. PITTMAN. Mr. President, I ask that the motion of the Senator from Utah be divided. He first moves to strike out, and then afterwards to insert. In other words, there are two different questions involved in the motion.

Mr. FLETCHER. The Senator has passed on from that now.

Mr. PITTMAN. The Senator from Utah moves to strike out all after the word "potassium," in line 10, down to——

Mr. SMOOT. I will say to the Senator that that has been held to be out of order, which I think it is. The pending amendment was the amendment of the committee on page 2, line 24, to insert "operated by the United States."

Mr. PITTMAN. Well, I ask unanimous consent to go back to——

Mr. NORRIS. I object to that.

Mr. HUSTING. I object.

The PRESIDING OFFICER. Objection is made.

Mr. FLETCHER. Has the Senator from Utah an amendment to offer to the amendment on line 24?

Mr. SMOOT. Yes; I will read it after offering the amendment.

In connection with that, Mr. President, I move to strike out lines 22 and 23 down to the word "hereof," and, after the word "leases," insert "and the potash public lands in San Bernardino County, Cal., may be operaed by the United States." In connection with the committee amendment it will read as follows:

All other lands described and embraced in such prospecting permit from and after the exercise of the right to patent accorded to the discoverer, and not covered by leases, and the potash public lands in San Bernardino County, Cal., may be operated by the United States or leased by the Secretary of the Interior—

And so forth.

Mr. NORRIS. Mr. President, to that I make the point of order that it is not an amendment to the pending amendment. It seeks to strike out part of the text of the bill.

The PRESIDING OFFICER. What rule does the Senator from Nebraska cite in support of his position?

Mr. NORRIS. The general parliamentary rule. Here is the amendment of the committee that is pending—in line 24, the insertion of the words "operated by the United States, or." That is the pending amendment. As an amendment to that amendment the Senator from Utah moves to strike out lines 22 and 23 down to and including the word "hereof," which is no part whatever of the committee amendment. He also moves to insert certain words after the word "leases," which is another amendment to the text and not to the committee amendment. It does not purport to be an amendment to the committee amendment.

Mr. SMOOT. Mr. President, I will say this: The words stricken out and the words added by the amendment simply apply to lands to be operated by the United States, and that is the amendment that is offered by the committee. It limits the lands to be operated by the United States to the potash public lands in San Bernardino County, Cal.

Mr. NORRIS. Mr. President, that amendment can be offered after the committee amendments are disposed of. It will have the same effect that it will have if offered now.

The PRESIDING OFFICER. Will the Senator from Nebraska pardon the Chair? The present occupant of the chair is advised that there was no unanimous-consent agreement entered into that the committee amendments should be disposed of first. Hence, under the status of affairs, any Senator would have the right to amend any part of the text.

Mr. NORRIS. All right. I am not basing my point of order on that ground, Mr. President. I assume that that is true, although it has been so general to do that that it has almost

become a rule to consider committee amendments first. But waive that. We have a certain amendment pending.

The PRESIDING OFFICER. Will the Senator from Nebraska please state what the amendment is?

Mr. NORRIS. The amendment is to insert, after the word "be," in line 24, page 2, the words "operated by the United States, or." That is the pending amendment. It is true that that is subject to amendment, but——

The PRESIDING OFFICER. Will the Senator pardon the Chair? The records of the Senate show that that amendment was agreed to, and the Journal so states.

Mr. NORRIS. Has that amendment been agreed to?

Mr. SMOOT. I did not so understand it.

The PRESIDING OFFICER. The present occupant of the chair is advised that the Journal of the Senate so shows—that the amendment was agreed to.

Mr. NORRIS. I was not aware of that.

The PRESIDING OFFICER. The Chair was not, either.

Mr. NORRIS. I do not think anybody else was.

Mr. SMOOT. I doubt, Mr. President——

Mr. FLETCHER. But even if it was, I submit to the Senator that it does not prevent his amendment.

Mr. SMOOT. I am perfectly aware that I can offer these amendments later.

The PRESIDING OFFICER. They are in order now.

Mr. SMOOT. I was trying to hasten the consideration of the bill, so that we could vote upon it before 2 o'clock; but if the Senator insists upon it, I will not say anything more at this time, and will offer the amendments later.

The PRESIDING OFFICER. The Secretary will proceed.

Mr. KING. Mr. President, I dislike very much to interfere with the program of the junior Senator from Nevada——

Mr. PITTMAN. The Senator need not hesitate at all.

Mr. KING (continuing). Because I am anxious to have this bill passed if the majority of the members of the committee desire its passage. I think the legislation exceedingly unwise, very dangerous, and the entering wedge to the destruction of the present mineral system of the United States. I shall vote against this bill. I am not in sympathy with its provisions or the method of its construction; but I shall pretermit any discussion now if the Senators desire to pass it before 2 o'clock, although I should prefer to have discussed some of the more objectionable and obnoxious features that are found in this measure.

Mr. FLETCHER. Mr. President, I think the fertilizer situation in this country is very acute. I think it is important that we take steps so as to provide a means of supplying the producers of agricultural products with this necessary article. Not only is it acute, not only do we need the potash, but we need some control of prices. The prices are prohibitory, and the prices of fertilizers are necessarily high. For that reason I am in favor of the Government operating these mines when it becomes necessary, in order that they can have proper control over the price of this article. It is a very essential element of plant food. Therefore I am in favor of the bill, and I am in favor of this provision of the bill.

Mr. KING. Mr. President, I am advised by the Senator from Colorado [Mr. SHAFROTH] that the Secretary informs him that the Journal shows that the amendment containing the words "operated by the United States," as found in lines 24 and 25, has been adopted. I submit, Mr. President, that that is not correct. The Chair asked the question as to whether that amendment should be adopted, and I rose and addressed the Chair before the Chair announced his conclusion; or, at least, if he announced his conclusion, it was while I was addressing the Chair. I certainly intended to oppose that amendment and to discuss it, and if the Journal shows its adoption it is inaccurate.

The PRESIDING OFFICER. The Senator will pardon the Chair. The present occupant of the chair was not in the chair when the record was made, and the present occupant speaks only of what the record discloses. The Senator from Utah.

Mr. KING. I have nothing further to say.

The PRESIDING OFFICER. The Secretary will state the next amendment.

Mr. NORRIS. Mr. President, I should like to say to the Senator that while I am in favor of this amendment and he is opposed to it, I do not want to have any snap judgment taken. I did not know that the Chair had announced the amendment adopted; and if it has been done, and the Senator from Utah wants to discuss it or have a vote on it, I think he should have that opportunity.

The PRESIDING OFFICER. A motion to reconsider would be in order.

Mr. PITTMAN. I ask unanimous consent that we reconsider the vote whereby the amendment was agreed to.

Mr. NORRIS. I ask unanimous consent for that.

The PRESIDING OFFICER. The Senator from Nevada asks unanimous consent to reconsider the vote by which the amendment on page 2, line 24, was adopted. Is there objection? There being none, the question is on the adoption of the amendment.

Mr. KING and Mr. SMOOT addressed the Chair.

The PRESIDING OFFICER. The junior Senator from Utah.

Mr. KING. I yield to my colleague, the senior Senator from Utah.

Mr. SMOOT. Mr. President, I hope this amendment will not be adopted in this place; and I want to call the attention of the Senator from Nevada to the fact that if this amendment on page 2, line 24, should be rejected, then I shall offer an amendment following the word "lessee," on page 3, line 24, in the following form:

and the potash lands in San Bernardino County, Cal., may be operated by the United States.

Mr. PITTMAN. Mr. President, as far as the Senator from Nevada is concerned, I am satisfied that that would accomplish every purpose at the present time. As I have stated time and again, all of the reports we have from public and private sources show that the only potash deposit in the United States that is material at all is in San Bernardino County, Cal., and that is the only deposit in which the Government has any deep interest right now—I might say the only one in which it has any immediate interest—and that is what we want to protect by the right of the Government to operate, so that if they can not get satisfactory leases for that lake they will operate it.

Mr. SMOOT. I will say to the Senator that I have no objection whatever to that, and shall offer that amendment; and it seems to me that that is as far as any Senator could ask to go. It will accomplish all that the Government is trying to accomplish, and I have not any doubt but that the leases will be made and that the Government will not have to operate even the mines at Searles Lake; but I am perfectly willing to give the Government of the United States authority to do it in case satisfactory leases can not be obtained.

I know the necessity for the production of potash in the United States; I know its value as a food producer, and I certainly would not do anything to interfere in any way with the production of this necessary article in the United States. But it does seem to me, Mr. President, that when we go so far as to say that the United States can go out and spend money in prospecting and hunting for lands and operating them, we are going altogether too far.

I am perfectly willing to take a vote now upon the proposition of striking that out, and let the Senate decide, with the understanding that I shall offer the amendment later.

Mr. HUSTING. Mr. President, this bill was before the committee at several meetings. I did not happen to be present at the last meeting of the committee. I believe there are a number of members of the Committee on Public Lands who were only persuaded to report out this bill, or one similar to it, because of the exigencies confronting us. It was because of a desire to have potash development at the earliest opportunity; and so a tentative bill was agreed upon in the committee, with the view of getting this matter disposed of speedily.

If some of the amendments tentatively proposed here by members of the committee are going to be injected into this discussion, I want to say to the chairman that I am very much afraid the bill not only will not get through before 2 o'clock to-day, but, if kept before the Senate, will not get through for a considerable length of time.

I was not present when this particular bill was reported out. Otherwise I should have asked for a certain amendment which I am going to propose when it is reached.

Coming down now to discuss this particular amendment providing that potash deposits may be operated by the United States, I want to say a few words in favor of the idea of the United States Government having the power to operate this sort of deposits. There is only one known deposit in the country, and that is at Searles Lake, and this particular provision pertains particularly to that, but there is no reason in the world why it should not apply to any deposit of potash.

I am somewhat astonished to find the claim made here that mining in the United States under private ownership is a success. I want to take issue with that so far as it pertains to certain things. I will mention only two. There are many others. One is oil and the other is coal.

I want to put the query whether Senators think that in regard to potash—which, it is claimed here, and rightfully so, is so necessary to fertilize the soil of this country—we should tie ourselves up in the same way that we have already tied ourselves up with respect to coal and oil? We have heard a great deal

about oil. It would take a long time to tell a little about it only; but we know that as far as the price of oil is concerned, as far as the production of oil is concerned, and as far as the distribution of oil is concerned this country stands absolutely helpless and powerless to-day. We have simply given away a source of wealth and power in this country that renders the country itself in the face of it absolutely powerless. There is no pretense here that we can regulate the price of the production or distribution of oil. It has passed into private ownership. We know what it has meant to this country. We know that we have been trying to deal with the oil question for almost half a century, and instead of this country running the oil business the oil business is pretty nearly running the country. At least it is dictating to the country, and the country can not dictate to it.

How about the coal situation? I am going to speak at length some day upon the coal situation in the particular part of the country from which I come—the Northwest. We hear the private system of mining praised here—the ownership system—and what do we find here to-day? I have just come back from a visit to Wisconsin, and I took occasion while there to inquire into the coal situation. I had received a good many communications from there. We find that here the weeks and months are slipping by, and almost in the entire State of Wisconsin, outside of Milwaukee, no beginning, even, has been made to supply the people with coal. Coal is there unmined and lying in the mines. It is lying at the mouth of the mines and is not being moved. Here we are approaching the middle of August. In four or five weeks from now, for instance, in Wisconsin we are going to have frost. The people begin to heat their houses sometimes the latter part of September and the beginning of October.

Mr. SHAFROTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Colorado?

Mr. HUSTING. I yield.

Mr. SHAFROTH. I will state to the Senator that, so far as the Rocky Mountain region is concerned, we have in Colorado 371,000,000,000 tons of coal which we can not touch; that Wyoming has 449,000,000,000 tons of coal which we can not touch. If we could have a bill passed such as we have proposed and agreed upon in the Committee on Public Lands, we would get that coal land developed, and that would obviate the great monopoly that has been created by the withdrawal of those lands.

TREASURY DEPARTMENT BUILDING.

The PRESIDING OFFICER. The Senator from Wisconsin will suspend. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (S. 2477) to authorize the construction of a building for the use of the Treasury Department.

Mr. CHAMBERLAIN. Mr. President, I am authorized by the senior Senator from Virginia [Mr. MARTIN] to state that his colleague, who is in charge of the unfinished business on the floor of the Senate, is necessarily absent, and I request that it be temporarily laid aside. Then, Mr. President, if that is done——

Mr. HUSTING. I believe I still have the floor.

The PRESIDING OFFICER. The Chair recognized the Senator from Oregon. Does the Senator from Oregon yield to the Senator from Wisconsin?

Mr. CHAMBERLAIN. I did not intend to be rude to the Senator. I supposed that when the unfinished business was laid before the Senate it would cut out the discussion of the bill which had been under consideration.

The PRESIDING OFFICER. The Chair was not aware that the Senator from Wisconsin wished to proceed.

Mr. HUSTING. I meant to occupy the floor.

Mr. CHAMBERLAIN. I submit the question to the Chair as to whether that would not displace the unfinished business?

The PRESIDING OFFICER. The unfinished business is before the Senate. Is there objection to laying the unfinished business aside?

Mr. HUSTING. I object. I did not yield for that purpose. I wish to conclude my remarks, which I will do in about 10 minutes. Then I will yield to the Senator from Oregon for the purpose of making his motion.

Mr. CHAMBERLAIN. I understand that comes up automatically.

The PRESIDING OFFICER. The unfinished business is before the Senate.

Mr. HUSTING. I do not understand that merely laying the unfinished business before the Senate deprives a Senator who had the floor from occupying the floor and concluding his remarks.

The PRESIDING OFFICER. It does not. The Chair asks the pardon of the Senator from Wisconsin. When the Senate adjourned on Thursday the roll call on the passage of the bill developed the absence of a quorum and the roll call should proceed.

Mr. CHAMBERLAIN. I thought that was allowed to go over.

Mr. NORRIS. I make the point of order that since the roll call developed that there was no quorum the unfinished business is debatable, and the Senator from Wisconsin can proceed.

The PRESIDING OFFICER. The Chair is informed by the expert parliamentarians at the desk that it is not debatable. The Chair is so advised.

Mr. NORRIS. The roll call disclosed that there was not a quorum present.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Connecticut?

Mr. HUSTING. The "Senator from Wisconsin" refuses to yield at the present time to anyone.

Mr. BRANDEGEE. I wish to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Connecticut rises to a parliamentary inquiry. He will state it.

Mr. BRANDEGEE. The Senate having adjourned in the midst of a roll call, which showed the lack of a quorum, and the Senator from Virginia [Mr. SWANSON], in charge of the bill, having stated through his colleague that he would like to have it temporarily laid aside, can we not get unanimous consent that it shall be laid aside without prejudice and that the roll call shall be proceeded with when it is taken up again?

The PRESIDING OFFICER. The Senator from Connecticut asks unanimous consent to lay aside the unfinished business informally. Is there objection?

Mr. BRANDEGEE. Without prejudice, so that the roll call may go on when the bill is next taken up.

Mr. GRONNA. I desire to make the point of no quorum before that is done.

The PRESIDING OFFICER. The Senator from North Dakota suggests the absence of a quorum?

Mr. GRONNA. I do.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	Myers	Smoot
Bankhead	Husting	New	Sterling
Beckham	James	Newlands	Stone
Borah	Johnson, Cal.	Norris	Sutherland
Brady	Jones, N. Mex.	Overman	Trammell
Brandegee	Kellogg	Page	Underwood
Chamberlain	Kendrick	Phelan	Vardaman
Culberson	Kenyon	Pittman	Wadsworth
Cummins	King	Poindexter	Warren
Curtis	Knox	Ransdell	Watson
Fletcher	La Follette	Shafroth	Weeks
France	Lewis	Sheppard	
Gronna	McKellar	Sherman	
Hitchcock	McNary	Smith, S. C.	

Mr. CURTIS. I desire to announce the absence of the Senator from Washington [Mr. JONES] on official business. I will let this announcement stand for the present.

The PRESIDING OFFICER. Fifty-three Senators having answered to their names, a quorum of the Senate is present. Is there objection to the request of the Senator from Connecticut that the unfinished business be temporarily laid aside? There being none, the unfinished business is temporarily laid aside.

Mr. HUSTING. I understand that the Senator from Oregon desires to move that the Senate proceed to the consideration of the conference report on House bill 4961, and I yield for that purpose.

Mr. CHAMBERLAIN. That was my purpose.

Mr. HUSTING. I yield the floor. I will conclude my remarks on some other day.

AMERICAN ACADEMY OF ENGINEERS.

Mr. BRANDEGEE. This morning I was addressing the Chair to ask the consideration of a Judiciary Committee report, to which I think there will be no opposition, and was cut off by the Chair announcing that the morning business was closed. The Senator from Oregon has kindly yielded to me to ask unanimous consent for the consideration of the bill (S. 2360) to incorporate the American Academy of Engineers. I think there will be no debate about it. If there is, I shall not press it.

The PRESIDING OFFICER. The Senator from Connecticut asks unanimous consent for the consideration of the bill indicated by him.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments.

The amendments were, on page 1, line 5, to change the name "Backeland" to "Baekeland"; on page 2, line 9, to change the name "Nordbert" to "Nordberg"; in line 22, after the word "Missouri," to strike out the semicolon and insert a comma and the word "and"; in the same line, after the words "New York," to strike out the semicolon and insert a comma and the word "and"; in line 23, after the word "chosen," to insert "be, and they"; and on page 4, line 9, after the word "property," to insert "to an amount not exceeding $1,000,000 in the aggregate," so as to make the bill read:

A bill (S. 2360) to incorporate the American Academy of Engineers.

Be it enacted, etc., That John W. Alvord, of Illinois; Edward G. Acheson, of New York; Thomas E. Brown, of New York; Louis Bell, of Massachusetts; L. H. Baekeland, of New York; C. F. Chandler, of New York; John F. Coleman, of Louisiana; Howard E. Coffin, of Michigan; John J. Carty, of New York; Mortimer E. Cooley, of Michigan; William F. Durand, of California; Gustave J. Fiebeger, of New York; George W. Goethals, of New York; W. F. M. Goss, of Illinois; Carl E. Grunsky, of California; Robert S. Griffin, of the District of Columbia; Carl Hering, of Pennsylvania; Clemens Herschel, of New York, H. F. Hodges, of the District of Columbia; Henry M. Howe, of New York; John Hays Hammond, of New York; Alex. C. Humphreys, of New York; Hennen Jennings, of the District of Columbia; Julian Kennedy, of Pennsylvania; Hunter McDonald, of Tennessee; C. O. Mailloux, of New York; Charles T. Main, of Massachusetts; Bruno V. Nordberg, of Wisconsin; William H. Nichols, of New York; William Barclay Parsons, of New York; Corydon T. Purdy, of New York; M. I. Pupin, of New York; Charles F. Rand, of New York; Samuel Rea, of Pennsylvania; Rossiter W. Raymond, of New York; E. W. Rice, jr., of New York; S. W. Stratton, of the District of Columbia; George F. Swain, of Massachusetts; E. Gybbon Spilsbury, of New York; Ambrose Swasey, of Ohio; Frank J. Sprague, of New York; A. N. Talbot, of Illinois; Stevenson Taylor, of New York; Benjamin B. Thayer, of New York; Elihu Thomson, of Massachusetts; David W. Taylor, of the District of Columbia; F. E. Turneaure, of Wisconsin; M. C. Whitaker, of New York; J. A. L. Waddell, of Missouri, and John F. Wallace, of New York, and their associates and successors duly chosen, be, and they are hereby, incorporated, constituted, and declared to be a body corporate of the District of Columbia by the name of the American Academy of Engineers.

SEC. 2. That the purposes of this corporation are and shall be the furtherance of the interests of engineering, industrial technology, and applied science.

SEC. 3. That the American Academy of Engineers shall consist of not more than 200 regular members, and the said corporation hereby constituted shall have power to adopt a constitution, and to make all by-laws, rules, and regulations not inconsistent with law that may be necessary or expedient in order to accomplish the purposes of its creation; to fill all vacancies created by death, resignation, or otherwise; to provide for the election of foreign and domestic members, and the division of such members into classes; to adopt a seal, and to do all other matters needful or usual in such institutions.

SEC. 4. That the American Academy of Engineers shall hold an annual meeting at such place in the United States as may be designated, and shall make an annual report to the Congress, to be filed with the Librarian of Congress.

SEC. 5. That the American Academy of Engineers shall, whenever called upon by any department or establishment of the Government, investigate, examine, experiment, and report upon any subject of engineering science or art, the actual expenses of such investigations, examinations, experiments, and reports to be paid from appropriations which may be made for the purpose; but neither the academy as a body nor any of its committees shall receive any compensation whatever for any service to the Government of the United States.

SEC. 6. That the American Academy of Engineers be, and the same is hereby, authorized and empowered to receive by devise, bequest, donation, or otherwise, either real or personal property, to an amount not exceeding $1,000,000 in the aggregate, and to hold the same absolutely or in trust, and to invest, reinvest, manage, and apply the said property and the income arising therefrom in furtherance of the objects of its creation.

SEC. 7. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BRANDEGEE. I ask that the report of the committee and the letter which I send to the desk from the Secretary of War recommending the bill be printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut that the report and the letter of the Secretary of War be incorporated in the RECORD? The Chair hears none.

The matter referred to is as follows:

[S. Rept. No. 86, 65th Cong., 1st sess.]

AMERICAN ACADEMY OF ENGINEERS.

Mr. BRANDEGEE, from the Committee on the Judiciary, submitted the following report to accompany Senate bill 2360:

The Committee on the Judiciary, to whom was referred the bill (S. 2360) to incorporate the American Academy of Engineers, having had the same under consideration, report thereon with the recommendation that it be amended as follows, and as thus amended it be passed:

"A bill (S. 2360) to incorporate the American Academy of Engineers.

"*Be it enacted, etc.*, That John W. Alvord, of Illinois; Edward G. Acheson, of New York; Thomas E. Brown, of New York; Louis Bell, of Massachusetts; L. H. Baekeland, of New York; C. F. Chandler, of New York; John F. Coleman, of Louisiana; Howard E. Coffin, of Michigan; John J. Carty, of New York; Mortimer E. Cooley, of Michigan; William F. Durand, of California; Gustave J. Fiebeger, of New York; George W. Goethals, of New York; W. F. M. Goss, of Illinois; Carl E. Grunsky, of California; Robert S. Griffin, of the District of Columbia; Carl Hering, of Pennsylvania; Clemens Herschel, of New York; H. F. Hodges, of the District of Columbia; Henry M. Howe, of New York; John Hays Hammond, of New York; Alex. C. Humphreys, of New York; Hennen Jennings, of the District of Columbia; Julian Kennedy, of Pennsylvania; Hunter McDonald, of Tennessee; C. O. Mailloux, of New York; Charles T. Main, of Massachusetts; Bruno V. Nordberg, of Wisconsin; William H. Nichols, of New York; William Barclay Parsons, of New York; Corydon T. Purdy, of New York; M. I. Pupin, of New York; Charles F. Rand, of New York; Samuel Rea, of Pennsylvania; Rossiter W. Raymond, of New York; E. W. Rice, jr., of New York; S. W. Stratton, of the District of Columbia; George F. Swain, of Massachusetts; E. Gybbon Spilsbury, of New York; Ambrose Swasey, of Ohio; Frank J. Sprague, of New York; A. N. Talbot, of Illinois; Stevenson Taylor, of New York; Benjamin B. Thayer, of New York; Elihu Thomson, of Massachusetts; David W. Taylor, of the District of Columbia; F. E. Turneaure, of Wisconsin; M. C. Whitaker, of New York; J. A. L. Waddell, of Missouri; and John F. Wallace, of New York, and their associates and successors duly chosen, be, and they are hereby, incorporated, constituted, and declared to be a body corporate of the District of Columbia by the name of the American Academy of Engineers.

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"SEC. 4. That the American Academy of Engineers shall hold an annual meeting at such place in the United States as may be designated, and shall make an annual report to the Congress, to be filed with the Librarian of Congress.

"SEC. 5. That the American Academy of Engineers shall, whenever called upon by any department or establishment of the Government, investigate, examine, experiment, and report upon any subject of engineering science or art, the actual expenses of such investigations, examinations, experiments, and reports to be paid from appropriations which may be made for the purpose; but neither the academy as a body nor any of its committees shall receive any compensation whatever for any service to the Government of the United States.

"SEC. 6. That the American Academy of Engineers be, and the same is hereby, authorized and empowered to receive by devise, bequest, donation, or otherwise, either real or personal property, to an amount not exceeding $1,000,000 in the aggregate, and to hold the same absolutely or in trust, and to invest, reinvest, manage, and apply the said property and the income arising therefrom in furtherance of the objects of its creation.

"SEC. 7. That the right to alter, amend, or repeal this act is hereby expressly reserved."

The incorporation of the American Academy of Engineers was earnestly recommended by Gen. George W. Goethals, Dr. S. W. Stratton, director of the Bureau of Standards, and many other expert engineers and scientists.

Among many reasons given in favor of the passage of the bill were the following, submitted in writing to the Judiciary Committees of the Senate and of the House of Representatives, signed by J. A. L. Waddell, one of the most distinguished consulting engineers of the country:

REASONS WHY THE AMERICAN ACADEMY OF ENGINEERS NEEDS A NATIONAL CHARTER, AND WHAT IT COULD DO FOR THE COUNTRY TO-DAY WERE IT PROPERLY ACCREDITED.

First. Without such a charter the academy would not be recognized by people in general as the national association of engineers chosen from every line of technics, nor as the select body of practitioners which it is intended to be, and therefore its capacity for doing good would be most effectually curtailed.

Second. The National Academy of Sciences exists by reason of a charter from the United States Government, conferred during the period of the Civil War, and as the American Academy of Engineers is to work hand in hand with that organization it must be on a par with it in every respect.

Third. The great and noted European academies are chartered by the governments of the countries wherein they exist, and it would not be well to have the United States of America drop behind the European countries in respect to such an important matter as academies composed of the most prominent men in the various lines of activity.

Fourth. If the American Academy of Engineers were given a national charter, all the technical societies of this country would look to it as the leader in matters relating to the general welfare of engineers of all classes and would appeal to it for help in their important difficulties.

Fifth. If the American Academy of Engineers were to receive a national charter the United States Government would, as a matter of course, turn to it for expert aid and advice, and such would always be given—often after consultation with some of the other engineering societies from among the prominent members of which the members of the academy have been chosen. In case of such an appeal it would be the bounden duty of the academy, according to the pledge given in the bill asking for a national charter, to supply the information or advice requested, and with the least possible delay. Were the academy not so chartered, it would have the right, like any other of the existing technical societies, to ignore the request if it should see fit.

Sixth. Unless the academy be granted a national charter the State and municipal governments of the country will not feel that they have the privilege of appealing to it for information and advice, which they would assuredly have according to the proposed bill of incorporation.

Seventh. Foreign nations sometimes desire to send to America for expert technical aid, and at present they do not know to whom to appeal. Were our academy a national organization, they would invariably apply to it. There exists an excellent example of this at the present moment. There is a French commission now in our country seeking for expert engineers to aid in the reconstruction of France after the war, and they did not know to whom to apply. Fortunately they fell into the hands of Dr. Mailloux, one of the most enthusiastic members of our new academy and an engineer well known in France, and he has helped them as much as any individual could. Had the academy been duly recognized as a national body, these Frenchmen would certainly have gone to it at the outset and would have benefited by its organized aid.

Eighth. France is now contemplating the establishment of a national academy of engineers and is looking to our academy for help and guidance; but if the French engineers do not receive such aid on account of our failure to become a national organization they will soon proceed without us, and then this country will not have the credit of having been the first nation to recognize officially engineering as a great and learned profession, and to France will go the honor of having been the first country in the world to establish an academy of engineers. France has hitherto taken the lead of all the nations in matters of this kind; hence this is a unique opportunity for the United States of America to score an important advance in the history of science and technology, because the establishment of a national academy of engineers will be by far the most important step in the direction of progress and general recognition which the engineering profession has ever taken in any land.

Ninth. Were the academy recognized as a truly national organization, it very properly could take the initiative in many important movements affecting the welfare of the Commonwealth; while, otherwise, its members could not do so with any effect. At the present moment it is a matter of deep regret to many of the members of our nucleus of 50 that we are not properly organized and formally recognized by the American Government; for, if we were, we would at once make officially a stirring appeal through the press to the youths who are about to enter college (and to their parents as their advisers), to the effect that, if at all fitted for technics, they study engineering in some of its numerous branches. We would state that the larger part of the civilized world will have to be reconstructed after the war; that such reconstruction is almost exclusively the work of engineers; that the European engineers are being killed off by thousands; that the technical schools of all the warring countries other than ours have practically been out of business for three years, thus cutting down almost to zero the supply of new men for the profession; that the call to arms in this country will have reduced to about one-half the attendance at the technical schools (while instead of being halved it ought to be doubled); that all the youths between 16 and 21 who have any special aptitude for mathematics or mechanical work, and who are intending to take a college course, can best serve their country in its hour of need by entering technical schools; that all students of such institutions should remain there, if possible, until graduation; and that engineering for the next 10 years, at least, is going to be the most lucrative of all the professions.

It is true that such an appeal as the one just suggested might readily be made by the old and well-established Society for the Promotion of Engineering Education; but, if so, it would generally fall upon deaf ears, because it would immediately be remarked that the professors were simply trying to recruit their classes and were "rooting" for their schools.

If, though, a duly organized and accredited academy of engineers were to make such an appeal, the Nation would immediately take notice and would need seriously the words of warning from a select body of the most practical men of America.

For these reasons, and for other important ones too numerous to mention herein, it is advisable that the bills before the Senate and House of Representatives to incorporate the American Academy of Engineers be considered as dealing with an important "war measure," and that the said measure be passed without delay.

Respectfully submitted.

J. A. L. WADDELL,
Consulting Engineer and Member of the American Academy of Engineers.

The following letters furnish other arguments in favor of the incorporation of this academy:

UNITED STATES SHIPPING BOARD,
EMERGENCY FLEET CORPORATION,
Washington, June 23, 1917.

Hon. FRANK B. BRANDEGEE,
Committee on the Judiciary,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I beg to introduce to you Dr. J. A. L. Waddell, a charter member of the American Academy of Engineers.

The bill to incorporate the academy is now before the Committee on the Judiciary, and the objects of the organization are fully set forth therein. Section 5 of the measure provides "That the American Academy of Engineers shall, whenever called upon by any department or establishment of the Government, investigate, examine, experiment, and report upon any subject of engineering science or art," etc.

The academy is endeavoring to organize at this time, with the expectation that it can be of service in technical matters during the war. It is hoped, therefore, that the bill may be classified among the legislation having a bearing upon the war to be considered at this session.

Any assistance or advice that you may give Dr. Waddell to promote the object he has in view will be appreciated.

Very truly, yours,

GEO. W. GOETHALS.

DEPARTMENT OF COMMERCE,
BUREAU OF STANDARDS,
Washington, June 26, 1917.

Senator FRANK B. BRANDEGEE,
United States Senate, Washington, D. C.

MY DEAR SENATOR BRANDEGEE: I take great pleasure in calling your attention to H. R. 4625, for the purpose of incorporating the American Academy of Engineers.

This measure provides for the establishment of a body of representative engineers upon whom the Government may call for advice in time of need. The members named in the bill as the incorporators are well known as leaders in their respective professions. It is my opinion that this body would be of great service to the Government at all times in an advisory capacity as regards its engineering work both in the military and civil departments. With kindest regards, I remain,

Very truly, yours,

S. W. STRATTON.

NEW YORK, *July 5, 1917.*

Hon. CHARLES A. CULBERSON,
Washington, D. C.

DEAR SIR: I desire respectfully to call your attention to Senate bill 2360, the purpose of which is to incorporate a national body of engineers, which is already organized under the name of the American Academy of Engineers.

I would like to urge the importance and desirability of the Senate and Congress of the United States giving a national charter to the American Academy of Engineers at the earliest date possible. Besides the reasons of professional, national, and civic character, which amply justify the formation of the American Academy of Engineers, and which will probably be urged in letters addressed to you by other engineers on this subject, there are other reasons which make the movement extremely opportune at the present time. While I was in France last fall with the American Industrial Commission to France, of which I was a member, I had occasion several times to speak of this matter to many men prominent in engineering, applied science, and technology, including members of the French Academie des Sciences. Many compliments were paid to the American engineering profession for its foresight and its initiative in having inaugurated a movement for the creation of an academy of engineers. The fact was recognized and was stated by them, in so many words, that the time has come when academies of engineers are necessary for the further and fuller development and evolution of the engineering profession as a factor in human progress. I was informed that, notwithstanding the fact that France already has the greatest academy of sciences in the world, the need has been recognized for something more.

The French Government has, since the war began, created a new academy called the Academy of Agriculture by a special decree of President Poincaré, issued under date of February 23, 1915, and countersigned by the minister of agriculture. This academy succeeds, and is based upon, the National Agricultural Society of France, founded in 1761. In the last two years efforts have been made to constitute in France a federation of engineers, architects, and technologists with the idea of securing a better coordination of, and cooperation between, the different branches of applied science. Strange, but very important to note, men like my friend Prof. Blondel, the distinguished electrical engineer and scientist, who is himself a member of the Académie des Sciences, and consequently is a member of the Institut de France, was one of the very first to recognize the fact that there is still something lacking in France to enable the French nation and Government to derive the fullest benefit and highest efficiency from the cooperation of technical men. He expressed to me the fervent hope that the American academy would soon be completely launched and established, because he fully believed that the example would be at once followed by the men interested in and connected with engineering and applied science in France. He expressed wonder that this happy idea, which he characterizes as an inspiration, had not been carried into execution long ago, especially in view of the fact that engineering and the work of engineers have assumed so much importance in modern life and in present day activities, in warfare as well as in industry and commerce. A prominent French engineer told me that he wished that the idea of establishing a national academy of engineers had been thought of in France first instead of in America. However, under the circumstances as France could not be the first, it would rather play second and come after America than after any other nation. He added laconically that there was one nation that might have been first, and which it would have been impossible for them to follow, as a matter of self-respect and dignity. In France the creation of an academy of engineers is regarded as a war measure of considerable importance and seeing that the example is being set by America, France will be sure to follow it promptly and enthusiastically. A letter received from M. Blondel, under date of May 25, reiterates his great interest in the movement to establish the American Academy of Engineers, and congratulates American engineers on having organized that academy.

The preceding notes show that the men of elite in engineering and applied science in France have the highest opinion of the American Academy of Engineers, and realize that its creation is fully justified. Their indorsement alone, in my opinion, constitutes a strong plea in favor of the prompt passage of the bills introduced in the Senate and the House of Representatives to incorporate that academy. I need not dwell upon the numerous other reasons related to the benefits which the profession of engineering in general and the Nation as a whole can and will undoubtedly derive from the American Academy of Engineers. In France academies can be created by presidential decree on the recommendation of one of the ministers. I sincerely hope that the Senate and House of Representatives will not delay in taking the action desired by the charter members of the American Academy of Engineers, so that the said academy may not be deprived of the credit and satisfaction of having been the first academy of engineers to receive official sanction as a national academy of engineers.

Yours, very truly,

C. O. MAILLOUX.

NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY,
ENGINEERING DEPARTMENT,
Nashville, Tenn., June 25, 1917.

Hon. CHARLES A. CULBERSON,
Member of the United States Senate,
Washington, D. C.

DEAR SIR: The world war which is now in progress is principally a contest between engineers. Those of Germany are united in one great body for the welfare of the fatherland. This body is an important factor in the nation's affairs both in peace and war, and the organization enjoys Government recognition and confidence.

The engineers of this country are not represented by one authoritative body, nor can they succeed in forming such an organization which would be effective until a national charter is secured.

There are at least 200,000 engineers in this country who are interested in securing a plan for united action in the most positive and effective way. Such a plan is no doubt a very important war measure. To put into effect a bill, known as House bill 4625, has been introduced in Congress, which provides for a national charter for the American Academy of Engineers. The bill shows the names of the charter members. These were selected by a committee of 10 engineers, which was chosen by Gen. Goethals.

In behalf of the entire engineering profession and the welfare of the Nation, I solicit your earnest support of this bill for passage at the present session.

Very respectfully,

HUNTER MCDONALD,
Past President, American Society of Civil Engineers,
Charter Member American Academy of Engineers.

AMERICAN ACADEMY OF ENGINEERS,
Washington, May 3, 1917.

To the honorable Members of the Senate and of the House of Representatives of the United States of America.

GENTLEMEN: The engineers named hereon were chosen from the various branches of the profession for the purpose of forming an American Academy of Engineers.

The objects of the proposed organization are set forth in the draft of a proposed act of Congress accompanying this, showing that the academy is to be absolutely nonpartisan. Its aims are to be: First, to render loyal and effective service to the Government of the United States, as far as lies in its power; second, to advance in every legitimate manner the interests and welfare of the engineering profession in all of its numerous branches.

While the establishment of the proposed academy has been under discussion for nearly eight years, the final steps necessary to its materialization were not taken until December, 1916. The mode of selection of the nucleus then adopted was as follows:

By the written request of many engineers from all parts of the country to the effect that he take the first step toward the inauguration of the academy, Hon. William C. Redfield, Secretary of Commerce, requested Maj. Gen. George W. Goethals to select nine prominent engineers (mostly from among the past presidents of the various national engineering societies) who, with himself, should choose from America's most eminent representatives of all branches of engineering some 40 others, the 50 thus constituted to be the incorporators and first members of the American Academy of Engineers, and petition Congress for a national charter.

Gen. Goethals complied, but refrained from including himself among the 10 whom he selected. This small nucleus, after insisting that Gen. Goethals be included as the first member elected, chose (by a most careful manner of selection extended over a number of conferences) the other members required to make up the 50 whose names appear on the succeeding page.

You are most earnestly requested to pass this proposed legislation with the least possible delay in order that the American Academy of Engineers may be able to serve our beloved country in her present hour of need and against the attacks and machinations of a foreign foe.

We trust that you will let nothing prevent you from granting this request.

Respectfully submitted.

THE COMMITTEE OF ORGANIZATION,
CHARLES F. CHANDLER,
Temporary Chairman.
CHARLES F. RAND,
Temporary Secretary.

INCORPORATORS AND FIRST MEMBERS OF THE AMERICAN ACADEMY OF ENGINEERS.

John W. Alvord, Chicago, consulting civil engineer.
Dr. Edward G. Acheson, Niagara Falls, past president American Electrochemical Society.
Thomas E. Brown, New York, consulting engineer Otis Elevator Co.
Dr. Louis Bell, Boston, past president Illuminating Engineering Society.
Dr. L. H. Baekeland, New York, past president American Electrochemical Society; past president American Institute of Chemical Engineers.
Dr. C. F. Chandler, New York, past president American Chemical Society.
John F. Coleman, New Orleans, consulting civil engineer.
Howard E. Coffin, Detroit, vice president and chief engineer Hudson Motor Car Co.; member Naval Consulting Board.
Dr. John J. Carty, New York, chief engineer American Telephone & Telegraph Co.; past president American Institute Electrical Engineers.
Dr. Mortimer E. Cooley, Ann Arbor, professor at University of Michigan.
Prof. William F. Durand, Stanford University, Cal., naval architect and marine engineer.
Col. Gustave J. Fiebeger, West Point, professor of engineering at West Point.
Gen. George W. Goethals, New York, consulting engineer.
Dr. W. F. M. Goss, Urbana, Ill., past president American Society Mechanical Engineers.
Carl E. Grunsky, San Francisco, consulting civil engineer.
Admiral Robert S. Griffin, Washington, D. C., engineer in chief, United States Navy.
Dr. Carl Hering, Philadelphia, past president American Electrochemical Society; past president American Institute Electrical Engineers.
Clemens Herschel, New York, past president American Society Civil Engineers.
Gen. H. F. Hodges, Washington, D. C., brigadier general, United States Army.
Dr. Henry M. Howe, New York, past president American Institute Mining Engineers; past president American Society for Testing Materials; past president International Association for Testing Materials.
Dr. John Hays Hammond, New York, past president American Institute Mining Engineers.
Herbert C. Hoover, New York, honorary member American Institute Mining Engineers; chairman Commission for Relief in Belgium.
Dr. Alex. C. Humphreys, New York, president Stevens Institute of Technology; past president American Society Mechanical Engineers.
Hennen Jennings, Washington, D. C., consulting mining engineer.
Dr. Julian Kennedy, Pittsburgh, Pa., designer of iron and steel works.
Hunter McDonald, Nashville, Tenn., past president American Society Civil Engineers.
Dr. C. O. Mailloux, New York, past president American Institute Electrical Engineers.
Charles T. Main, Boston, consulting mechanical engineer.
Bruno V. Nordberg, Milwaukee, president and chief engineer Nordberg Manufacturing Co.
Dr. Wm. H. Nichols, New York, president General Chemical Co.; past president American Chemical Society.
Dr. Wm. Barclay Parsons, New York, consulting civil engineer.
Corydon T. Purdy, New York, consulting engineer, expert in steel building construction.
Dr. M. I. Pupin, New York, member National Academy of Science; professor at Columbia University.
Charles F. Rand, New York, past president American Institute Mining Engineers.
Dr. Rossiter W. Raymond, New York, founder American Institute Mining Engineers.
E. W. Rice, jr., Schenectady, president General Electric Co.; president-elect American Institute Electrical Engineers.
Dr. S. W. Stratton, Washington, D. C., Director of the Bureau of Standards.
Dr. George F. Swain, Cambridge, Mass., consulting civil engineer; professor at Harvard; past president American Society of Civil Engineers.
E. Gybbon Spilsbury, New York, past president American Institute Mining Engineers.
Dr. Ambrose Swasey, Cleveland, Ohio, past president American Society Mechanical Engineers.
Frank J. Sprague, New York, past president American Institute Electrical Engineers.
Prof. A. N. Talbot, Urbana, Ill., past president Society for Promotion of Engineering Education.
Stevenson Taylor, New York, president Society of Naval Architects and Marine Engineers.
Benjamin B. Thayer, New York, past president American Institute Mining Engineers.
Dr. Elihu Thomson, Lynn, Mass., member National Academy of Science; past president American Institute Electrical Engineers.
David W. Taylor, Washington, D. C., Chief Constructor United States Navy.
Prof. F. E. Turneaure, Madison, Wis., professor at University of Wisconsin.
Dr. M. C. Whitaker, New York, consulting chemical engineer.
Dr. J. A. L. Waddell, Kansas City, consulting civil engineer.
Dr. John F. Wallace, New York, past president American Society Civil Engineers; past president Western Society of Engineers.

JULY 24, 1917.

Hon. WARREN GARD,
House of Representatives.

MY DEAR MR. GARD: I have your letter of July 20, and have looked over the papers inclosed. In the meantime, Gen. Goethals writes me that at the request of the Secretary of Commerce he took the first steps toward the inauguration of the American Academy of Engineers, and that he and Secretary Redfield have given serious consideration to the project. I do not know two men whose judgment upon such a matter I would value more highly, and I am very happy to concur in the opinion which they have expressed. Surely such a body would be very useful to the Government in times of emergency, and the provisions of section 5 of the proposed charter insure that cooperation.

Cordially, yours,

NEWTON D. BAKER, *Secretary of War.*

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by G. F. Turner, one of its clerks, announced that the House agrees to the report of the commmittee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1816) to amend the act to regulate commerce, as amended, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2356) to amend the act to regulate commerce, as amended, and for other purposes.

ENROLLED BILL SIGNED.

The message further announced that the Speaker of the House had signed the enrolled bill (H. R. 4285) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, and it was thereupon signed by the President pro tempore.

INTERSTATE COMMERCE COMMISSION—CONFERENCE REPORT (S. DOC. NO. 72).

Mr. NEWLANDS. I submit the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1816) to amend the act to regulate commerce, as amended, and for other purposes. I ask that the report lie on the table and be printed. I desire to give notice that I shall call up the report for consideration at the earliest opportunity.

The PRESIDING OFFICER (Mr. ASHURST in the chair). The conference report will lie on the table and be printed.

The report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill S. 1816, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows:

"That section 24 of an act entitled 'An act to regulate commerce,' approved February 4, 1887, as amended, be further amended to read as follows:

"'SEC. 24. That the Interstate Commerce Commission is hereby enlarged so as to consist of nine members, with terms of seven years, and each shall receive $10,000 compensation annually. The qualifications of the members and the manner of the payment of their salaries shall be as already provided by law. Such enlargement of the commission shall be accomplished through appointment by the President, by and with the advice and consent of the Senate, of two additional Interstate Commerce Commissioners, one for a term expiring December 31, 1921, and one for a term expiring December 31, 1922. The terms of the present commissioners, or of any successor appointed to fill a vacancy caused by the death or resignation of any of the present commissioners, shall expire as heretofore provided by law. Their successors and the successors of the additional commissioners herein provided for shall be appointed

for the full term of seven years, except that any person appointed to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he shall succeed. Not more than five commissioners shall be appointed from the same political party.

"SEC. 2. That section 17 of said act, as amended, be further amended to read as follows:

"'SEC. 17. That the commission may conduct its proceedings in such manner as will best conduce to the proper dispatch of business and to the ends of justice. The commission shall have an official seal, which shall be judicially noticed. Any member of the commission may administer oaths and affirmations and sign subpœnas. A majority of the commission shall constitute a quorum for the transaction of business, except as may be otherwise herein provided, but no commissioner shall participate in any hearing or proceeding in which he has any pecuniary interest. The commission may, from time to time, make or amend such general rules or orders as may be requisite for the order and regulation of proceedings before it, or before any division of the commission, including forms of notices and the service thereof, which shall conform, as nearly as may be, to those in use in the courts of the United States. Any party may appear before the commission or any division thereof and be heard in person or by attorney. Every vote and official act of the commission, or of any division thereof, shall be entered of record, and its proceedings shall be public upon the request of any party interested.

"'The commission is hereby authorized by its order to divide the members thereof into as many divisions as it may deem necessary, which may be changed from time to time. Such divisions shall be denominated, respectively, division 1, division 2, etc. Any commissioner may be assigned to and may serve upon such division or divisions as the commission may direct, and the senior in service of the commissioners constituting any of said division shall act as chairman thereof. In case of vacancy in any division, or of absence or inability to serve thereon of any commissioner thereto assigned, the chairman of the commission, or any commissioner designated by him for that purpose, may temporarily serve on said division until the commission shall otherwise order.

"'The commission may by order direct that any of its work, business, or functions arising under this act, or under any act amendatory thereof or supplemental thereto, or under any amendment which may be made to any of said acts, or under any other act or joint resolution which has been or may hereafter be approved, or in respect of any matter which has been or may be referred to the commission by Congress or by either branch thereof, be assigned or referred to any of said divisions for action thereon, and may by order at any time amend, modify, supplement, or rescind any such direction. All such orders shall take effect forthwith and remain in effect until otherwise ordered by the commission.

"'In conformity with and subject to the order or orders of the commission in the premises, each division so constituted shall have power and authority by a majority thereof to hear and determine, order, certify, report, or otherwise act as to any of said work, business, or functions so assigned or referred to it for action by the commission, and in respect thereof the division shall have all the jurisdiction and powers now or then conferred by law upon the commission, and be subject to the same duties and obligations. Any order, decision, or report made or other action taken by any of said divisions in respect of any matters so assigned or referred to it shall have the same force and effect, and may be made, evidenced, and enforced in the same manner as if made or taken by the commission, subject to rehearing by the commission, as provided in section 16a hereof for rehearing cases decided by the commission. The secretary and seal of the commission shall be the secretary and seal of each division thereof.

"'In all proceedings before any such divisions relating to the reasonableness of rates or to alleged discriminations not less than three members shall participate in the consideration and decision; and in all proceedings relating to the valuation of railway property under the act entitled "An act to amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, and all acts amendatory thereof, by providing for a valuation of the several classes of property of carriers, subject thereto and securing information concerning their stocks, bonds, and other securities," approved March 1, 1913, not less than five members shall participate in the consideration and decision.

"'The salary of the secretary of the commission shall be $5,000 per annum.

"'Nothing in this section contained or done pursuant thereto shall be deemed to divest the commission of any of its powers.'

"SEC. 3. So much of section 18 of the act to regulate commerce as fixes the salary of the secretary of the commission is hereby repealed.

"SEC. 4. That paragraph 2, section 15, of the act to regulate commerce, approved February 4, 1887, as amended, be further amended by adding the following: '*Provided further*, Until January 1, 1920, no increased rate, fare, charge, or classification shall be filed except after approval thereof has been secured from the commission. Such approval may, in the discretion of the commission, be given without formal hearing, and in such case shall not affect any subsequent proceeding relative to such rate, fare, charge, or classification.'"

And the House agree to the same.

FRANCIS G. NEWLANDS,
JOE T. ROBINSON,
ALBERT B. CUMMINS,
Managers on the part of the Senate.

W. C. ADAMSON,
T. W. SIMS,
JOHN J. ESCH,
Managers on the part of the House.

AMENDMENT OF INTERSTATE-COMMERCE LAW—CONFERENCE REPORT (S. DOC. NO. 71.)

Mr. NEWLANDS. I submit the report of the commitee on conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2356) to amend the act to regulate commerce as amended, and for other purposes. I give notice that I shall call up the report for consideration at the first opportunity. I ask that the report be received and printed.

The PRESIDING OFFICER. The conference report will lie on the table and be printed.

The report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2356), having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows:

"That section 1 of the act entitled 'An act to regulate commerce,' approved February 4, 1887, as heretofore amended, be further amended by adding thereto the following:

"'That on and after the approval of this act any person or persons who shall, during the war in which the United States is now engaged, knowingly and willfully, by physical force or intimidation by threats of physical force obstruct or retard, or aid in obstructing or retarding, the orderly conduct or movement in the United States of interstate or foreign commerce, or the orderly make-up or movement or disposition of any train, or the movement or disposition of any locomotive, car, or other vehicle on any railroad or elsewhere in the United States engaged in interstate or foreign commerce shall be deemed guilty of a misdemeanor, and for every such offense shall be punishable by a fine of not exceeding $100 or by imprisonment for not exceeding six months, or by both such fine and imprisonment; and the President of the United States is hereby authorized, whenever in his judgment the public interest requires, to employ the armed forces of the United States to prevent any such obstruction or retardation of the passage of the mail, or of the orderly conduct or movement of interstate or foreign commerce in any part of the United States, or of any train, locomotive, car, or other vehicle upon any railroad or elsewhere in the United States engaged in interstate or foreign commerce: *Provided*, That nothing in this section shall be construed to repeal, modify, or affect either section 6 or section 20 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

"'That during the continuance of the war in which the United States is now engaged the President is authorized, if he finds it necessary for the national defense and security, to direct that such traffic or such shipments of commodities as, in his judgment, may be essential to the national defense and security shall have preference or priority in transportation by any common carrier by railroad, water, or otherwise. He may give these directions at and for such times as he may determine, and may modify, change, suspend, or annul them, and for any such purpose he is hereby authorized to issue orders direct, or through such person or persons as he may designate for the purpose or through the Interstate Commerce Commission. Officials of the United States, when so designated, shall receive no compensation for their services rendered hereunder. Persons not in the employ of the United States so designated shall

receive such compensation as the President may fix. Suitable offices may be rented and all necessary expenses, including compensation of persons so designated, shall be paid as directed by the President out of funds which may have been or may be provided to meet expenditures for the national security and defense. The common carriers subject to the act to regulate commerce or as many of them as desire so to do are hereby authorized without responsibility or liability on the part of the United States, financial or otherwise, to establish and maintain in the city of Washington during the period of the war an agency empowered by such carriers as join in the arrangement to receive on behalf of them all notice and service of such orders and directions as may be issued in accordance with this act, and the service upon such agent shall be good service as to all the carriers joining in the establishment thereof. And it shall be the duty of any and all the officers, agents, or employees of such carriers by railroad or water or otherwise to obey strictly and conform promptly to such orders, and failure knowingly and willfully to comply therewith, or to do or perform whatever is necessary to the prompt execution of such order, shall render such officers, agents, or employees guilty of a misdemeanor, and any such officer, agent, or employee shall, upon conviction, be fined not more than $5,000, or imprisoned not more than one year, or both, in the discretion of the court. For the transportation of persons or property in carrying out the orders and directions of the President, just and reasonable rates shall be fixed by the Interstate Commerce Commission; and if the transportation be for the Government of the United States, it shall be paid for currently or monthly by the Secretary of the Treasury out of any funds not otherwise appropriated. Any carrier complying with any such order or direction for preference or priority herein authorized shall be exempt from any and all provisions in existing law imposing civil or criminal pains, penalties, obligations, or liabilities upon carriers by reason of giving preference or priority in compliance with such order or direction.'"

And the House agree to the same.

FRANCIS G. NEWLANDS,
E. D. SMITH,
ALBERT B. CUMMINS,
Managers on the part of the Senate.

W. C. ADAMSON,
T. W. SIMS,
JOHN J. ESCH,
Managers on the part of the House.

CONSERVATION OF FOOD—CONFERENCE REPORT.

Mr. REED. Mr. President, I ask the Senator from Oregon to yield to me because I know the Senator is about to make a motion that would cut off the opportunity to say what I want to say. I ask that this conference report may go over until Monday. The report is brought here this morning for the first time. Informally the report was put into the RECORD. It was not understood, I think, generally in the Senate that the bill would be taken up to-day.

I secured late yesterday what was said to be a confidential print of the bill. I did not have time to give it a thorough examination. I have not up to this time had the opportunity to give the conference report anything like a complete and careful study. I have gone into it far enough, however, to be thoroughly convinced that new matter of the most radical character has been introduced into the bill in conference, that some of the changes are so radical as to make the bill much more extreme than it was when it first came to the Senate from the House of Representatives, and to become convinced further that every essential amendment put into the bill by the Senate has been nullified by the conferees. Yet my impression may in part be a mistake, because, as I have said, I have not had an opportunity to study the bill.

There is only left of this afternoon, until 5 o'clock, an hour and 45 minutes' working time. The Committee on Military Affairs, of which the distinguished Senator in charge of the bill is chairman, has a meeting arranged for 5 o'clock this afternoon to inspect some new machinery connected with the war. I should like to have the opportunity of attending that investigation and inspection. I should like to have an opportunity to give this bill study and not be forced to start a discussion when I am in a half-prepared condition. I am very sure, as far as my remarks are concerned, that they can be made much shorter if I am given a little time to prepare what I have to say.

So I hope the conference report on this bill may be laid over until Monday. At that time, as far as I am concerned, I shall be ready to take whatever position I think I ought to take, and it is no part of my purpose to do anything whatsoever to delay the passage of the bill further than to present my views and to do what I can in the way of straightforward debate to try and have the bill sent back to the committee to write, if possible, a few provisions in it that the Senate wants. So I ask that the matter may go over.

Mr. CHAMBERLAIN. Mr. President, I think my colleagues will bear me out when I state that I have during the whole course of the pendency of this measure before the Senate attempted to be reasonable in the matter of requests made by Senators for postponement or for further time to consider the measure in its details. It seems to me that we have reached a time in the discussion of the measure when we ought to speed the bill. The country, whether right or wrong in its feeling as to what may happen after the bill is enacted, is demanding that the Senate act upon it one way or the other, either pass it or defeat it. The administration wants the bill acted upon either one way or the other as a war measure.

The bill has been almost constantly before the Senate since the 18th day of June, six weeks, and it was in conference, where it was put through a severe analysis, from Thursday morning until the following Wednesday morning, when the report was finally agreed upon. There has been no change in it that was not the subject of discussion when the bill was before the Senate.

It seems to me that the Senators who intend to oppose it or who intend to discuss it are just as well prepared to discuss it now as they will be if the report goes over until Monday.

Mr. GRONNA. Mr. President——

Mr. CHAMBERLAIN. I yield to the Senator.

Mr. GRONNA. In view of the statement of the acting chairman that there is nothing in the bill now which was not in the bill when it passed the Senate, may I ask the Senator——

Mr. CHAMBERLAIN. I do not want to be misunderstood. My statement was not made quite as broadly as that. I say, there has been no material change.

Mr. GRONNA. No material change? May I ask the Senator as to the provision on page 14, section 6, which exempts boards of trade and chambers of commerce from the penalty of section 6 and also section 13? Is it not true, in other words, that the amendment proposed by the Senator from Oregon was withdrawn and that that very same amendment is now included in section 6, and of course it is absolutely new matter?

Mr. CHAMBERLAIN. That is a new feature; but it was before the Senate at one time, and while it is true it was withdrawn, the substance of it was discussed on the floor of the Senate.

Mr. GRONNA. I think I was the only one who discussed it, and of course I had no opportunity to fully go into the discussion.

Mr. CHAMBERLAIN. I do not recall about it.

Mr. GRONNA. The Senator agreed to withdraw it.

Mr. CHAMBERLAIN. I did withdraw it.

Mr. GRONNA. And I did not proceed to discuss it.

Mr. CHAMBERLAIN. What I desired to say was that the conferees discussed the situation and were more thoroughly advised about it, and taken in connection with other features of the bill it was thought to be safest to put in the portion to which the Senator has called attention.

Mr. GRONNA. The Senator will admit, of course, that it is new matter.

Mr. CHAMBERLAIN. Absolutely.

Mr. GRONNA. May I call the Senator's attention——

Mr. LA FOLLETTE. What is the effect of it? Is it an important part?

Mr. GRONNA. It is very important, because it legalizes gambling. That is the effect of it.

Mr. CHAMBERLAIN. I differ from the Senator on that. I think I shall be able to show that it does not legalize gambling.

Mr. GRONNA. May I call the Senator's attention to the precedents regarding new matter in a conference report?

Mr. CHAMBERLAIN. I am familiar with the rule. The same rule applies in the House, but it was not sought to be availed of in the House. I do not know whether the Senator intends to make a point of order against it or not, but I do not think a point of order will lie against it in the Senate.

Mr. GRONNA. I can assure the Senator that I shall make a point of order against it.

Mr. CHAMBERLAIN. That can come up later. The proposition now is to take up the report for consideration.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Missouri?

Mr. CHAMBERLAIN. The Senator from North Dakota has the floor.

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Missouri?

Mr. GRONNA. I yield to the Senator from Missouri.

Mr. REED. I desire to ask the Senator in charge of the bill whether it is not the fact that weeks before we passed the so-called food-control bill we passed a bill commonly known as the food-survey bill, which had in it many important provisions touching grain exchanges, hoarding of foodstuffs, and so forth. We sent that bill back to the House, where it had originated, with these important amendments, and there it remained for weeks during all the time the present bill was under discussion. Now I understand that the conferees upon that bill have agreed and that their conference report is ready. Is not that the case?

Mr. CHAMBERLAIN. That is true. The same question that the Senator is discussing now was discussed three or four times when this bill was before the Senate.

Mr. REED. I understand, but the Senator does not get my thought. I know we have discussed that somewhat remarkable course of conduct, but I am asking——

Mr. CHAMBERLAIN. I am not responsible for that.

Mr. REED. I am asking if it is not true that that bill is here in the form of a conference report.

Mr. CHAMBERLAIN. I understand so. I was not one of the conferees, and I do not know.

Mr. REED. And that conference report was agreed to within a few minutes after or before the present conference report was agreed to?

Mr. CHAMBERLAIN. Later.

Mr. REED. A few minutes later. Nevertheless the bill relates to the same subject matter in part as the food-control bill. It was passed by the Senate weeks before. I think that conference report ought to have precedence over this report. I think, as a matter of fairness, it ought to come up first.

I should like to know before I take any action even on voting upon taking up this matter what has become of that other conference report. It was passed before this bill, and weeks before this bill. It was passed under that same lash of haste and the same demand for immediate action that is now being employed in regard to this bill.

Mr. CHAMBERLAIN. I yielded to the Senator for the purpose of suggesting some question, but not to make a speech. If the Senator desires to make an address to the Senate I would rather he would do it in his own time.

Mr. REED. The Senator is about to make a motion that will cut off debate.

Mr. CHAMBERLAIN. It will not cut off debate. If the conference report comes up, it can be discussed ad libitum.

Mr. REED. If the Senator makes his motion, I am cut off. I am going to make this suggestion, and then, of course, the Senator will proceed as he thinks he ought. If the Senator makes his motion to proceed to the consideration of the report, that question is not debatable.

Mr. HOLLIS. Mr. President, a parliamentary inquiry.

Mr. REED. If I am in error——

Mr. HOLLIS. After 2 o'clock a motion to take up a bill for consideration is debatable.

Mr. REED. Very well, I was in error. If the Senator wishes to make his motion, I will make my remarks in my own time.

Mr. CHAMBERLAIN. The motion I made was that the Senate proceed to the consideration of the conference report.

The PRESIDING OFFICER. The Senator from Oregon moves that the Senate proceed to the consideration of the conference report on House bill 4961. The question is on the motion. [Putting the question.]

Mr. REED. Mr. President——

Mr. LEWIS. I ask the Senator from Missouri would it be agreeable to him that if this report is taken up we have something of an understanding that the particular matter to which he wishes to address himself shall not be taken up to-day, but that the other matter, in which there are many details, I understand, be made the subject of discussion to-day; that the matter which he wishes delayed will not be taken up to-day, but, nevertheless, that the part of the day be occupied in other matters, so as to consume such time as we could on uncontroverted subjects.

Mr. REED. There would hardly be any reason to consume time on uncontroverted subjects.

Mr. LEWIS. There are some subjects, I am told, that are uncontroverted, as to mere differences as to method of application, and there are many Senators who desire to express themselves as to those changes; they do not oppose the subject matter itself, but merely the method in which it is to be applied. This is my thought, without desiring to draw my eminent friend into technical distinctions. Would it be satisfactory to him that the matter in which he is interested go over? Would the fact that we discussed to-day other matters in which the Senator is not interested at all embarrass his viewpoint or interfere at all with the plan or method he may have; that as far as we could agree to take the bill up and still forego the discussion of the matter in which he desires further time he might consent? That was my object.

Mr. REED. Mr. President, in view of what my eminent and distinguished friend says, I would move for a more specific statement, because I really do not quite understand what the Senator is trying to make plain to me. Of course I know the deficiency is on my part and not on his, because everyone knows that the Senator from Illinois could not express an idea except in very plain terms.

Mr. LEWIS. I myself must concede there is some ground for a motion for a bill of particulars.

Mr. VARDAMAN. I suggest to the Senator from Illinois that there might not be anything in the bill the Senator from Missouri would not object to.

Mr. REED. Oh, no. The Senator ought not to have made that remark. The Senator from Illinois was not ungenerous enough to make it. The Senator from Illinois said there were matters in connection with the bill in which he thought I was not particularly interested. Now I yield to the Senator to conclude his interrogatory, and then I shall say what I have to say.

Mr. LEWIS. Simply, I was informed that there are certain features of the report on which there had been some discussion as to some form of the report, and there was some desire to change the form a little, to make more definite that which is indefinite in its expression. I understood from the Senator from Missouri this morning that there is a larger question he desires time for further preparation on. It occurred to me, sir, that there were some features of the bill which the Senator was not opposing and it could be understood that we would consider those matters he was not opposing and did not wish to be heard upon by postponing the matter upon which he wished to be heard until Monday, and that if reached and it might go over until Monday, that would be satisfactory. That was the proposition suggested.

Mr. PHELAN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. PHELAN. The Chair called for a vote upon taking up the conference report on the food-control bill, but did not declare the result.

The PRESIDING OFFICER. The Senator from California is correct. The Senator will pardon the Chair.

Mr. PHELAN. What was the result of that vote?

Mr. REED. If the Chair please, before the result was announced I addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri arose before the Chair had an opportunity to declare the result and addressed the Chair.

Mr. PHELAN. Was it in order to speak when the Chair was putting the question to a vote?

The PRESIDING OFFICER. The Senator from California is technically correct, but owing to the situation as it then presented itself, the Chair relaxed the rule a little bit for the Senator from Missouri.

Mr. REED. If the Chair please, I shall not ask the relaxation of any rule of the Senate, but, as the Chair knows, the Senator from Oregon [Mr. CHAMBERLAIN] made his motion, and the Senator from Missouri was actually on his feet waiting to address himself to that motion; all of which the Senate well knew. The Chair started to put the motion rather quickly, and I addressed the Chair. The Chair evidently, however, did not hear me and did actually start to put the question; but, as usually happens, when the Chair did hear me, the Chair arrested the proceedings in order to give me an opportunity to be heard, for all of which I thank the Chair; and for the very generous position of the Senator from California [Mr. PHELAN], I thank him.

The PRESIDING OFFICER. The question is on taking up the conference report.

Mr. REED. Now, Mr. President, I desire to be heard, and in all earnestness.

We had presented to us many weeks ago a food-survey bill. We were told that upon the prompt passage of that food-survey bill depended to a large extent the successful conduct of the war. We set aside other business and proceeded to a consideration of that bill. The bill reached the Senate May 29, was on the same day referred to the committee, and was reported back to the Senate May 31. In response to the demand which was made that the bill should be immediately passed, the Senate, without taking the ordinary time for consideration, proceeded to amend the bill, and sent it back to the other House on June 2. When it reached the House, by direct interference from the outside, it was held up in conference until after the food-control bill had been agreed upon by the conferees. The chief arguments made

in favor of the swift passage of the food-survey bill were that the bill was intended, first, to encourage crop production during the present year; second, to stop gambling operations upon the great grain exchanges of the country; third, to prevent the hoarding of necessities by selfish and evil-minded persons.

Mr. President, that bill has at last been released by the conferees and is now before this Chamber. It was passed more than eight weeks before the food-control bill. The food-control bill when it left the Senate had in it certain provisions which were taken literally from the food-survey bill. We ought, in all fairness and in all justice to ourselves, in my humble judgment, to first take up the food-survey bill. Let us understand what is left of it; let us understand what changes have been made in it; let us know in just what condition it is and what the final disposition may be of that bill. When that has been done, let us take up the food-control bill that passed the Senate eight weeks after the food-survey bill had passed the Senate. I insist that in the orderly procedure we ought to take up the food-survey bill. I do not know why juggling with that bill has been tolerated. I understand the conference report on the food-survey bill has been presented, and I think we ought to take up the report on that bill and know what is in it before we proceed with the consideration of the conference report on the food-control bill.

The PRESIDING OFFICER. The question is on proceeding to the consideration of the conference report. The ayes have it.

Mr. REED. Do we have a negative vote sometimes in the Senate, Mr. President?

The PRESIDING OFFICER. The Chair begs the Senator's pardon. The noes will now be received. The ayes seem to have it. The ayes have it.

Mr. REED. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is the call for the yeas and nays by the Senator from Missouri sustained? It is not. The ayes have it.

Mr. REED. Mr. President, I do not think Senators understood the question.

The PRESIDING OFFICER. The Chair will state the question again.

Mr. REED. I protest that the Members of the Senate should be given an opportunity to put up their hands. We certainly are entitled to that.

The PRESIDING OFFICER. Well, the Chair will again put the question. Those who desire the yeas and nays will indicate it in the usual manner. [A pause.] The call is refused. The Secretary will read the conference report.

Mr. REED. I protest that the call was seconded, and I shall continue to so protest.

The PRESIDING OFFICER. The conference report is the subject matter before the Senate.

The Secretary proceeded to read the conference report.

Mr. GRONNA. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will please state it.

Mr. GRONNA. I gave notice a moment ago that I should move to have this bill recommitted to the committee because of the new matter inserted in the conference report.

Mr. CHAMBERLAIN. May I interrupt the Senator a moment?

Mr. GRONNA. I think I may say that the Senator from Oregon agrees that there is new matter in the report. My inquiry is, Will it be in order at this time to make the motion to recommit the bill? I call the attention to the Chair to page 123 of Precedents: Decisions on Points of Order in the United States Senate, compiled by Mr. Henry H. Gilfry, and I want to read——

Mr. CHAMBERLAIN. May I interrupt the Senator just a moment?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Oregon?

Mr. GRONNA. Yes.

Mr. CHAMBERLAIN. I was just going to suggest to the Senator that he let the conference report be read first and then make his point after the report has been read.

Mr. GRONNA. Mr. President, my inquiry is, Will it be in order after the conference report has been read to make the point of order that new matter has been inserted and that the committee has exceeded its authority? In this connection I desire to refer to the decision of the Vice President [Mr. MARSHALL], on October 9, 1914, where the Vice President states:

> The Chair thinks it would have the effect of rejecting the conference report; that the conference report would go back to the conferees with a statement upon the part of the Senate that the conferees had exceeded their authority and had introduced new matter into the report.

The PRESIDING OFFICER. The Chair responds to the interrogatory of the Senator from North Dakota by saying that a point of order is in order at this time, and the Chair will hear it if the Senator wishes to state it.

Mr. GRONNA. Will the point of order be in order after the conference report has been read, Mr. President?

The PRESIDING OFFICER. It can be made at that time.

Mr. GRONNA. Then I have no objection to having the report read.

The PRESIDING OFFICER. The Secretary will continue the reading of the report.

The Secretary resumed the reading of the report, which will be found in the proceedings of the Senate of Thursday last, and was interrupted by

Mr. REED. Mr. President, so far as I am concerned, I see no occasion to consume the time of the Senate in the formal reading of this report.

The PRESIDING OFFICER. Without objection, the further reading will be dispensed with.

Mr. REED. I suggest that the reading of the report is merely a useless consumption of the time of the Senate, and I have no objection to its being dispensed with.

Mr. CHAMBERLAIN. Mr. President, I have no objection to the reading of the report being waived.

The PRESIDING OFFICER. Is there objection to dispensing with the further reading of the conference report? The Chair hears no objection. The question now is on agreeing to the conference report.

Mr. REED. Mr. President, I am going to say now to the Presiding Officer in all kindliness that I trust his impetuosity will not lead him to undertake to put questions so fast that we who are slower and more deliberate in method will be deprived of an opportunity to be heard. I have been a Member of the Senate for six years, and I have always thought that one of the things most to be admired here was the entire spirit of fairness exhibited by the Members of the Senate toward each other and the disposition on the part of the Presiding Officer always to accord to Senators the fullest opportunity to be heard. It will be the occasion of very profound regret if the time ever comes when Senators shall feel that it is necessary to be standing upon their feet shouting at the top of their voices in order to obtain recognition or to resort to any of the other methods which have sometimes disgraced political caucuses. I think we can all afford to take time to bring to every question not only consideration but courtesy and some degree of forbearance.

There is never a time when calmness is so necessary as in the hour of stress; there is never a time when deliberation is more essential than when great dangers confront a nation. Over in that land of flowers and warriors, Japan, they have what is known as the elder statesmen, a body of men whose natural aptitude and intelligence have been seasoned and ripened in the fields of experience. Those wise old men are supposed to be beyond the reach of excitement, to never respond to mere caprice, to always calmly and intelligently analyze and determine every question. If we have a body of that kind in this country, I presume the honor must be with the Senate. We may not very well fulfill it, but just in proportion as we do we serve our country.

Sometimes recently I have witnessed performances in the Senate which to me seemed to indicate that Senators are losing sight of the fact that the things we are here doing are a part of the world history, a part of the great world tragedy; that instead of looking at the vast panorama now passing before us and in part controlled by us, we are thinking of petty personal aggrandizement, of personal success, of political considerations. I have heard statesmen say, "Well, what is the use; the thing is going to be done anyway, and, therefore, why should I protest my judgment?" Another will say, "Well, what is the use; some people have written me letters from my district that they favor the measure, and why should I not look after my own affairs?" Asked if the people to whom they refer as having expressed themselves are writing only in response to a propaganda originating in Washington and financed by the taxpayers' money, they reply that they do not know; but nevertheless they yield. Again, statesmen sent to represent sovereign States of the Union, with millions of constituents, will say, "I know the measure is unwise; I deem the measure hurtful; but are we not at war, and therefore do not all rules of reason disappear?" Again—and here I speak of a somewhat numerous class—you find those who exclaim, "Put the responsibility upon the President, and if there be failure it will be the President's fault."

Ah, my fellow Senators, we can not do that if we would. There is but one way in which we can escape our obligations, and that is, sirs, to resign our offices and turn back our powers to those who sent us here. For we are here the trustees of an

express trust, sworn faithfully to administer it as God shall give us light. We can no more put aside that trust than we can put aside the obligations which the God of nature put in the soul of man when He created man.

What is this Government? Is it here in the Senate Chamber? I deny it. Is it yonder in the House of Representatives? I deny it. Is it in the Supreme Court? I deny it. Is it in the executive department? I deny it. The government of this country, the power of this country, every whit of it, is in the sovereign people of the United States. That sovereign people wrote a Constitution which is their Constitution. They created it. They gave it life. They alone can set it aside. They alone can alter its sacred clauses. It is their Constitution, and in it they circumscribed the powers of their agents. In it they fixed the responsibilities of their servants. They gave to the Executive certain powers and obligations. They gave to the Supreme Court and the judiciary certain powers and obligations. They gave to Congress certain powers and obligations.

If the Supreme Court should seek to transfer its responsibility to Congress, it would betray the people of the United States, and would betray the Constitution the people wrote. If the Executive were to undertake to transfer his powers to Congress, he would betray the people of the United States and betray the Constitution the people wrote. If the Congress were to seek to transfer to the Executive the powers, the obligations, the duties the people reposed in Congress, then has Congress broken faith with the people of the United States and betrayed the Constitution the people wrote in blood and in tears.

You can not escape your responsibility. You can gain nothing by saying, "I pass over to another the responsibility." By so doing you betray the power and the authority the people reposed in you. By so doing you become the assassins of the Constitution you are sworn to protect.

So far as I am concerned I can look with some pity, if also with contempt, upon the ignorant man who, standing upon a soap box under a red flag, denounces the Constitution of the United States and inveighs against all forms of government; but I can not look with patience upon those who sit in the seats of the mighty and who dare to undertake to pass over to another the responsibilities placed upon them by the solemn covenant of the Constitution.

I regret that I am forced by the impetuosity of the acting chairman, who is in charge of this bill, to address myself to it before I am prepared to speak upon it with that degree of analysis which can only result from careful study. The lash, forever and eternally the lash, is laid across the legislative back. More and more we cringe. More and more we whine and crawl between the legs of those who master us. Always the cry is haste. In six long years I have scarcely failed to hear, on every great measure, the same old cry of haste. "Make haste! for chaos and old night will come if you but wait to give consideration to the change that we demand." It does not make for wise consideration.

I remember when there came, in the very early days of my experience—a brief and sad experience—a bill to reform the banking and currency system. It came here from the House of Representatives. A propaganda either sprang up spontaneously or else was cultivated; I do not know; but all over the United States, from Atlantic to Pacific, every penny-a-liner was at work with pen or pencil demanding the immediate enactment of that law.

Boards of trade were assembled, who passed resolutions in favor of it. Every kind of exchange, even the wicked grain exchanges, assembled and passed demands for its immediate enactment. Petitions rolled in upon us. The telegraph companies reaped a rich harvest from the enormous number of messages that were forwarded, all of them demanding immediate action, all of them demanding, "Stand by the President!" And then the question arose to those charged with the responsibility of considering that bill in committee how they should stand by the President. Should they stand by the President's side as advisers and counselors and helpers, or should they stand behind the President like cowards, shifting the responsibility upon him?

The President had not given to that bill intimate consideration, and could not. The President desired a certain kind of legislation the details of which he could not have gone into. A battle was started, and the question was whether that bill would be heard before a committee in the Senate or whether the House bill should be accepted, as some insisted, and passed without consideration or amendment. Finally the committee opened its doors. The great business men of the country thronged eager for a hearing. College professors came, financial experts came, ordinary business men came, farmers came, and they all brought with them some store of thought and some gold of knowledge. Before our deliberations were half completed the demands of the propagandists became insistent and imperative. "Act now; act on the instant!" was the cry. Finally a Democratic caucus was called to force the hand of the committee to compel it to act.

The people of the country had not read this bill. Those who were supporing it in press and pulpit and on exchanges had not read it. The caucus that met to force the hand of the committee had not considered it. Nevertheless, they assembled to demand haste. However, the caucus listened to reason and the committee secured some delay, and what was the result?

It was discovered that the bill as it came to us from the House would have inevitably produced a panic. It was discovered that the bill needed amendment so much that five hundred and ten times was it amended. Even after the bill had gone into conference the Secretary of the Treasury found that many of the contentions of those who had insisted upon time and delay and study were right. Accordingly we found him sending to the conferees most important amendments, asking that even at that late hour they be put into the bill. And yet the bill was rushed through too hastily, as evidenced by the fact that since that time numerous amendments have been offered, coming from the executive department. The pressure back of that bill was like the pressure back of this one. It was a demand—an insistent demand—for immediate action, and the claim was made that the country would go to destruction unless the bill was immediately passed. And yet I think it was 8 months and 16 days from the time the bill was passed before the board was created which was to create the banks which the bill authorized, and not a word any more about haste; not a word any more about the necessity for immediate action.

I do not want to weary you by long pursuing this line of thought, but you know, as I know, that the same insistence has come to us time and time again. We were asked to create a Shipping Board. We were told that unless that were done upon the instant the gravest trouble would transpire. The bill creating a Shipping Board was passed—I have forgotten the date. Can some Senator tell me?

Mr. SMOOT. September 7, 1916.

Mr. REED. It was passed on September 7, 1916, and yet I do not think the keel has been laid for the first ship. I say that with very great regret.

Again, I remember when that same Shipping Board came here and told us there was certain legislation that must be passed at the last session of Congress. Under whip and spur we proceeded to the consideration of the bill. The flanks of the jaded horse were bloody. Despite all we could do the bill did not get through Congress at that session. Congress adjourned March 4 and was reassembled on April 2. Some of us, eager to be of service and save the country, were informed that the bill was no longer desired. And yet he who had asked for a little consideration but a few days before had been marked as a bad statesman, a sorry Senator, a recalcitrant, possibly an enemy of the Republic.

Again—and I only touch here and there a spot in a road that is travel worn—they came to us with a food-survey bill. This food-survey bill, we were told by the same kind of papers, and the same kind of men, and the same kind of influence, and the same kind of telegrams that we are receiving now or listening to now, was an immediate necessity. We were informed that the farmer was hesitating and waiting, that the Agricultural Department could not set in operation its great machinery, that the productive forces of our Nation were paralyzed, and would so remain until that bill should be passed. As suggested by the Senator from Oklahoma [Mr. GORE], it was to be an antidote for famine, and famine was pictured as upon us. The Agricultural Department painted somber pictures to inflame the imagination of the people, somber pictures of a people about to starve. The House of Representatives were induced, without very much consideration or deliberation, to pass the bill as it had been handed to them. When the bill reached us we were in a very frenzy of haste.

The bill was rushed from the desk to the committee, and the committee were hastily assembled. The committee hastily read the bill and as hastily reported it back. Ah, if it did not pass at once, if it did not become a law upon the instant, then grim disaster was to fall upon our land; the fields were to be unplowed and unsown; the fertile land was to yield no crops. Everywhere and upon every hand the skeleton forms of the famished people were, if we hesitated a moment, to fall by the wayside in windrows of bones, as in 1846 they fell in famine-cursed Ireland. We passed the bill with breathless speed. Nevertheless, with much fear, we paused to add two or three important amendments.

What were they? We had been told of food gamblers. Mr. Hoover had dealt with that subject and through his press bureau, maintained at Government expense, had alarmed the peo-

ple; so we passed a very stringent amendment reaching for the food gamblers. We were told that there were wicked hoarders who were keeping back the food from famished mouths, and we could see these wicked men standing back of vast warehouses in which were stored enough to feed the hungry of the earth; and on the other hand stood the pale child with thin, pinched lips that it drew back from the teeth of starvation as it cried for bread. And so we passed an amendment to punish food hoarders. And we sent the beneficent measure for which the world waited back to the House of Representatives within two days' time, whereupon the necessity for immediate action immediately ceased. The vision of starvation vanished. The troop of specters took flight. Into the night of forgetfulness we heard the swish of their vanishing wings. The bill likewise disappeared.

Why was that bill, that had been driven through under whip and spur, held up in the House? I answer, because a Cabinet officer telephoned to a man on the House committee the instructions to hold it up, and to hold it up because if the food-survey bill were passed there would not then be any pressing necessity for passing the food-control bill. If there be a man here who wants to test the accuracy of that statement I invite him to offer a resolution of investigation with authority to summon witnesses and put them upon oath. And so the food-survey bill remained held back, throttled, smothered, sat upon, until this food-dictator bill could be forced through.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Illinois?

Mr. REED. I do.

Mr. LEWIS. Does the Senator feel that one man in the House was able really to hold back this bill merely because it was suggested by some Cabinet officer?

Mr. REED. I feel that the chairman of the committee of conference was able to do it. At least, the thing was done. Why, conferees were not appointed for nearly four weeks, and then that bill, the food-survey bill, is agreed upon within a few minutes after the Senate conferees surrendered to the House conferees on the food-control bill.

Now, this afternoon, when just a little time is asked—a poor hour and a half of legislative time—in order that Senators may read this bill and give it due consideration, the request is refused. Again the lash of haste, again the cry that speed is all essential; and yet I have no hesitancy in saying now that every moment this legislation is delayed is a moment of blessing to our country and that every moment we hasten it we advance the hour of disaster. That disaster will be great in proportion as the powers granted by the bill are employed and that disaster will be small in proportion as the powers granted by the bill are not employed.

To those more serious matters it is my purpose to call your attention when we meet again, unless, indeed, it is the purpose of the chairman in charge of the bill to compel us to sit all night. I should like to inquire, for my own convenience, whether the Senator intends to allow us to have an adjournment at the usual hour for Saturday afternoon—5 o'clock?

Mr. CHAMBERLAIN. The Senator puts it up to me as though I could control it absolutely. I can not control the Senate. I can only suggest, so far as I am personally concerned, that I feel the Senate ought to take a recess at 5 o'clock.

Mr. REED. So this afternoon, Mr. President, and I very much regret to take the time of the Senate, I want to invite attention for a while to some of the false issues that have thus far been put before the country. I want to show you how this country has been wrought upon and led to insist upon certain action, and how some of the more important of the alleged facts upon which it has acted were all unsound and untrue. I think Senators will find this a little interesting if they will pay me the compliment of their attention.

Mr. Hoover has persistently proclaimed as his chief argument for the creation of a food dictator in the United States that by reason of food dictatorships in Europe the price of foodstuffs in European countries is less than the price in the United States. This statement of Mr. Hoover has been repeated in various forms by Members of the House and by Members of the Senate, and by the press throughout the country, and has been one of the principal levers employed to give strength to the food-control bill. Mr. Hoover's recent utterances show the utter falseness of the claims he has heretofore set up. Let me contrast these statements.

Mr. KNOX. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Pennsylvania?

Mr. REED. I do.

Mr. KNOX. I merely ask the Senator to repeat that statement. I did not get it all.

Mr. REED. My statement is that one of the chief reasons and arguments for the creation of a food dictator is that by reason of food dictatorship, or administration, if you please, in Europe the price of food in European countries is less than the price in the United States.

Mr. President, on June 19, before the Committee on Agriculture—I call attention to Part I, page 10 of the hearings—Mr. Hoover, in a written statement he read to the committee, said:

There can be no more vivid evidence of the desirability of food control in this situation than a comparison between our prices and the prices of foodstuffs in countries where there is some measure of food administration. I will not traverse the prices of all commodities. More to say, as a general fact, the average prices to the consumer are lower in food-controlled countries than in the United States. Practically the entire wheat supply to Belgium is to-day imported from the United States, and, despite the extraordinary costs of transportation, the price of bread is 60 per cent of the price in New York City. A large portion of the wheat of France comes from this country, and yet the price of bread is, again, 40 per cent below our own. In England, where food control was started too late, the price is 30 per cent below our price, and in Canada, again, we see a lower range of prices to the consumer than in our own country, although the producer realizes the same price.

Now, that statement was a clear-cut declaration, particularly when taken in connection with Mr. Hoover's denunciation of food speculators and food gamblers, that in this country by reason of a lack of food regulation we were compelled to pay enormously more than was paid in the countries of Europe where they have the benefit of food regulators or food dictators.

I now call attention to the fact that Mr. Hoover is conducting a publicity bureau at the expense of the United States and that he sends to the papers almost daily enormous quantities of material for which he asks the press to give space. I have here certain of those statements to which I desire now to call particular attention. July 16 he sent out this statement:

[For morning papers of July 17, 1917.]

WASHINGTON, D. C., *July 16, 1917.*

Lord Rhonnda, food controller of Great Britain, finds the problem of the food speculator a paramount one, according to information received to-day by Herbert Hoover.

Now, notice as I go through there is not one of these reports sent out by Mr. Hoover that does not mention Mr. Hoover. Just notice the fact in passing. I read on:

Lord Inchcape, chairman of the company owning the steamers carrying frozen meat from Australia to England, has called the attention of the food controller to the effect speculation is having on Australian beef and mutton. These products are loaded on board ship at the Australian ports at 9¾ and 10¼ cents per pound, to which should be added the transportation charges of 2 cents per pound under Government arrangement.

The consumer in England, Lord Inchcape states, is paying from 36 to 48 cents per pound for these meats, and he states that "it would be interesting" to know where the difference goes.

Yet we were told that food prices were lower in Europe, where they had control, than here, and also that there were no speculators over there; they had been done away with. I read further.

On July 21—this is Bulletin No. 125:

[For release for morning papers of July 22, 1917.]
(No. 125.)

FOOD ADMINISTRATION,
PUBLIC INFORMATION DEPARTMENT,
July 21, 1917.

News from London, received to-day, was to the effect that the food controller of Great Britain has been able to modify the order which restricted the use of potatoes to one day a week in hotels, restaurants, and clubs. Potatoes may now be served any day in the week instead of on Friday alone.

Truly their condition must be very delectable. But I read on:

The new order was issued because supplies of new potatoes are increasing, and also for the reason that their use will help conserve bread. It is intimated that at the meals at which potatoes will be permitted to be used bread may be omitted or will be served in reduced quantities.

New potatoes—

This was the 22d day of July—

New potatoes are now selling in London at 8 cents per pound.

Mr. President, that is $4.80 a bushel. On that same day potatoes were selling in the United States at $1.40 a bushel; and yet Mr. Hoover tells us that in food-controlled Europe food is cheaper than it is in the United States!

I read bulletin No. 126, sent out July 29, and to this I invite special attention, because if there is any place where food control has had uninterrupted sway it must be in Germany and Austria-Hungary. Let me read all of this report. As I read it prick up your ears, for the war is already over if Hoover is right.

No. 126. For release for morning papers of July 30, 1917. Food administration, public information department. July 29, 1917—

I hope you will all listen to this, because it is all such cheering news for us—

Reports from Budapest, Hungary, reaching here indicate that the population of the Provinces have been not far from famine conditions. The majority of the people of these Provinces actually live on vegetables, for meat is only for the very rich, and the vegetable supply is seemingly very limited. The country Provinces, in so far as possible, have apparently been drained to supply the needs of the army in the field and the large centers of population where trouble might be feared.

The information received stated that the venders were demanding exorbitant prices for dry wood and withered leaves on the ground that they were vegetables.

Of course I would not believe that at all if it did not come from Mr. Hoover. I would not think that it was possible, but it has the name blown in the bottle and it must be correct.

The information received stated that the venders were demanding exorbitant prices for dry wood and withered leaves, on the ground that they were vegetables. Green peas were selling at $1.45 a kilogram (2¼ pounds).

One dollar and forty-five cents for 2¼ pounds of green peas! Hearken unto me, O ye people who complain about Washington prices! How would you like to pay that at the market in Washington? I read on:

Milk was absolutely not to be had for cream. An unappetizing liquid, which was once skimmed milk, cost 60 cents a pint. There was no butter or cheese. Cherries were 86 cents per pound. The principal stock seemed to consist of dried peas and dried plums. Young chickens were selling at $2.50. In the egg market were found only empty boxes. Potatoes were not to be had.

Conditions as stated by the informant were for June 15. Shortly following that date the authorities sought to arbitrarily fix the price of vegetables at about half the venders were asking.

Now notice what happened in Hungary:

This resulted in a strike, so that in the great market places no foodstuffs were to be had.

Inquiry developed the fact that the venders were selling their foods to Vienna buyers, and the restriction had to be withdrawn.

Thus saith Mr. Hoover.

Postscript. And like a woman's letter the real spirit of the matter is in the postscript:

[For rease for morning papers of Monday, July 30, 1917.]

FOOD ADMINISTRATION,
PUBLIC INFORMATION DEPARTMENT,
July 29, 1917.

(Add or insert Hungarian famine story.)

Cabled press advices from Austria received during the past few days indicate that an even worse condition now prevails. The reports state that lunch can not be purchased in any restaurant for less than $5.

Think of a newspaper reporter's condition over there! Think of the situation in which an ordinary Senator would find himself!

The reports state that lunch can not be purchased in any restaurant for less than $5.

Not even at a Childs restaurant for less than $5.

Three pounds of meat for $5; olive oil, $10 per quart; butter, $5 per pound; and chickens—

Which were quoted in the other circular sent out the same day with the postscript at $2.50 apiece are now quoted as follows:

Chickens at $10 each are some of the prices quoted.

Mr. President, I would not dare read you that article if it came from a newspaper, lest you would at once desire to vote for a censor in order to stop the papers from telling whoppers. I would not think of making that statement upon the credence of any ordinary human being. But, sirs, when I find it vouched for by Mr. Hoover I am bound, however great the mystery or dreadful the story, to exercise that sort of confidence my fathers reposed in the Christian religion, namely, implicit obedience and unlimited faith.

While I am at Austria-Hungary let me take a short excursion into Germany, where they have had a food control beyond compare; where the iron hand of the Kaiser is even powerful enough to evoke the admiration of even a man who wants to be food dictator over a free people. Behold this is the story; coming now from the pen of that same gentleman who told us only a short time ago that food control had made food cheaper in Europe than in this country, who cited that as the chief reason why we should adopt food control here and incidentally make him the controller. I read bulletin 134:

No. 134.

[For release for morning papers of July 31, 1917.]

FOOD ADMINISTRATION,
PUBLIC INFORMATION DEPARTMENT,
July 30, 1917.

Ah, how happy a thing it is that we have at last a source of "public information"! This stupid press of ours has so utterly failed to carry us the news! The public have held out hands and begged for some kind of news; they have listened, and their ears have heard no news. The press of the country has not carried us any information, and so Mr. Hoover is forced to establish a public information department. Listen! I read Bulletin 134:

The demand for fats in Germany, notwithstanding the enormous quantities that have until recently been received through the neutral nations, is illustrated by advertisements in German newspapers just received here.

"For sale, for cash on delivery, fat for frying, 17 marks ($4.05) per pound," reads one advertisement.

Quoting again:

"Goose fat, 22½ marks ($5.36) per pound," reads another.

"Duck fat, one-fourth pound for 4.75 marks ($1.13)," is a Dresden bargain-sale announcement.

Salted goose legs are quoted at 94 cents each. Minced goose meat brings the same price. Larded goose breast, a delicacy, will cost the epicures $2.08 per pound. Fresh fowls for soup are quoted at from $1.01 per pound and up.

An official distribution of cheese is announced for Dusseldorf, with the announcement that there will not be sufficient to supply everyone, but that "those who were not supplied at the last distribution and also go empty at the forthcoming distribution will be given preference at the next distribution. They must therefore preserve the current voucher." Prices quoted are 82 cents per pound for Gouda and 36 cents per pound for Swiss cheese.

Young country laying hens are advertised for sale at $3.32 each.

"Well-fed, snow-white Enden giant geese" are offered for sale at prices ranging from $11.91 to $19.06 each.

Think of a Thanksgiving dinner at those rates!

The egg ration at Hamburg for one week in June was one egg per person.

Rabbits bring high prices. "One buck, one doe, and three young rabbits" are offered for $8.34.

Horses are in great demand for killing, and delicacies made of horse flesh are advertised at prices varying from 53 cents to 86 cents per pound.

Mr. President, if those figures are accurate, if those prices are correct, we may as well to-day stop mobilizing troops, stop building a fleet of airplanes, hold back the hand of our warriors, and hang flags of peace on every capitol. If in Austria they are reduced to a point where prices such as I have read are demanded, then indeed is Austria starving to death, for such prices are never paid save by those who are famished. If those prices obtain, those mighty armies that have not yet been conquered by the gallant troops of France, of England, and Italy must soon yield to the pale soldiers of King Hunger.

Sir, when three rabbits will bring $8.34 you have a condition of starvation much like that of Jerusalem, of which it is recorded that mothers devoured their babes. This is the end, this is the extremity, this is the ghastly and final chapter of a people conquered by famine and destroyed by want, if indeed it be true. A chicken at $10! A simple meal in the cheapest restaurant $5!

Mr. President, if that be the condition of Austria and of Germany, then we may well build our bonfires to-night and send to the eyes of the waiting mothers who now look through tears upon the faces of boys about to be ravished from their homes the glad signal that the war is in fact over.

If anyone challenges my statement of fact, I answer it is not I who give you these assurances; they come from Mr. Hoover himself.

Not even "a miracle man," if he were among them, could save the German and the Austrian, not even a man who modestly would send to the press of the country for repetition and for print this statement of himself. I read the bulletin of July 13, for release on the same day.

[For release July 13, 1917.]

FOOD ADMINISTRATION,
FOOD CONSERVATION SECTION,
July 13, 1917.

Post-office clerks rubbed their eyes to-day when they found in an incoming mail sack a letter bearing no other address than "Mr. Miracle-Man Hoover, Washington." On a guess as for whom it was intended the letter was carried to Herbert Hoover, United States Food Administrator. The guess proved correct. The writer tells of the pressing need for food conservation, and adds "God bless you in your service to our country."

Mr. President, I have called attention to Germany. I am sorry to say there is a very black picture also presented of England, even under its food control.

Bulletin 128.

[For release for morning papers of July 30, 1917.]

FOOD ADMINISTRATION,
PUBLIC INFORMATION DEPARTMENT.

The radical increase in retail meat prices in England is shown in an official statement received to-day. Comparing prices for this year with those of 1914, the first year of the war, chilled beef has increased 152 per cent, and ordinary beef 139 per cent, while frozen beef has been taken off the market entirely. Ordinary mutton has increased 112 per cent, chilled mutton 147 per cent, frozen mutton 144 per cent. The increase in price of pork was 87 per cent.

Thus, Mr. President, I have ventured to take the time of the Senate in order to demonstrate to them, not by my word of mouth, not by the evidence of any ordinary man, not by

the heretical assertion of some American citizen who still presumes to think and speak for himself, but out of the mouth of Mr. Hoover himself, that the hypothesis upon which the Senate was induced to act was a false one. That hypothesis being that food control in Europe had given them there lower prices than were being charged in the United States.

It now appears that the facts are that food control has not given them lower prices, but that they have much higher prices. That food control has not stopped the march of famine. That the attempt at food control even in Germany and Austria, where the iron discipline of centuries has chained and manacled the brains and souls of the people, has not made prices less than they are here. That even there they do not obey; even there "they strike"; even there, when they are denied a market for their food in one place, they send the food to another place. Yet if I were to demonstrate a thousand times over the fallacy upon which we are acting, if I were to prove it ten thousand times stronger than the truth itself could make it, I would not shake the purpose of a single man to vote for this bill. I shall, however, have the consolation of knowing that I have told the country, though in a voice that may not reach far, what I believe to be a part of the truth of this sad blunder, this tragic mistake we are about to make.

I call attention now to the claim made by Mr. Hoover that food control would crush the food speculator. Right here I pause to inquire whom Mr. Hoover included as food speculators? Was it not given to the country that the members of boards of trade, grain exchanges, and so forth, in our land were the chiefs of these sinners, and that against them these wolves of the exchange, these wild beasts of the market places, the country most needed protection?

Now, I pause to inquire, lest I should forget it later, who are the men, citizens of this country, whom Mr. Hoover has called to his advice? Are they not the chiefs of the grain exchanges? Are they not the men against whom all the country was warned? Are they not the kings of the grain and produce pits, those very institutions that four or five weeks ago we were told were dens of iniquity, in which gambling operations were carried on, where prices were sent kiting, and where diabolic plans were laid to rob the consumer and the producer alike? Yet, how great a transformation can be made. In a moment, in the twinkling of an eye, these men are changed from figures hideous and black and vile and loathsome and dangerous into angels of light and purity. For while, unlike Saul of Tarsus, they did not behold a great and shining light, to be thereby blinded and converted, do they not sit within the shadow of Mr. Hoover, and are they not thus transmogrified into guardians of the people?

Mark you, I do not say that these men were ever wicked; I do not charge that they were ever bad; but it was thus they were painted and pictured by the advocates of this bill; thus were they classed and thus was their class portrayed by Mr. Hoover himself.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from North Dakota?

Mr. REED. I do.

Mr. GRONNA. In connection with what the Senator from Missouri has said, I wish to ask him if he will permit me to have read an article from a newspaper in my State, the editor of which is a very reliable man, whom I know very well, showing who the assistant food administrator is and who has been appointed by Mr. Hoover to take care of the farmers in the western country.

Mr. REED. I yield to the Senator for that purpose.

Mr. GRONNA. I send to the Secretary's desk—as he is a much better reader than I am—an article which is headed "Minneapolis man named," and I desire that the article be read.

The PRESIDING OFFICER. The Senator from North Dakota asks that the article which he sends to the desk be read. Is there objection? There being none, the Secretary will read as requested.

The Secretary read as follows:

[Fargo Blade, Fargo, N. Dak., July 28, 1917.]

MINNEAPOLIS MAN NAMED AS FOOD DIRECTOR—FRANK L. CAREY, CHAMBER OF COMMERCE GRAIN DEALER, IS CHOSEN BY HOOVER FOR ADMINISTRATOR IN NORTHWEST STATES—MAY ESTABLISH THE PRICES—WILL CONTROL ALL CEREALS AND FLOUR, DECIDING AMOUNTS FOR HOME CONSUMPTION AND FOR THE SHIPMENT ABROAD TO ALLIES.

Frank L. Carey, of Minneapolis, vice president of Hallet & Carey Co., grain commission dealers in the Chamber of Commerce Building, has been selected by Herbert C. Hoover as administrator of foods for the Northwest.

While Mr. Carey's title has not been established, and will not be until the food bill is passed by Congress, he will have complete governmental control of all foodstuffs shipped into St. Paul and Minneapolis for consumption in this country and for export abroad to the allies. He will say how much food is to be kept here and how much may be shipped out. As to many of the food products, his recommendation will fix the price to be paid the farmer and that which the consumer will have to pay.

Mr. Carey will not be appointed officially or given authority and a name for his job, until the food-control bill is passed.

The outstanding feature of Mr. Carey's work will be control of the flour and wheat situation.

Warehouse receipts for every bushel of wheat grown in Minnesota, the Dakotas, Iowa, and Wisconsin, shipped to St. Paul or Minneapolis, will have to pass through Mr. Carey's hands. He will determine whether the wheat is to be ground by the flour mills of the Northwest and held here for the consumption of people of the United States or be sold to the allies for consumption abroad.

At the same time he will have to figure how much flour will be required for the Army Uncle Sam is raising, and be sure that it is supplied.

In addition Mr. Carey will pass in the same manner on corn and corn meal, rye, and rye meal, flax, oats, meats, and, in fact, all foodstuffs that may be asked of us by the allies and neutral countries.

Part of his program will be the establishment of a great clearing house through which all foodstuffs will have to pass, in the sense of their control as to use here or abroad. This will require extensive offices, a large pay roll, and will mean the expenditure of large sums of money for the maintenance of his department.

Mr. Carey declines to discuss his appointment or plans. He is 50 years old. He was born in Owatonna, and has been in the grain commission business for 20 years in Duluth. He is a grain expert.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri further yield?

Mr. REED. I do.

Mr. GRONNA. I do not wish unduly to take the time of the Senator from Missouri.

Mr. REED. The Senator from North Dakota is not worrying me.

Mr. GRONNA. But for the information of the Senate, I wish to state that this man Carey, who is a very able man, is one of the men who have made it not only possible but who have compelled the farmers of the Northwest to perfect an organization known as the Non-Partisan League. I am sure it will be welcome news to the 60,000 farmers of my State who belong to this league when they learn that this man Carey, who is one of the representatives of the Chamber of Commerce of Minneapolis, which for years have preyed upon the interests of the American farmer, has received the appointment of assistant food administrator. This is one of the men who will look after the farmers' interest and help stimulate production.

Not in the time of the Senator from Missouri, but a little later on, I am prepared to show some of the work which has been performed by this great expert organization, for I hold in my hand a book which was issued by the Non-Partisan League, which deals with the facts. This book was issued by them in June, 1917. It would, however, take several hours, I think, to go through this story, and I shall not attempt to do that now. Suffice it to say that Mr. Carey is one of the members of the organization which the farmers of the Northwest, and especially the Non-Partisan League, have repeatedly called, and will in the future call, "grain gamblers" and "food gamblers."

Mr. REED. Mr. President, I have not the benefit of the acquaintance of the gentleman in question. I merely suggest that when this plain, blunt man, who in part represents the great State of North Dakota [Mr. GRONNA], makes a statement of the character which he has in this Chamber, it ought to receive some attention.

I was, however, speaking a moment ago of the other claim that was set up, that food control would end the reign of food speculators. I have already read certain statements of Mr. Hoover negativing that proposition, and I now desire very briefly to call attention again to his effusion of July 16, in which he states:

Lord Rhondda, food controller of Great Britain, finds the problem of the food speculator a paramount one, according to information received to-day by Herbert Hoover—

And the further statement that "the consumer in England, Lord Inchcape states, is paying from 36 to 48 cents a pound for meats" which costs from 9¾ to 10½ cents a pound, "and he states it would be interesting to know where the difference goes."

So it appears that the food speculator is still abroad in merry England, notwithstanding all the powers of that great Government.

Again I call attention to circular 117, issued July 22. Now, mark you, they have had food control in England for three years. Of course, they did not have the "miracle man" there; they just had ordinary lords and dukes and common sort of folk; but here is what the "miracle man" tells us. I hope no wicked newspaper man will say I have spoken disrespectfully of Mr. Hoover because I have quoted his own phrase which he sent to the press. I do humbly beseech you I am only trying to

talk in the language he himself has employed. I read now from Bulletin 117:

[For release for morning papers of July 23, 1917.]

FOOD ADMINISTRATION,
PUBLIC INFORMATION DEPARTMENT,
July 22, 1917.

Speaking with decided emphasis, Lord Rhondda, food controller of Great Britain, outlined his position toward the public in his recent speech at Cardiff. He stated his determination to stop speculation in the food of the people.

"I am going to come down on the profiteer like a hundredweight of bricks," he said. "I shall not be surprised if in a few weeks I enjoy a fair measure of unpopularity. I have a suspicious feeling that the reason the prime minister chose me for this very difficult job was that he knew I had the hide of a rhinoceros.

Mr. Hoover sends this out. Whether it is intended as a suggestion with reference to his own qualifications or not, I would not venture a suggestion, but, lest the implication might be lost, I call attention to the phrase. Continuing, I read:

The position I am going to take up is that of guardian and trustee of the consumer, more particularly the poor consumer.

I am determined if I can to put a stop to profiteering and speculation in food, and I believe that I can do it to a large extent. At the same time, the rise in prices is due also to war conditions, and it will be impracticable to bring down prices to anything approaching the pre-war standard.

So that it appears that the profiteer, the speculator, the man who "rigs" markets and boosts prices is still engaged in his nefarious operations in England, although food administration has been a benefaction granted under that Government for three or four years.

Mr. President, this brings me to one other theme to which I shall very briefly refer and to which I invite the attention of the Senators who are present. I have been a little curious to know why the conferees of the House and Senate not only insisted upon putting into the bill everything the House had in it originally, and which we labored for weeks to change, but why also they put new matter in the bill. I heard a report, which I thought was a wild report, that a certain Representative had come to some of the conferees and had said in substance and effect that it was demanded that the entire control of the farmers' grain should be placed in the food dictator so that the farmer in effect would have no market except that which the Government maintains.

If I mistake not, that provision or that condition was written in the bill in a somewhat covert but none the less effective way. That is a theme to which I intend to address myself on another occasion; but at this time I think I can furnish the country and the Senate the key to the performance. I find it in Bulletin 105, issued by Mr. Herbert Hoover. Notice the suggestion:

[For morning papers of July 19, 1917.]

HERBERT HOOVER,
Washington, D. C., July 18, 1917.

Resolutions adopted at the general conference of wholesale and retail distributing organizations held in New York recently indorsing the Lever bill and demanding its passage by Congress were received to-day by Herbert Hoover from John C. Orcutt, secretary of the food problem committee of the Merchants' Association of New York.

Now observe—

The resolutions declare that no amendments "meet with our approval unless they are first indorsed by Mr. Hoover."

This gentleman sends that statement to the country. For what purpose, unless it be to implanting in the minds of the people of the country the thought that a great organization has demanded that Mr. Hoover shall dictate all legislation in Congress relative to this matter? To what end is it sent out save to suggest to the American people that Herbert C. Hoover ought to dominate the Congress of the United States? That no law should be tolerated unless Mr. Hoover, who has lived 20 years of the 43 years of his life in England, who is connected with English companies and English interests, and who has been living in an English home, and whose home is now in England, shall grant his gracious permission; that without his permission Congress shall not legislate in regard to a bill that affects every farmer, every middleman, and every consumer of the United States. Mark you, he sends this out; he gives this to the wings of the press; he scatters this over the country, that he, Herbert Hoover, is to dictate; "that no amendments are to be accepted unless they meet with the approval of or unless they are first indorsed by Herbert Hoover."

Long ago a man stood and proclaimed the truth and then in the bitterness of his soul said: "I speak to the deaf ears of the adder." So I may speak to-day to Senators, yet I say now there can be but one reason for Mr. Hoover sending out that statement. It was because it was a photograph of his own soul; it was a picture of his own heart's desire; it was the thing he proposed to try to accomplish. This man, a voluntary expatriate from American soil during all of his adult life, comes back and sends to the American people a message that it had been resolved that no amendments to a great law of Congress—and it ought to be a great Congress, for it represents a great people—will meet with approval unless they are first indorsed by Mr. Hoover.

In all your lives you never saw a man so reaching out for power in this country and thus proclaiming his superiority to the regularly constituted legislative bodies of the land. Time may run its course, the seasons march by in their endless procession, until we shall all enter the shadow-lands, and each of us shall find repose within the darkened chambers of eternal silence; and yet no man here will ever again read, unless it be from this same man, a thing so insolent and so defiant of the majesty of the American people and their representatives in Congress assembled.

Mr. President, I am advised that the Senator in charge of the bill desires to adjourn. I have not yet begun to say the things I want to say regarding this bill and I shall be glad to yield.

Mr. CHAMBERLAIN. If the Senator would prefer to go on to-night, there is no disposition to interfere with the course of his remarks.

Mr. REED. No; I am entirely willing to quit. I am a little weary myself.

RECESS.

Mr. CHAMBERLAIN. I move, then, that the Senate take a recess until 11 o'clock Monday.

The motion was agreed to; and (at 4 o'clock and 35 minutes p. m.) the Senate took a recess until Monday, August 6, 1917, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

SATURDAY, *August 4, 1917.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Lord, our God, through whose benign influence we have been brought as a people to the present hour, may we not forget that as Thou holdest the individual responsible for his acts, so Thou holdest the Nation responsible for its acts. Make us, therefore, generous, noble, patriotic, righteous, since righteousness exalteth a nation, while sin is a reproach to any people.

Quicken us as individuals and as a nation, that in the present crisis we may be united in the bonds of patriotism and unselfish devotion to the principles of liberty; that our efforts may be successful in our struggle to preserve liberty, not only for ourselves but for the liberty-loving people of all the world, for Thine is the kingdom and the power and the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed without amendment concurrent resolution of the following title:

House concurrent resolution 19.

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 4285) entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," the Clerk be, and he is hereby, authorized and directed to number the sections following section 4 of the bill in consecutive numerical order, anything in the conference report to the contrary notwithstanding.

ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 4285. An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

EXTENSION OF REMARKS.

Mr. RUBEY. Mr. Speaker, I desire to ask unanimous consent to extend the remarks I made yesterday on the food-supply bill, on the conference report.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD on the food bill. Is there objection?

There was no objection.

Mr. SINNOTT. Mr. Speaker, there is pending a bill—H. R. 4954, the reclamation bill. I would like to ask unanimous consent to extend my remarks in the RECORD on that bill.

The SPEAKER. The gentleman from Oregon asks unanimous consent to extend his remarks in the RECORD on the reclamation bill. Is there objection?

There was no objection.

PATRIOTIC SONGS.

Mr. DILL. Mr. Speaker, I ask unanimous consent to extend my remarks on the subject of patriotic songs.

The SPEAKER. The gentleman from Washington asks unanimous consent to extend his remarks on the subject of patriotic songs. Is there objection?

Mr. WALSH. I object.

The SPEAKER. The gentleman from Massachusetts objects.

Mr. DILL. I ask unanimous consent, Mr. Speaker, to proceed for two minutes.

The SPEAKER. The gentleman from Washington asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. DILL. Mr. Speaker, a few days ago I promised the Whitney Boys' Chorus of 1,100 members, in the town of Spokane, that I would have printed in the RECORD a war song which they have adopted, and I will send it to the Clerk's desk and ask that it be read in my time. The words were written by Martheva S. Grupp, the mother of one of the boys, and the music by Rev. H. E. K. Whitney, the director of the chorus.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

STAND BACK OF OLD GLORY.

Oh, Uncle Sam's calling you mothers of men,
Whose far-reaching vision outstrips mortal ken,
To sing at the cradle there's joy in the world
Wherever Old Glory is freely unfurled.

Chorus.

Stand back of Old Glory on land and on sea,
Stand back of Old Glory, the world's hope is she;
Her watchword is "Freedom with justice to all."
Stand back of Old Glory is Uncle Sam's call.

The whole world has welcomed the red, white, and blue,
Not conquest but freedom, O brothers, to you,
As over the ocean our ships proudly sail,
Stand back of Old Glory, her pow'r can not fail.

We're standing by Belgium, Great Britain, and France,
While Italy's brave ones with Russians advance
To make a new cradle for liberty's child,
Old Glory joins allies with youth undefiled.

Mr. DILL. Mr. Speaker, I regret that it was necessary to impose on the patience of the House by having this song read at this time. If it were not for the self-appointed censorship of the gentleman from Massachusetts [Mr. WALSH], it would not have been necessary. I was forgetful of the censorship that he had established when I made this promise to those boys, and I therefore took the liberty of having the song read to the House.

The SPEAKER. The time of the gentleman from Washington has expired.

THE DRAFT IN OKLAHOMA.

Mr. FERRIS rose.

The SPEAKER. For what purpose does the gentleman from Oklahoma rise?

Mr. FERRIS. To ask unanimous consent to proceed for two minutes.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. FERRIS. Mr. Speaker, the public prints of this city and I presume elsewhere are publishing all sorts of reports relating to conditions in my State with reference to the draft law. I do not know whether the reports are true or false. Good men in and out of Congress, as well as in my State, differed as to the merits of the draft law when it was enacted, as they had a perfect right to do, but I want to say to the House and to the country that there is no considerable portion of my State that is not upholding the draft law. It being the law, any attempt to evade it or break it down or to interrupt the progress of its enforcement will be promptly dealt with, and dealt with in an efficient manner. [Applause.]

I felt that it was due not only to the House but also to my State and the delegation that this statement should be made.

Mr. DYER. Mr. Speaker, will the gentleman yield there?

Mr. FERRIS. Yes.

Mr. DYER. There is no charge, so far as this situation in Oklahoma is concerned, to the effect that it was organized by citizens of German blood?

Mr. FERRIS. No. I make no charge at all. I merely say my people will adhere to this and every other law.

Mr. DYER. I am surprised that that statement has not been made.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

PREFERENTIAL SHIPMENTS.

Mr. ADAMSON. I call up the conference report on S. 2356, the preferential-shipments bill.

The SPEAKER. The Clerk will report it.

Mr. ADAMSON. I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman asks unanimous consent that the statement be read in lieu of the report. Is there objection?

Mr. KEATING. Mr. Speaker, I desire to reserve a point of order against the conference report.

The SPEAKER. What is the point of order?

Mr. KEATING. The point of order is that the conferees have exceeded their authority.

The SPEAKER. In what?

Mr. KEATING. In the bill as it came from the Senate section 1 contained this proviso:

Provided, That nothing in this section shall be construed to repeal, modify, or affect either section 6 or section 20 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

The SPEAKER. Is that a Senate amendment?

Mr. KEATING. That was a part of the Senate bill.

The SPEAKER. And this is the Senate bill?

Mr. ADAMSON. Yes.

Mr. KEATING. Mr. Speaker, when the House committee reported the bill to the House that provision was stricken out. After a considerable controversy, the chairman of the committee, the gentleman from Georgia [Mr. ADAMSON], agreed to accept that proviso and have it inserted in the bill. It was accepted by unanimous consent.

The SPEAKER. The Chair will inquire of the gentleman, When did the gentleman from Georgia [Mr. ADAMSON] make any such promise?

Mr. KEATING. He did not make any promise. It was accepted on the floor of the House.

The SPEAKER. That same provision?

Mr. KEATING. That exact provision. Now these conferees come back here with that provision stricken out.

Mr. ADAMSON. I beg the gentleman's pardon. It is contained in the bill.

Mr. SIMS. I offered that amendment, and it was agreed to, and is now a part of the bill.

Mr. ADAMSON. I will read the section as it appears in the bill.

Provided, That nothing in this section shall be construed to repeal, modify, or affect either section 6 or section 20 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

Mr. KEATING. Where is that?

Mr. ADAMSON. It appears at the end of the third paragraph of the conference report.

Mr. STAFFORD. If the gentleman from Colorado will yield, I may clear up the matter. The gentleman's difficulty is that he is referring to a print of the bill as it was reported to the House, which did not contain the amendment offered by the gentleman from Tennessee, and he is not referring to the conference report, which contains the identical language that the gentleman refers to.

Mr. KEATING. Mr. Speaker, I withdraw the point of order. It is a case of mistaken identity. [Applause.]

The SPEAKER. Is there objection to reading the statement in lieu of the report?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (NO. 126).

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2356), having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows:

"That section 1 of the act entitled 'An act to regulate commerce,' approved February 4, 1887, as heretofore amended, be further amended by adding thereto the following:

"'That on and after the approval of this act any person or persons who shall, during the war in which the United States is now engaged, knowingly and willfully, by physical force or intimidation by threats of physical force obstruct or retard, or aid in obstructing or retarding, the orderly conduct or movement in the United States of interstate or foreign commerce, or the

orderly make-up or movement or disposition of any train, or the movement or disposition of any locomotive, car, or other vehicle on any railroad or elsewhere in the United States engaged in interstate or foreign commerce shall be deemed guilty of a misdemeanor, and for every such offense shall be punishable by a fine of not exceeding $100 or by imprisonment for not exceeding six months, or by both such fine and imprisonment; and the President of the United States is hereby authorized, whenever in his judgment the public interest requires, to employ the armed forces of the United States to prevent any such obstruction or retardation of the passage of the mail, or of the orderly conduct or movement of interstate or foreign commerce in any part of the United States, or of any train, locomotive, car, or other vehicle upon any railroad or elsewhere in the United States engaged in interstate or foreign commerce: *Provided*, That nothing in this section shall be construed to repeal, modify, or affect either section 6 or section 20 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

"'That during the continuance of the war in which the United States is now engaged the President is authorized, if he finds it necessary for the national defense and security, to direct that such traffic or such shipments of commodities as, in his judgment, may be essential to the national defense and security shall have preference or priority in transportation by any common carrier by railroad, water, or otherwise. He may give these directions at and for such times as he may determine, and may modify, change, suspend, or annul them, and for any such purpose he is hereby authorized to issue orders direct, or through such person or persons as he may designate for the purpose or through the Interstate Commerce Commission. Officials of the United States, when so designated, shall receive no compensation for their services rendered hereunder. Persons not in the employ of the United States so designated shall receive such compensation as the President may fix. Suitable offices may be rented and all necessary expenses, including compensation of persons so designated, shall be paid as directed by the President out of funds which may have been or may be provided to meet expenditures for the national security and defense. The common carriers subject to the acts to regulate commerce or as many of them as desire so to do are hereby authorized without responsibility or liability on the part of the United States, financial or otherwise, to establish and maintain in the city of Washington during the period of the war an agency empowered by such carriers as join in the arrangement to receive on behalf of them all notice and service of such orders and directions as may be issued in accordance with this act, and service upon such agency shall be good service as to all the carriers joining in the establishment thereof. And it shall be the duty of any and all the officers, agents, or employees of such carriers by railroad or water or otherwise to obey strictly and conform promptly to such orders, and failure knowingly and willfully to comply therewith, or to do or perform whatever is necessary to the prompt execution of such order, shall render such officers, agents, or employees guilty of a misdemeanor, and any such officer, agent, or employee shall, upon conviction, be fined not more than $5,000, or imprisoned not more than one year, or both, in the discretion of the court. For the transportation of persons or property in carrying out the orders and directions of the President, just and reasonable rates shall be fixed by the Interstate Commerce Commission; and if the transportation be for the Government of the United States, it shall be paid for currently or monthly by the Secretary of the Treasury out of any funds not otherwise appropriated. Any carrier complying with any such order or direction for preference of priority herein authorized shall be exempt from any and all provisions in existing law imposing civil or criminal pains, penalties, obligations, or liabilities upon carriers by reason of giving preference or priority in compliance with such order or direction.'"

And the House agree to the same.

W. C. ADAMSON,
T. W. SIMS,
JOHN J. ESCH,
Managers on the part of the House.

FRANCIS G. NEWLANDS,
ALBERT B. CUMMINS,
Managers on the part of the Senate.

STATEMENT.

The only difference in the bill agreed upon by the conferees and the substitute adopted by the House is the following amendment, inserted in the House substitute, which amendment very much simplifies and facilitates the service upon the carriers of such orders as the President may issue for preferential shipments:

The common carriers subject to the act to regulate commerce, or as many of them as desire so to do, are hereby authorized without responsibility or liability on the part of the United States, financial or otherwise, to establish and maintain in the city of Washington during the period of the war an agency empowered by such carriers as join in the arrangement to receive on behalf of them all notice and service of such orders and directions as may be issued in accordance with this act, and service upon such agency shall be good service as to all the carriers joining in the establishment thereof.

W. C. ADAMSON,
T. W. SIMS,
JOHN J. ESCH,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. ADAMSON, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

INTERSTATE COMMERCE COMMISSION.

Mr. ADAMSON. Mr. Speaker, I call up the bill (S. 1816) to enlarge the Interstate Commerce Commission.

The SPEAKER. The Clerk will read the conference report.

Mr. ADAMSON. I ask that the statement be read in lieu of the report. It is short.

The SPEAKER. The gentleman asks to have the statement read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

CONFERENCE REPORT (NO. 125).

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1816) having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows:

"That section 24 of an act entitled 'An act to regulate commerce,' approved February 4, 1887, as amended, be further amended to read as follows:

"'SEC. 24. That the Interstate Commerce Commission is hereby enlarged so as to consist of nine members, with terms of seven years, and each shall receive $10,000 compensation annually. The qualifications of the members and the manner of the payment of their salaries shall be as already provided by law. Such enlargement of the commission shall be accomplished through appointment by the President, by and with the advice and consent of the Senate, of two additional Interstate Commerce Commissioners, one for a term expiring December 31, 1921, and one for a term expiring December 31, 1922. The terms of the present commissioners, or of any successor appointed to fill a vacancy caused by the death or resignation of any of the present commissioners, shall expire as heretofore provided by law. Their successors and the successors of the additional commissioners herein provided for shall be appointed for the full term of seven years, except that any person appointed to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he shall succeed. Not more than five commissioners shall be appointed from the same political party.'

"SEC. 2. That section 17 of said act, as amended, be further amended to read as follows:

"'SEC. 17. That the commission may conduct its proceedings in such manner as will best conduce to the proper dispatch of business and to the ends of justice. The commission shall have an official seal, which shall be judicially noticed. Any member of the commission may administer oaths and affirmations and sign subpœnas. A majority of the commission shall constitute a quorum for the transaction of business, except as may be otherwise herein provided, but no commissioner shall participate in any hearing or proceeding in which he has any pecuniary interest. The commission may, from time to time, make or amend such general rules or orders as may be requisite for the order and regulation of proceedings before it, or before any division of the commission, including forms of notices and the service thereof, which shall conform, as nearly as may be, to those in use in the courts of the United States. Any party may appear before the commission or any division thereof and be heard in person or by attorney. Every vote and official act of the commission, or of any division thereof, shall be entered of record, and its proceedings shall be public upon the request of any party interested.

"'The commission is hereby authorized by its order to divide the members thereof into as many divisions as it may deem necessary, which may be changed from time to time. Such divisions shall be denominated, respectively, division 1, division 2, etc. Any commissioner may be assigned to and may serve upon such division or divisions as the commission may direct, and the senior in service of the commissioners constituting any of said division shall act as chairman thereof. In case of vacancy in any division, or of absence or inability to serve thereon of any commissioner thereto assigned, the chairman of the commission, or any commissioner designated by him for that purpose, may temporarily serve on said division until the commission shall otherwise order.

"'The commission may by order direct that any of its work, business, or functions arising under this act, or under any act amendatory thereof, or supplemental thereto, or under any amendment which may be made to any of said acts, or under any other act or joint resolution which has been or may hereafter be approved, or in respect of any matter which has been or may be referred to the commission by Congress or by either branch thereof, be assigned or refered to any of said divisions for action thereon, and may by order at any time amend, modify, supplement, or rescind any such direction. All such orders shall take effect forthwith and remain in effect until otherwise ordered by the commission.

"'In conformity with and subject to the order or orders of the commission in the premises, each division so constituted shall have power and authority by a majority thereof to hear and determine, order, certify, report, or otherwise act as to any of said work, business, or functions so assigned or referred to it for action by the commission, and in respect thereof the division shall have all the jurisdiction and powers now or then conferred by law upon the commission, and be subject to the same duties and obligations. Any order, decision, or report made or other action taken by any of said divisions in respect of any matters so assigned or referred to it shall have the same force and effect, and may be made, evidenced, and enforced in the same manner as if made or taken by the commission, subject to rehearing by the commission, as provided in section 16a hereof for rehearing cases decided by the commission. The secretary and seal of the commission shall be the secretary and seal of each division thereof.

"'In all proceedings before any such divisions relating to the reasonableness of rates or to alleged discriminations not less than three members shall participate in the consideration and decision; and in all proceedings relating to the valuation of railway property under the act entitled "An act to amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, and all acts amendatory thereof, by providing for a valuation of the several classes of property of carriers subject thereto and securing information concerning their stocks, bonds, and other securities," approved March 1, 1913, not less than five members shall participate in the consideration and decision.

"'The salary of the secretary of the commission shall be $5,000 per annum.

"'Nothing in this section contained, or done pursuant thereto, shall be deemed to divest the commission of any of its powers.'

"SEC. 3. So much of section 18 of the act to regulate commerce as fixes the salary of the secretary of the commission is hereby repealed.

"SEC. 4. That paragraph 2, section 15, of the act to regulate commerce approved February 4, 1887, as amended, be further amended by adding the following: '*Provided further*, until January 1, 1920, no increased rate, fare, charge, or classification shall be filed except after approval thereof has been secured from the commission. Such approval may, in the discretion of the commission, be given without formal hearing, and in such case shall not affect any subsequent proceeding relative to such rate, fare, charge, or classification.'"

And the House agree to the same.

W. C. ADAMSON,
T. W. SIMS,
JOHN J. ESCH,
Managers on the part of the House.

FRANCIS G. NEWLANDS,
JOE T. ROBINSON,
ALBERT B. CUMMINS,
Managers on the part of the Senate.

STATEMENT.

The only differences between the bill agreed upon in conference and the House substitute is shown in the following amendments thereto, accepted by the House conferees:

Subject to rehearing by the commission as provided in section 16a hereof for rehearing cases decided by the commission.

The provision for review of orders issued by subdivisions of the commission was stricken out and in lieu thereof the above amendment was adopted, it being the opinion of the conferees that section 16a amply provided in full and proper way for rehearing in all cases of dissatisfaction.

2. In the requirement that a certain number of commissioners should act in any subdivision on particular subjects, the word "hearing" was stricken out where it occurred in two places and the word "consideration" substituted, and the word "hearings" was stricken out and "proceedings" substituted, so the bill as agreed upon provides that in consideration of rates three members shall participate in the consideration and decision and in proceedings relating to valuation not less than five members shall participate in the consideration and decision.

3. The Senate conferees insisted on the Smith amendment or something equivalent thereto. The House conferees agreed to a proviso substitute like it with the exception that it is limited to a period of time sufficient to enable Congress to legislate on the subject. The provision agreed upon is attached as section 4 of the bill agreed upon and constitutes the fourth amendment to the House substitute, which is as follows:

SEC. 4. That paragraph 2, section 15, of the act to regulate commerce approved February 4, 1887, as amended, be further amended by adding the following: "*Provided further*, That until January 1, 1920, no increased rate, fare, charge, or classification shall be filed except after approval thereof has been secured from the commission. Such approval may, in the discretion of the commission, be given without formal hearing, and in such case shall not affect any subsequent proceeding relative to such rate, fare, charge, or classification."

W. C. ADAMSON.
T. W. SIMS.
JOHN J. ESCH.
Managers on the part of the House.

Mr. WALSH. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Massachusetts rise?

Mr. WALSH. To propound a question to the chairman of the committee, if he will yield for that purpose.

Mr. ADAMSON. Certainly.

Mr. WALSH. Is the gentleman of opinion that the clause which has been inserted by the conferees, providing for rehearings by the commission, as provided in section 16a, is sufficient to cover rehearings of cases heard by subdivisions of the commission?

Mr. ADAMSON. Section 16a makes full and ample provision for rehearing of all orders made by the commission. We thought it amply sufficient to say that in cases of orders issued by a subdivision of the commission, they could be reheard just as though made by the full commission, and subject to rehearing under the existing law.

Mr. WALSH. So the gentleman is of opinion that if one of the parties to a hearing before one of the divisions of the commission is dissatified, he can, upon following out the proper requirements, have a hearing before the full commission?

Mr. ADAMSON. Just as though the order had been issued by the full commission.

Mr. WALSH. Before any final order is issued by the commission?

Mr. ADAMSON. Just the same.

Mr. COOPER of Wisconsin. Will the gentleman from Georgia permit a question?

Mr. ADAMSON. Certainly.

Mr. COOPER of Wisconsin. Section 4, as reported by the conferees, reads as follows:

SEC. 4. That paragraph 2, section 15, of the act to regulate commerce approved February 4, 1887, as amended, be further amended by adding the following: "*Provided further*, That until January 1, 1920, no increased rate, fare, charge, or classification shall be filed except after approval thereof has been secured from the commission. Such approval may, in the discretion of the commission, be given without formal hearing, and in such case shall not affect any subsequent proceeding relative to such rate, fare, charge, or classification."

It says that this approval may be without a formal hearing, but refers to approval "from the commission." Do those words, "from the commission," mean a majority of the commission?

Mr. ADAMSON. The word "commission" has a technical meaning. It means all nine of the members, or a quorum thereof. Therefore we never say "as a whole" or "the whole commission," because the word "commission" means the entire commission.

Mr. COOPER of Wisconsin. So it would require action by the commission in order to give this approval.

Mr. ADAMSON. Yes; no subdivision can do it.

Mr. COOPER of Wisconsin. Now will the gentleman please state what is meant in the statement of the committee by the language that the Senate insisted on the Smith amendment? Just what was the Smith amendment?

Mr. ADAMSON. The Smith amendment provided that in case of an objection filed to a rate, filed in accordance with section 15, if any objection was filed the commission should suspend the rate and proceed to a hearing, which might continue for 10 months, or less, if the investigation of the commission ended sooner. The House rejected that amendment, preferring to retain the present law, that the commission should have the discretion to suspend the rates. In conference we had numerous propositions to compromise. Twice we agreed to report a disagreement, and finally it was suggested, in view of the fact that the point was so hotly contested, that we ought to have time to legislate deliberately upon a change of the law. We called in the commission and talked to them, and we found from them that this compromise would be entirely workable and do no injustice to anybody, and therefore we saved a disagreement by accepting the compromise. It gives a little over two years in which Congress can thrash out the subject and decide whether it wants to change the law or not.

Mr. MADDEN. Will the gentleman yield?

Mr. ADAMSON. I will.

Mr. MADDEN. According to section 4, as I read it, the railroad companies, after the adoption of this report, will not be permitted to file application for increase of rates without the consent of the commission.

Mr. ADAMSON. Yes.

Mr. MADDEN. Does the gentleman think that is right? Does the gentleman from Georgia think that is fair to the railroad companies?

Mr. ADAMSON. Well, we did an unusual thing; we had a representative of the railroads before us and the commissioners, and they sat there and talked with the representative of the railroads about it, and the representative of the railroads said that he had no objection to it. It was conceded by the representative of the railroads and the commission that this amendment would be workable and would work no harm to anybody. Here is the way it is explained: If there is a necessity for an increase of rates, the railroads will state to the commission what the proposition is. If the commission is not satisfied from the record and from what it knows of the situation, it will have hearings, and then approve or disapprove the rates. But it was stated that the commission has a great many facts already and that they could tentatively allow the increase of rates and correct them later if they were not satisfactory after they were allowed.

Mr. MADDEN. The mere filing of the application for increase of rates does not involve an acceptance of the rates by the commission.

Mr. ADAMSON. That means the approval of the rate itself and not the approval of the filing, but it was explained in this way: We first proposed that they approve the filing, but the commission said that would make ten times as much work as it would to approve the rates, because if they filed the rates and then gave 30 days' notice the commission would have to investigate all of them, and it would make interminable labor. Under this provision nothing but meritorious applications would be made, and they could be handled easily and expeditiously.

Mr. MADDEN. So, as a matter of fact, this obviates the necessity of giving the 30 days' notice of filing.

Mr. ADAMSON. No; it does not change the law.

Mr. MADDEN. The commissioners have to approve it immediately after being filed.

Mr. ADAMSON. Before it is filed.

Mr. MADDEN. They do not do that now.

Mr. SIMS. No.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

On motion of Mr. ADAMSON, a motion to reconsider the vote whereby the conference report was agreed to was laid on the table.

Mr. ADAMSON. Mr. Speaker, before the Chair recognizes some other gentleman I would like to ask a question of the gentleman from North Carolina and the House. There are three or four bridge bills remaining undisposed of, and if we are going to take three-day recesses they will be neglected. I want to suggest to the gentleman from North Carolina before he agrees on any program, that we consent to some arrangement to pass these bridge bills.

Mr. KITCHIN. I think we can take up those by unanimous consent before we adjourn to-day.

Mr. HARRISON of Mississippi. Mr. Speaker, I would like to ask the gentleman from North Carolina a question. What day next week does the gentleman from North Carolina propose to adjourn to?

Mr. KITCHIN. To adjourn over until Tuesday, and then we will try to make a gentleman's agreement to adjourn every three days, with the understanding that no business shall be transacted until the Senate passes the revenue bill, which I think will take at least three weeks.

Mr. HARRISON of Mississippi. Mr. Speaker, I would like to ask unanimous consent that on next Tuesday, immediately after the reading of the Journal, my colleague, the gentleman from Mississippi [Mr. COLLIER], may be permitted to address the House for 30 minutes.

Mr. GILLETT. On what subject?

Mr. HARRISON of Mississippi. On the war.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that on next Tuesday, after the reading of the Journal and the cleaning up of business on the Speaker's table, his colleague, the gentleman from Mississippi [Mr. COLLIER], may have the privilege of addressing the House for not more than 30 minutes. Is there objection?

Mr. CRAMTON. Mr. Speaker, reserving the right to object, I understood the gentleman from North Carolina to say that he would ask unanimous consent for a recess, during which no business would be done. Is that correct?

Mr. KITCHIN. Yes.

Mr. CRAMTON. If that is the case I shall feel obliged to object to this request. If this request is granted, other requests will have to be granted.

Mr. KITCHIN. Does the gentleman have in mind any special business that he wants brought up?

Mr. CRAMTON. It seems to me that whenever the period begins during which the House shall do no business, no business should be done. It is not necessary for us to have a lot of speeches made which will detain some Members here to see that nothing is done.

Mr. KITCHIN. Mr. Speaker, I imagine that on the gentleman's side and on this side there will be several Members who will stay here to see that the agreement is carried out, and I take it, too, if we make the gentlemen's agreement that every man will keep it.

Mr. CRAMTON. When is the agreement to begin?

Mr. KITCHIN. I would say after we adjourn to-day. Why not just have a general consent that on Tuesday next nothing shall be done after the reading of the Journal except to permit these speeches to be made?

Mr. CRAMTON. There are several reasons. If there is a general rain of speeches made, with a great many Members away, we may have speeches made of the character that we had yesterday, during which there will be criticism of other Members who are away, and perhaps there may be abuse of the privilege.

Mr. HARRISON of Mississippi. There are a couple of Members on the gentleman's side who desire to speak on Tuesday.

Mr. GILLETT. As I understand it, the agreement would be that we would not ask unanimous consent after to-day even to make a speech, so that if we agree not to permit these speeches on Tuesday it does not mean that we shall allow others.

Mr. KITCHIN. Unless we include that in the agreement to-day.

Mr. GILLETT. So that after Tuesday there would be none.

Mr. KITCHIN. None.

Mr. GARRETT of Tennessee. Mr. Speaker, I would like to make this suggestion to the gentleman from North Carolina. He has not yet made his request, has he?

Mr. KITCHIN. No.

Mr. GARRETT of Tennessee. I suggest to the gentleman, if I may be permitted to do so, that he consider this phase of the matter before making that request and before we enter into that iron-clad gentlemen's agreement, and that is the possibilities that may arise by the action or nonaction of another legislative body. If the Senate should fail to agree to the conference report upon the food bills, of course that would necessitate a further conference. I do not anticipate myself that it will fail to agree, but at the same time we ought not to be tied up in a gentlemen's agreement here under which a large number of Members would go away.

Mr. KITCHIN. When I make the request, which I shall do presently, I shall include in it provision that if the Senate should reject the conference report, necessitating our coming back, I should give three or five days' notice to everyone.

Mr. SIMS. We do not want to wait too long.

Mr. KITCHIN. But there is no danger in the world, as I understand it, that the Senate will reject the conference reports. I have talked with several Senators this morning, and they say there is hardly a possibility of that being done.

Mr. GILLETT. May I suggest to the gentleman that I think he ought to have that provision reserved, in any event, so that he can summon us with five days' notice if it is so desired, be-

cause something else of an imperative nature may come up. I think the gentleman ought to have that in his agreement anyway.

Mr. KITCHIN. I think that is true. Something unforeseen may happen.

Mr. HULBERT. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. HULBERT. To propound an inquiry. Mr. Speaker, this House by a unanimous vote on the bill appropriating $640,000,000 for aeronautics gave expression to the view that it believes that mastery of the air will be decisive in this war. On the 31st of July there were two bills introduced——

The SPEAKER. Has what the gentleman is about to say anything to do with this proposition?

Mr. HULBERT. Yes, sir. On the 31st of July two bills were introduced, one in the Senate and the other in the House. Those bills are now pending before the respective Committees on Military Affairs of the two bodies. They are approved by the Secretary of War and the Secretary of the Navy. They provide for the creation of an aircraft production board and give it certain authority to expedite the manufacture of aeroplanes. I would like to suggest to the gentleman from North Carolina that whatever agreement is made ought to take into account the fact that if the House committee should unanimously report this bill out, or if the bill is unanimously reported out in the Senate, which I was informed over there this morning was likely to occur Monday, and it is passed next week, when I am told it will be brought up for consideration, then its consideration here ought not to be delayed by these three-day adjournments until the end of this month.

The SPEAKER. Which House is the gentleman talking about when he says it is likely to pass on Monday?

Mr. HULBERT. The Senate.

The SPEAKER. The gentleman from North Carolina suggests that we are going to adjourn until Tuesday.

Mr. HULBERT. But I understand that he is going to prefer a request that no business can be taken up on Tuesday.

The SPEAKER. The Chair is simply asking for information.

Mr. McKENZIE. Is the bill to which the gentleman refers the bill which provides that the War Department may have the power to make advances to certain men who seem to have neither money nor credit, with which to build aeroplanes?

Mr. HULBERT. No, sir. The bill I have reference to is to create an air board, provide for its maintenance and to give certain authority so that they may expedite the production of aeroplanes.

Mr. MADDEN. There is already an air board now presided over by an Army officer.

Mr. HULBERT. The board created now has no legal existence, as I understand it.

Mr. MADDEN. But the Government has legal power——

Mr. KITCHIN. I would like to say to the gentleman from New York that the failure to pass that bill does not interfere at all with the aircraft construction status. They have a board only it is not legalized. If the bill is passed, it only gives the board the power and authority to recommend. They are recommending now.

Mr. MADDEN. They have the power to contract.

Mr. FERRIS. I should think that could wait.

Mr. WALSH. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is the request of the gentleman from Mississippi.

Mr. WALSH. I will withhold the demand for the regular order for a moment.

Mr. McKENZIE. I would like to ask the gentleman a further question. I understood the gentleman from New York to say that he had information that this bill would be reported from the Committee on Military Affairs unanimously?

Mr. HULBERT. No; I said if it is reported from the Committee on Military Affairs unanimously——

Mr. McKENZIE. Oh, well; "if"——

Mr. HULBERT. That there ought not then to be any objection to its consideration here.

Mr. MADDEN. It ought not to be reported at all.

Mr. WALSH. Mr. Speaker, I renew my demand for the regular order.

The SPEAKER. The question is on the request of the gentleman from Mississippi [Mr. HARRISON] that on next Tuesday, after the reading and adoption of the Journal and the disposition of business on the Speaker's table, his colleague from Mississippi [Mr. COLLIER] shall be permitted to address the House not to exceed 30 minutes, of course having always the right of way saved for conference reports, revenue bills, and such stuff as that.

Mr. MADDEN. Mr. Speaker, I would like to couple with that request that Miss RANKIN be permitted to address the House for 10 minutes on the same day, after the remarks of Mr. COLLIER.

The SPEAKER. Does the gentleman hitch that on as an amendment?

Mr. MADDEN. No.

The SPEAKER. Is there objection to the Collier speech?

Mr. COOPER of Wisconsin. Mr. Speaker, one moment. Did I understand the gentleman to say that he would hitch it on?

The SPEAKER. No. Is there objection to the Collier speech? [After a pause.] The Chair hears none.

The gentleman from Illinois [Mr. MADDEN] asks unanimous consent that at the close of the Collier speech the lady from Montana [Miss RANKIN] shall be permitted to address the House not to exceed—30 minutes. [Applause.] Is there objection? [After a pause.] The Chair hears none.

Mr. CARTER of Oklahoma. Mr. Speaker, I ask unanimous consent that the gentleman from Arizona [Mr. HAYDEN] may address the House for 30 minutes after the other speeches have been finished.

The SPEAKER. The gentleman from Oklahoma [Mr. CARTER] asks unanimous consent that at the close of Miss RANKIN'S speech the gentleman from Arizona [Mr. HAYDEN] may address the House not to exceed 30 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. PARKER of New Jersey. Mr. Speaker, I should like the same privilege after the other speeches of 15 minutes in which to address the House on the subject of taxation.

The SPEAKER. The gentleman from New Jersey [Mr. PARKER] asks unanimous consent that at the close of the speech of Mr. HAYDEN he shall be permitted to address the House for not to exceed 15 minutes on the subject of taxation. Is there objection? [After a pause.] The Chair hears none.

Mr. RAKER. Mr. Speaker, I would like to propound an inquiry to the gentleman.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that we have a gentleman's agreement——

The SPEAKER. One moment. The gentleman from Virginia.

Mr. FLOOD. Mr. Speaker, I was going to ask unanimous consent to call up a resolution.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that the House enter into a gentleman's agreement that we adjourn to-day over until Tuesday next, and that after the reading of the Journal and the making of those speeches on Tuesday next the House shall adjourn over until the following Friday, and thereafter adjourn over for three days at a time until the Senate passes the revenue bill; but that if, in the meantime, any unforeseen emergency makes it necessary that Members shall return, I shall give them five days' notice.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet on next Tuesday, and that then, after the reading and approval of the Journal on Tuesday and the making of these speeches that have been provided for and the consideration of any conference reports, the House shall, after Tuesday, adjourn for three days at a time.

Mr. KITCHIN. I shall change that to three days' notice instead of five days if it becomes necessary to send notice to Members.

Mr. GILLETT. Mr. Speaker, I did not understand that any conference reports were to be considered.

The SPEAKER. Well, leaving out conference reports, then, the gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet on next Tuesday, and that when it adjourns next Tuesday it shall adjourn three days at a time thereafter until the Senate passes the revenue bill, reserving, however, the right, if anything of importance arises in the meantime, to call Members back upon giving three days' notice.

Mr. DILL. Mr. Speaker, I shall object to the three days.

The SPEAKER. Now, it is understood that if this request be granted, the Chair, after Tuesday, when we meet after these three-day adjournments, shall not recognize anyone for anything except the motion to adjourn. [Applause.]

Mr. RAKER rose.

The SPEAKER. For what purpose does the gentleman from California rise?

Mr. RAKER. I would like to propound an inquiry to the gentleman from North Carolina [Mr. KITCHIN], if I can get his attention. I would like to ask the gentleman if he intends to ask unanimous consent that we take up to-day bills on the Unanimous-Consent Calendar?

Mr. KITCHIN. I am not going to move to adjourn until you gentlemen get a chance to get unanimous consent to-day.

The SPEAKER. Is there objection?

Mr. YOUNG of North Dakota. Mr. Speaker, in case this proposed agreement should be consented to, would there be any objection to Mr. BAER, the Member elect from the first district of North Dakota, taking the oath of office?

The SPEAKER. The gentleman from North Carolina will give heed to the gentleman from North Dakota. The gentleman from North Dakota was propounding a question. He will please repeat the question.

Mr. YOUNG of North Dakota. I think that Mr. BAER, the Member elect from the first district of North Dakota, will be here within 10 days, and of course he will desire to be sworn in as soon as he arrives. It seems to me that there ought not to be any objection to his taking the oath of office.

Mr. KITCHIN. It could be objected to under this agreement.

The SPEAKER. The Chair does not believe the House could make any agreement as to that.

Mr. KITCHIN. We will include that, Mr. Speaker—that he can do it at any time.

The SPEAKER. That is included in the request—that he can be sworn in if he appears.

Mr. CRAMTON. Mr. Speaker, I would like to make an inquiry of the gentleman from North Carolina. I would like to ask the gentleman from North Carolina, with reference to House joint resolution 115, which treats of a question that is of great importance to certain portions of the country. Is it intended to bring that up and dispose of it to-day?

Mr. KITCHIN. That is the intention, I will say to the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. CANNON. Mr. Speaker, if I understand correctly, the unanimous consent covers an adjournment on Tuesday and every three days thereafter, after the reading of the Journal?

The SPEAKER. After the adoption of the Journal.

Mr. CANNON. Yes; the adoption or approval of the Journal.

Mr. KITCHIN. Yes.

The SPEAKER. Is there objection?

Mr. COOPER of Wisconsin. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman from North Carolina one question. He says, "Unless certain legislation became necessary."

Mr. KITCHIN. Something unforeseen.

Mr. COOPER of Wisconsin. Who is to determine whether it is necessary or not?

Mr. KITCHIN. I will call gentlemen together the best I can.

Mr. GILLETT. The gentleman from North Carolina is to determine it.

Mr. COOPER of Wisconsin. Will the gentleman indicate now what he thinks will be necessary?

Mr. KITCHIN. I see nothing in sight that would be.

The SPEAKER. Is there objection?

Mr. HULBERT. Reserving the right to object, Mr. Speaker——

Mr. LONDON. Mr. Speaker, reserving the right to object, I have made several efforts to have a resolution of inquiry considered by this House, a resolution calling upon the Postmaster General to furnish to the House certain information as to the suppression of papers. Unless I can get that resolution considered I shall object to every unanimous-consent request.

Mr. KITCHIN. Let me say to the gentleman from New York, Why not let us get this agreement, and then you can get unanimous consent?

Mr. LONDON. I want to be assured that this resolution can be considered. I want that settled now.

Mr. JOHNSON of Kentucky. Mr. Speaker, in order to expedite matters, I object to the unanimous-consent request.

The SPEAKER. Does the gentleman from Kentucky object to the Kitchin request?

Mr. JOHNSON of Kentucky. That is the one I object to, Mr. Speaker.

The SPEAKER. The gentleman from Oklahoma [Mr. CARTER] is recognized.

Mr. KITCHIN. Mr. Speaker, we have nothing to do here to-day. We have got to stay here, and I move that the House adjourn. We have got to stay here all the time. We will be kept here.

Mr. HULBERT. Regular order!

The SPEAKER. The regular order is the motion of the gentleman from North Carolina.

Mr. GARNER. Mr. Speaker, will the gentleman from North Carolina yield?

Mr. HULBERT. I demand the regular order, Mr. Speaker.

Mr. KITCHIN. I withdraw my motion to adjourn, and yield to the gentleman from Texas [Mr. GARNER].

The SPEAKER. The gentleman from North Carolina withdraws his motion to adjourn.

Mr. GARNER. I want to ask the gentleman from North Carolina a question. If there is objection to three days' adjournments, can the House understand that, so far as those who remain here are concerned, they will undertake to adjourn the House from day to day, so that Members may go home if they want to? I want it understood that those who remain here—and I expect to remain here, for one—will make an effort each day to adjourn the House, so that those who want to go home may go home.

The SPEAKER. While the Chair does not think any such agreement as that is in order, he will make this suggestion to the gentleman from Texas that any gentleman can move to adjourn, and any gentleman can raise the point of order that there is no quorum present, and there is no sort of trouble generally about adjourning.

Mr. ADAMSON. Mr. Speaker, I should like to suggest as a compromise to allow the resolution of the gentleman from New York [Mr. LONDON] to come up, and we can dispose of it.

Mr. MADDEN. I object. I do not believe in letting any one Member bulldoze the House.

The SPEAKER. The gentleman from Illinois objects.

Mr. STAFFORD. May I prefer a unanimous-consent request?

The SPEAKER. Yes.

Mr. STAFFORD. That the House now proceed to the consideration of bills on the Unanimous Consent Calendar.

The SPEAKER. The gentleman from Wisconsin [Mr. STAFFORD] asks unanimous consent that the House now take up the Unanimous Consent Calendar.

Mr. STAFFORD. Subject to the right of objection.

Mr. WALSH. I object.

The SPEAKER. The gentleman from Massachusetts objects.

Mr. KITCHIN. I want to give notice, since we can not get this agreement, which I hoped we could get and which I believe we ought to get, that I believe the House is entitled to this little vacation, because we have waited here for a month or two for the Senate to discuss and get through with the food bill, and we have waited since May 23 when we sent the revenue bill to them, and they have not even reported it out yet. They reported out one revenue bill and then repudiated it and took it back, and we do not even know when they are going to report it out. I do not know why the House should be compelled to stay here waiting for the Senate. So I am going to renew my request that I made a moment ago.

Mr. MONTAGUE. Has the gentleman from North Carolina considered at all the expediency of a concurrent resolution of the two Houses?

Mr. KITCHIN. Then we would have no adjournment until December, because the Senate would recess, too, and we want the Senate to get to work.

Mr. MONTAGUE. If I understand the gentleman, he does not think a concurrent resolution to that effect is practicable?

Mr. KITCHIN. No; I do not.

The SPEAKER. The gentleman from North Carolina renews his request that when the House adjourns to-day it adjourn to meet on Tuesday, and that when it adjourns on Tuesday it adjourn three days at a time until the Senate passes the revenue bill. In the meantime, if anything is necessary to be done, he states that he will give the House three days' notice. Is there objection?

Mr. LONDON. Mr. Speaker, I object.

Mr. KITCHIN. Mr. Speaker, I wish to give notice to the House, so that Members who want to go home and who ought to be permitted to go home can do so, that each day after the Journal is read and approved and after these speeches that we have agreed to hear have been made, I shall move the adjournment of the House, and do everything I can to secure an adjournment. [Applause.]

Mr. HAWLEY. For what length of time?

Mr. KITCHIN. Until the Senate passes the revenue bill, and if anything comes up I will give three days' notice.

Mr. BUTLER. Mr. Speaker, a parliamentary inquiry. How can the Journal be approved if there is no quorum present?

The SPEAKER. It can not, if the point is made; but the gentleman can move to adjourn.

Mr. GARNER. In other words, everybody can go home.

Mr. KITCHIN. I will try to see that no business shall be done.

Mr. BUTLER. That is perfectly satisfactory.

Mr. KITCHIN. Now, I will say to the gentleman who had these requests for unanimous consent for the consideration of bills that we will stay in session to-day to enable them to present their requests.

Mr. CARTER of Oklahoma. Mr. Speaker, I ask unanimous consent for the present consideration of House joint resolution 57.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent for the present consideration of House joint resolution 57.

Mr. CARLIN. Reserving the right to object, what does it relate to?

Mr. LONDON. I make the point of order that there is no quorum present.

Mr. CARTER of Oklahoma. Does the gentleman object?

Mr. LONDON. No; I make the point of no quorum.

The SPEAKER. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count to see if there is a quorum. [After counting.] One hundred and fifty-one Members present, not a quorum.

Mr. KITCHIN. Mr. Speaker, I move a call of the House.

Mr. LONDON. Mr. Speaker, I withdraw the point of no quorum.

The SPEAKER. It is too late now. The Chair has counted. The gentleman from North Carolina moves a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will lock the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Alexander	Emerson	Johnson, Wash.	Sanders, Ind.
Anderson	Estopinal	Jones, Va.	Sanford
Anthony	Evans	Kahn	Scott, Pa.
Bacharach	Fairchild, B. L.	Kearns	Scully
Blackmon	Fairchild, G. W.	Kennedy, R. I.	Sears
Bland	Fess	Kiess, Pa.	Sells
Borland	Fields	Kreider	Shallenberger
Britten	Flynn	Lazaro	Sherwood
Brodbeck	Focht	Lea, Cal.	Shouse
Browne	Fordney	Lenroot	Slemp
Browning	Foss	Linthicum	Smith, Mich.
Bruckner	Francis	Lunn	Smith, C. B.
Caldwell	Freeman	McCormick	Smith, T. F.
Candler, Miss.	Fuller, Ill.	McCulloch	Snell
Cantrill	Fuller, Mass.	McLaughlin, Pa.	Snook
Capstick	Gallivan	Maher	Snyder
Chandler, N. Y.	Gandy	Mann	Steele
Church	Gard	Martin, Ill.	Stiness
Clark, Fla.	Glass	Mason	Strong
Clark, Pa.	Godwin, N. C.	Miller, Minn.	Sullivan
Collier	Good	Mondell	Sumners
Cooper, Ohio	Goodall	Moore, Pa.	Swift
Cooper, W. Va.	Graham, Pa.	Morin	Switzer
Copley	Gray, N. J.	Mott	Talbott
Costello	Griest	Mudd	Templeton
Crago	Griffin	Neely	Tilson
Currie, Mich.	Hamill	Nelson	Tinkham
Dale, N. Y.	Hamilton, Mich.	Nicholls, S. C.	Treadway
Darrow	Hamilton, N. Y.	Nichols, Mich.	Van Dyke
Davidson	Harrison, Miss.	Nolan	Vare
Davis	Haugen	Olney	Venable
Dempsey	Hayes	O'Shaunessy	Waldow
Denison	Heaton	Paige	Ward
Dewalt	Heflin	Parker, N. Y.	Watson, Pa.
Dooling	Helvering	Peters	Watson, Va.
Doremus	Hill	Porter	Weaver
Drane	Hilliard	Pratt	Wilson, Ill.
Drukker	Hollingsworth	Price	Wingo
Dunn	Hull, Iowa	Reed	Winslow
Dupré	Hull, Tenn.	Riordan	Woodyard
Eagan	Humphreys	Rouse	Zihlman
Engle	Husted	Rowe	
Edmonds	Hutchinson	Rowland	
Elston	James	Rucker	

The SPEAKER. On this call 258 Members, a quorum, have answered to their names.

Mr. KITCHIN. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. KITCHIN. Mr. Speaker, I now renew the request that I made a moment ago.

The SPEAKER. The gentleman from North Carolina renews the request that he made twice earlier in the day as to adjournment. Is there objection?

Mr. LONDON. Mr. Speaker, reserving the right to object, may I ask whether there is any objection to fixing an hour for the consideration of the resolution I have referred to after we reconvene? I feel that I am not being treated fairly when there is a good chance to bring up the resolution.

Mr. AUSTIN. Why does not the gentleman go before the Committee on the Post Office and Post Roads?

Mr. BUTLER. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is the request of the gentleman from North Carolina to adjourn until next Tuesday, and an adjournment three days at a time, with the understanding that if anything of importance arises he will give three days' notice. Is there objection?

Mr. RANDALL. Mr. Speaker, I would like to ask the gentleman whether he will include in his request——

The SPEAKER. The gentleman from Pennsylvania has demanded the regular order, and the regular order is, Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none. [Applause.]

INCLUSION OF ALIENS IN THE ARMY AND NAVY.

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to take up House joint resolution 115, requesting the Secretary of State to open diplomatic negotiations with certain Governments with a view to obtaining their approval and sanction for action by the United States permitting the inclusion in the armed forces of the United States of such citizens of the countries of such Governments as are within the United States.

The SPEAKER. The gentleman from Virginia asks unanimous consent for the present consideration of House joint resolution 115. Is there objection?

Mr. GORDON. I object.

NATURALIZATION.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to take up for immediate consideration the bill H. R. 3132, on the Unanimous Consent Calendar.

The SPEAKER. The gentleman from California asks unanimous consent for the present consideration of the bill H. R. 3132. Is there objection?

Mr. WALSH. Let the bill be reported.

The Clerk read as follows:

Be it enacted, etc., That section 2171 of the Revised Statutes of the United States be amended so when amended it shall read as follows:

"SEC. 2171. No alien who is a native citizen or subject, or a denizen of any country, State, or sovereignty with which the United States is at war at the time of his application, shall be then admitted to become a citizen of the United States; but persons resident within the United States or the Territories thereof on the 6th day of April, 1917, who had before that day made a declaration according to law of their intentions to become citizens of the United States, or who, by the existing laws of the United States, were on that day entitled to become citizens, without making such declaration, may be admitted to become citizens thereof, notwithstanding they shall be alien enemies at the times and in the manner prescribed by the laws heretofore passed on that subject: *Provided*, That nothing herein contained shall be taken or construed to interfere with or prevent the apprehension and removal, agreeably to law, of any alien enemy at any time previous to the actual naturalization of such alien."

The SPEAKER. Is there objection?

Mr. CRAMTON. Mr. Speaker, reserving the right to object, there are no copies of the bill available at the desk. Will the gentleman, before consent is given, give us some idea of the purposes of the bill?

Mr. COOPER of Wisconsin. Mr. Speaker, I object.

The SPEAKER. The gentleman from Wisconsin objects.

Mr. RAKER. Mr. Speaker, will the gentleman withhold his objection for a moment?

Mr. COOPER of Wisconsin. No. I object to the consideration of bills of which we have not printed copies. We are entitled to notice of anything of this kind.

Mr. RAKER. There are printed copies.

Mr. COOPER of Wisconsin. Mr. Speaker, I shall continue my objection.

BRIDGE ACROSS BIG SANDY RIVER, KY.

Mr. LANGLEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5335) to extend the time for constructing a bridge across the Tug Fork of the Big Sandy River near Warfield, Ky., and Kermit, W. Va., authorized by an act approved January 28, 1916, which I send to the desk and ask to have read.

The Clerk read the bill.

The SPEAKER. Is there objection?

Mr. COOPER of Wisconsin. Mr. Speaker, reserving the right to object, I wish to remind the House that a good many Members are not here, because, I assume, they thought that under the circumstances no legislative business would be transacted to-day. Under the rules of the House the Calendar for Unanimous Consent is to be called on certain specified days in each month. Of that fact each Member of the House has notice, because he is presumed to know the rules. But he does not know, if he is now absent, that an effort is being made to have bills on the Unanimous Consent Calendar called to-day. Remembering, as I do, what used to take place when men came back after an absence from the Chamber to find that bills to which they were strongly opposed had been passed by the House by unanimous consent, they having no way of knowing when those bills were coming up, and remembering, as I do, that the rule establishing the Calendar for Unanimous Consent was adopted by the House expressly for the purpose of stopping that sort of proceeding, I object now to the calling of the Calendar for Unanimous Consent.

Mr. RAKER. Mr. Speaker, before the gentleman does that will he yield for a question?

Mr. COOPER of Wisconsin. No. Occasionally, it is true, there is a bill which demands immediate consideration in order to meet a real emergency, sometimes national in character, and then unanimous consent for its consideration may be rightfully asked, but I object to this sort of procedure at this time.

The SPEAKER. The gentleman from Wisconsin objects.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to proceed for two minutes.

The SPEAKER. The gentleman from California asks unanimous consent to proceed for two minutes. Is there objection?

Mr. ELLSWORTH. Mr. Speaker, I object.

ADJOURNMENT.

Mr. FITZGERALD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 34 minutes p. m.), in accordance with the order heretofore made, the House adjourned until Tuesday, August 7, 1917, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination and survey of channel from the docks at Apalachicola, Fla., through St. George Sound to the Gulf of Mexico, on such route as may be most desirable for the demands of commerce (H. Doc. No. 316); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

2. A letter from the Secretary of the Treasury, transmitting tentative draft of legislation for inclusion in the bill to supply deficiency for sundry civil expenses of the Government for the fiscal year ending June 30, 1918 (H. Doc. No. 317); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of the Navy, transmitting tentative draft of a provision amendatory to House Document No. 186, estimate of appropriation for "Recreation for enlisted men" (H. Doc. No. 318); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of the Navy, transmitting a tentative draft of a bill to provide additional pay for gun pointers and gun captains while temporarily absent from the place where required to perform duty under such detail (H. Doc. No. 319); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. BURNETT, from the Committee on Immigration and Naturalization, to which was referred the bill (H. R. 5667) to provide for the deportation of certain aliens, and for other purposes, reported the same without amendment, accompanied by a report (No. 127), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HULBERT: A bill (H. R. 5692) to arrange, during the existing emergency, for the granting of naturalization papers to aliens who, being entitled to make application for and become a citizen of the United States, shall be duly enlisted in and serving as a member of the military or naval forces of the United States, and unable to apply in person as required by existing law; to the Committee on Immigration and Naturalization.

By Mr. HAWLEY: A bill (H. R. 5693) to amend an act entitled "An act to alter and amend an act entitled 'An act granting lands to aid in the construction of a railroad and telegraph line from the Central Pacific Railroad, in California, to Portland, in Oregon,' approved July 25, 1866," as amended by the acts of 1868 and 1869, and to alter and amend an act entitled 'An act granting lands to aid in the construction of a railroad and telegraph line from Portland to Astoria and McMinnville, in the State of Oregon,' approved May 4, 1870, and for other purposes"; to the Committee on the Public Lands.

By Mr. BATHRICK: A bill (H. R. 5694) to amend the act of May 18, 1917, and secure a more equitable distribution of draft quotas in States, Territories, the District of Columbia, and subdivision thereof; to the Committee on Military Affairs.

By Mr. JOHNSON of South Dakota: A bill (H. R. 5695) to authorize the President to increase temporarily the Military Establishment of the United States; to the Committee on Military Affairs.

By Mr. HAWLEY: A bill (H. R. 5696) granting the franking privilege to the Oregon Defense Council of the State of Oregon; to the Committee on the Post Office and Post Roads.

By Mr. STEPHENS of Mississippi: Joint resolution (H. J. Res. 135) authorizing the President of the United States to suggest a world's congress for the purpose of considering terms of peace, and for other purposes; to the Committee on Foreign Affairs.

By Mr. LONDON: Joint resolution (H. J. Res. 136) for an interparliamentary conference to discuss basic terms of a lasting peace; to the Committee on Foreign Affairs.

By Mr. IGOE: Joint resolution (H. J. Res. 137) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. ESCH: Memorial of the Legislature of the State of Wisconsin favoring national control of the fishing industry upon the Great Lakes; to the Committee on the Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FISHER: A bill (H. R. 5697) to reappoint Edgar C. Campbell a pay clerk in the Quartermaster Corps, United States Army; to the Committee on Military Affairs.

By Mr. JOHNSON of South Dakota: A bill (H. R. 5698) granting an increase of pension to William Gordon; to the Committee on Invalid Pensions.

By Mr. KETTNER: A bill (H. R. 5699) granting an increase of pension to Rev. W. S. Trader; to the Committee on Invalid Pensions.

By Mr. OSBORNE: A bill (H. R. 5700) for the relief of Michael Sweeney; to the Committee on Military Affairs.

Also, a bill (H. R. 5701) granting a pension to Alvah H. Mitchell; to the Committee on Pensions.

Also, a bill (H. R. 5702) granting a pension to Ora May Larkin; to the Committee on Pensions.

By Mr. PADGETT: A bill (H. R. 5703) granting a pension to Israel W. Bennett; to the Commitee on Pensions.

Also, a bill (H. R. 5704) granting a pension to Callie Mabry; to the Committee on Pensions.

Also, a bill (H. R. 5705) granting an increase of pension to Roy R. Hart; to the Committee on Pensions.

Also, a bill (H. R. 5706) granting an increase of pension to William H. Williams; to the Committee on Pensions.

By Mr. STEPHENS of Mississippi: A bill (H. R. 5707) to satisfy certain claims against the Government arising under the War Department; to the Committee on Claims.

Also, a bill (H. R. 5708) for the relief of certain enlisted men of the United States Navy; to the Committee on Claims.

Also, a bill (H. R. 5709) to satisfy certain claims against the Government arising under the War Department; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petition of the National Editorial Association in convention at Minneapolis, Minn., favoring Trade Commission control of print-paper prices and distribution, etc.; to the Committee on Interstate and Foreign Commerce.

By Mr. DALE of Vermont: Petition of F. M. Fletcher and 41 other residents of Albany; also Mrs. Alice Rowell and 21 other residents of South Albany, in the State of Vermont, favoring the prohibition of the manufacture and sale of intoxicating liquor as a war measure; to the Committee on the Judiciary.

Also, resolutions of the Woman's Christian Temperance Unions of the towns of Brattleboro, Barnet, East Barnet, Canaan, Rochester, and Woodstock, and the Union Congregational and Methodist Churches of Newport, all in the State of Vermont, favoring an amendment to the Federal Constitution prohibiting the manufacture and sale for beverage purposes of intoxicating liquors; to the Committee on the Judiciary.

By Mr. FULLER of Illinois: Petition of Chicago manufacturing companies, favoring "bone-dry" prohibition; to the Committee on the Judiciary.

By Mr. GRIEST: Petition of Rev. Edward A. Bawden, First Methodist Episcopal Church, and numerous citizens of Lancaster, Pa., urging prohibition of the manufacture of alcoholic

liquors as a measure of food conservation and for immediate prohibition of the sale of liquors for beverage purposes; to the Committee on the Judiciary.

Also, petition of Annie B. McClure and Samuel G. Fogel, Christiana, Pa., urging immediate prohibition as a war measure; to the Committee on the Judiciary.

Also, petition of Paul W. Nebel, Lancaster, Pa., favoring an exchange of censored news between parties living in the United States and those within the territory of the central powers; to the Committee on the Judiciary.

SENATE.

MONDAY, *August 6, 1917.*

(Legislative day of Saturday, August 4, 1917.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Utah suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Husting	McNary	Smith, S. C.
Beckham	James	Martin	Smoot
Brady	Johnson, Cal.	Nelson	Sterling
Brandegee	Jones, N. Mex.	New	Stone
Chamberlain	Jones, Wash.	Norris	Sutherland
Culberson	Kellogg	Overman	Thompson
Curtis	Kendrick	Page	Underwood
Dillingham	King	Pittman	Vardaman
Fernald	Kirby	Reed	Wadsworth
Gore	Knox	Saulsbury	Warren
Gronna	La Follette	Shafroth	Williams
Harding	Lewis	Sheppard	
Hitchcock	McCumber	Sherman	
Hollis	McKellar	Smith, Ga.	

Mr. CURTIS. I wish to announce the unavoidable absence of the senior Senator from New Hampshire [Mr. GALLINGER]. I will let this announcement stand for the present.

Mr. JAMES. I desire to announce that the senior Senator from New Jersey [Mr. HUGHES] is absent on account of illness. I ask that this announcement may stand for the day.

Mr. SHAFROTH. I wish to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness. He is paired with the senior Senator from North Dakota [Mr. MCCUMBER]. I will let this announcement stand for the day.

Mr. CURTIS. I desire to announce that the senior Senator from New Mexico [Mr. FALL] is absent on account of illness in his family. I will let this announcement stand for the day.

I desire also to announce that the junior Senator from Michigan [Mr. TOWNSEND] is absent on account of illness in his family. I will let this announcement stand for the day.

Mr. SUTHERLAND. I desire to announce the absence of my colleague, the senior Senator from West Virginia [Mr. GOFF], on account of illness. I will let this announcement stand for the day.

Mr. MCKELLAR. I desire to announce the unavoidable absence of my colleague [Mr. SHIELDS] on account of illness in his family.

Mr. LEWIS. I desire to announce that the Senator from Rhode Island [Mr. GERRY] and the Senator from Arkansas [Mr. ROBINSON] are necessarily detained on important business.

I wish also to announce that the Senator from Louisiana [Mr. BROUSSARD] is detained on account of illness and that the Senator from California [Mr. PHELAN] is detained on official business.

The PRESIDENT pro tempore. Fifty-three Senators have answered to their names. There is a quorum present.

WAR WITH GERMANY.

Mr. BRANDEGEE. I ask unanimous consent to have printed in the RECORD the Kaiser's account of the origin of the war as reported by Ambassador Gerard in the Philadelphia Public Ledger, and an editorial from the New York Tribune on the state of the war.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

"MY FOUR YEARS IN GERMANY"—AMBASSADOR GERARD'S BOOK—AMERICAN DIPLOMAT'S EXPERIENCES AT GERMAN COURT UNTIL ENTRANCE OF THE UNITED STATES INTO THE GREAT WAR—GERMAN EMPEROR'S SUPPRESSED CABLE—AUTOGRAPH MESSAGE TO PRESIDENT WILSON NOW PUBLISHED FOR THE FIRST TIME—EXPLAINS ENTERING WAR—EX-AMBASSADOR GERARD PRESENTS IMPERIAL ACCOUNT SHOWING GERMANY WAS AGGRESSOR.

[By James W. Gerard, American Ambassador at the German imperial court, July 28, 1913, to February 4, 1917.]

FOREWORD.

I am writing what should have been the last chapter as the foreword of this book, because I want to bring home to our people the gravity of the situation; because I want to tell them that the military and naval power of the German Empire is unbroken; that of the 12,000,000 men whom the Kaiser has called to the colors but 1,500,000 have been killed, 500,000 permanently disabled, not more than 500,000 are prisoners of war, and about 500,000 constitute the number of wounded or on the sick list of each day, leaving at all times about 9,000,000 effectives under arms.

I state these figures because Americans do not grasp either the magnitude or the importance of this war. Perhaps the statement that more than 5,000,000 prisoners of war are held in the various countries will bring home to Americans the enormous mass of men engaged.

There have been no great losses in the Germany Navy, and any losses of ships have been compensated for by the building of new ones. The 9,000,000 men and more—for at least 400,000 come of military age in Germany every year—because of their experience in two and a half years of war, are better and more efficient soldiers than at the time when they were called to the colors. Their officers know far more of the science of this war and the men themselves now have the skill and bearing of veterans.

GERMAN NATION WILL NOT STARVE OR REVOLT.

Nor should any one believe that Germany will break under starvation or make peace because of revolution.

The German nation is not one which makes revolutions. There will be scattered riots in Germany, but no simultaneous rising of the whole people. The officers of the army are all of one class, and of a class devoted to the ideals of autocracy. A revolution of the army is impossible, and at home there are only the boys and old men, easily kept in subjection by the police.

There is far greater danger of the starvation of our allies than of the starvation of the Germans. Every available inch of ground in Germany is cultivated, and cultivated by the aid of the old men, the boys, and women and the 2,000,000 prisoners of war.

The arable lands of northern France and of Rumania are being cultivated by the German Army with an efficiency never before known in these countries, and most of that food will be added to the food supplies of Germany. Certainly the people suffer; but still more certainly this war will not be ended because of the starvation of Germany.

Although thinking Germans know that if they do not win the war the financial day of reckoning will come, nevertheless, owing to the clever financial standing of the country by the Government and the great banks, there is at present no financial distress in Germany; and the knowledge that unless indemnities are obtained from other countries the weight of the great war debt will fall upon the people perhaps makes them readier to risk all in a final attempt to win the war and impose indemnities upon not only the nations of Europe but upon the United States of America.

We are engaged in a war against the greatest military power the world has ever seen; against a people whose country was for so many centuries a theater of such devastating wars that fear is bred in the very marrow of their souls, making them ready to submit their lives and fortunes to an autocracy which for centuries has ground their faces, but which has promised them, as a result of the war, not only security but riches untold and the dominion of the world; a people which, as from a high mountain, have looked upon the cities of the world and the glories of them and have been promised these cities and these glories by the devils of autocracy and of war.

We are warring against a nation whose poets and professors, whose pedagogues, and whose parsons have united in stirring its people to a white pitch of hatred, first against Russia, then against England, and now against America.

The U-boat peril is a very real one for England. Russia may either break up into civil wars or become so ineffective that the millions of German troops engaged on the Russian front may be withdrawn and hurled against the western lines. We stand in great peril, and only the exercise of ruthless realism can win this war for us. If Germany wins this war, it means the triumph of the autocratic system. It means the triumph of those who believe not only in war as a national industry, not only in war for itself, but in war as a high and noble occupation. Unless Germany is beaten, every nation will be compelled to turn itself into an armed camp until the German autocracy either brings the whole world under its dominion or is forever wiped out as a form of government.

FROM NOW ON WE NEED THE DOERS.

We are in this war because we were forced into it, because Germany not only murdered our citizens on the high seas but filled our country with spies and sought to incite our people to civil war. We were given no opportunity to discuss or negotiate. The 48 hours' ultimatum sent by Austria to Serbia was not, as Bernard Shaw said, "a decent time in which to ask a man to pay

his hotel bill." What of the six-hour ultimatum given to me in Berlin on the evening of January 31, 1917, when I was notified at 6 that ruthless warfare would commence at 12? Why, the German Government, which up to that moment had professed amity and a desire to stand by the *Sussex* pledges, knew it took almost two days to send a cable to America! I believe that we are not only justly in this war but prudently in this war. If we had stayed out and the war had been drawn or won by Germany, we would have been attacked—and that while Europe stood grinning by—not directly at first, but through an attack on some Central or South American State to which it would be at least as difficult for us to send troops as for Germany. And what if this powerful nation, vowed to war, were once firmly established in South or Central America? What of our boasted isolation then?

It is only because I believe that our people should be informed that I have consented to write this book.

There are too many thinkers, writers, and speakers in the United States; from now on we need the doers, the organizers, and the realists, who alone can win this contest for us, for democracy, and for permanent peace!

Writing of events so new, I am, of course, compelled to exercise a great discretion, to keep silent on many things of which I would speak, to suspend many judgments, and to hold for future disclosure many things the relations of which now would perhaps only serve to increase bitterness or to cause internal dissension in our own land.

The American who travels through Germany in summer time or who spends a month having his liver tickled at Hamburg or Carlsbad, who has his digestion restored by Dr. Dapper, at Kissingen, or who learns the lost art of eating meat at Dr. Dengler's, in Baden, learns little of the real Germany and its rulers, and in these articles I tell something of the real Germany, not only that my readers may understand the events of the last three years, but that they may judge of what is likely to happen in our future relations with that country.

I.

FIRST DAYS OF THE GREAT WAR; POLITICAL AND DIPLOMATIC.

At the commencement of the great war I was for some days cut off from communication with the United States, but we soon established a chain of communication—at first through Italy and later by way of Denmark. At all times cables from Washington to Berlin, or vice versa, took on the average two days in transmission.

After the fall of Liegé, Von Jagow sent for me and asked me whether I would transmit through the American legation a proposition offering Belgium peace and indemnity if no further opposition were made to the passage of German troops through Belgium. As the proposition was a proposition for peace, I took the responsibility of forwarding it, and sent the note of the German Government to our minister at The Hague for transmission to our minister in Belgium.

Dr. Van Dyke, our minister at The Hague, refused to have anything to do with the transmission of this proposition and turned the German note over to the Holland minister of foreign affairs, and through this channel the proposition reached the Belgian Government.

AN AUDIENCE WITH KAISER WILHELM.

The State Department cabled me a message from the President to the Emperor, which stated that the United States stood ready at any time to mediate between the warring powers, and directed me to present this proposition direct to the Emperor.

I therefore asked for an audience with the Emperor, and received word from the chief court marshal that the Emperor would receive me at the palace in Berlin on the morning of August 10. I drove in a motor into the courtyard of the palace and was there escorted to the door, which opened on a flight of steps leading to a little garden about 50 yards square, directly on the embankment of the River Spree, which flows past the royal palace. As I went down the steps the Empress and her only daughter, the Duchess of Brunswick, came up. Both stopped and shook hands with me, speaking a few words. I found the Emperor seated at a green iron table under a large canvas garden umbrella. Telegraph forms were scattered on the table in front of him, and basking in the gravel were two small dachshunds. I explained to the Emperor the object of my visit, and we had a general conversation about the war and the state of affairs. The Emperor took some of the large telegraph blanks and wrote out in pencil his reply to the President's offer. This reply, of course, I cabled immediately to the State Department. The document is as follows:

"10/VIII 14.

"*For the President of the United States personally:*

"1. H. R. H. Prince Henry was received by his Majesty King George V in London, who empowered him to transmit to me verbally that England would remain neutral if war broke out on the Continent involving Germany and France, Austria and Russia. This message was telegraphed to me by my brother from London after his conversation with H. M. the King, and repeated verbally on the twenty-ninth of July.

"2. My ambassador in London transmitted a message from Sir E. Grey to Berlin saying that only in case France was likely to be crushed England would interfere.

"3. On the thirtieth my ambassador in London reported that Sir Edward Grey in course of a 'private' conversation told him that if the conflict remained localized between Russia—not Serbia—and Austria, England would not move, but if we 'mixed' in the fray she would take quick decisions and grave measures; i. e., if I left my ally, Austria, in the lurch to fight alone, England would not touch me.

"4. This communication being directly counter to the King's message to me, I telegraphed to H. M. on the twenty-ninth or thirtieth, thanking him for kind messages through my brother, and begging him to use all his power to keep France and Russia—his allies—from making any warlike preparations calculated to disturb my work of mediation, stating that I was in constant communication with H. M. the Czar. In the evening the King kindly answered that he had ordered his Government to use every possible influence with his allies to refrain from taking any provocative military measures. At the same time H. M. asked me if I would transmit to Vienna the British proposal that Austria was to take Belgrade and a few other Serbian towns and a strip of country as a 'main-mise' to make sure that the Serbian promises on paper should be fulfilled in reality. This proposal was in the same moment telegraphed to me from Vienna for London, quite in conjunction with the British proposal; besides, I had telegraphed to H. M. the Czar the same as an idea of mine before I received the two communications from Vienna and London, as both were of the same opinion.

"5. I immediately transmitted the telegrams vice versa to Vienna and London. I felt that I was able to tide the question over and was happy at the peaceful outlook.

"6. While I was preparing a note to H. M. the Czar the next morning, to inform him that Vienna, London, and Berlin were agreed about the treatment of affairs, I received the telephones from H. E. the Chancellor that in the night before the Czar had given the order to mobilize the whole of the Russian Army, which was, of course, also meant against Germany; whereas up till then the southern armies had been mobilized against Austria.

"7. In a telegram from London my ambassador informed me he understood the British Government would guarantee neutrality of France, and wished to know whether Germany would refrain from attack. I telegraphed to H. M. the King personally that mobilization being already carried out and could not be stopped, but if H. M. could guarantee with his armed forces the neutrality of France I would refrain from attacking her, leave her alone, and employ my troops elsewhere. H. M. answered that he thought my offer was based on a misunderstanding; and, as far as I can make out, Sir E. Grey never took my offer into serious consideration. He never answered it. Instead he declared England had to defend Belgian neutrality, which had to be violated by Germany on strategical grounds, news having been received that France was already preparing to enter Belgium, and the King of the Belgians having refused my petition for a free passage under guarantee of his country's freedom. I am most grateful for the President's message.

"WILLIAM, I. R."

[From the New York Tribune, Sunday, Aug. 5, 1917.]

A DOCUMENT IN THE CASE.

In the current Atlantic Monthly there is an article by Mr. Vernon Kellogg, an American who worked within the German lines for the relief of the inhabitants of the invaded districts, which seems to the Tribune one of the most admirable documents so far published, setting forth the truth of the German idea and method. This article ought to be read by those who are honestly and earnestly seeking light and striving to get an accurate and just understanding of what the German spirit means to all of us.

Mr. Kellogg went abroad as a neutral, determined to remain neutral in act and in attitude. He knew Germany and spoke German. He lived with German officers and at German headquarters, meeting many of the leaders not merely in the army but in German life and thought. He saw the German occupation as it actually was from Lille to Charleville. He heard the German case stated by Germans.

Of his observations he writes:

"The danger from Germany is, I have said, that the Germans believe what they say. And they act on this belief. Prof. von Flussen (a German associate) says that this war is necessary

as a test of the German position and claim. If Germany is beaten, it will prove that she has moved along the wrong evolutionary line, and should be beaten. If she wins, it will prove that she is on the right way, and that the rest of the world, at least that part which we and the allies represent, is on the wrong way and should, for the sake of the right evolution of the human race, be stopped and put on the right way—or else be destroyed as unfit.

"Prof. von Flussen is sure that Germany's way is the right way, and that the biologic evolutionary factors are so all controlling in determining human destiny that this being biologically right is certain to insure German victory. If the wrong and unnatural alternative of an allied victory should obtain, then he would prefer to die in the catastrophe and not have to live in a world perversely resistant to natural law. He means it all. He will act on this belief. He does act on it, indeed. He opposes all mercy, all compromise with human soft-heartedness. Apart from his horrible academic casuistry and his conviction that the individual is nothing, the State all, he is a reasoning and a warm-hearted man. So are some other Germans. But for him and them the test of right in this struggle is success in it. So let every means to victory be used. The only intelligence Germans should follow in these days is the intelligence of the general staff; the only things to believe and to repeat are the statements of the official bureau of publicity.

"There is no reasoning with this sort of thing, no finding of any heart or soul in it. There is only one kind of answer—resistance by brutal force; war to a decision. It is the only argument in rebuttal understandable of these men at headquarters into whose hands the German people have put their destiny."

And later he adds:

"'Military advantage,' 'military expediency'—how often have these phrases blocked us of the relief commission in our efforts in Belgium and northern France! No mercy, no 'women-and-children' appeals; no hesitation to use the torch and the firing squad, deportation, and enslavement. And it is all a part of Prof. von Flussen's philosophy; the pale, ascetic intellectual and the burly, red-faced butcher meet on common ground here. And then they wonder why the world comes together to resist this philosophy—and this butchery—to the death!"

Mr. Kellogg's conclusion is thus set forth:

"I went into northern France and Belgium to act as a neutral, and I did act as a neutral all the time I was there. If I learned there anything of military value which could be used against the Germans, I shall not reveal it. But I came out no neutral. Also I went in an ardent hater of war, and I came out a more ardent one. I have seen that side of the horror and waste and outrage of war which is worse than the side revealed on the battle field. How I hope for the end of all war!

"But I have come out believing that that can not come until any people which has dedicated itself to the philosophy and practice of war as a means of human advancement is put into a position of impotence to indulge its belief at will. My conviction is that Germany is such a people, and that it can be put into this position only by the result of war itself. It knows no other argument, and it will accept no other decision."

The great difficulty in making the American people realize the issue of this war is the lack of first-hand credible evidence, which would convince them of what Germany believes and what Germans, high and low, are doing and have been doing for three years. If only the mass of American people could see what a few have seen, the mobilization of American sentiment and service would be instant and complete.

Yet the real fact in this war is the German spirit, the deification of force, the sacrifice of right, honor, humanity to that "higher law" which is German ambition and German desire for world power. It is this that all civilization is fighting; it is this that will destroy all civilization, if it prevails.

With this theory peace is impossible; provinces, indemnities, colonies—these are of small importance. The German is seeking in respect to these, as he has sought in respect to all things, to confuse spiritual and material values. But this war can have but one value: All the misery, agony, sacrifice will be vain if any portion of the German doctrine of force survives.

It is a monstrous thing—this German terror that for three years has overhung all mankind. And now, when the end is in sight, when the defeat of force is at hand—now we must face the fact, see clearly the real issue, go forward to the true victory, which is not conquest of provinces, not the crushing of Germany, but the everlasting defeat of the German doctrine. While the Germans hold it, believe it, practice it, the world must fight, whether it be at the Marne, the Lys, or the Rhine. When the Germans renounce it in fact and not in phrase, then peace will come and must come.

The Reformation gave us religious liberty. Our own and the French revolutions gave up equality in the eyes of the law and in the conduct of government. The German war must give us ultimate security from the doctrine that might makes right and that the strong nation alone can live.

This is the third great struggle of modern history. It, too, is a war of ideas, a struggle between liberty and tyranny, between spiritual and material forces, and it must be fought out.

CONSERVATION OF FOOD—CONFERENCE REPORT.

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses upon the bill (H. R. 4961) to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the disposition of food products and fuel.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. CHAMBERLAIN. The Senator from Missouri [Mr. REED] had the floor at the time of the recess. I assumed that he was going on this morning. If not, I ask for a vote on the conference report.

Mr. REED. Mr. President, I really hope that we shall be able to get through with the consideration of this bill without forgetting all of the amenities and courtesies that have heretofore been maintained between Senators. It is really painful to think that one can not turn aside for a moment to ask a brother Senator a question for information without the Senator in charge of the bill immediately endeavoring to get a vote upon the report. The spokesmen of the administration sometimes permit their zeal to outrun their fairness.

I regret that the time asked for the consideration of the report was not granted on Saturday and that I was compelled to proceed without being afforded the opportunity to carefully examine the bill. I regret that we are called in session this morning at 11 o'clock so that the lash of haste might again be laid upon our backs.

Of course those who expect to benefit by the bill and to go into office under the bill may be somewhat impatient, but the country that is to be subjected to this infamous dictatorship is not so impatient. Those of the country who are now clamoring for the passage of the bill and who for the most part have never read it will find their impatience for its passage speedily changed into an impatience because it did pass once they are put in touch with the greedy and arbitrary conduct of those who are to enforce the measure.

This will be especially true, as suggested to me by a Senator, unless Mr. Hoover possesses more discretion and forbearance in employing the powers granted than Congress has exercised wisdom in conferring them. Already I am told that Mr. Hoover has appointed 13 agents to take possession of the 13 terminal wheat markets of the United States. I may speak through mistake, I only speak upon information. What may be done or what may be doing we do not know, because we find a gentleman assuming powers that have not been granted and proceeding to the conduct of a business which up to this time Congress has not given him authority to act upon. What takes place, therefore, in this irregular way may be misunderstood, and I may be misinformed, but if I be not misinformed already the agents are appointed to take possession of the 13 great terminal wheat markets of the United States.

[At this point Mr. REED yielded to Mr. SIMMONS, who reported House bill 4280 from the Committee on Finance.]

Mr. REED. Mr. President, when I yielded to the Senator in charge of the revenue bill [Mr SIMMONS], I was saying that my understanding was that Mr. Hoover had already appointed 13 agents to take possession of the 13 terminal wheat markets. Of course, no authority has yet been granted, but that appears to make very little difference to Mr. Hoover. I am further informed that several of these gentlemen are native-born Englishmen. I am further informed that one of the gentlemen now associated with Mr. Hoover, who was formerly a very large grain merchant in this country, brought with him to Mr. Hoover some four of his former employees or associates in business, and that of these employees some two or three remain with Mr. Hoover, while another former employee goes to the Wheat Export Co.

What, pray, is the Wheat Export Co.? It is a combination of English companies organized for the purpose of controlling or handling all shipments intended to go to the allies.

I have already called attention to the fact that Mr. Hoover's home and business and house are in London; that his political affiliations, according to the statement of his eulogist, are with the Liberal Party of England. I also at this time call attention to the fact that he has brought here with him, according to my

information—for we have no list of these employees—several gentlemen who, like himself, left America many years ago, and who have resided in London or other parts of England ever since. One of these gentlemen, who recently stoutly came to Mr. Hoover's defense, declaring that I had uttered an untruth upon the floor of the Senate, left America and resided in England long enough to take the benefit of the English bankruptcy courts. So it seems that English influence is already somewhat marked.

In addition to this, I want to call the attention of the Senators from Texas, if they are here, and of the Senators from Louisiana, if they be here—and if not, they can read the RECORD—to what I understand to be the present plan. Again, my information may be inaccurate, because the Hoover organization is not a public body and is not a legalized body; it is a self-constituted, voluntary body, which has seized the reins of power before the powers have been legally created. It has no public record; whether they have a private record or not, deponent saith not; but my information is that already the plan is made to circumscribe the shipments of grain that are to be made to the port of Galveston and to the port of New Orleans, and to divert these grains to the port of New York, the excuse being that it will save the hazarding of these grains upon the longer trip on the ocean. At the same time, every man who thinks about the matter will agree that it will vastly tend to overburden our already overburdened railway traffic. Besides, it will interfere with the markets, trade, and business of these several markets or ports. Of course the purpose of this bill, as I understand, is to interfere with all the avenues of trade and business, and instead of allowing the people of the United States to keep track of their own business, to transfer that business over into the hands of a gentleman who never conducted that kind of business, who has no experience in that kind of business, and who has not lived among the people of the United States for a score of years.

Mr. President, this statement I have made may prove inaccurate. I am stating it upon what I believe to be a sound source of information. It illustrates the evil that comes from permitting the sort of thing that is now going on and to which I have already sufficiently referred.

In that connection, and taking up the thread of my discourse where I left it on Saturday, I desire, even at the risk of the consumption of time, to return to the theme I was then discussing. I had called attention to the fact that Mr. Hoover, from his self-created place of business, run at the expense of the United States without any authority of Congress, is sending out, at the expense of the Federal Government, vast quantities of material to the press, which he asks the press to reproduce. Manifestly it is sent out in order to create a sentiment. What the sentiment is desired to create must be determined by the matter sent out. I called attention to the fact that among the documents sent out was one in which Mr. Hoover told the newspapers of the country that a resolution had been adopted by certain gentlemen "that no amendment to the present bill would meet with their approval unless first indorsed by Mr. Hoover." I called attention to the fact that Mr. Hoover manifestly wanted that doctrine to take root in the United States, or he would not have sent it broadcast to the press of the country, asking the press to reproduce it. Now, I call attention to the fact that in an interview with Mr. Hoover, which was printed in nearly every leading paper of the United States, this statement was made:

> Nobody knows what I am up against. Nobody knows the forces I have to fight. I have done everything in my power; still the food bill is held up. If it is not passed soon, I will go to the country and tell the people the truth. They shall know the men who are holding me back, and when the people know, Heaven help those men.

Why, a Dr. Cook on a rampage would not have said a thing of that kind.

Mr. JOHNSON of California. Mr. President——

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from Missouri yield to the Senator from California?

Mr. REED. Before I yield I desire to complete my statement. Some Senator from the floor said that Mr. Hoover repudiated the statement. I say in answer to that that he has never repudiated it through the press of this country. I further say that this statement appeared in the most respectable papers in the United States. It was sent out by a respectable news bureau or news bureaus, and Mr. Hoover has never publicly repudiated it. I am now about to show that, whether he ever made the statement or not, he has been acting in strict accordance with the threat he made. Now, I yield to the Senator from California.

Mr. JOHNSON of California. Mr. President, because I think the Senator from Missouri does not wish to attribute to Mr. Hoover a statement which he never made, I have asked permission to interrupt him at this time. The Senator from Missouri will recall that when this particular statement was adverted to some days ago the Senator from Oregon [Mr. CHAMBERLAIN], in immediate communication with Mr. Hoover, upon the floor of the Senate stated an absolute and unequivocal denial from Mr. Hoover of any such statement or of any part of any such statement. The Senator from Missouri, I am sure, with that distinct and positive and unequivocal denial, would not wish now to attribute this particular emanation to Mr. Hoover again.

Mr. REED. I say to the distinguished Senator who rises to correct me that I do not desire to alter a word I have said. I said before the Senator rose that some Senator rising said that Mr. Hoover repudiated the statement, but I do not understand that he repudiated the interview in toto, but only certain parts of it. I shall have to refer to the RECORD to find out.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Oklahoma?

Mr. REED. I do.

Mr. GORE. I think it ought to be stated in this connection that in the afternoon papers of this city, after the Senator from Oregon had entered that disclaimer, there appeared another statement attributed to Mr. Hoover, in which he said that he would not make those disclosures at that time, but would wait until the bill had passed, would then survey the measure, and, if its powers were not sufficient, he would then take the American people into his confidence and unmask the obstructionists in the Senate. That was the apology that I saw in the public prints.

Mr. JOHNSON of California. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri further yield to the Senator from California?

Mr. REED. I do.

Mr. JOHNSON of California. I saw no such publication. If the Senator from Oklahoma says there was such a one, I do not question that indeed there was such a one published. I have no recollection of it. I referred solely to the particular publication referred to by the Senator from Missouri that on this floor was adverted to by him on another occasion; and on this floor, when the first animadversions were made, the denial was prompt and the denial was full, from the Senator having charge of the bill, that Mr. Hoover had ever indulged in any such statements at all.

Mr. REED. Mr. President, if that were true we would have the statement of reputable newspapers that Miss Helen Todd gave to them the statement that Hoover had said so, and accordingly we would have Miss Todd on the one hand and Mr. Hoover on the other. I know of no reason why we might not as well take the lady's statement as the gentleman's. But while I do not want to interrupt my discourse now to find the exact statement made by the Senator in charge of the bill [Mr. CHAMBERLAIN], I do not think it was as broad as the Senator from California recollects it. Whether that is true or not, however, statements similar to that which the Senator from Oklahoma mentioned did appear in the afternoon papers of the very day this matter was first discussed in the Senate, and there never has been a denial by Mr. Hoover.

Now, Mr. President, I come to the question of a demonstration of Mr. Hoover's interference or attempt to interfere with the legislation of the Congress of the United States.

It will be remembered that when this bill was before the Senate it was amended many times, so many times that it was generally understood that the bill was beaten; and thereupon a number of Senators, whom the papers denominated "Senate leaders," got together and arrived at some sort of an understanding with reference to what was to go in the bill and what was to go out. That is, they agreed in some way to support the taking out of certain provisions and the putting in of certain other provisions. Acting with the other Senators was the distinguished Senator from New Hampshire [Mr. HOLLIS], undoubtedly acting in the best of faith, undoubtedly only endeavoring to do what he thought ought to be done with reference to this legislation. The Senator from New Hampshire and myself have often differed. We have differed on this bill; we have almost differed personally; and yet I have not challenged his good faith in the matters he has presented to Congress. Now, when the Senator from New Hampshire ventured to take a part with certain other Senators toward straightening out the difficulties as he saw them in the way of the passage of the bill, this is what Mr. Herbert C. Hoover sent to the press for publication:

> July 18, 1917. Herbert Hoover, Washington, D. C. For morning papers of July 19, 1917.

That is all in the headlines. Now follows the text:

> That the passage of the Hollis bill—

He at once denominated this measure as the Hollis bill—

would permit gambling, speculation, and exportation—

It was meant to be "exploitation"—

to proceed without restriction, and would leave the farmer and consumer alike substantially without protection, was the statement made to-day by representatives of farmers' unions, cooperative associations, grain growers, granges farmers' societies, and terminal houses. The Lever bill was indorsed and its final enactment into law demanded. The statement subscribed to by all the representatives was as follows—

And then follows the text, a part of which I shall read; and I shall ask leave to print it all, so that the country may have the benefit of the entire statement:

We are strongly opposed to the fixing of the exact amount of a minimum price for wheat by law, because we recognize that it is an expert question, to be settled after such consideration as Congress can not possibly give it and in a manner which will give the producer a full voice. The food administration should be vested with power to deal with this question.

We recognize that the minimum price of $1.75 for wheat, fixed in the so-called Hollis bill, is unwise and unjust to the producer, and was fixed without consultation with Mr. Hoover—

Behold! It was fixed without consultation with Mr. Hoover—

or the food administration and against their protest.

We are opposed to the passage of the so-called Hollis bill because it permits gambling, speculation, and exploitation to proceed without restriction, exempts sugar, corn, and other products from many or all the provisions of the bill, and leaves the farmer and consumer alike substantially without protection.

We are opposed to the exemption of cooperative agricultural organizations from the provisions of the bill, thus preventing the food administration from dealing with them.

We favor the Lever food-administration bill as it passed the House, and demand its final enactment into law in that form. It is a workable bill; the Senate amendments are not workable.

We support the food administration unreservedly, and demand that sufficient power and discretion be given to it to enable it to protect both the producer and the consumer.

This statement was subscribed to by the following—

Then there is a long list of names, which I will print; and the following statement comes after the names:

During the day these representatives of agricultural interests called on Herbert Hoover.

Mr. President, I ask permission to print this statement in full in connection with my remarks.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to is as follows:

[For morning papers of July 19, 1917.]

HERBERT HOOVER,
Washington, D. C., July 18, 1917.

That the passage of the Hollis bill would permit gambling, speculation, and exploitation to proceed without restriction and would leave the farmer and consumer alike substantially without protection was the statement made to-day by representatives of farmers' union, cooperative association, grain growers, granges, farmers' societies, and terminal houses. The Lever bill was indorsed and its final enactment into law demanded. The statement, subscribed to by all the representatives, was as follows:

"We are strongly opposed to the fixing of the exact amount of a minimum price for wheat by law because we recognize that it is an expert question to be settled after such consideration as Congress can not possibly give it, and in a manner which will give the producer a full voice. The food administration should be vested with power to deal with this question.

"We recognize that the minimum price of $1.75 for wheat, fixed in the so-called Hollis bill is unwise and unjust to the producer, and was fixed without consultation with Mr. Hoover or the food administration, and against their protest.

"We are opposed to the passage of the so-called Hollis bill because it permits gambling, speculation, and exploitation to proceed without restriction, exempts sugar, corn, and other products from many or all the provisions of the bill and leaves the farmer and consumer alike substantially without protection.

"We are opposed to the exemption of cooperative agricultural organizations from the provisions of the bill, thus preventing the food administration from dealing with them.

"We favor the Lever food administration bill as it passed the House and demand its final enactment into law in that form. It is a workable bill; the Senate amendments are not workable.

"We support the food administration unreservedly and demand that sufficient power and discretion be given to it to enable it to protect both the producer and the consumer."

This statement was subscribed to by the following:

D. J. Cunningham, representative grain growers, Salina, Kans.; R. F. Bower, State executive committee farmers' union, Campbell, Va.; Walter Burgess, Farmers' Union Cooperative Association, Trumbull, Nebr.; A. B. Thornhill, president farmers' union (Virginia division), Bent Creek, Va.; Maurice McAuliffe, Farmers' National Union (Kansas division), Salina, Kans; Erbie L. Harrison, president Farmers' Educational and Cooperative Union (Kentucky division), Lexington, Ky.; W. R. Callicotte, cooperative elevators of Farmers' Union, Grange, and Society of Equity (also farmers' union), Denver, Colo.; C. S. Barrett, president farmers' union, Union City, Ga.; A. V. Swift, national vice president farmers' union, Baker, Oreg. (on executive board Tri-State Terminal Co., Seattle, Wash.); C. W. Nelson, Tri-State Terminal Warehouse Co., Seattle, Wash.; and E. A. Calvin, ex-president Texas Farmers' Union, Houston, Tex.

During the day these representatives of agricultural interests called on Herbert Hoover.

Now, Mr. President——

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from North Dakota?

Mr. REED. Just a moment. I want to finish this theme, and then I shall gladly yield.

One of the first things President Wilson asked Congress to do was to drive from Washington what was called the organized lobby. A committee was appointed, of which I had the honor to be a member. The investigations of that committee disclosed that there were organiaztions here that at their own expense were sending out to the country false information, false statements, and creating propagandas in regard to legislation pending in Congress. The exposure shook the country. The conduct exposed was regarded as absolutely unjustifiable and iniquitous. The lobbies maintained their headquarters, they had agents scattered over the country, but they employed their own moneys for this purpose. Finally, when it was discovered that certain of their documents had been introduced in Congress and had been franked, the people of the country looked upon the performance with indignation. One great cause for congratulation that the Democratic Party had for itself in the last campaign, one thing that it catalogued among its achievements, was driving from Washington the lobby and its hirelings. That lobby, that invisible government, was trying to control legislation. That was its purpose. Nobody accused it of trying to buy people. It was accused of endeavoring to control legislation by sending out propagandas and statements and false reports.

What are we presented with to-day? The money of the United States Government employed to keep up an institution that has no official sanction, that exists without sanction of law, that has rented headquarters that cost the Government $35,000 a year, according to the press, that employs an army of men already, now proceeds to do that which the lobby did—to send out to the country its propaganda, to impudently interfere with pending legislation in Congress, and to assail the motives and asperse the conduct of Senators, calling them by name.

Why, this statement that was sent out against the Senator from New Hampshire [Mr. HOLLIS], to the effect that the bill had been transformed into one having his name, and that this bill that bore the Senator's name would permit gambling, speculation, and exploitation without restriction and leave the farmer and consumer alike substantially without protection. The charge, if true, would have destroyed the political influence of the Senator, would probably have driven him from the halls of Congress and from public life. Again, sir, the charge was sent out at the public expense by a man who only a few months or weeks ago was an inhabitant of England and whose house and home and business are in England to-day. And so I say to those Senators who rise and question my right to introduce this interview that the threat contained in that interview was carried out against the person and against the reputation of a Member of this body.

An attack upon myself of some pages in length was sent out by Mr. Hoover to the press. I pass that with the remark that I am making no complaint upon my own account.

Mr. GRONNA. Mr. President——

Mr. REED. I now yield to the Senator from North Dakota.

Mr. GRONNA. I come from the section of the country where at least a portion of the spring wheat is produced, and I am naturally much interested in the letter presented by the Senator from Missouri. I rose to ask the Senator if he would kindly read the names of those who signed the statement that they were opposed to fixing a minimum price? I think I might say that I would know whether they are representative men from the section of the country from which I come.

Mr. REED. Mr. President, rather than to take the time to do that, because there is a long list of names and they are scattered, I will send the paper to the Senator; and then, if he desires later to call attention to the names, I shall be glad to yield to him.

Mr. GRONNA. Very well. If the Senator will permit me, I will state that so far as I know no one from the State which I in part have the honor to represent has been here since the month of May. There was a delegation of farmers here which appeared before the Agricultural Committee of the House. They were authorized to speak for a great organization which has been formed in the western country, which is organized not only in my State but I think in 11 other western States; and those people asked that a minimum price should be fixed in the bill, which the House did not do.

Mr. REED. Mr. President, these attacks, as I have said, were printed at Government expense, without authority of law; at least, without any intended authority. They may be paid for out of this $100,000,000 that the Congress said the President might do with as he pleased, but if there be any authority it is that kind of authority.

Certain statements have been made from time to time that I have personally attacked Mr. Hoover. Mr. President, I deny that. I have called in question certain things in regard to Mr. Hoover that have a direct bearing upon the position which he seeks and which he now usurps. What have been my statements?

One is that Mr. Hoover has resided nearly all his life abroad.

Second. That his home and interests are almost entirely in Great Britain.

Third. That he is a promoter by occupation.

Fourth. That his operations in wheat and produce markets were responsible for some of the great fluctuations in prices which he has since charged to the boards of trade gamblers.

Fifth. I cited in support of these propositions certain statements made by Mr. Hoover, and certain other statements made by his eulogist. I now desire to call additional witnesses, to produce additional evidence.

In connection with the question of his residence abroad, and in support of the statement made by his eulogist that he is a promoter—a statement I read some days ago—I call attention to the following:

When Mr. Hoover was testifying before the Agricultural Committee on May 8, he was asked by the Senator from Georgia [Mr. SMITH] to tell the committee something of himself. He made two statements which bear out two of the assertions I have just made. He answered:

I have pursued my profession as an engineer in all parts of the world for some 21 years—25 years, nearly—chiefly in Russia, Australia, India, China, and the United States. During the last 10 or 12 years I have made my headquarters between San Francisco and London. *During the last 10 or 15 years my particular occupation has been the installation and management of new organizations. I have had rather a curious occupation, I think—being called in to build up new concerns.*

It will be remembered that I read from his eulogist in the Saturday Evening Post that he was known by some French name which I have now forgotten, but which being translated into language that a Missourian can understand means "promoter." So we have it now from Mr. Hoover's own mouth that that is his business; I think he is now engaged in the largest promotion scheme he has ever undertaken in his life, and I venture the prediction, measuring and weighing my words, that that promotion when carried out will control the American markets for the benefit of the British markets.

Speaking now of his residence, he stated:

I have pursued my profession as an engineer in all parts of the world—

In nearly all parts of the world—

for some 21 years—25 years, nearly—chiefly in Russia, Australia, India, China, and the United States.

But his service in the United States as an engineer was at the first part of that period.

During the last 10 or 12 years I have made my headquarters between San Francisco and London.

Now, let me read how he made his headquarters in San Francisco. I read from the Saturday Evening Post of June 23 from his eulogist, the article that the Senator from California stated was handed to him by the attorney of Mr. Hoover as the authentic story of Mr. Hoover's career. This is what it states:

Stanford University, in which he has always maintained a loyal interest, made him a trustee. Hoover, traveling from London to San Francisco via the fastest trans-Atlantic steamer and the Overland Limited, always made the meeting of the board of trustees.

Thus it appears that his visits to this country have been made on the fastest steamers and the fastest trains in order that he might get back to "dear old London," and get back quickly.

Mr. President, in connection with my remarks that Mr. Hoover had charged the speculators with running up prices and had denounced them, and in connection with my charge and the evidence I have heretofore produced that the market was rigged and that the very fluctuations and speculations of the market which Mr. Hoover charged to the gamblers had been in part at least caused by his own operations, I now desire to submit some further statements. I read from the statement of Mr. Hoover, made before the Committee on Agriculture, in which, speaking of the conditions of speculation, he said:

In our commercial distribution we are confronted daily and hourly with evidence of a large amount of rank speculation at every link of the distributing chain by persons not engaged in actual commerce of distribution.

He further added:

We must, in the first instance, put such restrictions upon the export of foodstuffs as will leave us a proper supply for our own people, lest with the great pull of this tremendous vacuum we be left next spring with insufficient supplies.

The second—that is, elimination of speculation and evil practices, is fundamentally the most difficult and must fill all concerned with the most continuous and deepest anxiety.

Later on in his testimony he said:

I do not assume that there was any one criminal, or any criminal in this, but there are 200,000, or perhaps half a million, agencies in this country interested in the distribution of wheat and flour, and all of them have received some benefit out of this rise and this margin between the producer and the consumer.

Elsewhere and at other times Mr. Hoover berated the food gamblers in language still more vigorous and charged that the rise in the price of wheat, the rise in the price of flour, which he said resulted in robbing the American people of $250,000,000 a month, was directly chargeable to the gambling operations of the grain exchanges.

Mr. President, I heretofore placed in the RECORD the statement of Mr. Hoover's eulogist in the article which the Senator from California said was authentic because it was handed to him by Mr. Hoover's attorney. This statement I desire again to call to the attention of the Senate. He speaks as follows of the operations of the Belgian Relief Commission, which was under the charge of Mr. Hoover:

But as to purchasing supplies, there were big men on the C. R. B.—

That should have been the B. R. C.—the Belgian Relief Commission—

But as to purchasing supplies, there were big men on the C. R. B., who needed no expert advice. They knew all the tricks of the business. When the price of beans began to rise, they bought 1,000 tons of beans and threw them back in one lot on the market.

Being interpreted, that means that they bought 1,000 tons of beans for future delivery, and that when the time came they then sold those beans, or threw them back on the market and broke the market. Continuing:

When the price of beans began to rise, they bought 1,000 tons of beans and threw them back in one lot on the market. Down went prices.

Now, having completed that operation, of course they took in a handsome profit.

They bought in small lots.

It is the trick of the food gambler to buy in small lots, so nobody may know he is buying; to buy futures secretly. That is what that means.

Slowly again the price began rising, but once more the terrific impact of 1,000 tons of beans was felt. Again the price dropped, and again their agents bought beans in small lots.

That is the method of every food gambler who has ever operated. This was not an attempt to get cheap beans for the Belgians, for having bought the beans cheap, in the first place, there was no necessity to throw them back on the market. If they wanted 1,000 tons of beans for the starving Belgians and had acquired them, why should they sell those beans again? There is no man living who is honest and understands anything about the methods of trade on boards of exchange but knows this was a gambling operation pure and simple. It is susceptible of no other construction. I continue to read on:

Again the price dropped, and again their agents bought beans in small lots.

So, again and again did that same 1,000 tons of beans hammer down prices and save the day.

"Hammer down prices and save the day"? Save the day for whom? From the first they had the 1,000 tons of beans, which was all they wanted. They hammered down prices and saved the day as any gambler hammers them down and saves the day. They broke the market. They took down a profit and then repeated the operation. What was the effect of that operation? Was it to benefit the American people, as some newspapers undertook to claim when I first brought the fact forward? If so, then every gambler who performs in a similar way benefits the American people. What is the difference in the effect upon the consumers in America between the Belgian Relief Committee buying a thousand tons of beans in small quantities, which means surreptitiously for future delivery, and then suddenly selling them and breaking the market, and then going into the broken market and buying again for future delivery and thus alternately bulling and bearing the market—what is the difference between that operation and the operation of a Mr. Patten, who in exactly the same way alternately played the bull and bear, and with the result that the American people have made his name anathema maranatha, at least so it was a few years ago?

Mr. CHAMBERLAIN. May I interrupt the Senator there?

Mr. REED. Oh, yes.

Mr. CHAMBERLAIN. Does the Senator claim that Mr. Hoover profited by that?

Mr. REED. Oh, the Senator asked that question before. I do not know anything about who profited. I am saying nothing about it and intimating nothing. If the Belgian Relief Committee got the profit, if the "price of the dog went into the temple of the Lord," it does not change the fact that it was "the price of the dog." It does not remove the fact that the food markets

were overturned, that speculation was rife, that prices were run up, and that the toll was finally collected from the hands of the men and women who had to buy the products thus speculated in to feed their children.

Mr. CHAMBERLAIN. I wish to ask the Senator, Does he claim that there is no distinction between the Belgian Relief Commission operating, as the Senator says, for the purpose of relieving a starving population and Mr. Patten, who was operating the market for his own advancement? Does the Senator compare the one with the other?

Mr. REED. In the proper sense of the term I make no distinction. What is the evil of gambling upon an exchange? Is it that some individual gets money by virtue of it and that he thereby enriches himself? Is that the evil? It does not make any difference to the American people whether Mr. Patten or Mr. Joe Leiter has won a hundred million dollars or ten million dollars or five million dollars. The evil is found in the fact that that hundred million dollars or the ten million dollars or the five million dollars by virtue of the manipulation of the market of the people has been extracted from the pockets of the people where it ought to be left. The evil consists not in the money that is accumulated by some man. The evil consists in rigging the market of the people by gambling in the foodstuffs the people must buy. The evil consists in the hardships that fall upon the producer and consumer whenever the gambler seizes the grain markets, upsets the prices, juggles with values, and produces bankruptcy, ruin, and want. I have heard the Senator from Oregon often demand the punishment of such men.

Mr. CHAMBERLAIN. May I interrupt the Senator?

Mr. REED. Mr. President, there was a society once in the world that said, "Let us do evil that good may come." There was a society once in the world that said, "It is all right to do anything if you do it in the service of the Lord."

But that is a doctrine which was repudiated long ago. I say there is a side to this question that makes it more wicked to gamble with the funds of the Belgian Relief Committee than to have gambled with private cash. Let me tell you why. The Belgian Relief Committee came to the good-hearted men and women of the United States. It held out its hands and said, "Behold a great people is starving. We ask you out of the generosity of your hearts and the kindliness of your souls to contribute." The millionaire took down his check book and wrote his checks for large sums. The man of moderate means took down his check book and wrote for smaller sums. At last it came down to the man with little means, the fellow who found it hard to battle against the wolf of want, and even he dug from almost empty pockets his farthings and his pence. In the generosity of his heart he gave that the money might go over to Belgium and it there might do the blessed work of Christian succor and aid. To employ a trust fund of that kind, raised in the United States of America, in gambling operations so as to run up the prices of food of the very people who contributed the money was a betrayal of trust. It was the use of a trust fund in a nefarious and in a wicked manner. I declare that it was worse to take that fund and thus jeopardize it than it would have been to have taken private money and similarly jeopardize it. Gentlemen will get little consolation from that argument.

Mr. LEWIS. May I ask the Senator from Missouri, Has there been any reply from Mr. Hoover as to this matter, which is frequently charged? What is the version of Mr. Hoover? I know the Senator would be glad to give it, because the Senator is a just man, and I should like myself to know what his reply was.

Mr. REED. The only reply I have seen was printed in the newspapers. I was just coming to it; I had it before me, but I was diverted from immediate use; because the Senator in charge of the bill thinks if you take church moneys contributed to the cause of the Lord and go down and gamble with them and make more money and turn it into the church the gambling operation is all right.

Mr. CHAMBERLAIN. I want to say to the Senator from Missouri, if he will permit me to interrupt him, that the Senator from Oregon made no such claim as that.

Mr. REED. No; I mean that is the logic of the Senator's position. To bring it right home, the Senator thinks that if you collect money to feed the hungry and take that money and jeopardize it in gambling operations and win it is all right. That kind of morality has long been the subject of humor. There is an old, old story covered with the dust of ages and sanctified by time to the intendment and effect that some ladies were talking about the wickedness of gambling, and one of the ladies said, "I see no wrong in my husband playing cards, as my husband always wins and gives the money to me." That exactly illustrates this proposition. Suppose the trust money had been lost, who would have made it up? There has been many a young gentleman who has employed upon the stock exchange money he held in trust, hoping to win and expecting to restore every dollar, but when he failed whose money was lost?

Here is the only reply I have ever seen. I am now answering the Senator from Illinois [Mr. LEWIS].

After the close of the Senate session—

I am reading from a newspaper clipping which was in a number of papers—

After the close of the Senate session John Beaver White, member of President Wilson's American committee of the Belgian Relief Commission, issued a statement declaring Senator REED's charge that Herbert Hoover conducted "gambling operations" in buying for the commission was absolutely untrue.

"The purchase of foodstuffs in the United States for the Belgian relief have been made from the beginning absolutely by the American committee," said Mr. White. "Neither Mr. Hoover nor the American committee ever speculated in any—

Neither Mr. Hoover nor the American committee, said this gentleman—

ever speculated in any commodity purchased for the Belgian relief. I recall that in setting up the American organization Mr. Hoover stated: "I do not want myself to handle any of these hundreds of millions of dollars, for some day some swine will turn up in this country and say I have stolen it."

Mr. President, the article I read from the Saturday Evening Post with reference to the operation in beans was written by Mr. Irwin. It was one of a series of articles printed by the Saturday Evening Post in eulogy of Mr. Hoover. According to the statement of the Senator from California [Mr. PHELAN], who rose here to defend Mr. Hoover, it was—I quote his language—"an inspired article." He later said that the reason he said it was an inspired article was because it was handed to him by the attorney of Mr. Hoover as an authentic account of Mr. Hoover's career. So I put against Mr. John Beaver White's statement the statement of the Senator from California and the statement of the Saturday Evening Post, together with the fact that the article was printed, and that it has remained undenied during all of these months. If anybody sees fit to challenge further the truth of this statement thus written and thus vouched for and put forward by these friends of Mr. Hoover as a true account of the operations of Mr. Hoover, I invite a senatorial investigation. You will find none of the gentlemen demanding it, but if they do, I shall be glad to have it.

Mr. President, who is Mr. John Beaver White? This article states:

Mr. John Beaver White, a member of President Wilson's' American committee.

Always I find these gentlemen concealing themselves behind President Wilson, because President Wilson is a great President; because he is a great man; because he is a great Democrat; because we Democrats put him forward and the people of the United States accepted him. Because of that you find every fellow who wants to hide himself or give to himself a certificate of good character seeks in some way to stand within the shadow of President Wilson.

I have no reason to say a word against Mr. Hoover; I have never met him but once, and then upon a committee, where I asked him some questions. I have nothing to say against Mr. White, who thrusts himself into this controversy; but my information regarding Mr. White is that he is a gentleman who, like Mr. Hoover, resided for many, many years in London; that the Belgian Relief Committee was organized in London; that he became a member of it there; that he has accompanied Mr. Hoover to this country; and that probably the only work or business he has done in this country for many years is what he is doing now as an assistant to Mr. Hoover. I do not know what his business operations were in England, but my information is he was there long enough to go through the bankruptcy courts.

Now, Mr. President, I am coming to additional evidence that Mr. Hoover's operations or the operations of the Belgian Relief Committee did affect our markets; did affect high prices in this country, in part—I do not charge it all to them—and that the very conditions against which Mr. Hoover has inveighed and which he has charged to food gamblers were, in part, due to operations of his own committee.

Mr. President, here I go back to the market reports, to the accounts current, of events as they transpired in the year 1915. I shall perhaps astound some of you when I say that these reports show that the first demand in recent years for the closing of exchanges came because of the operations I am about to refer to.

The records of the produce exchanges of the United States in the early part of the year 1915 disclose that Hoover, through

his buying for the relief of Belgium, so dealt in our markets as to force the price of wheat to so high a figure that President Wilson was compelled to call on the Attorney General for an investigation of the corner. I quote from the New York American, January 16, 1915, page 11:

The wheat market was again the scene of pronounced excitement, and prices soared to new high records. The strength was based on continued buying by Europe, and sales in the day were estimated at 1,500,000 bushels, of which about 1,250,000 were sold to the American Relief Association out of Buffalo stock. The Liverpool market was very strong. Clearances from the seaboard were larger than the receipts and the total week's shipments were more than 9,000,000 bushels. The cash situation was the dominating factor in the market. Prices have attained such an unusual high level that traders have become somewhat afraid of the market, and operators seem more disposed to turn their attention to corn. In the local cash market No. 2 red winter wheat was quoted at $1.54½, and No. 2 hard $1.54½.

It will not be disputed that the American Relief Association above referred to was in fact what we commonly call the Belgian Relief Association. The correct name is the American Belgian Relief Association.

I read from the New York American, January 19, 1915, page 4:

WILSON ORDERS WHEAT POOLS INVESTIGATED.

President Wilson, it became known to-day, has included pooling agreements in the possible causes for the recent rise in the price of wheat and flour, which he has directed Attorney General Gregory to investigate.

The President sent Mr. Gregory a letter to-day formally asking him to investigate with a view to prosecution if evidence was disclosed of illegal combinations. The investigation already was in progress on oral word from the White House, but up to the present time no facts warranting criminal action have been discovered.

The President's letter reached the Department of Justice to-day too late for formal action by Attorney General Gregory. It was said to-night that further steps here might be found unnecessary in view of the investigation already begun at Chicago.

R. B. Ward, head of the Ward Bread Co., said yesterday—

Notice that this was the very time that the Belgian Relief Committee was buying 1,250,000 bushels of wheat on one day in one market—

that if flour stayed at the present price it would eventually lead to an increase in the price of bread. "The European countries are buying wheat regardless of cost," he said, "and are willing to go still higher."

James Ward Warner, president of the New York Produce Exchange, yesterday denounced the action of Washington politicians in trying to have an embargo placed on the exportation of wheat.

Mr. Warner does not believe the investigation ordered by President Wilson will result in evidence of efforts of large interests to corner the wheat market.

"The reason why the Belgium Relief Committee is the greatest bull factor in the wheat market," said Mr. Warner, "is that the committee buys at almost any price. The committee does not care how much it pays for the staple, because it is giving it away."

That is a mistake; they did not give it all away.

Other buyers for export would be more careful, owing to the possibility of reselling at a loss.

Again I quote from the Journal of Commerce and Commercial Bulletin of January 16, 1915, page 7:

HEAVY EXPORTS FORCING WHEAT STEADILY UPWARD.

Wheat was excited again yesterday and reached new high levels, with the May delivery at Chicago touching $1.45¼. Export buying continued unabated and at the close of business was placed at 2,000,000 bushels, but which might run up to 2,500,000 bushels, or possibly 3,000,000 bushels when all reports are in.

Now notice:

This included the sale by Armour of 1,250,000 bushels to the Belgian Relief Committee.

Notice that Mr. Armour was at that time in close connection with this committee. I do not say in any wrongful connection.

Again it is said:

CHICAGO WHEAT HIGHER.

All available supplies largely disposed of and producers not replenishing was the way trained observers explained the amazingly rapid lightening of the wheat market. Export clearances of 1,449,000 bushels for the last 24 hours, a rate that threatened to sweep the big terminals bare, formed hint enough for the bulls. In addition, Liverpool quotations had jumped, and virtually the entire floating supply at Buffalo was reported as having been laid hold of to meet the wants of the starving people in Belgium.

I am not saying that this was wrong. It may have been unwise, but it is not like the gambling that I was talking about. I am saying, however, that having caused that very condition of high prices, or having been one of the chief causes, Mr. Hoover ought not to have gone to our country charging the high prices to the grain gamblers, demanding that the grain exchanges be closed and that the business of the United States be turned over to him, when as a matter of fact he was himself the most responsible party in all the United States for the condition that existed, if these accounts are to be credited, and they were current accounts of the time.

Again the Journal of Commerce and Commercial Bulletin of January 18, at page 15, states:

Export buying, however, has been on a tremendously heavy scale all week, with a goodly portion taken by the Belgian Relief Commission. There can be no doubt that if the exports keep up as they have been doing since the first of the year the surplus will be exhausted in 60 days. What the immediate future holds forth in the way of price sensations can only be guessed. Chicago May seems likely to attain its goal of $1.50 that was set for it soon after the war broke out.

Also in the Journal of Commerce of January 19 a discussion occurs in which the question of embargo was solemnly put forward. It is in part:

One report stated that President Wilson had ordered a vigorous investigation, but this was subsequently denied. It all has the effect of scaring the public out of the market, and it was profit taking and general liquidation by outside traders that was the chief cause of the decline.

Then comes a discussion of embargoes that have existed in the past.

I ask that the entire article be printed in the RECORD as part of my remarks.

The PRESIDING OFFICER. Without objection, permission is granted.

The matter referred to is as follows:

Wheat presented a very nervous market yesterday, with Chicago May selling down to $1.40 and as high as $1.42¾ in comparison with the close on Saturday of $1.41–58 asked. Not much export business was accounted for up to the close, although it was thought that the total would reach 1,000,000 bushels. The action of the market was governed by reports from Washington and elsewhere concerning the likelihood of an investigation by the Government on the recent advance in wheat prices. One report stated that President Wilson had ordered a vigorous investigation, but this was subsequently denied. It all has the effect of scaring the public out of the market, and it was profit taking and general liquidation by outside traders that was the chief cause of the decline. It is gradually becoming understood, however, that the Government has little or no power in the matter. It would be unconstitutional to lay an export tax, while on only two occasions in the history of the United States has there been an attempt to lay embargo on exports. In one instance President Jefferson in 1808 tried it and in another President Madison in 1813 tried it. In the latter case the uprising of the farmers was so strong that the law was repealed before it had a chance to go into operation or be tested in the courts, while in the other it was of such short duration that it had little effect. In the present instance it is believed that the agricultural interests of the country would raise such a storm of protest that Congress would not dare to try the experiment.

Mr. REED. Then I read from the New York American of January 16, 1915, page 5:

RISE IN WHEAT MEANS 7-CENT BREAD HERE.

The housewife's loaf is shrinking, shrinking, and the price is rising, rising—

And they might have added, Hoover is buying and buying.

A representative of one of the largest baking establishments in New York said yesterday that unless there is a decided drop in the price of wheat within a week the small bakers, at least, will be forced to increase the price of a pound loaf of bread to 7 cents, and that the larger baking companies will be forced to follow within a month.

"The small bakeries are having a hard time now," he said, "and in many parts of the city they are mixing rye flour with wheat in order to make up the weight.

"Flour now is selling at $7.25 a barrel. The price at which wheat sold to-day—$1.54 for May delivery—will make the cost of milling and racking more than $8.25 a barrel, and shipment and delivery charges will, I am convinced, increase the price within a week or so to $10 a barrel.

"The alternative is to decrease the size of the loaf. Nothing will be accomplished by that, however, as the purchaser will be getting a loaf only two-thirds the weight of the present loaf.

"There is no remedy except to hold the wheat here instead of sending it abroad, and it is doubtful if anything, except an embargo by Congress, would curtail the selling to foreign countries. It is doubtful even if this would be effective, as the farmers are holding wheat."

An appeal yesterday was telegraphed to President Wilson by the National Housewives' League to curtail the selling of wheat abroad. The telegram said:

"The National Housewives' League, representing 900,000 American families, appeals to you. In view of the situation regarding wheat and flour, to take drastic measures at once to protect your people, even if necessary to place an embargo upon those products"—

That was the appeal that was sent to President Wilson.

George A. Zabriskie, eastern representative of the Pillsbury Co., declared that flour is likely to reach famine prices.

Again in the Journal of Commerce of January 18, 1915, is a statement bearing out that which I have already read. I ask to insert it in the RECORD as part of my remarks.

The PRESIDING OFFICER. That order will be made in the absence of objection.

The matter referred to is as follows:

FLOUR AT HIGHER PRICES THROUGHOUT THE COUNTRY.

The effect of the advance in wheat has been to advance flour prices throughout the country. In some instances this price had the effect of stimulating buying and in others causing it to hold off. In most instances, however, it has stimulated shipping directions. Additional reports to the Northwestern Miller state that at Chicago the week closed with the most exciting wheat market for many months and resulted in millers being obliged to mark up their quotations on flour and mill feed daily.

FLOUR REMAINS HIGH.

Flour remained at the high levels established during the latter part of last week, the mills being disinclined to take chances on the present uncertain conditions of the wheat market. Sales were small, amounting to only a car or two at a time, and not amounting to very much in the aggregate. With such a decidedly unsettled market as there is at the present, buyers showed a decided inclination to restrict their purchases to nearby requirements. Although the general belief is that

wheat will sell still higher, there is hope that it will be possible to obtain flour at lower prices on such rates as have occurred recently. The fear of investigation by the Washington authorities was not regarded as of particular moment other than to upset the market for the time being. The trade realizes that wheat is governed by war conditions, and the fact that it is going out of the country at a rate that will place the American markets on a domestic basis within a few weeks is something that will not be controlled by anything that Washington can do.

Mr. REED. Again I ask leave to insert an article from the Economist, of Chicago, Ill., under date of January 16, which bears out the statements I have already made.

The PRESIDING OFFICER. That order will be made in the absence of objection.

The article referred to is as follows:

[From the Economist, Chicago, Ill., Jan. 16, 1915.]

Exports to Europe are slowly but steadily draining the United States of its surplus in all cereals. This week the enormity of this outflow of grains, and particularly of wheat, has seized the minds and imaginations of the trade and wild speculative markets resulted with the greatest interest centered in May wheat. This has reached and maintained itself at levels the highest since the Leiter year. Fluctuations have covered an 8-cent range, and a high price for the May option of $1.43⅜ was touched Thursday. The market is extremely hazardous and violent changes are probable with increasing number and more severe reactions and rallies as the price advances. The net change from the close yesterday week through Thursday was a gain of 5¼ to 5½ for May and a loss of ⅜ for July. One of the leading bulls states that May wheat, in his opinion, will reach $2 and that May corn will sell at $1.

The importance of the situation scarcely can be overestimated, for the Board of Trade now has the practical problem to face of feeding all Europe and at the same time attending to the needs of this country for reserves and flour. Durum wheat, such as is used for the manufacture of Italian spaghetti, is worth $2.07 c. i. f. Genoa. The possibilities are obvious when American bakers are seriously considering 6 cents as a price for a loaf of bread when our wheat is about $1.40. Italy has been particularly active in its bidding for American wheat, and its harbors are reported choked with grain boats at present. Last week our exports were approximately 8,000,000 bushels as compared with 2,000,000 bushels for the corresponding week of January, 1914. In other words, the foreign demand has about quadrupled. This is reason enough for the advance in speculative and cash prices. In fact, the wonder is that advances have not been much greater than already have been scored.

Mr. REED. Mr. President, the statements I have put in the RECORD simply demonstrate that when we were sitting here in the Senate, as we were five or six weeks ago, excited because of the high prices, excited because Mr. Hoover told us that the grain gamblers had "rigged" our markets and were robbing our people, excited to a point where we could not even pause to investigate, excited to a point where we regarded it to be a sort of a crime for a man to ask for a few hours to discuss the terms of the bill—I say that this evidence demonstrates that one of the chief factors in running up the prices of food products was Mr. Hoover himself.

If Mr. Hoover or his committee had come to the American people and said "I have done these things, but the result of it all is that prices are very high, and there should be a regulation of these prices," I would have made no complaint. But Mr. Hoover came to the American people and alarmed and excited them; he came to the American Congress and alarmed and excited it with the claim that gamblers and wicked men were "rigging" the markets of this country. I do not say there is not some gambling, but I do say that Mr. Hoover's own operations were the chief causes for the increase of prices, and that a false impression was given to the American people.

Mr. President, we may shut our eyes to the facts if we please, and we may turn over to Mr. Hoover the grain business of the United States; we may turn over to him and those gentlemen he has brought with him from merry England the domination of our markets and our farms; we may give them the right to say to the farmer "You shall have no place to sell," and to say to the miller, "You shall have no place to buy." We may put them in command of the finances and of the success and of the fortunes of 45,000,000 people engaged in agriculture in this country. We can do these things, because perhaps we have the power, but I appeal to the sober sense of the country and to the sober sense of this body that this thing ought not to be done; that it is an abomination; that it is an iniquity; that it is an inexcusable wrong.

What we ought to have done was what we attempted to do. We passed here in the Senate a bill known as the food-survey bill. It had come from the House with a number of wholesome provisions in it. We amended it. We put into that bill a provision that would have stopped every particle of gambling in every exchange in the United States; we put into that bill a provision that would stop hoarding; we gave to the President the power to close every exchange where gambling was permitted. We sent that bill back to the House, where it ought to have received attention within 24 hours. It was held up; conferees were not allowed to act or even to be appointed. I repeat what I have often stated before, that it was held up at the demand of a Cabinet officer, who insisted that, if it were passed a part of the argument in favor of the food control or food dictatorship bill would be gone. That bill thus held up for weeks and weeks and weeks was approved by the conferees and returned here within a few minutes after the House had coerced the Senate conferees into a surrender, which I regard as one of the most fateful that has ever taken place in the Congress of the United States.

And when the news is sent to the country that this legislation is held up—as some papers have said, "REED holds up the food bill"—I ask those papers to be generous enough and fair enough to say to the country that a bill that was passed in the Senate eight weeks before this bill was passed, a bill that would have stopped gambling in the exchanges, a bill that would have stopped hoarding of foodstuffs, a bill that would have armed the President with abundant authority to close every exchange in this country if he saw fit, was held up at the demand of a Cabinet officer during all of those long weeks, and is being held up now in this body in order that this bill, passed eight weeks after it was passed, shall be given the right of way and forced down the throat of a Senate the majority of whose Members regard it as an abomination.

This may not go to the country now, but this will go to the country.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Oklahoma?

Mr. REED. I do.

Mr. GORE. I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Missouri yield for that purpose?

Mr. REED. "The Senator from Missouri" yielded to the Senator from Oklahoma, and the Senator from Oklahoma made that suggestion.

The PRESIDING OFFICER. The Senator from Oklahoma can not do that without the consent of the Senator having the floor. Does the Senator yield for that purpose?

Mr. REED. Well, Mr. President, I think the Chair is in error. "The Senator from Missouri" yielded for no particular purpose. He yielded to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Missouri does not yield the floor, does he?

Mr. REED. I do not.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. REED. Oh, well, Mr. President, if we are to have that kind of tactics employed, I myself suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Missouri suggests the absence of a quorum. The Secretary will call the roll.

Mr. REED. And I enter an appeal from the decision of the Chair.

The PRESIDING OFFICER. Which one does the Senator wish put first?

Mr. REED. The rules of the Senate pretty clearly declare what is to be put first.

The PRESIDING OFFICER. The Secretary will call the roll to determine the presence of a quorum.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Husting	McNary	Sterling
Bankhead	James	New	Sutherland
Borah	Johnson, Cal.	Norris	Thompson
Brady	Jones, N. Mex.	Page	Underwood
Brandegee	Kellogg	Pittman	Vardaman
Chamberlain	Kendrick	Poindexter	Wadsworth
Culberson	King	Pomerene	Warren
Curtis	Kirby	Reed	Weeks
France	Knox	Saulsbury	Williams
Gore	La Follette	Sheppard	
Hitchcock	McCumber	Smith, Md.	
Hollis	McKellar	Smoot	

The PRESIDING OFFICER. But 45 Senators having answered to their names, a quorum of the Senate is not present. The Secretary will call the names of the absentees.

The Secretary called the names of absent Senators, and Mr. HARDING, Mr. OVERMAN, Mr. PENROSE, and Mr. SIMMONS answered to their names when called.

Mr. LEWIS entered the Chamber and answered to his name.

Mr. LEWIS. I wish to announce the absence of the Senator from Rhode Island [Mr. GERRY] on official business.

Mr. NEWLANDS, Mr. CUMMINS, and Mr. NELSON entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-three Senators having answered to their names, a quorum of the Senate is present. The Senator from Missouri.

Mr. REED. Mr. President, I now desire to ask the Senate to consider the remarkable result brought to us by the conferees.

After a discussion which lasted for weeks, the Senate Committee on Agriculture and Forestry brought to the Senate certain amendments which it asked the Senate to adopt, and after full discussion those amendments were adopted. Among these amendments was one which proposed, instead of turning over to Mr. Hoover all power and authority touching the matter of foods, to create a commission of three men, to be appointed by the President and confirmed by the Senate. That important provision has been stricken from the bill.

The Senate placed limitations upon the licensing of concerns engaged in business. The provision as now brought back to us is many times more radical than it was when it came to us from the House. Not only is the Senate amendment gone, but the Senate conferees, in their haste to recede, retreated beyond the line of the old House bill. In absolute disregard of the mandate of the Senate, the Senate conferees not only yielded all the Senate had asked, but, in addition to that, yielded more than the House had originally asked. The Senate added, and by repeated votes demanded, the creation of an auditing committee to see that the people's money shall not be wasted; that provision is gone. The Senate added an amendment making it clear that labor organizations should not lose the benefits of the Clayton bill. That provision also is gone.

There are other provisions to which later on I shall call attention upon which the Senate conferees beat a hasty, and if they were not Senators I would say an ignominious, retreat; but of course I can not say that of Senators.

I now challenge the attention of the Senate to new language that appears in this bill; and if other men view it as I view it, it is enough to shake the Senate from its lethargy, and to reach the deaf ears of men, if such there be, who no longer care for country or for Constitution. It will take me a moment to lay the groundwork for this statement.

On page 2 you will find that the bill is now made to cover foods, feeds, fuel, fuel oil, natural gas, fertilizer and ingredients, tools and utensils and equipment used in the production of said things, and also to prevent local or general scarcity, monopolization, hoarding and speculation and private control, and to establish and maintain what? Governmental control over these things.

Observe that the bill has been so enlarged that it not only covers foods, feeds, and fuels, but it covers in addition to that the tools, utensils, implements, machinery, and equipment required for the actual production of foods, feeds, and fuels.

Mr. President, what does that embrace? It embraces every coal mine in the United States; it embraces every flouring mill in the United States; it embraces every packing house in the United States, every cold-storage plant in the United States, everything that manufactures any food product or any fuel product, and every machine that makes the machinery with which these things are produced. It is so broad as to include many things that will startle some of the gentlemen who, when the bill was in the Senate, having found the enterprises and business in which their States were specially concerned in the bill hastened to amend it in order to get from under the bill. For instance, the cottonseed mill in which oil is expressed will come within the terms of the bill. It will embrace the linseed-oil mill, because that comes within the terms of the bill. It will cover every sawmill of the United States. In its wide sweep it reaches out and takes possession first and last, in my judgment, of the major portion of the manufacturing business of the United States. But singularly enough it leaves the old Steel Trust out. It leaves the copper combination out. It leaves the Standard Oil Co. out. It leaves the Aluminum Trust out. It leaves out of the bill the most wicked, the most powerful, the most potential, and the most oppressive of all the great combinations and trusts in this country. It brings within the scope of the bill the farmer, the man who runs the little grist mill, the producer and handler of wheat and all kinds of food. It is a bill drawn for the purpose of controlling the less hurtful and the less monopolistic of our enterprises and businesses and to acquit of any control those things that have been most wicked and most potential and most injurious.

There is brought within the control of this bill one set of concerns that I do think is an improvement over the House bill, for the conferees allow to remain in the bill the Senate provisions regarding the control of coal. It is my opinion that a case has been made out which shows practically a control or agreement of prices among the coal dealers of the country, and I regard that as one business which ought to be disciplined and disciplined at once, not disciplined in the nature of punishment, but in the nature of a proper control.

Mr. President, having gained some idea of the scope of this bill, its magnitude, how far it reaches, let us observe what powers are granted. A Government control is established and maintained over all these things, and this language is used to accomplish that control. I wish Senators would take the pages of the bill and follow me. I call attention to page 8. To accomplish that control we find—

SEC. 5. That, from time to time, whenever the President shall find it essential to license the importation, manufacture, storage, mining, or distribution of any necessaries, in order to carry into effect any of the purposes of this act, and shall publicly so announce, no person shall, after a date fixed in the announcement, engage in or carry on any such business specified in the announcement of importation, manufacture, storage, mining, or distribution of any necessaries as set forth in such announcement, unless he shall secure and hold a license issued pursuant to this section.

Now, mark you the language of the House bill as it came to us was that the President should first find that a rate, a charge, or a practice was unjust before he could interfere. The man who did not indulge in an unjust rate, practice, or charge was acquit of any control by the Government. The bill, as it came to us from the House, was aimed against only those who were guilty of unjust practices and charges, and the President was required, upon his honor in response to his official oath, first to find the unjust charge, first to find that a wicked thing had been done, before the President could lay his hands upon the business of the country. But what says the present bill: From time to time whenever the President shall find it essential to business to license. In other words, whenever the President sees fit by the simple promulgation of his decree, by the simple issuance of his proclamation, every man in the United States engaged in these verious businesses that are so numerous and so important that I can not wait to catalogue them all, businesses that you will find established in every hamlet, in every city, in every part of this land—the President may by simple public announcement take the management of those business enterprises from the proprietors thereof. Listen. I read:

From time to time, whenever the President shall find it essential to license the importation, manufacture, storage, mining, or distribution of any necessaries * * * and shall publicly so announce—

Then the business can not go on except as I shall state. All the President has to do in the world is to put an article in the morning paper and say, "I, Woodrow Wilson, being of the opinion that it is essential to license the importation, manufacture, storage, mining, or distribution of necessaries, do hereby proclaim that after the 1st of next month," or any other day he sees fit to fix, "no person shall engage in or carry on such business unless he shall hold a license issued pursuant to this law."

Mr. HITCHCOCK. For what?

Mr. REED. For these things that I have named; and if the Senator from Nebraska will take the things I have named, the things that are in the bill, and allow his keen and acute mind to travel for a little bit along the lines of the bill, he will find that these things embrace every article of food and everything used in their production, every article of fuel and everything used in its production, some exceptions being made for retailers. It affects all that the farmer raises. The President of the United States can close the doors of every market in the United States for every farmer's product, and he can close every flouring mill, every wholesale house engaged in the business of selling flour or feeds or fuel or anything of that kind—everything except retailers—and he can do it, not upon the ground that evil practice has grown up, not upon the ground that any wickedness or wrong has been done by a single one of our people, but simply upon the ground that he "deems it essential." Then what happens? Then these men must take out a license.

The President is authorized to issue such licenses and to prescribe regulations for the issuance of licenses and requirements for systems of accounts and auditing of accounts to be kept by licensees, submission of reports by them, with or without oath or affirmation, and the entry and inspection by the President's duly authorized agents of the places of business of licensees.

Under that, sir, a Federal agent can enter in one of these places of business. Under that the books of every one of these private citizens can be examined. Under that a man can walk in and simply showing his authority proceed to ransack and investigate from the contents of the safe and the books to the extremity of the business. It is a general warrant of search and it is the most remarkable power ever asked or conferred in a free country. But I read on:

The President is authorized to enter into any agreement—

Notice this—

to create any agency and to employ any person and to coordinate any departments or agencies of the Government to enforce this bill.

He is authorized to command, to use and employ any department or agency of the Government. This means the Army and Navy of the United States.

It means to give the power to employ the Army and Navy of the United States.

Now, Mr. President, after this proclamation has been issued, this public announcement has been made, if a man shall venture to conduct his business one day, one hour, one moment beyond the time named in the public announcement without having a license, he can be fined $5,000 and sent to the penitentiary for two years and his business closed. His right to transact business as an American citizen is gone.

This arbitrary and confiscatory decree is to be executed through any agent the President may name. We know that one of the chief agents is to be Mr. Hoover, who has already been sufficiently discussed. Why have I discussed him? Because if a man is to be put in charge of the business of the people of the United States it is important to know whether he is a loyal-hearted American citizen whose every interest is American. It is important to know whether there is any influence drawing him in any other direction. It is important to know whether he is subject to any environment that might lead him to act against the interests of the people of the United States. It is important to know whether his experience be of such nature as to qualify him for the Herculean task.

There are two phases that I want to present. First, should this sort of power ever be conferred upon a human being, and, second, can it be conferred by the Congress of the United States? Let us deal with it first in its broader aspect, for I well know how unpopular it now is to refer to the Constitution of the United States. But I can not resist the temptation of saying that the day will come when the old ark of the covenant will be rescued and when those who have dared lay unholy hands upon it will no longer set in the seats of the mighty.

I am opposed to one-man power. I am opposed to any kind of one-man power anywhere, at any time, under any circumstances. The man who advocates a dictator for America is a traitor to America. The man who advocates a dictator in America is the friend of despotism and the enemy of democracy. The man who would create a dictator in America would do to us by peaceful revolution that which could only be done by a foreign conqueror, and if done by a foreign conqueror there was never one so despotic he would not in the end give some measure of self-government to even a subject people.

Yet I have heard men high in office say that what a Republic needs in time of war is a dictator.

I have heard a number say that the Constitution is suspended, or that the civil rights of the people cease when war is declared, and that is equivalent to a justification of a dictatorship.

I am opposed to a dictator also because no man knows enough to think for all the people. No man is wise enough to embrace within the horizon of his intellect all conditions of life, all forms of business, all hopes and aspirations and ambitions of a mighty people. And so, lest I should be accused of announcing a new and strange doctrine in these days when the Constitution is in disrepute, I venture to read. I apply this not only to a dictator but to certain boards that are being organized and authorized by this bill and that are being organized outside of it.

> I don't want a smug lot of experts to sit down behind closed doors in Washington and play Providence to me.

And neither do I want one, whether it be Mr. Hoover or some-

hands of a group of men. I continue to read.

> There is a Providence to which I am perfectly willing to submit. But as for other men setting up as Providence over myself I seriously object. I have never met a political savior in the flesh, and I never expect to meet one.

A little further on the distinguished author of these words said:

> I would rather see a savior of the United States than set up to be one, because I have found out, I have actually found out, that men I consult with know more than I do, especially if I consult with enough of them. I never came out of a committee meeting or a conference without seeing more of the question that was under discussion than I had seen when I went in. And that, to my mind, is an image of government. I am not willing to be under the patronage of the trusts, no matter how providential a government presides over the process of their control of my life.
>
> I am one of those who absolutely reject the trustee theory, the guardianship theory I have never found a man who knew how to take care of me, and, reasoning from that point out, I conjecture that there is not any man who knows how to take care of all the people of the United States. I suspect that the people of the United States understand their own interests better than any group of men in the confines of the country understand them.

Thus said Woodrow Wilson, and so well did he say it that he saw fit to print it in a book entitled The New Freedom, and at the top of the page he indited the legend "Free men need no guardian." Were these words wise and prudent when they were uttered? I think they were, and on them I now stand. I do not change the principles of my political philosophy each time convenience asks that I shall change. I can not shift from these old principles because I suddenly become ambitious for power; I hold to them.

This, sir, was not a fugitive statement. At page 64 of the same book the distinguished President of the United States says to the country:

> I believe, as I believe in nothing else, in the average integrity and the average intelligence of the American people, and I do not believe that the intelligence of America can be put into commission anywhere. I do not believe that there is any group of men of any kind to whom we can afford to give that kind of trusteeship.
>
> I will not live under trustees if I can help it. No group of men less than the majority has a right to tell me how I have got to live in America. I will submit to the majority, because I have been trained to do it, though I may sometimes have my private opinion even of the majority. I do not care how wise, how patriotic, the trustees may be, I have never heard of any group of men in whose hands I am willing to lodge the liberties of America in trust.

Send that out to the country, ye heralds of a yet uncensored press and at the same time tell the people of the land that the liberties of the American people are by this bill lodged in the hands of a group of men. I continue to read.

I read this especially to those Members of Congress who publicly subscribe to this bill, although privately they denounce it as unwise and unjust—I read it not to those who expect to go back home declaring in good faith I exercised the best judgment I possessed and voted as my conscience dictated.

But I do read it to all who count upon gaining favor by chirping like so many insects, "I stood by the President, and therefore in his shadow am I holy and by his name am I protected." "I was a faithful follower." "My nose was long and keen and kept the scent, and so I followed where his feet had gone." "I did not think." "Oh, no; to think it were a crime in modern times." "My virtue was to follow, follow, and still to follow on in faithful servitude—to crawl beneath my master's legs and lick the dust from boots that held me in contempt even while I bowed and fawned." I read:

> If any part of our people want to be wards, if they want to have guardians put over them, if they want to be taken care of, if they want to be children, patronized by the Government, why, I am sorry, because it will sap the manhood of America.

Thus said Woodrow Wilson, and so say I, and so will say in time an outraged country, a proud people, a patient and a patriotic host, who none the less will hold responsible the men who lay the people's liberties aside by base surrender of the Constitution that the people wrote.

He added—and here it appeared there was some mistake made according to the idea of some but not according to mine—

> But I don't believe they do. I believe they want to stand on the firm foundation of law and right and take care of themselves. I, for my part, don't want to belong to a nation, I believe that I do not belong to a nation, that needs to be taken care of by guardians. I want to belong to a nation, and I am proud that I do belong to a nation, that knows how to take care of itself.

Now it is proposed to turn a large part of that Nation over to a gentleman whose name was not known in this country until a few months ago, when a press agency was set to work by this man who so loves publicity that when he started in the Belgian relief work he employed the English representative of the Associated Press as his press agent and has him here now in Washington.

Mr. President, let me read a little further from page 77; and let me read this to you as a prophecy which was true when made and which is true now:

> America is never going to submit to guardianship. America is never going to choose thraldom instead of freedom.

Mr. President, one further quotation upon this line—and I apply it to this attempt to turn over all the vast business of this land to a few people; this attempt to turn over to Mr. Hoover the destiny of the farmers, our great markets, our consumers; for, mark you now—and I wish that I could say this so that the American people might hear—the consumer will be affected as will be the producer. You can not interrupt the flow of the lifeblood in the body without you paralyze the extremities of the body. You can not interrupt the flow of commerce without the cost and penalty are visited upon all dependent upon commerce, and none are more dependent than are the people of the towns. Every embargo you place upon commerce is an added expense that must be paid for at the breakfast table and at the dinner hour. It is proposed to take the business of this country out of the hands of the men who have created it, out of the hands of the men who have lived with it. When I say "business" I include the farmer, the stock raiser, the planter; I include the carrier; I include the manufacturer. We are all in business. I include the laborer, whose business is

that of selling his daily labor. I protest that they can manage their business better than can any one man. Again I read from President Wilson's book:

No one man understands the United States—

Not even Hoover.

No one man understands the United States. I have met some gentlemen who professed they did. I have even met some business men who professed they held in their own single comprehension the business of the United States, but I am educated enough to know that they do not.

"Where, where was Hoover then?" His form had not loomed on the intellectual horizon of the President. The President had not heard the magic name of the "miracle man."

I read this again. Though I read it to ears that will not be convinced, yet I shall make you all feel a little uncomfortable. Perhaps you will be convinced, for—

While the lamp holds out to burn,
An erring Senator even may return.

I repeat the quotation:

No one man understands the United States. I have met some gentlemen who professed they did. I have even met some business men who professed they held in their own single comprehension the business of the United States, but I am educated enough to know that they do not. Education has this useful effect, that it narrows of necessity the circles of one's egotism. No student knows his subject. The most he knows is where and how to find out the things he does not know with regard to it. That is also the position of a statesman. No statesman understands the whole country. He should make it his business to find out where he will get the information necessary to understand at least a part of it at a time when dealing with complex affairs. What we need is a universal revival of common counsel.

Now, we propose to have everything but "common counsel"; anything but common counsel; one dictator or a half dozen dictators; business to be divided up among them; and to what end? I make you the prediction now, claiming no authority as a prophet, that if you undertake this plan that you are upon you will find food as high 12 months from now as it is to-day; that you will find prices are higher 12 months from now than they are to-day, unless, indeed, the war shall have ceased, and men shall have gone back to their usual avocations.

I make you the prediction also that if you will stop interfering with production; if you will permit to become a law, without anything more, the food-survey bill which will have encouraged production and stop speculation and hoarding, and yet allow the mighty sinews of the American people to play unrestrained and the mighty energies of the American people to go uncontrolled, you will have a solution in part of high prices; not entirely, for while the war lasts there will be some high prices. I declare it to be my opinion that just in proportion as you have men like Hoover interfering with the trade of this country will you have high prices.

Mr. President, I come now to consider the question of the constitutionality of this remarkable provision. Again I call attention to the work of a distinguished author, for I am now presenting the idea that this bill undertakes to go into the several States of the Union and to have the Federal Government assume authority and jurisdiction over business institutions located within those States, and that the bill does not even propose to limit its control to interstate commerce. If this bill can be passed, there is no invasion of the States of the Union that can not be made; there is no limit to Federal authority. Even if we have the power to do this, is it wise to employ that power? Here I call attention to this language:

It would be fatal to our political vitality really to strip the States of their powers and transfer them to the Federal Government. It can not be too often repeated that it has been the privilege of separate development secured to the several regions of the country by the Constitution, and not the privilege of separate development only, but also that other more fundamental privilege that lies back of it—the privilege of independent local opinion and individual conviction which has given speed, facility, vigor, and certainty to the processes of our economic and political growth. To buy temporary ease and convenience for the performance of a few great tasks of the hour at the expense of that would be to pay too great a price and to cheat all generations for the sake of one.

So said Woodrow Wilson on pages 191 and 192 of his book entitled "Constitutional Government of the United States," and throughout the book there is more to the same effect.

Mr. President, what does this bill propose to do? It does not propose to limit the action of the President even to war measures; it does not propose to bottom the action the President may take upon the flimsy doctrine that was first inserted in the bill and has been since stricken out, that Congress by an act can declare a thing subject to a public use, and that it thereby becomes subject to a public use.

It bodly and with an effrontery that is almost admirable undertakes to place in the hands of the President the power, "whenever he deems it essential," to say to every business man engaged in the various callings, as specified in the bill—and as I have already said they are so broad as to embrace nearly everything—"I forbid you any longer to conduct your business, unless you come and get a license from me." That is not limited to interstate commerce, and even if it were it would be illegal. It is not limited by anything except the Executive will and pleasure. It gives to the President of the United States authority to issue a decree, a ukase, a mandate, and upon the issuing of it hundreds of thousands of men must on the day stated close the doors of their business, and if they again enter them for the purpose of doing business they can be sent to the penitentiary and fined $5,000.

It is true the bill states that they may apply for a license, and that when they have obtained the license they shall then do business—in the manner that they want to do business? No. In the manner that their interest requires? No. In the manner that the interest of the country requires? No. But in the way they are commanded to conduct it. If that be not the taking of property without due process of law, or any kind of law, then, indeed, was the Constitution written in vain.

Again I call the attention of Senators to the fact that we all agreed that when we had adopted a provision here that the President of the United States could take all the whisky and pay for it its cost plus a profit, I believe, of 10 per cent, that the provision was unconstitutional, because it was taking property without due process of law.

If it was taking property without due process of law when whisky was taken over and the cost paid and a profit in addition, what shall we say about due process of law when a man who has built a flouring mill, who is engaged in the legitimate business of grinding of flour, is by a mere proclamation of the President deprived of the right to enter his mill and is sent to the penitentiary if he dares enter his own mill and to set in motion a single wheel? If that be not taking property without any process of law, then, indeed, there is no protection under the Constitution.

I appeal to the Senators who conceded that they had to take out of the conference report the provision with regard to the taking of whisky and paying for it at cost plus a profit because it was unconstitutional, why is it not equally true if Congress says that whenever the President sees fit to issue a proclamation the owner of a factory shall not be permitted to turn his wheel or to employ his property that is not taking property without due process of law? I appeal to Senators why it is not equally taking property without due process of law if the proprietor is told, "You can not run your business as you see fit, but you shall run it in the manner and form we dictate; you shall not run it as your interest demands, but you shall run it in the manner and form that we say you shall run it." I appeal to men who have some respect for the Constitution, or had a fews days ago when we were discussing the liquor amendment, and even to the conferees who sat in conference and changed the liquor amendment, why this provision is not within the inhibition of the Constitution?

There will be no answer made to this; there can be no answer made to it. It does not have the shadow of pretext to sustain it.

Is it necessary? Is there anything in the condition of our land to-day that makes this necessary? Is there a man in this body who believes it can be done within the Constitution? But, of course, sir, when you give authority to employ all power and all force anything may be done. When you write this kind of power in a bill after having written in an express authority to take possession of the property of the people, the power to enter into any agreement, to create any agency, to employ any person, to coordinate any department or agency of the Government, "to command, use, and employ any department or agency of the Government," I say you have given authority that will be construed to include the Army of the United States. We had better go a little carefully.

We adopted a military bill. I am willing, Mr. President, to compel obedience to the draft; but I did not think when we passed the military bill that we were passing a bill to empower a drumhead court-martial to try and condemn to death men who simply ran away or who failed to appear when called.

And yet in the papers of yesterday morning we find this—I read the opening lines from the Washington Herald, where I happen to find the account, but I have seen it in all the papers. These are the headlines:

Draft rebels may be shot—Court-martial and firing squad, says Gen. Crowder, is penalty.

Reading from the text, just a line:

The short shrift of court-martial and the firing squad will be the lot of those who persist in resistance to the draft. The iron hand of the full military power of the Nation is ready.

Mr. President, when I voted for that bill I wanted, if we had the draft, to make it effective. I do yet; but I thought we were voting for a bill that would send to the penitentiary a man who would not obey the draft. I had an idea of a trial in a civil

court. I had no thought at that time that it would ever be asserted that a drumhead court-martial could take out poor wretches who were too cowardly to come forward in response to the draft and who ran away because they feared death, and stand them up and shoot them to death. I am getting a little chary about giving authority when I find that kind of construction placed upon it.

Mr. President, before I quit the floor I desire to clear up a matter that came into dispute this morning—I am sorry the Senator from California [Mr. JOHNSON] is not here. The first thing that I call attention to is the statement that was made by the Senator from Oregon [Mr. CHAMBERLAIN]. I find, on reading it, that as my recollection served me I was correct, and that Mr. Hoover did not enter an absolute denial to the interview which I read this morning. The Senator from Oregon [Mr. CHAMBERLAIN] stated:

> While I am not an apologist for Mr. Hoover and do not hold any brief for his defense, I was rather amazed at the statement—

That is, the statement contained in the paper, the interview—

> and called him up over the telephone to ascertain whether that statement was made by him, because it disgusted me, as it must have disgusted everybody if it were authentic. Mr. Hoover assured me that he said nothing of the kind and nothing that could be construed into such a statement as was there given.

If the statement had stopped there, it would have amounted to what the Senator from California thought. But the Senator in charge of the bill continued:

> The most of his offending, he said, was to say that he had no control of Congress; he hoped that the food-control bill would be speedily passed, but what it would contain he could not say; but he only had the power of declining to act if it was a bill that in his opinion, when passed, he felt he could not conscientiously carry out. He said that was the most that he said.

If that does not pretty plainly disclose that he was discussing the bill to this lady to whom he gave the interview, and that he was discussing what Congress might do, and if he was not discussing whether he would or would not accept the bill, then, I do not understand the import of language. Nevertheless, I do not assert that he made the statement exactly as it was put in the papers. I simply offer them for what they are worth; and now I offer, in that connection, the statement that appeared in the evening papers of that same day. I read from the Washington Times of that same night. This same statement, in substance, appeared in a number of papers:

> Herbert C. Hoover will make no reply to the bitter attack Senator REED, of Missouri, made upon him in the Senate, charging the food administrator with rigging the food market when he was directing the Belgian relief work. Hoover said to-day that a reply to REED would only lead to another attack by REED and precipitate an unnecessary controversy. It is Hoover's intention, however, it was learned to-day, to take a definite step toward the forces that are holding up the food-control bill in the Senate. He will wait until action is taken Saturday, and if it does not meet his ideas he will go before the country with an exposure of Senators who block the bill and the influences he charges are behind them.

Now, it is singular if all the morning papers got this wrong, and then if the evening papers also got it wrong. The statement in the morning papers was sent all over the country. I hold in my hand a paper published at Moberly, Mo., that had the same report that I read from this morning. I am only speaking of these things now out of respect for the challenge of the Senator from California [Mr. JOHNSON], whose opinion and good will I value very highly, and I want him to understand just what I have acted upon.

Mr. JOHNSON of California. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from California?

Mr. REED. I do.

Mr. JOHNSON of California. May I express my appreciation of the fairness of the Senator from Missouri in reading the excerpt from what was said by the Senator from Oregon when this particular question recently arose, and may I add, too, something in which I think I will strike a sympathetic chord with the Senator from Missouri—that we ought not to hold any man on earth responsible for what may appear in newspapers regarding the particular individual? I am perfectly assured that if it were desired volumes could be printed here from newspapers concerning myself, volumes could be printed concerning nearly every individual upon this floor, and there would be none of us desirous of holding accountable any particular individual for what might be said of him by some particular newspaper. I am sure that the Senator from Missouri, on the statement that has been made here—the statement made by the Senator from Oregon, upon the assurance of Mr. Hoover—may acquit him wholly of the particular matters to which he adverted this morning in the published statement in one of the Washington papers.

Mr. REED. The Senator from California takes a different view of the matter than I do. When I find that this threat was made, according to the press, and when I find that within two days thereafter Mr. Hoover carries out the threat by attacking the Senator from New Hampshire [Mr. HOLLIS], and when I find that he also sent out an article attacking myself, I am inclined to the opinion that he has not been greatly wronged; and when I find a man sending out a statement referring to himself as a "miracle man," I am prepared to think he will send out almost any kind of statement.

Mr. President, I have discussed certain phases of the conference. There is a question upon which I want to be briefly heard hereafter; but I desire at this time to yield the floor to the Senator from New Hampshire [Mr. HOLLIS] and to apologize to him in advance for temporarily leaving the Chamber. I shall be back as soon as I can.

WAR REVENUE (S. DOC. NO. 74).

During Mr. REED'S speech,

Mr. SIMMONS. Will the Senator from Missouri yield to me for the purpose of submitting a report?

Mr. REED. Certainly. May I ask the Senator if it will take some time?

Mr. SIMMONS. Just a few minutes.

On behalf of the Finance Committee, I present a favorable report upon the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes, with sundry amendments, and I submit a report (No. 103) thereon, with the recommendation that the bill as amended do pass.

The PRESIDENT pro tempore. The bill will be placed on the calendar.

Mr. SIMMONS. I desire to offer a resolution in reference to the printing of the bill which I have just reported. I offer the following resolution, which I send to the desk and ask unanimous consent for its present consideration.

The resolution (S. Res. 110) was read, considered by unanimous consent, and agreed to, as follows:

> *Resolved*, That the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes, as reported to the Senate on August 6, 1917, be printed as a Senate document in 10-point type, and that 15,000 additional copies be printed for the use of the Senate.

Mr. SMOOT. I desire to ask the Senator from North Carolina whether the printing of the bill in the type provided for in the resolution will exceed the amount allowed under the law?

Mr. SIMMONS. To print the bill in that type I do not think will cost that much. I have not the estimate of cost, but I have been told by Mr. Wold that it will not exceed that amount.

Mr. SMOOT. That it will not exceed the amount allowed for printing under a Senate resolution?

Mr. SIMMONS. No.

Mr. SMOOT. It will be pretty close to it, and that is the reason why I asked the Senator the question.

Mr. SIMMONS. I think the printing clerk has made the estimate, and he tells me that the cost of the printing will not exceed the amount authorized by law.

Mr. SMOOT. I merely asked the question. I have no objection to the printing of the bill as desired, if the cost does not exceed the amount allowed in such cases.

Mr. SIMMONS. I offer the following resolution, which I send to the desk, and ask unanimous consent for its present consideration.

The resolution (S. Res. 111) was read, considered by unanimous consent, and agreed to, as follows:

> *Resolved*, That there be printed 65,000 additional copies of Senate Report No. 103, Sixty-fifth Congress, first session, entitled "Report on the war-revenue bill," of which 25,000 copies shall be for the use of the Senate, 35,000 for the use of the Committee on Finance, and 5,000 for the use of the Senate document room.

Mr. GORE. I should like to ask the Senator from North Carolina if he will object to a resolution providing for the printing of an equal number of the minority report when it is filed?

Mr. SIMMONS. Not in the slightest.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that the minority of the Committee on Finance, dissenting from the favorable report upon the bill may be permitted to file their views within the next two or three days.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. LA FOLLETTE. With that understanding, Mr. President, I submit the following resolution and ask unanimous consent for its present consideration.

The resolution (S. Res. 112) was read, considered by unanimous consent, and agreed to, as follows:

> *Resolved*, That there be printed 65,000 additional copies of part 2 of Senate Report No. 103, Sixty-fifth Congress, first session, entitled "Views of minority members of the Committee on Finance on the war-

revenue bill (H. R. 4280)," of which 25,000 copies shall be for the use of the Senate, 35,000 copies for the use of the Committee on Finance, and 5,000 copies for the use of the Senate document room.

Mr. SIMMONS. Mr. President, if the Senator from Missouri will pardon me for just one statement in this connection, I desire to say, for the information of Senators, that as soon as the conference report now pending before the Senate on the food-control bill is disposed of I shall ask the Senate to make the revenue bill the unfinished business with the view of proceeding to its consideration as soon as possible after the pending bill is disposed of. I do not think, however, that in any event I shall desire to call up the revenue bill for action by the Senate before Wednesday next.

INCOME AND EXCESS PROFITS TAX.

Mr. McKELLAR. Mr. President, I desire to submit a communication from William S. Shields, president of the City National Bank, of Knoxville, Tenn., bearing upon the subject of the income and excess profits tax, which I ask may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

KNOXVILLE, TENN., *August 1, 1917.*

Hon. KENNETH D. McKELLAR,
United States Senate, Washington, D. C.

DEAR SENATOR: After having considered very carefully the Senate Finance Committee bill regarding income and excess profits tax, I have come to the conclusion that as drawn this bill is most unfair and discriminating and one that will work a very great hardship on the majority of the manufacturing, jobbing, and other business interests in the South.

There are some concerns, manufacturers of advertised goods, which made enormous profits during the years 1911, 1912, and 1913, owing to cheap labor and low cost of materials, who will not make as much money during 1917 as in any of the three years before the war, as they did not advance their prices in proportion to the advances in material and labor, hence these firms will be eliminated entirely from excess tax, although their net profits for 1917 will still be very large.

Knowing the business men of the South as I do, I know that they do not wish to get out of any of the taxes which are going to be needed to pay the expenses of carrying on this war, but they do not wish to be taxed at from 33⅓ per cent to 60 per cent of their profits during this year on account of having very poor years in 1911, 1912, and 1913, and some other business interests with the same amount of money invested entirely eliminated from this tax simply because they were more fortunate and enjoyed prosperous years during 1911, 1912, and 1913.

From press reports the Government estimates that the excess profits for 1917 will amount to $5,000,000,000, and they wish to raise about $800,000,000 with excess profits tax, which would be about 16 per cent.

Now, if some firms have to pay from 30 per cent to 60 per cent, certain other firms will get out with practically nothing. Therefore it would be much more just and equitable if a straight tax of, say, from 15 per cent to 20 per cent would be taxed on all of the net profits for this year, regardless of what profits were in any previous years. On a 20 per cent basis the Government would realize $1,000,000,000, provided profits were only $5,000,000,000, which is $200,000,000 more than they figure on getting on the present proposed basis.

Not only would this be much more just, but the assessment and collection of these taxes would be nothing like as intricate and would cost the Government a great deal less for its collection than under the present proposed tax, under which I believe there are very few firms who could figure out correctly the amount of taxes due without the assistance of Government experts.

Hoping you can see your way clear to advocate the proposed changes in this bill, I am,

Yours, very truly, W. S. SHIELDS.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WADSWORTH:

A bill (S. 2745) to provide for the free transportation through the United States mails of reading matter for the Army, Navy, and Marine Corps; to the Committee on Post Offices and Post Roads.

A bill (S. 2746) to authorize the recommissioning of former officers of the Regular Army; to the Committee on Military Affairs.

By Mr. WEEKS:

A bill (S. 2747) to guard the military and naval forces from the physical and moral injuries of commercialized prostitution; to the Committee on Military Affairs.

By Mr. CHAMBERLAIN:

A bill (S. 2748) for the relief of Elijah L. Gum; and

A bill (S. 2749) for the relief of George W. Samson; to the Committee on Military Affairs.

A bill (S. 2750) granting a pension to Algennie Stevens; to the Committee on Pensions.

CONSERVATION OF FOOD—CONFERENCE REPORT.

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses upon the bill (H. R. 4961) to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel.

Mr. HOLLIS. Mr. President, I stood last spring in the heat of a blazing Arizona sun on the edge of an abyss with a sheer drop of 2,000 feet, gazing at the Grand Canyon of the Colorado, sprawled like a giant asleep in the sun, impressive, dignified, solemn, and inert. It seemed the personification of unintelligent and unconscious repose, and an empty-headed tourist came to toss a bowlder over the brink into the bowels of this sleeping monster.

One week later, under a wintry sky, nipped by an Arctic wind, I stood at the foot of the Yosemite Falls, and watched the water tumbling in great masses 1,700 feet upon an enormous ice cone, while the spray drifted about me and froze to my clothing. The uproar was deafening, ebbing and flowing in an audible flood. An occasional chunk of ice would come hurtling down the cliff face with a rattle like that of a musket. It was electric, pulsing, vigorous, stimulating; it was force personified.

The next day I stood in a grove of gigantic redwoods, upon a 10-foot carpet of snow, in a calm that brooded heavily, 20 miles distant from any other living soul. There was nothing to hear, and nothing to see but the dazzling white of the drifted snow and the dark green of the foliage and the reddish bronze of the giant trunks that reared themselves like sentinels where they had lived since the days of Moses. It was a good place to reflect, and my mind went back to a time 30 years before, when I worked as a laborer in those very mountains, at the princely sum of $50 a month. I reflected that the 30 years that had elapsed since then had brought me some knowledge of the privations of the poor, some knowledge of the pleasures of the rich, some knowledge of the pangs and miseries of poverty, and some knowledge of the softness and ease of luxury; and it seemed to me that it was a wise provision of nature that the years of man should be numbered, lest some shrewd and rapacious individual should acquire control of the whole world and the contents thereof and place all other persons at his service; and I wondered if it were much better that a few shrewd and rapacious individuals should own the greater part of the world and its contents, and hold the majority of their fellow beings at their service.

The conflict between capital and labor in the United States has proceeded for many years. It has been hard fought on both sides, but the rules of warfare have gradually crystallized. We have laws and procedures that prevent one side or the other from committing acts of cruelty or violence toward their opponents, and we have within three years passed the Clayton Act, which guarantees to labor the right to the usual and peaceable methods of the strike. It is to the Clayton Act that I desire at this time to call the attention of the Senate.

Humanity at large seems to me to be like the Grand Canyon of the Colorado, sprawled in slumber, not yet awake to its rights and its opportunities, unintelligent, sleepy, and inert; and I wonder to-day how long it will be before some empty-headed tourist, roaming the face of the earth, will toss a bowlder into the bowels of that part of humanity that labors and awaken it to its real strength, to vitalize and mass the force of human labor and pour it like the falls of the Yosemite into the world's whirlpool, a mobile, intelligent, and dynamic thing. I scarcely expected that the movement would start in Russia, where the Czar was evidently all powerful, where the people were trained to obedience, where the armies were gathered in the field ready to quell insubordination, and where autocracy was firmly intrenched; but one morning we woke and saw by the papers that without a premonitory rumble the empty-headed autocrats of Russia had thrown one bowlder too many into the bowels of the Russian proletariat, and in the twinkling of an eye the autocrats were dethroned, the Czar was banished, and a group of soldiers' and workingmen's delegates were governing imperial Russia.

It would not be strange if the next movement were found in the United States, and I wish to warn those Members of the Senate who take this matter lightly that if it is found in the United States it will be on their heads, and that this bill will be the strike bowlder that the Senate is tossing into the bowels of organized labor in this country. I fancy there are very few Senators who appreciate what is contained in this bill on this point.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Idaho?

Mr. HOLLIS. I do.

Mr. BORAH. May I ask the Senator if there has been any statement made by anyone as to why this was taken out of the bill?

Mr. HOLLIS. I do not know whether the statement made to me was confidential or not. I think I can fairly treat it as not confidential. I was told that only two members of the Senate conferees voted to sustain this amendment. I then said, "Do they believe that it does not prevent peaceful strikes?" The reply was, "Oh, yes; they believe that it prevents peaceful strikes, but they think that peaceful strikes should be prevented during the war." That was the report as it came to me.

The Constitution of the United States has been a very powerful bulwark to protect the privileges of wealth in the United States; but if the friends of property were wise they would not agitate the matter at this time. They would realize that the time of war is a time when the passions of men are easily stirred. They would realize that the safe conduct of this war depends upon the frame of mind of the laboring men in this country. England has found it so; Russia has found it so; and the one thing that we are hoping for to end the war is that the workingmen of Germany will no longer obey the constituted authorities. Yet in this country, where organized labor has been patriotic, where it has been helpful, where there is no need of having any friction whatever, the Congress of the United States deliberately writes into a food-control bill more stringent provisions than are found in the Sherman Antitrust Act, under which the Danbury hatters have recently been obliged to pay a quarter of a million dollars to their employers.

The Senate of the United States is not empty headed. It is composed of men of patriotism and honor and intelligence. The Senate is sometimes heedless; the Senate sometimes tosses a bowlder or two; but when the Senate faces a proposition, and if it will face this proposition and see how serious it is, the Senate believes in doing the right thing.

Sane-minded leaders are finding it all too difficult at this time to direct labor in sane channels. The draft riots are ominous symptoms. The lynching of an I. W. W. leader in a Northern State within a few days has set a bowlder to running that is not likely to come to rest at an early date.

To toss this bowlder into the vitals of labor at this time is the most serious thing that capital could possibly do, and I beg the Senate not to do it. If the flood of labor is once loosed, those who are bound to the trees at the foot of the falls will find themselves drenched with freezing spray, and their doom will be certain. We can not live a few weeks in this country, any of us, if labor refuses to allow us to be fed.

Now I want to show the Senate just what is in this bill, and I want to appeal to them to set it right, and to set it right before it is too late.

I think at this point I ought to disclaim any intention of filibustering on the acceptance of this report. I feel, in justice to myself, that I ought to make my attitude very plain, but I have no sympathy with filibustering at any time, and particularly I should not filibuster against this bill, because I believe it is a good bill with the exception of this one amendment which has been cut from it.

I have nothing against Mr. Hoover. I have never met Mr. Hoover personally. If his publicity bureau attacked me for the part I took in helping to frame a bill that could pass the Senate by a substantial vote, I am sorry that it did it, but I am not opposing the adoption of this report because of anything that Mr. Hoover or his bureau said about me. I believe that Mr. Hoover is a very able, a very honest, and a very notable man. I am anxious that the United States should capitalize his reputation and get the greatest amount of good from it. I am not as sanguine about some provisions of the bill as others are. I believe that Mr. Hoover will make economy fashionable in the household, and anything that makes household economy fashionable in this country is a tremendous blessing.

If I had my way, I should adhere to the commission of three, and I should do that for Mr. Hoover's benefit. Mr. Hoover is evidently unused to politics, and he has allowed his enthusiasm to carry him further than I should wish in some cases. I think if his identity were somewhat submerged in a commission of three it would be a protection to Mr. Hoover. I believe that the work of the commission would be more valuable to this country than the work of any one man who can be pointed to as a food dictator, and if Mr. Hoover is the one man in control of this presidential bureau he will be the man who will be attacked and criticized whenever anything goes wrong. Therefore, I should have been pleased if the commission of three had been retained, but I am attacking the report of this conference committee as a whole, because the rules of the Senate will not permit anything else. The rules of the Senate are such that when the House and Senate conferees meet and make a report we must accept that report in toto or reject it in toto. We can not instruct the Senate conferees as to amendments that the Senate has passed. We might instruct them to accept amendments coming from the other House. Therefore, as friendly as I am to the bill, as hard as I have worked to make a bill that would be acceptable to a majority of the Senate and do the work, I am, under the parliamentary situation, compelled to oppose the report and vote for its rejection. That attitude I regret very much.

Now, I will draw attention directly to the part of the bill that is so dangerous. It is found in section 4, which is known as the provision against hoarding.

Section 4 makes it a criminal offense, punishable by imprisonment not exceeding two years, for any person to conspire, combine, agree, or arrange with any other person to limit the facilities for transporting, producing, harvesting, manufacturing, supplying, storing, or dealing in any necessary. That is, if the president and secretary of a labor union send out a notice for a peaceable strike on any railroad engaged in transporting necessaries, or in any factory engaged in producing necessaries, or in any warehouse engaged in storing necessaries, a warrant may be sworn out against them, and they may be imprisoned for two years or fined $10,000.

I do not believe that was the intention of the men who drew this act; I believe they overlooked it; but I found exactly the same situation in the priority of shipments bill. It was there provided that any person who did anything to obstruct or retard interstate commerce should be criminally liable and should be put in prison. I got the amendment that I offered to this bill adopted on the priority of shipments bill. It was adopted by the Senate and concurred in by the House and it is in the conference report.

There is no possible excuse for adopting that amendment on the railroad-shipment bill and not adopting it on a food-control bill. There is not as much excuse, because this bill was framed primarily to give to laboring men cheaper food. Whether it will give them cheaper food is debatable. But there is one thing certain, that it takes away from them the right to employ the peaceful and recognized methods of the industrial strike.

I wish to read an item which appeared in yesterday's Washington Post. It shows the temper of the country, and it shows how we have disregarded it. I read from the Washington Post of August 5:

RITES MAY CAUSE RIOT—BUTTE WAITS TENSELY FOR SLAIN I. W. W.'S FUNERAL TO-DAY—HAYWOOD ORDER PORTENTOUS—NATIONAL LEADER ORDERS LYNCHED MAN BURIED ON "FIGHTING GROUND"—4,000 EXPECTED TO FOLLOW VIGILANTES' VICTIM TO GRAVE SIDE—CARMEN'S STRIKE ADDS TO GRAVITY.

BUTTE, MONT., *August 5.*

Perched high among her copper hills, the picturesque mining town of Butte was to-night waiting, tense, for the developments that to-morrow may bring.

Torn with dissatisfaction, strike, labor troubles, lawlessness, near-rioting, the city wondered to-night if the funeral of Frank W. Little, Industrial Workers of the World executive, will be the spark that will set aflame the smoldering tinderbox of hatred.

Four thousand Industrial Workers of the World are expected to follow the body of the vigilantes' victim to the grave.

The plan to bury Little near his home in Oklahoma was altered because of a telegram from W. D. Haywood, national secretary of the Industrial Workers of the World, reading: "Bury the body on the fighting ground." Arrangements were made at once for the burial of Little in a Butte cemetery.

NO MINISTER TO TAKE PART.

Death masks and photographs were made to-day of Little, who was lynched here Wednesday morning. The funeral services will be in charge of the Industrial Workers of the World. No minister will take part, it was said.

Troops here to guard the mines since America entered the war probably prevented actual violence following the finding of Little's body dangling at the end of a rope from a railway bridge Thursday morning.

CARMEN NOW ON STRIKE.

Excitement was allayed by the reaction which followed, and miners flocked back to work. Conditions were apparently approaching normal when, on advice from Haywood, the industrialists changed their plans and announced that a public funeral and demonstration would attend burial of Little's body. This development, coupled with a walkout to-day of all street-car men, again created chaos.

Another angle which promised possibilities of developing a riot was the invitation issued to-night by those in charge of the funeral arrangements for the entire membership of the Pearse-Connolly Club to attend in a body. The membership of the organization is made up of sympathizers of Irish independence, most of them openly anti-English.

RAILROAD MEN CAUSE EXCITEMENT.

Four railroad men carrying a rope near the scene of the trestle from which Little was lynched threw the city into excitement early to-day.

Two automobile loads of policemen, armed with rifles, went to the scene and scoured the neighborhood in the belief that another lynching was in progress. The railroad men, however, soon convinced the officers that they were at the trestle on legitimate business.

In the adjoining column there is a news dispatch from Oklahoma:

Two men are killed in Oklahoma draft riots; North Carolinians arming; Georgia slackers active; posses gather at Sasakwa for final blow at mobs in hills—

And so on.

In the same edition of the Washington Post, in the Post of yesterday, I find the following:

SLASH IN COAL PRICES—WILSON AND CABINET TAKE STEPS TO CUT HIGH COST OF LIVING—AT BOTTOM OF LABOR TROUBLES—STRIKE CONCILIATORS SAY DISPUTES BEGIN WITH EXPENSES OF LIVELIHOOD—ADMINISTRATION EAGER TO HAVE FOOD-CONTROL BILL PASSED—REDUCTIONS PROMISED THOSE DISGRUNTLED.

Slashing reductions in the price of coal may be expected within a week. They will come none too soon to ease the mind of President Wilson and his Cabinet advisers, who are more gravely concerned at the moment with the relation between the high cost of living and labor unrest than with any other war problem.

I pause to remark that that is distinctly so. The big problems that are engaging the attention of the administration at this time are labor problems. If any member of the Senate thinks that strikes should be prohibited, let him introduce a bill in the Senate and refer it not to the Committee on Agriculture, but to the Committee on Education and Labor. Let us consider the matter and find out just what the facts are and report a bill that will meet the difficulty as it exists. That is a very different thing from accepting a bill for food control from the Committee on Agriculture and letting it slip through with this very drastic provision, and you have not even the excuse of ignorance, because I called it to the attention of the Senate and made a short speech on the subject the day the amendment was offered. The Senate adopted the amendment without a division, and they had the right to believe that the conferees would adhere to it in the conference. I continue to read:

In its cost investigations the Federal Trade Commission has found that high coal costs are the basis of almost every other high cost.

HIGH COST CAUSES LABOR UNREST.

The Labor Department has found high living costs at the bottom of every one of the labor troubles which it has succeeded in temporizing during the last month.

I comment again. Those gentlemen in easy circumstances who say that strikes should be prohibited during the war do not understand the situation. They may have in mind the strike of the switchmen at Chicago last month. I want to tell you how that strike arose. There has been for some years past a provision that railroad employees who are addicted to intoxicating liquor shall be discharged. The railroad brotherhood have accepted that rule, known as Rule G, and various railroad men have been discharged for intoxication. The principal reason for this switchmen's strike the other day was that the railroad took back two men who had been discharged for intoxication and put them in as foremen over temperate men who had been in the service of the railroad all the time. Is there anyone in the Senate who thinks so poorly of labor that he would not want the men to have the right to strike when the railroad undertook to put that sort of a thing over on them?

It is because the country faces the most serious industrial disturbances unless living costs are reduced that the administration is so vigorous in its insistence on the passage of the food-control bill and the prosecution of the Trade Commission s cost investigations—

That is, the administration is anxious to put this food-control bill through so as to lower the cost of living for laboring men, and at the same time there has crept into the bill a provision which will prevent laboring men from striking to force their wages up in proportion to the higher cost of living. Continuing:

The importance of this matter can hardly be minimized.

Secretary Wilson has said the whole industrial unrest is due to the high cost of living.

The workman whose pay envelope formerly provided his month's rent, his living bills, and a dollar or two over now finds himself hard put to it to pay for the barest necessities. In each instance of labor trouble which the Labor Department has investigated within the last month it has found this condition at the bottom of the trouble.

The conciliators of the department have so far been able to persuade the workingmen to keep on at their tasks, but in every instance they have held out the promise of a reduction of living costs. Should this fail to be effected, the situation would be nationally serious.

MUST PREVENT HIGH RENTS.

The Labor Department is already in possession of information warranting the most serious concern on this score. Last winter, when coal prices soared, landlords throughout the country sought to raise rents. They are already planning to meet this situation ahead of time this year when leases are renewed in October.

The Labor Department is extremely anxious that the coal determination be made before this time, for universal increases of rents then would stir up trouble.

I now wish to read from an editorial in the Washington Post of August 1, putting the matter very fairly. It is entitled "Labor concessions."

Large concessions must be made by organized labor if American industries are to be brought to maximum strength after the National Army has been organized.

I agree to that. The administration is already calling on organized labor to make large concessions, and in the same breath with which it asks for those concessions it removes from the laboring men the guaranteed right to peacefully strike that we gave them less than three years ago. No business man would make large concessions when his rights to bare existence are denied him in the same breath. I continue:

There are to be no general exemptions at the coal mines, the shipyards, or in the war industries. The case of each individual will be considered on its merits. If a man can be replaced in an industry, he will go into the Army.

In making replacements the industries will be seriously hampered unless organized labor gives its complete cooperation. If the unions take a stand against the employment of unskilled men or men who are not members of the unions, there will be no opportunity for replacements without incurring the danger of strikes.

Unskilled men will have to be trained to fill the places of skilled men yielded by industry to the Army. The foremen and trained workmen will be called upon to train the newcomers. Without their cooperation the gaps can not be filled

It is essential to success in war that all the basic industries and the munitions factories should increase their productive capacity. It will not be sufficient to maintain them at their present capacity. Nevertheless, even though these industries are working below capacity now, many of their men will be taken by the Government for the Army, and the problem of replacement looms large.

Only by the whole-souled cooperation of the American Federation of Labor and the patriotic zeal of every workman in the country can the needs of the Nation be met.

In the administration act organized labor is to be met in the spirit of wholesome and hearty cooperation, and at the same time this bill is passed that takes away from the workingman the only chance he has to force a living wage.

Mr. WADSWORTH. Will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from New York?

Mr. HOLLIS. I yield.

Mr. WADSWORTH. The Senator is making in my judgment an exceedingly strong point on this particular phase of the proposed legislation. I desire to ask him if he can inform the Senate as to what statutes or regulations, if any, with respect to the right of strike have been enacted by Great Britain during this war? I will say, in following up my question, I have understood that organized labor in Great Britain has made great concessions, as the Senator has indicated organized labor should make here, and that also employers in Great Britain have made concessions, and the Government stood between with its authority and succeeded in getting some sort of an agreement to meet the conditions of labor and the different difficulties that ordinarily would arise in time of peace. I was wondering if the Senator has any information with respect to the right of strike in Great Britain during the war.

Mr. HOLLIS. I have complete information carefully compiled, edited at an expense of several thousand dollars by some public-spirited citizens of my State. I presented it to the Senate about a month ago. It has been pending before the Committee on Printing ever since. I have attended at four or five different times set for a hearing. I have been unable to get a majority of the committee present to consider the matter, and those who have been present have been unwilling to allow me to poll the committee, although I know that a large majority are in favor of printing it. I wanted it printed so that I might use it for this speech. I have been unable to get action from the Committee on Printing. There is a great mass of material giving the labor laws as to industry and transportation, giving the experience of England as to how the law has worked; it is upon the table of the Committee on Printing and I can not get action. I wish that I might answer the Senator more directly. It is there, it is available, but I do not know what it is, because I have not been able to look at the manuscript.

Mr. WEEKS. Mr. President——

Mr. HOLLIS. I yield to the Senator from Massachusetts.

Mr. WEEKS. A few minutes ago the Senator from New Hampshire made a statement which I intended to ask a question about, but I was called from the Chamber. As long as he is interrupted now I wish to ask him under what circumstances two men were employed by a railroad or railroads in Chicago, who had been discharged or were accused of the excessive use of intoxicants and made foremen and placed over men who were temperate? Ordinarily railroads will not employ men who use intoxicants to excess or in many cases use them at all. It is a remarkable statement which I think might well be explained.

Mr. FLETCHER. If the Senator from New Hampshire will allow me, before he answers the question of the Senator from Massachusetts, inasmuch as reference has been made to the Committee on Printing, and I was for some time the chairman of that committee and am still a member of it, I think it is fair to state that I have been present at the meetings at which this document has been submitted for consideration, and I have been in favor of printing it, but some of the members of the committee have been necessarily absent, and it has been very difficult to get a quorum of the committee present. There was a meeting called for this morning for the consideration of this very subject, but on account of the absence from the city of some of the members and the absence on business of others, we were unable to get a quorum. I think the committee will act on the matter as soon as we can get a quorum. That is the situation, and I wish to say that, as far as I am concerned, there has not been any neglect or default on my part.

Mr. HOLLIS. What the Senator from Florida says is absolutely true. He has been present at every meeting, and he has done everything possible to get a favorable report. I know that. I said what I did say very much as the minister in church always scolds those who are present because of the

absentees. But it is an important matter, and I wish that the committee would take enough interest to get that English experience series printed.

Now, returning to what the Senator from Massachusetts [Mr. WEEKS] said, the railroads did inaugurate Rule G providing that a man who was addicted to the use of intoxicating liquor should be discharged. The railroad brotherhood have accepted that rule. They do not object to it. These men were discharged because they used intoxicating liquors to excess; but I can not explain the fact any more than to say that the two men were reemployed by the railroad in violation of that rule, and were not only reemployed, but were put in as foremen over the heads of men who had remained on the pay roll in good standing all the time. I do not know why the railroad company did it except——

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield further to the Senator from Massachusetts?

Mr. HOLLIS. I yield further.

Mr. WEEKS. Can the Senator inform the Senate what road it was?

Mr. HOLLIS. No; I can not inform the Senate. It was stated in the newspapers which railroad it was. I have forgotten. All the names sound alike to me.

Mr. WEEKS. The statement is so remarkable in its character and so contrary to the general policy of railroads that it seems there must be some circumstances relating to it of which the Senator from New Hampshire has not been informed.

Mr. HOLLIS. There is the difficulty. Whenever there is a strike it is always assumed that the employers are all right, especially if they are a railroad, and the men are all wrong. That is exactly the point I was trying to emphasize. To say that I do not believe in strikes in war time is to say nothing. You believe in strikes that are justified, but you do not believe in strikes that are not justified. The only way to determine whether a strike is justified or not is to inaugurate a strike and have an investigation and then public opinion will back that part of the strike which is right.

Mr. CUMMINS. Mr. President——

Mr. HOLLIS. I yield to the Senator from Iowa.

Mr. CUMMINS. My attention was diverted for a moment. The question propounded by the Senator from New York [Mr. WADSWORTH] did the Senator from New Hampshire answer fully? I think he asked what the legislation of Great Britain is upon this subject and whether there had been any modification of it during the present war.

Mr. HOLLIS. I did not answer it because I do not know what the answer is. It is contained in the manuscript I presented to the Committee on Printing, and I hope it will be printed, so that we may all see it.

Mr. CUMMINS. I have some information upon that subject, although it may not be entirely accurate.

Mr. HOLLIS. I would be glad if the Senator would give it.

Mr. CUMMINS. I know what the legislation of Great Britain was prior to the beginning of the war. It is much more advanced and much more favorable to organized labor than any legislation of the United States. The statute of Great Britain provides practically that the law of conspiracy, so far as labor disputes are concerned, is repealed and that it shall be lawful for two or more to do anything with regard to labor disputes that it is lawful for a single individual to do. That is about as broad and general an emancipation from the law of conspiracy as it is possible to conceive.

That statute remains unimpaired, as I am informed, except as it is affected by the Government ownership and operation of certain industries. The impairment is simply the implied impairment which grows out of the disinclination of men to strike while they are in the service of the Government.

I do not believe, so far as private employment is concerned, the statute to which I have referred has been in any wise modified or changed. I have given some little attention to the matter, and therefore I venture to make this suggestion. The last observation is, of course, not the result of a complete examination of all the statutes of Great Britain since the war began, but I have examined the general war regulations of Great Britain sufficiently to be reasonably sure that the statute has not been amended in any way.

Mr. HOLLIS. I thank the Senator for his contribution to this discussion.

I will now read the last paragraph of the editorial I was reading some time ago:

> No better opportunity has ever been presented to the labor forces of America to give the world an example of patriotism. In England and France labor has responded loyally. There is every reason to believe that American labor will meet the test with characteristic patriotism.

I think no one will accuse the Washington Post of being unduly favorable to the claims of organized labor. I think its statements are fair; I think they are moderate; and when American labor is meeting the test with all the decency and patriotism of which it is capable, when it is doing it with such a high cost of living that the actual wages received by labor are 25 or 30 per cent less than they were two years ago, it is a slap in the face for the Congress of the United States to withdraw from labor under this bill the right to strike by peaceable methods.

Organized labor has been very much ignored by the administration so far in this war. No member of organized labor has been put upon the committee on railroads of the Council of National Defense. No member of organized labor has been put upon the committee on coal or any of the other of those special committees. It is true that after the first organization a special committee on labor was organized, with Mr. Gompers at the head, but they have no way of engaging with the other committees that really do business.

Mr. Gompers has behaved in the most high-minded and patriotic way throughout this war. He is having his troubles and he will have his troubles, particularly if this bill goes through without the labor amendment that I offered and which the Senate adopted.

Last fall both political parties were very anxious to get the labor vote. Speeches were made by the candidates showing that they were in favor of allowing labor to strike by peaceful means. President Wilson in his Shadow Lawn speech said:

> The time has not yet come in this country when a man will be compelled by force to continue to work in any capacity.

The President is not asking now for any legislation to prevent peaceful strikes. He has had a chance to do so several times during this session of Congress. The bill to prohibit strikes on railroads was up for consideration by the Committee on Interstate Commerce. No message came to me that the President desired to have it passed. The President made a speech at Philadelphia not very long ago in which he reiterated his belief in the right of labor to strike to improve the condition of labor and to increase its wages. When the priority of shipments bill was before the Senate and this matter was up for discussion no message came from the President saying that he wanted it. The reply made then, when I called attention to that bill, was that it really did not prohibit strikes. It was agreed to here because Senators did not believe in prohibiting peaceful strikes, but they did not believe that bill did it.

Mr. JOHNSON of California. Mr. President——

Mr. HOLLIS. I yield to the Senator from California.

Mr. JOHNSON of California. Because of my very intense interest in what the Senator is saying, and because of my sympathy with the position that he takes, I wish to ask him if he has examined at all a bill that has recently been introduced—Senate bill 2734—and if he is familiar with the purpose of that particular bill?

Mr. HOLLIS. I do not know what the bill is. Will the Senator read the title?

Mr. JOHNSON of California. It is a bill to amend an act entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes," approved June 15, 1917.

The portion of it that is determinative is section 6a:

> The President in time of war, or in the event of any other emergency which in his opinion justifies such action, may, by proclamation, prohibit all persons, not authorized by proper agents of the Government to do so, from entering upon places which the President may in said proclamation designate, classify, or describe as of importance in connection with the national defense, or from loitering within such distance thereof as he may prescribe.

Then follows the penal clause.

Mr. HOLLIS. I am not familiar with the bill; it has not been brought to my attention; but I wish to say that the bill did not contain a tenth part of the danger that this bill does. The bill that the Senator has read is an administrative bill, to be administered by the President. He will be the one to say where loitering would not be permitted, where interference would not be permitted. He could exercise his humane judgment on the question. But the bill we are passing to-day is a bill that makes it a criminal offense for laboring men to engage in the usual peaceful method of a strike. Anyone can go to a justice of the peace and swear out a warrant and have such a man prosecuted and put in prison. It does not need the President or the administration to set the wheels turning. Any employer of labor may have a strike stopped instantly by merely threaten-

ing the labor union that he will invoke the penal clause if the strike is ordered.

Mr. HARDWICK. Does the Senator say that the bill could be enforced locally?

Mr. HOLLIS. I think it would be enforced locally. I do not know why not.

Mr. HARDWICK. I doubt that.

Mr. HOLLIS. I was not speaking of the procedure. I have not had the benefit of criminal practice myself, and I do not know a different method by which they would get at it without waiting for the President to inaugurate proceedings.

Mr. SHEPPARD. Is it the opinion of the Senator that the conferees thought the language to which he is directing his remarks would have the effect he speaks of?

Mr. HOLLIS. Yes; the reason given to me was that the conferees believed that peaceful strikes should be prohibited during the war. That is all the satisfaction I got.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Missouri?

Mr. HOLLIS. I yield.

Mr. REED. Is not that entirely new matter in this bill?

Mr. HOLLIS. No; it was in the bill that came from the House. It is in section 4. It is the provision against hoarding.

Mr. REED. The Senator from New Hampshire introduced that amendment, and it was agreed to by the Senate and was stricken out in conference.

Mr. HOLLIS. Yes.

Mr. REED. I was obliged to be out, and I did not hear that part of the Senator's remarks.

Mr. CHAMBERLAIN. Mr. President, I do not know who made that statement to the Senator as to what transpired in the conference. I do not remember having heard that statement at all.

Mr. HOLLIS. Was the Senator present when this was acted on?

Mr. CHAMBERLAIN. I was not present at the time. The statement may have been made, but in discussing it with some members of the conference committee with whom I talked, they expressed the opinion that it was not necessary to retain it in the bill; but there was no statement made at any time, in my hearing, that peaceful striking ought to be prohibited during time of war. I never heard that intimated until the suggestion was made here.

Mr. HOLLIS. I do not know how far we have a right to go into the deliberations of committees of conference, but I can not find anyone yet who voted to strike out my amendment. I have not been able to find a member of the committee who was willing to father that action.

Mr. CHAMBERLAIN. I stated that if I had been there I might have voted to recede in order to reach an agreement. I just happened to be out for a moment. I will state my views about the matter when the Senator is through.

Mr. HOLLIS. Mr. President, I hope that some member of the conference committee will rise in the Senate and give some excuse, feeble though it may be, for rejecting this amendment. I have not heard such action defended. I have not heard of anyone who voted against the amendment, and I can not find anyone. I should be ashamed to admit, if I had been on the conference committee, that I voted to strike the amendment out.

Labor has been pretty hard hit under this war. I have already once related to the Senate an experience I had during the last campaign in Manchester, N. H., the only city of any size in the State. I was there to make a political speech and I was waited upon by 15 or 20 men and women, who asked me to use my influence to get the troops sent back from the Mexican border as soon as possible. I went down and talked to each one individually. There was not a professional man or a business man among them. They were laboring people—respectable people, neat-appearing people, but laboring people. Every one of them had a husband or a son or brother upon whom he or she was dependent. That was before we became involved in the war. These poor people were actually starving for the necessaries of life away back last October when this Nation, richer than it had ever been before, was going right along about its regular business—"business as usual." It was borne in upon me then with greater force than ever before that the pains and sufferings of war fall with crushing effect on poor people; those who are right on the fringe of existence.

However, we passed the selective-draft bill. I was in favor of it. I was in favor of it because it would compel the rich to fight their part of the war the same as the poor people; but it is hard to make the poor people, when they see that they constitute nine-tenths of those drafted, believe that the burden is fairly imposed.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Florida?

Mr. HOLLIS. I yield.

Mr. FLETCHER. Mr. President, bearing on that subject, I desire to say that I have before me a bulletin of the United States Bureau of Labor Statistics, whole number 222, on the subject of "Hours, Fatigue, and Health in British Munition Factories." The bulletin states "that treasury agreement as to trade-union rules affecting restriction of output—conference at the British treasury, March 17, 18, 19, 1915." It also sets out the proposals agreed upon as the result of the conference. It is not very long, and I believe, if the Senator from New Hampshire would allow, it would be quite appropriate to have it inserted here. It only comprises a page and a half of the bulletin I hold in my hand.

Mr. HOLLIS. I should be glad to have the Senator ask that that should be done.

Mr. FLETCHER. In the conference were David Lloyd-George, Walter Runciman, and Arthur Henderson, chairman of workmen's representatives; also William Moses, secretary of workmen's representatives. The first article provides:

During the war period there shall in no case be any stoppage of work upon munitions and equipments of war or other work required for a satisfactory completion of the war.

Then, there are other provisions which bear directly on the subject under consideration. If the Senator will allow me, I should like to ask to have inserted in the RECORD these proposals agreed upon as the result of the conference with the English Government, together with the names appended to the agreement.

Mr. HOLLIS. I shall be very glad to have that done by the Senator.

The PRESIDING OFFICER. There being no objection, the matter referred to will be inserted in the RECORD. The Chair hears none.

The matter referred to is as follows:

PROPOSALS AGREED UPON AS RESULT OF THE CONFERENCE.

I. During the war period there shall in no case be any stoppage of work upon munitions and equipments of war or other work required for a satisfactory completion of the war.

All differences on wages or conditions of employment arising out of the war shall be dealt with without stoppage in accordance with paragraph II.

Questions not arising out of the war should not be made the cause of stoppage during the war period.

II. Subject to any existing agreements or methods now prevailing for the settlement of disputes, differences of a purely individual or local character shall, unless mutually arranged, be the subject of a deputation to the firm representing the workmen concerned; and differences of a general character affecting wages and conditions of employment arising out of the war shall be the subject of conferences between the parties.

In all cases of failure to reach a settlement of disputes by the parties directly concerned or their representatives or under existing agreements, the matter in dispute shall be dealt with under any one of the three following alternatives as may be mutually agreed or, in default of agreement, settled by the board of trade:

(a) The committee on production.

(b) A single arbitrator agreed upon by the parties or appointed by the board of trade.

(c) A court of arbitration upon which labor is represented equally with the employers.

III. An advisory committee representative of the organized workers engaged in production for Government requirements shall be appointed by the Government for the purpose of facilitating the carrying out of these recommendations and for consultation by the Government or by the workmen concerned.

IV. Provided that the conditions set out in paragraph V are accepted by the Government as applicable to all contracts for the execution of war munitions and equipments, the workmen's representatives at the conference are of opinion that during the war period the relaxation of the present trade practices is imperative, and that each union be recommended to take into favorable consideration such changes in working conditions or trade customs as may be necessary with a view to accelerating the output of war munitions or equipments.

V. The recommendations contained in paragraph IV are conditional on the Government requiring all contractors and subcontractors engaged on munitions and equipments of war or other work required for the satisfactory completion of the war to give an undertaking to the following effect:

Any departure during the war from the practice ruling in our workshops, shipyards, and other industries prior to the war shall only be for the period of the war.

No change in practice made during the war shall be allowed to prejudice the position of the work people in our employment or of their trade-unions in regard to the resumption and maintenance after the war of any rules or customs existing prior to the war.

In any readjustment of staff which may have to be effected after the war, priority of employment will be given to workmen in our employment at the beginning of the war who are serving with the colors or who are now in our employment.

Where the custom of a shop is changed during the war by the introduction of semiskilled men to perform work hitherto performed by a class of workmen of higher skill, the rates paid shall be the usual rates of the district for that class of work.

The relaxation of existing demarcation restrictions or admission of semiskilled or female labor shall not affect adversely the rates customarily paid for the job. In cases where men who ordinarily do the work are adversely affected thereby the necessary readjustments shall be made so that they can maintain their previous earnings.

A record of the nature of the departure from the conditions prevailing before the date of this undertaking shall be kept, and shall be open for inspection by the authorized representative of the Government.

Due notice shall be given to the workmen concerned, wherever practicable, of any changes of working conditions which it is desired to introduce as the result of this arrangement, and opportunity of local consultation with men or their representatives shall be given if desired.

All differences with our workmen engaged on Government work arising out of changes so introduced, or with regard to wages or conditions of employment arising out of the war, shall be settled without stoppage of work, in accordance with the procedure laid down in Paragraph II.

It is clearly understood that, except as expressly provided in the fourth paragraph of Clause V, nothing in this undertaking is to prejudice the position of employers and employees after the war.

D. LLOYD-GEORGE.
WALTER RUNCIMAN.
ARTHUR HENDERSON,
Chairman of Workmen's Representatives.
WM. MOSES,
Secretary of Workmen's Representatives.

TRADE-UNIONS REPRESENTED AT THE CONFERENCE.

Friendly Society of Iron Founders.
British Steel Smelters' Association.
Amalgamated Society of Engineers.
Federation of Engineering and Shipbuilding Trades.
National Transport Workers' Federation.
General Union of Textile Workers.
Amalgamated Society of Carpenters and Joiners.
Boilermakers and Iron and Steel Shipbuilders' Society.
Ship Constructors and Shipwrights' Association.
National Amalgamated Sheet Metal Workers.
United Operative Plumbers' Association.
Gasworkers and General Laborers' Union.
General Union of Carpenters and Joiners.
United Patternmakers' Association.
National Amalgamated Furnishing Trades Association.
National Amalgamated House and Ship Painters and Decorators.
National Union of Railwaymen.
Parliamentary Committee Trades-Union Congress.
Boot and Shoe Operatives' Society.
United Machine Workers' Association.
Associated Iron and Steel Workers of Great Britain.
National Amalgamated Union of Labor.
The Workers' Union.
Amalgamated Toolmakers.
Shipbuilding Trades Agreement Committee.
General Federation of Trade-Unions.
Electrical Trades-Union.
Associated Blacksmiths and Iron Workers.
Associated Ironmolders of Scotland.
National Amalgamated Cabinetmakers.
Steam Engine Makers' Society.
General Union of Braziers and Sheet Metal Workers.
Scottish Painters' Society.
Sheet Iron Workers and Light Platers' Society.
National Brass Workers.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Utah?

Mr. HOLLIS. I yield.

Mr. KING. Mr. President, I was called out of the Chamber during the first part of the remarks of the Senator from New Hampshire, and doubtless he has covered the ground that will be embraced in my question; but, with his indulgence, I should like to submit this interrogation to him: Do I understand the Senator from New Hampshire to contend that under the language found in section 4 of the bill as reported by the conference committee—and I will read it after I conclude the sentence—employees, whether members of labor unions or not, would be prevented from striking? The language to which I refer is as follows:

To conspire, combine, agree, or arrange with any other person, (a) to limit the facilities for transporting, producing, harvesting, manufacturing, supplying, storing, or dealing in any necessaries.

Is that the language which the Senator from New Hampshire contends would prevent a strike; and if a strike were had, would subject the striking employees to the pains and penalties provided in the bill?

Mr. HOLLIS. Mr. President, that is the language. That language does not in terms prohibit a strike, but it does render liable to State prison any two officials of a labor union who arrange with each other to call a strike in any of these specified industries; and if the officials of the labor union can not arrange for a strike, that prevents the efficient use of a strike.

Mr. KING. Mr. President, if the Senator will pardon me, it would seem to me that, taking into consideration the subject matter of the legislation and the object of the same, and also keeping in view the preceding language of section 4 and also the concluding part of the same section, it is reasonably certain that it does not cover employees; it seems clear to me that the object of this section is not to reach those who may be employees or those who might participate in a strike. The preceding part of the same section indicates that the section is aimed to prevent hoarding and monopolies in respect to the things therein referred to; to prevent discriminatory and unfair deceptive or wasteful practices; to prevent unjust or any unreasonable rates or charges in handling or dealing in or with any of the commodities denominated "necessaries" that are covered by the bill. The punctuation and construction of the sentence must be considered. It will be observed that there is no period following the declared purposes of the section, but immediately following the language to which I have just referred, the words "to conspire, combine, agree, or arrange with any other person, to limit the facilities for transporting, producing, harvesting, manufacturing," and so forth, would seem to be limited entirely by the context and would apply only to those acts referred to which are denominated offenses. I have very hastily read the section, but do not believe that any court would construe it as preventing employees from striking, or would subject them to pains and penalties if they should combine to strike.

Mr. HOLLIS. Mr. President, exactly the same argument as the distinguished Senator from Utah has just made was made on the floor of the Senate and on the floor of the other House when the Sherman Antitrust Act was passed. Let me remind the Senator that the Sherman Antitrust Act was passed not to prevent strikes but to prevent monopolies. It was supposed it would prevent manufacturers and railroads from conspiring to raise the price of the necessities of life. No one dreamed that any lawyer would be ingenious enough to torture the language of the Sherman Antitrust Act into such form as would prevent labor organizations carrying out their legitimate functions, but I believe the very first time it was sought to impose the terms of that law it was done against labor unions and not against the monopolists it was intended to curb.

If the distinguished Senator from Utah were to be the judge before whom I should have to come for violating the terms of this proposed statute, I should have great hope that I would get a square deal and might stay out of jail, but unfortunately the Senator is in the Senate, and I might come before a judge who had very different ideas. Being an humble laboring man, I would very much rather have a provision in the bill to place the matter beyond doubt.

Let me suggest to the Senator, if the bill means what he says it does, that I do not see any harm at all in allowing my amendment to stay in.

Mr. KING. In reply to the Senator from New Hampshire, I will say that if I had been on the conference committee I should have insisted that the provision remain in the bill. If I thought the bill were susceptible of the construction which the distinguished Senator from New Hampshire places upon it, I should vote against the report, and I may vote against it anyway, for that reason and other reasons.

Mr. HOLLIS. Mr. President, I am very much encouraged by what the Senator from Utah says. I am sure that if he had been on the commitee of conference he would have voted to retain this amendment. I am sure if the members of that conference were to meet to-day they would retain it. They did not know what they were doing; they did not think; they did not realize.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Oklahoma?

Mr. HOLLIS. I yield.

Mr. GORE. I do not know that I share the sanguine faith expressed by the Senator from New Hampshire in the conferees. I rose really to express my regret that the Senator from Utah [Mr. KING] was not a member of the conference committee. I rather think that the Senate conferees might have tattooed on their foreheads the word "recede" that all who run may read it—I will not say a sort of mark of Cain. However, I wish to say further, while I am on my feet, that a House member of the conference committee did say that they wanted nothing in the bill to permit strikes, and that they wanted to prevent strikes in time of war. So I think perhaps there was a good deal of premeditation on the part of certain conferees in connection with the very point which the Senator is now urging upon the consideration of the Senate.

Mr. CHAMBERLAIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Oregon?

Mr. HOLLIS. I yield.

Mr. CHAMBERLAIN. Mr. President, there is not very much in this conference report that the Senator from Oklahoma thinks is right. As a matter of fact, while he is tattooing into the foreheads of Senators who receded the word "recede," there might be tattooed in the Senator's forehead and in the foreheads of some others the word "obstruct."

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Oklahoma?

Mr. HOLLIS. I yield

Mr. GORE. I should like to say, Mr. President, that the food-survey bill reached the Senate on May 29. It was immediately

referred to the Committee on Agriculture and Forestry, of which I am chairman. That committee was immediately assembled upon my call. The bill was immediately reported to the Senate, and the bill passed the Senate on June 1, the third day after it came to this body from the House of Representatives. I say that not only to vindicate myself—that is of but little consequence—but in order to vindicate the Senate against the imputation of delay.

On the morning of June 15 the President requested me to call upon him at the White House. I did so. He stated that it was his desire that the food-control bill should proceed to consideration in both bodies simultaneously, in the interest of economizing time. I suggested that the bill was not an eligible bill to originate in the Senate. It contained a taxing clause, and, in order to be a valid law, it must originate in the House of Representatives. I assured him, however, that I had no disposition to delay the consideration of the measure. I told him that I could not vote for the bill, but that I had no purpose whatever to obstruct its immediate consideration.

That morning I came to the Capitol and telephoned the Senator from Oregon, suggesting that he introduce the bill that day. He did introduce the bill on June 15. I called the Senate Committee on Agriculture to meet the next morning, and, without changing a word in the bill, it was reported to the Senate on June 16. Sir, was that obstruction?

I did not use the stiletto; I did not fight from ambush; I fought in the open field. The day I reported the bill to the Senate I asked the Senator from Oregon to assume the management of the measure on the floor. I stated to the Senate that I thought the management of the bill ought to be intrusted to friendly hands. Much as I was opposed to the measure, I was not willing to be myself liable to the suspicion of mismanagement or of an attempt to murder the measure under the false show of friendship.

On June 23 the House of Representatives passed the food-control bill. On June 25 the bill came to the Senate and was referred to the Committee on Agriculture. I appointed a subcommittee that afternoon to consider the measure. The subcommittee deliberated all day on June 26, and on the morning of June 27 I assembled the entire committee, and the committee reported the bill to the Senate the selfsame day. I ask the Senator from Oregon was that obstruction?

Much more consideration could have been given that measure, and with infinite profit. On July 10 the Senator from Oregon asked unanimous consent to take a vote on the measure on July 21. Any one Senator could have objected. It was a request for unanimous consent. I could have objected; any obstructionist could have objected. I interposed no objection. Whatever delay occurred between that date and the vote was incident to the unanimous-consent agreement.

Mr. President, I was opposed to this measure. I was in favor of the Senate amendments. I thought the measure was immeasurably improved by the deliberations of the Senate and by the amendments which were adopted in the Senate; that it was rendered infinitely better and infinitely less liable to objection than it was when it came to this body from the House of Representatives. I immediately assembled the conference committee, and on no occasion did I interpose the slightest delay, the slightest obstruction to their meeting, and to the continuous consideration of that measure in conference.

The imputation of obstruction can not be laid at my door. I think it would have been wise to have retained many of the Senate amendments. They were stricken from the measure over my protest. In the conference I regarded myself not merely as a Senator but as the agent, as the delegate, as the representative of the Senate. I felt that I ought to retain in the measure the deliberate will of the Senate as expressed here by repeated votes and by overwhelming majorities. I did not recede; I did not betray the trust committed to me by this body. I did take charge of the conference committee. I felt then and I feel now that I was quite as well qualified to represent the Senate, its wishes, and its amendments as the Senator from Oregon, who had favored the measure without the Senate amendments. The history and results of the conference justifies this confidence and this conclusion.

Mr. CHAMBERLAIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Oregon?

Mr. HOLLIS. I yield.

Mr. CHAMBERLAIN. Mr. President, there are two ways to obstruct. One is by the use of a bludgeon, and the other is by the use of a stiletto. It is true, as the Senator says, that when this bill was introduced in the Senate it was introduced by me at his request, but there has not been a time since I did so that the distinguished chairman of the committee has not used a stiletto on the bill whenever he had an opportunity to do so. I say that without unkindness, but I say it is true just the same.

The Senator speaks of having referred this bill to the subcommittee on a certain date and that the subcommittee was called together at his request. After he had done me the honor to place me in charge of the bill, and after a majority of the members of the committee had signed a call for a full meeting of the full committee to consider it, he refused positively, and appointed and called the subcommittee of which he speaks together—one, too, of his own choosing.

Mr. President, not only is that the case, but while the bill was committed by him to my charge on the floor of the Senate, because he was opposed to it, the Senator absolutely maintained control of the committee; and when the conference committee was appointed, if you please, the Senator undertook to name the members of the conference to suit himself and his views, out of the usual order and contrary to the manner of appointment under the practice of the Senate. Then when the conferees met the chairman of the committee, although he was known to be hostile to the bill, although it was known by me and other members of the committee that he opposed it from the time it was introduced until this very moment, took charge of the conference as chairman of the committee and obstructed in every way possible the prompt consideration of the bill.

I say these things, Mr. President, in view of the statement made by the Senator that because some of the Senate conferees, after having sat for a week in an effort to agree upon a bill and to sustain the amendments put on by the Senate, following the rules of this conference and all other conferences between the two bodies, finally receded in order to reach an agreement, after having been in conference from Thursday until Wednesday—that because some of the Senate conferees who were anxious to get this bill before Congress for action in compliance with the demands of the people of the country and of the President, who is responsible for the conduct of this war, they must forsooth have branded on their foreheads the word "recede."

Mr. President, I had rather be charged with following in the footsteps of the distinguished President of the United States in the conduct of this war, crawling, if you please, on hands and knees in order to win the same, than to stand in opposition to him and to be continually consorting, conspiring, and treating with the enemies of the Commander in Chief of the Army and Navy of the United States.

To those Senators who have been opposing the President not only in reference to raising an Army but in properly supplying it I will say that their illustrious example is being followed by men in humbler walks of life, opposing the selective draft, and all measures for properly raising and equipping an army, resulting in some States in riot and bloodshed.

Mr. President, I appeal to the Senate now to end this discussion at the earliest possible moment and put this bill through, so that, for good or evil, it may find a place on the statute books and that the President may have an opportunity to undertake to put it into execution.

Mr. HOLLIS. Mr. President, I think there is no way in which I could emphasize the very strong feeling I have as to the provision of this bill now under discussion than by objecting to the adoption of this conference report. I believe it is the first time I have every opposed anything that the administration has wanted. I lay myself open to the imputation in the press of the country of obstructing the passage of the food bill, although I dare say that there is no man on the floor of the Senate who has helped to advance it any more than I have. Therefore, Mr. President, it does emphasize the spirit that moves me to object to the elimination of this special provision from this bill. I do it not because of any preconceived notions of my own but because I am absolutely certain it will lead to serious trouble, serious trouble that we might well avoid, serious trouble that ought not to be fomented by a provision of this kind, particularly after the attention of the Senate and of the country has been called to it.

Mr. SHEPPARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Texas?

Mr. HOLLIS. I yield.

Mr. SHEPPARD. Will the Senator read the language of the amendment which he proposed when the bill was under consideration in the Senate and which was afterwards stricken out in conference?

Mr. HOLLIS. The amendment was as follows:

SEC. 26. That nothing in this act shall be construed to repeal, modify, or affect either section 6 or section 20 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

Section 6 of the Clayton Act provides merely that nothing in the Sherman Antitrust Act shall be construed to prohibit the ordinary functions of farmers' unions and labor unions. Section 20 provides that no injunction shall be issued by a Federal court to prevent a strike carried on in the usual way unless it is affirmatively shown that irreparable injury is likely to occur. It then provides that no injunction shall be issued to prevent peaceful picketing or persuasion or other ordinary legitimate methods of striking.

Mr. SHEPPARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield further to the Senator from Texas?

Mr. HOLLIS. I do.

Mr. SHEPPARD. Does not the Senator think that, if necessary, such an amendment can be enacted subsequently as substantive and independent legislation?

Mr. HOLLIS. I think it might, but I should dislike to undertake the contract of getting it through both Houses at this time. I think the situation may be so serious that the administration will have to take hold and insist on having it passed. If so, it will go through; otherwise I doubt if it could be put through.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Oklahoma?

Mr. HOLLIS. I do.

Mr. GORE. Mr. President, I hesitate to interrupt the Senator further, but I feel that I ought to make one or two observations in view of the remarks of the Senator from Oregon. He has suggested that I appointed a subcommittee without deferring to his will. I acknowledge that I did appoint a subcommittee upon my own responsibility, because I had made a canvass of the Senate and had ascertained the objections entertained by the Senate to the bill. I desired to see if those objections could not be met and the bill placed upon the path to final passage in a much-improved form as compared with its character when it came from the House. I did appoint a subcommittee. I think every amendment but one recommended by the subcommittee to the whole committee was adopted by the whole committee, and afterwards the whole committee was forced to adopt that single exception. The Senate, as I remember, agreed to every amendment recommended by the whole committee which had previously been recommended to the whole committee by the subcommittee of my own appointment.

The Senator complains that I undertook to appoint the conference committee on behalf of the Senate. I did; and if I had been successful the word "recede" would not have been so conspicuous a legend upon the foreheads of certain Senators.

He complains that I undertook to appoint the conferees otherwise than in the order of their seniority upon the committee. That is true, Mr. President, but in that I violated no precedent. The conference committee on the food-survey bill was not selected in the order of seniority; and when that much-vaunted reform came over the Democratic side of the Senate some four or five years ago, the rule of seniority was abolished. There was no longer any rule or obligation requiring the appointment of conferees in the order of their precedence on a committee.

I was not so anxious to respect the ancient, iron-clad rule of seniority in selecting conferees as I was to have conferees who would in good faith stand by the action of the Senate, and who would not, as some of them did, back and fill and ultimately recede, as I had hazarded the prediction they would recede. I will not say that some of them were appointed to recede.

Mr. President, this is the extent of my offending in that regard. So far as it is the desire of the Senator from Oregon to "crawl like vermin in and out the crevices of the throne," that, sir, is a matter of taste. The Senator can consult his own feelings, and I shall not challenge his liberty to pursue that course. As a Senator of the United States and as a member of the conference committee I shall discharge my full duty as I see my duty. I shall accept the full responsibility; I shall accept the responsibility for my votes in the Senate, for my conduct in the conference. I shall not be driven from the path of duty either by the threats of power nor decoyed from that path by the smiles and the blandishments of power.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the Senator from New Hampshire further?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield further to the Senator from Oregon?

Mr. HOLLIS. I yield.

Mr. CHAMBERLAIN. Mr. President, I have no doubt that the Senator from Oklahoma will discharge his duty as a Senator as he understands his duty and as his conscience permits and directs, but, while he is touching upon that subject, let me say that this is not the first administration bill he has opposed. He has the right to do it; nobody questions that right; it is his duty to do it when he feels that his conscience calls him to do it; but the Senator seems to forget that the United States is at war with one of the most powerful nations on the face of the earth. Not only has he obstructed this measure, but he has obstructed other measures. If the Senator claims any glory because of that course, Mr. President, I call attention to the fact that because of his opposition to some of the measures that have been enacted here and the doctrines he has preached I suspect that a number of young men out in his State have been killed in riots in opposition to the selective draft. Whether or not he was instrumental in bringing about that condition I do not know, but well do I know that the very men who are resisting the enforcement of the law that was enacted by Congress for raising an army derive encouragement from the preachments of the Senator in the Senate and in other parts of the United States.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield further to the Senator from Oklahoma?

Mr. HOLLIS. Yes.

Mr. GORE. The Senator takes occasion to say that this is not the first measure that I have obstructed in the Senate. The Senator is rather liberal in his definition of the word "obstruction." I have demonstrated, I think to the satisfaction of every Senator who has any sense of justice, that I have not obstructed either the food-survey bill or the food-dictatorship bill. I have speeded both to their passage, and have passed that responsibility to those who have sought dominion over the industries of this country. I have undertaken to make the present bill constitutional, to make it effective, to make it practicable, and to render it, in my judgment, less calculated to work inevitable mischief than to work some sort of benefit to this country. I challenge the Senator to state what other measure I have obstructed on its passage through the Senate. I say he will try in vain to name it.

Mr. CHAMBERLAIN. I suggest the selective-draft bill, that was recommended——

Mr. GORE. I say that the Senator is again in error, and it shows his liberality not only in definition but, I had almost said, in the discussion of the fact.

Mr. President, for reasons which I need not mention I was not able to discuss the selective-draft measure upon its passage through this body. Under the five-minute rule I had the Secretary read at the desk a telegram to a newspaper in my State outlining my objections to that measure. The reading of that telegram required less than five minutes. Is that the offense for which the Senator arraigns me before the Senate and the country? Am I to be characterized as an obstructionist for opposing a measure revolutionizing the traditions of this country? I occupied less than five minutes. That five minutes was employed by the Secretary at the desk.

Mr. President, when the draft bill passed in 1863 during the Civil War there were 115 votes in the House for that measure. There were 49 votes against that measure in the House. There was much less division upon the passage of the recent measure, and as much as I opposed that measure—opposing it until the volunteer system had been given a trial—I disclaim as unfounded upon fact any imputation to the effect that I obstructed its passage.

Mr. President, there has been some resistance to the enforcement of the draft in the great young State which I have the honor in part to represent in this body. I issued an interview on yesterday, appearing in the morning papers, accounting, as I believe, for this resistance. It originated, as I am informed, among the Seminole Indians and the Seminole freedmen, being the negroes who were owned by the Seminoles when slavery prevailed in this country.

In the Indian appropriation bill passed last winter a provision was inserted providing for a payment of $200 per capita to these Indians and to their freedmen. The Comptroller of the Treasury ruled, however, that the payment could not be made on account of some ancient statute in relation to a school fund. The Indians felt that they had a grievance on account of the nonpayment of this money. They protested against fighting for a country—to use their own language—which would not vouchsafe to them their own rights. They had, as they believed, an accumulation of grievances; and I said in the interview, and I say now, that, at least so far as these people are concerned, they ought to be judged generously in this hapless protest against the law of the land.

Sir, I repeat, the Senate and the country must acquit me not only of obstruction but of any attempt to obstruct against the pending measure or against the selective-draft measure. But, sir, it is not necessary for me to disown that unfounded im-

peachment. The injustice of that charge, if not "known of all men," is at least known of all Senators.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. HOLLIS. I yield.

Mr. NORRIS. It seems to me, as a member of the Committee on Agriculture and Forestry who was neither on the subcommittee referred to that had this bill under consideration nor on the conference committee, that I ought to say just a word in relation to this controversy between the chairman of the committee and the Senator from Oregon.

Mr. President, it was known, I presume generally, that the chairman of the committee was opposed to the bill. I think no one would want to take away from the chairman his right to oppose it. No one denies but that he was conscientious in his opposition; but when it is said that he undertook to obstruct it, it seems to me that some one who was not on either one of those committees and who knows what happened ought not to permit this occasion to go by without telling what he knows in regard to it.

When this bill was referred to the Committee on Agriculture and Forestry and the chairman of the committee appointed a subcommittee to consider it, there might have been a discussion as to whether there ought to have been a subcommittee appointed or whether it ought to have been considered by the full committee. There is an opportunity for honest men to disagree as to which course ought to be taken. That a man can be patriotic and honest and anxious for expedition and take either course no man can deny.

When the chairman appointed that committee he put the Senator from Oregon [Mr. CHAMBERLAIN] on the committee, and I was left off the committee. He put other Members on the committee that were of shorter service on the committee than myself. I never for a moment thought of charging the chairman of the committee with being unfair. He was exercising a discretion that was right. There was nothing wrong about it, as far as I know. When he selected the conferees, again, he selected the Senator from Oregon as one of the conferees. Again he went over my head and put some one on the conference committee who was junior in service to me; and again it seemed to me that there could be no charge made of anything wrong in regard to it. He exercised an honest and a fair discretion.

The chairman of the committee did this first act, the selecting of the committee, without any hesitancy. As I remember, it was done the same day that the bill was brought here. There never was a bill that came from the House to the Senate that was brought up for consideration by the committee quicker than this one. It would have been an impossibility to do it quicker. That subcommittee were in session all day, as I happen to know. The next day the full committee was called. There was more expedition than some members of the committee thought was proper for a full consideration of the important subject that was brought before it; and I think I am in a position to make this statement, because if, in the parliamentary practice that has gone on in the past, there is anything in the rule of seniority, I have a right to complain. I want here and now to testify that it seems to me the chairman of the committee has expedited this matter as much as any man could expedite it who was in favor of it. I think if anything, when he knew he was opposed to it and the President was for it, that, as the saying goes, he leaned backward in order not to have any delay.

I have never yet heard any member of the committee even indirectly intimate that the chairman in any way delayed anything. We were in session the next day all day, as I remember, and, as the chairman has said, the amendments suggested by this subcommittee, with one exception, I think—I think there was not more than that—were all agreed to. I did not favor all of them. I did not agree and I suppose I will not agree with the chairman of the committee when it comes to roll call on this conference report, but I do not want to see any injustice done to the chairman; and unwittingly, I think, my friend from Oregon has done the chairman an injustice.

We were in session all that day. That one amendment—by the way, an amendment that the chairman himself favored—was defeated in the committee. Afterwards, through the influence of the White House, another meeting of the committee was called, and the action of the committee was changed, and that amendment agreed to.

I believe, Mr. President, that this much ought to be said by one who knows what the facts are, and who has not taken any part in the matter, in defense of the chairman's position. I have not agreed with the chairman on this bill in a great many respects from the beginning; but I have never, in all the discussions that we have had, seen an intimation of any unpatriotic act or any intention, even indirectly, to delay action and consideration. On the other hand, he has always favored and always urged immediate action, I thought sometimes without sufficient time for full consideration.

Mr. HOLLIS. Mr. President, there is only one test with which I am familiar by which to determine whether strikes should be restrained and curbed, and that is to determine whether labor is getting more or less in return for its efforts than it has been getting in the past.

The majority of laboring men are pretty close to the fringe of existence all the time. A death in the family, or a serious illness, is enough to set back most families of laboring people for several months, if not for a year. Now, if it should appear that wages have increased as much in the last two years as the cost of living, and strikes were everywhere prevalent, then it might be said with some justice that strikes should be restricted and curbed. I have accordingly taken pains to inform myself as to the relative advance of wages and the cost of living. I intended to read several paragraphs from the testimony before the Committee on Agriculture and Forestry of the Senate on this particular bill, but I will read only a very short portion, because the point seems to be pretty generally recognized.

I read from the testimony of Dr. Clyde L. King, an assistant professor of political science in the University of Pennsylvania. There was a food riot in Philadelphia, and because of the food riot Dr. King made an investigation of the wage question and the high-cost-of-living question and the labor-union question in Philadelphia. I invite the attention of the Senate to Dr. King's testimony. I will read merely his conclusions. He said, on page 105:

> The conclusion is clearly this: That money wages have not increased certainly over 20 per cent; that foods have increased around 27 to 33 per cent. In other words, the actual wage has gone down; and it is very clear—I am giving these figures here in order to drive home the necessity for national action—it is certainly very clear that the actual wage can not continue to go down without very great suffering and without real direful consequences.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Massachusetts?

Mr. HOLLIS. I do.

Mr. WEEKS. I think it would be of interest, in connection with what the Senator from New Hampshire has just been saying, to call to his attention the fact that the deposits in the Massachusetts savings banks last year were twice as great as they have ever been in the history of the State—that is, the increase in deposits over the previous year.

The deposits in the Massachusetts savings banks as nearly as possible represent the savings of labor. There are more than 2,500,000 depositors in a population of less than 4,000,000, and no man can have a deposit of more than $1,600 in the Massachusetts savings banks. It is not a place where men of wealth, or even of considerable means, leave their money, but it is the place where the average workingman does leave his savings.

For example, in the city of Lawrence, about which we heard a good deal two or three years ago—a city of probably less than 100,000 population, even under present conditions—there are three savings banks, and there are 30,000 deposits in one of them and practically as many in the other two; in other words, two-thirds as many deposits in savings banks in that city as there are people in the city.

I cite these facts simply to indicate that notwithstanding the high prices last year the workingman of Massachusetts was able to save twice as much as he has done in any previous year in the history of the State.

Mr. HOLLIS. Mr. President, I have heard everything in the world proved by the savings-bank statistics of Massachusetts. There is no doubt that Massachusetts usually gets her share of what is going along, and I think Massachusetts has had her full share of the profits that have been made out of this war in the past two or three years. I am talking about the country generally. The Senator may quote savings-bank statistics from now to doomsday, but he can not wipe out testimony such as I have just read. My own investigation leads me to believe that the cost of what is called the table in the family of the average workingman has nearly doubled in the past three years, and I know that wages have not increased more than 20 or 30 per cent.

Mr. President, I have explained that I regret that I must vote against this conference report. It does not mean that the bill must be killed if the conference report is rejected. It is evident from what has taken place on the floor of the Senate to-day that the Senate believes that this amendment should be replaced in the bill. I hope those who really believe it, and who see the necessity for it, will vote with me to reject the report. There is no doubt that if the report goes back to the conference

committee they will quickly restore this provision, and they may just as quickly report the bill back; and I am sure if it is reported back with that amendment restored the bill will promptly pass.

I say that because I want the Senator in charge of the bill to understand my great friendliness for him, my belief that he has acted throughout with the greatest consideration for me personally, and my hope that he will not consider it at all a personal criticism of him because I feel obliged, for good and sufficient reasons, to vote against the adoption of the report.

Mr. CHAMBERLAIN. Mr. President, I want to say to the Senator from New Hampshire—for whom I entertain the very highest regard, both as to his ability and as to his sincerity—that I do not believe it will do any good to refer this bill back to the conferees. I am frank to say that I never heard anyone say that this amendment was stricken from the bill in conference in order that strikes might be prohibited, if need be, during the time of this war.

In order to get the matter before the Senate, let me call attention to the amendment which the Senator from New Hampshire [Mr. HOLLIS] proposed on the floor of the Senate; and I think it was put into the bill by way of amendment, without much discussion, as I now recall. It is section 26 of the bill as it finally passed the Senate, and is as follows:

That nothing in this act shall be construed to repeal, modify, or affect either section 6 or section 20 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

Mr. President, the sections of the act approved October 15, 1914, to which that exception was intended to apply, are as follows. I read this in order that the context may be in the RECORD.

Section 6 of the so-called Clayton Act provides:

That the labor of a human being is not a commodity or article of commerce. Nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations, instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade, under the antitrust laws.

The bill under consideration does not in any way affect or repeal that provision of the law. Why refer to it, then?

The other section is section 20 of that act:

That no restraining order or injunction shall be granted by any court of the United States, or a judge or the judges thereof, in any case between an employer and employees, or between employers and employees, or between employees, or between persons employed and persons seeking employment, involving, or growing out of, a dispute concerning terms or conditions of employment, unless necessary to prevent irreparable injury to property, or to a property right, of the party making the application, for which injury there is no adequate remedy at law, and such property or property right must be described with particularity in the application, which must be in writing and sworn to by the applicant or by his agent or attorney.

And no such restraining order or injunction shall prohibit any person or persons, whether singly or in concert, from terminating any relation of employment, or from ceasing to perform any work or labor, or from recommending, advising, or persuading others by peaceful means so to do; or from attending at any place where any such person or persons may lawfully be, for the purpose of peacefully obtaining or communicating information, or from peacefully persuading any person to work or to abstain from working; or from ceasing to patronize or to employ any party to such dispute, or from recommending, advising, or persuading others by peaceful and lawful means so to do; or from paying or giving to, or withholding from, any person engaged in such dispute, any strike benefits or other moneys or things of value; or from peaceably assembling in a lawful manner, and for lawful purposes; or from doing any act or thing which might lawfully be done in the absence of such dispute by any party thereto; nor shall any of the acts specified in this paragraph be considered or held to be violations of any law of the United States.

Those are the provisions of the Clayton bill, supplemental to the Sherman Antitrust Act, which the Senator by his amendment proposed to have excepted from the operation of the pending food bill. As I understand the Senator, the particular part of the bill which he says would prevent peaceful picketing by labor organizations or peaceful strikes is covered in section 4 of the food bill, which provides that it shall be unlawful—

To conspire, combine, agree, or arrange with any other person (a) to limit the facilities for transporting, producing, harvesting, manufacturing, supplying, storing, or dealing in any necessaries.

Mr. President, there is not anything in this act, it seems to me, that would prevent labor organizations from peaceful picketing or the peaceful strike if they see fit to indulge in it; and while, as I said, I did not vote against the Senator's amendment, and I do not recall having been with the conferees when it was receded from, I would not have hesitated to do so in conference, because I think it unnecessary. It was insisted upon by the Senate conferees for quite a while and finally went out. I really do not know how many days it had been in conference before the Senate conferees finally receded. But, Mr. President, I have not any fear that in the administration of the food law anything would be attempted by the President or by the agencies which he has power to create under the act to prevent any labor or other organization from doing in a peaceful way all that they can now do under the Clayton law to protect themselves and their rights, without any saving clause in the bill under consideration. It is not necessary in this bill in order to protect those rights.

Mr. HARDWICK obtained the floor.

Mr. HOLLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from New Hampshire?

Mr. HARDWICK. I yield.

Mr. HOLLIS. If the Senator will permit me very briefly, the argument of the able Senator from Oregon does not meet the case at all. The provision of the food bill to which I have adverted makes it a distinct criminal offense for two of the officials of a labor union to arrange with each other to call a strike. If the officials of a labor union can not call a strike, a strike can not be effectively put into force. The provisions of the Clayton Act allow the ordinary procedures of labor unions to be carried out without the participants being held to violate the law. Therefore if the amendment stays out of this bill strikes will be effectively prohibited in the classes of industries that come under the purview of the bill.

Mr. HARDWICK. Mr. President, I shall vote against the conference report, and I propose to give the Senate briefly three reasons why I shall do so.

Before I give those three reasons, however, I wish to say in just a word, having due regard to the rules of this body and the proprieties of this occasion, because during my temporary absence from the city a Member of the House of Representatives, in gross violation of the rules of that body and in gross violation of the proprieties and decencies of parliameneary intercourse, undertook to criticize and assail not only myself but other Members of this body whose conduct and whose views on different questions failed to meet his august approval.

I shall not dignify this gentleman—and I use the word in a strict parliamentary sense, as the rules of the Senate require it—by any particular attention at my hands. The statement that he made about me was positively untrue, namely, that I had held up the aviation bill 10 days. I offered an amendment and spoke nine minutes on it, and this distinguished gentleman at the other end of the Capitol said I had held up the aviation bill for 10 days! Well, of course, a man who speaks so loosely as that, and with so little regard both for the proprieties and for the truth, is not worthy of reply. I think it is better for things of that sort to be passed over. He violated the rules of the body to which he belongs, anyway.

Of course it is a matter of very deep regret to me, of very real regret, that my conduct as a Member of this body does not meet with the approval of that distinguished personage, but somehow or other I will try to get along without it. It will grieve me terribly to have to do it, but I will attempt to continue to discharge my duty in this body without very much concern for his opinion or for him. I care nothing for either.

There are three reasons why I am opposed to this conference report. There are three besides the first one I am going to mention, so there are really four. I want to be perfectly candid with the Senate. I am against this bill, and therefore I am against the conference report. The same reasons that impelled me to vote against this bill when it was put on its passage impel me to oppose the adoption of the conference report, because I think the bill is fundamentally and structurally wrong and can not be made right. I am very much more against the conference report, however, than I was against the bill that we passed in the Senate, because I believe this bill is an infinitely worse bill than the one that the Senate voted up a week or so ago, and I am going to give three reasons why I think so.

In the first place, I do not know how other Senators feel, but I am willing to bestow all the dictatorial power, all the one-man power, that can be enacted or that any Senator can desire when it comes to the prosecution of a military and naval campaign, when it comes to military operations against the foe, but I am utterly unwilling now, as I have always been, to assent to the one-man-power proposition in our ordinary civil and civic affairs. In Prussia, in Russia as it was under the Romanoffs, in some of the foreign countries where autocracies exist, it may be all right to have food dictators or food controllers or whatever else you want to call them, but as far as I am concerned I confess I am old-fashioned enough, democratic enough, American enough, not to like this one-man-power business. I infinitely prefer a board of three. There is more

balance to it; there is more chance to avoid mistakes; there is more chance that the board so constituted will not be guilty of arbitrary, despotic, and unfair conduct. You at least are addressing yourself to the intelligence and integrity of three men rather than one.

The Senate thought so by an overwhelming vote—almost two to one. My recollection is—I have not the figures before me—that the vote was about 50 to 33.

Mr. GRONNA. There were very few votes against the board; I think not to exceed 12 votes.

Mr. HARDWICK. I think the Senator is wrong. My recollection is that the amendment was sustained by two or three to one.

Mr. JOHNSON of California. The first vote to which the Senator refers was 66 to 10. I recall it because I was one of the 10.

Mr. HARDWICK. Then the verdict was more overwhelming than I thought. I thought the final vote that was the real test on the question was about 54 to 32, or something like that. Anyhow, the RECORD will show. But the fact remains the Senate voted for the amendment by an overwhelming majority. I think about two to one. The Senator from California thinks on an equally significant vote it was almost six to one in favor of this proposition of a board of three instead of one to constitute this board or this dictatorship or this controllership, whatever you may wish to call it.

Now, what reason have we to change our minds in so short a time? What has happened to cause us to change it? What change has come over the spirit of our dream? Can any Senator avow it? Can any Senator give us the reasons now why the Senate ought to so completely reverse itself in so short a time on so well considered a proposition? If there is a reason, it does not appeal to me. It is not founded in logic. It is not founded, in my judgment, on any change of conviction on the part of any Senator. I think the Senate ought to maintain its position. I do not think it ought to agree to this conference report, because the conferees deliberately surrendered the position of the Senate on this matter, taken after a long struggle over this question and after a full understanding of it. When conferees do that, and do it in my judgment unnecessarily, then I do not think we ought to accept their work when they submit it to be approved by the body of which they are the agents.

Second, I am opposed to the adoption of this conference report because the conferees have stricken from the bill the provision for a committee to supervise war expenditures. That was another proposal adopted by the Senate by an almost two-to-one vote.

Mr. President, if that committee had been proposed in the same language that a similar committee was constituted during the Civil War and if its jurisdiction had extended beyond guarding and examining and looking into the expenditure of the money that we appropriate, and might have trenched upon the conduct of the war generally, as far as military and naval operations go, the selections of generals and admirals and other things that ought to belong exclusively to the executive department, then I could understand how Senators or people outside of this body, and even outside of Congress, might have opposed it. Frankly I could not have supported such a proposal myself. I do think, opposed as I am to conferring despotic power on the Executive, that when it comes to military matters the Executive ought to have full power, and I am ready to vote to give it at any time; but how on earth anybody could object to Congress appointing a joint committee to go over the expenditures, to see as far as we can how the money that we appropriate is spent, and to see that it shall be spent in no other way except as the law provides, and economically spent—I say, how anyone anywhere could oppose any such proposition is beyond my comprehension.

It seems to me that any President of the United States would be more than glad to share responsibility of this kind with a joint committee of Congress. It seems to me that any executive of any country on this earth, carrying the awful load of responsibility in respect to matters of this kind that the executive must carry and carrying it as he must with the aid of hundreds and thousands of men whom he must appoint to help exercise the executive authority, would be glad to have Congress look into these expenditures and do all it can to keep everything right and straight.

So I can not understand the opposition to the appointment of a joint congressional committee, whose functions shall be limited entirely and solely to the expenditures of the money that Congress has appropriated. I can not see why the conferees should have found it necessary to again abandon the position that the Senate had taken by an overwhelming vote.

Now, there is a third reason why I think the conference report ought to be rejected. It grows out of the licensing section—section 5, I believe. It is found on page 8 of the conference print.

Mr. President, I do not want to take up any considerable part of the Senate's time, so I am not going to read all this language to the Senate. Senators who are interested in the subject have the provisions of the section as reported by the conferees before them or they can readily obtain access to the printed copy that contains it.

When the bill was before the Senate originally a great many of us thought that the licensing section was the most dangerous as well as the most unnecessary of all the powers conferred. So in response to that sentiment developed on this floor the Senate committee first, and the Senate itself finally, very much limited the licensing section, specifying a few, and only a few, articles and commodities to which it should be applied. It went to conference in that shape. But it comes out of the conference in a form and shape that is, if anything, more objectionable than the original language of the House bill. It confers broader powers, more despotic powers, more autocratic powers over American business than the original proposal did, if such a thing as that is possible. After all, I think I shall read it:

SEC. 5. That from time to time, whenever the President shall find it essential to license the importation, manufacture, storage, mining, or distribution of any necessaries, in order to carry into effect any of the purposes of this act, and shall publicly so announce, no person shall, after a date fixed in the announcement, engage in or carry on any such business specified in the announcement of importation, manufacture, storage, mining, or distribution of any necessaries as set forth in such announcement, unless he shall secure and hold a license issued pursuant to this section. The President is authorized to issue such licenses and to prescribe regulations for the issuance of licenses and requirements for systems of accounts and auditing of accounts to be kept by licensees, submission of reports by them, with or without oath or affirmation, and the entry and inspection by the President's duly authorized agents of the places of business of licensees.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. HARDWICK. I yield.

Mr. GRONNA. In the interest of accuracy, if the Senator will permit me, I have here the official vote of the Senate upon the question whether there should be one administrator or a board of three.

Mr. HARDWICK. I would be glad if the Senator would give the figures.

Mr. GRONNA. On the amendment offered by the Senator from Colorado [Mr. SHAFROTH]——

Mr. HARDWICK. For one.

Mr. GRONNA. For one—in the Committee of the Whole, the vote was as the Senator from California [Mr. JOHNSON] has stated, yeas 10, nays 63. When the bill was reported to the Senate another amendment for one was offered by the Senator from Wisconsin [Mr. HUSTING], and that amendment was rejected by a vote of 60 to 23.

Mr. HARDWICK. The final vote was 60 to 23—over 2 to 1. I thank the Senator for putting the figures into the RECORD in the interest of accuracy.

Now, Mr. President, going on just one moment with the licensing section, a more despotic, autocratic, and unnecessary power over the great businesses and industries of the people of a free country was never conferred in the history of all time, in my judgment, on anybody—king, emperor, kaiser, president, or what not—than is suggested in this bill. It is unnecessary; utterly so. What Senator has stood before the Senate or the country giving any reason for this broad licensing power? Are we to be told that in a free country we are to surrender all the business of the country to the control of the Executive authority, to be carried on according to the will of one man, and that we ought to do it without the slightest showing being made on earth that there is any necessity for it or that it has any real or direct connection with the prosecution of the war?

Ah, Senators, I can see how if an invading army was sweeping this country, I can see how if it was necessary from the standpoint of the preservation of the Nation's life, I can see how if the Senate thought it was necessary in order to perpetuate the Government itself, almost any power might be granted. The Constitution itself is broad enough to permit it, and the war powers are vast enough and deep enough and strong enough to permit it.

In order to accomplish it we do not have to do like some Senator has suggested—suspend the Constitution—because the Constitution itself contains all the elements of any needed and necessary power for the prosecution of this or any other war. But it does seem to me that before we undertake to delegate this vast authority over American business of every kind and character everywhere, from a blacksmith shop to a department store, it would be just as well for us at least to believe ourselves that it has some real and direct connection

with the war, and there is some real necessity in the interest of the country, its Government, and its people to do it.

For one, before I can vote for any such proposition as that, which is a complete reversal of all the principles of the American people—which is Prussianism, in my judgment, instead of Americanism—it will have to be shown to me pretty plainly, pretty clearly, pretty distinctly, and pretty convincingly, that the interests of the Nation are really involved, that the life of the country itself is at stake, and that this is really a part of the necessary defense of the country itself. No such showing as that has been made, or even attempted, and in its absence it is incomprehensible to me how any Senator of the United States can think of voting such vast, arbitrary, and unnecessary powers.

For all those reasons, Mr. President, I believe the conference report ought to be rejected, and I shall so vote.

Mr. WOLCOTT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Delaware?

Mr. HARDWICK. I yield, although I had concluded what I rose to say.

Mr. WOLCOTT. I wish to ask the Senator from Georgia a question. The Senator is opposed to the adoption of this report for three reasons, one of which he states to be the elimination of the proposed joint committee to supervise war expenditures. I understood the Senator to say that he would be opposed to a joint committee which undertook in any wise to participate in the problems directly connected with the conduct of the war.

Mr. HARDWICK. Or the war itself.

Mr. WOLCOTT. I should like to ask the Senator what he thinks such a committee as is proposed by the Senate amendment would do?

Mr. HARDWICK. Would the Senator like to have an answer now?

Mr. WOLCOTT. Yes.

Mr. HARDWICK. My idea is that such a committee would go over all the expenditures we have made to see how they are spent. The committee would investigate whether the purposes designated in the bill were within the compass of the law and whether the money had been honestly spent for the purpose authorized by law or not. In other words, the committee would do all in its power to secure an honest, economical use of the money for the purpose for which it had been appropriated.

Mr. WOLCOTT. Do I understand the Senator to concede that the committee would act as a sort of legislative auditing committee?

Mr. HARDWICK. Somewhat so.

Mr. WOLCOTT. Does the Senator think it necessary for Congress to appoint Senators and Representatives to act as auditors?

Mr. HARDWICK. I think it is very necessary sometimes. I have seen a great many instances in my 20 years' service where it did a great deal of good.

Mr. WOLCOTT. Let me put a hypothetical case to the Senator. Suppose the committee that is proposed should begin to investigate as to how the $640,000,000 appropriated for the Aviation Corps was being expended, and should discover that a certain type of flying machine was being bought by the department, and suppose this committee of Senators and Representatives thought it ought to be another type of machine bought, does not the Senator think that that committee could address itself to the consideration of that subject strictly under the authority conveyed by the amendment?

Mr. HARDWICK. I think not. I do not think they would have any such power. The amendment was not framed for any such purpose as that. It is not designed for any such purpose as that, and it could not be done, under its language.

Mr. WOLCOTT. The language is:

> It shall be the duty of said committee to keep itself advised with regard to the expenditure of all appropriations bearing on the conduct of the war made by Congress and the contracts relating thereto made by officers of the executive department, and it shall be the duty of the executive departments, on request, to keep said committee fully advised as to such expenditures and contracts.

I call the Senator's attention to this fact, that the Joint Committee on the Conduct of the Civil War had no power on earth except to investigate.

Mr. HARDWICK. The Senator is greatly mistaken.

Mr. WOLCOTT. What power had it?

Mr. HARDWICK. I have not the language now. If the Senator from Massachusetts [Mr. WEEKS] were here he would give it. They had a great deal of power to consult and investigate.

Mr. NELSON. Will the Senator let me answer that?

The PRESIDING OFFICER. Will the Senator from Georgia yield to the Senator from Minnesota?

Mr. HARDWICK. Certainly.

Mr. NELSON. The chief power of that committee during the Civil War was to assist and make post-mortem findings upon defunct generals.

Mr. HARDWICK. Upon defunct generals and lost campaigns. That was their principal purpose.

Mr. WOLCOTT. It was an investigating power.

Mr. HARDWICK. No; it was a committee appointed on the conduct of the war. That is its specific language. It was a committee "on the conduct of the war."

Mr. NORRIS. Mr. President——

Mr. HARDWICK. I yield to the Senator.

Mr. NORRIS. In conversation with members of the conference I think there will be no secret in saying that those who favored the amendment were perfectly willing, if the language gave any power as to the conduct of the war, to recede as far as that was concerned and confine it exclusively to the duty of looking into the financial expenditures.

Mr. HARDWICK. Undoubtedly, and that was exactly what this proposition meant. It was purposely changed before we voted on it from the language employed in the creation of the Civil War Committee. Some of us who supported this proposal realized the difficulties and dangers and disadvantages of adopting a proposal of that sort, but in this proposal, the one offered finally by the junior Senator from Oklahoma [Mr. OWEN], it was expressly, by its language, limited to an examination into expenditures, and possibly the word "contracts" was put in also—expenditures and contracts. It did not have the very general language relating to the conduct of the war which authorized the Civil War Committee, as pointed out by the distinguished Senator from Minnesota [Mr. NELSON], to sit as a sort of post-mortem board on defunct generals and lost campaigns.

Mr. WOLCOTT. Mr. President, if the Senator will yield to me further——

The PRESIDING OFFICER. Does the Senator from Georgia yield further to the Senator from Delaware?

Mr. HARDWICK. I yield.

Mr. WOLCOTT. The Committee on the Conduct of the War in the Civil War did not confine itself to matters in the nature of post mortems. It undertook to interfere with the organization of the Army. One thing I distinctly remember was not in the nature of a post-mortem investigation, but the committee of Senators and Representatives set themselves up as military authorities as to how to organize an army.

Mr. HARDWICK. If the Senator will allow me, the Senator need not worry himself about the language creating that committee. We are not so much concerned with that as we are with the pending proposal. The words "the conduct of the war" were not included in the language of the pending proposal. It was not proposed to give this committee any power on earth, except the power to look into expenditures and contracts.

Mr. WOLCOTT. Yes, Mr. President; but, if I may submit a further observation, it seems to me to be plain common sense that if a committee is to investigate expenditures which have been made by the departments of the Government the pursuit of that power will lead its nose into every activity of the Government, and it can pursue its investigations just as far as the money is spent. That seems to me to be plain.

Mr. WILLIAMS. It is a committee to smell the Executive.

Mr. WOLCOTT. That is what it is—a committee to snoop around. It is what we might call a collection of Paul Prys to run around and see if the United States Government, through its executive branch, is spending the money in a way which meets with the approval and judgment of that committee.

Mr. HARDWICK. Mr. President, I beg the Senator's pardon.

Mr. WOLCOTT. I am taking the Senator's time.

Mr. HARDWICK. Go on.

Mr. WOLCOTT. I care not what the language of the resolution is. The fact of the matter is that if the committee can investigate expenditures it can investigate the purposes for which the expenditures are made and can report to Congress its views upon the wisdom of those expenditures for those particular purposes and can air before the country all of the activities of the Executive in the conduct of the war. That is what it seems to me the particular committee provided for in this amendment, which the conferees have left out, in substance was authorized to do. I care not for the form of it, but it seems to me that the language written into the bill by the Senate, being the substitute offered by the Senator from Oklahoma [Mr. OWEN], was nothing more nor less in substance than the creation of a committee similar to the committee on the conduct of the war during the Civil War.

Mr. HARDWICK. Mr. President, I had not intended to say another word about the matter, but, of course, the views stated by the Senator make it necessary that I should submit one or two additional observations. It seems to me as though it were a matter of plain common sense that the Congress of the United States has a right to inquire how $17,000,000,000 which it shall have appropriated is being spent. It seems to me that it has come to a pretty pass if the Congress of the United States can not propose to do that without being arraigned as trying to snoop around at the Executive or, to use the coarser term, to smell around him.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Oklahoma?

Mr. HARDWICK. Yes; I yield to the Senator from Oklahoma.

Mr. GORE. Let me ask the Senator from Georgia if he does not think if the Government is paying $35 a thousand for lumber with which to construct cantonments, while private individuals can buy it at $22.50 a thousand, that is a legitimate subject of inquiry? If the Government is paying $40 apiece for rifles, while it used to pay only $17.90, is that not a legitimate subject of inquiry? If the Government is buying lumber in Texas for a military post in Atlanta, Ga., instead of buying it in Georgia, is not that a legitimate subject of inquiry?

Mr. HARDWICK. Mr. President, the Senator from Oklahoma might specify, I presume, to even a greater extent than he has done. His specification is but an illustration, and a very brilliant one, too, of the necessity for this committee. What amazes me beyond comprehension is how any executive can object to it. Prying around! They had better want somebody to pry around before the lid blows off. Snoop about! Every friend of the President of the United States in this Chamber, and in this land, had better pray that he may have all the assistance that it is possible for him to have from every honorable source to keep these expenditures down to an honest and legitimate basis, to keep down grafting and stealing. I say that we have fallen upon evil days, and the Congress of the United States has sunk to a low estate if we can not claim the right to see how the money which we appropriate is being spent, and whether or not it is being honestly spent, without being charged with being Paul Prys and snoopers.

The Senator from Delaware insists, in spite of the fact that his attention has been specifically directed to the difference in language, that this is the same proposal that gave so much trouble in the Civil War. With all due respect to the distinguished Senator from Delaware, he has nothing on earth to do but to read the language of the two proposals and to put them in parallel columns, and there is not a schoolboy 16 years of age in his State or in mine who will not see the difference. In one case specific authority to inquire and to advise about the conduct of military operations was conferred upon the committee.

Mr. WOLCOTT. May I interrupt the Senator?

Mr. HARDWICK. Yes; I yield to the Senator with pleasure.

Mr. WOLCOTT. I think I have somewhere here the resolution creating the joint committee on the conduct of the war in 1861.

Mr. HARDWICK. If the Secretary will send me the original Weeks's proposition I can show the Senator the scope of the resolution which created the committee on the conduct of the war.

Mr. WOLCOTT. I should like the Senator to point out—I find I have it not here—where in that resolution is there specific authority to look into the conduct of military and naval operations of the United States?

Mr. HARDWICK. If I can get the proposal originally submitted by the Senator from Massachusetts I will show it to the Senator from Delaware.

Mr. WOLCOTT. I have the resolution of the Senator from Massachusetts right here.

Mr. HARDWICK. The original proposition of the Senator from Massachusetts [Mr. WEEKS] is in the very language in which the resolution was enacted during the Civil War. It reads:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That a joint committee shall be appointed composed of six Members of the Senate—

And so on—

to be known as the "Joint Committee on the Conduct of the War."

That was the same language which was used in 1861 or 1863, whenever it was that resolution was passed.

The membership of such committee shall be designated by the respective committees which select the members of the regular standing committees. Such committee shall sit during the sessions or the recesses of Congress, shall make a special study of the problems arising out of the war, shall confer and advise with the President of the United States and the heads of the various executive departments, and shall make report to Congress from time to time in its own discretion or when requested to do so by either branch of Congress.

Mr. WOLCOTT. Now, will the Senator yield to me?

Mr. HARDWICK. Yes.

Mr. WOLCOTT. The Senator from Georgia made the statement that the committee constituted during the Civil War was specifically authorized to inquire into military and naval operations. Where is that specific authority found in the resolution which the Senator from Georgia has just read?

Mr. HARDWICK. The language is:

To be known as the "Joint Committee on the Conduct of the War."

Mr. WOLCOTT. Yes.

Mr. HARDWICK. Well, the resolution also provides that the committee—

shall make a special study of the problems arising out of the war.

That is as broad as language can make it—not only the problems of expenditure or of contracts, but problems of all sorts, military, naval, and everything else. If the Senator from Delaware will read the history of that period—of course, I suppose he has done so; I do not mean that suggestion in an unfriendly way or in an uncomplimentary way—he will find that they did assume such authority under that resolution, and that their authority to assume it was not questioned by the Chief Executive, who repeatedly and continually conferred with them about first appointing one general or deposing another and about how this, that, or the other should be done in the way of military or naval operations. Undoubtedly, if the Senator pleases, that is the history of the Civil War committee. It not only had, in my opinion, from the language of the resolution, the authority to be consulted fully about all the problems of the war of all sorts, military as well as financial, that grew out of the Civil War, but it actually assumed and exercised such authority. Of course, the Senator from Delaware must see and must concede that the proposal which was recently submitted to the Senate by the distinguished Senator from Oklahoma [Mr. OWEN] expressly and purposely cut out all that and specifically and particularly confined the operations of this committee to expenditures and to contracts made under congressional appropriations.

I can not see, with all deference to my friend, that there is anything at all similar in the two proposals; I can not see, with all deference to any Senator who is inclined to take the other view, how any Senator of the United States, how any member of the Cabinet, how anybody who belongs to any branch of the Government can object to Congress undertaking to find out how and why the money of the people is being expended.

To tell you the honest truth about it, if we were inclined to take a selfish view, if we were inclined to shirk the duties and responsibilities that belong to us, it would probably be wiser for us to have nothing to do with it and to let the responsibility rest entirely and solely upon the Executive of this country; but, in spite of what the Executive himself may think, in spite of what other people may believe, my own belief is that the Senate and House of Representatives ought to shoulder and share the responsibilities of this character whenever they think proper to do so, whether they are requested to do it or not, or even if it is desired that they should not do so. In other words, I think we owe a duty and a responsibility to the people of the United States, whose money we alone can appropriate, that we can neither shirk nor evade, in this matter.

I can really see no legitimate reason, according to my way of looking at the matter, why anyone should oppose it. It seems to me that any President of the United States would be glad enough to have all the checks and balances and restraints thrown about this business that it is possible to have, when we are spending these tremendously vast and unprecedentedly enormous sums of money, because, at best, no matter what anybody may do and no matter what everybody can do, something of course is going to go wrong when so much money as that is being spent. We ought to minimize that possibility as much as we can; we ought to put as many restraints on the people who are spending this money as possible; we ought to have as many people to whom they are responsible and by whom they can be held accountable and to whom they must account as is possible. The deterrent effect alone is worth a great deal.

Mr. CHAMBERLAIN. Mr. President, will the Senator object to having read in the RECORD at this point the views of Mr. Lincoln with reference to the Joint Committee on the Conduct of the War during the Civil War?

Mr. HARDWICK. I would rather the Senator would do it in his own time, because, as I have just pointed out to the Senate, that has no more relation to this problem than the North Pole to the South Pole—none in the world—and the Senator can not find anything in Lincoln's works or in any expression from Lincoln anywhere that will amount to anything when it is remembered that the committee sought to be created at this time is not a committee on the conduct of the war and has nothing to do with the appointment or demotion of generals and admirals or the military or naval operations, but is solely confined to expenditures and to contracts made under appropriations granted by Congress.

Mr. CHAMBERLAIN, Mr. WILLIAMS, and Mr. WOLCOTT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield, and, if so, to whom; or, has he released the floor?

Mr. HARDWICK. Unless the Senator from Delaware desires to interrupt me, I will yield the floor.

Mr. WOLCOTT. I desire to get the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oregon.

Mr. CHAMBERLAIN. Mr. President, as throwing some light on the subject that is now under discussion, I ask that the Secretary be permitted to read an editorial from the New York World entitled "In the Light of History," which discusses the activities of the Committee on the Conduct of the War during the Civil War.

The PRESIDING OFFICER. The Senator from Oregon asks unanimous consent to have the editorial named by him read. Is there objection.

Mr. WILLIAMS. Mr. President, would the Senator object to having that read as soon as I get through, instead of having it read now?

Mr. CHAMBERLAIN. I have no objection.

The PRESIDING OFFICER. The Chair understands the Senator from Oregon yields to the Senator from Mississippi.

Mr. WILLIAMS. Mr. President, what the people of the United States and what the country now would rather see than the appointment of this joint smelling committee would be, if such a thing could be organized, a committee on the conduct of Congress. I do not know how other Senators feel, but I am rapidly reaching the stage where I am, during this war at any rate, neither a Democrat nor a Republican, and I believe the country is rapidly reaching the stage where they think Congress ought to confess that it is divided into two parties, one in favor of supporting the hands of the United States, holding them up while this war is going on, and the other in favor of resorting to every technicality and parliamentary rule possible for the purpose of criticizing, injecting suspicion, arousing distrust, and giving, not confidence and hand-upholding, but the very opposite of it to the administration, the Government of the United States.

Mr. President, I want to emphasize a fact which every 16-year-old schoolboy, to use the language of the Senator this evening, knows. This Congress already has power to investigate the expenditure of every item of appropriation made by it. I do not remember how many standing committees on expenditures there are in this august body, but we have a Committee on Expenditures in the State Department, a Committee on Expenditures in the Treasury Department, a Committee on Expenditures in the Department of Agriculture, and several other standing committees on expenditures in every department of the Government.

Mr. OVERMAN. Including a Committee on Expenditures in the War Department.

Mr. WILLIAMS. Yes; Committee on Expenditures in the War Department and in the Navy Department, the two together taking in the whole war, of course, and if there is anything else remotely related to it the other expenditures committees take that in.

Senators argue as though, if we did not establish this smelling committee, we would have no authority to find out what had become of the money which we had appropriated, when, if they know anything about the rules of the Senate at all, they know better. They furthermore know that any morning on any day any Senator can come in here and move the appointment of a special committee to investigate a special matter, and that any Member of the House may do the same thing.

Either this proposed committee is intended for something broader and more remote and more ulterior and less confessed than appears upon its face, or else it is unnecessary. If it is merely a committee for the investigation of expenditures under appropriations of Congress, it is absolutely unnecessary, and if it have any ulterior purpose, what is that purpose? I said if it have. I put it in the subjunctive because I do not want to be unfair. If it have any ulterior purpose, what is that ulterior purpose? Ah, it is to display as existent, in this body, suspicion and lack of trust in the Executive, whose duty it is to carry on the war, as it was the duty of Congress to declare it.

There may be beyond that, for all I know, the purpose of creating distrust or suspicion if they do not already exist.

I do not know how the President of the United States feels about this matter. I know how Lincoln felt about a similar committee in his time. Under apparently innocent language providing for investigating the problems of the war that committee, made up of old Ben Wade and a number of others, undertook to direct the military and naval operations of the United States. Mr. Lincoln, a long-suffering, patient man; a man with the utmost intellectual humility, felt hurt to the core, although he did not veto the legislation constituting that committee. I repeat that I do not know how the present President feels, but I know how I would feel if I were President and you passed such a measure. I would veto it quicker than I can snap three fingers, and I would tell you that the American people had elected me Chief Magistrate and Executive of this country, and I was responsible to them in my executive functions, except in so far as you have the right to investigate, and, if necessary, to impeach; that I regarded it as a vote of lack of confidence, which you had no right to pass and which I would disregard by the power of veto; that, in so far as it was necessary to keep this country honest in its expenditures while the war was going on, by God's grace I would attempt to do it to the best of my ability, and whenever I found that I was helpless I would call upon you and upon the American people for help; but I did not think it was right beforehand, under the guise of doing that which you have a right to do any morning in the day, through your standing committees or through your special committees, to send out word to the American people that I had to be watched, smelled; that Congressmen and Senators had to sit around and judge of this contract or the other.

What would occur if you had such a committee? I will tell you one thing that would occur—what occurred during the Civil War, when many a so-called Christian statesman's name went down to eternal infamy. Why? Because every fellow that wanted to sell lumber or tents or uniforms or shoes to the Federal Government was constantly engaged in interviewing some member of the joint committee. "Here is a man that they have bought shoes from, or bought lumber from, and I bid something less," or "If I had furnished them there would have been a less freight rate," and that gave the Christian statesman a chance to operate, and the Christian statesman operated.

Thank God, that day has passed. That sort of thing would not happen now to the same extent, but this would happen: That committee would be dogged to death, as Congressmen and Senators are now dogged to death, by men who want to be introduced to one department or another in order that they may get a chance to make Army contracts. I had occasion not long ago to tell a young Member of the Senate, as the result of my experience of nearly a quarter of a century in public life, if he wanted to be sure of one thing in this world, never even to listen to a man that told him he wanted him to introduce him to somebody to get a contract.

Now I go back to the first point. Either this committee is not intended to do simply and solely and only what the language says, or else this committee is an unnecessary committee.

Mr. WOLCOTT. Mr. President——

The PRESIDING OFFICER. The Senator from Oregon has the floor. Does the Senator from Oregon yield to the Senator from Delaware?

Mr. CHAMBERLAIN. I yield.

Mr. WOLCOTT. Does the Senator think that this committee, under the language, has any power to conduct its investigations in such broad range as I indicated a moment ago?

Mr. WILLIAMS. Why, absolutely. If a committee is a committee upon investigation of the expenditure of appropriations, it may not only find whether an appropriation for Army uniforms was spent for uniforms or for shoes or for socks, but it may also go further and investigate whether or not the man who made the lowest bid or who had the lowest freight rate got the contract. It may go from that into every phase of the situation. It may also investigate whether the contract was given to the man who, even though he did not make the lowest bid, made the best bid, because he had the best article. The minute it goes into the subject at all, it sets itself up as a supreme court upon quantity and quality and price of articles bought. There can be no escape from it.

If any man have any doubt about what I have said, let him analyze the vote when it is finally cast. I say that if this be a committee for the purposes which the language says it is for, then it is unnecessary; and if it be something else than that, then its purpose is an attack, more or less concealed, upon the Executive. If any man have a doubt about that, let him analyze the final vote.

Mr. President, I now ask, in connection with this question, that the Secretary read at the desk an editorial from the New York World of two or three days ago, which has just been handed me.

The PRESIDING OFFICER. The Senator from Mississippi asks unanimous consent for the reading of an editorial. Is there objection? There being none, the Secretary will read as requested.

The Secretary read as follows:

IN THE LIGHT OF HISTORY.

Lincoln opposed the creation of the committee on the conduct of the war as "an unfriendly measure." He not only "expressed doubts as to the wisdom of the movement but also fears that the committee might, by unfriendly action, greatly embarrass the Executive."

He was compelled to accept it, however, because of the assurances given by Wade and Chandler that the committee purposed to cooperate with the Executive. Lincoln could not carry on the war without the support of the radical Republicans in Congress, and therefore had to get along with them as best he could.

Chandler's biographer boasted that "the committee soon became a second Cabinet council." "Its sessions were nearly perpetual." "Many of its transactions were never committed to paper, and, as its members were sworn to strict secrecy, will never be revealed."

Gideon Welles, Lincoln's Secretary of the Navy, described this committee as "a convenient machine to cover up what the War Department wishes to cover up, and it can be directed against those that the War Department would assail." Its attitude toward Lincoln may be judged from its report on Frémont's administration of the Western Department. Lincoln had properly revoked Frémont's premature and unauthorized emancipation order, but the committee unhesitatingly took sides with Frémont against the President. It praised Frémont's notorious bungling and incompetence as "eminently characterized by earnestness, ability, and most unquestionable loyalty."

The committee joyously whitewashed Butler for the Fort Fisher fiasco, in spite of Grant's deliberate judgment that it was "a gross and culpable failure." It is related by Sherman in his memoirs that while Butler was explaining to the satisfaction of the committee that Fort Fisher could not be taken by assault, a newsboy was heard shouting, "Extras." Calling him in, the committee found that Fort Fisher had already been taken.

The kind of military judgment that it brought to the conduct of the war may be inferred from a remark of Wade, its chairman, in 1862, when he said of the Army of the Potomac:

"These 160,000 men could whip the whole Confederacy if they were given a chance. If I was their commander, I would lead them across the Potomac, and they would not come back until they had won a victory and the war was ended or they came back in their coffins."

Nine months after Gettysburg the committee was still nagging Lincoln to remove Meade and reinstate Hooker.

Apologists for the committee have had much to say about the invaluable military advice that it rendered to the Government. It is significant in this connection that none of the Union generals in his memoirs referred to any military suggestion that ever came from the committee. Grant did not recognize its existence and never mentioned it as an agency of Government. Sherman had nothing to say about it except the ridiculous episode of Butler's testimony.

Abraham Lincoln was more competent to conduct the Civil War than all the committees of a dozen Congresses. If Congress had supported him honestly and refrained from playing politics with the war the conflict might have been shortened by at least two years. Many of the military blunders of the Civil War, and practically all of the gross corruption and venality, can be traced directly to congressional meddling with the business of the Executive.

Every lawful and necessary function which Congress has to perform in connection with the conduct of war can be done through the regular committees which have power to supervise and audit expenditures, summon witnesses, take testimony, investigate all matters that require investigation, and make whatever recommendations to the House and Senate that the situation demands. The proposal for a special committee on the conduct of the war is a proposal to enable a small group of politicians to embarrass and harass the President, nag generals and admirals, meddle with the work of administrative officers, and otherwise cripple the efficiency of the Government in war.

Instead of originating in the United States Senate the scheme should more properly have originated with the Kaiser or the German general staff.

Mr. WADSWORTH. Mr. President, just an observation in three or four sentences about the article that has just been read.

I am surprised that an article of this sort should be sent to the desk by so distinguished a Senator as either the Senator from Oregon or the Senator from Mississippi. It will be noted, in listening to that article as it was read, that the reflections it casts upon the so-called joint committee on the couduct of the war which was established by Congress during the Civil War are directed entirely to its meddling in military affairs. That committee is condemned and indicted by the New York World in the article just read upon those grounds, and those grounds alone. The article contributes nothing whatsoever to the present discussion, for there is no proposal pending before the Senate which will authorize any committee of the Congress, joint or otherwise, to meddle in the military operations of the Government.

Mr. President, let me say, whether this is to be made a part of the remarks of the Senator from Mississippi or not, that it is not worth the paper it is printed upon as a contribution to this discussion.

Mr. WOLCOTT. Mr. President, the Senator from Georgia [Mr. HARDWICK] takes the position that the committee provided for in the so-called food-control bill is an entirely different thing from the committee provided for during the Civil War. It is very true that there is a distinction in the language employed. It will be observed that the resolution creating the Civil War committee contained no specific grant of power. The authorization to the committee to undertake to do the things which it subsequently did is entirely inferred from very general language.

The Civil War resolution created a joint committee on the conduct of the war. The employment of that phrase, "conduct of the war," I have no doubt was laid hold of as a justification for the thought that this committee could investigate the conduct of the war in all its details so far as the committee saw fit to go. The authority to that committee proceeded in other general language in this fashion:

Such committee shall make a special study of the problems arising out of the war.

It is to be again noted that there is no specific grant of authority to that special committee. It is very general language; and yet the fact of the matter is that this committee, under the very broad and very innocent-appearing language used, undertook to conduct examinations that filled something like four or five volumes of testimony. It sat from 1861 to the end of the war in 1865. It examined 200 witnesses; and, under this very indefinite grant of power which I have cited here, of those 200 witnesses it called before it out of the field 100 generals. So it states in its report to Congress.

That committee was not appointed for the purpose of gathering anything in the way of constructive information for the use of Congress. It was solely and entirely a committee that nosed around in the conduct of the war, gathering information, without attempting to make a single, solitary recommendation to the Congress that appointed it. The language of the committee itself is explicit upon this point. The committee says as follows in its report to the Thirty-seventh Congress, third session:

Your committee could perceive no necessity for recommending any particular legislation to Congress.

It was solely and entirely an investigating body, and every particle of its power came from the fact that it got hold of information and could frighten the Executive arm of the Government into listening to its suggestions, and I think the facts justify me in saying, in listening to its commands. That committee had the power of publicity, and it was through that power of publicity that it was enabled to exercise the extreme authority it did, to do the damage it did, to work the gross outrage and injustice that at times it did.

It is said that the committee provided for in section 23 of the food bill is not intended to exercise any such power. I say, Mr. President, I do not care what is intended by the mover of the resolution or by the Senate adopting it. I say that any man, any schoolboy—with all due deference to the Senator from Georgia—if he has the slightest remnant of common sense about him, knows that any committee that has power to investigate expenditures made in the conduct of the war—for that is the language of it—has power to pursue those expenditures to their remotest connection, to summon witnesses before that committee to enable it to investigate those expenditures, to find out what has been done with the money, even so far as planning campaigns is concerned and sending a navy abroad.

Mr. WILLIAMS. And, if the Senator will pardon me, to determine whether the amount paid to a certain admiral or general is wisely expended.

Mr. WOLCOTT. Exactly so. I was about to follow it in that way. If it can pass upon the expenditure of the money given to conduct this war it can undertake to pass upon the question of whether or not a general in charge of the forces in France is fit to command the army which this money is being spent to maintain there. I say that is the logical deduction to which we are led when we consider the broad power conferred by this amendment upon this committee.

As I pointed out, the Civil War committee exercised its powers by deducing them from such general language as that. Therefore I say, Mr. President, that in the very essence of the thing there is no escape from the proposition that though the language of the amendment creating this committee is different from the language of the resolution creating the Civil War committee, yet in substance and in fact they amount to one and the same proposition.

If you take the legislative history of this amendment, I think we are justified in saying that there is considerable force in the thought that from that legislative history itself the amendment is intended to do the very thing which a joint committee on the conduct of the war could undertake to do.

Some time ago, April 9, the junior Senator from Massachusetts [Mr. WEEKS] introduced Senate joint resolution No. 25 in the Senate providing for the creation of a joint committee on the conduct of the war, modeling his resolution on the exact language of the Civil War committee. It went to the Com-

mittee on Rules and there stayed for a long time. When the food bill got before the Senate and approached its final passage the junior Senator from Massachusetts introduced in substance with some variations of phaseology his amendment doing what? Creating a joint committee on the conduct of the war. The junior Senator from Oklahoma [Mr. OWEN] offered a substitute to the amendment of the Senator from Massachusetts [Mr. WEEKS] which was agreeable to the junior Senator from Massachusetts. With his astuteness he saw that he was securing by the substitute offered by the junior Senator from Oklahoma the idea which was originally embodied in Senate joint resolution No. 25. Whether the junior Senator from Massachusetts so reasoned it out I do not know, but I am convinced in my own mind that the power conferred upon the proposed committee by the substitute offered by the Senator from Oklahoma is as ample and as broad and as potential as was the power conferred upon the joint committee on the conduct of the war in the sixties.

When this matter of the appointment of a joint committee on the conduct of the war was first mentioned to me, which was, I think, some two or three months ago, I confess that it appealed to me as a very reasonable and as a very sensible proposition, because I saw Congress releasing vast grants of power, and, it seemed to me, if Congress was releasing vast grants of power, it was wise to follow that power up, so to speak, with an agency on the part of Congress to see how that power was exercised. The idea somewhat appealed to me, and I think if I had been called upon to vote immediately on this proposition at that time I would have voted for a joint committee.

But, Mr. President, I would have done it in ignorance, and I would have regretted it when I learned the deplorable experience of the administration in the Civil War. I would have regretted to the end of my days that I, in this great emergency, had helped to shackle the administration with such a pestiferous body and—I speak in all deference—undertaken to interfere with things that belong primarily to the Commander in Chief of the Army and Navy. It is not the business of Congress to run this war. It is not the business of Congress to shape the campaign. It is not the business of Congress to direct a fleet. It is the business of the Commander in Chief to do so, and Congress has no right to expect to do it. If fraud is committed, of course it should be uncovered. If there is any reason to show that fraud was committed at any time during the progress of the war, Congress will undoubtedly set to work and investigate it, uncover it, and hold up to public ignominy the scoundrel who practiced it. But Congress ought not in the very beginning to assume that the executive department is infested with thieves and crooks and incompetents and set to work a joint committee to watch them and seek to guard against and guide them.

Mr. HARDWICK. If the Senator is right about that, we ought not to have committees on the expenditures of the various executive departments, to which the Senator from Mississippi referred.

Mr. WOLCOTT. I am speaking of this great task, that needs centralized authority; that must act quickly, and ought not to be restricted by a committee that is threatening all the time, or which may threaten all the time, to hold up some innocent and proper act to prejudice before the country and expose it to unjust and harsh criticism and thus palsy, perhaps, the strong arm of the Government.

Mr. HARDWICK. The Senator then would favor the abolition of the standing committees on the expenditures of the several executive departments in both Houses of Congress, I reckon.

Mr. WOLCOTT. The Senator reckons wrong on that. I would not.

Mr. HARDWICK. What is the difference between a standing committee and this committee?

Mr. WOLCOTT. I am making a distinction between them in an emergency. I do not think myself that the general committees on expenditures in the various departments can go as far as this committee can go. This committee is set up for the specific purpose of investigating expenditures in connection with the conduct of the war, and that goes the whole limit. That is my conception.

Mr. HARDWICK. Just one more question. The Senator said something about military campaigns being directed by it. Where did the Senator get that idea?

Mr. WOLCOTT. I say I think the committee could do it.

Mr. HARDWICK. Under the language proposed?

Mr. WOLCOTT. Yes.

Mr. HARDWICK. I will not ask the Senator any more than that.

Mr. WOLCOTT. The Senator was not in here when I touched on that point.

Mr. HARDWICK. I am sorry I missed it.

Mr. WOLCOTT. I do not care to duplicate my remarks.

Mr. HARDWICK. Will the Senator just tell me why?

Mr. WOLCOTT. I will tell the Senator. It is because I think the power to supervise expenditures justifies a committee of Congress to go just as far as those expenditures reach, and I say this is conceivable—that that committee, in supervising——

Mr. HARDWICK. I do not want the Senator to get away from the point in my mind. Let us test that matter. Because this committee has authority to determine whether Army blankets were bought at a proper figure or not, does the Senator contend that it has authority to say whether a campaign was wisely fought or not?

Mr. WOLCOTT. Oh, no. The Senator does not credit me with the sense of a schoolboy, to which he referred a while ago.

Mr. HARDWICK. No; I have a very high opinion of the Senator.

Mr. WOLCOTT. In all kindness I say the Senator does not have a very high opinion of my intelligence when he asks me if I think that because the committee may supervise the purchase of blankets they can therefore supervise the conduct of a campaign.

Mr. HARDWICK. That is exactly what the Senator is contending.

Mr. WOLCOTT. No; I do not contend for any such thing. I was endeavoring to elaborate my idea when the Senator interrupted me.

Mr. HARDWICK. All right. I shall be glad to hear the Senator.

Mr. WOLCOTT. Here is my point. It is conceivable that if the committee has full authority to investigate expenditures made in the conduct of the war that committee may investigate the expenditures of funds spent upon the maintenance of the Army in Europe, and it may in its august wisdom conclude that it is a foolish expenditure of money to keep an army in Europe under the command of Gen. So-and-so, and air the whole thing to the public. That, I submit, Mr. President, is sensible talk, and that in substance is what the committee on the conduct of the Civil War did do under a resolution which granted it the general authority to which I referred a moment ago.

Mr. POMERENE. It would have authority to investigate the wisdom or unwisdom of building a battle fleet.

Mr. WOLCOTT. Exactly so. As suggested to me by the senior Senator from Ohio, it would have authority to investigate the wisdom or unwisdom of building a battle fleet. It might undertake to investigate the wisdom or unwisdom of building so many submarines or keeping them on this side or on the other side.

Mr. HARDWICK. Allow me to point out to the Senator that he is absolutely mistaken about that, because battleships and submarines are built by money appropriated by Congress and under the direction of the department which sees that the money is honestly expended.

Mr. WOLCOTT. I think the Senator is correct in that; I may have made a mistake there; but I call the attention of the Senate to the fact that we have appropriated something like $640,000,000 for the aviation service. As I recall the bill, it does not specify what kind of a machine shall be built.

Mr. HARDWICK. The committee would not have anything to do with the plan of the machine.

Mr. WOLCOTT. But the committee would, Mr. President.

Mr. WILLIAMS. And, if the Senator from Delaware will pardon me, one of the arguments made by the Senator from Oklahoma when he offered this amendment was that very thing as to the appropriation of $640,000,000 for aviation; that he was informed they were going to build so many machines, and if so they would cost twice as much.

Mr. HARDWICK. Will the Senator yield for another question?

Mr. WOLCOTT. In a moment. I thank the Senator from Mississippi for his suggestion. The author of the amendment knows better what it means than its supporters now on this floor. I yield to the Senator from Georgia.

Mr. HARDWICK. As far as the suggestion of the Senator from Oklahoma about aeroplanes is concerned, that was in connection with an amendment he offered to the aviation bill, as was stated by the Senator from Mississippi.

Mr. WOLCOTT. Mr. President, it is unquestionably true, in my judgment, that if this committee has authority to supervise expenditures made in the conduct of war it can supervise the expenditure of the $640,000,000. If it can supervise that, it can investigate how it is being spent, and that committee can sit and conclude that in its judgment the money is being unwisely

spent, because, for instance, a certain type of airship is being built when really another type is better. There is no question about that. It can also inquire into the wisdom of the expenditure in the matter of organizing the Aviation Corps, whether there are enough fliers, whether there are enough mechanics, or what not. The committee of Senators and Representatives can undertake to deal with all the expert and technical questions involved in the expenditure of these vast sums of money.

Mr. President, I have consumed more time than I intended to consume. On the 23d of July the President wrote to Mr. Representative LEVER a letter which I desire to read. In this letter he criticized this section 23 that I am discussing. The President's language is as follows:

> Section 23 is not only entirely foreign to the subject matter of the food-administration bill in which it is incorporated, but would, if enacted into law, render my task of conducting the war practically impossible. I can not believe that those who proposed this section scrutinized it with care or analyzed the effects which its operation would necessarily have. The constant supervision of executive action which it contemplates would amount to nothing less than an assumption on the part of the legislative body of the executive work of the administration.
>
> There is a very ominous precedent in our history which shows how such a supervision would operate. I refer to the committee on the conduct of the war constituted by the Congress during the administration of Mr. Lincoln. It was the cause of constant and distressing harassment and rendered Mr. Lincoln's task all but impossible.

Mr. President, I think the statement made by the President in this letter is justified by the facts. As I said a moment ago, when this matter was first broached it appealed to me in rather a favorable light, but when I heard of a committee on the conduct of the war in the Civil War times it further occurred to me that it might be profitable to investigate the operations of that committee and to endeavor to see if I could find some historical estimate of the work of that committee and the appraisal of it made by the historians who have undertaken to comment upon it. As I pursued that investigation I became convinced of the thorough unwisdom of the creation of such a committee in this war.

The other day in the Senate I believe the senior Senator from Massachusetts [Mr. LODGE] referred to the fact that the Civil War committee received some sort of an approving word from Nicolay and Hay in their very admirable Life of Lincoln. That is true, Mr. President. I desire to read the comment of Nicolay and Hay upon the Joint Committee upon the Conduct of the War created in 1861. This quotation I get from Volume V, page 150, Nicolay and Hay's Life of Lincoln:

> This committee, known as the Committee on the Conduct of the War, was for four years one of the most important agencies in the country. It assumed, and was sustained by Congress in assuming, a great range of prerogative. It became a stern and zealous censor of both the Army and the Government; it called soldiers and statesmen before it and questioned them like refractory schoolboys. It claimed to speak for the loyal people of the United States, and this claim generally met with the sympathy and support of a majority of the people's Representatives in Congress assembled. It was often hasty and unjust in its judgments, but always earnest, patriotic, and honest. It was assailed with furious denunciation and defended with most long and indiscriminating eulogy; and, on the whole, it must be said to have merited more praise than blame.

That is one of the flattering comments, if such it can be called, I find touching the work of that committee.

Mr. REED. Mr. President——

Mr. WOLCOTT. I yield to the Senator from Missouri.

Mr. REED. I ought to say that when Nicolay and Hay made that statement we ought to bear in mind the intimate relationship they sustained to the President. Certainly the committee must have done some very good service in that time.

Mr. WOLCOTT. The Senator desires to be fair. I have no personal interest in this matter. I should like to ask the Senator if he approved the work of the Committee on the Conduct of the War in 1861?

Mr. REED. No, Mr. President, I was still "standing around the anteroom of the world waiting to be born" when that committee was created, to quote somebody else's expression. I only know of it historically. I do not know whether it did good work or did bad work, but it has just as much to do with the question in hand as the history of the fall of Sodom and Gomorrah has to do with the formation of the Constitution of the United States. Because there was a committee created in the sixties to supervise the method of conducting the war, to directly interfere with and report upon the military operations, certainly can not have anything to do with a proposition on behalf of Congress now to appoint a committee to ascertain whether the money of the people which Congress appropriates is being spent in accordance with law.

I do not agree with the Senator's claim that any committee created under the terms of this bill could ever assume to go any length the Senator has stated. If it did, it would abuse its power. I am not ready to assert that both Houses of Congress are composed of men so unpatriotic, so unjust, so unfair that they would seek to interfere improperly. The fact that Mr. Wade and some other gentlemen did something on some other committee 50 or 60 years ago does not have much to do with this case.

Mr. WOLCOTT. Mr. President, I think it has a great deal to do with it. I think we are entitled to refer to the work of that committee in order to gain information as to what human nature, in whosoever's breast it is reposed, is apt to do under like circumstances. I do not mean to assail the Civil War committee as being composed of men who were conspiring to do things against the success of the Union arms. If this committee were appointed by this Congress with like power I would not for a single moment question the uprightness of purpose and patriotism of every man on it, but I do know as a matter of fact, that in great emergencies where great issues are at stake men get positive opinions and they get very set in their opinions, and if other people do not agree with them they raise a great howl about it and lay it before the public and argue the case before the public.

The best illustration of what I am saying has been furnished by the Senate in the last month or so. It will not do to say that this committee, because the language creating it is innocent looking, may not do the extreme things which I have supposed. In my opinion it is on a like basis with the Joint Committee on the Conduct of the War created in 1861.

I resume the thread of my thought in quoting some criticism of the Civil War committee. I shall not read again the quotation that was put in the RECORD by the junior Senator from Massachusetts July 24, which appears on page 5965 of the RECORD.

I ask leave that that quotation from W. O. Stoddard, who was one of the secretaries at the White House in Lincoln's administration, be inserted at this point in my remarks.

The PRESIDING OFFICER. In the absence of objection that order will be made.

The matter referred to is as follows:

> It was not long before the "legislative branch" of the Government began to interfere with the "executive branch" in military matters. It was little more patriotic than constitutional, but Mr. Lincoln had no manner of objection. When, in December, 1861, Congress appointed a strong and capable "Committee on the Conduct of the War," its members were at once taken into hearty and intimate consultation. What would surely have been a peril or a hindrance to a weak or selfish ruler was transformed at once into an additional and powerful guaranty of congressional cooperation. It was not so much thenceforward that Congress had assumed a part of the executive province, but that the Executive had deftly provided himself with personal and official representatives upon the floor of Senate and House.
>
> This committee, constantly advised with, cordially invited to investigate, to consider, to come and to go, and to know everything before it happened, became a priceless safety valve for the growing discontent over inexplicable delays. Without it there can now be little question that Mr. Lincoln would have been seriously misunderstood and even antagonized by the body of men nominally represented by the committee.
>
> The President of the United States is constitutionally the Commander in Chief, and Abraham Lincoln was also actually dictator; but he was entirely at ease as to all his rights and dignities when a joint committee of Senators and Representatives freely summoned before them his military officers by the dozen, and called for their views of things in general and their professional opinions of battles and campaigns. He knew beforehand that the sure result would be the strong and unanimous sympathy of that "jury" of clear-headed men with him personally and their approval of the general outlines of his policy, however much they might disagree among themselves or with him as to details of specific operations.

Mr. WOLCOTT. Mr. President, when we were discussing the draft bill in the Senate I was particularly impressed with the fact that Maj. Gen. Emory Upton was more frequently quoted than any other author or any other commentator upon military matters. His work, The Military Policy of the United States, was frequently relied upon in the debates as ultimate authority. I wish to lay before the Senate the estimate of this sort of committee which was made by Maj. Gen. Upton on page 316 of his work. Gen. Upton says:

> Had the investigation [of the Committee on the Conduct of the War] been confined to transactions which had already occurred, no harm would have ensued beyond the injury done to discipline by encouraging officers to criticize their superiors with a view to securing promotion or to gratification of personal ill will. But a knowledge of past events by no means satisfied the committee. It pried into the present and sought to look into the future. With but little or no regard for secrecy, it did not hesitate to summon commanders of armies in the field, who were asked and encouraged to disclose the numbers of their troops and their plans of campaign.

At a later place in his work, on page 319, he recites the fact that on—

> January 26, 1863, the Joint Committee on the Conduct of the War was instructed to inquire whether Gen. Burnside had, since the Battle of Fredericksburg, formed any plans for moving the Army of the Potomac.

Gen. Upton proceeded with his criticism, as follows:

> The committee, which had so often furnished valuable information to the enemy by laying bare official secrets, was not long in getting at the facts.

Mr. President, I do not take it that Maj. Gen. Upton indicted that committee with deliberately ascertaining the facts to lay them before the enemy, but that committee, I think, as a reading of the report will show, was working through the agency of publicity to accomplish its purpose. It had no power given to it except to investigate, and it could not accomplish anything, except in so far as it laid the facts before the public and brought public opinion to bear upon officials. That being the modus operandi, necessarily secrets leaked out and great harm was done to the Union in the conduct of the war.

A few more quotations, Mr. President, and I shall yield the floor. I think the editorial read from the New York Times referred to Gideon Welles, the then Secretary of the Navy under President Lincoln. From his diary I wish to quote a few excerpts. He says in volume 1, page 262, of his diary:

* * * The report of the Committee on the Conduct of the War is to-day published. This method of supervising military operations by legislative committee is of more than questionable utility. Little good can be expected of these partisan supervisors of the Government at any time. They are partisan and made up of persons not very competent to form correct and intelligent opinions of Army or Navy operations, or administrative purposes. In this instance, I think, from a slight look into a few pages, there is more truth from them than usual in these cases.

On page 198 of Volume II, he says:

* * * Senator Wade called on me yesterday and was, as he always has been with me, very pleasant and affable. I think, however, the old man is a little acrimonious toward the President. He is chairman of the Committee on the Conduct of the War, with Chandler, Gooch, etc. It is a convenient machine to cover up what the War Department wishes to have covered up, and it can be directed against those that the War Department would assail. It is a child of Stanton's. * * *

On page 224 of Volume II he further says:

* * * The Committee on the Conduct of the War have summoned him [Gen Butler] to Washington. There was mischief in this. He had been ordered by the President to Lowell. The President yielded. It was well, perhaps, for Butler was off duty. But in Washington he will help the mischief-makers make trouble and stimulate intrigue and faction. Allied with Wade and Chandler and H. Winter Davis, he will not only aid but breed mischief. This is intended. * * *

Further, on page 226 of the same volume, he says:

* * * Gen. Butler called on me this p. m. He has come to testify before the Committee on the Conduct of the War—called probably on his own suggestion—greatly preferring Washington, for the present at least, to Lowell. I am sorry he has come here. It is for no good or patriotic purpose, I apprehend. As for the "Committee on the Conduct of the War," who have brought him here, they are most of them narrow and prejudiced partisans, mischievous busybodies, and a discredit to Congress. Mean and contemptible partisanship colors all their acts. Secretly opposed to the President, they hope to make something of Butler, who has ability and is a good deal indignant. I am not disposed to do injustice to Butler, nor do I wish to forget the good service he has rendered, but I can not be his partisan, nor do I think the part he acted in the Wilmington expedition justifiable. He does not state clearly what his expectations and intentions were but is clear and unequivocal in his opinion that Fort Fisher could not be taken except by siege, for which he had no preparation. Gen. Grant could not have been of that opinion, or a siege train would have been sent. In a half hour's conversation he made no satisfactory explanation, although ingenious and always ready with an answer.

G. F. R. Henderson, in his work entitled "The Science of War," a collection of essays and lectures written from 1892 to 1903, makes this comment upon this Civil War committee:

* * * It is hardly necessary to comment on the extraordinary means adopted by the Federal Government to ascertain the fitness of the military chiefs, the congressional committee on the war, before which subordinate generals were examined as to the conduct of their commander and encouraged to express their opinions on his ability, his strategy, and his tactics, with all the freedom that envy could suggest. The "Century" papers teem with instances of disobedience, of argument, and of hostile criticism on plans of battle, and the reader of such campaigns as that of Fredericksburg, Gettysburg, and Murfreesboro can realize for himself the disastrous results of such breaches of discipline in the higher ranks.

This committee in the Civil War times, Mr. President, was appointed primarily to investigate the disaster at Balls Bluff. That was the particular incitement to the appointment of the committee. Col. Baker, who was a Senator from Oregon—and a very eloquent and able Senator—was given command of that particular expedition under Gen. Stone. Col. Baker was killed on the field. As Senators will recollect, of course, it was a very disastrous undertaking. The Union troops were up on the bluff, on high land, surrounded by woods on three sides, and when the Confederates opened fire they drove them back over the precipice.

There were very few transports, the number being inadequate to carry them back, and they were killed, slaughtered, and drowned.

There was an investigation of that disaster by the Committee on the Conduct of the War. They made no recommendation; but one day while Gen. Stone was in the field, at the head of his troops, he was summarily arrested upon the order of Gen McClellan. He demanded to know the charge against him, but he was not told. He was carried to prison in New York and there languished, bombarding his superior officers and the War Department and the President with telegrams demanding why he was under arrest. Eventually he was released, because, Mr. President, forsooth, there was not time to try him! Such a release as that convicts that arrest as a gross outrage.

Why was he so arrested? The records show that he was arrested by Gen. McClellan, who acted upon instructions from Secretary Stanton; and Stanton said he acted upon the solicitation of the Joint Committee on the Conduct of the War. The first thing this committee undertook to do resulted in the perpetration of an outrage on an honorable officer. So its career started.

Morse, in his Life of Lincoln, Volume I, says:

Stone, a military man by education, deserved censure, but he was treated in a manner so cruel, so unjust, and so disproportionate to his deserts that his error has been condoned in sympathy for his wrongs. The injustice was chargeable chiefly to Stanton, in part to the Committee on the Conduct of the War. Apparently Lincoln desired to know as little as possible about a wrong which he could not set right without injury to the public interests.

Gen. Francis Winthrop Palfrey, who was a Massachusetts volunteer and was brevetted brigadier general of volunteers for gallant conduct at Antietam, in The Antietam and Fredericksburg (Campaigns of Civil War Series), at page 182, says of the Committee on the Conduct of the War that "the worst spirit of the inquisition characterized their doings."

James Kendall Hosmer, author of the work entitled "The Appeal to Arms," which is one of the thirty-odd volumes of the American Nation edited by Albert Bushnell Hart, says, as follows:

It—

The Committee on the Conduct of the War—

played a great part thenceforth throughout the war. Its zeal often outran its discretion, sometimes with unfortunate, even appalling, results; but it was laborious and well-purposed, and sometimes accomplished good.

John T. Morse, jr., at another point in his work on Abraham Lincoln, in the American Statesmen Series, at page 321, appraises this committee as follows:

It was in December, 1861, that Congress created the famous Committee on the Conduct of the War, to some of whose doings it has already been necessary to allude. The gentlemen who were placed upon it were selected partly, of course, for political reasons, and were men who had made themselves conspicuous for their enthusiasm and vehemence; not one of them had any military knowledge. The committee magnified its office almost beyond limit—

Mr. President, if I may inject a remark, the committee proposed to be appointed under this amendment may by the broad grant of power likewise magnify its office beyond limit, as did the Civil War Committee on the Conduct of the War. Resuming the quotation, it—

investigated everything; haled whom it chose to testify before it; made reports, expressed opinions, insisted upon policies and measures in matters military; and all with a dictatorial assumption and self-confidence which could not be devoid of effect, although everyone knew that each individual member was absolutely without fitness for the business. So the committee made itself a great power, and therefore also a great complication, in the war machinery; and though it was sometimes useful, yet upon a final balancing of its long account it failed to justify its existence, as, indeed, was to have been expected from the outset.

Mr. President, I do not desire to detain the Senate longer. I will call the attention of the Senate, however, to the fact that there was such a proposal as this introduced in the British Parliament during the pending war, and was there rejected because a committee on expenditures made in the course of the conduct of the war necessarily means a committee that can at least by investigation and publicity interfere with the conduct of that war in some manner or other.

I thought, Mr. President, that I owed it to the Senate to submit these views upon this proposition. When it was introduced in the Senate it was near the time when the debate on the food bill was about to close, and the amendment of the Senator from Massachusetts, as amended by the substitute of the Senator from Oklahoma, was adopted without a single word of discussion or comment. Therefore I thought it advisable to lay before the Senate the information which I have given.

Mr. HITCHCOCK. Mr. President, before the Senator sits down——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Nebraska?

Mr. WOLCOTT. I do.

Mr. HITCHCOCK. The Senator has made a very interesting review, and concluded with the statement that a motion was defeated to establish such a committee in the House of Commons. I ask the Senator to state what committee it was that investigated the conditions of the war in Mesopotamia and Gallipoli and reported so conclusively and so strikingly of the miscarriage of those two great enterprises?

Mr. WOLCOTT. I do not know. There was no committee acting under authority to investigate expenditures, however, because that sort of a proposition was defeated. I think, Mr. President, there might arise occasions during the course of the present war when some disaster might occur when it would be proper for Congress to investigate; but what I am opposed to is that there shall be created a committee with full power to go ahead and investigate for itself to make itself, so to speak, a clearing house for all the gossip mongers and quidnuncs that might be running around trying to make trouble. The Congress ought to commit itself to specific investigations and not commit itself to the general proposition.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Utah?

Mr. WOLCOTT. I do.

Mr. KING. In reply to the Senator from Nebraska [Mr. HITCHCOCK], if the Senator from Delaware will pardon me, the commission which was appointed to investigate the Mesopotamia campaign was a mixed one. There were, as I remember, one or two judges of the higher courts of Great Britain and several officers, and I think one or more civilians. Charges were made that Sir Richard Hardinge and others had mismanaged that campaign, and in answer to the demand for an investigation a mixed commission of the character to which I have just referred was appointed. They made a thorough investigation with respect to the Mesopotamia campaign and submitted a full report thereon. My recollection is that a similar commission was appointed to investigate the Gallipoli campaign.

THE INTERSTATE COMMERCE COMMISSION—CONFERENCE REPORT.

Mr. NEWLANDS. Mr. President, the Senator from Oregon has consented that the unfinished business be temporarily laid aside in order that the Senate may consider two conference reports, amending the interstate commerce act. I imagine there will be no discussion regarding them. They are unanimous reports, and I have heard of no indication of any opposition.

Mr. SMOOT. Mr. President, it is rather late to take those reports up to-night, but I have not heard of any opposition to them. I do not desire to call for a quorum to-night, and I am not going to do so if the Senator will assure me that the Committee on Interstate Commerce was united upon the report. Was any member of the committee opposed to the conference report?

Mr. NEWLANDS. I have not heard of any member of the committee who was opposed to it. The conferees on both sides were unanimous.

Mr. SMOOT. I know the conferees were; but I asked the Senator whether there was a member of the committee who was opposed to it?

Mr. NEWLANDS. I have not heard of any.

Mr. SMOOT. Mr. President, I desire to ask the Senator one more question. In what respect is the conference report different from the bill as it passed the Senate?

Mr. NEWLANDS. With reference to the bill enlarging the Interstate Commerce Commission, the principal change was with reference to the so-called Smith amendment, providing that no rate should be increased without the approval of the Interstate Commerce Commission. The House conferees were opposed to that provision in the Senate bill, and a compromise was reached upon consultation with the Interstate Commerce Commission, which is contained in the following proviso in section 4:

> SEC. 4. That paragraph 2, section 15, of the act to regulate commerce, approved February 4, 1887, as amended, be further amended by adding the following: "*Provided further*, Until January 1, 1920, no increased rate, fare, charge, or classification shall be filed except after approval thereof has been secured from the commission. Such approval may, in the discretion of the commission, be given without formal hearing, and in such case shall not affect any subsequent proceeding relative to such rate, fare, charge, or classification."

It was insisted by the House conferees that the joint congressional committee would take up this subject and perfect legislation regarding it, and that, therefore, this legislation is made effective only until January 1, 1920.

Mr. SMOOT. That is in relation to the increase of the membership of the Interstate Commerce Commission. Now, as to the regulatory part of the bill?

Mr. NEWLANDS. As to that, I think that some changes were made, although they were not very important. The word "consideration" was substituted for the word "hearing," used in the Senate bill, and the word "hearings" was stricken out and "proceedings" substituted.

Mr. SMOOT. Do I understand the Senator to mean that the real substance of the Senate amendment was agreed to in conference, and that the only changes made were in words that did not affect the substance of the Senate amendment?

Mr. NEWLANDS. The language of the Senate bill was changed somewhat with a view to securing a review by the full commission of the decisions of the subdivisions of the commission, but that was simply in the way of perfecting the provisions of the bill.

Mr. SMOOT. With that explanation, I have no objection, Mr. President.

The PRESIDING OFFICER. The Senator from Nevada submits a conference report, which will be read.

The Secretary read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill S. 1816, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows:

"That section 24 of an act entitled 'An act to regulate commerce,' approved February 4, 1887, as amended, be further amended to read as follows:

"'SEC. 24. That the Interstate Commerce Commission is hereby enlarged so as to consist of nine members, with terms of seven years, and each shall receive $10 000 compensation annually. The qualifications of the members and the manner of the payment of their salaries shall be as already provided by law. Such enlargement of the commission shall be accomplished through appointment by the President, by and with the advice and consent of the Senate, of two additional Interstate Commerce Commissioners, one for a term expiring December 31, 1921, and one for a term expiring December 31, 1922. The terms of the present commissioners, or of any successor appointed to fill a vacancy caused by the death or resignation of any of the present commissioners, shall expire as heretofore provided by law. Their successors and the successors of the additional commissioners herein provided for shall be appointed for the full term of seven years, except that any person appointed to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he shall succeed. Not more than five commissioners shall be appointed from the same political party.'

"SEC. 2. That section 17 of said act, as amended, be further amended to read as follows:

"'SEC. 17. That the commission may conduct its proceedings in such manner as will best conduce to the proper dispatch of business and to the ends of justice. The commission shall have an official seal, which shall be judicially noticed. Any member of the commission may administer oaths and affirmations and sign subpœnas. A majority of the commission shall constitute a quorum for the transaction of business, except as may be otherwise herein provided, but no commissioner shall participate in any hearing or proceeding in which he has any pecuniary interest. The commission may, from time to time, make or amend such general rules or orders as may be requisite for the order and regulation of proceedings before it, or before any division of the commission, including forms of notices and the service thereof, which shall conform, as nearly as may be, to those in use in the courts of the United States. Any party may appear before the commission or any division thereof and be heard in person or by attorney. Every vote and official act of the commission, or of any division thereof, shall be entered of record, and its proceedings shall be public upon the request of any party interested.

"'The commission is hereby authorized by its order to divide the members thereof into as many divisions as it may deem necessary, which may be changed from time to time. Such divisions shall be denominated, respectively, division 1, division 2, etc. Any commissioner may be assigned to and may serve upon such division or divisions as the commission may direct, and the senior in service of the commissioners constituting any of said division shall act as chairman thereof. In case of vacancy in any division, or of absence or inability to serve thereon of any commissioner thereto assigned, the chairman of the commission, or any commissioner designated by him for that purpose, may temporarily serve on said division until the commission shall otherwise order.

"'The commission may by order direct that any of its work, business, or functions arising under this act, or under any act amendatory thereof or supplemental thereto, or under any amendment which may be made to any of said acts, or under any other act or joint resolution which has been or may hereafter be approved, or in respect of any matter which has been or may be referred to the commission by Congress or by either

branch thereof, be assigned or referred to any of said divisions for action thereon, and may by order at any time amend, modify, supplement, or rescind any such direction. All such orders shall take effect forthwith and remain in effect until otherwise ordered by the commission.

"'In conformity with and subject to the order or orders of the commission in the premises, each division so constituted shall have power and authority by a majority thereof to hear and determine, order, certify, report, or otherwise act as to any of said work, business, or functions so assigned or referred to it for action by the commission, and in respect thereof the division shall have all the jurisdiction and powers now or then conferred by law upon the commission, and be subject to the same duties and obligations. Any order, decision, or report made or other action taken by any of said divisions in respect of any matters so assigned or referred to it shall have the same force and effect, and may be made, evidenced, and enforced in the same manner as if made or taken by the commission, subject to rehearing by the commission, as provided in section 16a hereof for rehearing cases decided by the commission. The secretary and seal of the commission shall be the secretary and seal of each division thereof.

"'In all proceedings before any such divisions relating to the reasonableness of rates or to alleged discriminations not less than three members shall participate in the consideration and decision; and in all proceedings relating to the valuation of railway property under the act entitled "An act to amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, and all acts amendatory thereof, by providing for a valuation of the several classes of property of carriers subject thereto and securing information concerning their stocks, bonds, and other securities," approved March 1, 1913, not less than five members shall participate in the consideration and decision.

"'The salary of the secretary of the commission shall be $5,000 per annum.

"'Nothing in this section contained or done pursuant thereto shall be deemed to divest the commission of any of its powers.'

"SEC. 3. So much of section 18 of the act to regulate commerce as fixes the salary of the secretary of the commission is hereby repealed.

"SEC. 4. That paragraph 2, section 15, of the act to regulate commerce, approved February 4, 1887, as amended, be further amended by adding the following: '*Provided further*, Until January 1, 1920, no increased rate, fare, charge, or classification shall be filed except after approval thereof has been secured from the commission. Such approval may, in the discretion of the commission, be given without formal hearing, and in such case shall not affect any subsequent proceeding relative to such rate, fare, charge, or classification.'"

And the House agree to the same.

FRANCIS G. NEWLANDS,
JOE T. ROBINSON,
ALBERT B. CUMMINS,
Managers on the part of the Senate.

W. C. ADAMSON,
T. W. SIMS,
JOHN J. ESCH,
Managers on the part of the House.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF INTERSTATE-COMMERCE LAW—CONFERENCE REPORT.

Mr. NEWLANDS. I call up the conference report on the priority-of-shipments bill.

The PRESIDING OFFICER. The Senator from Nevada submits a conference report, which will be read.

The Secretary read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill S. 2356, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows:

"That section 1 of the act entitled 'An act to regulate commerce,' approved February 4, 1887, as heretofore amended, be further amended by adding thereto the following:

"'That on and after the approval of this act any person or persons who shall, during the war in which the United States is now engaged, knowingly and willfully, by physical force or intimidation by threats of physical force obstruct or retard, or aid in obstructing or retarding, the orderly conduct or movement in the United States of interstate or foreign commerce, or the orderly make-up or movement or disposition of any train, or the movement or disposition of any locomotive, car, or other vehicle on any railroad or elsewhere in the United States engaged in interstate or foreign commerce shall be deemed guilty of a misdemeanor, and for every such offense shall be punishable by a fine of not exceeding $100 or by imprisonment for not exceeding six months, or by both such fine and imprisonment; and the President of the United States is hereby authorized, whenever in his judgment the public interest requires, to employ the armed forces of the United States to prevent any such obstruction or retardation of the passage of the mail, or of the orderly conduct or movement of interstate or foreign commerce in any part of the United States, or of any train, locomotive, car, or other vehicle upon any railroad or elsewhere in the United States engaged in interstate or foreign commerce: *Provided*, That nothing in this section shall be construed to repeal, modify, or affect either section 6 or section 20 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

"'That during the continuance of the war in which the United States is now engaged the President is authorized, if he finds it necessary for the national defense and security, to direct that such traffic or such shipments of commodities as, in his judgment, may be essential to the national defense and security shall have preference or priority in transportation by any common carrier by railroad, water, or otherwise. He may give these directions at and for such times as he may determine, and may modify, change, suspend, or annul them, and for any such purpose he is hereby authorized to issue orders direct, or through such person or persons as he may designate for the purpose or through the Interstate Commerce Commission. Officials of the United States, when so designated, shall receive no compensation for their services rendered hereunder. Persons not in the employ of the United States so designated shall receive such compensation as the President may fix. Suitable offices may be rented, and all necessary expenses, including compensation of persons so designated, shall be paid as directed by the President out of funds which may have been or may be provided to meet expenditures for the national security and defense. The common carriers subject to the act to regulate commerce, or as many of them as desire so to do, are hereby authorized without responsibility or liability on the part of the United States, financial or otherwise, to establish and maintain in the city of Washington during the period of the war an agency empowered by such carriers as join in the arrangement to receive on behalf of them all notice and service of such orders and directions as may be issued in accordance with this act, and the service upon such agent shall be good service as to all the carriers joining in the establishment thereof. And it shall be the duty of any and all the officers, agents, or employees of such carriers by railroad or water or otherwise to obey strictly and conform promptly to such orders, and failure knowingly and willfully to comply therewith, or to do or perform whatever is necessary to the prompt execution of such order, shall render such officers, agents, or employees guilty of a misdemeanor, and any such officer, agent, or employee shall, upon conviction, be fined not more than $5,000, or imprisoned not more than one year, or both, in the discretion of the court. For the transportation of persons or property in carrying out the orders and directions of the President, just and reasonable rates shall be fixed by the Interstate Commerce Commission; and if the transportation be for the Government of the United States, it shall be paid for currently or monthly by the Secretary of the Treasury out of any funds not otherwise appropriated. Any carrier complying with any such order or direction for preference or priority herein authorized shall be exempt from any and all provisions in existing law imposing civil or criminal pains, penalties, obligations, or liabilities upon carriers by reason of giving preference or priority in compliance with such order or direction."

And the House agree to the same.

FRANCIS G. NEWLANDS,
E. D. SMITH,
ALBERT B. CUMMINS,
Managers on the part of the Senate.

W. C. ADAMSON,
T. W. SIMS,
JOHN J. ESCH,
Managers on the part of the House.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

EXECUTIVE SESSION.

Mr. CHAMBERLAIN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After nine minutes spent in executive session the doors were reopened.

RECESS.

Mr. CHAMBERLAIN. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 55 minutes p. m., Monday, August 6, 1917) the Senate took a recess until to-morrow, Tuesday, August 7, 1917, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate August 6 (legislative day of August 4), 1917.

ENVOYS EXTRAORDINARY AND MINISTERS PLENIPOTENTIARY.

Hoffman Philip, of New York, now a secretary of embassy or legation of class 1, to be envoy extraordinary and minister plenipotentiary of the United States of America to Colombia, vice Thaddeus Austin Thomson, resigned.

George Pratt Ingersoll, of Ridgefield, Conn., to be envoy extraordinary and minister plenipotentiary of the United States of America to Siam.

RECEIVER OF PUBLIC MONEYS.

Daniel F. Burkholder, of South Dakota, to be receiver of public moneys at Gregory, S. Dak. (Reappointment.)

APPOINTMENTS IN THE UNITED STATES COAST AND GEODETIC SURVEY.

JUNIOR HYDROGRAPHIC AND GEODETIC ENGINEERS TO BE HYDROGRAPHIC AND GEODETIC ENGINEERS.

Harry A. Seran, of Ohio.
Clem Leinster Garner, of North Carolina.
John Henry Peters, of Ohio.
Jean Hodgkins Hawley, of New York.
Eoline Richmond Hand, of Ohio.
Paul McGeorge Trueblood, of Indiana.
Frederick Bernhard Theodore Siems, of Maryland.
Alfred Modesto Sobieralski, of New York.
Richard Russell Lukens, of Indiana.

AIDS TO BE JUNIOR HYDROGRAPHIC AND GEODETIC ENGINEERS.

Arthur Sidney Hallberg, of California.
Maurice Eli Levy, of Massachusetts.
Robert James Auld, of New York.
William Harold Clark, of New York.
Jack Senior, of New York.
Sylvanus Davis Winship, of Maine.
Raymond Pugh Eyman, of Ohio.
Leo Cuthbert Dyke, of New York.
Chester Howard Ober, of Rhode Island.
Conrad Turner Bussell, of Virginia.
William Henry Kearns, of Massachusetts.
Leonard Harold Zeman, of Illinois.
George Clay Jones, of Oregon.
Charles Shaw, of Massachusetts.
Carl Alexander Egner, of Indiana.
Gardiner Luce, of Massachusetts.
Oliver Scott Reading, of Illinois.
Bert Clinton Freeman, of Michigan.
Lyman Davis Graham, of Pennsylvania.
Douglas Karr, of New Jersey.

DECK OFFICER TO BE JUNIOR HYDROGRAPHIC AND GEODETIC ENGINEER.

Leroy Preston Raynor, of New York.

DECK OFFICERS TO BE AIDS.

Charles Keith Green, of California.
George Henry Durgin, of New Hampshire.
Paul Vaux Lane, of California.
Roland Drew Horne, of Massachusetts.
Robert J. Hole, of Ohio.
Frederick Estell Joekel, of Texas.
Harold Warren Pease, of Massachusetts.
Benjamin Galos, of New York.
John William Cox, of New York.
George Lawrence Bean, of New Hampshire.
George Russell Hartley, of New Jersey.
Fritz Charles Nyland, of New Jersey.
Aaron Louis Shalowitz, of Maryland.
Wilmer Otis Hinkley, of Nevada.

PROVISIONAL APPOINTMENT AS SECOND LIEUTENANT IN THE ARMY.

PORTO RICO REGIMENT OF INFANTRY.

Enrique Cirilo Roque, of Illinois.

PROMOTIONS IN THE ARMY.

FIELD ARTILLERY.

To be major with rank from May 15, 1917, to fill an original vacancy.

Capt. Lewis S. Ryan, Field Artillery.

To be major with rank from May 15, 1917, to fill a casual vacancy.

Capt. William F. Morrison, Field Artillery, detached officers' list, vice Maj. Frank E. Hopkins, promoted.

To be captains with rank from May 15, 1917, to fill original vacancies.

First Lieut. Ronald D. Johnson, Field Artillery.
First Lieut. Robert S. Donaldson, Field Artillery.
First Lieut. Horace H. Fuller, Field Artillery.
First Lieut. Belton O'N. Kennedy, Field Artillery.
First Lieut. Francis H. Miles, jr., Field Artillery.
First Lieut. Herbert A. Dargue, Field Artillery.
First Lieut. Avery J. French, Field Artillery.
First Lieut. William C. Harrison, Field Artillery.
First Lieut. Byron Q. Jones, Field Artillery (Aviation Section, Signal Corps).
First Lieut. Robert N. Bodine, Field Artillery (Ordnance Department).
First Lieut. Stephen M. Walmsley, Field Artillery (Signal Corps).
First Lieut. John K. Boles, Field Artillery.
First Lieut. Richard B. Barnitz, Field Artillery (Aviation Section, Signal Corps).
First Lieut. Paul D. Carlisle, Field Artillery.

To be captains with rank from May 15, 1917, to fill casual vacancies.

First Lieut. Casey H. Hayes, Field Artillery, vice Capt. Claude B. Thummel, retained in Ordnance Department.
First Lieut. Harvey B. S. Burwell, Field Artillery (Aviation Section, Signal Corps), vice Capt. Franz A. Doniat, retained in Ordnance Department.
First Lieut. Alfred E. Larabee, Field Artillery (Signal Corps), vice Capt. Hubert G. Stanton, retained in Ordnance Department.
First Lieut. Cuyler L. Clark, Field Artillery, vice Capt. Joseph Andrews, retained in Signal Corps.
First Lieut. John H. Woodberry, Field Artillery (Ordnance Department), vice Capt. Lewis H. Brereton, retained in Aviation Section.
First Lieut. William A. Robertson, Field Artillery (Aviation Section, Signal Corps), vice Capt. Follett Bradley, retained in Ordnance Department.
First Lieut. Joseph B. Treat, Field Artillery, vice Capt. Robert S. Oberly, retained in Ordnance Department.
First Lieut. Sylvester D. Downs, jr., Field Artillery, vice Capt. Paul L. Ferron, retained in Aviation Section.
First Lieut. Orlando Ward, Field Artillery, vice Capt. Russell C. Maxwell, retained in Ordnance Department.
First Lieut. John S. MacTaggart, Field Artillery, vice Capt. Clarence N. Jones, promoted.
First Lieut. William S. T. Halcomb, Field Artillery, vice Capt Laurin L. Lawson, promoted.
First Lieut. Walter W. Hess, jr., Field Artillery, vice Capt. Morris E. Locke, promoted.
First Lieut. Thomas J. Brady, Field Artillery, vice Capt. John W. Kilbreth, jr., promoted.
First. Lieut. Herbert R. Corbin, Field Artillery, vice Capt. James H. Bryson, promoted.
First Lieut. Joseph D. Coughlan, Field Artillery, vice Capt. Roger O. Mason, promoted.
First Lieut. Harry A. Harvey, Field Artillery, vice Capt. William S. Browning, promoted.
First Lieut. Norman J. Boots, Field Artillery (Aviation Section, Signal Corps), vice Capt. Joseph F. Barnes, promoted.
First Lieut. Hugh P. Avent, Field Artillery, vice Capt. Dennis H. Currie, promoted.
First Lieut. Leo A. Walton, Field Artillery (Aviation Section, Signal Corps), vice Capt. Raymond S. Pratt, promoted.
First Lieut. Arthur A. White, Field Artillery, vice Capt. Alden F. Brewster, promoted.
First Lieut. Frederick J. Williams, Field Artillery, vice Capt. Samuel Frankenberger, promoted.
First Lieut. James A. Pickering, Field Artillery, vice Capt. William F. Morrison, promoted.

COAST ARTILLERY CORPS.

Capt. Clifford C. Carson, Coast Artillery Corps, detached officers' list, to be major from July 3, 1917, vice Maj. Frank C. Jewell, detailed in The Adjutant General's Department.

Capt. George T. Perkins, Coast Artillery Corps, to be major from July 17, 1917, vice Maj. James B. Mitchell, detailed in the Inspector General's Department.

Capt. John B. Murphy, Coast Artillery Corps, to be major from July 17, 1917, vice Maj. Charles O. Zollars, detailed in the Quartermaster Corps.

Capt. Jairus A. Moore, Coast Artillery Corps, to be major from July 18, 1917, vice Maj. Edward Carpenter, detailed in The Adjutant General's Department.

Capt. Frank B. Edwards, Coast Artillery Corps, to be major from July 24, 1917, vice Maj. Alfred S. Morgan, detailed in The Adjutant General's Department.

Capt. Henry C. Merriam, Coast Artillery Corps (General Staff Corps), to be major from July 24, 1917, vice Maj. Frederick W. Stopford, detailed in The Adjutant General's Department.

Capt. Harry W. McCauley, Coast Artillery Corps, to be major from July 24, 1917, vice Maj. Henry C. Merriam, retained in the General Staff Corps.

Capt. Robert W. Collins, Coast Artillery Corps, to be major from July 24, 1917, vice Maj. John S. Johnston, detailed in The Adjutant General's Department.

First Lieut. Cecil G. Young, Coast Artillery Corps (Ordnance Department), to be captain from May 15, 1917, vice Capt. Robert B. McBride, promoted.

First Lieut. Carl A. Waldmann, Coast Artillery Corps (Ordnance Department), to be captain from May 15, 1917, vice Capt. Cecil G. Young, retained in the Ordnance Department.

First Lieut. Paul W. Evans, Coast Artillery Corps (Signal Corps), to be captain from May 15, 1917, vice Capt. Carl A. Waldmann, retained in the Ordnance Department.

First Lieut. Henry A. Wingate, Coast Artillery Corps, detached officers' list, to be captain from May 15, 1917, vice Capt. Paul W. Evans, retained in the Signal Corps.

First Lieut. William C. Washington, Coast Artillery Corps, detached officers' list, to be captain from May 19, 1917, vice Capt. Gordon Robinson, detailed in the Quartermaster Corps.

First Lieut. Alfred B. Quinton, jr., Coast Artillery Corps, to be captain from May 24, 1917, vice John R. Musgrave, detailed in the Quartermaster Corps.

First Lieut. Harold A. Strauss, Coast Artillery Corps, to be captain from June 4, 1917, vice Capt. John L. Roberts, jr., promoted.

First Lieut. Cyril A. W. Dawson, Coast Artillery Corps, to be captain from June 4, 1917, vice Capt. Alfred A. Maybach, detailed in the General Staff Corps.

First Lieut. Walter O. Rawls, Coast Artillery Corps, detached officers' list, to be captain from June 4, 1917, vice Capt. Charles E. T. Lull, detailed in the General Staff Corps.

First Lieut. Francis A. Englehart, Coast Artillery Corps, detached officers' list, to be captain from June 4, 1917, vice Capt. Chauncey L. Fenton, detailed in the General Staff Corps.

First Lieut. William A. Copthorne, Coast Artillery Corps, detached officers' list, to be captain from June 4, 1917, vice Capt. George A. Wildrick, detailed in the General Staff Corps.

First Lieut. Selby H. Frank, Coast Artillery Corps (Ordnance Department), to be captain from June 15, 1917, vice Capt. James L. Dunsworth, detailed in the Aviation Section.

First Lieut. Robert H. Van Volkenburgh, Coast Artillery Corps, to be captain from June 15, 1917, vice Capt. Selby H. Frank, retained in the Ordnance Department.

First Lieut. Frederick G. Dillman, Coast Artillery Corps, to be captain from June 27, 1917, vice Capt. Archibald H. Sunderland, promoted.

First Lieut. Junius W. Jones, Coast Artillery Corps, detached officers' list, to be captain from June 27, 1917, vice Capt. Hugh J. B. McElgin, detailed in the Aviation Section.

First Lieut. Manning M. Kimmel, jr., Coast Artillery Corps, to be captain from June 27, 1917, vice Capt. James Prentice, detailed in the Aviation Section.

First Lieut. Vern S. Purnell, Coast Artillery Corps, detached officers' list, to be captain from June 27, 1917, vice Capt. Harold Geiger, detailed in the Aviation Section.

First Lieut. Robert M. Perkins, Coast Artillery Corps, to be captain from June 27, 1917, vice Capt. Harry R. Vaughan, detailed in the Aviation Section.

First Lieut. Lawrence B. Weeks, Coast Artillery Corps, to be captain from June 27, 1917, vice Capt. Hollis LeR. Muller, detailed in the Aviation Section.

First Lieut. William C. Foote, Coast Artillery Corps, detached officers' list, to be captain from July 17, 1917, vice Capt. George T. Perkins, promoted.

First Lieut. Stewart S. Giffin, Coast Artillery Corps, to be captain from July 17, 1917, vice Capt. John B. Murphy, promoted.

First Lieut. Ward E. Duvall, Coast Artillery Corps, to be captain from July 17, 1917, vice Capt. Jairus A. Moore, promoted.

First Lieut. James B. Gillespie, Coast Artillery Corps, to be captain from July 24, 1917, vice Capt. Harry W. McCauley, promoted.

First Lieut. Francis J. Toohey, Coast Artillery Corps, detached officers' list, to be captain from July 24, 1917, vice Capt. Robert W. Collins, promoted.

TRANSFER TO THE ACTIVE LIST OF THE ARMY.

INFANTRY ARM.

Capt. Ira L. Reeves, United States Army, retired, to the grade of major of Infantry, with rank from July 1, 1916.

RETIRED LIST OF THE ARMY.

Chaplain Halsey C. Gavitt, First Cavalry, with the rank of lieutenant colonel from August 1, 1917.

PROMOTIONS IN THE NAVY.

Sergt. Maj. Edward H. W. Holt,
Sergt. Maj. Charlie Hansen,
Sergt. Maj. Walter J. Eddington, jr.,
Q. M. Sergt. James P. Smith,
Q. M. Sergt. Norman M. Shaw,
Q. M. Sergt. John P. Harvis,
First Sergt. William J. Holloway,
First Sergt. Pink H. Stone,
First Sergt. Ray W. Jeter,
First Sergt. Robert Yowell,
First Sergt. James H. McGan,
First Sergt. Robert J. Woodrich,
First Sergt. William Workman,
Gunnery Sergt. Augustus Aiken,
Gunnery Sergt. Clate C. Snyder,
Gunnery Sergt. Frank F. Zissa,
Gunnery Sergt. Joseph M. Swinnerton,
Gunnery Sergt. Edward P. Oliver,
Gunnery Sergt. Max Cox,
Gunnery Sergt. Walter J. White,
Sergt. Charles McL. Lott,
Sergt. Ernest L. Russell,
Sergt. James F. Robertson,
Sergt. Charles H. Martin,
Corpl. Charles F. Kienast,
Sergt. Maj. Kirt Green,
Sergt. Maj. Charles S. Beale,
Sergt. Maj. Frank Whitehead,
Quartermaster Sergeant Frank E. Verner,
Quartermaster Sergeant Oliver A. Dow,
First Sergeant William R. Perry,
First Sergeant Bert Pearson,
First Sergeant John F. Evans,
First Sergeant Clarence H. Mediary,
First Sergeant Stephen F. Drew,
First Sergeant Hans O. Martin,
First Sergeant Harry Paul,
First Sergeant Alvin J. Daigler,
Gunnery Sergeant William Merrill,
Gunnery Sergeant William J. Borden,
Gunnery Sergeant Martin J. Kelleher,
Gunnery Sergeant Robert W. Winter,
Gunnery Sergeant Sidney O. Thompson,
Gunnery Sergeant William H. Haggerty,
Gunnery Sergeant Edgar S. Tuttle,
Sergeant Russell A. Presley,
Sergeant William J. Flanagan,
Sergeant William F. Becker,
Sergeant Rolin A. York,
Corporal Harvey B. Mims, and
Corporal Earl B. Hammond.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 6 (legislative day of August 4), 1917.

SURVEYOR OF CUSTOMS.

John S. Irby to be surveyor of customs for customs collection district No. 28, with headquarters at San Francisco, Cal.

PROMOTIONS IN THE ARMY.

ORDNANCE DEPARTMENT.

Lieut. Col. Jay E. Hoffer to be colonel.

CAVALRY ARM.

Lieut. Col. Francis C. Marshall to be colonel.
Maj. Cornelius C. Smith to be lieutenant colonel.

To be first lieutenants.

Second Lieut. Ray Harrison.
Second Lieut. William F. Daugherty.
Second Lieut. John T. Cole.
Second Lieut. Stephen H. Sherrill.
Second Lieut. Charles H. Gerhardt.
Second Lieut. Walter H. Schulze.
Second Lieut. Herbert C. Holdridge.
Second Lieut. Albert C. Smith.
Second Lieut. Nicholas W. Lisle.
Second Lieut. Percy G. Black.
Second Lieut. Albert C. Stanford.
Second Lieut. Laurence B. Meacham.
Second Lieut. Louis Le R. Martin.
Second Lieut. William K. Harrison, jr.
Second Lieut. Josiah F. Morford.
Second Lieut. Ernest N. Harmon.
Second Lieut. Joseph S. Tate.
Second Lieut. Arthur M. Harper.
Second Lieut. John W. Confer, jr.
Second Lieut. Herbert N. Schwarzkopf.
Second Lieut. Robert N. Kunz.
Second Lieut. Charles S. Kilburn.
Second Lieut. Charles R. Johnson, jr.
Second Lieut. Bertrand Morrow.
Second Lieut. Coalter B. Compton.

FIELD ARTILLERY ARM.

To be first lieutenants.

Second Lieut. Robert M. Bathurst.
Second Lieut. William H. Saunders.
Second Lieut. Charles E. Hurdis.
Second Lieut. Henry J. Schroeder.
Second Lieut. James K. Tully.
Second Lieut. John M. Devine.
Second Lieut. Harold A. Nisley.
Second Lieut. Fenton H. McGlachlin.
Second Lieut. James L. Guion.
Second Lieut. George D. Wahl.
Second Lieut. Basil H. Perry.
Second Lieut. Ray H. Lewis.
Second Lieut. Solomon F. Clark.
Second Lieut. Augustus M. Gurney.
Second Lieut. Oliver B. Cardwell.
Second Lieut. William O. Butler.
Second Lieut. Rex W. Beasley.

COST ARTILLERY CORPS.

To be first lieutenants.

Second Lieut. Harold R. Jackson.
Second Lieut. Morris K. Barroll, jr.
Second Lieut. Walter W. Warner.
Second Lieut. Walter F. Vander Hyden.
Second Lieut. Ira A. Crump.
Second Lieut. Elbert L. Ford, jr.
Second Lieut. Samuel H. Bradbury, jr.
Second Lieut. James L. Hayden.
Second Lieut. Scott B. Ritchey.
Second Lieut. George S. Beurket.
Second Lieut. Burnett R. Olmsted.
Second Lieut. Joel G. Holmes.
Second Lieut. James A Code, jr.
Second Lieut. William Sackville.
Second Lieut. Leroy H. Lohmann.
Second Lieut. Christian G. Foltz.
Second Lieut. Aaron Bradshaw, jr.
Second Lieut. William W. Cowgill.
Second Lieut. Harry R. Pierce.
Second Lieut. Lawrence C. Mitchell.
Second Lieut. Alexander H. Campbell.
Second Lieut. Marvil G. Armstrong.
Second Lieut. John R. Nygaard.

INFANTRY ARM.

To be first lieutenants.

Second Lieut. Madison Pearson.
Second Lieut. John M. Boon.
Second Lieut. Roger Hilsman.
Second Lieut. Holmes E. Dager.
Second Lieut. James E. Allison.
Second Lieut. Harry E. Fischer.
Second Lieut. Thomas L. Alexander.
Second Lieut. Charles E. Ravens.
Second Lieut. Charles H. Jones.
Second Lieut. Roger Williams, jr.
Second Lieut. Harry D. Hildebrand.
Second Lieut. William Hones, jr.
Second Lieut. John J. Bethurum.
Second Lieut. John L. Cootey.
Second Lieut. Albert C. Anderson.
Second Lieut. William H. Joiner.
Second Lieut. Hugh P. Schiveley.
Second Lieut. John D. Joanidy.
Second Lieut. Gilmer M. Bell.
Second Lieut. Manley Lawton.
Second Lieut. Roy Sloan.
Second Lieut. Bryce F. Martin.
Second Lieut. Harold C. Hoopes.
Second Lieut. Henley Schuck.
Second Lieut. Glenn D. Hufford.
Second Lieut. Paul R. Hudson.
Second Lieut. William R. Dwyer.
Second Lieut. Hanon F. Combs.
Second Lieut. William E. Fentress.
Second Lieut. Ralph Hall.
Second Lieut. Mahlon G. Frost.
Second Lieut. Benjamin H. Hensley.
Second Lieut. Hawthorne C. Gray.
Second Lieut. Donald J. Neumüller.
Second Lieut. Orland S. O'Neal.
Second Lieut. Otto Kramer.
Second Lieut. George D. Ramsey.
Second Lieut. Jerome Pickett.
Second Lieut. Lebbeus M. Cornish.
Second Lieut. Leon F. Stevens.
Second Lieut. William S. Rumbough.
Second Lieut. George A. Murray.
Second Lieut. Joseph E. Young.
Second Lieut. Henry T. J. Weishaar.
Second Lieut. Charles S. Lawrence.
Second Lieut. Cyrus A. Hay.
Second Lieut. Benjamin J. Holt, jr.
Second Lieut. Newton D. Hathaway.
Second Lieut. Byron W. Fuller.
Second Lieut. John E. Stullken.
Second Lieut. Herman H. Meyer.
Second Lieut. Carleton More.
Second Lieut. Edward P. Sheppard.
Second Lieut. Henry J. Matchett.
Second Lieut. John H. Strickland.
Second Lieut. Vincent S. Burton.
Second Lieut. Griffith Wight.
Second Lieut. Curtis P. Miller.
Second Lieut. William Ernst.
Second Lieut. John W. Bulger.
Second Lieut. Roy W. Voege.
Second Lieut. Taylor M. Uhler.
Second Lieut. Roy G. Gordon.
Second Lieut. Vernon L. Burge.
Second Lieut. Simon Fostiak.
Second Lieut. Edwin L. Dittmar.
Second Lieut. Crosby N. Elliott.
Second Lieut. Ernest R. Marvel.
Second Lieut. Frank M. Child.
Second Lieut. Raymond L. Price.
Second Lieut. Frederic M. Lee.
Second Lieut. Hurley E. Fuller.
Second Lieut. Larry McHale.
Second Lieut. Arthur M. O'Connor.
Second Lieut. John P. Horan.
Second Lieut. James H. S. Wells.
Second Lieut. Augustus B. O'Connell.
Second Lieut. Charles C. Fitzhugh.
Second Lieut. Thomas L. McMurray.
Second Lieut. Hiram G. Fry.
Second Lieut. Paul E. Jackson.
Second Lieut. Richard W. Cooksey.
Second Lieut. Homer S. Youngs.
Second Lieut. Edwin W. Grimmer.
Second Lieut. William H. Clark.
Second Lieut. Frank E. Haskell.
Second Lieut. Lloyd D. Brown.
Second Lieut. Roy C. Hilton.
Second Lieut. Raymond E. O'Neill.
Second Lieut. Justin S. Hemenway.
Second Lieut. William A. Shely.
Second Lieut. Corwin C. Smith.
Second Lieut. John E. McKenney.
Second Lieut. John U. Ayotte.
Second Lieut. Charles H. Barnwell, jr.
Second Lieut. Henry A. Schwarz.

Second Lieut. Edward G. Herlihy.
Second Lieut. Arnold J. Funk.
Second Lieut. George M. Ferris.
Second Lieut. Edwin L. MacLean.
Second Lieut. Norman Minus.
Second Lieut. Ernest N. Stanton.
Second Lieut. Thomas G. O'Malley.
Second Lieut. Newell R. Fiske.
Second Lieut. Philip B. Harrigan.
Second Lieut. John D. Hill.
Second Lieut. Frank W. Gano.
Second Lieut. John L. Pierce.
Second Lieut. Donald K. Mason.
Second Lieut. Lowell W. Rooks.
Second Lieut. Claude J. Hayden.
Second Lieut. Samuel D. Bedinger.
Second Lieut. Alpheus E. W. Harrison.
Second Lieut. Malcolm V. Fortier.
Second Lieut. Outram W. Sherman.
Second Lieut. Ivan N. Waldron.
Second Lieut. John J. Atkinson.
Second Lieut. Edward C. Allworth.
Second Lieut. Roland W. Wittman.
Second Lieut. Julian R. Orton.
Second Lieut. Reginald N. Hamilton.
Second Lieut. John W. Nicholson.
Second Lieut. Thomas A. Young.
Second Lieut. Charles H. Lee.
Second Lieut. Ray B. Conner.
Second Lieut. James S. Moore, jr.
Second Lieut. Franklin H. Woody.
Second Lieut. Herbert L. Landolt.
Second Lieut. Samuel W. Sowerbutts.
Second Lieut. Will Van S. Parks.
Second Lieut. Charles B. Kelly.
Second Lieut. Malcolm M. Maner.
Second Lieut. John L. McKee.
Second Lieut. Glenn L. Allen.
Second Lieut. Charles R. Jones.
Second Lieut. Willard S. Paul.
Second Lieut. Moritz A. R. Loth.
Second Lieut. Robert H. Chance.
Second Lieut. Claude W. Shelton.
Second Lieut. Harry G. Hodgkins, jr.
Second Lieut. Samuel R. Ward.
Second Lieut. Vincent P. Rousseau.
Second Lieut. March H. Houser.
Second Lieut. Lamont Davis.
Second Lieut. James B. Golden.
Second Lieut. Edwin B. Banister.
Second Lieut. Wilfrid Higgins.
Second Lieut. Eldon P. King.
Second Lieut. Frederick S. Matthews.
Second Lieut. Arthur P. Sibold.
Second Lieut. Francis M. Lasseigne.
Second Lieut. Walter Hellmers.
Second Lieut. Jesse P. Green.
Second Lieut. Howard W. Turner.
Second Lieut. William A. Taber.
Second Lieut. P. Barbour Peyton.
Second Lieut. Henry G. Sebastian.
Second Lieut. Wesley C. Brigham.
Second Lieut. William M. Goldston.
Second Lieut. Cyrus H. Searcy.
Second Lieut. Theodore Kelly.
Second Lieut. Leon E. Norris.
Second Lieut. David M. Hunter.
Second Lieut. J. Harold Fleischhauer.
Second Lieut. Tasso W. Swartz.
Second Lieut. Edward W. McCaskey, jr.
Second Lieut. Ward C. Goessling.
Second Lieut. Curley P. Duson.
Second Lieut. Joseph J. Johnston.
Second Lieut. Richard D. Daugherity.
Second Lieut. Walter R. Graham.
Second Lieut. Albert H. Peyton.
Second Lieut. Patrick Houstoun.
Second Lieut. Miron J. Rockwell.
Second Lieut. Peter Wirtz.
Second Lieut. Allen W. Stradling.
Second Lieut. Robert V. Tackabury.
Second Lieut. James P. Murphy.
Second Lieut. Gustav A. M. Anderson.
Second Lieut. William C. Peters.
Second Lieut. Francis L. Hill.
Second Lieut. Charles M. Parkin.
Second Lieut. Jacob E. Bechtold.
Second Lieut. Harry Adamson.
Second Lieut. Neal C. Johnson.
Second Lieut. John E. McCarthy.
Second Lieut. Steele Wotkyns.
Second Lieut. John C. Lane.
Second Lieut. Norman P. Groff.
Second Lieut. Glenn A. Ross.
Second Lieut. Donald J. Myers.
Second Lieut. Vic K. Burriss.
Second Lieut. Francis A. Woolfley.
Second Lieut. Carl B. Schmidt.
Second Lieut. Leslie L. Connett.
Second Lieut. Owen R. Rhoads.
Second Lieut. Joe L. Ostrander.
Second Lieut. Elmer F. Wallender.
Second Lieut. Carl E. Driggers.
Second Lieut. Allan F. House.
Second Lieut. Carl G. Lewis.
Second Lieut. John D. Burris.
Second Lieut. Harry V. Hand.
Second Lieut. Frederick V. Edgerton.
Second Lieut. Anthony O. Adams.
Second Lieut. George A. Stockton.
Second Lieut. Charles W. Neues.
Second Lieut. George R. Brown, jr.
Second Lieut. Oscar A. Burton.
Second Lieut. Harold W. Kelty.
Second Lieut. William H. Valentine.
Second Lieut. George N. Munro.
Second Lieut. Herbert Boyer.
Second Lieut. Myron W. Sherman.
Second Lieut. Woodworth B. Allen.
Second Lieut. Robert Ferris.
Second Lieut. Charles E. DeLeuw.
Second Lieut. William E. Shaw.
Second Lieut. Lee B. Woolford.
Second Lieut. Ned Blair.
Second Lieut. Ernest A. Kindervater.
Second Lieut. Oscar M. McDole.
Second Lieut. Jared I. Wood.
Second Lieut. Henry H. Ranson.
Second Lieut. Gordon C. Irwin.
Second Lieut. Elbridge G. Chapman, jr.
Second Lieut. Jacob H. Lawrence.
Second Lieut. Everett M. Yon.
Second Lieut. Grady H. Pendergast.
Second Lieut. Robert E. Frye.
Second Lieut. Cornelius F. Dineen.
Second Lieut. John C. Haynes.
Second Lieut. George L. Hopkins.
Second Lieut. George M. MacMullin.
Second Lieut. Harold K. Coulter.
Second Lieut. Hugh C. H. Jones.
Second Lieut. Otto E. Pentz.
Second Lieut. Williston L. Warren.
Second Lieut. Frederick W. Hyde.
Second Lieut. Gilbert Good.
Second Lieut. Theodore Rayburn.
Second Lieut. Leland S. Hatfield.
Second Lieut. Rosser L. Hunter.
Second Lieut. John S. Hopper.
Second Lieut. John P. Utinski.
Second Lieut. James L. Allbright.
Second Lieut. Feodor O. Schmidt.
Second Lieut. John G. Goodlett.
Second Lieut. George S. McCullough.
Second Lieut. Roderick A. Stamey.
Second Lieut. Leo W. Glaze.
Second Lieut. Walter E. Duvendeck.
Second Lieut. Abraham Cohen.
Second Lieut. William F. Gent.
Second Lieut. Clarence H. Maranville.
Second Lieut Roy Sparks.
Second Lieut William B Smith.
Second Lieut. Carl F. Cooper.
Second Lieut. John F. Gleaves.
Second Lieut. Sterling C. Robertson.
Second Lieut. Allen F. Kirk
Second Lieut. Thomas G. Jenkins.
Second Lieut. Francis S. B. Cauthorn.
Second Lieut. Lowery L. Cocke.
Second Lieut. Madison E. Walker.
Second Lieut Richard S. Duncan.

Second Lieut. Alexander P. Knapp, jr.
Second Lieut. Winthrop A. Houlyer.
Second Lieut. Leslie C. Wheat.
Second Lieut. Lawrence H. Bixby.
Second Lieut. Frank D. Grantham.
Second Lieut. Robert W. Norton.
Second Lieut. Frederic G. Dorwart.
Second Lieut. William D. Kerns.
Second Lieut. Oliver L. Garrett.
Second Lieut. Thomas E. Bourke.
Second Lieut. Hastings C. Scholl.
Second Lieut. Claire A. Whitesell.
Second Lieut. Reinhold A. F. Endling.
Second Lieut. William V. McCreight.
Second Lieut. John H. Ringe.
Second Lieut. Virgil Bell.
Second Lieut. William G. Purdy.
Second Lieut. Chesley R. Miller.
Second Lieut. Charles E. Robinson.
Second Lieut. William C. Robinson.
Second Lieut. Walter L. Mitchell.
Second Lieut. Robert F. Dark.
Second Lieut. Mimucan D. Cannon.
Second Lieut. Samuel Marshall.
Second Lieut. Ralph Slate.
Second Lieut. Lee S. Eads.
Second Lieut. Ernest John.
Second Lieut. Floyd H. Banta.
Second Lieut. Ralph M. Caulkins.
Second Lieut. Charles L. Moon.
Second Lieut. Claudius L. Lloyd.
Second Lieut. Francis G. Bishop.
Second Lieut. Henry D. Patterson.
Second Lieut. Bartlett M. Egeland.
Second Lieut. Stuart B. Taylor.
Second Lieut. Joseph P. Kiley.
Second Lieut. Joseph L. Brooks.
Second Lieut. Madefrey A. Odlner.
Second Lieut. Jacob M. Pearce, jr.
Second Lieut. Ora C. Coffey.
Second Lieut. George D. Lehmann.
Second Lieut. Jesse J. Hudson.
Second Lieut. Robert Hill.
Second Lieut. Robert C. Gregory.
Second Lieut. Laird A. Richards.
Second Lieut. John J. Finnessy.
Second Lieut. Carl C. Helm.
Second Lieut. Wayne Horton.
Second Lieut. Leo E. Bennett, jr.
Second Lieut. Ross Snyder.
Second Lieut. Arthur C. Boren.
Second Lieut. Frederick W. Schonhard.
Second Lieut. Arthur R. Jernberg.
Second Lieut. Edward S. Pegram, jr.
Second Lieut. Roger Sturgis.
Second Lieut. Stanley G. Saulnier.
Second Lieut. Mark R. M. Gwilliam.
Second Lieut. Will H. Gordon.
Second Lieut. Walter Tracey.
Second Lieut. William F. Stromeyer.
Second Lieut. Dudley B. Howard.
Second Lieut. Henry W. Farnam, jr.
Second Lieut. Arthur C. Kinsley.
Second Lieut. Henry E. Kyburg.
Second Lieut. William B. Tuttle.
Second Lieut. Charles H. Parker, jr.
Second Lieut. Ashley S. Le Gette.
Second Lieut. John L. Riddell.
Second Lieut. Joseph B. Wiener.
Second Lieut. Wallace H. Gillett.
Second Lieut. Benjamin W. Wood.
Second Lieut. Courtney P. Young.
Second Lieut. Allyn F. Stetson.
Second Lieut. Chester V. Newton.
Second Lieut. Frank L. Philbrook.
Second Lieut. John A. Whitson.
Second Lieut. George R. Owens.
Second Lieut. Andrew D. Bruce.
Second Lieut. Richard M. Winfield.
Second Lieut. Charles E. Hathaway, jr.
Second Lieut. Dallas L. Knoll.
Second Lieut. Kenneth S. Olivier.
Second Lieut. Philip A. Helmbold.
Second Lieut. Frederick C. Wheeler.
Second Lieut. Floyd E. Galloway.
Second Lieut. William C. Trumbower.
Second Lieut. Gerald A. Shannon.
Second Lieut. Henry Y. Lyon.
Second Lieut. Joseph A. Cistero.
Second Lieut. Thomas W. Freeman.
Second Lieut. Lawrence F. Braine, jr.
Second Lieut. Paxton S. Campbell.
Second Lieut. Maxwell Miller.
Second Lieut. Roy L. Schuyler.
Second Lieut. Louis DeL. Hutson.
Second Lieut. Gustav L. Karow.
Second Lieut. Harold D. Sites.
Second Lieut. Loren P. Stewart.
Second Lieut. Nathaniel L. Simmonds.
Second Lieut. John C. Colwell, jr.
Second Lieut. Harlan D. Kimball.
Second Lieut. John W. B. Thompson.
Second Lieut. William F. O'Donoghue.
Second Lieut. Thomas J. Moroney.
Second Lieut. William Luth.
Second Lieut. William C. Williams.
Second Lieut. Alan W. Jones.
Second Lieut. Francis L. Johnson.
Second Lieut. William W. Sanders.
Second Lieut. Charles S. Brodbent, jr.
Second Lieut. Arthur R. Rockwood.
Second Lieut. Wyne B. Cave.
Second Lieut. Stanley A. Thomson.
Second Lieut. Emery Williamson.
Second Lieut. Charles R. Russell.
Second Lieut. Ira N. Downer.
Second Lieut. William B. Wilson.
Second Lieut. Lloyd W. Mason.
Second Lieut. Carroll L. Ellis.
Second Lieut. Stanley Y. Kennedy.
Second Lieut. David P. McCalib.
Second Lieut. Henry A. Montgomery.
Second Lieut. Thomas H. Shea, jr.
Second Lieut. Franklyn T. Lord.
Second Lieut. William W. Dean.
Second Lieut. John W. Stewart.
Second Lieut. Augustus G. Schroeder.
Second Lieut. Royden K. Fisher.
Second Lieut. Marlin C. Martin.
Second Lieut. David L. Hooper.
Second Lieut. William L. Morrison.
Second Lieut. Oliver E. G. Trechter.
Second Lieut. Elmer F. Farnham.
Second Lieut. Charles S. Reily.
Second Lieut. David W. Barton.
Second Lieut. James T. Brazelton.
Second Lieut. John L. Autrey.
Second Lieut. Edwin H. Haskins.

PROVISIONAL APPOINTMENTS, BY PROMOTION, IN THE ARMY.

CAVALRY ARM.

To be first lieutenants.

Second Lieut. Ion C. Holm.
Second Lieut. Carl C. Krueger.
Second Lieut. George M. Herringshaw.
Second Lieut. Thomas F. Limbocker.
Second Lieut. Cornelius M. Daly.
Second Lieut. Richard B. Trimble.
Second Lieut. Arthur S. Harrington.
Second Lieut. Frank L. Whittaker.
Second Lieut. Philip H. Sherwood.
Second Lieut. Robert S. La Motte.
Second Lieut. George M. Gillet, jr.
Second Lieut. Arthur E. Pickard.
Second Lieut. James F. Dewhurst.
Second Lieut. Donald S. Perry.
Second Lieut. Thomas S. Poole.
Second Lieut. Frederick G. Rosenberg.
Second Lieut. Frederick R. Lafferty.
Second Lieut. Carl H. Strong.
Second Lieut. Robert L. Beall.
Second Lieut. Meade Frierson, jr.
Second Lieut. Arthur T. Lacey.
Second Lieut. David W. Craig.
Second Lieut. Edmund M. Barnum.
Second Lieut. Thomas A. Dobyns, jr.
Second Lieut. John T. Minton.
Second Lieut. William T. Haldeman.
Second Lieut. Edward S. Bassett.
Second Lieut. Edward F. Shaifer.

Second Lieut. George M. Peabody, jr.
Second Lieut. Athael B. Ellis.
Second Lieut. Harrie K. Dalbey.
Second Lieut. John W. McDonald.
Second Lieut. Victor Kerney.
Second Lieut. David H. Blakelock.
Second Lieut. Rinaldo L. Coe.
Second Lieut. Harold J. Duffey.
Second Lieut. Jay K. Colwell.
Second Lieut. Amory C. Cotchett.
Second Lieut. Otis Porter.
Second Lieut. Arthur C. D. Anderson.
Second Lieut. Alan B. Edson.
Second Lieut. Emory M. Mace.
Second Lieut. Harry H. Dunn.
Second Lieut. Renn Lawrence.
Second Lieut Fred H. Clark.
Second Lieut. Joseph A. Covington.
Second Lieut. John L. Rice.
Second Lieut. Nelson M. Imboden.
Second Lieut. Randolph Dickins.
Second Lieut. John N. Steele.
Second Lieut. Eugene M. Dwyer.
Second Lieut. Wharton G. Ingram.
Second Lieut. Edward S. Moale.
Second Lieut. Adrian St. John.
Second Lieut. Frederick J. Holzbaur.
Second Lieut. George H. Carruth.
Second Lieut. Robert M. Carswell.
Second Lieut. Walter C. Merkel.
Second Lieut. Joseph M. Hurt, jr.
Second Lieut. George I. Speer.
Second Lieut. Charles B. Duncan.
Second Lieut. Ferris M. Angevine.
Second Lieut. Julian W. Cunningham.
Second Lieut. Sam G. Fuller.
Second Lieut. Clinton A. Pierce.
Second Lieut. Thomas M. Cockrill.
Second Lieut. Delmore S. Wood.
Second Lieut. Arthur Vollmer.
Second Lieut. Otto B. Trigg.
Second Lieut. George W. L. Prettyman.
Second Lieut. Thomas M. Turner.
Second Lieut. Horace L. Hudson.
Second Lieut. Lawrence C. Frizzell.
Second Lieut. Jean F. Sabin.
Second Lieut. Robert F. White.
Second Lieut. Henry D. Jay.
Second Lieut. Ray L. Burnell.
Second Lieut. Arthur W. Hartman.
Second Lieut. John W. Berry.
Second Lieut. Joseph N. Marx.
Second Lieut. George Sawtelle.
Second Lieut. Folsome R. Parker.
Second Lieut. Guy H. Dosher.
Second Lieut. Cecil R. Neal.
Second Lieut. Myer S. Silven.
Second Lieut. William H. Symington.
Second Lieut. Philip B. Fryer.
Second Lieut. Donald C. Hawley.
Second Lieut. Vernon L. Padgett.
Second Lieut. Jay W. MacKelvie.
Second Lieut. Francis T. Bonsteel.
Second Lieut. William E. Barott.
Second Lieut. Wallace F. Hamilton.
Second Lieut. Frank Nelson.
Second Lieut. William E. McMinn.
Second Lieut. Edmund M. Crump.
Second Lieut. Herman F. Rathjen.
Second Lieut. Daniel J. Keane.
Second Lieut. Milo J. Warner.
Second Lieut. LeRoy Davis.
Second Lieut. Anthony J. Tittinger.
Second Lieut. Max D. Holmes.
Second Lieut. Charles A. Ellis.
Second Lieut. Demas L. Sears.
Second Lieut. Bankston E. Mattox, jr.
Second Lieut. Frank H. Barnhart.
Second Lieut. John A. Moschner.
Second Lieut. George E. Harrison.
Second Lieut. Wesley J. White.
Second Lieut. Alton W. Howard.
Second Lieut. Nolan Ferguson.
Second Lieut. Richard W. Carter.
Second Lieut. Kenneth Rowntree.
Second Lieut. George A. King.
Second Lieut. James B. Lockwood.
Second Lieut. Lionel L. Meyer.
Second Lieut. Frederick H. L. Ryder.
Second Lieut. Wallace W. Crawford.
Second Lieut. Theodore B. Apgar.
Second Lieut. Jefferson B. Osborn.
Second Lieut. Mortimer H. Christian.
Second Lieut. Marcus R. Monsarratt.
Second Lieut. Fabius B. Shipp.
Second Lieut. James J. Cecil.
Second Lieut. James M. Shelton.
Second Lieut. Albert R. Kuschke.
Second Lieut. George A. Moore.
Second Lieut. George W. Gay.
Second Lieut. Forsyth Bacon.
Second Lieut. Ralph L. Joyner.
Second Lieut. Roscoe S. Parker.
Second Lieut. Heywood S. Dodd.
Second Lieut. Kent C. Lambert.
Second Lieut. George E. Huthsteiner.
Second Lieut. Richard B. Lloyd.
Second Lieut. Maurice Morgan.
Second Lieut. Gilbert E. Bixby.
Second Lieut. Eugene Burnet.
Second Lieut. Charles F. Houghton.
Second Lieut. James E. Slack.
Second Lieut. Culver S. Mitcham.
Second Lieut. William O. Johnson.
Second Lieut. Harold B. Gibson.
Second Lieut. John D. Hood.
Second Lieut. William E. Kepner.
Second Lieut. Melvin S. Williamson.
Second Lieut. Evarts W. Opie.
Second Lieut. Frank P. Stretton.
Second Lieut. Paul Hurlburt.
Second Lieut. Aaron Y. Hardy.
Second Lieut. Earl B. Wilson.
Second Lieut. Edmund J. Engel.
Second Lieut. John E. Grant.
Second Lieut. Jack M. Reardon.
Second Lieut. George D. Coleman.
Second Lieut. Lewis Mesherry.
Second Lieut. Lewis A. Weiss.
Second Lieut. Francis E. Cheney.
Second Lieut. Robert P. Mortimer.
Second Lieut. Lee T. Victor.
Second Lieut. Henry C. Caron.
Second Lieut. William W. Powell.
Second Lieut. Thomas P. Cheatham.
Second Lieut. Robert F. Merkel.
Second Lieut. George F. Bloomquist.
Second Lieut. Carroll A. Powell.
Second Lieut. Frank C. De Langton.
Second Lieut. Oscar B. Abbott.
Second Lieut. Carter R. McLennan.
Second Lieut. Frederick Gearing.
Second Lieut. Geoffrey Galwey.
Second Lieut. Louis G. Gibney.
Second Lieut. William D. Adkins.
Second Lieut. John B. Hartman.
Second Lieut. Harry C. Jones.
Second Lieut. James E. Simpson.
Second Lieut. Aaron T. Bates, jr.
Second Lieut. Charles J. Booth.
Second Lieut. William T. Hamilton.
Second Lieut. Richard C. Boyan.
Second Lieut. Edward K. Jones.
Second Lieut. Harry P. Shaw.
Second Lieut. Frederick F. Duggan.
Second Lieut. Merl J. Flatt.
Second Lieut. Harry H. Baird.
Second Lieut. Francis H. Waters.
Second Lieut. William T. Bauskett, jr.
Second Lieut. Carlisle B. Cox.
Second Lieut. Walter L. Bishop.
Second Lieut. Donald R. McComas.
Second Lieut. Lilburn B. Chambers.
Second Lieut. John W. Burke.
Second Lieut. Charles W. Jacobson.
Second Lieut. Edgar R. Garlick.
Second Lieut. Henry P. Ames.
Second Lieut. Richard F. Leahy.

Second Lieut. Howard C. Okie.
Second Lieut. William L. Gibson.
Second Lieut. James L. Franciscus.
Second Lieut. Eddie J. Lee.
Second Lieut. Elmer P. Gosnell.
Second Lieut. Raymond D. Adolph.
Second Lieut. Donald A. Stroh.

FIELD ARTILLERY ARM.

To be first lieutenants.

Second Lieut. Oliver L. Haines.
Second Lieut. Oscar I. Gates.
Second Lieut. Gerald E. Brower.
Second Lieut. William J. Jones.
Second Lieut. Yarrow D. Vesely.
Second Lieut. William B. Dunwoody.
Second Lieut. Charles B. Thomas.
Second Lieut. Oliver J. Bond.
Second Lieut. Robert H. Ennis.
Second Lieut. Benjamin E. Carter.
Second Lieut. Henry B. Parker.
Second Lieut. Francis Fielding-Reid.
Second Lieut. Harold H. Ristine.
Second Lieut. Edmund B. Edwards.
Second Lieut. Oscar L. Gruhn.
Second Lieut. Theodore W. Wrenn.
Second Lieut. Harold W. Rehm.
Second Lieut. John B. Pitney.
Second Lieut. Clifford H. Tate.
Second Lieut. Ottomar O'Donnell.
Second Lieut. Oliver P. Echols.
Second Lieut. Clement Ripley.
Second Lieut. Edward M. Smith.
Second Lieut. John O. Hoskins.
Second Lieut. William Clarke.
Second Lieut. Albert R. Ives.
Second Lieut. Arthur Brigham, jr.
Second Lieut. William M. Jackson.
Second Lieut. Joseph A. Sheridan.
Second Lieut. Hugh C. Minton.
Second Lieut. Charles W. Gallaher.
Second Lieut. Laurence V. Houston.
Second Lieut. Stacy Knopf.
Second Lieut. James M. Garrett.
Second Lieut. David M. Pope.
Second Lieut. Harry B. Weston.
Second Lieut. Eugene H. Willenbucher.
Second Lieut. Louis C. Arthur, jr.
Second Lieut. John F. Hubbard.
Second Lieut. Franklin M. Davison.
Second Lieut. William E. Shepherd, jr.
Second Lieut. Frank Langham.
Second Lieut. William F. Maher.
Second Lieut. Walter F. Wright.
Second Lieut. Sidney F. Dunn.
Second Lieut. Louis W. Hasslock.
Second Lieut. Breckinridge A. Day.
Second Lieut. Paul C. Harper.
Second Lieut. Joseph Kennedy.
Second Lieut. George D. Shea.
Second Lieut. John V. D. Hume.
Second Lieut. Woodrow W. Woodbridge.
Second Lieut. Gervas S. Taylor.
Second Lieut. John G. Pennypacker.
Second Lieut. Richard H. Schubert.
Second Lieut. Edward J. F. Marx.
Second Lieut. John W. Weeks.
Second Lieut. Wilbur C. Carlan.
Second Lieut. George R. Rede.
Second Lieut. Gilbert P. Kearns.
Second Lieut. Van Rensselaer Vestal.
Second Lieut. John H. Carriker.
Second Lieut. Peter P. Michalek.
Second Lieut. William G. Gough.
Second Lieut. Joseph A. Mulherrin.
Second Lieut. Azel W. McNeal.
Second Lieut. William B. Wright, jr.
Second Lieut. Victor H. Bridgman, jr.
Second Lieut. Wendell L. Bevan.
Second Lieut. Henry J. Macpeake.
Second Lieut. Frank W. Lykes.
Second Lieut. Richard T. Guthrie.
Second Lieut. Ittai A. Luke.
Second Lieut. Roger Griswold.
Second Lieut. Henry Lockwood, jr.
Second Lieut. Alan L. Campbell.
Second Lieut. Oscar B. Ralls, jr.
Second Lieut. John H. Larkin.
Second Lieut. Douglas R. Coleman.
Second Lieut. George P. Winton.
Second Lieut. Robert N. Getty, jr.
Second Lieut. George J. Downing.
Second Lieut. Christiancy Pickett.
Second Lieut. Rush H. Rogers.
Second Lieut. John C. Adams.
Second Lieut. Arthur C. Waters.
Second Lieut. Ernest T. Barco.
Second Lieut. Lester A. Daugherty.
Second Lieut. Walter G. Witt.
Second Lieut. Joseph E. Takken.
Second Lieut. Raymond J. Watrous.
Second Lieut. Jerome J. Waters, jr.
Second Lieut. Thomas G. Hanson, jr.
Second Lieut. Bertram N. Rock.
Second Lieut. Alexander S. Quintard.
Second Lieut. Marcus A. S. Ming.
Second Lieut. Lewis E. Goodrich.
Second Lieut. Victor R. Woodruff.
Second Lieut. Robert W. Yates.
Second Lieut. Dana C. Schmahl.
Second Lieut. Wilbur G. Dockum.
Second Lieut. Clinton M. Lucas.
Second Lieut. Harry B. Berry.
Second Lieut. Samuel G. Fairchild.
Second Lieut. Ray S. Perrin.
Second Lieut. Ben M. Sawbridge.
Second Lieut. Warren D. Davis.
Second Lieut. Dominic J. Sabini.
Second Lieut. Herman Feldman.
Second Lieut. Charles M. Stephens.
Second Lieut. Oscar T. Yates.
Second Lieut. Aubrey C. Stanhope.
Second Lieut. John H. Fye.
Second Lieut. Julius T. A. Doolittle.
Second Lieut. Charles R. Lehner.
Second Lieut. James V. Palmer.
Second Lieut. James F. Brittingham.
Second Lieut. Gordon Grant.
Second Lieut. Ernest A. McGovern.
Second Lieut. David S. Doggett.
Second Lieut. Arthur D. Ruppel.
Second Lieut. Ralph M. Balliette.
Second Lieut. David H. Trevor.
Second Lieut. William E. Pfeiffer.
Second Lieut. Walter C. Lattimore.
Second Lieut. Albert A. Fleming.
Second Lieut. Russell H. Dixon.
Second Lieut. Everett M. Graves.
Second Lieut. William W. Thomas.
Second Lieut. Leo M. Daly.
Second Lieut. Francis R. Mann.
Second Lieut. Stephen H. Cordill.
Second Lieut. Nathan E. McCluer.
Second Lieut. Tom W. Stewart.
Second Lieut. Fred E. Sternberger.
Second Lieut. Harry E. Webber.
Second Lieut. Moe Neufeld
Second Lieut. Carlos W. Bonham.
Second Lieut. Sidney J. Cutler.
Second Lieut. William R. Holcomb.
Second Lieut. Harry Hollander.
Second Lieut. Arthur O. Walsh.
Second Lieut. Edmond C. Fleming.
Second Lieut. Virgil L. Minear.
Second Lieut. Charles E. Boyle.
Second Lieut. Karl J. Howe.
Second Lieut. Edwin A. Henn.
Second Lieut. Homer H. Dodd.
Second Lieut. Lawrence H. Wadsworth.
Second Lieut. John W. L. Sutherland.
Second Lieut. Alfred M. Goldman.
Second Lieut. Arthur A. Dearing.
Second Lieut. James W. Stewart.
Second Lieut. Francis C. Le Gette.
Second Lieut. Benjamin S. Dowd.
Second Lieut. John M. Peirce.
Second Lieut. Miles M. Elder.
Second Lieut. Frederick C. Austin.
Second Lieut. George F. Kite.
Second Lieut. Herbert S. Herbine.

Second Lieut. Charles T. McAleer.
Second Lieut. Walter A. Noyes.
Second Lieut. Paul R. Wing.
Second Lieut. Edward J. Roe.
Second Lieut. Myron W. Tupper.
Second Lieut. Harry L. Calvin.
Second Lieut. Charles R. Doran.
Second Lieut. William W. Belcher.
Second Lieut. John R. Williams.
Second Lieut. George R. Middleton.
Second Lieut. Wilbur H. Hayes.
Second Lieut. Robert F. Blodgett.
Second Lieut. John F. Lynch.
Second Lieut. Carl C. Carney.
Second Lieut. Richard A. Gordon.
Second Lieut. William B. B. Wilson.

COAST ARTILLERY CORPS.

To be first lieutenants.

Second Lieut. Otis A. Wallace.
Second Lieut. James M. Evans.
Second Lieut. Cedric F. Maguire.
Second Lieut. Edward E. Murphy.
Second Lieut. Marshall M. Williams, jr.
Second Lieut. Henry R. Behrens.
Second Lieut. Edward C. Seeds.
Second Lieut. Edison A. Lynn.
Second Lieut. Milton P. Morrill.
Second Lieut. Guy H. Drewry.
Second Lieut. Raphael S. Chavin.
Second Lieut. John L. Scott.
Second Lieut. Alva F. Englehart.
Second Lieut. James L. Keane.
Second Lieut. John A. Messerschmidt.
Second Lieut. Benjamin Bowering.
Second Lieut. Henry F. Grimm, jr.
Second Lieut. Henry Linsert.
Second Lieut. Donald L. Dutton.
Second Lieut. Leland A. Miller.
Second Lieut. Arthur N. Harrigan.
Second Lieut. Percy C. Hamilton.
Second Lieut. Robert A. Laird.
Second Lieut. Porter P. Lowry.
Second Lieut. Stuart W. Griffin.
Second Lieut. Joseph W. Hazell.
Second Lieut. John B. Day.
Second Lieut. Nelson Dingley, 3d.
Second Lieut. Carl R. Adams.
Second Lieut. Edward C. Lohr.
Second Lieut. Byron T. Ipock.
Second Lieut. George W. Hovey.
Second Lieut. Ernest L. Bigham.
Second Lieut. Raymond H. Schutte.
Second Lieut. Carl R. Crosby.
Second Lieut. Charles T. Halbert.
Second Lieut. Claude G. Benham.
Second Lieut. Henry B. Frost.
Second Lieut. Roy D. Burdick.
Second Lieut. Franklin A. Green.
Second Lieut. Harrie J. Rechtsteiner.
Second Lieut. Willard W. Irvine.
Second Lieut. William D. Evans.
Second Lieut. William C. Byrd.
Second Lieut. Clarence N. Winston.
Second Lieut. Albert M. Jackson.
Second Lieut. Lyle B. Chapman.
Second Lieut. Joseph P. Kohn.
Second Lieut. Robert J. Van Buskirk.
Second Lieut. Frederick L. Topping.
Second Lieut. Thomas R. Phillips.
Second Lieut. Charles S. Erswell, jr.
Second Lieut. Lewis Merriam, jr.

PROVISIONAL APPOINTMENTS AS SECOND LIEUTENANTS IN THE ARMY.

CAVALRY ARM.

Garibaldi LaGuardia.
Thomas Mitchell Hagar.
Will Shafroth.
William Draper Savage.
Richard Ridgely Lytle, jr.
Harry Chapman Gilbert.
Henry Elkins Atwood.
John Christopher Taliaferro, jr.
Max Winfield Tucker.
Vernon McTyeire Shell.
Emmons L. Abeles.
James Charles Longino.
Woodbury Freeman Pride.
Eugene Peter Henry Gempel.
Charles Baxter Sweatt.
John Melville Sanderson.
Charles William Walton.
James Vincent McConville.
Marion Cox.
Hugh John FitzGerald.
Lyle Calhoun De Veaux.
David Proud Minard.
Paul Joseph Matte.
Hugo Paul Wise.
Norman Ray Hamilton.
Robert Rush Hawes, jr.
Joseph Shelburn Robinson.
Murray Henry Ellis.
Wolcott Paige Hayes.
Joseph Idus Lambert.
Ralph W. Rogers.
William Paul Medlar.
Lawrence Augustus Shafer.
Thurlby Morgan Rundel.
Charles Bernard Beeler Bubb.
Paul Elmer McDermott.
Gustav Bismark Guenther.
William Howser Skinner.
Leslie Frederick Lawrence.
Franklin Courtney Ketler.
Charles Pope II.
Waldemar Adolph Falck.
Carl John Rohsenberger.
Crawford McMann Kellogg.
Russell McKee Herrington.
James Veto McDowell.
Harry Lee Hart.
James Henry Beals Bogman.
Robert Harold Gallier.
Percy Stuart Haydon.
David Jamison Chaille.
Albert Edward McIntosh.
Jefferson Kinney, jr.
Halbert Hale Neilson.
Leland Charles McAuley.
Carl Rudy Johnston.
Dean Reade DeMerritt.
Vance Whiting Batchelor.
Truman Everett Boudinot.
James Rushmore Wood.
William James Gallagher.
Charles Rudd.
James Gordon Strobridge.
Stephen Boon, jr.
Harold Glaucus Holt.
Walter Gunther.
Roy Vernon Morledge.
John Wesley Noble.
Herman Revere Crile.
Joseph Edmund Torrence.
Charles Gordon Hutchinson.
Chester Paul Dorland.
Ernest Davis McQueen.
Archie E. Groff.
George Davis Wiltshire.
Alfonso Frederick Zerbee.
Jackson Broadus Wood.
Arthur John Wehr.
Robert C. Scott.
Arnold W. Shutter.
Gerald Fitz-Herbert Delamer.
Leland Whitney Crafts.
A. Franklin Kibler.
Leonce Joseph Blanchard.
John Donald Robb.
Winfield Mills Putnam.
James Caruthers Lysle.
Francis Sylvester Conaty.
William Edward Beitz.
William Caldwell Dunckel.
William Hugh Burns.
Bernard Reilly Kennedy.
Rex Byerly Shaw.
John Waller Faulconer, jr.
Richard Erastus Taylor.

Charles Deere Wiman.
Herbert Llewellyn Montgomery.
Gennard Alban Greaves.
Willis Alexander Garvey.
Edwin Howard Blanchard.
Francis Murry Crist.
Haines Beede Quimby.
Robert Carlyle Gillies.
Oliver Grant Brush.
Gordon Hunt Michler.
Robert Graff Merrick.
Louis J. Fortier.
William Mitchell Wiener.
William Jay Schieffelin, jr.
William Fergus Kernan.
George Lamb Buist Rivers.
Dell Hamilton McCoy.
Wallace Gordon Drummond.
Morrill Ross.
Roland Legard Davis.
John Averill Steere.
Leslie Edwards Babcock.
Joseph Cumming Elliff.
William Torrey Barker.
Erik Achorn.
Dorsey Richardson.
Byron Henry Mehl.
Leon Adolph Des Pland, jr.
Charles Warner McCleary.
John Lindley Gammell.
James Wade Emison, jr.
Ward Hale Maris.
Roderick Stanley Patch.
Robert Edmund Tappan.
Charles Boot Malone, jr.
James Bentley Taylor.
Rollin Asher Burditt.
Richard Henry Ballard.
Joseph Dent Hungerford.
James Clay Short.
Arthur Day Edmunds.
Francis Johnstone Simons.
Lawrence Byron Wyant.
Theodore Ludwig Sogard.
John Cary Howard.
Carlyle Judson Hancock.
James C. Miller.
Abraham Wright Williams.
James Thomas Duke.
Hiram F. Plummer.
Thomas Watkins Ligon.
Edward Hale Brooks.
Wayland Bixby Augur.
William Brooke Bradford.
Philip Coleman Clayton.
Hans E. Kloepfer.
Edward Allen Everitt, jr.
Herbert Allyn Myers.
Norman Norton Rogers.
Temple Elliott Ridgely.
Harry William Maas.
Peter Townsend Coxe.
Francis Henry Bouche.
William Henry Sweet.
Louis Cansler.
William Van Dyke Ochs.
Horace Waldo Forster.
Richard Nevins Mather.
Lee Louis Elzas.
Owen George Fowler.
Harry Foster.
Alexander Carl Strecker.
Stanley Ayrault Ward.
Dwight Hughes, jr.
William Robert Stickman.
Lloyd W. Biggs.
Wilkie Collins Burt.
Harry Louis Sommerhauser.
Harold Edward Dickinson.
Adrian Beaumont Charles Smith.
Rufus Stanley Ramey.
Carl Thompson Colt.

FIELD ARTILLERY.

James Holcombe Genung, jr.
Warner Merritt Pomerene.
Ross Seguine Mason.
Edwin Shelby, jr.
Robert Benjamin Hood.
Victor A. Dash, jr.
Charles William Chalker.
John Lawrence Hamilton, jr.
Roy Crawford Moore.
Theodore Edward Thomas Haley.
John Franklin Hepner.
Edward W. Austin.
Clyde Charles Alexander.
Erwin Adolph Manthey.
Henry Barton Dawson.
John William Kelley.
Harvey Rexford Hitchcock, jr.
Thomas Hart Davis.
John P. Ratajczak.
Claude Tillinghast Porter.
Thomas Hooper Eckfeldt, jr.
Sumter Davis Marks, jr.
Gordon Hunt Dickson.
Reed Emil Beck.
Waldo Emerson Arc.
Clarence E. Cartwright.
Raymond Joseph Walsh.
Harold Kernan.
Innes Harwood Bodley.

COAST ARTILLERY CORPS.

Fenton Gay Epling.
Ross Gordon Hoyt.
William Mayer.
Hubert A. McMorrow.
Douglas Graeme Clark.
Vernon Garnett Cox.
Ralph Garver Lockett.
John Hancock LaFitte.
Leon Chapman Dennis.
Clarence Lee Stevens.
Caruthers Askew Coleman.
William Fred Lafrenz.
Carson Gary Jennings.
Charles Joseph Collins.
Richard Gascoigne Lyne.
James Black Muir, jr.
Edmund Hathaway Stillman.
Rabert Chapman Snidow.
John Frederick Loomis.
Charles H. Keck.
Thurwood Van Ornum.
Cecil Ray Moore.
Anthony Lispenard Bleecker.
Edward Allen Williford.
James Erastus Wallis, jr.
Granville Byam Smith.
Grafton Sherwood Kennedy.
Chester King Allen.
Harold Clarkson Mabbott.
James Arthur Blair.
Harold Arthur Maxfield.
James Patrick Ferrall, jr.
Robert Elliott Lamb.
Winthrop Chester Swain.
George Augustus Nelson, jr.
Edward Yates Keesler.
Roland Hubert Dufault.
Gardner Endicott Johnson.
Frank Charles Howard.
Paul Harrington Duff.
Lucas Elmendorf Schoonmaker.
Gordon Marshall Wells.
Robert Ellsworth Johnston.
Hermon French Safford.
Clifford Dean Hindle.
John Raymond Ramsbottom.
Merton Luther Haselton.
John Randolph Wheeler.
Raymond James Farrell.
John Russell Haviland.
Erving Goodwin Betts.
Arthur F. Benson.
Joseph Frederick Williamson.
Richard Whiting Logan.
Thomas Ewing Hannah.
Frank Stanley Krug, jr.

Henry Millet Blank.
William Henry Egle Holmes.
Arthur Donohue Dickson.
Roswell Frederick Curtis.
Douglas Meriwether Griggs.
Horace Frederick Banan.
Harry Walter Capper.
Douglas Fuller Miner.
Edward Francis Weiskopf.
Sidney Smith Small.
James Paul Jacobs.
Cornelius Henry Menger.
William Henry Seymour.
Sherwood Holmes Taber.
Walton Barr Killough.
Ernest Cleveland Bomar.
Jarvis Carter Marble.
James William Anderson.
Alfred Hall Crossman.
John Raymond Markham.
Charles Edward Atkinson.
George Davis Kittredge.
Thomas Freeman Tisinger.
Coburn Lee Berry.
John Hancock Babbitt.
Carroll Cushing Taylor.
Joseph Paul Gardner.
Edward Benedict McCarthy.
Herbert Arthur Dyer.
Edward Hayward Raymond.
Eugene Burton Butler.
Simpson Ridley Stribling.
Neal Everett Tourtellotte.
Hubert Eugene Wellcome.
Lyle D. Wise.
Edwin Mortimer Woodward.
John Wesley Orcutt.
James Anthony Taylor.
James Greenwood McDougall.
Richard Derby.
Frederic Roland Cox.
James Thomas Campbell.
Howard Spencer MacKirdy.
Robert Hawley Wells.
Kenyon Roper.
Thomas William Hansberry.
Albert Jerome Hahn.
Maurice E. Barker.
Philip Edwin Hulburd.

INFANTRY ARM.

Earl Elliott Major.
Lloyd Chandler Parsons.
Claudius Miller Easley.
Henry Vaughon Dexter.
Ted H. Cawthorne.
Edward Harrah.
Nelson Hill.
Robert William Corrigan.
Richard Hammond Elliott.
Peter Fries Connor.
Robert Hughes Lord.
Mose Kent Pigman.
Otto John Endres.
John Joseph Hannigan.
Ruthford L. Herr.
Herbert Gray Esden.
Norman Spencer.
Hunter Louis Girault.
Rex Walter Minckler.
George Albert Jackson.
Roy F Lynd.
Hugo John Endres.
Wade Hampton Johnson.
Robert Charles Patterson.
Hoke Smith, jr.
Francis Ward Kernan.
John Nicol McNaughton.
Samuel Isaac Speevack.
Maximilian Clay.
Frederick Sandrus Schmitt.
Calvert Hinton Arnold.
Clarence Littleton Morton.
George Shipley Prugh.
Homer Franklin Tate.
Harold Montague.
Kenyon Harrington Clark.
Cyril M. Stillson.
Richard Hutchings Johnston.
John Blakeway Cockburn.
George Thurman Fleet.
Clifton Martin Brown.
Arthur Bloch.
Edward John Rasch.
Walter Valentine Flynn.
Otto Walter Neidert.
Edwin Showalter Beall.
Ralph Emerson Bower.
Charles Weiley Ogden.
Peter William Ebbert.
George Leland Eberle.
Henry Pascale.
Frank Rutherford Marston.
George Warner Swift.
Lorraine Douglas Fields.
Remington Orsinger.
William Stewart Morris.
Joseph W. Bollenbeck.
Kenneth Corwin Bell.
Arnold Michelson.
Thomas Frank Keasler.
Monroe Mark Friedman.
Lee Clare Lewis.
Cyrus Joseph Rounds.
John Dean Forsythe.
Marcus Brenneman Bell.
Samuel Louis Alexander.
Albert Denarvous Johnson.
Roger William Morse.
Leslie T. Lathrop.
Andrew Annan Cook.
Lewis Augustine Maury.
Dan W. Flickinger.
Robert Duncan Porter.
Ralph Edwin Richards.
Chester Gilbert Hadden.
Ralph Hudson Wooten.
Kenneth Burman Bush.
Donald Clark Williams.
Russell Daniel Barnes.
Victor Patterson.
Thorgny Cedric Carlson.
Lyman Case Ward.
James David Brown.
Harold Clark McClelland.
Robert Cummings Brunson.
Walter Ebsworth Wynne.
Norman Lee Baldwin.
Roger Howell.
Kenneth McIntosh.
Fred Reginald Wolff.
Arthur Clifford Carlton.
Robert Vansant Finney.
Philip Daniels Wessen.
Clement Dixon Johnston.
Edward John Hardin.
Harman Paul Agnew.
Floyd Lyle.
Francis Wayland Stone, jr.
Don Carlos Faith.
Charles Barrett Herrick.
Raymond Orr.
Thomas A. Austin, jr.
James William Anderson.
Edgar Tremlett Fell.
Archibald Ross MacKechnie.
Joseph Benedict Kilbride.
Francis Howard Wilson.
Walter Adams Mack.
Arthur Franklin Williams.
William Hamilton Ponder.
John Cleary Kernan.
Maxton Hale Flint.
Edward Monroe Bates.
Howard Jennings Gorman.
Charles Swett Pettee.
Elmer E. Hagler, jr.
Sidney Hamlet Negrotto.
Gustav Joseph Braun.
Frederick Vaughan Burgess.
Everett Langdon Upson.

Walter Russell Curfman.
Don Forrester Pratt.
Ralph Edgerton Mooney.
Willard Allen Reddish.
Ernest Ransome Percy.
Marcellus L. Countryman, jr.
John Corwin Shaw.
Harry L. Stoner.
James Merritt Arthur.
Donovan Paul Yeuell.
Asa Fitch Coleman.
Charles Joseph McIntyre.
Phillip M. Oviatt.
Edwin Hubert Randle.
Francis Marion Rich.
Edwin Gowdy Watson.
George Lutz Hornbrook.
Leon Franklin Sullivan.
Walter Clark Armstrong.
William B. Townsend.
Hunter McGuire.
Andrew Lewis Tucker.
Steven Bavard Wilson.
Edwin Ralph Rinker.
John Henry Gibson.
George Washington Gering.
Cecil Maurice Neal.
Jay Williams Sechler.
Walter Earl Ditmars.
Paul Newman Darrington.
John William Spaulding.
Sydney Buford Scott.
Ralph Harrison Countryman.
Edwin Ernest Aldridge.
Edwin Blake Crabill.
Reade Mulkey Ireland.
Edmund Walton Hill.
Alfred Marston Shearer.
James Reid Campbell, jr.
Edward Albert Mullon.
James Obadiah Tarbox.
Harry Frederick Rusch.
Raymond Frank Edwards.
Oren Anelen Mulkey.
Charles Chester Bond.
Francis Robbins McCook.
Byron Clark Brown.
Forrest Marshall Harmon.
Ralph Carlin Flewelling.
Frank Hixon Terrell.
Harold Ragan Priest.
Jabez Gideon Gholston.
Robert A. McClure.
Frederick Meyer Vinson.
Francis Brown McCollom.
Reginald David Pappe.
Joseph Benton Wirt.
Graham Roscoe Schweickert.
Norman Paul Williams.
Claude G. Hammond.
Charles Holland Riggin.
Winfield Wegg Smith.
Milton Russell Barclay.
Harold Clinton Wasgatt.
Wannie Lee Bartley.
Norman John McMahon.
Donald Morris Bartow.
Hilbert Alexander Canfield Jensen.
Frank Allen Pattillo.
Paul Louis Singer.
Joseph Louis Ready.
James Bernard Scarr.
Lloyd Russell Rogers.
Charles Carter Riticor.
Earl Coulson Flegel.
Abner Wisdom Goree.
Herbert Blish Wheeler.
Charles Carroll Nathan.
Crittenden Anderson Coe Tolman.
William Edward Tidwell.
James Kerr Cubbison.
Howard Foster Ross.
Arthur Joseph Lacouture.
Clifford Michael Olivetti.
Josiah Bowler Mudge, jr.
Hugh Shaw Lee.
Wilbur Storm Elliott.
Kirke Brooks Lawton.
Neil Smith Edmond.
Harold Haney.
Tully Charles Garner.
Wilmer Brinton, jr.
Forrest Meade Record.
Luther Wesley Dear.
Frederick Charles Shantz.
Martin DeWitt McAllister.
George Washington Booth.
William R. Colbern.
Marcel Alfred Gillis.
John William Carroll.
Joshua Shelton Bowen.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Lieut. Commander Frederick J. Horne to be a commander.
Lieut. Walter E. Reno to be a lieutenant commander.
The following-named lieutenants (junior grade) to be lieutenants:
Frank D. Manock, and
Penn L. Carroll.
The following-named ensigns to be lieutenants (junior grade):
Theodore W. Sterling,
Thomas L. Nash, and
Thomas C. Slingluff.
George S. Rentz to be an acting chaplain.
Pay Clerk Frank R. Tuck to be a chief pay clerk.
Pay Clerk Theodore S. Coulbourn to be a chief pay clerk.
Pay Clerk Fred A. Abbott to be a chief pay clerk.
Machinist James M. Berlin to be a chief machinist.
Chief Gunner Michael W. Gilmartin to be an ensign.
Chief Machinist James M. Berlin to be an ensign.
The following-named chief pay clerks to be assistant paymasters:
John E. Bibb,
Frank R. Tuck,
Theodore S. Coulbourn,
Fred A. Abbott,
Frank D. Hathaway, and
Frank Lewis.

To be assistant surgeons.

William H. H. Turville,
Francis E. Locy,
Clarence J. Brown,
Ely L. Whitehead,
Daniel B. Kirby,
William J. Corcoran,
Thomas J. Kennedy,
Howard P. Griffin,
Abraham S. Isaacson,
Charles W. Barrier, jr.,
Robert W. Belknap,
Maurice A. Berge,
Benjamin H. Hager,
Frank A. Williams,
Gilbert H. Mankin,
William T. McClure,
William W. Behlow,
Spencer A. Folsom,
Ben F. Norwood,
Leland L. Bull,
Frank L. Kelly,
Arthur H. Dearing,
Reuben A. Barker,
Robert N. Hedges,
Marshall G. Williamson,
John W. S. Brady,
Gerald Selby,
Frank J. Anderson,
Harry L. Brockmann,
Charles G. Terrell,
Robert P. Henderson
George A. Gray,
Charles K. Reinke,
Robert B. Miller,
William E. Morse,
Robert H. McMeans,
Joseph A. Mangiaracina,
Herbert van Thatcher,
Hayes E. Martin,
Guy D. Callaway,
Frank R. Bealer,
Eben E. Smith,
William T. Gill, jr.,

George B. Dowling,
Paul M. Albright,
Edwin D. McMorries,
James W. Ellis,
Burton E. Belcher,
John J. Freymann,
Frank W. Hartman,
Einar C. Andreassen,
James E. Houghton,
John M. McCants,
Preston A. McLendon,
Charles H. Savage,
Roger M. Choisser,
Myron G. Wright,
Silas B. Hull,
George P. Carr,
Walter A. Fort,
Erastus M. Hudson,
Robert Mueller,
William R. Jepson,
Lewis W. Johnson,
Charles A. Ainslie,
Robert E. Watkins,
Harry C. Gebhart,
Felix P. Keaney,
David R. Higbee,
Norman King,
Harold S. Sumerlin,
Glen M. Kennedy,
James R. Thomas,
Edward R. Guinan,
John L. Shipley,
Walter J. Pennell,
Archibald C. Pfeiffer,
Allen T. Agnew,
Benjamin H. Carroll,
Frank W. Ryan,
Louis Iverson,
Roy J. Heffernan,
Robert L. Schaefer,
John M. Huff,
Nathan C. Rubinsky,
Elmer R. Hancock,
Victor S. Armstrong,
Robert B. Team,
Charles J. Hutchinson,
Cecil M. Burchfiel,
William T. McAlonan,
Loren W. Shaffer,
Morris S. Bender,
Thomas P. Brennan,
Eugene D. Hardin,
Boles A. Rosenthal,
Romeo W. Auerbach,
Paul V. Greedy,
Wallace B. Dukeshire,
Edwin P. Bugbee,
Robert M. Furlong,
Herbert S. Chapman,
Francis C. Evers,
Walter M. Anderson,
Leslie B. Marshall,
Robert T. Canon,
William A. Neill,
Frank J. Carroll,
John W. Vann,
Toson O. Summers,
William W. Russell,
William E. Bryan,
Joseph I. Callanan,
Edward R. Ryan,
Robert P. Parsons,
John A. McCormick,
John C. Adams,
Chester B. Van Gaasbeek,
Raymond J. Bower,
Guy B. McArthur,
Jesse J. Hendren,
Benjamin S. Davis,
William C. Becker,
John C. Taylor,
DeForest T. Layton,
Francis J. McCauley,
Raymond M. Krepps,
Thomas F. J. Hanlon,
George O. Hartman,
Francis D. Gibbs,
Henry N. Winn,
Charles E. Morse, jr.,
Joseph W. White,
Paul M. Drake,
Edward C. Meggers,
Sterling S. Cook,
John G. Powell,
Bertram Groesbeck, jr.,
Earl Richison,
Francis C. Hertzog,
Deane H. Vance,
James F. Bell, jr.,
William H. Frampton,
Waddie P. Jackson,
James R. Allison,
Galen E. Moyer,
John F. Pruett,
Tracy T. Gately,
Harry B. LaFavre,
John J. Sale,
Ernest A. Daus,
Travis S. Moring,
Henry L. Bockus,
James H. Royster,
William P. Williams,
Lloyd B. Greene,
Raymond B. Storch,
Francis G. Speidel,
Gustav J. Hildebrand,
Boyd Gilbert,
Hubert W. Harris,
William W. Holley,
Louis E. Mueller,
Lynn N. Hart,
Robert S. G. Welch,
George W. Lewis,
Edward A. Mullen,
Frederick G. Speidel,
Jesse B. Naive,
Thomas V. Murto,
Wilber E. Thomson,
Robert Lorentz, jr.,
Richard C. Satterlee,
Frank B. Wallace,
Herman C. Petterson,
Frank M. Heacock,
Francis J. McCarthy,
Francis P. Dolan,
Henry L. Franklin,
Edwin H. Lorentzen,
Lloyd E. Smith,
Otto W. Grisier,
Wilbourt E. Greenwood,
Mathison J. Montgomery,
Lyman E. Dockry,
Harry B. Lehmberg,
George L. White,
Carl B. Campbell,
Samuel W. Tretheway,
Lawrence G. Beisler,
Ernest W. Larkin,
Winfield B. Anderson,
Robert H. Collins,
Otis Wildman,
Leonard H. Denny,
William R. Taylor,
Marion E. Brown,
Robert W. Winberly,
Cyrus E. Bush,
Page O. Northington,
Russel D. Bussdicker,
James R. Jeffrey,
Harold L. Kennedy,
Martin L. Marquette,
Edward P. Whistler,
James O. Fields,
Carl A. Broaddus,
Joseph E. Malcomson,
Fairley P. James,
Donald R. Davidson,
Charles L. Oliphant,
James F. Hooker,
Lester D. Huffman,
Samuel C. Ketchin,
Benjamin G. Holtom,

Hutchens C. Bishop, jr.
Stanley L. Scott,
John E. Porter,
William A. Byrnes,
Joseph A. Owen, jr.,
George D. Thompson,
Claude R. Riney,
Guy B. Taylor,
Robert L. Christie,
Ramon A. Gilbert,
William E. Beatty,
Leslie R. Lingeman,
William T. Oppenheimer, jr.,
Andrew Sinamark,
Rushmer C. Christiansen,
Claude W. Colonna,
Bruce F. Holding,
Gilbert B. Meyers,
Waldo E. Golden,
Wilfred M. Peberdy.
Jay Jacobs,
Francis E. O'Brien,
Wylie C. Mason,
Raymond H. Leu,
Watie M. Alberty,
Dozier H. Gibbs,
John F. Hart,
Dwight H. Murray,
Kirk C. Brown,
Marvin C. Johns,
Pliny B. Fiske,
Jack W. Jones,
Herbert L. Shinn,
Mathew L. Carr,
Charles S. Norburn,
Everett B. Taylor,
Paul Keller,
Wilburn E. Saye,
Burchard A. Winne.
Samuel Segal, jr.,
Herbert R. Coleman,
Claude E. Brown,
Horace R. Boone,
Samuel A. Fuqua,
Robert E. S. Kelly,
Fenimore S. Johnson,
Clarence N. Meador,
Albert D. Huffman,
Hugo F. A. Baske,
Lionel L. Lapointe,
William E. Crooks,
Victor H. Shields,
Max M. Braff,
Clayton W. Eley, and
Wilbur O. Manning.

POSTMASTERS.

ALABAMA.

Richard D. Williams, Opelika.
Welborn V. Jones, Auburn.

ARKANSAS.

A. W. Cammack, Portland.
John D. Wilbourne, Pine Bluff.
A. J. Stephens, Morrillton.
T. G. Robinson, Marvell.
Noah J. Hazel, Marked Tree.
H. R. Cantrell, Mansfield.
Laura B. Denton, Luxora.
W. E. Lamb, Lepanto.
Miles J. Webb, Lamar.
C. A. Berry, Huttig.
D. B. Thompson, Hope.
Edward R. Screeton, Hazen.
T. L. Pound, Danville.
Alice L. Rolley, Crawfordville.
J. F. Gillespie, Carlisle.
Ernest J. Patton, Cabot.
Pearl Berkheimer, Augusta.
W. F. Turner, Atkins.
Anne Patton, Altheimer.

IDAHO.

Manford W. Harland, Troy.
Franklin A. Miller, St. Anthony.
Frances H. Langford, Rogerson.
Charles L. Hollar, Kellogg.
Samuel J. Linder, Ilo.
L. A. Wisener, Grangeville.
Elmer G. Lightfoot, Fairfield.
Mike A. Rogan, Avery.

ILLINOIS.

E. E. Burton, Newton.

NEBRASKA.

Elsie B. Thompson, Wynot.
Margaret A. Waggoner, Wood Lake.
Frank R. Parker, Wilsonville.
Herbert C. Robbins, Wallace.
Harry C. Rogers, Upland.
Frank A Cox, Sutherland.
Charles J. Huber, Rulo.
A. J. Ferris, Palmer.
Frank D. Strope, Orchard.
Vernon L. Green, Merriman.
Edward J. Brady, McCook.
Fred H. Ossenkop, Louisville.
Mary J. Flynn, Jackson.
W. C. Bartlett, Elmwood.
Frederick C. Easley, Dunbar.
Mell A. Schmied, Dakota City.
R. V. McPherson, Craig.
Harry N. Wallace, Coleridge.
J. B. Lane, Blue Hill.
Hannah Price, Bennet.

NEW JERSEY.

John F. Ryan, Woodbridge.
E. R. Barrett, West Fort Lee.
Joseph B. Cornish, jr., Washington.
Albert L. Williams, Vineland.
Joseph Mark, South River.
Katherine E. Fraleigh, Seagirt.
Frank Hampton, Sea Bright.
William H. Cottrell, Princeton.
Samuel H. Chatten, Pennington.
James P. McNair, Paterson.
Edwin T. Van Horn, Newfoundland.
Peter H. S. Hendricks, New Brunswick.
Walter M. Miller, Netcong.
Edward Iredell, Mullica Hill.
John V. L. Booraem, Milltown.
Charles McCue, Lakewood.
John J. Schilcox, Keasbey.
Chester A. Burt, Helmetta.
Joseph Atkinson, Freehold.
Charles Rittenhouse, Hackettstown.
Patrick J. Ryan, Elizabeth.
Adam Worth, Elberon.
E. Tracy Lanterman, East Orange.
Frank Hill, Dumont.
Jeanette H. Claypoole, Cedarville.
Clarence O. McCullough, Carneys Point.
Harry M. Knight, Camden.
John J. Foley, Bernardsville.
Adrian P. King, Beachhaven.
R. M. Chorpenning, Atco.
Harrison C. Hurley, Asbury Park.

RHODE ISLAND.

James Brennan, River Point.
Charles F. Holroyd, Thornton.
Samuel Seabury, 2d, Tiverton.

VERMONT.

Patrick H. Thompson, Arlington.
Victor L. Smith, East Arlington.
Charles F. Thurber, Fairlee.
Murray K. Paris, Lyndon.

SENATE.

TUESDAY, *August 7, 1917.*

(Legislative day of Saturday, August 4, 1917.)

The Senate reassembled at 12 o'clock m., on the expiration of the recess.

CONSERVATION OF FOOD—CONFERENCE REPORT.

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses upon the bill (H. R. 4961) to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel.

Mr. SMOOT. Mr. President, there are very few Senators in the Chamber, and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	Myers	Simmons
Bankhead	Husting	Nelson	Smith, Ariz.
Beckham	James	New	Smith, Ga.
Brady	Johnson, Cal.	Norris	Smith, Md.
Calder	Jones, N. Mex.	Overman	Smith, S. C.
Chamberlain	Jones, Wash.	Page	Smoot
Culberson	Kellogg	Penrose	Sterling
Curtis	Kendrick	Pittman	Thompson
Dillingham	Kenyon	Poindexter	Underwood
Fernald	King	Pomerene	Vardaman
Fletcher	Kirby	Saulsbury	Wadsworth
Gronna	Knox	Shafroth	Warren
Harding	McKellar	Sheppard	Weeks
Hardwick	McNary	Sherman	Williams

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness. I will state that he is paired with the senior Senator from North Dakota [Mr. MCCUMBER]. This announcement may stand for the day.

Mr. FLETCHER. I wish to announce that my colleague [Mr. TRAMMELL] is absent on account of a death in his family. I desire this announcement to stand for the day. I should have made it yesterday, but was myself necessarily detained on public business and was not present at the time of the roll call.

Mr. JAMES. I desire to announce that the senior Senator from New Jersey [Mr. HUGHES] is absent on account of illness. I will allow this announcement to stand for the day.

The PRESIDENT pro tempore. Fifty-six Senators have answered to their names. There is a quorum present.

Mr. WILLIAMS. Mr. President, it is perhaps well for the Senate of the United States even, august body as it is, to have some inkling of information about what the country is thinking. I cut out of this morning's paper an interview from Oscar S. Straus, one of the most distinguished Republican citizens of the United States. He is an ex-Cabinet officer; was Secretary of Commerce. He has done great and valuable work for the Red Cross and for a hundred other philanthropic institutions. He possesses one of the most acute intellects that I ever came in contact with. Republican, ex-Cabinet officer under a Republican administration, this is what he has to say; and I recommend it as intellectual pabulum to this body:

"There is no politics in this country now except on Capitol Hill," added Mr. Straus. "The people out in the country are not thinking of or talking politics. They are standing squarely behind the President, and I want to say that now I am an administration man. I have no politics at this time. I think President Wilson has risen nobly to the occasion. His is the master mind, and he will be the forward leader when the time comes for making peace. I think the President is one of the great figures of the world."

I said upon yesterday that I was rapidly coming to the conclusion it was about time we were forgetting during the war partisan alignments in this body, and I am glad to say that a majority of the Democratic Party and a majority of the Republican Party have forgotten them. But there is a little group of men on each side who have formed themselves into a sort of a third party—antiadministration and, in a certain sense, anti-American—who have somehow, whether consciously or unconsciously, placed themselves in the attitude either of obstructing or delaying or opposing everything that goes to seeing this trouble through to a victorious issue—this great world trouble in which we are engaged. I am rather of the opinion now that it will be very well if the great majority party of this Senate, composed of Republicans and Democrats both, could get together and say to these two little groups, "You have danced your ballet; you have sung your song. America is tired of you; we are tired of you, and we want to do something."

In this connection I wish to read, leaving out the title and leaving out parts which I think are unjust to individual Senators, something from the New York Sun:

To-day's—

Referring to yesterday—

To-day's acrimonious debate on the food-bill conference report left not a doubt of that—

That is, of the fact that those who were delaying war measures would be "smoked out," and made known to the American people, whom they misrepresent.

It showed that the men who want the United States to win this war and who are contributing everything in their power to that end are sick and tired of the tactics of the pro-German obstructionists.

FIGHTING ALL WAR MOVES.

This group of Senators from the very beginning of the war have sought to delay what they could not defeat. They have stood out as men apart.

The balance of that I will not read but continue the reading where it is parliamentary:

It might seem inconceivable that any respectable group of American lawmakers would or could array themselves against their Government at such a time, seeking to cripple the President and handicap the country in the mobilization of its war resources; yet there is such a group. Everybody who has followed the course of legislation for the past four months knows that there is.

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It has continued its work of obstruction ever since and is still finding means of tying the hands of the administration.

SENATE'S PATIENCE STRAINED.

The Senate is a patient body. It stands for a great deal of abuse of individual privilege. It refused for more than 100 years to apply even a cloture. Now that it may slap the gag upon the man or men who deliberately kill valuable time with meaningless declaration or perfervid protest, it still hesitates to "abridge the right of debate." But occasionally the worm turns, and occasionally some Member lets himself loose, with the result that the dignified Chamber is filled for the time with forked lightning.

* * * * * * *

Both the House and Senate are facing the same issue, raised by the pro-German Members of those bodies. It may be an unpleasant thing for a Congressman or a Senator to expose the unpatriotic course of a fellow Member, but national necessity requires that it be done, just as national necessity demands that a powerful army be marshaled and a formidable navy be built and equipped for defense.

It is well for the Senate to hear what the country thinks. Here is some more of it. This is from the St. Louis Post-Dispatch, which I am informed is a Democratic paper, though I do not know:

With Germany in control of a triumphant and insolent military autocracy, no peace can be made that would not be a mere truce, preparatory to another war. It would be a peace which ignored the fundamental issue upon which we entered the war.

By the way, I ask the Reporter to take down what I read, leaving out all matters personal in their character, which I do not read:

Opening a discussion of peace, therefore, at the time when we are just beginning to fight and on a basis of ignoring all for which we are fighting indicates shameful weakness. It embarrasses and hampers the administration in the conduct of the war and contributes to the postponement of any kind of peace.

What the persistent advocates of peace in Great Britain and the United States are incapable of understanding is that if this war is not fought to a finish and does not result in a free Germany there can be no real peace for anybody in the world. While the existing German system remains no Government can hereafter rely upon German pledges or German treaties. All the democratic nations will have to put themselves upon a military basis and keep themselves armed to the teeth. They will be obliged to make their preparations for war such that their armies and navies will be ready at 24 hours' notice, and civilization at peace will be subjected to a burden of military taxes hardly less formidable than civilization at war. Any kind of peace that enables Prussianism to maintain itself at home is a victory for German autocracy. The Kaiser sees it clearly enough, even if there are Americans and Englishmen and Frenchmen who are blind to the vital facts of the war.

Now, Mr. President, I ask that the Secretary read at the desk an editorial from the St. Louis Post-Dispatch entitled "Autocracy's twilight," which gives the view from the other side of the water which these newspapers are giving from this side.

The PRESIDENT pro tempore. If there be no objection, the Secretary will read as requested.

The Secretary read as follows:

AUTOCRACY'S TWILIGHT.

"German blood and German zeal are not being gambled with for an empty shadow of ambition or schemes of conquest and subjugation, but in defense of a strong, free empire in which our children may live in security," says the Kaiser in a fervent appeal to the German people to stand by him and his army.

Chancellor Michaelis assures the people that when the Emperor returns from the front he will push internal reforms which the people are demanding.

The Kaiser is beginning to see the light. Imperial ambitions are fading under heavy disappointments on land and sea. The schemes of conquest and subjugation do not seem so alluring in the twilight of military autocracy. He must do something to satisfy the people who under unendurable miseries and burdens are beginning to question the motives and methods of their masters.

He assures them that they are not being exploited for the glory of the Hohenzollerns and the gain of junkerdom. He assures them that the freedom for which they yearn will be doled out to them and the voice in the government they seek will be theirs—some time.

Why does the Kaiser shift from imperial proclamations to fervent appeals, from boasts to pleas and promises?

The shadow of the giant Republic of the West is falling over his throne. He knows that through America's entrance into war he stands indicted, before the bar of world opinion as the enemy of mankind, a pariah among Governments. He knows he must soon meet the giant, fresh and vigorous, armed and powerful, and must answer to him for his crimes of oppression and inhumanity. He knows that he is not dealing now with little Belgium, weak Serbia, rash and feeble Roumania, or distracted and faction-torn Russia. He knows that he is dealing with the strongest, most energetic, most resourceful people in the world. He knows he is dealing with determined freemen who have never known defeat.

Our speedy, large preparation on all lines of warfare—on sea, on land, and in the air—has convinced the Kaiser and his political and military lieutenants that we mean business and that within a year his war-worn, sadly thinned armies will have to meet a great force of Americans continually augmented by fresh reserves from a 10,000,000 draft. Already his submarines have to contend with American war-

ships, which have just begun operations. Already the machines are humming in the manufacture of a huge fleet of aeroplanes and the aviation fields are training thousands of aviators.

Not only has our entrance into the war assured victory, but our rapid vast preparations and our vigorous prosecution of war hasten peace.

Mr. WILLIAMS. Mr. President, there sounds the voice of genuine Americanism, with no party and no section. There is no North, South, East, West, Democrat or Republican in it.

This is not a partisan domestic question; this is an international question. This is not a question between Woodrow Wilson and Congress; this is not a question between the American administration and some Americans, unless those Americans are disloyal. This is a question between America and Germany. It is time that the men in this Chamber were lining themselves up, forgetting all alignments of a partisan character, as pro-administrationists, pro-Americans, or else frankly and bravely as antiadministrationists and anti-Americans. I for one am ready to take my stand. Everybody who knows me knows that I am a dyed-in-the-wool Bourbon Democrat, but when a great international question—a great international struggle—like this confronts the entire American people, when my boys must go to the front, to be maimed or to be killed, and the boys of other citizens, equally worthy and in many cases more so, must go, I confess to a little bit of impatience with the men who can not realize the situation.

Those of you who followed Roosevelt, follow him now. He is setting you an example. Those of you who followed Taft, follow him now. He is setting you an example. Those of us who have followed Woodrow Wilson, and would follow him to the death, under the Constitution and laws of the United States, let us follow him now. He is setting a glorious and loyal and able example. All three of them have proven their Americanism. As far as this war is concerned, and as far as war legislation is concerned—as far as these measures are concerned, which have been sent here for the purpose of carrying on the war, directly by military and naval forces, or indirectly by the mobilization of our civil strength, whether of food conservation or otherwise—those three men might just as well be standing upon the same platform. They are all "speaking the language of the tribe"—the language of the American tribe. They are tired, the country is tired, two-thirds of this Senate even are tired, a larger proportion of the other House is tired of constant—Oh, gabble-festing—constant gabbing about nothing—of gentlemen intoxicating themselves without even enlivening anybody else, by "the exuberance of their verbosity."

Nobody objects to the right of free speech. Let every man talk all he wants; let every man write what he pleases. Some time ago I got a communication attracting my attention to what is going on in the German-edited newspapers here—absolute spiritual disloyalty. My reply was, "Let them alone; let men talk; let men write. The more they talk and write, the more you find them out; and the more you find them out, the better for you."

I do not object to that, but I should like to know why it is when we come to the consideration of a great bill—and we have come to the consideration of several such—that, except in a very few cases, where the overwhelming sentiment of the American people had previously sounded the alarm, you can not come to an agreement with one another to ascertain when you are going to vote. I regard the pending bill as one of the minor war measures; I care very little about it, except I think it is right in the main, and that it will do good, but the main thing is to vote on it; to get it out of the way; to open the pathway for other things that must come.

We have a great revenue measure which must be passed. It can not pass without some discussion, for it covers too much ground. We have a great bond measure that must follow it. We have a great many other things to consider, and yet you are lagging on here through the dog days, making everybody nervous and irritated and irritable, when your talk is not changing a single vote in the Senate, and when every one of you knows it. I might stand here and talk until I was black in the face, and I would not change the vote of a single man who has already formed his convictions, for reasons that are satisfactory to him, and in the entertainment of which he is doubtless as honest as am I, and he might possibly treble what he says and he could not produce any impression on me, because I know what I want, and I know why I want it, and I know that I want it as soon as I can get it, and that is the case with the balance of you. We not only know how we want to vote and know why we want so to vote, but each one of us, in true senatorial dignity and egotism, thinks that he knows it better than anybody else in this Chamber. Now, why use up the time of the American people in this gabble-festing—like ganders hissing at one another on a pond bank to show off before the geese?

Mr. WEEKS. Mr. President, I am glad that the Senator from Mississippi, with all of his accustomed logic and force, has made an unqualified declaration that the majority shall rule, and he complains that there is a large majority of the Senate which wishes to do certain things but are prevented by a minority who indulge in endless talk.

There was a proposition before the Senate the day the food bill passed relating to the creation of a committee on war expenditures, and it was adopted by a yea-and-nay vote of the Senate, 53 to 31. Of the majority there were 15 Democrats and all the Republicans who voted, and yet the Senator from Mississippi, by voice at least, has attempted ever since to prevent the inclusion of that proposition in the pending legislation. I have no disposition——

Mr. WILLIAMS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Mississippi?

Mr. WEEKS. I yield.

Mr. WILLIAMS. Does the Senator from Massachusetts contend that a majority of the Senate is either a majority of the Congress of the United States or a majority of the country? "The Senator from Mississippi" thinks he is standing for the views of a majority of the country and also for the views of a majority of the House.

Mr. WEEKS. Mr. President, if we could get a vote on that proposition in the House of Representatives and a majority of the House decided that the action of the Senate was not wise, I would be perfectly content and would make no complaint; but, as a matter of fact, as the Senator from Mississippi knows, no vote can be obtained in the House of Representatives under present conditions, and therefore this proposition, which the Senate by a very large majority believed should be incorporated in this legislation, is going to be lost.

I did not rise to complain of that, because at some other time, perhaps, the Senate and the House will conclude that it is wise to adopt this legislation; but I do want to call attention to the fact that what is a majority opinion here has been and is being opposed by a Senator who is taking to task other Senators who have exercised their right to discuss this legislation.

Mr. President, I submit that in all the fundamental questions relating to the war, such as the declaration of war and providing men and money, there has been practically no difference of opinion, and the legislation providing for them has passed the Senate without any delay. I do not think there was an hour's debate on the question of the declaration of war, and when the Appropriations Committee came in here with a great bill carrying $3,300,000,000 it was passed in an hour and fifteen minutes. In other words, the Congress promptly furnished the President not only with what he asked for—a declaration of war—but with the men and money to carry on the war effectively; but because—and it is not for me to defend any other Senator, for I have not unnecessarily taken any of the time of the Senate in debate—but because Senators see fit to debate what the Senator from Mississippi calls a relatively unimportant measure, which may or may not do some good—and there is a great difference of opinion on that subject—without knowing what the wishes of the country may be, he takes them to task and says that they are not carrying out the wishes of the country.

Mr. JAMES. Mr. President, will the Senator yield to me for a question?

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Kentucky?

Mr. WEEKS. Yes; I yield.

Mr. JAMES. Is it not true that the amendment, which, as I understand, was first proposed by the Senator from Massachusetts, creating a committee on war expenditures, was not germane to the food bill?

Mr. WEEKS. It was germane *or* I have no doubt some Senator would have made the point of order against it.

Mr. JAMES. Oh, as the Senator well knows, the point of order of germaneness does not lie in the Senate. That is well known to everybody, and, of course, the Senator understands that. Now, the question I want to ask the Senator is this: Is it not a well-known parliamentary rule that where one House puts in nongermane matter and the other House refuses to yield, rather than to let the bill fail it is the duty of the House that incorporated the nongermane proposition in the measure to yield in order to allow the original question to become a law?

Mr. WEEKS. Mr. President, I am not criticizing the conference committee in this case. I know the difficulties of conference committees; but, if current rumor may be taken as a basis for comment, I should say that the Senate conferees did not make as strong a fight as they should have made for a

proposition which had been so signally and forcefully indorsed by the Senate. Yet I have no intention of criticizing them.

Mr. JAMES. But is it not further true—the Senator speaks of the House and what it might have done on a separate vote—that a separate vote practically was had in the House on this very question, as was understood by every Member there; that the opposition to the committee on war expenditures was led by the distinguished Member from Illinois [Mr. CANNON] and many of his confrères; and that the majority of the House expresses itself as opposed to this proposed committee?

Mr. WEEKS. Mr. President, I can not admit what the Senator from Kentucky seems to think is a correct statement, that the House passed on the merits of this proposition.

Mr. JAMES. While they did not do so directly, it was so understood by the House, and that was declared as the purpose of the leader, Mr. MANN, in asking for a separate vote. So upon this question the House, with that knowledge, voted it down.

Mr. WEEKS. The Senator from Kentucky is an important leader in Congress, and I want to ask him if he would be willing to advise his friends in the House of Representatives to bring in a rule to make this proposition in order in the House the next time the House comes together?

Mr. JAMES. Mr. President, I sat in the House for 10 years and I know how jealous the House is of its rights and of outside interference, and I would not want to undertake to give any advice as to what they ought to do or interfere in any way in their deliberations; but is it not true, I ask the Senator, that the conferees of the House, both the Republicans and Democrats, stood unanimously against the proposition to create a committee on war expenditures which the Senate had adopted?

Mr. WEEKS. Mr. President, I am not as familiar with what happened in the conference as the Senator from Kentucky seems to be.

Mr. JAMES. The Senator must not dodge in that way. Is not my statement true, and is not that the Senator's understanding?

Mr. WEEKS. That is not my understanding; and, moreover, the Senator from Kentucky knows that the conferees are the creatures of the body which appoints them, and that it is the duty of conferees to carry out the purposes of the body they represent.

Mr. JAMES. I know that the conferees are appointed in the House as they are in the Senate, from the ranking members of the committee having jurisdiction of a given measure, as was done in the case of the food bill, and the Republican members on that committee were unanimously in accord with the Democrats in opposing this very question which the Senator is now discussing, namely, the creation of a committee on war expenditures.

Mr. WEEKS. Mr. President, I think if the Senator from Kentucky will look up the RECORD he will find that the Republican members of the conference in the House, when they voted on the matter in a form which the Senator from Kentucky admits was not exactly a direct vote, supported this proposition. I think he will find that is the case.

Mr. JAMES. Well, the margin of difference is very narrow in the House between the two political parties, but the vote was overwhelming on this proposition against it. So it was not a united Republican vote, at least.

Mr. WEEKS. Mr President, like the Senator from Mississippi, I do not intend to engage in, and I do not believe there should be any attempt to engage in, political discussions about matters relating to the war. I have not done so in the past and I do not propose to do so now; in fact, I do not know any Republican Senator who has done so. Periodically the Senator from Mississippi does assume, through his great influence and his long service, to lecture the Senate on the subject of playing politics, but I think if an examination of the RECORD were made it would be demonstrated that he has taken more time on that particular subject than all other Senators put together during the last 30 days.

Now, Mr. President, I want to refer to some of the statements that have been made relative to the proposed committee on war expenditures, because they have been made frequently without thorough knowledge of the facts and because I think that when this body and the House and the country know what is intended by this legislation there will be a unanimous demand that it be passed.

I introduced the original proposition for a committee, and termed it a "committee on the conduct of the war." I think any Senator who knows me will absolve me from any responsibility for any attempt to embarrass the President of the United States in conducting this war. I have had a military training. I know the folly of any such course as that quite as well as does any other Senator, and nothing was further from my thought when I introduced that general proposition in the month of April than to embarrass the President. I thought it was an opportunity to cooperate with the President, and I believed it would be helpful to the President, I believed it would be helpful to the country; if I had thought otherwise I would not have introduced it at all. I say that because anyone could have found out what my views were in three minutes if he had attempted to do it. But it has been deliberately given out to the country, through the press and from inspired sources, that this was an attempt to embarrass the administration. I deny it in toto. I do not know anyone who has had anything to do with this activity who has desired to embarrass the administration in the slightest degree.

When that resolution was introduced it was referred to the Committee on Rules. If the President had confined his activities strictly to his constitutional duties the Senate and the House would probably have acted on this legislation in April; it would have been adopted or rejected. A hearing was given, a subcommittee was appointed to consider some changes in the draft of the resolution, and the next day the President came to the Capitol and told the Senators who were appointed on that subcommittee that it was undesirable that the legislation should be considered and adopted.

Mr. WILLIAMS. Mr. President, does the Senator mind my correcting him a little in one respect?

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Mississippi?

Mr. WEEKS. I yield.

Mr. WILLIAMS. The Senator has just said that the resolution was referred to a subcommittee for the purpose of considering certain changes in the wording of the resolution. Now, that is not my recollection. It was referred to a committee to consider the resolution—whether it should report it back to the committee favorably or unfavorably, and if it was going to report it favorably, of course, there was left with it the responsibility of amending or modifying it. It was not referred by the Committee on Rules to the subcommittee with the idea of modifying its language, but was sent to the subcommittee to be considered, and it was their duty to report back to the whole committee.

Mr. WEEKS. Mr. President, I left the room after the hearing which was courteously given me, and I have talked to various members of the committee and I believe the statement I made is entirely justified.

Mr. WILLIAMS. I suggest, then, that the minutes of the committee will show whether the Senator from Massachusetts is right or whether I am right, and I virtually know that I am. Of course, I think that when a man says he knows he is right about anything that proves that he does not know himself, so I will say I think assuredly that I am right.

Mr. WEEKS. In any case, Mr. President, no action was taken by the subcommittee. It never met, and it did not meet for the reason I have stated. That resolution remained in the Committee on Rules until this legislation came up. I did not wish to attempt to take action to discharge the committee, although I believe it is the duty of a committee to make some kind of a report on a proposition of that kind.

Mr. OVERMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from North Carolina?

Mr. WEEKS. I do.

Mr. OVERMAN. The Senator knows who was chairman of that subcommittee. That chairman did not call the subcommittee together. I was a member of the subcommittee. I was not its chairman. The Senator knows that that chairman prepared his own resolution and submitted it as a substitute for the Senator's resolution, and the Senator accepted it. The Senator knows that the chairman could have called the subcommittee together at any time, and why he did not do it I do not know; but he did not do it.

Mr. WEEKS. The reason he did not do it was because the President came to the Capitol and told the Democratic Senators on that committee that he thought it was inadvisable to have such a committee appointed.

Mr. OVERMAN. That is no reason why the chairman should not have called us together.

Mr. WEEKS. But that is the fact.

Mr. OVERMAN. That is the truth. I do not deny that; but I do deny that it is any reason why the chairman should not have called the subcommittee together, and probably it was his duty to call it together to consider it. The Senator was entitled to a report on his resolution, either favorably or unfavorably.

Mr. WEEKS. I think so.

Mr. OVERMAN. And it is not the fault of the committee that there was a failure to call together the subcommittee. Whenever the subcommittee was ready to report the full committee could have been called together and would have been called together. The reason of it was that the chairman of the subcommittee did not call the subcommittee together.

Mr. WILLIAMS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Mississippi?

Mr. WEEKS. Yes; I yield.

Mr. WILLIAMS. Will the Senator let me trespass one minute more upon his time?

Mr. WEEKS. I shall be very glad to.

Mr. WILLIAMS. I do not know whether it has been mentioned or not, but the chairman of that subcommittee was the author of the resolution which is now before the Senate, and he voted for it subsequently in the committee. I refer to the Senator from Oklahoma [Mr. OWEN]. If there be any fault in not calling the subcommittee together, it was the fault of the author of this very resolution.

Mr. WEEKS. Mr. President. that is no denial of the statement I have made as to why, probably, the subcommittee was not called together. I simply instance that because the Senator from Delaware [Mr. WOLCOTT] yesterday, in making some remarks, said that primarily and earlier in the consideration of this proposition it seemed to meet his approval, and then he had a change of heart and a change of mind; that is probably true of other Senators on that side; and the reason is quite apparent.

I want to reiterate that there is not a scintilla of evidence to show that there was or is any desire on the part of any Senator to embarrass the President in the discharge of his duties. Moreover, Mr. President, I should be opposed to the appointment of a committee that would undertake to have anything to do with policies relating to this war. It would be not only harmful to the action of the administration, which is responsible, but it would be trespasssing on the powers of the Executive in an illogical and unwise and unsound way. A majority of this body agreed at one time that this legislation ought to be adopted, and I emphasize that and repeat it because there have appeared editorials, especially in the New York papers, notably one yesterday in the New York Times, rather taking to task those who were in favor of it, because the contention was made that a majority ought to be in control and ought to govern in this matter, and that it was unwise to press a matter which had only a minority behind it. when as a matter of fact the vote was 53 to 31 in favor of the proposition.

Mr. OVERMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from North Carolina?

Mr. WEEKS. I do.

Mr. OVERMAN. The Senator knows there was no discussion over his amendment when it was introduced. The time for discussion had passed under the unanimous-consent agreement. This amendment was offered, and it was impossible to say a word about it, as the Senator knows.

Mr. WEEKS. Mr. President, possibly the Senator from North Carolina was not in the Chamber, but I talked as rapidly as I could for 10 minutes about this proposition and in favor of it; and a New York newspaper, which a few days after, when apparently it had received other information, printing an editorial which has been quoted frequently in opposition to this proposition, printed two columns of what I said on the floor of the Senate.

Mr. OVERMAN. The Senator will not deny what I said about it—that the amendment was introduced after the time for discussion had passed.

Mr. WEEKS. I do deny that, Mr. President. Any Senator could have discussed it for 10 minutes.

Mr. OVERMAN. I may be mistaken about it, but my understanding was as I have stated.

Mr. HARDWICK. Mr. President, has the Senator from Massachusetts any doubt whatever that every Senator, when he voted, knew what he was voting on?

Mr. WEEKS. Not the slightest.

Mr. OVERMAN. Well, I have. I doubt it very much.

Mr. WEEKS. This matter had been discussed in the cloakrooms, lobbies, and had been discussed in the press for three months; and, as I have just stated, I discussed it for 10 minutes on the floor, and any other Senator could have done the same thing if he had seen fit to do it.

Mr. OVERMAN. Mr. President, I want to say to the Senator that I was not in the Senate Chamber when he discussed it, and since he says he discussed it I am mistaken; but my recollection is—now, I may be mistaken about that, too—that the amendment was introduced after the time had passed for the discussion of amendments, after 4 o'clock.

Mr. WEEKS. Mr. President, the amendment was introduced three days before that time.

Mr. OVERMAN. I mean, it was sent to the desk before that time, but it was not called up until after 4 o'clock.

Mr. WEEKS. It was not called up until it was in order, after the committee amendments had been disposed of; but it was called up as soon after that as it was possible to do it. The Senator from Kansas [Mr. CURTIS] reminds me that I introduced the amendment on July 18, and asked that it lie on the table.

Now, I want to refer for a few moments to some of the comments made by the Senator from Delaware [Mr. WOLCOTT] yesterday relative to the committee which was in operation during the Civil War, known as the Committee on the Conduct of the War. That was not an entirely satisfactory committee, and its operations were not entirely satisfactory. The country was in a state of great excitement. The Republican Party, the dominant party, was not a cohesive political organization. It contained various elements—free-soilers, Democrats, Whigs, and others.

They were agreed in one proposition, and that was in their contest against slavery; but, generally speaking, they were not agreed on other fundamental questions which usually govern political party activities. There were violent men in Congress at that time who took violent views of public questions, and quite likely that committee in its activities did some things which were not entirely judicial or wise or sound. I have read pretty nearly everything I can find relating to it, because I became interested in the subject, and I am perfectly willing to admit that the committee was not always above reproach; and yet the entire testimony—and the Senator from Delaware put in the RECORD practically all of the quotations that are obtainable from authors of character and standing—practically the entire testimony is that that committee did more good than it did harm. I think undoubtedly that is the case.

The only two citations which the Senator from Delaware made which I think were at all damaging to the committee's activities were those statements made by Gen. Emory Upton—who was one of the really great military leaders developed by the Civil War, and whose judgment on military questions may well be taken at any time—and by the Secretary of the Navy, Gideon Welles. Anyone who has read Mr. Welles's diary must have come to the conclusion that he approached very near to the borders of being a common scold. He was in violent antagonism to the Secretary of War, Mr. Stanton. Everything that Mr. Stanton did was wrong. Now, Mr. Stanton himself was a man who had faults, but he was a grent administrator. Occasionally he did things which I think were unwise and without a sufficient degree of fairness, and yet he was one of the main props of the President during the entire Civil War; and Mr. Welles was led into this criticism of the Committee on the Conduct of the War because he believed that it was the creature of Mr. Stanton.

He made the criticisms of very many of the officers of the northern armies in his diary. Some of these men who stand highest in public estimation to-day met Mr. Welles's disapproval, because he contended that they did not want to finish the war; that they were desirous of prolonging it, for the reason that they had a higher rank and more pay under war conditions than they had under peace conditions.

I think both of those citations—that of Gen. Upton and that of Mr. Welles—can be left with that general statement. In the other cases cited by the Senator from Delaware there was more approval of what had been done than disapproval, and it is worth mentioning that not another member of Mr. Lincoln's Cabinet made any reference in a disparaging way to the operations of this committee during the war.

Does anyone think the loyalty of the men in those Cabinets was such that they would not have been ready to criticize this committee if it had been embarrassing Mr. Lincoln? There is no doubt about that, and no word escaped him which indicated that he objected to it in any way. And yet the reason for that committee and its operations really has nothing to do with and no real bearing on this proposition.

At that time the North had in the field a series of commanders who were—well, I will use the word "incompetent," Mr. President, and I think that is rather milder than a description of them should be. If anyone will study the battles fought by the Army of the Potomac in the earlier days of the war, he will be amazed at the lack of military preparation. This Civil War movement was started as a result of the calamity which happened at Balls Bluff, in which case there were 30,000 northern troops within 12 miles of that battle field, and yet a few men were sent across the Potomac in a few scows, not enough to convey more than 100 or 200 men at a time, to meet an enemy two or three times the size of the advancing force.

It was believed at the time, and the testimony indicates it, that if the commander of our Army had ordered those 30,000 men—the divisions of McCall and the other commander whose name I do not recall at this moment—to that field, as should have been done, to protect those who were crossing the river; or if he had made his attack in that way, it undoubtedly would have succeeded. Naturally the North were outraged when they saw at least a thousand of the very flower of the States that they represented sacrificed in an attack for which sufficient preparation had not been made or any commensurable result obtained. Moreover, the loss in that battle was not only a thousand men killed or drowned, but the loss of a great political leader, a Member of the United States Senate, who had appealed to the public imagination by his action in behalf of the Union, attracted public attention to this affair in a way which otherwise probably would not have resulted.

The investigations made by this committee in the early days of the war of the military commanders and their operations were undoubtedly justified. The Senator from Delaware [Mr. WOLCOTT] quoted with approval yesterday from Gen. John G. Palfrey, of Massachusetts, who has written most intelligently of the Civil War. Gen. Palfrey states, in an analysis of several of the battles of the war, that there were actually no definite orders given by the commander of the Army of the Potomac at the Battle of Fredericksburg, so that parts of his command did not know what other parts were to do; that it was a "go-as-you-please" fight, and that if concerted effort had been made the result might have been very different. That is true in other cases in connection with the operations of this Army at about that time.

But, as I have said, Mr. President, there is really no comparison between what that committee did and what this committee might do. What this committee ought to do is to keep in touch with the expenditure of the vast amounts of money which are being appropriated by Congress. Why, the whole Civil War, fought through four years, only cost three and a half billions of dollars; while before this session of Congress adjourns we will appropriate or provide in some form for the expenditure of $17,000,000,000. When we look back to the Civil War period and see the waste that resulted in the expenditure of that three and a half billion dollars, can it be possible that we are going to be justified in fighting this war without knowing anything about how this vast amount is being expended or whether it is being wisely expended? I say not; and, Mr. President, unless Congress is going to take a strong hand and see that this money is not wasted, the people of this country will pillory every man who is responsible for the waste which is likely to result unless Congress is kept informed.

I maintain, Mr. President, and I have always done so, that nine-tenths of the trouble of the people of the country is lack of publicity. There is no publicity to-day in connection with these expenditures. There should not be any publicity in many cases, yet we all know that the recommendations of the department are coming in here without serious consideration by those who recommend them, that they are being put through the appropriations committees without the careful consideration which is given to appropriation bills in normal times, and that vast amounts of money are undoubtedly being appropriated which may not be needed for the purpose for which the appropriation is being made. I need but recall the instance in the $3,300,000,000 appropriation to which I have previously referred, relating to the purchase of horses. The recommendation of the War Department was for $73,500,000, yet when that question was discussed five minutes on the floor of the Senate an amendment was offered substituting $25,000,000 for $73,500,000. It was taken to conference, referred to the War Department, and the War Department replied that $25,000,000 would be sufficient for its purposes. In other words, we would have appropriated $48,500,000 more than was required if the point had not been made that Cavalry was not being used in France. I do not say that all that money would have been expended or that it would all have been wastefully expended even if it had been spent, but I do say in giving unlimited power and unlimited amounts of money to expend, unless human nature has entirely changed, there is almost a certainty that there is going to be waste and extravagance.

Mr. OVERMAN. Is not that the fault of the Committee on Appropriations? It is the duty of the Committee on Appropriations to inquire and ascertain, and they generally do, what the money is to be expended for. I admit that we have to rely to some extent upon the estimates of the departments.

Mr. WEEKS. If the Appropriations Committee took the time and gave detailed attention to the appropriation bills that are coming in now, the Senator from Mississippi [Mr. WILLIAMS] would be rising in his place and taking the Appropriations Committee to task for delaying legislation. What I am saying is not in criticism of anybody, but I am simply trying to indicate a condition which is going to develop here and which Senators will have to notice sooner or later. I am confident that I am right about that proposition.

Now, I want to refer to one other statement made by the Senator from Delaware [Mr. WOLCOTT]. He stated that a proposition had been introduced in the British Parliament providing for a similar committee and that it had not met approval. The British Cabinet is made up from members of Parliament. The members of the cabinet in France are members of the French Chamber of Deputies. So the organization of the Governments in those countries differs materially from ours. But it happens that within 30 days there has been a discussion in Parliament on this very question, relating to a proposition introduced by one of its members, and it is so pertinent to our situation and to this discussion that I want to bring a few extracts from it to the attention of the Senate. The member who introduced this proposition was Maj. Godfrey Collins. He gave six reasons why he thought it should be adopted. I want to read one or two of those reasons. He said:

> The second reason is that the supreme object of the House of Commons is to control expenditures. But the necessary knowledge is deliberately withheld, and without knowledge control can not be effective. Without publicity facts can not be known, and without discussion the present position can not be remedied. Publicity in these matters is not a danger but a safeguard. Obscurity and lack of knowledge cover up mistakes and enable those mistakes to be repeated. Strategy is common sense applied to war. Unless the cost in men and materials is known, how can success be achieved? Publicity is essential. The Government evidently considers that publicity in some matters is essential.
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> The Government uses the press daily for their purposes—

Note the similarity between the practice of our Government and that in Great Britain—

> and the increasing use of the press by the Government has diminished the power of this House. The House of Commons is not properly informed about finance. The Government asks for supplies of money and refuses supplies of information. Day by day ministers give information to the press and exchange view for view. They leave the House of Commons out in the cold till they come and ask for money. We are becoming an instrument for registering the decrees of the Government and for providing the necessary supplies. Is this the moment, when the authority of all governments is being questioned, when the spirit of revolution is abroad, to deprive a representative institution of its legitimate functions, so exposing it to the criticism of the people?

Maj. Collins goes on to discuss other reasons for this legislation. He says:

> Let me advance another reason to justify this resolution. Last week in this House the vote for the ministry of munitions was being considered. The speech of the minister revealed the manifold activities of that department, but he did not provide us with any information to enable us to judge whether it was efficiently administered or not, and the ensuing debate revealed that the House of Commons had not sufficient knowledge to criticize the working of that department. No one questions the effort of that department, yet few will doubt that the results could have been achieved at a much lower figure. At present this department has a blank check. This House does not know what they are doing. I say the time has arrived when this House should know how the people's money is being spent and that some measure of control should be applied.

This resolution was discussed by various members of Parliament at that time. I have the record here. It was not opposed by onyone who discussed it. After the discussion had closed, the chancellor of the exchequer, Mr. Bonar Law, made reply, and I wish to read one or two extracts from his reply to indicate how differently such a proposition is received in Great Britain after three years of war from the reception which is given it by our Executive. Mr. Law said:

> With these preliminary observations I should like to come direct to the motion before the House. I have no fault whatever to find—indeed, I am in complete agreement, if I may say so—with the speech of my right honorable friend who has just addressed the House.
>
> THE PURPOSES OF THE RESOLUTION.
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> No one who was chancellor of exchequer could fail to have the feeling, which I know is almost universal, that the scale of expenditure now is something appalling, and that we have the right to be sure that it is not greater than it ought to be. No one can avoid having that feeling, and, in addition, I should be the last man to quarrel with the view expressed by him that the House of Commons ought to have control in matters of this kind.

Then he goes on to make his suggestion and makes the point, which has been made here, and which I approve, that there should be no interference with policy resulting from this legislation, but he said there is every reason for scrutiny of expenditures. Mr. Law said:

> I am going to tell the house what I am not only willing to see done, but what I should myself like to see done from a treasury point of view. The committees to which my right honorable friend referred were each of them presided over by a cabinet minister. I have no objection, and I should like to see that kind of examination made by committees of the House of Commons. But it must be clearly understood that reference must be of such a nature as to cut a hard and fast line, if it is possible, in the reference between criticism of policy and an attempt to control expenditure. That is what we desire.

Then he goes on further to refer to the character of the members who might possibly go on this committee. He refers

to the fact that there are two ex-chancellors of the exchequer in the House of Commons, and refers to Mr. McKenna as one of them, who, later in the debate, expresses his approval of this activity. Finally, after submitting more definitely what he is willing to accept as representing the Government, Maj. Collins, the proposer of the resolution, said:

I think that the chancellor of the exchequer has made a very fair offer. The only thing I am not clear about is the terms of reference to the committees which are to examine into the expenditure by the Government departments. If the terms of reference are the same as the terms of reference drawn up by the late cabinet for the cabinet committees that sat in 1915 and 1916, they will be quite satisfactory to us. I understand that the other proposition is that the Government propose to set up a committee on the whole subject of additional taxation and of control of expenditure by the House of Commons. The feeling of the house is that we should accept the proposal made by the chancellor of the exchequer and thank the Government for meeting us very fairly this afternoon.

That is, in brief, what has occurred within 30 days in the House of Parliament. Evidently three years' experience has demonstrated to the English Government that it is desirable that there should be supervision over expenditures, not exactly of the audit character which we find in reports made a year after the expenditures have been made, but something that will satisfy public criticism.

Every Senator knows that this Capitol is alive already with one kind of criticism or another, much of which may be without merit. Some of it sounds as if it might have a sound basis. We are expending very rapidly vast amounts of money for the construction that is going on, and unless the public is satisfied that that money is being wisely expended, when we ask for more Red Cross money, when we ask for another issue of bonds, when we say to the country that we are appropriating other billions of dollars, to pay which taxes must be levied, there is going to be a criticism come to Congress which I believe will be so noticeable that it will receive the unanimous approval even of those who are opposed to this action, which is intended entirely to help rather than to embarrass the administration.

Mr. JAMES. Will the Senator yield to me for a question?

Mr. WEEKS. Yes.

Mr. JAMES. In view of the fact that the Committee on Rules has reported the resolution of the Senator, which he is now discussing, and it is now on the Senate calendar, and in view of the further fact that the House of Representatives by a unanimous vote on a roll call of 365 to nothing passed this bill, does the Senator believe that the Senate would be justified in defeating this bill because it excludes the amendment he has been discussing?

Mr. WEEKS. No; I do not, and I am not advocating that such action should be taken. I would not even have taken the time I have—that is, to explain and answer some of the statements which have been made about this legislation—if those statements had not been made. I have no desire to delay the passage of this food legislation, though I am very doubtful in my own mind about the results that are going to be obtained from it. I am not sure but that it is going to be more harmful than beneficial, and yet the country has been taught that this legislation is going to be a panacea for all their high cost of living difficulties and expects affirmative action. The man who has to administer this bill is going to have the most trying task put up to him that has ever been handed to any man or group of men. In my judgment, he is not going to be able to satisfy any considerable part of our population. The more I study this legislation the less favorably I feel toward it. Yet I have not any desire to delay action on the bill, and would not have done so if it had not been discussed by others in a way that was not warranted.

Mr. NEW. Mr. President, the Senator from Massachusetts [Mr. WEEKS] has just said that he has considerable doubt as to the result that will be obtained through the passage of the bill. I think that nearly every Senator on this floor entertains similar doubts. I confess that I do. In justification of those doubts I should like to follow what appears to have become the senatorial habit of late by referring to an article in a newspaper this morning. This is an article which appears on the first page of the Washington Post, and it has a sort of ex cathedra flavor similar to many others from the same pen that have appeared from time to time lately. In the course of the article this writer says:

The food-control bill is soon to become law, and millions of persons fondly count upon a miracle to be performed by Herbert Hoover. They will be badly disappointed. He will not be able to cut down prices to the individual consumer. At best he will be in charge of only one small part of the system that will have to be created to control prices in this country.

There is far more probability that food prices will go up than that they will go down. Other prices will surely go up until the United States Government intervenes.

President Wilson's appeal to the patriotism of American manufacturers has had no appreciable effect on prices, even to the Government. The United States is paying famine prices for materials that are abundant and which do not return great rewards to labor.

Further down in the same article:

Some of the strong men in the Government have been giving anxious thought to the price problem. They foresee that the food administration will be intensely unpopular as soon as the people discover that prices are not lowered. They see also that the Government must use an iron hand and a war club in hammering down prices of war materials.

Mr. President, this sounds to me like the preparation for an alibi.

Mr. WADSWORTH. Does the Senator know who wrote that article?

Mr. NEW. It is published under the name of Ryley Grannon. Who the gentleman is I do not know. I never have seen him.

Mr. WADSWORTH. The Senator is not sure that he has not seen him?

Mr. NEW. I gather the Senator's meaning. Perhaps I may have seen him. I do not know the gentleman who writes under that name, but, Mr. President, as the Senator from Oklahoma interjected here, it seems like covering a line of retreat.

Mr. President, much has been said of late of the opposition to this bill by the Senate, the delay that has been worked to the passage of a measure demanded by the President and by the people.

I think, Mr. President, if the truth were known that there are not 10 Members of this body—let us confess it—I do not think there are 10 Members of this body on both sides of the Chamber who actually believe in this bill. I do not think there are that many, or that there have been that many from the time the discussion was first started, who have believed that the bill was going to work out as its sponsors have sought to make the public believe, and with great success. This article in this morning's paper gives evidence to my mind that those who are behind the bill are rather coming to the conclusion that it is not going to accomplish what was promised for it. Yet, Mr. President, while I think I have stated the facts when I say that a vast majority of this body do not believe that the bill will accomplish what its proponents have claimed, it is very apparent that the bill is going to pass. The Senate is going to give this measure to the administration because the administration wants it, because the administration has insisted upon it, and not because the Senate believes in it.

The public, as was so well said the other day by the present occupant of the chair [the President pro tempore in the chair], has been led to expect favorable results from the passage of this bill; that food prices, the cost of living, will be materially reduced to the people as the result of its passage. The public has been led to that expectancy to the degree that it would be impolitic, perhaps, to defeat the bill at this time. The newspapers of the country have fostered that impression until the whole public is expecting the impossible, in my judgment, as the result of this measure. Still, as I said before, it is very evident that the Senate is going to give the people and the administration this bill, not in accordance with the judgment of the Senate, but because the administration wants it and demands it, and because of the popular demand, which, in my judgment, is based upon an expectation that will never be realized.

Mr. BRANDEGEE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Connecticut?

Mr. NEW. I do.

Mr. BRANDEGEE. I want to ask the Senator if he believes that the public has any idea of what is in the bill—what the provisions of the bill are?

Mr. NEW. I do not think the public really does understand all this bill includes. They think it something that it is not. But the Senate, so far from denying the administration, is going to give it this, as it has every other measure for which it has expressed a desire since this session of Congress assembled.

Mr. SHERMAN. Mr. President, if that is the condition of the senatorial mind, then it certainly will be creditable to vote against the bill. I believe, however, the Senator from Indiana [Mr. NEW] is right. I do not believe the public is informed about this bill. They have read in newspapers, they have read in official bulletins, they have read in proclamations by some public officer concerning its contents, but as to what is really in the bill they have not the slightest idea.

The senior Senator from Pennsylvania [Mr. PENROSE] said here some weeks ago that there were provisions in the bill that would send a farmer to the penitentiary or jail if he did not farm his land in a certain way or if he refrained from cultivating it in grain and put it in pasture and sat down and let live stock graze upon it, or disobeyed the orders of some Government employee. That statement was treated in certain news-

papers with incredulity, and yet it is literally true. In this bill there is a provision under which it would not require even a literal interpretation to send any farmer or stock raiser to the penitentiary if he refrained from doing or not doing a certain thing ordered by the Agricultural Department or by any agent of the Government. It is the spirit of the bill. It was no exaggeration of the senior Senator from Pennsylvania when he made the statement. It was but a plain application of the language of the bill, and the application of the principles contained in and intended to be expressed by that language. If the public understood that, especially the producing public, it probably would manifest more interest than it now does.

I have long since ceased to be influenced by the activities of sympathetic coteries, a little collection of people who congratulate each other on possessing all the wisdom there is in the world, and from constant repetition in each other's presence soon they begin to believe it. They are like the chronic village falsifier who tells the original falsehood. He relates it two or three times; he hears it repeated by the gossips a dozen times; it is circulated in the neighborhood; it comes back in echoes and reechoes until finally he believes it is true, and with him it is no longer a question of falsehood, but it is repeating what he has heard. That same process repeats itself here when it comes to ascertaining public opinion.

A coterie of gentlemen who are connected with the Government in various official capacities, and some of them semi-officially, began to cultivate public sentiment; they repeat many times certain arguments and statements as to the necessity and the substance of the bill. After a while the public accepts those as a correct statement of its contents. There is no use for Senators to deny it; there is no use for Senators to say anything except to accept without question the directions of the Executive and the statement that they are an incompetent body and are mere obstacles to human progress and ought to resign or die. Nobody ever heard of a Federal official doing either, and so the statement is a mere superfluity of speech.

The news article which was read by the junior Senator from Indiana [Mr. NEW] is very much in point, but I was greatly impressed with the statement that, in his opinion, it was a preparation for an alibi. I am quite familiar with those processes; they are not peculiar to Washington. Just as soon as unreasonable expectations are aroused and impossible things are expected of remedial legislation, when they face performance, the responsible authors of the misinformation quite often begin to feel that responsibility. Then they begin the preparation of just such alibis as that indicated in this article. It is not the first time, in connection with legislation here within the last 12 months, that the same thing has happened. The public is destined to great disappointment not only as to this but as to some other measures; and so they are beginning now to say that things that are impossible to be performed can not be performed by legislation any more than in other undertakings of human life. The symptoms are the same as in other failures.

Let me call attention to some things in this bill. I shall not vote for the conference committee report, needless to say, because it possesses much less practical merit when it is worked out than the bill passed by the Senate or the bill as it originally passed the other House. As the bill passed the Senate it contained some workable provisions. As it has come back finally, even as it now stands, I think it is worse than the bill which passed either House.

It is not my desire to take time, for I realize, as do other Senators, that the bill will pass this body on a roll call. It is immaterial whether some of us vote for it or whether we are absent; there will be a quorum and there will be a majority vote for the adoption of the conference report.

However, section 1 of the bill contains a provision for the control of "fertilizer, fertilizer ingredients, tools, utensils, implements, machinery, and equipment" of various kinds used directly in the production of food. Omitting all except that applying to agricultural implements, I wish for the present to call attention to the condition. Steel is left out of the bill; iron and all of its products are left out; aluminum is left out; rubber is left out; copper is left out; cotton is left out; and there remain in the bill foodstuffs, fuels, and the like that affect the farmer, together with agricultural implements and fertilizer materials.

England formerly manufactured not only her own agricultural implements, but enough to satisfy the demands of her colonies—Australia, New Zealand, Canada, and the far outlying points of the British Empire. That is no longer true, Mr. President. England's agricultural implement factories have been turned into munition factories. To-day she has not enough to supply her own wants in the island of England. England to-day is using every square foot of territory which can produce foodstuffs of any kind. She has plowed up her game preserves, her golf courses, and much other land which in ordinary times would not be used for productive purposes is now being used to full capacity.

Here is a single order that came to an agricultural implement house in my State. I will not give the name of the house, but I know its manager, its officers, and where its home office is located. It lies almost within the shadow of my old district of Rock Island. There came from England recently, within the last two weeks, orders for 8,000 walking plows, 7,000 binders, 3,000 grain drills, 5,000 tractor plows, 3,000 disk harrows, 5,000 drag or tooth harrows. England is unable to supply her own wants. I inquired for what purpose these agricultural implements were desired and whether they were wanted for export to her colonies? I was informed they were for use in England. She can not make enough plows, binders, and ordinary agricultural implements to supply the needs of Englishmen in the island of England. South America, Australia, New Zealand, and Canada depend on us for agricultural implements.

This order could not be accepted by an agricultural implement factory in my State. They are unable to accept any orders of that kind under present conditions, and under this bill it will be more impossible than ever. Under this bill no iron or steel products, no rubber, no aluminum, no copper are controlled. Agricultural implements are. Of what are they made? Almost entirely of iron and steel in their various forms. So the article which the manufacturer of agricultural implements makes is controlled by Government-fixed prices, but the material from which he makes the implement is not controlled in any manner. He must buy in an unrestricted market all the materials from which he makes agricultural implements and must sell in a Government price-fixed market the agricultural implement which is his finished product. We will be wanting when the world turns to us for such implements.

I called attention, Mr. President, some weeks ago on this floor to the fact that the Council of National Defense through its advisory committee having to do with that matter at first prohibited to all the agricultural implement manufacturers more than 50 per cent of the sheet steel requirements of their respective houses. That was afterwards, on complaint, modified so as to make it a restriction of only 25 per cent. So the manufacturers can have 75 per cent of their reasonable manufacturing requirements, but no more. The 25 per cent limitation still applies. It applies to every factory making the articles that might have been supplied on this order.

Over 100,000 corn planters will be needed before next year's corn crop is put into the ground. One hundred and fifty thousand binders will be required before next year's grain crop is cut. In the area from which comes the greater part of all the corn planters and binders in the world the manufacturers begin to manufacture corn planters in October and binders in November and December. They can not fully manufacture under present conditions, because there is a 25 per cent limitation upon their requirements of an essential material. They can not take a single order from abroad, and they do not know whether they can secure the material to make enough even for the limited requirements of our own country. They can not fill a single order of the offer to which I have referred, because in this bill there is a provisions fixing the price at which agricultural implements may be sold. If the Government can fix the price of those implements for the domestic trade, the price can be fixed for the foreign trade as well. That is the condition under which the manufacturers find themselves laboring. It is an obstacle to our own people and to our allies around the world.

Now, I wish to call attention to another matter. I promise the Senate that I shall be very brief—a matter of minutes, not of hours at all. It is not a question of talking hours. I decline to do that on a bill of this character, because demonstration can only be made by actual experiment. We might talk for many weary weeks and accomplish nothing. I realize that. It is for the public to have demonstrated to them by the actual operation of this law beyond peradventure what the result of it will be.

Not long ago, early in June, coal operators came to Washington, and although the agreement they entered into with the Government was repudiated by some departments, no hindrance has been placed on the execution of the agreement made by the operators by any other department, the Department of Justice, or otherwise. After conference with the Secretary of the Interior, Franklin K. Lane, they announced their list of coal prices. In a circular which I have, dated July 2, 1917, following their conference, the price is fixed for run-of-the-mine coal, bituminous coal, in Illinois, at $2.75, and for screened coal, the

domestic sizes, at $3.50. This list of prices is headed with the following statement:

To Illinois operators:

Secretary of the Interior Franklin K. Lane, Gov. J. F. Fort, of the Federal Trade Commission, and the coal production committee of the National Defense Council, in a conference in Washington, D. C., June 26 to June 28, inclusive, having heard the statements of the coal operators of the country regarding production costs and the conditions now surrounding that industry, recommended the following maximum prices for Illinois, to which the special committee of seven Illinois operators assented.

Then follows the figures I have given.

There are a few exceptions in certain mining districts. For instance, Thin Vein North Field is excepted because of high-production cost, and a 50-cent higher maximum price is allowed. The Assumption Coal Mining Co. and Jackson County No. 2 seam are also excepted.

The other parts of the paper I shall not read. It concludes:

The maximum commission allowed jobbers, 25 cents per ton.

Immediately following the conference this circular was issued and right on the heels of that, in fact preceding it, prices went up. I have some original bills of lading in my possession. I shall not give the name of the coal company out of deference to its rights, for I do not wish to discriminate against it or against any others in that section, but these are original bills of lading made out by the coal company to a local coal merchant in one of the towns of Illinois. The bill of lading which I read is dated the 5th day of May, 1916. It is for lump coal f. o. b. the cars at the siding at the mines. Lump coal is screened coal. It is run through the screen, and the smaller sizes are sifted out. This quality of coal on the date indicated was $1.45 a ton in carload lots. On July 20, 1916, the same coal was $1.60 a ton. On June 8, 1917, the same coal of the same company, at the same place, and under the same terms, f. o. b. cars at the mine, was $2.50 a ton. On the 13th day of June, 1917, the same coal was $3.75 a ton, and all of this time governmental activities were in operation seeking to reduce the price of coal.

Hard on the heels of the conference held from the 26th to the 28th days of June, 1917, between the coal operators, the Secretary of the Interior, and the advisory committee of the Council of National Defense having to do with this matter, there was issued by the State Council of Defense a circular, dated July 24, 1917. It is signed by B. F. Harris, John H. Harrison, Victor A. Olander, Levy Mayer, David E. Shanahan, Charles H. Wacker, John H. Walker, Samuel Insell, and John P. Hopkins. B. F. Harris is a banker in Champaign, Ill. John H. Harrison is a newspaper man of Danville, Ill. Victor Olander is secretary of the Chicago Federation of Labor, Chicago, Ill. Levy Mayer is a lawyer in Chicago, Ill. David E. Shanahan is the speaker of the Illinois House of Representatives at the present time, resident in Chicago. Charles H. Wacker is a brewer in Chicago. John H. Walker is president of the State Federation of Labor in Illinois. Samuel Insull is the president of the Commonwealth-Edison Electric Co. John P. Hopkins is a capitalist and business man and formerly mayor of Chicago. These are thoroughly typical men in their different lines of effort in that State. They contribute this matter, which is of interest at this time in connection with efforts to reduce prices:

THE STATE COUNCIL OF DEFENSE,
STATE CAPITOL, SPRINGFIELD, ILL.,
Chicago, Ill., July 24, 1917.

To the State Council of Defense of Illinois:

The special committee of the State Council of Defense has been in session with the coal operators or their committee and a committee of the three State officers of the Illinois Miners Union for three entire days, with a view to securing by voluntary arrangement a reduction in the current prices of coal, if, upon investigation, that price was found to be too high. The coal operators by their committee have positively refused to make any reduction and have put their final declination upon three grounds:

(a) That the price now being charged was based upon a schedule fixed after consultation in Washington with some Government officials.

(b) That the price should not be lowered except by Federal action, because the reduction in the price in Illinois without a similar reduction in adjacent coal-producing States might lead to discriminatory conditions; and the miners' committee contended

(c) That an announced demand on the part of the miners for an increase in the wage scale of 25 cents per ton for the digger and an increase from $3.60 to $5 per day for the day man after the expiration of the existing wage contract, which expires in March, 1918, renders it impossible to attempt to make changes at this time in the price of coal. In other words, the miners' union committee concurred with the refusal of the operators to lower the price of coal at this time.

The council committee has given careful consideration to the positions advanced by the coal operators and the miners. It has kept in mind the momentous duties that devolve upon the council as an important official branch of the government of this State—a branch created for the very purpose of discharging functions of the kind involved in the present inquiry.

The council committee, after earnest study and with the realization of the gravity of its work, has come to the following conclusions:

(a) It is true that certain officials in Washington last month agreed upon a charge by the coal operators of a tentative maximum of $2.75 a ton at the mine pit for mine-run and a tentative maximum of $3.50 per ton for screened lump and higher grades of coal. We emphasize the fact that this arrangement permitted of a tentative maximum charge, but did not deny the operators the right, nor interfere with their duty, to charge less if the operators concluded so to do. Nor should the fact be lost sight of that the arrangement referred to was almost immediately repudiated by the Secretary of War and the Secretary of the Navy.

There is no force in the contention that because this repudiated arrangement permitted a tentative maximum price, therefore, a lower price should not now be charged. Furthermore, the evidence submitted to us disclosed the fact that many Illinois operators are in fact charging certain customers prices which are considerably less than these tentative prices. The position of the operators is untenable.

(b) The contention that to lower the price in Illinois would invite discrimination or competition with the coal operators of adjacent States is not pertinent, because the council committee informed the coal operators that it was the plan of the committee to arrive at a basis with the Illinois operators and with the operators in adjacent States.

Federal action has been and may be so long delayed as to be totally ineffective. If no other way remains the control of prices in Illinois alone will be urged and enforced, if possible.

(c) The contention of the miners that because of a substantial advance which they announce, they will ask in March, 1918, therefore no change should be made in the current price does not meet the present situation. The prevailing wage scale in force with the coal miners does not expire until March 31, 1918.

The council committee wishes to arrange a price which will meet present emergencies and necessities. It was shown and conceded by the operators at the hearing that every coal contract, with few, if any, exceptions made during the last 12 months contained an express provision that such contracts were based upon the present miners' wage scales and railroad rates and delivery wage scales, and that if these rates were increased the coal prices fixed in the contracts would be changed accordingly.

The council committee is of the opinion and announces as its conclusions the following:

1. The price of coal is excessively high. It includes a profit per ton much in excess of a fair and reasonable profit. The largest coal operator in Illinois whose mines produce nearly 20 per cent of the entire output of the State frankly and publicly stated at the first meeting of the council committee held with the operators on the 21st instant, that the price now being charged by the operators is indefensible. The evidence produced by the operators showed that in July, 1916, coal in great quantities was being offered by the operators in this State at $1.25 and $1.35 per ton at the mines for the highest grade, and that for the same grade of coal the operators are now charging from $3 to $3.50 a ton, and prior to July 1, 1917, charged still higher prices.

2. The only increase in the coal miners' wage scale since July 1, 1916, to date has not exceeded 20 cents a ton. This increase can not account for a jump of $2.15 per ton in the price of coal at the mine between July, 1916, and July, 1917.

3. The council committee is aware of the drastic powers possessed by it under the law—powers conferred to meet war exigencies. The committee realizes the dire results that may come to the people and industries of this State if an equitable coal-price basis be not speedily arrived at, a basis which must be equally fair and just to both the operators and the consumer.

By a supplemental report which the committee will make to the State council at its meeting to be held next Tuesday, the 31st instant, there will be submitted for consideration a vigorous course of action deemed by the committee appropriate in the premises.

Respectfully,

B. F. HARRIS,
JOHN H. HARRISON,
VICTOR A. OLANDER,
LEVY MAYER,
DAVID E. SHANAHAN,
CHARLES H. WACKER,
JOHN H. WALKER,
SAMUEL INSULL *(Chairman)*,
JOHN P. HOPKINS *(Secretary)*,
Special Committee.

CHICAGO, *July 31, 1917.*

At a meeting of the State Council of Defense held this day, the foregoing report of the special committee was unanimously approved and ordered published.

SAMUEL INSULL, *Chairman.*
JOHN P. HOPKINS, *Secretary.*

I read this in order to illuminate the present condition of coal prices. I wish to show, too, what I have stated very briefly, that at no place along the line has the Government undertaken anything in the way of a performance of a service or the sale of a commodity or regulating it that its prices have not increased. That is the universal experience of everything from the time the Government has begun to intermeddle.

Let me call attention to the cantonment being built at Rockford, Ill. Five thousand men are at work there every day. Unskilled laborers, that can only shovel cinders and earth into a wheelbarrow and dump it, are receiving $3.75 a day for a 10-hour day. They are really paid at the rate of $4.12½, because they get 11 nours' pay for 10 hours' work. The commonest kind of carpenter that can saw a board or run a jack-plane or drive a nail gets $6 a day. Plumbers are receiving $8.25 a day. Every species of workman is receiving the highest prices in the history of Rockford or of the State. Lumber has shot up to a prodigious price. The Government is paying it. Nails by the keg or by the carload lot are sold at prices never heard of before in the hardware trade. Wherever the Government touches the market, either to employ a workman or to purchase merchandise for construction operations of this kind, uniformly it costs the Government more than it does anybody else. I shall not complain of it, I am only stating the fact.

The Government proposes, under this revolving fund, to take charge of a large quantity of surplus breadstuffs and foods after the Government has provided for the wants of the Army and the Navy. If the Government can take breadstuffs and sell them for less than private employers or private enterprises can sell them, they will beat any record they have ever made since I have known governmental operations, either State or national. When they get through encouraging wheat production, which is supposed to be the basis of foodstuff prices, what condition are we facing?

I had from Peoria on day before yesterday the prices quoted on corn—$2.42 for corn in Peoria. In Chicago last Thursday corn sold on exchange for $2.38 a bushel. Corn is now selling, wherever any sales are made, for December delivery, for the crop that is still growing out of the ground, at $1.25. It is the highest price ever known for December corn in the United States. Now, tell me, in the face of $2.38 for spot corn and $1.25 for corn next December, how many farmers in the wheat belt where corn can be raised will plant or reserve for planting this fall a solitary acre for wheat?

If a farmer can get $1.25 for December corn and, if he wants to crib it and hold it, with the prospect of getting $2.40 next summer for old corn, he is not exercising ordinary prudence if he does not save his farm land and put it in corn next spring and raise what he can. It will beat any wheat crop that can be raised. Corn can produce from 60 to 70 bushels per acre with ordinarily skillful husbandry, and at those prices it is needless to talk to the farmer about raising wheat.

So, as I see it, under this bill, with a minimum price fixed, with its limitations upon what the farmer's surplus shall be sold at in a restricted market, with an attempt to hold down the agricultural-implement manufacturers by fixing the price of their product by the Government, while leaving all the raw material that the manufacturer must use for agricultural implements to be bought on an unrestricted market, when we get through, the last condition of the American people will be infinitely worse than the first.

Therefore, if I am present in my place when the roll call comes, I shall vote against this conference committee report with more of a feeling that I am right in it than I did when I voted on the bill on the roll call against its passage in the Senate.

Mr. GRONNA. Mr. President, after listening to the lecture of the senior Senator from Mississippi [Mr. WILLIAMS], of whom I am especially fond, and with whom I have served not only in this body, but in the other body, I realize that it is best to proceed with caution. I feel, however, that I would not be true to myself nor to my people should I fail to discuss some of the provisions of this bill.

I think it is extremely unwise for us to get excited during these times. I think it is best, not only for Congress but for the country, that we proceed with calmness and discretion. I know that when I undertake to discuss a question, or even to discuss matters with individuals, and allow myself to be carried away and not use my best judgment, it has an injurious effect upon me as well as it will have, of course, upon those with whom I associate. I have tried during these strenuous times to exercise calm and judgment, and I want to be frank; only upon one occasion has my enthusiasm gotten away with my judgment. I regret that it happened, but shall hope to profit by my experience in the future.

Mr. President, I voted for this bill when it passed the Senate, though not with the idea that it will do what the friends of the measure claim for it, because I am reasonably sure that it will not help either to reduce the cost of living or to stimulate production.

I want to digress for a moment and say that after listening to the discussion on yesterday I was somewhat disappointed, but I believe that the discussion that was going on was perhaps not as deliberate as the men who carried it on would wish it to be. I want to say for the members of the Agricultural Committee, excepting none, that I believe they have done their very best in order to make a bill that will be to the best interests of the American people. I do not know that any member of the Agricultural Committee has made any attempt to hold up this bill or to delay action upon it.

I know that the Senator in charge of the bill has been most industrious, and I will say for myself that he has shown a friendly spirit to all his associates. I certainly have no complaint to make of him, and I believe that the other members of the committee have likewise been industrious and faithful in carrying out their obligations to the country.

I thought it was rather an imposition when the chairman of the committee, the Senator from Oklahoma [Mr. GORE], asked the committee to come to the Capitol on Sunday. We were here in this Capitol on a holiday, and those who are in the habit of going to the house of worship, instead of being there, were deliberating in one of the committee rooms in this building.

I do not charge that the Senator from Oklahoma, the distinguished chairman of the committee, did this with any intention of wrong, but I simply mention it to show how anxious the Senator from Oklahoma has been not to delay action but to have the bill passed or disposed of as speedily as possible.

As a member of the Agricultural Committee I know that we took but one day to discuss this bill in the committee. A subcommittee was called together. We finished our deliberations that very same day, and on the next morning the entire committee was called together, and the bill, I believe, was reported to the Senate that very same day. So it can not be said that there has been any undue delay in considering this bill. There is no doubt but that it took some time for the conferees to agree upon the bill. I think the Members of the House on the conference were more successful in getting the provisions which the House had originally inserted in the bill than were the conferees on the part of the Senate. I do not say that the Senate conferees did not do the best they could, but I will say that the bill will show for itself that without a correction in punctuation or phraseology the Senate conferees yielded practically everything that the House conferees demanded. The bill speaks for itself.

Mr. President, I feel that I have the right to criticize not the committee of conference but the provisions of this bill. I am fearful that instead of being the means of stimulating production this very bill will be the cause of discouraging production. That is not what the President of the United States wants. That is not what the President of the United States said to me and other members of the committee when he called us to the White House a month or two ago.

I have on one or two occasions called attention to the fact that I believe the President of the United States is intensely interested in this bill, or I want to say interested in having a food bill passed that will, first, stimulate production; secondly, be the means of giving the Americans food at prices that will not be extravagant. This bill can not and will not do that if it is carried out according to its letter.

Section 1 of the bill as it was reported from the Committee on Agriculture and Forestry and later on further amended by the Senate on the floor included not only agricultural products but steel, iron and their products, minerals of all kinds and their products, and when I say minerals I speak of oil and gas. There are no such provisions in the bill now. It also included hemp and jute and their products. I shall not take the time of the Senate to go into that as fully as perhaps I should, because I have on one or two former occasions called attention to the importance of binder twine to the farmer. I told the Senate not long ago that the increased cost in twine alone to the American farmer this year is more than $35,000,000. Yet you have not given that any consideration. It is taken out of the bill. The monopoly which controls binder twine is a foreign monopoly; it is a Yucatan monopoly. Not more than two years ago sisal hemp was bought by the American manufacturers in New York for less than 5 cents a pound. To-day the price is about 20 cents per pound. Do you expect the American manufacturer to be able to sell binder twine cheap to the American farmer when the raw product costs him 20 cents a pound?

Mr. President, I hold no brief for the manufacturers of this country, but I want to tell the truth, so far as I know it to be the truth. I had the privilege of serving on a committee where we held meetings for 30 days, and those hearings disclosed that the twine manufacturers of this country sold twine to the dealers, to the jobbers, at a very small profit. When I was appointed on that committee I at first refused to accept the appointment, because I said to the chairman that I was really prejudiced against the American twine manufacturers. I had not investigated the situation, and I believed that the tremendous high price was due to the excessive profit charged by the American manufacturers. I think the report of that committee will show that such was not the case.

Mr. President, you want the farmer to sell his products to the American consumer cheap. I find no fault with that, providing you will give the farmer an opportunity to buy what is necessary in order to produce crops enabling him to sell his product at a low price. But you have not done that.

I congratulate poor old Rockefeller, or I should rather say the Standard Oil Co., because I consider it a victory for them. I consider it a victory for the grain exchanges of the country, the way this bill has been reported back to the Senate. Instead of including petroleum and its products—gasoline and

kerosene, the products that are used in large quantities by the farmers of the country, especially in the West—you have made it impossible for a farmer to get a single gallon of this product at a controlled price, whether that price be high or low. It is true the conference committee has seen fit to include the words "fuel oils," but you are not deceiving the American people. You will not deceive them by putting in the words "fuel oils."

Mr. CHAMBERLAIN. Will the Senator allow me?

Mr. GRONNA. I shall yield in a moment. I believed I understood that phraseology, but in order to be absolutely sure I have consulted men who know. Fuel oil is the product of the refuse from petroleum after 15 per cent of gasoline has been extracted from it. Perhaps in some instances there may be some crude oil low in quality for its use; but I say you can not fool the American farmers by making them believe that you have given them kerosene and gasoline under a controlled price, because the bill does not do it, and I challenge a successful contradiction of that.

The PRESIDING OFFICER (Mr. WOLCOTT in the chair). Does the Senator from North Dakota yield to the Senator from Oregon?

Mr. GRONNA. Yes; I shall be glad to yield.

Mr. CHAMBERLAIN. If the Senator will permit me to interrupt him for a moment, does the Senator believe there are any such persons in the United States as independent oil producers as contradistinguished from the Rockefeller interests, the Standard Oil interests?

Mr. GRONNA. Oh, Mr. President, that is an old story. This is not the first time I have been up against that proposition.

Mr. CHAMBERLAIN. I am just asking the Senator a question. If they are allied interests, then the committee was misled; but I want to say to the Senator that the conference committee permitted the independent oil refiners to appear before them in conference, and I think they made an exception only in that case. They were vouched for by members of the committee who knew who they were and whom they represented; and it was shown, I think, conclusively that if we had included kerosene and gasoline and oil in the bill as it was written here it would have been directly in the interest of the Standard Oil Co. The committee agreed upon it so that the independent oil men might have some advantage under the terms of the bill.

Mr. GRONNA. Mr. President, to go into that intelligently would require far more time, I will say to the Senator, than I intend to take in the discussion of this bill. I know something about these independent companies; not all, but I know something about them. I know something about the history of them. It is a good deal the same with these independents and with the Standard Oil Co. that it is with the milling concerns of the country. When they want legislation they are never here to represent themselves; they are here in the interest of the farmer or the producer. I have for many years listened to the siren songs of these plutocrats. Never in the history of my legislative service have I heard them say they were here in the interest of themselves, but always in the interest of the farmer.

Mr. CHAMBERLAIN. May I interrupt the Senator once more?

Mr. GRONNA. Yes; certainly.

Mr. CHAMBERLAIN. In order that the Senator may know whether the party who appeared before the conference committee was a reputable man or not, it was Mr. Walsh, who was vouched for by the distinguished Senator from Iowa. He was represented as a man who had fought the Standard Oil Co. for a great many years and a man who had gone before the Trade Commission and made the fight for the independent oil producers of the country, and had done it very ably and with learning upon the whole subject.

Mr. GRONNA. Mr. President, I do not doubt that there are men in this country calling themselves independents who are interested in the oil business. I know some of them. They are reputable men, as the Senator has said. Naturally they want to protect their interests. It is just as natural for them to protect their interests as it is for the Standard Oil to protect theirs. But suppose the agent of the Standard Oil comes here and asks for a favor; perhaps we would not be so ready to grant the request as we may be to grant the request of these so-called independents.

Mr. President, as I understand it the Senator who has this bill in charge has admitted that the phraseology used in this bill does not include kerosene and gasoline. The poor washerwoman who buys her gasoline for her gasoline stove or kerosene for her kerosene stove will have to depend upon the charity of the great monopoly, the Standard Oil. The farmer who runs his little tractor instead of having the right to go to the food controller or to the President of the United States and complain as to the price, the controlled price, as it would be if we had left the language in the bill as the Senate committee wrote it, will not have an opportunity to come to Washington and complain that the price that he is paying for gasoline or for kerosene for his little tractor is unduly high. That has been left, I say, to the discretion and charity of Standard Oil.

But I suppose it is treason to call attention to that. I suppose it is disloyal to take sufficient time of the Senate to call attention to some of these provisions, and which I challenge any man to deny.

Mr. President, I make no secret of the fact that I was opposed to the war. I do not deny that I was opposed to the selective draft until the American people had been given an opportunity to show their patriotism by volunteering. But never have I delayed legislation since these measures were passed. No bill has been delayed by me in the Senate for more than 10 minutes since the declaration of war. No man on this floor has ever been more anxious to vote for appropriations necessary to carry it on. My son is in this war, Senators. He did not have to go, because he was not of age. A few of the men suggested by my distinguished friend from Mississippi [Mr. WILLIAMS] are not the cowards that some people want the country to believe they are. The same Senator has taken hours where I have taken minutes in the discussion of these measures. I followed him in the House when a member of his committee, and I was not perhaps as loyal a partisan as I should have been. I followed the distinguished Senator from Mississippi on measures when I served in the House as often as I followed the leaders on the Republican side. So he must not attribute to me or charge me with trying to carry out partisan politics on this floor, because he knows it is not true.

Real men do not care for criticism, let me tell you. They thrive on opposition and criticism. Men whose hearts are filled with patriotism and love of country do not fear criticism. I shall answer to my people. I am responsible to them for my action in this body and outside of this body.

But, Mr. President, it comes with mighty poor grace from men who lecture here certain Members of this body every time they see an inspired article in a newspaper. I do not know that I care about it. It does not hurt my feelings so very much, because, as I said, I have tried to remain calm on these matters, especially during these trying times when we are at war with this powerful enemy of Europe. I have tried, I say, to remain calm and to use my judgment instead of acting upon impulse.

Mr. President, when this bill came before the committee many of the articles which necessarily are used by the farmers were included in the bill. Several more were included on this floor. I read from line 9 of the bill, page 1, the articles included—

> including petroleum and its products, aluminum and its products, hides, skins, steel and iron and their products, copper and its products, hemp, jute, cotton, wool, and sisal and their products, lead, timber, lumber, or the joint product or products of two or more of the said materials, farm implements and machinery, and fertilizers, and fertilizer ingredients—

And so forth.

Now, that would have given the farmer an opportunity to buy his machinery, his tools, things that are necessary to carry on agriculture, in a controlled market, in a restricted market. As it is now, he buys all his implements, he buys everything he consumes, in an unrestricted market, and he sells in a restricted market.

I have marked several of these provisions in the bill. I had an idea at one time to go into it and analyze it as best I could. It will probably require more time than I am warranted in taking this afternoon, and so I shall call attention to only what I deem the most important provisions.

While section 4 of the bill has not been materially changed by the committee, it will, in my judgment, do an injustice not only to those who are engaged in agriculture, but it will do an injustice to labor. The junior Senator from New Hampshire [Mr. HOLLIS] was successful in having incorporated into the bill a provision exempting organized labor from the operation of section 4. The Senator from Pennsylvania [Mr. PENROSE], the Senator from Illinois [Mr. SHERMAN], and myself have called attention to the fact that if a farmer limits production he need not disobey the order of the food director, as stated by the Senator from Illinois; but if he refuses or if he fails to produce as much in the future as he has in the past, he is subject to a fine and to imprisonment under section 4. If a few men belonging to organized labor should in any way interfere with transportation or with the transportation facilities, they are in like manner subject to be penalized by a fine of $10,000 and two years in the penitentiary, or both. But the Senator from New Hampshire discussed that most ably yesterday afternoon.

Mr. CHAMBERLAIN. May I interrupt the Senator for a moment?

Mr. GRONNA. Yes; certainly.

Mr. CHAMBERLAIN. Will the Senator kindly put his finger on the part of section 4 which would authorize the imprisonment of a farmer who simply limited his production?

Mr. GRONNA. Yes, sir; I shall be glad to do that. Does the Senator want me to read the whole section or just a part of it?

Mr. CHAMBERLAIN. Just that part of it.

Mr. GRONNA. It comes under subsection (d) "willfully to prevent, limit, or lessen the manufacture or production"——

Mr. CHAMBERLAIN. "In order to."

Mr. GRONNA. "Or the production of any necessaries." Does not the Senator think that will apply if in my usual operations I am farming 100 acres and I reduce it next year to 50 acres? Is not that reducing, is it not limiting, production?

Mr. CHAMBERLAIN. The Senator did not read it quite all. If he will read the context he will find that his statement there is not correct. It is to conspire, combine, agree, or arrange with any other person (a), that is, to do certain things, (b) to do certain other things, (c) to do certain things, and (d) "to prevent, limit, or lessen the manufacture or production of any necessaries." What for? "In order to enhance the price." It is a conspiracy to do those things for the purpose of enhancing the price.

Mr. GRONNA. Certainly that question answers itself. If you limit the production you enhance the price. You augment the price every time you limit the production. There is no question about that.

The Senator from Utah [Mr. SMOOT] calls my attention to what is a fact—that the word "willfully" has been stricken out by the conferees.

Mr. CHAMBERLAIN. I call the Senator's attention to the fact that it must be a conspiracy, a combination and agreement and arrangement with any other person to do these things.

Mr. GRONNA. Now, supposing that in a locality, not a very large one, the acreage is reduced, does not the Senator think that it can be held that there was a conspiracy to limit production in order to enhance the price?

Mr. CHAMBERLAIN. No.

Mr. GRONNA. I fear that when the producers read this bill and analyze it they will understand that the bill is not being enacted into a law for the purpose of aiding them in order that they may be able to produce more, but that it is enacted for other purposes.

Mr. President, I call attention to the fact that organized labor, like the farmer, is affected by the provisions of this section; that if they undertake to disturb, or if they in any manner disturb the facilities of transportation, they are guilty of a violation of this section and can be punished; they can be imprisoned for two years and fined $10,000, or both.

I now come to the section which I think is one of the most important sections in the entire bill; that is section 6, which is known as the hoarding section. Section 6 provides:

SEC. 6. That any person who willfully hoards any necessaries shall upon conviction thereof be fined not exceeding $5,000 or be imprisoned for not more than two years, or both. Necessaries shall be deemed to be hoarded within the meaning of this act when either (a) held, contracted for, or arranged for by any person in a quantity in excess of his reasonable requirement for use or consumption by himself and dependents for a reasonable time; (b) held, contracted for, or arranged for by any manufacturer, wholesaler, retailer, or other dealer in a quantity in excess of the reasonable requirements of his business for use or sale by him for a reasonable time, or reasonably required to furnish necessaries produced in surplus quantities seasonally throughout the period of scant or no production; or (c) withheld, whether by possession or under any contract or arrangement, from the market by any person for the purpose of unreasonably increasing or diminishing the price.

Mr. President, that language is very plain, and I should find no fault with it if the provision had been left as it passed this Chamber. It defines in plain language what hoarding is and who shall be punished for the violation of the law; but the committee of conference has seen fit to insert entirely new matter. Although a similar provision was offered on the floor, the Senator in charge of the measure withdrew it. This provision, Mr. President, in my judgment, exempts from its operation any grain exchange, because it says so in explicit terms. I want to read the proviso which has been inserted by the committee of conference. This proviso, I desire to say, was not in the House bill, nor was it in the Senate bill. The proviso reads:

Provided, That this section shall not include or relate to transactions on any exchange, board of trade, or similar institution or place of business as described in section 13 of this act that may be permitted by the President under the authority conferred upon him by said section 13.

Then there is another provision which on the face of it exempts any farmer or gardener, but the farmer and gardener are not exempt because the same proviso appears in section 4 of the bill. So, I repeat, the farmer and gardener are not exempt. The farmer is not exempt from hoarding his own crop, because the provision of section 4 would make the farmer liable to fine and imprisonment just as much as if this proviso were left out.

What is this new matter which has been inserted by the committee of conference? It provides in unmistakable terms that any transaction on any grain exchange shall not be deemed a violation of the hoarding section.

Mr. CHAMBERLAIN. Mr. President, will the Senator allow me to interrupt him there for just a moment?

Mr. GRONNA. Yes; I shall be glad to have the Senator do so.

Mr. CHAMBERLAIN. Let me undertake to state to the Senator and to the Senate why that language was inserted at that point.

Mr. GRONNA. I shall be very glad to hear the Senator.

Mr. CHAMBERLAIN. I withdrew this proposed amendment at the time the bill was before the Senate because I seemed to be unable to explain just what the purpose of it was as it was explained to a number of us by Judge Lindsay. The Senator from North Dakota himself has stated on the floor of the Senate that all of the grain exchanges were not evil; in other words, that some of them were necessary in order to fix the price of wheat. Now, if the Senator will refer to section 13 of the bill he will find this language:

That whenever the President finds it essential in order to prevent undue enhancement, depression, or fluctuation of prices of, or in order to prevent injurious speculation in, or in order to prevent unjust market manipulation or unfair and misleading market quotations of the prices of necessaries, hereafter in this section called evil practices—

Now note—

he is authorized to prescribe such regulations governing, or may either wholly or partly prohibit, operations, practices, and transactions at, on, in, or under the rules of any exchange, board of trade, or similar institution or place of business as he may find essential in order to prevent, correct, or remove such evil practices.

Now, the Senator will note that the President can go over the whole field of these grain exchanges, and whenever he finds that some of them are engaged in the work for the purpose of unlawfully enhancing prices he can adopt rules and regulations and put them out of business. It was not the purpose of the framers of this bill to put out of business a grain exchange which was doing a perfectly legitimate business and doing it in a legitimate way.

Mr. GRONNA. The Senator from Oregon is now referring to section 13?

Mr. CHAMBERLAIN. I am referring to section 13, to which the proviso of which the Senator speaks was attached. Therefore, the President can look over the whole field and when he finds these exchanges are violating the regulations which he has established for their government he can stop them from doing business. However, the conference committee, when they had this bill under consideration, thought that as section 6 was written it would put the grain exchanges immediately out of business. It was not the purpose of the conferees, and I do not think it was the purpose of Congress, to put all the exchanges out of business. In order to save those that were permitted to do business under the rules and regulations adopted by the President, this proviso was added to section 6:

Provided, That this section shall not include or relate to transactions on any exchange, board of trade, or similar institution or place of business as described in section 13 of this act that may be permitted by the President under the authority conferred upon him by said section 13.

In other words, if the President has not denounced in his regulations certain grain exchanges, they are permitted to go on; and the purpose of the proviso was to save those excepted cases under the provisions of section 6.

Now, just one moment, at the risk of taking too much of the Senator's time.

Mr. GRONNA. That is all right.

Mr. CHAMBERLAIN. Let me say that this amendment—and the Senator intended at one time to make a point of order against it—the Nelson amendment, so-called, covered exactly what section 6 and section 13 are intended to cover. The Senate adopted that as an amendment to this bill. So the proviso to which the Senator calls attention was simply to apply to those grain exchanges which were not denounced by the regulations adopted by the President. That is all.

Mr. GRONNA. Well, Mr. President, I am sorry that I shall have to differ from the Senator from Oregon. Section 6 is, as the Senator knows, the hoarding section. It has no reference whatever to section 13. Section 13 is the price-fixing section, and that was the section to which the amendment of the senior Senator from Minnesota [Mr. NELSON] applied. It applied to the transactions on the board of trade. Section 6, the hoarding section, I will say to the Senator in all frankness, has nothing whatever to do with exchanges. Will the Senator from Oregon deny that it is possible and permissible under

section 6, as it has been amended, for a person, firm, or corporation to hoard by transactions through chambers of commerce or boards of trade?

Mr. CHAMBERLAIN. Not if they have not permission to do it.

Mr. GRONNA. They have the permission. Now, let me ask the Senator a question. Suppose there is a little flouring mill in North Dakota—and we have a few left, though the most of them have ceased operations. The Senator from Oregon is supporting a proposition, although I know he does not do it intentionally, that will operate exactly, at least in my judgment, according to the statement that I am about to make. Suppose that a flouring mill in my State sells 10,000 barrels of flour; it can not go out to the farmers and contract for that amount of grain in that locality, but it can hedge on the board of trade, or it can buy its supply of grain on any grain exchange. Will the Senator assure me that the food commissioner will not consider that 50,000 bushels is an excessive quantity, but that the little flouring mill in North Dakota could be permitted under this proposed law to transact business in that way? It simply enables those who can operate on a large scale, the big millers, for instance, the men whom we have tried to curb for, lo, these many years, to hoard legally.

I think I know who submitted that amendment. I know who is more interested in the amendment, perhaps, than are Senators on this floor. Personally he is a good citizen, but he belongs to a firm which has been the largest grain-exporting firm in the city of Duluth, and with all due respect to Mr. Lindsay, the lawyer, he may have had the information, but Mr. Barnes, I believe, was the author of the amendment.

By this very act, I say to the Senator from Oregon, hoarding is legalized if the transactions are made through a grain exchange, but hoarding is penalized if the transactions are made through a small dealer. The provision applies not only to grain, but it applies to other products as well.

Suppose a canner sells for future delivery what would be imagined, perhaps, by the food director to be an unduly large quantity of canned goods? Such action is penalized by this section. Such transactions are not as a rule made on exchanges or on boards of trade. As every Senator here must know, all the small millers throughout the country would be seriously affected by this provision. Suppose there is enough grain in the State of New York, the home of the distinguished Senator [Mr. WADSWORTH], to supply the demand in that locality and that the miller buys it. Will any Senator contend that this provision here will not penalize such transaction? But if he buys it on a board of trade or chamber of commerce or through a grain exchange he is absolved from the penalties of the provision.

Mr. WADSWORTH. Mr. President, will the Senator permit me to make an observation in connection with his last remark?

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from North Dakota yield to the Senator from New York?

Mr. GRONNA. I will be very glad to yield.

Mr. WADSWORTH. The Senator, in a sense, addressed me as representing in part the State of New York, and inquired, perhaps indirectly, what my opinion would be as to the effect of this legislation. I happen to know, Mr. President, may I state to the Senator from North Dakota, that neither the flour mills nor the produce dealers in the State of New York, upon which agencies the farmers in that State very largely depend, are able to buy as the result of the pendency of this legislation.

Mr. GRONNA. I believe that, Mr. President. Does the Senator think that this measure will help that condition?

Mr. WADSWORTH. Not in the slightest degree.

Mr. GRONNA. I am glad to have the judgment of the distinguished Senator from New York. If other Senators will give it the attention that I have given to it, I know that many of them will become assured that my position is correct.

Now, let us see. I congratulate Mr. Barnes. He is a splendid gentleman. I have done a good deal of business with his house, the firm of Ames, Brooks & Co. They are a good firm, large exporters of wheat and other grain from Duluth. They are splendid people, and, as I have said, I congratulate Mr. Barnes on being successful—more so than I have been—in his argument with those who are directing that this legislation shall pass, and also perhaps with the committee.

But, Mr. President, we are doing this all in the interest of the farmer. I read an article in the newspaper the other day written by some gentleman who at one time was a member of this body for a few months, who said that all that the people in North Dakota seemed to care for was $2 wheat. Well, $2 wheat, as I understand, is provided for in this measure, and still we find that the farmers of my State, I believe, are opposed to this bill because it does not do justice to all the people. It does not do justice to labor, as the junior Senator from New Hampshire [Mr. HOLLIS] so eloquently pointed out on yesterday, and in my judgment it does an injustice to the farmers of the country. The result will be that the entire country will suffer from it, and, instead of being a measure to stimulate production, it will embarrass the farmer and will lessen production, in my judgment.

Mr. SHERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Illinois?

Mr. GRONNA. Yes.

Mr. SHERMAN. Before the Senator leaves that field of inquiry will he permit me to ask who will decide what is hoarding and what is not hoarding and what is the opportunity for favoritism?

Mr. GRONNA. I presume that the food administrator will decide that because he is the czar supreme in this case.

Mr. SHERMAN. Can he or his subordinates with justice attend to holding the ownership of all the grain in the United States?

Mr. GRONNA. Well, my opinion is, I will say to the distinguished Senator from Illinois, that men who are not acquainted with the conditions can not do justice to the people engaged in this industry.

We have heard eloquent pleas from those who are defending the administration—and I want to say that I stand ready to defend the administration as much as any individual if it needs any defense. Those who belong to the administration have called attention to the fact that the public has been preyed upon by the organizations known as chambers of commerce and boards of trade. I desire to read a statement attributed by the newspaper from which I quote to the Assistant Secretary of Agriculture to the effect that the so-called middlemen are taking millions of dollars of the people's money wrongfully.

Mr. BRADY. From what paper is the Senator reading?

Mr. GRONNA. I am reading an editorial from the Co-Operators' Herald, published at Fargo. N. Dak. It is a farm paper. It speaks very highly of Mr. Vrooman. I do not happen to be acquainted with Mr. Vrooman, but I understand he is a splendid gentleman and a very able man. The editorial says:

> Those who heard the addresses of Carl Vrooman, Assistant Secretary of Agriculture, on the occasion of his recent visit to Fargo, took heart in the belief that the Federal administration will demand that the wealth of the Nation shall be made to bear its share of the cost of war.

The editorial proceeds to discuss that matter. I shall not read the whole editorial, for it is a long one, but it goes on to show that the farmer and the consumer have both been robbed, that the middleman has profited unduly, and yet the conference committee, the Congress, and the administration are going to turn over the work of carrying out this measure to these very men who have been charged, not by myself but by some members of the administration, by a class of farmers who belong to what is known as the Nonpartisan League, with profiting unduly in the trade in which they are engaged.

I desire to read from a little pamphlet a statement purporting to have been made by Mr. Hoover, which I think I have read in other publications. This little pamphlet approves the statement by Mr. Hoover. It is headed "Two hundred and fifty million dollar loot on flour alone," and goes on to say:

> In the first five months alone of 1917 speculators and big millers—who often are one and the same—extorted the enormous sum of $250,000,000 in one item of flour, according to the statement made by Herbert C. Hoover, prospective food administrator, before the United States Senate Committee on Agriculture at Washington, on June 19, 1917. "With righteous manufacturers and distributors' prices," Mr. Hoover declares, "the price of flour should not have been over $9 a barrel." Yet it averages $14. In the last five months, on the item of flour alone, $250,000,000 has been extracted from the American consumer in excess of normal profits of manufacturers and distributors.
>
> Mr. Hoover added that the United States has been experiencing "unprecedented prices and rampant speculation." As an example he cited the canning trade. Already the entire output of vegetables and fish for 1917 has been disposed of before it has even reached the canners. "Thousands of men," he said, "who never before owned a dollar's worth of foodstuff are now speculating in necessities." Mr. Hoover predicted further high prices. He said that in Belgium, with all its wheat imported, bread prices were 60 per cent lower than here, while those in England and France were 30 to 40 per cent lower, yet the producers obtained market prices for their wheat.

Mr. President, I am reading this statement for the purpose of showing that the agricultural people of the West believe that they have been injured by the men who are engaged in the industry as middlemen, and especially by the millers and those who are members of the grain exchanges. Those of you who were here on Saturday heard an article read from a paper in my State stating that one of these men—one who for 20 years

has been a great factor on these grain exchanges—has been selected as the food administrator in our section of the country. The very men who have been criticized by Congress, by political speakers, and even by men who are identified with this administration are the very men who are being selected to administer this law. Already we have two here. Mr. Barnes has been here, to my knowledge. He was here more than a month ago assisting in perfecting this bill. Now, according to the article in the press, Mr. Frank L. Cary, of the firm of Hallett & Cary, is also to be given a position. For many years I have done business with a number of these men. I do not recollect having done business with this particular firm, but I say I have done business with nearly all of them, and when we ship grain to them they always do the very best they can for their customers, trying to give them as good a price as they can, and I am not finding any fault with them in that way. But they are the very men whom some of the men belonging to this administration and the farmers and political speakers have designated as gamblers in food products. These are the men who are being appointed to administer this law.

There would have been no necessity for the farmers of my State and the farmers of other States to perfect farmers' organizations unless they believed they had a right to complain. This farmer organization is a tremendous organization. They have perfected organizations in at least 12 States, to my knowledge. This organization has charged that the members of these great exchanges have unduly profited by their transactions; that they have been the cause of manipulating prices, to the detriment of the producer and to the detriment of the consumer; yet these are the very men who are being selected to administer this law.

Mr. President, personally, I am not one of those who believe that men who are engaged in business are dishonest. I do not think they are. I think they are just as honest as the men who live on the farm. I do not say that these grain exchanges have not been the cause of depressing prices to the producers and at times enhancing prices to the consumers; but, Mr. President, I shall not go into that branch of the subject further.

This bill has been said to be a bill to help stimulate production and to reduce the cost of living to the consumer. How it can do both of these things I can not understand. It is a singular thing, however, if it is such a great benefit to the people to have their products included in this bill, that the people of the South protest so vigorously against this measure. I received to-day a communication from the Farmers' Educational and Cooperative Union of America, the Louisiana division, at Eunice, La., inclosing three resolutions protesting most bitterly against including cotton in this bill. Now, if it is such a blessing to the people of our country, why do you refuse to include your product in the bill? It seems to be the unanimous opinion of the people of the South that they do not wish to be hampered by this legislation. It seems to be the unanimous opinion of the men engaged in the great manufacturing industries that they do not want to be controlled by this legislation, and every one of them has been successful in being eliminated with the exception of the grain farmers, the small middlemen, and the canning factories of the country.

Perhaps it will be said that the farmers of the country, that the canning concerns of the country, that the labor of the country, are the ones who need to be restricted during the war. Perhaps it will be said by some statesmen here that it is absolutely necessary to control prices of farmers' products because they are getting too rich. If I wanted to take the time of the Senate this afternoon, I could show you the farm-mortgage debt of this country, and it would stagger you to learn of the aggregate amount of these farm mortgages. I could show you that millions of these farms are occupied by tenants. If farming is such a profitable industry, why is there need of having any tenants? Why do not people go into the business for themselves? Because it will only be a year or two, or a few years, until they could pay off these mortgages. Is not that argument sound?

The facts are, Mr. President, that the farmers have never made any great amount of money out of farming, especially not out of raising grain. They have been compelled, as I said a moment ago, to effect organizations to see that justice is done to them; and in the face of that this administration, I say, appoints as supervisors of the farmers the very men who have been charged with trading and dealing with the farmers' products to the detriment of the farmers and to the detriment of the consumers.

I want to say further that I am not satisfied with the explanation of the Senator from Oregon [Mr. CHAMBERLAIN], in charge of the bill, of the proviso of section 6, the new matter which has been inserted by the committee of conference—a thing they had no right to do. I said on Saturday that I should raise the point of order, but on sober second thought I have reconsidered that, and I shall not do so. I know that the Senate is anxious to vote. I know that any Senator occupying the chair could not help but hold that this was new matter, and that it would have to go out on a point of order, but I shall not make it. As I started to say, the Senator from Oregon has not convinced me that the new matter written into the bill by the committee of conference does not in spirit and in fact exempt transactions on any grain exchange from the penalty of section 6. You can not buy from a farmer or from a canner to exceed a certain limited amount, but you can buy all you please through a grain exchange, and this proviso of the section will protect you.

Is that justice? Is that justice to the millers scattered all over this country—compelling them to go to these grain exchanges to buy their grain, compelling the producers to market all their grain through one channel? Why, if I had 100,000 bushels of wheat, I could not sell that amount of grain, under the provisions of this bill, to a miller unless I sold it through a grain exchange; but I might sell millions of bushels through the grain exchange, and I would not be subject to the penalty of section 6.

Speaking of these grain exchanges, I want briefly to call attention to a statement in this book issued by the Nonpartisan League. This league now have their headquarters in the city of St. Paul, in the State of Minnesota, but they have organizations in other States also.

Already, as I said a moment ago, Mr. President, the small mills of the country have almost been eliminated. We had in North Dakota in 1911, 71 flour mills; in 1912, 60; in 1913, 62; in 1914, 59; in 1915, 58; and in 1916 we had but 59, showing that the little mills are being gradually eliminated. In the State of Minnesota they had in 1911, 274; in 1912, 264; in 1913, 252; in 1914, 247; in 1915, 226; and in 1916 they had but 210. It simply goes to show that they are being absorbed by these larger institutions.

Mr. President, I call attention to a statement made by Mr. Greeley, who testified before a Senate committee a few years ago on this subject. Mr. Greeley testified that at the lowest estimate the transactions in futures on the Chicago Board of Trade amounted to three hundred times the entire volume of wheat handled in a year. In plain language, for every bushel of real wheat handled 300 bushels of imaginary wheat were bought and sold. On a single day, Mr. Greeley testified, he had seen 25 Chicago firms buy and sell 5,000,000 bushels of grain for future delivery. On many a day he had bought or sold a million bushels of grain and thought nothing of it.

Willet M. Hays, formerly Assistant Secretary of Agriculture, stated in an article published in January, 1913, in the publication of the American Academy of Political and Social Science, on page 253, that the dealing in grain futures on the Chicago Board of Trade amounted to at least 90,000,000 bushels annually. So if you produce a billion bushels a year, they sell as much on that single board of trade in a single year as you could produce in 90 years.

Compared to this estimate, Mr. Greeley's estimate of 17,000,000,000 bushels a year is extremely modest; yet, at the highest, the average yearly receipts of wheat at Chicago do not exceed about 50,000,000 bushels. That is about all the actual delivery of wheat you will find in Chicago—about 50,000,000 bushels.

I am calling attention to these facts, Senators, to show that the very men whom you are so anxious to put out of business are the very men you are placing in control of the farmers' business. They are going to be the trusted guardians to take care of the farmers of the West. The Rockefeller interests; and I want to say for your information that there is a great deal of Rockefeller money, there is a great deal of Armour money, there is a great deal of money from all these great moneyed men invested in these terminals. While they may not personally be engaged in the business, they have their representatives there.

Mr. President, I could go on here for a considerable length of time and discuss these transactions, but I shall not do so. I simply want to call attention for a moment to section 1.

Farm implements have been included in the controlled list. Everybody knows that this is only a sop to the farmer. Any sensible man knows that if you do not control steel you can not control the price of farm machinery to the farmer.

Every sensible man knows that if the implement manufacturers are obliged to pay $100 a ton or more for steel—a product which they buy in normal times at about $30 a ton—manufacturers can not make farm machinery cheap to the farmer. But we might have done an injustice to these infant industries, such as the Steel Trust, which declared only $271,000,000 dividend in 1916. We might easily, I say, do an injustice to this infant trust if we should compel it to do business in a restricted market to be supervised by the Government of the United States. And

so, Mr. President, the Congress of the United States has been charitable.

That reminds me of the Biblical verse which says—

Though I speak with the tongues of men and of angels, and have not charity, I am become as sounding brass or a tinkling cymbal.

Oh, Mr. President, in this charitable spirit, Congress has seen fit to eliminate this blessed Steel Trust; it has seen fit to let this infant industry, the Rockefeller Standard Oil Co., go unhampered; but it has tried to blindfold the farmer, and added "fuel oil," thinking the Member of Congress can go out on the rostrum and explain to the farmer that he at least believes that "fuel oil" means kerosene and gasoline, when there is not a Senator on this floor who does not know that it means no such thing.

You have made it impossible for the implement manufacturers to sell farm implements cheaply to the farmers, because you have eliminated the raw product. Is there any Senator who will deny that? That applies to farm implements and applies to tools of all kinds. You have made it impossible, I say, for the consumers of kerosene and gasoline to compel these men to at least sell in a restricted market, and then, if their prices were unduly enhanced, the President of the United States could, if he wanted to, compel them to reduce their prices. You have seen fit to eliminate that.

Speaking in part for the farmers of my State and for the people of my State, I deny the charge made that all that our people are interested in is two-dollar wheat. The people of my State are more interested in seeing that justice is done to all the people than they are in two-dollar wheat, and we know that justice is not being done to labor in this bill.

Mr. President, in my judgment, this bill might be termed political feudalism. That is about all it will amount to. I want to say that there is too much intelligence among the American people to be satisfied with feudal lords. The people will resent it. The people are obedient to law, they are loyal, they are patriotic, but they know they are living in a free country.

There is another provision in which I was deeply interested.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. GRONNA. Yes.

Mr. KELLOGG. If the Senator will yield for just a moment, the Senator mentioned the name of Mr. Julius Barnes as advocating this bill. I know the Senator would not intentionally do him an injustice.

Mr. GRONNA. No; I would not.

Mr. KELLOGG. I am very sure that Mr. Barnes has never advocated the passage of any bill. I have known him for many years. He is a gentleman of very high character and ability, and he was asked to come here and aid to the extent that he could. He has never mentioned the passage of the bill to me, and I do not think he has to any Senator or Representative. He resigned his business and liquidated it before he even consented to take hold and do what he could. I think he is a man of the highest business ability and high character.

Mr. GRONNA. I agree with the Senator, and I think I so stated—that I believe that Mr. Barnes is a patriotic citizen. If I said that he was here just for the purpose of advocating this bill, I made a misstatement. I knew that he was here at the request of somebody connected with this administration, that he was serving in that capacity, and I am also reasonably sure that the provision which I have criticized was written by Mr. Barnes.

Mr. KELLOGG. I am quite sure the Senator is mistaken.

Mr. GRONNA. Because any lawyer coming from the State of California and not being familiar with grain transactions would not have been able to have drawn the amendment.

Mr. KELLOGG. I can assure the Senator in that regard he is mistaken. Mr. Barnes did not write any part of it.

Mr. GRONNA. If he has not written it he has inspired it. I am quite sure of that, because it is a mighty hard thing to beat a man at his own game, I will say to the Senator. I agree with the Senator from Minnesota that Mr. Barnes and the firm he was connected with are people of high standing and good character. I have done business with them for many years. I am simply calling attention to the fact that the very men against whom this criticism has been directed are the men who are being appointed to administer this law.

There is another provision in which I am much interested, and that is the prohibition section. In the form that it comes back from the committee of conference you might just as well eliminate it from the bill, because it will not satisfy the temperance people. It is a sham and a fraud, and the Senate knows it.

Mr. SMITH of Georgia. Mr. President, the food-control bill as it first came to Congress was generally supposed to apply alone to foods and fuel. It really extended practically to every industry and to the raw material required for production. It certainly extended to cotton, the great raw material produced by my immediate constituents.

It declared control over food from the planting by the farmer until consumption took place upon the table. There was no condition in the country which required such extreme legislation. To have carried control to the extent contemplated was unnecessary and would have been unwise. I would not have voted for the bill as it was first presented to Congress. I attacked it in the cloakroom of the Senate and in the press, insisting always it should be greatly modified.

It has now been restricted to foods and fuel, to agricultural implements, and to fertilizers. The purpose of the bill now is to put the Government in position to control supplies for military purposes, and to prevent middlemen and speculators from using the opportunities, which war conditions have brought about, to force the cost of foods to prices which consumers could not stand.

The provisions of the bill applicable to coal are broad and far reaching, and the machinery furnished for protecting the public from oppression by coal owners is much more comprehensive than that contained in the original bill.

Foods and fuel are necessaries of life, standing in a class by themselves. They must be had day by day to preserve life.

The right of the Government in time of war to regulate these prime necessities may well be urged as growing out of the power of Congress to conduct the war.

The right to control food and fuel can be sustained for reasons entirely different from those which would affect such commodities as cotton.

I can not say that I am entirely pleased with all the provisions of the bill as it comes now before us. We made amendments to the bill when it was in the Senate which I supported, some of which I never yielded in conference. One especially occurs to me.

When great powers are placed in the hands of the President which he can not possibly himself perform, the legislation placing those powers should designate the public officials who are to execute the powers for the President.

When the bill was in the Senate I supported the amendment to create a board of three to be known as the food-control board. I voted for that Senate amendment at all times in the conference. But a majority of the conferees of the Senate and a majority of the conferees of the House have agreed upon a bill.

The general purposes of the bill I approve. We can not hope to obtain in legislative measures what each of us individually would prefer. The House and 96 Members of the Senate must pass upon it. Legislation must come from mutual concession or legislation can not be passed.

I therefore, Mr. President, shall accept the action of the conferees and vote to sustain the report of the conferees, or, rather, if I am here when the vote takes place I shall vote to concur in the conference report. I am planning to leave the city to-night, and there may not be a vote before I leave. For that reason, finding that my general pair, the senior Senator from Massachusetts [Mr. LODGE], would vote as I would vote, I have arranged with the Senator from Oklahoma [Mr. GORE], who intended to vote against the conference report, to pair with me, and if I am out of the city he will refrain from voting against the report and announce a pair with me, as I would vote for the bill.

There are a number of measures which have come before the Senate since the war began that did not meet the approval of all of us in their details, although we did approve their general purposes.

Under such circumstances I conceive it to be the duty of a Senator to help make the legislation conform as nearly as possible to his view of what it should be.

But finally having done this, he should yield to the majority and not oppose a measure because he does not agree to all of its provisions. This can be done without considerable delay, and delay should, if possible, be avoided.

I support this measure as I have every other measure intended to strengthen our Nation in the war.

The first great question before us is: How can we mobilize the strength of the Nation and place it where we can defeat our enemies? How can we utilize our resources so that we may bring the war at the earliest possible moment to a successful conclusion?

This has been the purpose which has controlled me in every vote that I have cast since war was declared, and following that purpose I vote to support the report of the conferees, although there are features of the bill which I do not approve.

The way to win this war is to fight fast and fight hard. Such a course will save life and save waste.

We are in the war. We must win the war, and we must waste no time doing it.

Mr. SHAFROTH. Mr. President, the Senator from North Dakota [Mr. GRONNA] started out in a defense of the attitude of the Senators in considering this bill, and in criticism of the Senator from Mississippi [Mr. WILLIAMS] for his criticism of the long delay that had occurred in the consideration of the measure. In that statement the Senator said that he had not delayed the passage of the bill for 10 minutes. Often when we rise and begin talking we sometimes think we will talk 10 minutes, and then we wind up by having spoken for more than an hour, as did the Senator from North Dakota.

I have not any doubt that every word the Senator has said has been felt by him to be a correct criticism of the bill, but, Mr. President, most of the discussion in this debate has been not upon the conference report, but upon the entire bill.

Senators have discussed over and over again the questions that were discussed in the consideration of the bill itself. While the Senator from North Dakota was talking I turned to the CONGRESSIONAL RECORD for the purpose of ascertaining the history, as it is termed, of this bill. On June 14, 1917, there was reported without recommendation to the Senate Senate bill 2463, which was practically the same as this bill introduced in the House. The discussion of the bill in the Senate began on the 16th of June. In the meantime there had been introduced in the House of Representatives the same bill, which was passed in that body on June 23, six or seven weeks ago. The vote by which it was passed was 365 to 5. Generally when there is such a unanimous sentiment Senators do not ordinarily discuss the measure. They recognize there is no possible way of overcoming the vote, and for that reason very little discussion is usually indulged in. In the Senate the House bill was substituted for the Senate bill and the discussion was continued. It was hoped this bill would be passed by the 1st day of July, because at that time harvesting begins to take place and the wheat ought to go in the market somewhere near that time. By reason of the delay a condition has occurred which is very deplorable, the markets have been disturbed by reason of the fact that no one could tell what would be the state of the wheat market in the United States.

That bill in the Senate was discussed day after day until on the 21st day of July of this year a vote was taken. It was then found that it was a vote of 81 Senators to 6 Senators in favor of the measure. It seems to me in view of that great majority Senators would conclude that as it was so nearly unanimous there should be very little discussion upon the conference report.

Mr. President, it is true that hardly any Senator has gotten exactly what he wants in the conference report. The product of the minds of many never exactly suits any. Yet you can readily see some one must yield or we never would agree. This is an emergency measure. It is a measure that should have been passed weeks ago. I can not understand the policy of people who want to defer the passage of a bill which they know will pass by a large majority. Yet, notwithstanding the fact of such an overwhelming majority, why should there be prolonged debate?

Mr. President, there has been eliminated from the bill the war-expense commission, and the explanation of the conference committee is very plain and clear. We have some fundamental principles that control conferees. One of those is that wherever one body has placed upon a bill passed by the other House a provision which is not germane and the conferees can not agree it is the duty of the conferees of the body that put on the amendment to withdraw it and to recede.

Mr. President, that was exactly the situation with relation to this expense commission, and when the Senate conferees receded no one has any complaint or should have any complaint because Senators have the remedy of introducing an independent bill and bringing that measure before the Senate for passage.

Mr. WILLIAMS. And let me suggest to the Senator, so that it may go into the RECORD, that such a measure has been introduced and is upon the calendar.

Mr. SHAFROTH. I understand an independent measure has been reported and is now upon the calendar.

Mr. President, as to whether there should be a food commission or whether there should be a one-man administrator I took the view in the discussion of the bill that it was eminently right that one man should control the administration of the bill. I believe, as it is a war measure, that unless you have one man to administer the provisions you are going to have divided councils just like all commissions divide, because men have not the same opinions upon hardly two questions.

Mr. President, I believe that the conference committee acted wisely in so doing, because it is absolutely indispensable to quick administration that there should be one food administrator instead of a commission, and I want to congratulate them upon that.

There are other provisions of the bill, some of which I concur in, some of which I do not; but we must come to an agreement upon some measure, and the only way when we can not have our own way is to submit to the bill unless it violates those fundamental principles that a man feels are so important to his country that he can not yield. I have not any doubt that every Senator who is going to vote against the bill has that view of the provisions of the bill, and yet he knows, as I know and everybody else should know, that this conference report should be determined quickly, and nothing we say and nothing we do will in any manner change the final result of the passage of the bill.

Mr. President, I think it is important that the conference report should be speedily adopted, and I shall vote in favor of its adoption.

Mr. POMERENE. Mr. President, I think if each Senator was to write a bill it would meet his own approval, but it would not meet the approval of every other Senator; and while there are some things in this conference report that I do not like, I propose to vote for it.

I rose to add a word to the wheat discussion which occurred a few weeks ago. I feel it important, in view of the course the debate took at that time. It was proposed to fix a minimum price of $2 per bushel. That was insisted upon strenuously by some of the Senators from the wheat-producing States, so called. My colleague made the statement that up to a year or more ago the farmers of Ohio would have been glad to have had $1 per bushel wheat guaranteed to them. He stated the fact accurately. Of course the cost of production has increased within the past year.

I did not feel at the time the amendment was pending before the Senate that we ought to fix $2 as a minimum price. My belief was that the price should be fixed under legislative authority by the food commission. I feel so now.

The junior Senator from Nebraska [Mr. NORRIS] presented an amendment to eliminate the minimum price, and his purpose, as I understood it, was to leave this to the administrative board or the food administrator, as the case might be.

It must be borne in mind that the sole purpose for fixing a minimum price, whether by legislation or by administration, was to increase the production.

Now, in order that we may have a little light upon this subject, which comes from the real farmers of the country, I want to submit some figures which were gathered by Hon. A. P. Sandles, of my own State, who, about two years ago, was the president of our agricultural board and who is one of the most energetic and most intelligent public officials we have ever had and who has given especial study to the subject of farming in our State.

He sent out a series of letters to the farmers of Ohio asking them, among other questions, to name a minimum price and a maximum price, and he asked them to name the prices not that they believed in but that the farmers of their respective neighborhoods believed in. Some of the farmers, a few of them, were opposed to the fixing of any price. He had replies from more than 100 of these farmers; they were among the most intelligent farmers of the State. I am going to give the Senate the benefit of these figures.

Among those who named minimum prices one man favored a minimum price of 75 cents per bushel; 12, $1 per bushel; 1, $1.20 per bushel; 13, $1.25 per bushel; 1, $1.35 per bushel; 44, $1.50 per bushel; 8, $1.75 per bushel; and 15, $2 per bushel.

The maximum prices were as follows: Two named $1 per bushel; 11, $1.50 per bushel; 4, $1.75 per bushel; 2, $1.80 per bushel; 1, $1.85 per bushel; 1, $1.90 per bushel; 41, $2 per bushel; 7, $2.25 per bushel; 17, $2.50 per bushel; 7, $3 per bushel; and 1, $3.50 per bushel.

The average minimum price was $1.49; the average maximum price was $2.102.

I think this ought to indicate that the farmers of Ohio are patriots and not devoted wholly to profit making during this world war.

Mr. WADSWORTH obtained the floor.

Mr. REED. I should like to ask the Senator from Ohio a question.

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri for that purpose?

Mr. WADSWORTH. I yield for that purpose.

Mr. REED. These same Ohio farmers are not now holding their wheat for more than $2 a bushel?

Mr. POMERENE. I will have to answer the Senator as he would anticipate my answer to be, I do not know. I imagine they would be quite willing to take what the general market may give.

Mr. REED. I thought the Senator might know, in view of the fact that there is practically no delivery of wheat to-day. I will just call his attention to the market.

Mr. POMERENE. I realize very fully what the market prices are now, and the Ohio farmers, like everybody else, perhaps, are willing to take the market price and would desire to take it, but I am speaking of guaranteed prices. What should the Government do under the circumstances? How much should the Government guarantee in order to increase production? The result is as given here, that the average minimum price which they name is $1.49 per bushel and the average maximum price $2.10½ per bushel.

Mr. REED. Will the Senator from New York pardon me to put a small part of this New York market report from the New York Tribune in the RECORD?

Mr. WADSWORTH. Certainly.

Mr. REED. Just this clause:

AUGUST 7.

The big crop promise for coarse grains and potatoes will help to solve the food problem. Farmers, however, have taken a very determined stand and are refusing to sell their wheat except in very small volumes, despite the high prices prevailing.

The prices in New York for cash delivery on August 7 were $2.60 to $2.63. In connection with the statement, if the Senator from New York will pardon me further, I send to the desk and ask to have read a telegram from Mr. Jewell Mayes, who is the secretary of agriculture of the State of Missouri, a telegram that I received this morning. Mr. Mayes is one of the best posted men in my State, a student of farming, a student of farm conditions, and a man of very great intelligence.

The PRESIDING OFFICER. Without objection, the Secretary will read the telegram.

The Secretary read as follows:

COLUMBIA, MO., *August 6, 1917.*

HON. JAMES REED,
Washington, D. C.:

Missouri farmers strong for $2-wheat minimum from now till January 1, 1919. Please do not personally approve any reduction of amount. Understand that bill now waives all reference to 1917 wheat prices as now stands in conference. Kindly communicate this information to Senators STONE, GORE, and also to Senator in charge of $2-wheat amendment. Farmers from every county, in writing, urge not less than $2 minimum.

JEWELL MAYES.

Mr. WADSWORTH. Mr. President, I had not intended to commence my few observations on this bill with a discussion of the minimum-price feature, but the Senator from Ohio [Mr. POMERENE] has presented some figures here which are interesting, and the Senator from Missouri [Mr. REED] has made some interesting comments on them. The figures presented by the Senator from Ohio in my humble judgment, illustrate the fallacy of this whole thing. There are no two men in the United States who will agree as to what the minimum price upon any farm product shall be. It is literally impossible for a farming industry stretching over a territory 3,000 miles wide east and west and 1,500 miles in extent north and south to come to any agreement as to the minimum fixed guaranteed price on any one product.

The principal element in the equation in establishing a price which shall reward the man who tills the ground and sows the seed and harvests the crop is the number of bushels per acre that he harvests. Two dollars as a minimum price upon wheat may be entirely proper and in the right proportion upon land that produces 11 or 12 bushels per acre, but upon lands which produce 25 to 40 bushels per acre it is excessive.

I voted against the amendment which was inserted in the bill fixing the price at $2 by statute, because I believe it is impossible for any legislative body to fix a price with such a degree of accuracy as to withstand the strain that will come upon it in the months and years to come. I very much doubt, Mr. President, whether Mr. Hoover or any other gentleman, or any commission selected no matter by what means, can fix a minimum price upon wheat to be grown in a country of the extent and varying climatic conditions of the United States in such a way as to guarantee to all the producers of that article a profitable return upon their investment and at the same time prevent exorbitant returns to the most favorably situated farmer.

The same might be said of products other than those of wheat. I have had some experience in raising wheat, and also other grains. At the risk of boring the Senators who are present with a brief recital of a personal experience, let me say that while most farmers rejoiced last autumn when the price of beans went to $7.25 per bushel and later went to $9 per bushel and even later went to $11 per bushel, those enhanced prices did not do very much good to the man whose crop yielded only 1 bushel per acre, which was my case, as contrasted with a normal production of 20 to 25 bushels per acre.

It will do no good to place a minimum price, we will say, of $6 or $7 per bushel upon beans, which was seriously suggested before the Committee on Agriculture of the Senate, if the man who plants the beans gets only 1 bushel per acre.

I have no confidence that there is anything in this bill in the nature of minimum-price fixing that will stimulate and increase acreage for 1918 to the extent claimed by those who so faithfully and confidingly believe in the powers of a fiat declaration expressed either in a statute or in a proclamation or regulation issued by some individual or commission.

Two-dollar wheat will be profitable over a part of the country if the normal yield per acre is maintained. If it is not maintained, it will not be profitable. Some have said that in that event the man who produces the wheat will get a higher price than the minimum price; that, there being a scarcity and the demand remaining the same, the market price received by the farmer will be in excess of the minimum price fixed by statute. That would be true, Mr. President, if the markets remained open, but this bill does not permit the markets to remain open, and I am very much mistaken, sir, if it will not turn out to be a fact that the minimum price will become the maximum price.

I am not complaining at the figure of $2 per bushel for wheat. That will amply reward the farmers of Ohio; it will amply reward the farmers of New York, whose average production is in excess of 20 bushels per acre over a period of 10 years; and, Mr. President, I think the price of $2 will amply reward the constituents of the Senator from North Dakota [Mr. GRONNA]; but in the event that a certain large section of the country, be it the East or the West or the Southwest, has a crop failure next year, in the harvesting season of 1918, and in the event that the markets in their free interchange and play have been closed by this legislation, the $2 price will not reward the man who has only raised half a crop. The fixed guaranteed minimum price, Mr. President, is in no way a panacea.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Ohio?

Mr. WADSWORTH. I yield.

Mr. POMERENE. Of course the Senator from New York realizes that if the wheat crop should be a total failure $100 a bushel would not pay the farmer for his labor?

Mr. WADSWORTH. The Senator, of course, suggests an impossible situation. The wheat crop is never a total failure. Our country is so enormous that we may have a devastating drought in the Northwest and a perfect season in the East, and vice versa.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Utah?

Mr. WADSWORTH. I do.

Mr. KING. If there is a partial failure, as suggested by the statement of the Senator from New York, would not, though there was a minimum price of $2 fixed for wheat, the price of wheat be far above that, so that the partial failure of the crop would result in higher prices to the farmer?

Mr. WADSWORTH. Mr. President, that would be true if it were not for other provisions in the bill; it is thoroughly understood, I assume, that by this bill the laws of supply and demand, so far as applied to the distribution and marketing of wheat, are to be suspended. It is the announced intention of the food administrator to do that very thing. The Government is to take complete charge, I assume, under the licensing provision of this bill, of the entire wheat distribution. Having done that, is there any open market left? Of course not. I venture these observations to try to show that no matter what price we fix as a minimum price for wheat, it will not be a panacea for the farmer who has raised but half a crop due to some climatic catastrophe in the region in which he lives.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. WADSWORTH. I do.

Mr. REED. We must treat this question from the practical standpoint, of course. That means that we should eliminate in considering it all extreme and remarkable and unusual cases; and eliminating them, are we not brought to this as a matter of absolute fairness of statement: That the market of the farmer has been taken away; that a concern is already organized which is to be the sole agent through which wheat will be sent to the allied countries, and probably to the entire world outside of the United States; that it is proposed to have the food administrator take possession of the American market; and that, by reason of these changes, there is no free and open market left to the farmer, as the Senator from New York [Mr. WADSWORTH] has well said? Under those circumstances,

if the farmer were to plant and there was no legal guaranty offered—either a guaranty fixed by statute or a guaranty fixed by the food administrator under the statute—the farmer, of course, would not know what he was going to get at all, would he? That would be the shape he would be in. Is that not true? Would any farmer, with any degree of judgment, under those circumstances, plant a large crop of wheat?

Mr. WADSWORTH. Well, Mr. President, that, in my judgment, would depend entirely upon what other farm products were bringing at the same time.

Mr. REED. Well, assume that other farm products have been to a degree let alone and that they are ordinarily profitable. Is it not true that the farmer would be discouraged to plant under those circumstances? Surely the Senator from New York can not differ from me on that.

Mr. WADSWORTH. Well, the Senator from New York does not differ from the Senator from Missouri on that.

Mr. REED. If that is true, then the market having been taken away, the farmer being left so that he does not know what he would get at all, and, therefore, being discouraged to plant, does it not follow that there must be some kind of a guaranty offered to him in order to induce him to plant?

Mr. WADSWORTH. Mr. President, I think, perhaps, the Senator from Missouri has misunderstood me, and it is probably my own fault. I am not opposing granting the power to the Government of fixing a minimum price upon wheat for the benefit of the man who produces the wheat, and who no longer enjoys a free market, as the Senator from Missouri has described. My observations upon this point were elicited by the figures presented by the Senator from Ohio [Mr. POMERENE], which tended to create the impression that a dollar a bushel was enough for wheat in Ohio.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Ohio?

Mr. WADSWORTH. I do.

Mr. POMERENE. I hardly think the Senator from New York is justified in drawing such a conclusion from what I stated. What I said was that up to a year, or perhaps two years ago I think I should have stated, the farmers of Ohio would have been very glad to have contracted to sell their entire crop of wheat at $1 a bushel. I said what I did in view of the $2 minimum price which was fixed in the bill.

Mr. WADSWORTH. I agree with the Senator from Ohio.

Mr. POMERENE. I gave also to the Senate figures which indicated that the average minimum price which the farmers thought should be fixed, if one were to be fixed, was $1.49 a bushel. I tried to point out that they were being dealt with exceedingly liberally under this provision, notwithstanding some of the pessimistic statements which had been made on the floor with regard to the farmer's condition.

Mr. WADSWORTH. Mr. President, the Senator from Ohio can not get into an argument with me upon that question. I agree with him, but I commented upon the figures which he indicated as being proper and fair and generous when applied to the farmers of Ohio to show how difficult and well-nigh impossible it is to take the same figures and spread them over the vast continent which is covered by this country. I endeavored to point out the extreme difficulty of fixing the price for any agricultural product which shall operate evenly all over the United States. That is all.

Mr. POMERENE. Mr. President, I feel that under the present conditions there ought to be a minimum price fixed, but I think it should be determined as a matter of administration and not as a matter of legislation.

Mr. WADSWORTH. I agree with the Senator. I voted against placing the $2 figure in the bill.

Mr. POMERENE. Then, I do not quite understand what we are quarreling about.

Mr. WADSWORTH. That is what I have been wondering.

Mr. REED. Before the Senator from Ohio leaves the Chamber, I should like to quarrel with him a moment.

Mr. POMERENE. The Senator from Missouri and I can not quarrel.

The PRESIDING OFFICER. Does the Senator from New York yield for that purpose?

Mr. REED. Will the Senator from New York permit me to put only one question to the Senator from Ohio?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. WADSWORTH. Very well.

Mr. REED. The Senator from Ohio and the Senator from New York agree that it is better to have an administrator name a price than to name that price by law, one of the reasons, I suppose, being that the administrator could be closer to the time and could fix a price closer to the time when the crop was made, and thus come nearer fixing an equitable price?

Mr. POMERENE. Mr. President, of course, when we sow we are not able to tell what we are going to reap.

Mr. REED. Now, Mr. President, that being the case, will the Senator from Ohio tell us why, when this bill was sent away from the Senate fixing the minimum price for the crop of wheat of 1917, the marketing of which is to occur within the next 12 months, that the conferees propose to make the bill apply to a crop which will not be harvested until 12 months from this date, thus by legislation undertaking to go a year further into the future, and running counter to the very doctrine the Senator has just announced?

Mr. POMERENE. Well, Mr. President, I do not have access to the secrets of the conference committee and the Senator from Missouri can speculate on that subject quite as well as I can.

Mr. REED. Mr. President, I know that the Senator from Ohio does not have the secrets of the conference committee, perhaps; neither have I; but the Senator has so enthusiastically approved the work of the conference committee that I thought, perhaps, he could, out of his very capacious intellect, pick out a reason.

Mr. POMERENE. Well, Mr. President, I said expressly that there were some things in this conference report of which I did not approve, but I also realize that legislation of this character must be the result of compromise, and for that reason I am in favor of the adoption of this conference report, and that at the very earliest moment practicable.

Mr. WADSWORTH. Well, Mr. President, I had not intended to detain the Senate with a discussion of the minimum-price feature of the bill to such an extent as has transpired. At the risk, however, Mr. President, of being scolded, as other Senators have been scolded, and at the risk even of having my loyalty to the Government questioned at this time, I desire to make some observations as to the changes which have taken place in this bill, and which have been brought about principally in the committee of conference.

Before, however, I proceed to a discussion of the three matters which I regard as important, I want to make some observations, in the utmost frankness, about the fate and treatment of the so-called food-survey bill. It has been referred to I know several times during this debate, but the phase of it which I regard as most important has not been touched upon.

It was certain that sooner or later Congress would enact legislation punishing hoarding and food gambling. The Senate attempted to do that at the very outset of the discussion by inserting a provision in the so-called food-survey bill for that purpose.

It is unfortunate, of course, that that particular kind of legislation should have been delayed thus far, but it was bound to be enacted sooner or later, I take it. Also, I think it fair to say that the provision inserted at the request of the Senator from Minnesota [Mr. NELSON] having to do with the regulation of grain exchanges was sooner or later bound to be inserted in legislation upon this bill or some other bill. It is unfortunate, in my humble judgment, that it has not been done sooner than this; but it is going to be done, and that very shortly, and with both proposals I am in entire agreement.

However, Mr. President, there were other features of that survey bill, to which I alluded about three weeks ago when I attempted to explain my views to the Senate upon this situation, which it is now too late to take care of. The original purpose of the so-called food-survey bill was adequately described by its title to inaugurate and carry to completion a survey of the food resources and the productivity of the United States and to establish, by education, if possible, a spirit of conservation and saving amongst our people with respect to the food being produced at this very hour, millions of tons of which have already been harvested.

The Department of Agriculture sent to every State in this Union the outline of a plan to be followed by the State governments through their agricultural colleges and their State extension work in conjunction with the Federal extension work. The Department of Agriculture, confident that the survey bill, carrying certain appropriations to make this work possible, would be passed promptly by the Congress, invited literally thousands and thousands of people, most of them volunteers—invited scores of State governments and State colleges of agriculture—to proceed with the preliminary preparation for this work. That invitation was extended to them within two or three weeks after the declaration of war in April. In response to that invitation, sent out by the Secretary of Agriculture in good faith, mind you, thousands and thousands of dollars were collected in one way or another and thousands and thousands were appropriated by the legislatures, the counties, and the

municipalities of the United States to start the work; to start a work, mind you, which could not be successfully performed without the cooperation of the Federal Government, such cooperation in turn to be made possible by the appropriations carried in the so-called food-survey bill.

Mr. President, some power, some person, some influence prevented the enactment of the food-survey bill. It has been held here, sir, for nearly three months without an argument being presented against it. We are told—and I imagine that most of us believe what we are told in this respect—that the delay of that bill was a piece of legislative strategy. It may be, sir, that it was a clever piece of legislative strategy to hold up that bill in order to give the food-control bill some additional prestige, but I assert that, in view of the pledged word of the Federal Government given through the Department of Agriculture, while it may be contended that it was clever political or legislative strategy, it was a breaking of faith with the people of the United States, thousands of whom had proceeded in good faith in their preparations to help the Government in time of war.

The impression has gone all over this land among the thousands of people who thus spent their money and among the State governments and State colleges of agriculture which appropriated sums of money necessary to cooperate with the Federal Government, that there was more of insincerity back of this propaganda than there was of patriotism, for their money has been largely wasted and thrown away in order that somebody here in Washington could accomplish some other ambition.

I have yet to hear from any Senator upon this floor or from any Member of the other House any defense of this action. In my humble judgment, it is an indictment against the sincerity of this entire propaganda; and that indictment is made perfectly plain, sir, when we learn that within 10 minutes after the food-control bill had been agreed upon in conference the survey bill was also agreed upon in conference, showing that it could have been agreed upon in conference nearly three months ago.

I think it due, sir, to the people of the State of New York, who proceeded in good faith in the expectation that the food-survey bill would be promptly acted upon, to make this statement upon the floor of the Senate Chamber, for they have been wondering why it is that the Federal Government has been standing back and not helping them in the manner promised. So much for that phase of this discussion.

Mr. President, it is exceedingly difficult to gauge and analyze the merits of the pending measure. There are some excellent provisions in it, and I am inclined to believe, sir, that the good things are slightly in excess of the bad, or, if I may say so, the dangerous things. The antihoarding clauses, the antifood-gambling clauses are, in my judgment, wise, proper, and timely. I only wish that they had been enacted into law two or three months ago, as was possible.

The provision giving the President the right to commandeer any article produced in the United States for the use of the Army or the Navy or for purposes of the common defense are entirely proper, and I am glad they are in this bill. If the President has not already that power, certainly those provisions should be in this bill, and it may turn out to be unfortunate that they were not enacted at an earlier day. This war is four months old. It would have been wise had we enacted that kind of legislation in April rather than to wait until the middle of August. At any rate, I believe this is one of the valuable features of this bill.

I recognize, too, sir, that there must be in time of war and great stress a degree of regulation imposed upon certain productive activities, and most certainly upon those activities which have to do with the distribution of the essential supplies of the Nation; but I can not drive it from my mind, Mr. President, that the principal function, industrially speaking, of the United States during this war is the function of production. I have said upon a former occasion that we are not in the category of Belgium or of France or even of England. A minimum price fixed in England can be relied upon as covering all their peculiar difficulties, because it is a small country. The same thing is true with respect to France. The Governments of those countries can regulate and control much more easily the industrial activities of their citizens than we can, for they are not essentially and primarily producing countries. We are bound to have high prices in war time—inflated prices; but I am not so much concerned, sir, about what things cost in this country as I am that we shall have plenty of them, so much in excess of our needs that we shall supply our allies in abundance. That is the function of America in this war, in addition to her military function, and without performing it we will fail.

The world and particularly our allies must depend upon our people producing more food, more coal, more steel, than they have ever produced before. It may be, sir, that the powers granted in this bill will not be employed in such a way as to reduce production. As a Senator and as a citizen whose single thought is that this terrific contest shall be brought to an early conclusion through the bringing into it of the might of America, I hope that the gentleman or the gentlemen who will be in charge of the administration of this bill will remember day and night that we must produce things.

Mr. President, there is one section in this bill that causes me anxiety upon that score, and that is the licensing section. It is the one section upon which I have laid emphasis since the day the bill was introduced in every meeting of the Committee on Agriculture and on one former occasion upon this floor. I rejoiced when the Senate amended that section in such a way as to confine the license system proposed in the bill to those industries or to those businesses engaged in the handling or distribution or marketing of foods and fuels. I was ready to concede, as a majority of the Senate was then ready to concede, that it was proper and probably advisable to establish a licensing system to cover cold-storage plants, wheat elevators, packing houses, institutions that handle the essential food supply of our people and through which must be handled the surplus food supply to be sent abroad. I conceded also that, in view of the difficult situation in connection with the coal supply and the high prices of coal, that the provision inserted by the Senate for the licensing of coal operators and coal dealers was a necessary provision. But I rejoiced that the licensing system was confined to those businesses or interests which the majority of the people of the United States recognized as being necessarily subject to regulation.

To be perfectly frank, sir, my heart sank when I learned that the conferees on the part of the Senate, after having had the sense of the Senate upon that very proposal, had yielded upon this point and restored to the bill what might be properly termed a universal licensing system. Under this bill as it comes from the conferees there is scarcely anything of importance in this country that is not to be subject to the licensing system.

Mr. President, I have never known of any extensive business engaged in by thousands and thousands of citizens which could grow and produce more bountifully when subject to governmental license. A license accompanied by government-made regulations is a strait-jacket, and I defy any man to expand when he is wearing a strait-jacket.

I do not think this section is controlling upon the verdict which I shall render or which other Senators shall render upon this bill as a whole; but I take this occasion, Mr. President, to make this appeal, which may, and I hope will, reach the ears of those who are going to administer this law, that they shall be exceedingly careful in exercising the powers of this license section; for if they do as I have heard they intend to do, or as I have heard they have been discussing with the intent of doing, they will so restrain and restrict thousands and thousands of persons and firms, great and small, that they will cramp the production of the United States in the year 1918, and the very purpose of this bill, as I understand it, will be defeated.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. WADSWORTH. I yield to the Senator from Missouri.

Mr. REED. If it will not interrupt the thread of the Senator's discourse—if so, I will not ask the question—I desire to call his attention to this important fact:

The licensing provision—and I call his attention to line 21 on page 8—as it came to us from the House in the first instance, read:

> Whenever the President shall find that any rate, charge, or practice of any licensee is unjust, or unreasonable, or discriminatory and unfair, or wasteful, and shall order such licensee within a reasonable time fixed in the order to discontinue—

And so forth, then the President may, in lieu of the unjust or unreasonable or discriminatory rate fix a rate, and so forth, so that before a business could be seized it was necessary that the President should find as a fact that some unjust practice was being indulged. Now, I call the Senator's attention to the fact that the present bill provides—

> That from time to time, whenever the President shall find it essential to license the importation, manufacture, storage, mining, or distribution of any necessaries—

He may publicly so announce. There is no requirement of any evil practice, no requirement of any finding against or warning to the licensee; but the President by simple announcement can declare that it is essential, and thereafter if a man shall pro-

ceed without a license he may be sent to the penitentiary for two years and fined $5,000, or if he takes out a license he must take it upon the terms and conditions fixed and subject to the regulations made. Now, I ask the Senator if he does not think that the present act, as it comes back to us from the conferees, is much more drastic than the original House act?

Mr. WADSWORTH. Mr. President, there is not the slightest doubt about that. It is infinitely more drastic than it was before.

Mr. REED. Now, I ask the Senator if, in his opinion, the Government can close the place of business of a citizen who has committed no crime and has done no wrong, who is engaged in a legitimate and useful business, without making due compensation?

Mr. WADSWORTH. My opinion on that subject, of course, is not authoritative, as I have never read law; but I am inclined to believe—in fact, I believe very sincerely—that any such exercise of power on the part of the Government would be unconstitutional.

Mr. REED. May I not ask the Senator one further question? It was generally conceded that when we adopted an amendment providing that the President could seize the whisky and pay for it the cost, plus a profit, that was unconstitutional, because it was the seizing of property without paying the just compensation provided by law. If that was true as to whisky, how can the President seize the mill of the miller, by closing its doors and denying him access to it, without making payment to the miller?

Mr. WADSWORTH. Mr. President, of course that raises a very difficult question for any administrator of this act; but I did not intend to lay any emphasis upon the section to which I have been alluding from the standpoint of its constitutionality. My only concern in this matter is that which arises perhaps from the fact that I myself am a business man engaged in endeavoring to produce certain articles which are necessary for the people of the United States and our allies, and I have already seen the effect of the proposals contained in this bill. I know very well, of course, that such a one as I is not listened to very seriously in the councils of those who have been framing the legislation, and I am not entirely despondent upon this question, for I still hope, sir, that the men who are to administer this statute will learn that they can not go forth recklessly, armed with these powers, and operate this license section to the last degree without bringing disaster upon the country. The Congress is about to repose this power in their hands. I assume that this bill will pass, but I did not want this opportunity to go by without expressing my fear—and I think it is a well-grounded fear—that if these powers are exercised to the full, and exercised suddenly and in ignorance and in haste, we will rue the day that we ever conferred these powers.

In another way this section has been amended, and, in my judgment, it is an unnecessary amendment. When the Senate passed it the licensing system was not only confined to those who were actually handling food and fuel, but it was confined in its application to those persons or concerns handling food or fuel whose products entered into interstate commerce. I have never contended, and I am not fit to contend, upon the point of constitutionality that was brought up here when the licensing section was under discussion in the Senate. Some Senators contended that we have a right to extend a licensing system all over the country, regardless of the fact that the products do not enter into interstate commerce, and that we have that right under the war power. I do not pretend to give an opinion upon that question. Other Senators contend that we have the right to extend a licensing system only to those concerns engaged in interstate commerce. I do not give an opinion upon that; but I do contend that for any government in a country of this size to attempt to spread a licensing system upon every person or firm engaged in the handling of any of the necessaries recited in the first section of this bill will present the spectacle of a government attempting the impossible.

Few Senators seem to realize in the consideration of this subject that the bill, as coming from the conference committee, establishes potentially a licensing system which would reach out its long arm and grasp by the shoulder every little business man engaged in the handling of produce everywhere in the United States. He might not do a gross business in excess of four or five thousand dollars a year; he might purchase every one of the articles in which he deals within 10 miles of his little office or warehouse, and he might sell every one of those articles within that same area; he could not possibly be a factor of the slightest importance in the food supply of the United States or our allies; and yet the conferees insisted that he must be subject to license and regulation.

Mr. President, there must be tens and tens of thousands of these people who it is proposed shall be brought under this system. I submit, sir, that there is no necessity whatsoever for it, and if it is attempted it will involve the assumption by the Government and the food administration of a burden of detail so heavy and so complicated that it can not be borne or administered; and if it is attempted, Mr. President, these tens and tens of thousands of little business men—the man who comes to my farm and buys two or three or four hundred fleeces of wool and takes that wool to his little warehouse 5 miles away and sells it to another dealer who lives 30 miles away—everyone like him will live and have his being under a sword of Damocles. He will not be able to tell from one day to the next when the heavy hand of governmental regulation is to fall upon his shoulders.

That is the condition to-day. The food and markets commissioner of the State of New York give an interview in the New York newspapers just the other day in which he called attention to the fact that the small produce dealers out in the rural districts, the men to whom I am referring, are declining to pay to the farmer for his products a price equal to the cost of the production. It would be a blessing, Mr. President, to the future production of the United States if Mr. Hoover would announce upon the earliest possible day that he had no intention of interfering with these tens of thousands of little people, for if this threat is permitted to hang over them for the rest of this season, and as a result they do not feel able or courageous enough to go out among the farmers and purchase their products for cash, next year's acreage of crops will be decreased.

I hope and pray, Mr. President, that the food administration will understand this and take steps accordingly and give some sign that it does understand in a public utterance that will restore confidence to these little produce dealers, upon whom the average farmer must depend for his market.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. WADSWORTH. I do.

Mr. REED. Does not the Senator from New York think it is rather a humiliating thing for a man representing the great State of New York in the United States Senate to have to offer a petition to Mr. Hoover to withhold his hand?

Mr. WADSWORTH. Mr. President, I do not feel particularly humiliated—in fact, not at all. We have to face these situations, of course, when the country is at war; and every one of us, including the little produce dealers to whom I have referred, and including all the farmers, and including all the millions and millions of people in the great cities, must be prepared to make certain sacrifices and to surrender, perhaps, a portion of their convictions. But while the people are surrendering a part of their convictions, and violating, perhaps, some of their ancient traditions, in order that the Government may wage war effectively and promptly and have behind it all the might of the United States in men and materials, I do think it timely to utter an appeal such as I am now uttering, an appeal directed to those who are to administer this law, so to conduct themselves, not only in their official acts but in their public utterances, as not to discourage the production of food and materials in the United States; for if they shall fail to give such an assurance, sir, this war will go on three, four, or five years, instead of the one or two years that we expect it may go on.

Mr. REED. Mr. President——

Mr. WADSWORTH. I yield to the Senator from Missouri.

Mr. REED. I simply desire to say that in the question I have just propounded I did not mean to criticize the Senator from New York. I thought that the lesson was one which we might well pause long enough to observe, that we were granting power of such a character that a Senator thought it necessary in advance to caution those who are to exercise the power. I meant no criticism at all of the Senator from New York.

Mr. WADSWORTH. As I said before, Mr. President, I am not utterly despondent about this question, because it has been my observation that when men are clothed with great authority, and actually have the weapons in their hands, and realize that perhaps the fate of the Nation and the success of the war depends upon their using their weapons wisely, they become conservative and thoughtful, and refrain from carrying out some of the rather wild and extravagant announcements that have been made prior to the reposing of the weapons in their hands. I hope that will turn out to be the case, Mr. President, and I am inclined to believe that it will turn out to be the case; for this problem of food control and control of the industries is so

enormous, so intricate, that it can not fail to impress the man into whose hands it is confided.

I have thought upon some occasions, Mr. President, that it was not thus impressing itself. I have thought upon some occasions that the people who are to administer this law were confusing our condition, and failing to recognize what our principal function was, that of production. I have hopes that if heretofore they have failed to comprehend what the United States consists of in an agricultural and industrial sense, and what its functions and duties are at this hour, they will do so before this law is 10 days or two weeks or three weeks old upon the statute books.

Mr. President, ordinarily I have always contended that one man in an administrative office is more efficient and can act with more promptness than a commission of three, four, five, or six. I shall be very frank to the Senate in describing my attitude upon that other amendment which has to do with the composition of this food-control administration. A month ago, sir, I certainly would have voted against a commission of three to administer any law such as this; but as time went on, and I read from day to day in the press of the country the announcements, official and semiofficial, of what was to be done and what was proposed to be done in the event that this statute or something like it was placed upon the statute books, I began to wonder whether any one man should be intrusted with such power; and to be frank, sir, I began to wonder whether the gentleman who is to be intrusted with this power comprehended the problem.

Now, sir, I believe that a tremendous amount of benefit may be done by the food administrator. I believe that it lies within the power of Mr. Hoover to do a tremendous service to this country. I am in hearty accord with the great majority of his recommendations for the prevention of waste in the households of the United States and in our hotels. I am inclined to believe that perhaps we are the most wasteful people on earth. It is not surprising that we are, because we have had the most to waste. We have been the richest and the most prosperous, and we have been able to afford to throw away a good many things of which we could have made use.

Of course, such a condition can not be permitted to exist in time of war, and of course it should not exist in time of peace; and I will not criticize the suggestions of Mr. Hoover with respect to the prevention of waste. I think it is within his power to persuade and perhaps educate, I may say, millions and millions of people so to conduct their lives, their expenditures, and their consumption of articles of food and articles of other sorts, as to bring about a tremendous saving.

The American people stand ready to do that. They will volunteer to do it, and they are volunteering to do it by the hundreds of thousands to-day. But, Mr. President, when I see included among some of these recommendations which are exceedingly patriotic and wise, other recommendations or other announcements which have to do with the production end of this problem, and which are utterly fallacious and I may say even nonsensical, I am forced to stop and think a moment.

The announcement first was made, sir, that the food supply of the United States was decreasing, when every one of us knew that it is increasing. I do not like to see panic and hysteria spread among our people. Then the announcement, sir, was made that if this bill became a law, flour would go down to $9 a barrel, when every one of us knows that with wheat at $2 a bushel such a thing is utterly impossible. It takes 4½ bushels of wheat to make a barrel of flour. So I began to doubt; I began to wonder if this one man, Mr. Hoover, realized the enormous extent of this problem and this task which we are to confide into his hands, and which we hope and pray will be so performed as to help us in this war. When I read it solemnly printed in the press of the day before yesterday, or the day before that, that a committee of restaurant keepers had come down here to Washington and consulted with the food administration and advised with them, and had gone back, and as a result of that consultation announced a propaganda that every restaurant and hotel keeper in the United States shall buy a calf and raise it until it is 1,000 pounds in weight, I wondered again whether this one man knows what he is talking about. I hope that that kind of propaganda will not be carried on much longer, because it will shake the confidence of every man who has had anything to do either with the restaurant business or with the live-stock business in the efficacy of this administration of the food supply. One is tempted, sir, and I would perhaps yield to the temptation were it not so late, to say something in the nature of an A, B, C of the live-stock business in connection with restaurant keepers raising calves.

Mr. REED. I hope the Senator will do it.

Mr. WADSWORTH. I really do not think the day will come, sir, when I shall see the New Willard Hotel in possession of a calf. [Laughter.] But I did come to the conclusion that it would be wise to have a commission of three, one of whom should know something about farming.

Mr. President, there is one other feature which was contained in this bill, which no longer appears in it and which has been discussed quite thoroughly; perhaps I may be able to approach it from a slightly different angle. I do not feel contentious about it. I have no pride of opinion. I realize that in discussing it I may lay myself open to the charge that has been made here of obstruction, of lack of patriotism, or of failure to support the administration in the conduct of the war; and yet I do not think there is any Member of the Senate who seriously believes that I am lacking in any degree in a desire to support this Government in this tremendous contest.

We have had to do some pretty revolutionary things in order to make ourselves effective in this war. I was glad to support the selective-draft Army bill, not merely because the administration was in favor of it, but because for many months prior to its establishment I believed that that was the truly democratic method of waging war, and that it was the method by which America could most quickly throw her weight into the scales. I was glad to see it passed. I was glad to see the power of the draft placed in the hands of the President. I did my best to defend that particular piece of legislation upon the floor.

I took the same attitude, sir, with respect to the embargo power. I believe it absolutely essential as a war measure that the Government of the United States be armed with such a power in order that goods from our shores may not reach our enemy. I even voted, sir, for a censorship, because I believed that a censorship properly managed, properly and fairly imposed, is essential to the successful carrying on of this war. I may observe in passing, sir, that in view of the great confusion connected with what might be called our volunteer censorship to-day, it would not have been so bad after all if there had been a legal and official one, properly contrived and properly enforced, under which every publisher and every news association would get exactly the same treatment.

So one measure after another has been passed by Congress, every one of them war measures appropriating literally billions and billions of dollars, and I have done my best to speed them all, and I have given my support to every one.

Mr. President, I may be mistaken, but I am conscious of an atmosphere in this Chamber which, to my mind, is not a healthy one. There is an atmosphere of suspicion, a tendency on the part of men in all walks of life, particularly in the legislative branches of the Government, to speak ill of the men engaged in guiding the destinies of America in the war, to be captious in their criticisms of them, to suspect from time to time that something may be going wrong. It is not a pleasant atmosphere, Mr. President. On more than one occasion it has shown itself upon the floor of the Senate, and there have been distinct outbursts of bitter criticism. Most of them, I am confident, were not based upon facts.

What is the reason, sir, that such an atmosphere may exist in the future as it has existed in the past? It is because the Congress of the United States is in the dark as to how the fourteen or seventeen billion dollars are to be spent or have been spent thus far. People who are in the dark, be they Senators or men out in the wheat fields of Dakota, are bound to become suspicious, and from suspicion they are bound to reach hostility. It may not be an intelligent progress, but it is human and you have got to face it.

Not only is the Congress in the dark with respect to the expenditure of these vast sums, but the public is in the dark. One may go out to-day, sir, and meet groups of citizens discussing the war and the taxes and the appropriations, and one hears scarcely a criticism of the military management of the Army or of the Navy, but one hears the question asked upon every side, How much are these cantonments costing? I do not mean by this, sir, that they are costing too much; I do not know; I am not permitted to know; I have no method of finding out, nor has any other citizen save he finds some official somewhere in some department here who will tell him of his free will.

Mr. President, that is an impossible condition under which to wage war. This must be a people's war; not the war of the Government; not the war of the administration, but a war of the people of the United States, and it can not become truly a war of the people unless the people are admitted into the confidence of the Government with respect to the expenditures.

Surely there can be nothing wrong about it. Surely it can not be contended that such a committee as was proposed by the Senate by a large majority of its membership would handicap the Government in the conduct of this war. I venture to say, sir, that it would help the Government and help it tremendously

against that day when further suspicion based undoubtedly upon a false assumption will show its head in this Chamber and be voiced in the press of the country.

Suspicion thrives in darkness. I want to get rid of suspicion. I have upon a former occasion, sir, defended this administration against the suspicions directed against it. I did everything I could to preserve the advisory commission of the Council of National Defense, because I was convinced that if the legislation at that time pending before the Senate had been passed it would have deprived America of the best brains within her confines in helping her to wage this war. I do not want another scene similar to the one we had in the discussion of that particular feature of this bill.

I should like to see a connecting link established between the legislative branch and the administrative branch of the Government, so that we can all be able to proceed forward shoulder to shoulder, each understanding the other.

The management of a war, sir, embarked upon for the defense and the preservation of democracy, must not be remote from the people. I believe as these months and years are coming on us, and we may not tell how long this burden shall lie upon our shoulders, our effectiveness will be vastly enhanced if the Congress of the United States is given an opportunity to cooperate with the President and the Army and the Navy in the waging of that war, not in the military sense but in the way of supplying a connecting link through which the public and the Congress shall understand from time to time how the billions and billions of dollars that we are going to take from the pockets of the people are being spent.

Mr. President, both our great allies in a greater or less degree do exactly that same thing. Reference was made here yesterday to the British Parliament and was made again to-day by the Senator from Massachusetts [Mr. WEEKS], when he said that this very topic had been brought up in the British Commons, and that the leaders of the Government said: "Yes; go ahead; name your committee on expenditures, so that you may know what we are doing with your money from day to day." Remember, Senators, that if such a thing is regarded as wise and proper and necessary in the British Parliament, where the ministry, which corresponds to our Executive, is directly responsible to the Commons itself, surely it would not be unwise to have such a committee in the American Congress, to whom the Government is not responsible in any way.

The same thing is being done in the French Parliament. The French ministry is directly responsible to the Chamber—the Chamber of Deputies. They may be voted out of power overnight. More than one minister in England and in France have in effect been voted out of power for reasons, apparently, which seemed good to those bodies. But the French Parliament have gone farther even than to reserve and to preserve for itself the right of making the ministry responsible to the Chamber. They have established two or three special committees to keep in constant touch with the management of the French Army in the financial sense, with the French Navy in the financial sense, and in one or two other important undertakings of the French Government. Those committees not only have open sessions and receive the accounts and descriptions of the undertakings and achievements of the French ministry and the French Government with respect to the expenditure of funds, but they even have secret sessions. The minister of war may come before that committee of the French Chamber and tell a dozen or twenty members of the French Parliament how the money assigned to him is being expended. It has welded the French Parliament into one body in solid support of the French Government.

Mr. President, I know, of course, that the committee which was provided for in this bill by the Senate by a substantial majority can not be reinserted in the bill at this time. I know the bill will pass in the form of the conference report, but, Mr. President, I hope that the time is not far off when there will be a connecting link between Congress with all its Members, regardless of their former political affiliations, and the President himself and his assistants, all of whom, in my humble judgment, have done exceedingly well thus far in this war, when one considers the degree of unpreparedness in which this country was languishing when the war broke out. They have done exceedingly well, sir. For one I have rejoiced at the general promptness and vigor with which our military preparations have proceeded, but I hope that they, as well as the Members sitting upon the other side of the Chamber will realize that the greatest asset in the waging of a war by a democracy is a thorough understanding between all the branches of the Government and that every degree of publicity which can be safely afforded will be given.

May I call the attention of the Senate in this very matter to a statement issued by the French high commissioner here in Washington three days ago. Monsieur Tardieu sent a letter to Secretary Baker which is printed in the press, telling what France had done in this war, what her resources and manufacturing facilities were at the beginning of the war, and what they are to-day.

He was frank enough to say, sir, that there were nearly 3,000,000 men in the French Army in the war zone; that they had 6,000 pieces of heavy artillery in the field, exclusive of the famous French 75's; that their facilities for turning out the ammunition for the French 75's was so many thousand per day at the outbreak of the war—I think 13,000 shells a day; but that at present the facilities of France have been multiplied and multiplied and multiplied, until they now reach 250,000 shells per day.

Mr. President, it is a healthy thing, now and then, to tell the people how things are progressing.

Mr. KNOX. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Pennsylvania?

Mr. WADSWORTH. I yield.

Mr. KNOX. May I inquire if M. Tardieu disclosed the reason for this vast increase?

Mr. WADSWORTH. Industrial organization, I think he gave.

Mr. KNOX. I was going to call the Senator's attention, if he has not already read it, to an article in a recent number of the North American Review, a most illuminating article on the increase of the industries in France since the breaking out of the war. It is all because the Government has recognized that which the Senator was contending for a few moments ago—the necessity of encouraging production.

Mr. WADSWORTH. That is it—production. I have read the article, and I am glad the Senator from Pennsylvania has called attention to it. If Senators have a moment to read it, they will get from it a comprehension of what the French have done in increasing production since the outbreak of this war. It will be, I believe, a beacon light to guide us in legislation which may come to us in the future.

I called attention to the statement issued by the French high commissioner as an illustration of the value of reasonable publicity. I do not know whether the French people have ever known officially those figures. Perhaps not. But they have them now, and I am exceedingly glad that the American people have been told that France is not exhausted. I am glad that that thought has been dispelled, a thought that has enshrouded our conscience ever since we went into this war, for we have been told that the Republic of France was on its last legs. Now, we have it from a high official representative of the French Government that that is not so, and he tells us just what they have accomplished in three years in the matter of production. He is not afraid, nor is his Government afraid, to tell how many soldiers there are in the French Army fighting the Germans. Why should we be afraid to announce how many American soldiers are in France fighting with the Frenchmen against the Germans? Would it not hearten our people, Mr. President, to know that that force is ever on the increase? What harm could it do? It will not make the German method of warfare any more effective to know from time to time that another contingent of fifteen or twenty thousand American troops has disembarked in France. Certainly we would not tell them when they sailed from America or were about to sail. We would not tell them the name of the ship; we would not tell them the name of the port from which they sailed; we would not tell them the route which they took; but what harm would it do to tell the American people after they have arrived and taken their places in the fighting ranks that they are there? The French have done it. They have taken their people into their confidence. Can not we in a proper manner, with due regard to military necessity, insure this war being a people's war by letting the people know from time to time what is being accomplished, not only how their money is being spent, but what the expenditure of that money has done in strengthening their arms against the common enemy?

Some day, Mr. President, I hope the proper machinery will be installed between the legislative branch and the executive branch which will bring that about. I deeply regret the elimination of that link from this bill.

Mr. CHAMBERLAIN. Mr. President, I submit the following unanimous-consent agreement.

The PRESIDING OFFICER. It will be read.

The SECRETARY. The Senator from Oregon [Mr. CHAMBERLAIN] asks unanimous consent that at 3 o'clock p. m., on the calendar day of Wednesday, August 8, 1917, the Senate will

proceed to vote, without further debate, upon the question of agreeing to the report of the committee of conference on the bill H. R. 4961, a bill to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel.

The PRESIDING OFFICER. The Secretary will call the roll.

Mr. CHAMBERLAIN. I do not think that is necessary except in the case of a final vote on a bill or a resolution.

The PRESIDING OFFICER. Very well. Is there objection to the request of the Senator from Oregon?

Mr. HITCHCOCK. I think the rule requires the calling of the roll.

Mr. CHAMBERLAIN. I think not. Of course the rule can be stated.

Mr. HITCHCOCK. I think that is the spirit of the rule, and it ought to be carried out.

Mr. STONE. Let the rule be read.

Mr. CHAMBERLAIN. I should like to have the rule read.

The PRESIDING OFFICER. The Secretary will read the rule.

The SECRETARY. Paragraph 3, Rule XII, page 14, of the Manual:

> No request by a Senator for unanimous consent for the taking of a final vote on a specified date upon the passage of a bill or joint resolution shall be submitted to the Senate for agreement thereto until, upon a roll call ordered for that purpose by the presiding officer, it shall be disclosed that a quorum of the Senate is present.

Mr. CHAMBERLAIN. I suggest the absence of a quorum so that there may be no question about it.

The PRESIDING OFFICER. The Secretary will call the roll upon the suggestion of the absence of a quorum by the Senator from Oregon.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hardwick	La Follette	Smith, Ariz.
Brady	Hitchcock	Lewis	Smith, Ga.
Calder	Hollis	McKellar	Smoot
Chamberlain	Husting	Martin	Sterling
Cummins	James	Myers	Stone
Curtis	Johnson, Cal.	New	Sutherland
Fernald	Jones, N. Mex.	Overman	Trammell
Fletcher	Kendrick	Pittman	Vardaman
France	Kenyon	Poindexter	Wadsworth
Gore	King	Pomerene	Warren
Gronna	Kirby	Saulsbury	
Harding	Knox	Sheppard	

Mr. LEWIS. The Senator from Nebraska [Mr. NORRIS] was called out of the Chamber only a few moments ago and is absent by necessity.

I also desire to announce the absence on official business of the Senator from Rhode Island [Mr. GERRY].

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent on account of illness in his family.

The PRESIDING OFFICER. Forty-six Senators have answered to their names. There is not a quorum present. The Secretary will call the names of absentees.

The Secretary called the names of absent Senators, and Mr. MCNARY, Mr. SHAFROTH, Mr. THOMPSON, Mr. WEEKS, Mr. WILLIAMS, and Mr. WOLCOTT answered to their names when called.

Mr. BECKHAM, Mr. BANKHEAD, and Mr. SHIELDS entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-five Senators having answered to their names, a quorum of the Senate is present. The Senator from Oregon [Mr. CHAMBERLAIN] asks unanimous consent for the adoption of the unanimous-consent agreement, which the Secretary will read.

The Secretary read as follows:

> It is agreed by unanimous consent that at 3 o'clock p. m. on the calendar day of Wednesday, August 8, 1917, the Senate will proceed to vote, without further debate, upon the question of agreeing to the report of the committee of conference on the bill H. R. 4961, a bill to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel.

Mr. KNOX. Mr. President, I should like to inquire of the Senator from Oregon, Is there any reason why we can not vote on this conference report now?

Mr. CHAMBERLAIN. Mr. President, there is no reason except——

Mr. KNOX. Then why not vote now?

Mr. CHAMBERLAIN. I was going to suggest there are one or two Senators desirous of making short statements upon the subject who could not be here this evening, and I did not like to preclude them if they desired to speak to the conference report.

Mr. CURTIS. Mr. President, I should like to ask the Senator from Oregon if he had just as soon fix the hour for voting at 4 o'clock instead of 3? There is at least one Senator whom I doubt can reach here before 3 o'clock or half past 3 to-morrow, who would like to be present.

Mr. CHAMBERLAIN. I should have no objection to that change in the agreement, Mr. President.

The PRESIDING OFFICER. If there be no objection, the unanimous-consent agreement will be so modified. The Chair hears none.

Mr. HARDWICK. Mr. President, what time does the proposed agreement fix for taking the vote?

The PRESIDING OFFICER. As modified, it is proposed to vote on the conference report at 4 o'clock to-morrow.

Mr. HARDWICK. Mr. President, I do not know that I shall object to this request for unanimous consent, but, if I do not, my only reason for not doing so will be because I am afraid that if the bill goes back to conference it will come out in worse shape than it now is. I am afraid that the conferees might find some wrong left undone, and, if we send it back to conference, that the bill would be returned to us in a still more obnoxious shape. For that reason I am very much inclined to agree to the request asked for by my friend from Oregon. The bill is about as bad as it could be, according to my conception, and I should like to see it gotten rid of, so that we might proceed to something more wholesome.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon as modified? There being none, the agreement is unanimously entered into.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had, on August 3, 1917, approved and signed the following act:

S. 2695. An act to authorize the construction, maintenance, and operation of a bridge across Little River, at or near the foot of the gar hole, about one-half mile south of the Jonesboro, Lake City & Eastern Railway bridge across Little River, Ark.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by G. F. Turner, one of its clerks, announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the President pro tempore:

S. 1816. An act to amend the act to regulate commerce, as amended, and for other purposes; and

S. 2356. An act to amend the act to regulate commerce, as amended, and for other purposes.

PETITIONS.

Mr. KNOX presented petitions of sundry organizations in the State of Pennsylvania, praying for the enactment of legislation authorizing the drafting of aliens, except alien enemies, into the military service of the United States, which were ordered to lie on the table.

BILL AND JOINT RESOLUTION INTRODUCED.

A bill and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMPSON:

A bill (S. 2751) granting a pension to James F. Clark, alias James F. Rozzel; to the Committee on Pensions.

By Mr. JONES of New Mexico:

A joint resolution (S. J. Res. 89) to authorize the Secretary of the Interior to expend funds in New Mexico and Texas for drainage purposes; to the Committee on Appropriations.

EXECUTIVE SESSION.

Mr. CHAMBERLAIN. Mr. President, I understand it is desired that a short executive session shall be held this afternoon, and I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS.

Mr. CHAMBERLAIN. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 35 minutes p. m., Tuesday, August 7, 1917) the Senate took a recess until to-morrow, Wednesday, August 8, 1917, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate August 7 (legislative day of August 4), 1917.

REGISTER OF LAND OFFICE.

Joseph Astor Barker, of Great Falls, Mont., to be register of the land office at Great Falls, Mont., vice Robert N. Sutherlin, term expired.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Commander Adelbert Althouse to be a captain in the Navy from the 26th day of June, 1917.

Lieut. (Junior Grade) Ernest F. Buck to be a lieutenant in the Navy from the 29th day of August, 1916.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 6th day of June, 1917:

Sherrod H. Quarles,
Charles D. Swain,
William A. Teasley, and
Harold J. Nelson.

The following-named assistant naval constructors to be naval constructors in the Navy from the 19th day of July, 1917:

Whitford Drake,
Harry G. Knox, and
Lew M. Atkins.

Midshipman Lawrence Harvey to be an assistant paymaster in the Navy from the 30th day of March, 1917.

Raymond T. Mahon, a citizen of Rhode Island, to be an assistant paymaster in the Navy from the 21st day of July, 1917.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 30th day of July, 1917:

Harry J. Reuse,
John D. Pennington,
Thomas L. Shannon, and
Morris J. Lenney.

The following-named lieutenants (junior grade) to be lieutenants in the Navy for temporary service from the 1st day of July, 1917:

Charles M. Cooke, jr.,
Augustine H. Gray,
Chester S. Jersey,
Howard K. Lewis,
Warren L. Moore,
James B. Will,
Harry W. Hosford,
Francis G. Marsh,
Herbert W. Underwood,
Percy K. Robottom,
Lyal A. Davidson,
Alston R. Simpson
Josiah O. Hoffman, jr.,
Millington B. McComb,
William M. Corry, jr.,
Melville S. Brown,
Stanley R. Canine,
Joseph P. Norfleet,
Robert E. Bell,
Charles J. Moore,
Thomas Moran,
James A. Logan,
John H. Smith,
Francis A. La Roche,
Francis P. Traynor,
John H. Wellbrock,
Lewis Hancock, jr.,
Henry B. Cecil,
William S. Nicholas,
Edward K. Lang,
Edwards B. Gibson,
Charles A. Pownall,
Murphy J. Foster,
James G. Ware,
Godfrey de C. Chevalier,
Walter A. Edwards,
Valentine N. Bieg,
Miles P. Refo, jr.,
Edgar M. Williams,
Earl A. McIntyre,
Robert T. Young,
Marc A. Mitscher,
Scott B. Macfarlane,
Roman B. Hammes,
Earl W. Spencer, jr.,
William D. Kilduff,
Romuald P. P. Meclewski,
Joseph F. Crowell, jr.,
Charlton E. Battle, jr.,
Herbert R. Hein,
Herbert H. Bouson,
Mervyn S. Bennion,
Walter E. Brown,
Hollaway H. Frost,
Robert T. Merrill, 2d,
Walter D. Seed, jr.,
Alfred T. Clay,
Franklin S. Steinwachs,
Earle C. Metz,
Frederick C. Sherman,
Wadleigh Capehart,
Hugh McC. Branham,
Robert C. Lee,
Edwin J. Gillam,
Frank H. Luckel,
Francis L. Shea,
George M. Cook,
Donald B. Beary,
Elmer De L. Langworthy,
Bernard O. Wills,
Walter V. Combs,
Frank H. Kelley, jr.,
Leslie La F. Jordan,
James T. Alexander,
John L. Rineidaffer,
Howard B. Berry,
Dorsey O. Thomas,
Alfred Y. Lanphier,
Spencer S. Lewis,
Walden L. Ainsworth,
Robert N. Miller,
William A. Richardson,
Lorain Anderson,
Roy C. Smith, jr.,
Lawrence F. Reifsnider,
Robert Gatewood,
Frederick G. Reinicke,
Bolivar V. Meade,
Samuel W. King
Walter L. La Mont,
Howard A. Flanigan,
George L. Dickson,
Elmer K. Niles,
George L. Weyler,
Jefferson D. Smith,
Clarkson J. Bright,
Herbert O. Roesch,
John F. Donelson,
Webb Trammell,
Herbert A. Ellis,
Frederick S Hatch,
Ole O. Hagen,
Robert M. Griffin,
Alfred G. Zimermann,
Milton H. Anderson,
Oliver L. Wolfard,
Harry L. Merring,
Morris E. Gilmore,
George M. Lowry,
William E. Baughman,
John A. Fletcher,
Oscar C. Badger,
Thomas S. King, 2d,
Howard S. Jeans,
Edward B. Lapham,
Daniel J. Callaghan,
Cecil Y. Johnston,
Walter A. Riedel,
Edgar R. McClung,
John H. Magruder, jr.,
Paul F. Foster,
Frank Loftin,
Thomas S. McCloy,
George B. Ashe
Harold R. Keller,
Eric L. Barr,
Ralph F. Wood,
Paul M. Bates,
John W. Reeves, jr.,
Urey W. Conway,
Robert P. Hinrichs,
Lucien B. Green 2d,
Frank E. P. Uberroth,
Glenn F. Howell,
Glenn B. Strickland,
Francis M. Collier,
Merritt Hodson,
Ralph G. Risley,
Pat Buchanan,
Alexander Macomb,
William F. Callaway,

Wallace B. Phillips,
Franz B. Melendy,
Joseph R. Mann, jr.,
John W. Gates,
Van L. Kirkman, jr.,
Harvey S. Haislip,
Ralph E. Dennett,
Charles G. McCord,
Alfred S. Wolfe,
Eugene T. Oates,
Marion C. Cheek,
Robert P. Molten, jr.,
William J. Butler,
Jay K. Esler,
George D. Murray,
Oliver M. Read, jr.,
George J. McMillin,
Howard F. Kingman,
James G. B. Gromer,
Bushrod B. Howard,
Albert R. Mack,
Calvin H. Cobb,
Lee C. Carey,
Glenn A. Smith,
Donald C. Godwin,
Webb C. Hayes,
Jay L. Kerley,
Robert H. Skelton,
Roger W. Paine,
Delavan B. Downer,
Ellis S. Stone,
Francis S. Craven,
Lybrand P. Smith,
William D. Chandler, jr.,
Harry W. Hill,
Bernhard H. Bieri,
James C. Byrnes, jr.,
Robert K. Awtrey,
Scott D. McCaughey,
Edward W. Hanson,
Frank J. Lowry,
Thomas Baxter,
Aylmer L. Morgan, jr.,
John R. Peterson, jr.,
James McD. Cresap,
Everett D. Capehart,
Lewis W. Comstock,
Lyell St. L. Pamperin,
Joseph L. Nielson,
Frank C. McCord,
John C. Thom,
Ames Loder,
Walter S. Davidson,
Henry J. Shields,
Guysbert B. Vroom,
Elliott B. Nixon,
Joseph M. Blackwell,
Jenifer Garnett,
Sherwood Picking,
Norman L. Kirk,
James H. Taylor,
George A. Rood,
Fred Welden,
John W. McClaran,
Carlos A. Bailey,
Wells E. Goodhue,
Solon E. Rose,
Frederick L. Riefkohl,
John F. Meigs, jr.,
William C. Barnes,
Philip R. Baker,
Harrison R. Glennon,
George F. Parrott, jr.,
Harry D. McHenry,
Ralph C. Lawder,
Roy W. Lewis,
Richard S. Field,
Harry R. Bogusch,
Robert H. English,
George C. Fuller,
Carroll Q. Wright, jr.,
Joseph McE. B. Smith,
William H. O'Brien, jr.,
Howard S. Keep,
William M. Quigley,
Rivers J. Carstarphen,
John A. L. Zenor,
Robert B. Simons,
Norman Scott,
Conrad Ridgely,
Richard P. Myers,
Howard D. Bode,
Harold E. Snow,
Robert M. Doyle, jr.,
Morton L. Deyo,
Harold T. Bartlett,
Ralph S. Parr,
John A. Byers,
John H. Holt, jr.,
William A. Corley,
Howard H. Good,
Carleton H. Wright,
Robertson J. Weeks,
Marc W. Larimer,
Edward P. Nickinson,
Harry G. Patrick,
John H. Culin,
Andrew C. Bennett,
Fred K. Elder,
Eugene P. A. Simpson,
Oliver W. Bagby,
James C. Clark,
Robert D. Moore,
Harold Dodd,
Warren A. Shaw,
Guy C. Hitchcock,
Ralph S. Wentworth,
Mahlon S. Tisdale,
Edmund A. Crenshaw, jr.,
William D. Taylor,
Homer C. Wick,
Robert A. Lavender,
Robert S. Haggart,
Philip Van H. Weems,
Lunsford L. Hunter,
Ernest W. Broadbent,
Forrest U. Lake,
Elliott Buckmaster,
Walter S. De Lany,
Albert B. Sanborn,
Clarence Gulbranson,
Donald F. Patterson,
Donald W. Hamilton,
Heister Hoogewerff,
Louis E. Denfeld,
George W. D. Dashiell,
Nathan B. Chase,
Alexander W. Loder,
Carroll M. Hall,
Beriah M. Thompson,
Richard H. Booth,
Robert P. Mohle,
Robert M. Hinckley,
Charles H. McMorris,
Virgil C. Griffin, jr.,
Henry M. Kiefer,
Benjamin Perlman,
Ernest G. Small,
Donald Boyden,
Herman E. Fischer,
Willard E. Cheadle,
Thomas L. Gatch,
James A. Saunders,
Alfred E. Montgomery,
Frederick Baltzly,
Allen H. Guthrie,
Edward O. McDonnell,
Lawrence P. Bischoff,
James C. Monfort,
Carl G. Gilliland,
Whitley Perkins,
Robert A. Hall,
Anton B. Anderson,
George L. Woodruff,
Schuyler Mills,
James L. King,
Davis De Treville,
John P. Dalton,
Louis P. Wenzell,
Raymond E. Kerr,

George H. Fort,
Albert C. Roberts,
Carroll B. Byrne,
Robert R. Thompson,
Nelson W. Hibbs,
Emory P. Eldredge,
Ellis M. Zacharias,
Wentworth H. Osgood,
Harold B. Grow,
Herbert G. Gates, jr.,
John H. Falge,
Ralph W. Holt,
Emory W. Coil,
George W. La Mountain,
Harold W. Scofield,
William S. Hogg, jr., and
John L. Fox.

The following-named ensigns to be lieutenants (junior grade) in the Navy, for temporary service, from the 1st day of July, 1917:

Lynde D. McCormick,
Arthur C. Davis,
Oliver H. Ritchie,
Arthur D. Struble,
Warner P. Portz,
Frederic P. Culbert,
Howes Bodfish,
Richard W. Bates,
Claude O. Kell,
James M. Shoemaker,
Gerard H. Wood,
Kendall Preston,
Lloyd Van H. Armstrong,
Melville W. Powers,
Howard L. Vickery,
Vincent H. Godfrey,
Hugh G. Eldredge,
Edward E. Hazlett, jr.,
Norwood G. Calvert,
Charles F. Osborn,
William H. Bowman,
Scott Umsted,
Finney B. Smith,
Powell McC. Rhea,
Henry P. Burnett,
Hubert E. Paddock,
Theodore E. Chandler,
Ivan M. Graham,
Frank D. Wagner,
Otto Nimitz,
Burton W. Chippendale,
Thomas G. Peyton,
Cornelius W. Flynn,
William Granat,
Robert M. Farrar,
Ryland D. Tisdale,
Walter J. Confer,
Julius C. Delpino,
John D. Small,
Robert W. Clark,
John B. Kneip,
Francis S. Low,
Francis M. Mail, jr.,
Frank C. Huntoon,
Earle W. F. Childs,
Philip C. Morgan,
Marcus C. Miller,
John L. McCrea,
Frederick G. Richards,
Noble Withers,
Mark L. Sperry, jr.,
Wesley J. Shofner,
Merrill T. Kinne,
Walter A. Hicks,
Leverett S. Lewis,
Frederick W. Pennoyer, jr.,
Benjamin F. Perry,
Louis R. Moore,
Roy de S. Horn,
Winfred H. A. Pike, jr.,
Melville C. Partello,
Robert O. Glover,
John F. Bates, jr.,
John H. Rockwell,
Archie E. Glann,
Harry H. Chenoweth,
Stuart B. Clark,
John C. Lusk,
Leon B. Scott,
George P. Lamont,
Walter M. A. Wynne,
Myron J. Walker,
William J. Lorenz,
Edouard V. M. Isaacs,
Edwin S. McCoach,
Donald MacL. Dalton,
Herbert V. Wiley,
Samuel R. Shumaker,
Stephen H. Matteson,
Glenn H. Easton,
Allan R. Wurtele,
Samuel P. Jenkins,
Nelson J. Leonard,
Robert T. Darrow,
Armit C. Thomas,
George W. Grove,
Alan Barnett,
Homer W. Graf,
Romeo J. Jondreau,
Conrad L. Lein,
George C. Hill,
James P. Brown,
Winthrop Winslow,
William J. Nunally, jr.,
Alexander S. Wotherspoon,
Robert M. Fortson,
Forrest B. Royal,
Morris H. Spriggs,
Marshall B. Arnold,
Roswell H. Blair,
Tully Shelley,
Dallas D. Dupre,
John S. Farnsworth,
Edward Breed,
James E. Maher,
Alexander G. Hatch,
Leighton Wood,
Harvey E. Overesch,
Homer, H. H. Harrison,
Allen G. Quynn,
David McL. Collins,
Daniel W. Armstrong,
George C. Kriner,
Clifford G. Richardson,
James M. Lewis,
Raymond Burhen,
Millard G. Gamble, jr.,
John H. Campman,
Henry S. Clark, jr.,
Ralph W. Christie,
Lewis L. Stedman,
Preston Marshall,
Lyman B. Hoops,
William S. Hactor,
John S. Ray,
William M. Snelling,
Joseph H. Chadwick,
Arthur Landis,
William D. Sullivan,
Eugene G. Herzinger,
Adolph J. Merkt,
Harry J. Reuse,
John D. Pennington,
Morris J Lenney,
Elmer R. Henning,
Nathaniel M. Pigman,
Horace D. Clarke,
Thomas G. Brown,
Irving R. Chambers,
Allan E. Smith,
Chester E. Lewis,
Stuart A. Maher,
Ralph Kiely,
John M. Field, jr.,
Archer E. King, jr.,
Harold O'D. Hunter,
Forrest K. Libenow,
Dewitt C. Watson,

Harold M. Meyers,
Jonathan H. Sprague,
Myron W. Hutchinson, jr.,
Isaac Schlossbach,
John J. Mahoney,
Robert M. Parkingson,
James R. Kyle, jr.,
William D. Thomas,
Hilbert A. Fisher,
Samuel R. Deets,
Charles F. Wedderburn,
Claude C. Vickrey,
Albert R. Stephan,
Elmer B. Hough,
Albert Osenger,
Richard S. Bulger,
Horace E. Burks,
Walter D. Snyder,
Thomas L. Shannon, and
John D. Edwards.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 7 (legislative day of August 4), 1917.

CONSULS.

CLASS 7.

Walter H. Sholes to be be a consul of class 7.

CLASS 8.

Gaston Smith to be a consul of class 8.

COMMISSIONER OF IMMIGRATION.

Lawson E. Evans to be commissioner of immigration at the port of San Juan, Porto Rico.

COAST GUARD.

Third Lieut. Carl H. Abel to be second lieutenant.

POSTMASTERS.

ALABAMA.

H. H. Farrar, Blocton.

GEORGIA.

R. H. Dunlap, Chipley.
Minnie E. Hogan, Collegepark.
Richard E. Lee, Concord.
Elvira T. Burghard, Crumps Park.
Thomas K. Dunham, Darien.
Samuel B. Lewis, Fayetteville.
William F. Jones, Hogansville.
David P. Philips, Lithonia.
Jackson C. Atkinson, Midville.
W. A. Talley, Milltown.
Charles Beaty, Moultrie.
Fannie T. Elmore, Oglethorpe.
Charles Jackson, Palmetto.
John N. King, Rochelle.
James Park Bowie, Rome.
J. L. Wells, Smithville.
Mattie E. Gunter, Social Circle.
Vivian McCurdy, Stone Mountain.
Hattie F. Gilmer, Toccoa.
W. H. Beddingfield, Unadilla.
Josephine Hilliard, Union Point.
B. A. Parker, Whigham.
William B. McCants, Winder.
B. T. Baker, Woodbury.
John F. Jenkins, Ashburn.

ILLINOIS.

Benjamin T. Hart, Altona.
Robert L. Rich, Cobden.
Lewis A. Westbrook, Creal Springs.
W. F. Lutyen, Flanagan.
William Champion, Granite City.
James M. Nunamaker, Greenup.
Alonzo Boren, Herrin.
George Spicer, Hindsboro.
W. E. Clayton, Johnston City.
John C. Crawford, Jonesboro.
W J. McKenna, Melvin.
Charles A. Fletcher, Mendon.
D. M. Fullmer, New Athens.
William A. Reeds, Oakland.
Joseph H. Knebel, Pocahontas.
W. D. Hall, Port Byron.
William Foran, Sorento.
Thomas J. Cunningham, Taylorville.

IOWA.

Stephen A. Douglas, Adel.
William W. Moore, Ainsworth.
Orien J. Perdue, Altoona.
Kaspar Faltinson, Armstrong.
Charles N. Nelson, Bedford.
Alfred E. Thomas, Buxton.
Thomas M. Fitzgerald, Charles City.
Edward F. Glau, Charter Oak.
Charles W. Harris, Coin.
Leroy H. Lyon, Colfax.
E. F. Gauthier, Corning.
George W. Bensler, Delta.
Burdette Hersom, Diagonal.
Carrie H. Randall, Epworth.
Frank Carpenter, Estherville.
Jacob S. Forgrave, Farmington.
Eva Keith, Goldfield.
Edward J. Mitchell, Graettinger.
Stephen C. Maynard, Grand Junction.
Clint L. Price, Indianola.
Carl Bentson, Jewell.
Christian Konrad, Lacona.
Robert M. Reid, Lake City.
Lizzie D. McCormick, Letts.
Charles K. Coontz, Lineville.
William R. Minard, Little Rock.
Lloyd Crow, Mapleton.
Walter Rae, Massena.
C. W. Remore, Northwood.
Harry F. Chance, Redfield.
Edward E. Swank, Richland.
George M. Waterman, Sidney.
Bessie C. Swan, Stony City.
Rudolph W. Schlug, Strawberry Point.
William W. Finn, Wesley.
Thomas J. McCaffrey, West Bend.
Thomas Geneva, What Cheer.
John W. Hanna, Winfield.
Arthur Goshorn, Winterset.
A. D. Hix, Zearing.

MARYLAND.

Sherlock Swann, Baltimore.
Charles H Wilson, Forest Hill.
Alice L. Exley, Kensington.
Clarence J. Rathbun, Mountain Lake Park.

MINNESOTA.

Mark T. Randall, Amboy.
Alma E. Fisher, Arlington.
Martin Christensen, Barnum.
E. E. Putnam, Big Lake.
Ludwig L. Johnson, Brookpark.
Paul D. Mitchell, Brooten.
Emanuel Yngve, Cambridge.
Robert W. Stewart, Ceylon.
Albert Anderson, Clearbrook.
Bernard W. Cummiskey, Currie.
Michael Hollaren, Ellsworth.
George H. Smith, Excelsior.
Frederick W. Betz, Fairmont.
Halbert L. Webb, Glyndon.
Ruth G. Soderberg, Grand Marais.
Nels E. Hawkinson, Grove City.
George A. Blackmun, Hancock.
Gustav J. Jarchow, Harris.
Fred Von Ohlen, Henning.
Frank E. Smith, Kimball.
Olof Ristad, Lancaster.
Simon P. Brick, Little Falls.
Charles H. Dietz, Mapleton.
Edward C. Sommermeyer, Marietta.
Ralph V. Townsend, Minnesota Lake.
E. L. Flaten, Moorhead.
Walter W. Pearson, Nevis.
Henry Goulet, Onamia.
John Deviny, Owatonna.
Amelia M. Rajkowski, Rice.
Walter W. Parish, Rushford.
John C. Klein, St. Joseph.
Albert K. Anderson, Spicer.
O. C. Vaaler, Spring Grove.
Gertrude A. Muske, Swanville.

H. L. Buck, Winona.
Alton E. Martin, Woodlake.
John F. Flynn, Worthington.

MISSISSIPPI.

C. W. Bolton, Pontotoc.

OKLAHOMA.

O. H. P. Brewer, Muskogee.

PENNSYLVANIA.

B. Frank Boutcher, Abington.
Ellsworth F. Giles, Altoona.
T. H. McKenzie, Barnesboro.
Junius W. U. McBride, Beaver.
Robert W. Lange, Belle Vernon.
Joshua P. Lamborn, Berwyn.
Charles S. Gardner, Blue Ridge Summit.
Charles N. Thompson, Buck Hill Falls.
Frank C. Fisher, Cheltenham.
James G. Downward, jr., Coatesville.
G. B. Livingston, Conneaut Lake.
John M. Wallace, Delaware Water Gap.
Cornelius Allen, Dubois.
R. J. McGee, Dunbar.
Christopher T. Peale, Eagles Mere.
Christian S. Lichliter, Elk Lick.
A. J. Sweeny, Gallitzin.
H. E. Petrie, Greencastle.
Frank C. Sites, Harrisburg.
Eli D. Ruth, High Spire.
A. R. Traugh, Hollidaysburg.
Benjamin F. Evans, Hopewell.
W. H. Strauss, Johnstown.
George B. Richardson, Knox.
Frank H. Schenck, Landisville.
Oscar Wolfensberger, Lemoyne.
Allen A. Orr, Lewiston.
Ada U. Ashcom, Ligonier.
Fletcher C. George, Lilly.
T. Cheyney Scott, Malvern.
William C. Kreider, Mauch Chunk.
John A. Kramer, Middletown.
J. Frank Patterson, Mifflintown.
John H. Mitchell, Newtown.
Edward J. Bernhardt, Northampton.
Arthur E. Brown, Osceola Mills.
John D. Moore, Oxford.
Earl L. Anderson, Parnassus.
Joshua W. Coolidge, Pen Mar.
Roy R. Rowles, Philipsburg.
Patrick F. Campbell, Portage.
John T. Slattery, Port Carbon.
James Kingsbury, Pottsville.
W. H. Portser, Saltsburg.
Matthew M. Cusack, Steelton.
George A. Woodside, Sugargrove.
William M. Lynch, Tobyhanna.
Timothy F. Berney, Tower City.
Harry Hagan, Uniontown.
Leroy Alexander, West Alexander.
William F. Johnston, Westgrove.
Frederick E. Obley, West Newton.
Max A. Crain, Winburne.
Jesse H. Smith, Yardley.
Ira J. Keller, Yeagertown.

HOUSE OF REPRESENTATIVES.

TUESDAY, *August 7, 1917.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father who art in heaven, we thank Thee for our country with its vast resources, its sacred institutions, its splendid opportunities for intellectual, moral, and spiritual attainments. Help us to measure up to the trust reposed in us as American citizens. "To whom much has been given, of him much shall be required."

A mighty task has been thrust upon us; grant that we may meet it like men, with patriotic zeal and fervor, that we may join our forces to the millions now engaged in a death struggle for the principles dear to our hearts, that right may prevail and war sink to rise no more forever, that brotherly love may have the ascendancy in the hearts of all the peoples of all the world under the spiritual leadership of the Prince of Peace. Amen.

The Journal of the proceedings of Saturday was read and approved.

INTER-ALLIED PARLIAMENT (H. DOC. NO. 326).

The SPEAKER. The Chair lays before the House a communication from the French ambassador.

The communication was read, as follows:

WASHINGTON, *August 6, 1917.*

DEAR MR. SPEAKER: I have received, with a request to convey it to you, a telegram from Mr. Franklin Bouillon, member of our Chamber of Deputies and vice president of the Inter-Allied Parliament, announcing his arrival here in the near future, being the bearer of an invitation to the American Congress on behalf of the British, Italian, and French sections of the Inter-Allied Parliament.

Commending this dispatch to your kind consideration, I have the honor to inclose herewith a copy, and I beg you to believe me, dear Mr. Speaker,

Very sincerely, yours, JUSSERAND.

Hon. CHAMP CLARK,
Speaker of the House of Representatives,
Washington, D. C.

—

PARIS, *August 5, 1917.*

To Hon. CHAMP CLARK,
Speaker of the House of Representatives:

Parliament having adjourned, I am leaving next week to carry to American Parliament invitation of British, Italian, and French sections of Inter-Allied Parliament. I very much regret that my voyage has been unavoidably delayed owing to my duties in Parliament and feel much honored that I am now able to fulfill my mission. I hear that Representative MCCORMICK intends leaving for Europe. Might I suggest that he kindly await my arrival, if this is convenient, as he will find nobody now in parliamentary circles in France or in Italy, all members having dispersed in consequence of recess, and English Parliament may adjourn shortly. It would give me great pleasure to work with him when I arrive in Washington and I believe it would hasten our cooperation.

In the name of my colleagues I wish to tender you the expression of our sincere respect, heartfelt sympathy, and our earnest desire to bind closer the Parliaments of our countries.

HENRY FRANKLIN, *Deputé,*
Vice President Inter-Allied Parliament.

The SPEAKER. Ordered printed and referred to the Committee on Foreign Affairs.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the House to bills of the following titles:

S. 1816. An act to amend the act to regulate commerce, as amended, and for other purposes; and

S. 2356. An act to amend the act to regulate commerce, as amended, and for other purposes.

The message also announced that the Senate had passed bills of the following title, in which the concurrence of the House of Representatives was requested:

S. 2688. An act to extend the time for constructing a bridge across the Missouri River near Kansas City, Mo., authorized by an act approved June 17, 1914; and

S. 2360. An act to incorporate the American Academy of Engineers.

ENROLLED BILLS SIGNED.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 1816. An act to amend the act to regulate commerce, as amended, and for other purposes; and

S. 2356. An act to amend the act to regulate commerce, as amended, and for other purposes.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that on August 6, 1917, they had presented to the President of the United States, for his approval, the following bill:

H. R. 4285. An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

EXTENSION OF REMARKS.

Mr. GREGG. Mr. Speaker, I ask leave to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, does the gentleman object to stating upon what subject?

Mr. GREGG. No; it is on the question of the cost of the production of steel and steel plate—some figures I have gotten up.

The SPEAKER. Is there objection?

Mr. NORTON. Mr. Speaker, is that request in order under the agreement made for adjournments?

The SPEAKER. Well, the Chair does not think it is, but it has already been done.

Mr. AUSTIN. Mr. Speaker, reserving the right to object, may I ask the Member from Texas if it has any relation to this ship controversy?

Mr. GREGG. No, sir; it has not.

The SPEAKER. Is there objection?

Mr. MOORE of Pennsylvania. Mr. Speaker, I was not here when the agreement was made, but my understanding was the agreement contemplated no business should be transacted.

The SPEAKER. That is exactly what the agreement did contemplate.

Mr. MOORE of Pennsylvania. For the present I object because it would open up, I believe, a flood of requests——

Mr. GREGG. I will say to the gentleman I have not consumed any time of this Congress in debate.

Mr. MOORE of Pennsylvania. I realize that, and as I understand no objection was made in the beginning I do not object to the gentleman extending his remarks but I will from this time on object to the extension of remarks pending this agreement.

Mr. SLAYDEN. Will the gentleman permit a question?

Mr. MOORE of Pennsylvania. Yes.

Mr. SLAYDEN. Do I understand the agreement to do no business goes so far as to prevent a Member from asking unanimous consent to speak or to extend remarks in the RECORD?

Mr. MOORE of Pennsylvania. As I read the agreement that is the way I interpret it, and it seems that interpretation is sustained by the opinion of the Speaker.

The SPEAKER. The Chair will state to the gentleman from Texas that this whole matter was thoroughly thrashed out here about three weeks ago. The gentleman from Wisconsin [Mr. COOPER] elucidated the subject and several gentlemen joined in with him, and it was tacitly agreed at that time that it did cut out unanimous-consent requests to extend remarks, and the Chair will not recognize anybody else for that purpose and the only reason he recognized the gentleman from Texas was on account of its peculiar condition.

Mr. SLAYDEN. Mr. Speaker, may I ask another question, please? I am not perfectly clear yet on one point. Does it contemplate merely the prevention of extension of remarks, or does it prohibit by unanimous consent the making of a speech?

The SPEAKER. Why, the agreement was, after Mr. COOPER raised the question—and it was wrangled over for 10 minutes or so—that it contemplated cutting out the extension of remarks, speeches delivered on the floor, and everything else except business from the Speaker's table and the reading and adoption of the Journal, and the question was then raised whether you could swear in a Member, and the Chair said that no agreement could cut out his right to be sworn in.

Mr. MOORE of Pennsylvania. I think if the gentleman from Texas will look at the first page of the calendar this morning, where the agreement is printed in full, he will find that it is the understanding that no business shall be transacted after the reading and approval of the Journal.

Mr. SLAYDEN. I want to submit a few observations on the right of small nations to live, a question we are all professing to be interested in and a view from which, I think, nobody dissents.

The SPEAKER. Well, the Chair attempted to state what the agreement was, and the Chair did state it. Is there objection to the gentleman from Texas [Mr. GREGG] extending his remarks? [After a pause.] The Chair hears none.

Several speeches are provided for to-day: The gentleman from Mississippi [Mr. COLLIER], 30 minutes; the lady from Montana [Miss RANKIN], 30 minutes; the gentleman from Arizona [Mr. HAYDEN], 30 minutes; and the gentleman from New Jersey [Mr. PARKER], 15 minutes. The reason why the Chair makes this statement is that the gentleman from Mississippi agreed to yield three minutes to the gentleman from North Carolina [Mr. POU], and the lady from Montana has agreed to yield six minutes to him, and he wants to put the two contributions together so that he could speak for nine minutes after the lady from Montana has finished her remarks.

Mr. JOHNSON of Washington rose.

The SPEAKER. For what purpose does the gentleman rise?

Mr. JOHNSON of Washington. To make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JOHNSON of Washington. How can gentlemen who have obtained time handy it about? Have they the right to parcel that time out?

The SPEAKER. Well, that has been the uniform practice of the House, except under the five-minute rule.

Mr. JOHNSON of Washington. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. The gentleman from Washington makes the point that a quorum is not present. The Chair will count.

Mr. HEFLIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HEFLIN. I thought that the agreement that was had between the two sides was that no point of no quorum would be made.

The SPEAKER. No; that was not in the agreement.

Mr. HEFLIN. Except when business was undertaken to be transacted.

The SPEAKER. The Chair did not understand.

Mr. HEFLIN. My understanding was that no Member would make the point of no quorum unless it was intended to transact business.

The SPEAKER. No. There was not any agreement of that sort made. That was not a part of the agreement.

Mr. FOSTER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FOSTER. Was not the unanimous-consent agreement that these Members should have the right to speak at this time to-day? It is in violation of that agreement.

The SPEAKER. The Chair knows; but that does not preclude the point of making the point of no quorum.

Mr. JOHNSON of Washington. Mr. Speaker, I withdraw my point of no quorum.

The SPEAKER. The gentleman from Washington withdraws it.

LEAVE OF ABSENCE.

The SPEAKER. The Chair lays before the House the following personal requests, which the Clerk will read.

The Clerk read as follows:

TUESDAY, AUGUST 7, 1917.

Hon. CHAMP CLARK.

DEAR MR. SPEAKER: The Naval Affairs Committee are to make a tour of inspection, lasting probably three weeks. As a member of that committee, I ask a leave of absence during that period to attend to the duties of inspection.

Cordially,

F. C. HICKS.

AUGUST 7, 1917.

DEAR MR. SPEAKER: I respectfully ask for indefinite leave of absence, on account of illness of my mother.

C. H. RANDALL.

The SPEAKER. Without objection these requests will be granted.

There was no objection.

ORDER OF BUSINESS.

Mr. BLANTON. Mr. Speaker, I have a copy of a short resolution passed by the House of Representatives of the State of Texas, which I want to present to this House.

The SPEAKER. That is against the agreement. The only thing in order is the recognition of these people to make speeches.

Mr. WINGO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WINGO. Do I understand that this agreement contemplates that no further permission to speak will be granted by the House until the gentleman from North Carolina [Mr. KITCHIN] indicates that we are ready to resume business?

The SPEAKER. That is exactly what it means. It is demonstrated by the fact that somebody else wanted to get leave to make speeches.

Mr. NORTON. Mr. Speaker, in order that we may not get into a further tangle, I call for the regular order.

The SPEAKER. The regular order is that the gentleman from Mississippi [Mr. COLLIER] shall address the House for 30 minutes.

THE GREAT EUROPEAN WAR.

Mr. COLLIER. Mr. Speaker, upon the beginning of the great European war the United States immediately assumed a position of strict neutrality. The proclamation of President Wilson to this effect was expected, and it at once met with the universal approval of the American people.

The Monroe doctrine guaranteeing the territorial sovereignty of our sister Republics in South and Central America from foreign aggression, always a principle of the utmost importance to all countries in the western continent, had recently, by way of emphasis, been reaffirmed by the United States both in 1899 and 1907 at The Hague Conventions.

Next in importance to the Monroe doctrine has been that principle, first laid down by Washington and universally practiced by his successors, whenever it was possible so to do, of avoiding all embarrassing and entangling alliances, or mixing in the quarrels of our European neighbors. For us to intervene in a European quarrel would be an invitation to them to violate both the letter and the spirit of the Monroe doctrine.

It was in accordance with this time-honored principle, as well as an earnest desire that our country be spared the horrors of war which postponed for many days the inevitable conflict with Germany, and it was only after repeatedly submitting to many outrages that the United States reluctantly entered the war. [Applause.]

To have delayed longer would not only have placed our country in a humiliating attitude before all the world, but would have also meant the surrender of those inalienable rights and privileges which from time immemorial have been guaranteed to every country by the laws of nations. Such a surrender would have caused the United States to lose its prestige among the countries of the earth and inevitably sink to the level of a second or third rate power.

Much has been written about the causes which led to the great struggle now convulsing all Christendom, and both the entente and the central powers try to lay the blame upon the other. But truth, ever faithful to her trust, is mighty, and even though crushed to earth in the end it will prevail, and when the real facts in regard to this war will be known, the future historian will charge this great crime against Christianity and civilization to the Imperial German Empire.

At the present time much is conjecture. Some of the evidence against Germany is direct, some circumstantial, but conjecture, history, and tradition of the Fatherland, evidence circumstantial and evidence direct, all together, like so many interlocking links in a chain, make an indictment against the Imperial German Government from which it can never escape.

The cowardly and abominable assassination of the Archduke Franz Ferdinand and his wife, the Duchess of Hohenburg, by the young student Gabrillo Princip, on June 28, 1914, in the streets of Sarajevo, the capital of Bosnia, was no more the cause of this war than was the munition maker who made the gun from which the deadly missile came which sank the *Lusitania* the cause of the destruction of that great vessel. The assassination of the heir to the Austrian throne was the fuse which fired the cannon loaded, primed, and trained upon the enemy. It was a pretext eagerly seized by Austria to humiliate Serbia. There was much antagonism and hatred between the two countries. Each feared the other. Serbia was the stumbling-block in Austria's plans for Balkan control. Austria had already seized part of the Balkan territory by annexing, in 1908, Bosnia and Herzegovina. Through the Balkan Peninsula was the only route by which Germany could extend its operations in the East and secure an outlet on the Adriatic, Ægean, and Mediterranean Seas. It was the only way Germany could reach the important seaport of Saloniki in the domain of his brother-in-law, the King of Greece. A railroad from Berlin to Bagdad would have shortened the distance to India by 10 days. It would have been of incalculable benefit to Germany in a commercial way It would in case of war have placed Germany in close proximity to the Suez Canal, and Egypt could have been attacked from the land side. This railroad was a cherished plan of the German Kaiser.

Despite the Armenian and other inhuman atrocities, Germany had for some time been making friendly overtures to the Turk, and, as after events showed by which Turkey entered the war as an ally of the central powers, these overtures were received with much favor by the Ottoman Empire. It is strange that these overtures should have been so enthusiastically received, for German aggression in Asia and Africa through Turkish territory would be in every way inimical to the best interests of the Turkish Empire. However that may be, Germany had firmly established a friendly footing with the Ottoman Government. The benefits to be derived by Germany were great, and it was essential that Austria, Germany's ally, should have a free hand in the Balkans as the first step in Germany's campaign for both military and commercial supremacy in the East.

The Balkan Peninsula was the scene of much strife and turmoil, and the different Balkan States were frequently fighting among themselves. That much of this turmoil and fighting was the result of Austrian diplomacy there can be little doubt. There was, for a while, intense rivalry between Serbia and Bulgaria for supremacy in the Balkans, but Serbia had in recent wars completely demonstrated that the title to supremacy in Balkan affairs was hers. Serbia, dismembered, would have removed the chief obstacle to Austria's control in the peninsula and at the same time would put an end to the Serbian propaganda of hate which was the cause of much disquiet and unrest in the Slavonic Provinces of the dual monarchy. Over 40 per cent of the Austrian population was Slavonic. Many of these Slavs were ripe for revolt, and a confederated Balkan Peninsula was the least desirable of all things to Austria. In this Austria had a firm ally in Germany and as the former country was completely under German control and dominated by German interests, as long as Austria held a firm hand in Balkan affairs the German Kaiser's dream of a railroad from Berlin to Bagdad held the promise of its fulfillment.

Of all the Balkan States Serbia was the most important. Though a small power, yet Serbia also had dreams of conquest. She had already shown military ability of the highest order. The blood of her people being almost purely Slavonic, there was a strong affinity between Serbia and the Russian Empire. Unquestionably historical, cultural, military, and racial right to supremacy in the Balkans belonged to Serbia. She was bound by ties of blood and interest to Montenegro, the only Balkan State which never surrendered to the Turk. A footing upon either the Adriatic or Ægean Seas would in a short time develop Serbia into a great commercial nation and would mean the emancipation of all the southern Balkan territory from Turkey. The dream of Serbia was a united Slavonic Balkan confederacy with Serbia occupying practically the same position in this confederacy that Prussia occupied in the German confederation. It is doubtful whether this could ever have been accomplished. Certainly, however, no other Balkan State was capable of bringing about this confederation. Always in dread of Austrian encroachment an intense hatred sprang up between the two countries, which was intensified on the one hand by the activity of secret societies supposed to be backed by the Government of Serbia intriguing and spreading dissatisfaction among the Austrian Slavonic Provinces and on the other by the annexation by Austria of Bosnia and Herzegovina, and the fear of further encroachment.

The Bosnians and the Herzegovinians resembled their Serbian neighbors in thought, in racial characteristics, and in appearance. They have the same race pride, the same love of country, of poetry, of music, and of romance. They have the same superstition, the same customs, and speak the same language as the Serbians. Up to 1878 Bosnia and Herzegovina were nominally Turkish Provinces and had repeatedly attempted to throw off the Turkish yoke. At the completion of the Turko-Russo War, by the terms of the treaty of Berlin, Bosnia and Herzegovina, with the consent of the other powers, were transferred to their powerful neighbors on the north, with the distinct understanding that when order and tranquillity had been restored Austria would withdraw and permit them to become independent States. But in 1908, Austria, with the approval of Germany, and taking advantage of Russia's weakened and demoralized condition after the Japanese War, and the domestic troubles then convulsing Great Britain, repudiated the treaty of Berlin and annexed both Bosnia and Herzegovina. Russia, Great Britain, and other powers at once entered vigorous protests, which were met with an emphatic declaration from Germany that Austria's aggression in Balkan territory would brook no interference. It was made plain by the Imperial German Government that in Balkan matters the cause of Austria was also the cause of Germany. The other powers submitted, but this annexation aroused great excitement and intense resentment in Serbia. For so closely did the Bosnians and the Herzegovinians resemble the Serbs that Serbia felt as though part of her own territory had been seized by Austria. The natives of the annexed Provinces, already intensely antagonistic to Austria, were also much incensed by the high-handed way in which Austria had repudiated the treaty of Berlin and annexed them without their will or consent. This act of Austria was the cause of the Serbians increasing the propaganda of hate and dissatisfaction which had been industriously spread in all the Balkan territory under Austrian control.

A confederation or political alliance of the Balkan Peninsula would have united, roughly speaking, a territory of about 237,000 square miles, with a population of over 27,000,000. This, however, would include Greece, with about 25,000 square miles and a population of about two and a half millions. It would also include what is left of the Turkish dominion in Europe. This federation or alliance of over 27,000,000, with Serbia the dominant and commanding power, would not only have so commanded the respect of Russia and the other powers that it would have been a decided check to the ambitious plans of dominion for Germany but, what was far more important to Austria, it would have been a source of constant anxiety for fear the Slavs in Austria, already discontented and ripe for revolt, would, relying on the power of the federation, be continually tempted to revolt and throw off the Austrian yoke. Bosnia and Herzegovinia, with a population of over 2,000,000, Dalmatia, with over 700,000, and Croatia-Slavonia, with over 1,200,000, were eagerly waiting an opportunity to rebel, while in the north Bohemia, the richest part of all Austria-Hungary, with its 6,500,000 people, were eagerly awaiting any kind of an opportunity to throw off the Austrian rule.

The Serbians were keenly aware of the importance both to Austria and Germany that Serbia should be destroyed. Once

Serbia was dismembered and partitioned among the greedy Balkan States, the central powers had little to fear, as only the genius and the primacy of Serbia could effect any kind of confederation or organization in the Balkans.

Knowing this, the Serbians on several occasions, in order to avoid a conflict which, unaided, would have meant their ruin, submitted to much humiliation. That Russia was also keenly alive to this situation is shown by the instant mobilization of her troops upon the Austrian and Serbian frontiers immediately after the ultimatum was sent to Serbia.

That France knew the extent of the German plan for world-wide control can not be doubted. Germany's attitude on many occasions, especially during the Moroccan embroglio, even going so far as to send a gunboat to Algiers, put France on notice. England alone appeared to be singularly blind to the extent of Germany's schemes of world aggrandizement. This is partly explained on the theory that England had for so many years regarded Russia as its hereditary enemy that the plans of Germany, a much more formidable power, were overlooked. The ceding by England of the island of Helgoland to Germany in exchange for a free hand in Zanzibar will ever be regarded as one of the colossal blunders of history, though, strange to say, this treaty, while unfavorably regarded in England, was even more unpopular in Germany. But German diplomacy knew the strategic importance of this island. It was at once strongly fortified, and protects the mouth of the Kiel Canal, giving Germany two outlets to her fleet, each adequately protected and in case of attack, forcing England to divide her fleet. So important did the German Kaiser regard this island that he immediately went to the expense of doubling the width and extending the depth of the Kiel Canal so as to allow easy passage of the largest superdreadnaught.

It is strange that the tremendous naval program of Germany did not put England on notice. So vast were these naval appropriations that up to 1907 Germany was spending $73 where England was spending $23. England, finally becoming alarmed at the rapid growth and development of the German Navy, proposed an agreement whereby each country would curtail the burdens of naval expenditure. This proposition was declined, and then England kept pace with Germany in naval preparation. At about the same time France became alarmed at the enormous preparations going on in Germany in reference to the huge land force and heavy armaments, and entered a protest, which was of no avail.

That the intention of Germany was to dominate the European powers and seize such of the colonial possessions of these powers as best suited her pleasure, while difficult to prove, yet it may well be believed. German thought and German kultur was obsessed with the idea that it was the mission of the German Empire to impress its peculiar form of civilization upon the rest of the world. The Kaiser himself and the strong writers of Germany, while closely adhering to the doctrine that might makes right, seemed to think that Germany had been chosen by God to rule over and reorganize, as it were, the rest of mankind. So vast has been their military preparations, so long has this idea obsessed the minds of Germany's best thinkers, and so ready and eager were they for the conflict, that there can be little doubt but that the Hohenzollern Kaiser thought the time was ripe, the occasion propitious, to test his wonderful war machine and put this gigantic plan into execution.

Since the days when by the ability and shrewdness of the Great Elector his son Frederick became the first King of Prussia, the Hohenzollerns have been the incarnate spirit, the very embodiment of military preparation, and the most conspicuous example of military and arbitrary force of any nation in the world. With the Hohenzollerns greed for territory has been a mania. They held what they once acquired and immediately began to Prussianize the territory often acquired with the merest shadow of right, and the Prussian manners, customs, and military spirit was at once so indelibly impressed upon the new territory that in time it partook of the characteristics of the old. By steadfastly and inexorably pursuing this policy the small State of Brandenburg, with only 15,000 square miles and a population of only about 4,000,000 people, from the latter part of the fifteenth century, has developed into the mighty German Empire of to-day, ruled over by a Hohenzollern Kaiser, who, notwithstanding over a million and a half of his best men have been slain on the battle fields of Europe and nearly all of Christendom is arrayed against him, still dreams of German kultur dominating the rest of the world.

Brandenburg in the seventeenth century acquired Pomerania, with over 1,700,000 inhabitants, East Prussia, with a population of over 2,000,000, and the towns of Halle, Magdeberg, Hallestadt, Ruzberger, Rippin, and Linden, and all of this territory soon absorbed the Hohenzollern ideas of military force. The eighteenth and nineteenth centuries, up to 1870, saw a great development and growth of Prussia. There was acquired West Prussia, with over 2,000,000 inhabitants; Silesia, with over 5,000,000; Posen, with 2,000,000 inhabitants; the Province of the Rhine, with over 7,000,000; Westphalia, with over 4,000,000; the rest of Pomerania; a great slice of Hanover, and numberless cities and towns. This was the Kingdom of Prussia which in 1866, completely and decisively defeating Austria, eagerly welcomed the foolish blunders of Napoleon III, and in a few months overran France and seized all of Alsace and a great part of Lorraine. The easy victories over Austria and France so increased the prestige of the Kingdom of Prussia that it was comparatively easy for Bismarck to persuade the rest of Germany to come into a federation with Prussia at the head and form the German Empire.

When the Crown Prince of Austria and his wife were assassinated, there was great excitement in Austria and intense feeling against Serbia arose. It was contended by the Austrians that the plot to assassinate the Crown Prince was carefully laid in Belgrade and that the Serbian Government was directly responsible for the abominable crime. This charge stirred Europe to its very foundations. France and Russia had entered into an alliance called the dual alliance. Germany, Austria, and Italy had also entered into an alliance. The relations between Russia and Serbia were close, bound together by ties of blood, kindred, and interest. The Serbians more resembled the Russian Slavs than any other Balkan State. Austrian domination of the Balkans opened the door to all the Kaiser's dreams of conquest in Africa and Asia. Hence Europe was much disturbed over the assassination at Sarajevo.

After several weeks had elapsed and men's minds had cooled, it seemed to be generally understood that while Austria would make demands on Serbia in the nature of an ultimatum, yet these demands would be such that Serbia could comply, and Europe breathed again. It seems that Count Berchtold, the Austro-Hungarian Premier, had assured the Russian Ambassador that no extraordinary demands would be made upon Serbia and the ambassador was absent on a brief vacation when the ultimatum was sent. The ultimatum sent to Serbia was such that no nation could submit and retain its sovereignty. The ultimatum was evidently one Austria did not believe Serbia could accept, nor want Serbia to accept. It required that Serbia should repress every publication that intended to reflect upon Austria; to dissolve all the anti-Austro-Hungarian societies; to eliminate without delay all instructors and all educational matter which might serve to foment a propaganda against Austro-Hungary; and remove all officials from military and administrative service guilty of such propaganda, the names of which would be submitted by Austria later; to accept the collaboration of Austrian representatives to help enforce these demands; to permit Austrians to sit as a court in Serbia and participate in the judicial inquiry against the accessories to the plot to assassinate the Crown Prince and his wife; to arrest certain personages whose names were set forth in the ultimatum; to make public apology for the utterances of Serbian high officials, both at home and abroad, who after the crime of the 28th of June did not hesitate to express themselves in terms of hostility toward the Austro-Hungarian monarchy; and to inform the Imperial Government without delay of the carrying out of these measures. An answer was demanded in 48 hours.

Never was a more humiliating or insulting document sent from one civilized country to another. It was not expected that Serbia could comply with these demands.

It is contended by some that Germany had knowledge of this ultimatum before it was sent to Serbia. That Germany approved the ultimatum can not be questioned; also that Germany was opposed to a further extension of the 48-hour limit seems to be well established. Briggs Davenport, in his interesting history of the great war, which shows a remarkable familiarity with Balkan affairs, tells us that the text of the ultimatum was telegraphed to the Kaiser, who amended it in some particulars "in the direction of greater severity, so that the chance of evasion on the part of Serbia was minimized. It was he who fixed at 48 hours the limit of time for the response." However this may be, Germany refused to join in with Russia, England, and France requesting Austria to grant Serbia more time. The British ambassador telegraphed to Sir Edward Grey that "although I am not able to verify it, I have private information that the German ambassador knew the text of the Austrian ultimatum to Serbia before it was dispatched, and telegraphed it to the German Emperor. I know from the German ambassador himself that he indorsed every line of it." Both the Russian ambassador and the Belgian minister at London on the 28th day of July expressed the opinion that

Austria would never have sent such an ultimatum to Serbia without first showing it to Germany and having some agreement with that country. The note to Serbia was dispatched at an unfortunate time in so far as it concerned the powers who tried to preserve peace. The Russian ambassador had left Vienna on a brief vacation; the Serbian prime minister, Pachitsh, was absent from Belgrade; President Poincare, of France, and Réné Viviani, head of the ministry, were on the road returning from a visit to the Czar. The Kaiser was away from Berlin and could not be located for some time.

Serbia complied with practically all of the Austrian demands save that one which permitted Austrians to sit as a court in Serbia. Austria then invaded Serbia. Russia then declared war against Austria. On August 1 Germany declared war against Russia. On August 2 Germany sent an ultimatum demanding a right of way through Belgium into France, the day before war was declared against France. Belgium refused. The next day, August 3, Germany declared war against France because some French aeroplanes had flown over the border, and began to advance on France through Belgium. On August 4 Germany declared war on Belgium. Great Britain, Prussia, France, and Russia had jointly signed a document afterwards referred to by the German chancellor as "a scrap of paper" guaranteeing to preserve the neutrality of Belgium. The Fifth Hague Convention declared, in article 1, "that the territory of neutral powers is inviolable," and, in article 2, that "belligerents are forbidden to move across the territory of a neutral power troops or convoys, either of munitions of war or supplies," and, in article 5, that "a neutral power ought not to allow on its territory any of the acts referred to in articles 2 and 4."

When Great Britain saw that the neutrality of Belgium was disregarded, England then declared war on Germany. The German troops attacked Liege, and the greatest war in the history of the world had begun.

That Germany had dreams of world-wide dominion and control seems to be firmly fixed in the minds of many of the best thinkers here and abroad. Some think that primarily this control meant supremacy only in commercial affairs; there are others who believe Germany was after territory both in Europe and the East; but all are agreed that Prussian militarism was prepared to extend German commerce by the sword rather than by diplomacy and treaty. Arrogance, conceit, and intolerance mark the utterances of the Kaiser and Germany's most intellectual men, and give color to the obsession that Germany seems to have that it possesses some sort of a divine right to rule over the rest of mankind. They seem to think that Germany is so far superior to other countries in morals, in culture, in education, in the sciences and the arts, and in every other way that it is the mission of that country to exercise a protectorate over the universe and forcibly extend to less favored nations the inestimable blessings of German kultur.

I do not want to do the German people an injustice. Many of my warmest and best friends are descendants, direct descendants, of Germans, noble, high-minded, God-fearing, generous-hearted men and women. As Edmund Burke once said, "I do not know how to bring an indictment against a whole people," and I can never believe that the great masses of the German people are inspired by German kultur.

The gentleman from Michigan [Mr. HAMILTON] in his excellent speech several weeks ago stated that—

> The cultured individual German, as we know him, is a student, a reader, a thinker, a lover of art, a man of high ideals. The average individual German, as we know him, is industrious, methodical, honest, and loyal to his adopted flag. These men and women came here to escape militarism; they came here to escape the iron walls of caste; they came here because our flag means widened opportunity.

I think that view is generally accepted of the characteristics of the German people and their descendants here in America. It is the system of Prussian militarism, the teachings of Prussian kultur which has made Germany to-day an international outlaw and an outcast among all the civilized nations of the world.

President Wilson, in his address to Congress on the 2d day of last April, has perhaps better than anyone else expressed our real feelings toward the German people. He said:

> We have no quarrel with the German people. We have no feeling toward them but one of sympathy and friendship. It was not upon their impulse that their Government acted in entering this war. It was not with their previous knowledge or approval. It was a war determined upon as wars used to be determined upon in the old, unhappy days, when peoples were nowhere consulted by their rulers and wars were provoked and waged in the interest of dynasties or of little groups of ambitious men who were accustomed to use their fellow men as pawns and tools. Self-governed nations do not fill their neighbor States with spies or set the course of intrigue to bring about some critical posture of affairs which will give them an opportunity to strike and make conquest. Such designs can be successfully worked out only under cover and where no one has the right to ask questions. Cunningly contrived plans of deception or aggression, carried, it may be, from generation to generation, can be worked out and kept from the light only within the privacy of courts or behind the carefully guarded confidences of a narrow and privileged class. They are happily impossible where public opinion commands and insists upon full information concerning all the nations' affairs.

The greatest and most intellectual writers and thinkers of Germany clamor for world dominion. In 1913 an official German report reads in part:

> Neither ridiculous shriekings for revenge by French chauvinists, nor the Englishman's gnashing of teeth, nor the wild gestures of the Slav will turn us from our aim of protecting and extending German influence all the world over. It is our sacred duty to sharpen the sword that has been put into our hands and to hold it ready for defense as well as for offense * * *. We must accustom them (our people) to think that an offensive war on our part is a necessity * * *. We must stir up troubles in the north of Africa and in Russia. In the next European war it will also be necessary that the small States shall be forced to follow us or be subdued. In certain conditions their armies and their fortified places can be rapidly conquered or neutralized; this would probably be the case with Belgium and Holland.

This in 1913 when Germany in 1907 subscribed to the doctrine that the territory of a neutral power is inviolable, and that—

> Belligerents are forbidden to move across the territory of a neutral power troops or convoys, either of munitions of war or supplies.

And also in view of the fact that Germany, England, Russia, and France had guaranteed to respect the integrity and maintain the neutrality of Belgium.

This report well accords with Bismarck's utterance:

> When the power of Prussia is concerned I know no law.

Several years before the war the Pan Germanic League published a manifesto under the name of Universal Empire. It declared:

> Progressive effort will be carried on until our batteries can be unmasked without danger. Europe will then find herself confronted by a situation already prepared, even to the minutest details, and against which she will be powerless.

The Kaiser said:

> The sea is our empire; the trident is ours to wield.

German world-wide dominion was taught in the schools. Prof. von Seyden declared in the Frankfurter Zeitung:

> Germany should and wishes to be let alone. The Germans are the elect people of the earth. They will accomplish their destiny, which is to govern the world and to direct the other nations for the welfare of humanity.

Maximilian Hardin, in Die Zukunft, said:

> After all it is visibly the meaning of history that the white race, under the leadership of the Germans, shall arrive at the real and ultimate domination of the world.

Prof. Schmoller, a German publicist of great authority, is quoted as writing:

> We must wish that at any price a German country peopled by twenty to thirty million Germans may grow up in southern Brazil.

Such teachings by the most intellectual men in Germany, after nearly 50 years of gigantic military preparation, coupled with a sincere belief in the minds of many that the German people were the chosen instrument of God to reform and chastise the world, might well cause apprehension to the other powers. Nor was this apprehension allayed when men like Haeckel taught—

> that force takes priority over right.

When Clausman stated:

> All idea of philanthropy in war is a pernicious error.

When the Kaiser said:

> Nothing must henceforth be settled in this world without the intervention by Germany and the German Empire.

To which Treitschke, one of the greatest of all modern German writers, added:

> To whom shall belong the scepter of the universe.

And who also taught that power and expediency were the sole criterions of right.

And that—

> war is the only remedy for ailing nations.

And also—

> that the living God will see to it that war constantly recurs as a dreadful medicine for the human race.

When the great Gen. von Moltke said:

> War is an ordinance set by God.

Treitschke again said:

> We have learned to know the moral majesty of war in the very thing that to superficial observers appears brutal and inhuman.

Upon such reasoning was undoubtedly justified the inhuman cruelties in Belgium. Bernhardi, another great German writer, speaks of the "sanctity of war" and called it a—

> divine institution more noble than dispensing justice; that a State can not commit a crime and that its highest duty is to increase its power; that between one State and another there can be no law; that a war of conquest is as legitimate as a defensive war; and that the maintenance of peace ought never to be a political aim.

And again:

The efforts directed toward the abolition of war must not only be termed foolish but absolutely immoral and must be described as unworthy of the human race.

That war was "the force which propagated the finest flower of civilization" and was "the only efficient school of heroism."

And yet this bloodthirsty, war-crazed individual was one of the greatest intellects in all Europe and wielded a powerful influence in molding the minds of the German people.

The learned Prof. Eucken, of the faculty of Jena, taught that—

to us more than any other nation is intrusted the true structure of human existence.

Von Buelow, the imperial chancellor, says:

We Germans are the most learned people of the earth and at the same time the most capable in war * * * the military and the intellectual deeds of the Germans are unequaled.

The chiefs of the intellectuals declared:

The German people are the elect of God and their enemies are His enemies.

It is astonishing how so many intellectual people could get the idea that they hold a commission from God to regulate the universe. Said the Kaiser:

We Hohenzollerns take our crown from God alone, and to God alone are we responsible.

He contends that he is the vicegerent of God; that he is His sword and His weapon. He declares that upon him the spirit of God has descended, and he threatens with death all who disbelieve. As a boy he is said to have written on his photograph, presented to a friend:

Let them hate if but they fear.

He once stated to his soldiers, as they started to put down the Boxer rebellion:

Remember that when you meet the foe that no quarter will be given and that no prisoners will be taken.

Again he is reported as saying to his troops:

You are my soldiers. You have given yourself to me body and soul. If I were to ask you to fire on your own brothers or your parents, or to put them to the sword, remember your oath.

He solemnly announced that—

the world will one day be made whole through the efficacy of the German character.

No wonder the powers of Europe were apprehensive when they listened to such teachings. German kultur teaches that they are morally superior to the other peoples of the world. How have they shown their kultur? How have they proved their morals? Admiral von Tirpitz declared two years ago that the allies' ships should be sunk without warning, and, according to newspaper reports, one German officer, high in rank, recently declared:

It were much better that all on board perished, as it would strike terror to the hearts of the enemies of Germany.

What does German kultur mean? What does German kultur stand for? If a tenth part of the reports we have received are true, it means soldiers going into guiltless, unhappy, defenseless Belgium and committing outrages which would have brought the blush of shame to the face of an aboriginal untutored savage. It means the wholesale violation of young girls before their anguished parents' eyes. It means holding up a white flag and firing on the unsuspecting soldiers as they approached. It means the slaughter of defenseless men, the bayoneting of little children, and the murder of gentlewomen. It means dropping bombs upon sleeping cities where women and children were torn and mangled beyond all recognition. It means the burning and destruction of Red Cross hospitals. It means deporting the men to work in the fields of Germany, leaving the wives and little ones at home to starve. It means cutting off the breasts of women and the hands of boys and girls. It means using helpless men, women, and children as human screens, forcing them to go before the German attack to be shot down by their friends. It means stealthily, silently creeping up on an unsuspecting passenger vessel and sending it to the bottom of the sea, and as the men, women, and children flounder, half strangled, drowning in the water, German kultur means that German bullets shall complete the work the torpedo started.

Yet Dr. Adolph Lassen, privy counselor to the Kaiser, is said to have written:

We are morally and intellectually superior to all others; without equals. * * * We have no friends. All fear us and all look upon us as dangerous, because we are intelligent and active and morally superior to all.

Gen. von Disfurth was nearer correct when he stated in a published interview:

Germany stands as the supreme arbiter of her own methods, which in time of war the world must be compelled to accept. * * * For my part, I hope that we have merited in this war the title of barbarians.

There can be no doubt that all Christendom will admit that Gen. Disfurth's fondest hope has been realized. Gen. Hartman said:

When the national war breaks forth terrorism becomes a necessary military principle. * * * The fighter has need of passion. * * * Violence and passion, these are the two principal levers in every act of war, and, let us say it fearlessly, of all warlike grandeur.

Erzberger, a leader of the conservative party in the Reichstag, who now is clamoring for peace, is quoted as saying:

This war ought to be as pitiless as possible.

Henrich Heine, born in Prussia, wrote that Christianity itself could not destroy "the brutal German joy of battle."

Marshal von Haesseler was quoted as saying:

If a people have the right of dominion, its power of conquest constitutes the highest moral law, and before it the vanquished must bow.

The murder of Capt. Fryatt and Miss Edith Cavell must have been justified by this law. Capt. Fryatt, who commanded a British merchant steamer, was in March, 1916, attacked by a submarine without warning. He attempted to ram the submarine and forced it to submerge, thus saving his vessel from destruction and himself and crew from probable death. About three months afterwards, while piloting a passenger vessel with a number of unfortunate Belgian refugees aboard, he was captured by German torpedo boats and taken to Bruges and tried by court-martial for attempting to destroy a German submarine several months before. A generous enemy applauds a brave act, a heroic deed, even if committed by a foe. But German kultur, so superior to the morals of the rest of the world, demanded the blood of this man, who, in order to save the lives of himself and crew, dared to resist the murderous attack of a German submarine. He was sentenced to death and immediately executed.

A Dutch paper called this crime "a dastardly murder of spite and hatred."

This superior kultur was well illustrated in the murder of Miss Edith Cavell, an English nurse, who had in the hospitals nursed back to life again scores of wounded German soldiers. She assisted some wounded English and Belgian prisoners to escape. For this she was tried by a secret court-martial and sentenced to be executed. The American minister tried in every way in his power to save the life of this noble woman, whose gentle ministrations among the sick and wounded knew no distinctions of country, but to no avail. She was taken to the place of execution and faced the firing squad. It is said that when this young woman faced that firing squad that, hardened soldiers as they were, their hearts were touched with compassion. The order was given to fire, and when the smoke cleared away it was found that she was only slightly wounded, one bullet alone having touched her. But German kultur needed this sacrifice to carry out its high ideals, and the officer in charge of the execution, drawing his pistol, advanced upon the unfortunate woman and shot her through the head. About the same time across the English Channel a German woman, a detected and self-confessed spy, who fearlessly and defiantly admitted her guilt and gloried in her deeds, was tried by an English court-martial. She was also convicted and sentenced to six months' imprisonment in an English jail; yet the English woman, who had a hundred times risked her life in nursing back to health scores of sick and wounded German soldiers, was shot down like a dog.

Baron von Bissing is said to have remarked—

When thousands of innocent people have died in the war, why should anyone become hysterical over the death of one guilty woman?

An English committee, with Hon. Viscount Bryce, former ambassador to the United States, as chairman, was appointed to take testimony and investigate the alleged German atrocities in Belgium, and if a twentieth part of this report is authentic it shows a series of outrages unparalleled in the annals of civilization. Many of them were so obscene and revolting in their details that I will not recount them here. We must remember, however, that this report comes from sources intensely antagonistic to Germany and no opportunity was given the German authorities to cross-examine the hostile witnesses who had recently been subjected to repeated outrages by the invading Germans. On the other hand, the fact that the leading writers and thinkers of Germany advocate a pitiless war of terrorism, together with the high standing and character of the members of the British commission, entitle this report to earnest consideration and credit.

The only excuse ever offered why these murders and outrages were committed on men and women and little children was that in some instances it was charged that civilians had fired upon German soldiers. These charges were rarely sustained, because the people of Belgium, terror stricken, did not, for the most part, dare to lift their hands against the cruel and

ruthless invader. The finding of a weapon in a house often doomed the entire family to instant execution. The sacred cloth of the priesthood of God, the weakness of womanhood, the feebleness of old age, and the prattling innocence of childhood fared alike at the hands of the barbaric German horde, which, like so many fiends from an inferno, hacked their way through prone, prostrate, bleeding Belgium. According to the British report signed by Viscount Bryce and others, after Liege was entered by the Germans hundreds of houses were burned and numbers of defenseless people were murdered. On the threshold of one house were found the dead bodies of a man, a woman, and a little girl about 9 years old. In one field 56 men were taken out and shot. Thirty-two civilians were killed in the Place de l'Universite and over 15 women were violated in open day in the public square. Some weapons were found in one house. All the inhabitants, father, mother, and little children, were driven into the yard and told to prepare for death. The family kneeled down upon the grass and began to pray. A few shots rang out and they fell back onto the green grass, and slept forever.

At Andene about 400 people were massacred and obscene orgies took place which decency forbids my relating. Eight men belonging to one family were murdered. One man was murdered in his kitchen when he was sitting with a child on each knee, and a paralytic was murdered in his garden.

The town of Namur was entered on August 24. This town made no resistance. A crowd of about 150 unarmed nonresisting civilians were on the streets watching the Germans enter the town. Germany's superiority in morals again asserted itself. They began firing upon the nonresisting, unarmed citizens and only about 10 escaped. They then burned about 140 houses. The next day the hospital was set on fire.

At Denee a cripple and an old paralyzed man of 80 were shot down in the streets. At Laurines, which made no resistance, a large number of unarmed people were shot. Aged women and little children, 5, 6, and 7 years old, among the number. At Hofstadt a civilian was stabbed in the stomach with a bayonet and his boy of 5 years of age had both his hands severed at the wrist. Six young women were stabbed to death with bayonets and a boy of 16 was repeatedly bayoneted in the chest. At Boort Meerbeck a German soldier fired three times at a little girl 5 years old, but he was a better exponent of German kultur than he was of marksmanship, and he failed to hit the screaming child as she was wildly running down the street. He pursued her and killed her with his bayonet. At Herent a German soldier shot a civilian and stabbed him with his bayonet as he lay dying on the ground. He then made a civilian prisoner smell the blood on the bayonet.

At Haescht 10 civilians were seen lying in a row by a wall, and the mutilated corpses of a woman and a child of 3 with its stomach cut open by a bayonet was lying near a house. At Weichter the corpses of a man, woman, and four young persons were found in one house. At Aerschott the priest of the village was struck several times and then shot by five soldiers, and 1,500 of the inhabitants were marched to Louvain, some very old, one over 90. The very old people were drawn in carts and wheelbarrows by the younger men. A German officer on a bicycle rode up and down the line and as people fell out by the side of the road shouted, "Shoot them."

Upon reaching Louvain these 1,500 inhabitants of the Aerschott district—men, women, and little children, who had been driven from their homes—were taken to the station, and as they stood, forlorn, helpless, homeless, broken-hearted, and terror-stricken captives, huddled together at the station, German soldiers fired a metrailleuse, a kind of machine gun, into that despairing mass of men, women, and children, while others began shooting with rifles. The people fell on all sides, and babes were seen falling out of their mothers' arms. These murders occurred in August. In September, at Haecht, several children were murdered, one of 2 or 3 years old was found nailed to the door by its hands and feet. At Capelle Au Bois two children were murdered in a cart, and at Eppeghem the dead body of a child of 2 was seen pinned to the ground with a German lance. At Alost 180 inhabitants were stated to have been shot after digging their own graves. At one country house the owner did not open the door quick enough, so he was tied and then shot. His wife came out with a little suckling child. When she saw her dead husband she put down the child and rushed at the Germans like a lioness. She was struck on the head with the butt of a rifle. Another took out his bayonet, fixed it, and thrust it through the child. He then put his rifle on his shoulder with the child upon it, its little arms stretched out once or twice. The house was then burned and the corpses thrown in it. There were about 40 prisoners standing there, and the officer in charge said to them:

I am doing this as a lesson and example to you. When a German tells you to do something next time, you must move more quickly.

Upon the retirement of the Germans after the battle of the Marne French troops entered one house, which had been occupied by Uhlans. They found two women and two children. One woman was dead, the body not yet cold. The left arm had been cut off below the elbow; the other woman was alive, but unconscious. Her right leg had been cut off above the knee. The little children, a boy about 4 and a girl about 6, were both dead. The boy's left hand and the girl's right hand were severed at the wrist.

At Sempst, after the Germans had been forced away, sickening and heart-rending exhibitions of German kultur were exposed. In their retirement the Germans took about 40 of the inhabitants with them and set the village on fire. A number of charred bodies were found in the smoking ruins of their unhappy homes. Civilians had been shot down indiscriminately in the streets, some while they were working in their shops. A farmhouse close by was on fire. There was discovered the body of the farmer, an old man, with his head cut off. Near by his two grown sons were lying dead from gunshot wounds. The wife of one had her whole left breast cut away and was covered with blood but still alive. She told the Belgian soldiers that six Uhlans came to the house and one of them said, "You have some Belgian soldiers hidden here." She replied, "No; there are none." Instantly he struck her, cutting off all of her left breast. The poor dying woman said they forced her little son, a boy 8 years old, to go up in the loft to see if there were any Belgians hidden. It was 20 feet to the loft. These inhuman monsters in the guise of men then removed the ladder, set the hay on fire, and the little fellow was burned alive. At another house the Belgian soldiers found four little children. There were no grown people around—none but these four children—three little girls and a boy, not dead but all dying, blood still flowing from four little bleeding arms, the hands hanging to the stumps only by the skin. A girl about 17 came up nearly naked, half wild, crying, and informed the horrified Belgians that 17 young girls, including herself, had been dragged into a near-by field, where unspeakable crimes had been committed, and that 12 of these young girls had been killed. Near Malines about 10 children, roped together, were driven in front of a German force to be killed by French and Belgian bullets. In the same battle about 60 or 80 Belgian civilians, men and women, were driven in front of the German troops to act as a screen for them. At Mons, on August 24, about 6 men, 20 women, and a dozen children were actually pushed in front of a German position to shelter the Germans.

At Tournai 400 Belgian civilians, men, women, and children, were placed in front of the Germans, who then, behind this living breastwork, advanced upon the French, driving the civilians before them. At Willoebrook practically the same thing happened, and one woman, who refused to advance and make of herself a living breastwork for some murderous coward to hide behind, was stabbed twice with the bayonet. As she fell a little child ran up to her and had half of its head blown away by a shot from a rifle.

Now let us take some German testimony as shown by the British report—testimony found in the diaries of captured or killed German soldiers. Some of the entries read as follows, the name and regiment of the soldier nearly always being given.

Sergt. Barthel wrote:

A transport of 300 Belgians came through Duisburg this morning. Of these, 80, including the ober burgomaster, were shot according to martial law.

Mathen, of the Fourth Jagers, wrote that his regiment was fired upon by some in the village.

About 220 inhabitants were shot and the village was burnt.

He adds—

It is a beautiful sight to see the fires all around us in the distance.

Bombarder Wetzel writes:

We had no fight, but we caught about 20 men and shot them.

Another important diary entry was No. 19. This was a blue book interleaved with writing paper and contains no name and address. There is, however, one circumstance which makes it possible to speak with certainty as to the identity of the writer. He gives the names of First Lieut. von Oppen, Count Eulenburg, Capt. von Roeder, First Lieut. von Bockunder Polach, Second Lieut. Count Hardenberg, and Lieut. Engelbrecht. A perusal of the Prussian Army List of June, 1914, shows that all these officers, with the exception of Lieut. Engelbrecht, belonged to the First Regiment of Foot Guards. On the 24th day of August, 1914, the writer was in Ermeton. The exact translation of the extract, grim in its brevity, is as follows:

24:8:14. We took about 1,000 prisoners; at least 500 were shot. Two civilians were shot at once.

I have not related the thirtieth part of the official British report, which concluded, in part, as follows:

That in the conduct of the war generally innocent civilians, both men and women, were murdered in large numbers, women violated, and children murdered. That looting, house burning, and the wanton destruction of property were ordered and countenanced by the officers of the German Army; that elaborate provision had been made for systematic incendiarism at the very outbreak of the war, and that the burnings and destruction were frequent where no military necessity could be alleged, being, indeed, part of a system of general terrorization.

That the rules and usages of war were frequently broken, particularly by the using of civilians, including women and children, as a shield for advancing forces exposed to fire, to a less degree by killing the wounded and prisoners, and in the frequent abuse of the Red Cross and the white flag. Sensible as they are of the gravity of these conclusions, the committee conceived that they would be doing less than their duty if they failed to record them as fully established by the evidence. Murder, lust, and pillage prevailed over many parts of Belgium on a scale unparalleled in any war between civilized nations during the last three centuries.

Yet Prof. Lassom, privy counselor to the Kaiser, writes, in 1914, that—

Our army is, so to speak, typical of the intelligence and morality of the German people. We have nothing to apologize for. We are not a violent people. We do good to everyone. Our strength is the strength of intellect, and our victory that of mind over matter. We are truthful. Our chief characteristics are humanity, kindness, honesty, and the Christian virtues. In this wicked world, we represent love, and God is with us.

Maximillian Harden, an intellectual half-crazed war fanatic, in his newspaper Die Zukunft is more consistent. He says:

Not against our will, and as a nation taken by surprise, did we hurl ourselves into this gigantic venture * * * our might shall create a new law in Europe. It is Germany that strikes. When she shall have conquered new domains for her genius, then the priesthood of all the gods will praise the god of war.

The French and Belgian official reports were repetitions, confirmations, and in many instances additions to the British report.

I have not related here that the reports show how repeatedly the Germans would raise a white flag, and then treacherously annihilate some company or regiment of the French or Belgians who advanced, thinking they had surrendered. I have not the time to relate the many instances in these reports where wounded soldiers after the battle were bayoneted by the Germans, nor do I feel that I ought to go into the horrid mutilations of men, women, and children. How a captured soldier had his nose cut off; how a woman was kicked in the stomach and prodded with bayonets and brained with a rifle; how captured French and Belgian soldiers were tied to trees and drunken German soldiers stuck their knives and their bayonets into the neck and faces of the unfortunate prisoners; how a wounded British soldier, crawling on the ground on his hands and knees, was beaten upon the head with the butts of rifles. I have not related the hundredth part of the atrocities committed in the name of German kultur. Nor do we have to go to the allies for all of this testimony.

Alexander Powell, the special correspondent of the New York World, is said to have told Gen. von Boehn that he had seen the mutilated bodies of women and children; that he had seen a woman with hands and feet cut off; helped to bury an old white-haired man with 22 bayonet wounds in his face; that he attended the funeral of a little girl 2 years old who was shot by a Uhlan while she was in her mother's arms; and an old man who was hung by the hands from the rafters in his own house and slowly roasted to death by a fire which was built under him. This, Mr. Speaker, from an American, and the correspondent of one of the greatest papers in the world.

The late Richard Harding Davis, the author and celebrated war correspondent who was in Belgium, was quoted as saying:

It is not a fair fight. Germany is fighting foully; she is defying not only the rules of war but the rules of humanity.

Says the Morning Post:

At this moment the words "German kultur" are synonymous for rapine, murder, and hideous cruelty.

Yet the Kaiser says:

Our people will be the granite block whereon the good God may complete the civilization of the world.

And Prof. Eucken says:

To us more than any other nation is intrusted the true structure of human existence.

Bismarck, the iron chancellor and the most intellectual of all latter-day Germans, is said to have given the real definition of Prussian kultur and Prussian militarism. He is quoted:

True strategy consists in hitting your enemy, and hitting him hard. * * * Above all, you must inflict on the inhabitants of invaded towns the maximum of suffering. You must leave the people through whom you march only their eyes to weep with.

Bismarck again said:

If we can not provide troops for the whole of the territory which we occupy, we send a flying column from time to time among the recalcitrant communities. We shoot, hang, and burn. After that has been done several times they end by becoming reasonable.

When the highest in the land, the protector of the Turk, thought he was the agent of God and advised his soldiers to "gain a reputation like the Huns under Attila," it is no wonder that Germany has been declared a common enemy and that all civilization is in arms against her.

I can well understand now what Irvin Cobb, the great American war correspondent, meant when he wrote that to his mind the most distressing sight, and one that haunted him in his dreams, was the startled look of fear in the eyes of every child he saw in Belgium. They were scared, timorous, shrinking, starting in trembling dread at every sound, a look of frightened bewilderment and terror on their young faces. They had fled from their homes, many of them in the nighttime. They had heard the roaring of cannon, the screaming of shells, and the whistling of bullets. Some of them had seen their fathers shot down, they had seen their terror-stricken mothers roughly shoved around by German soldiers. They had been driven from place to place. They had heard the gruesome tales of little ones stabbed and bayoneted and shot, and their little bodies were quivering with fear and shaking with terror. Just a few days before these little ones were happy, care-free children, like your children and my children, and the unexpectedness and the suddenness and the awful brutality of the German attack brought a bewildered, startled look of terror to these Belgian children's eyes which was pitiful to behold.

The Book of Books tells us:

And whosoever shall offend one of these little ones that believe in Me, it is better for him that a millstone were hanged about his neck and he were cast into the sea.

The United States did not want to enter this war, and while willing to make any sacrifice short of the surrender of national honor to keep from being drawn into the conflict, was yet determined that all the protection guaranteed by international law should be thrown around the citizens of the United States. Upon several different occasions we were on the verge of war, and it was only by the wonderful ability and still more wonderful patience of President Wilson that war was averted.

From the beginning, while acting at all times with the most extraordinary patience and tact, President Wilson has stood upon the broad foundation of international law. He has ever been guided by those statutes which for years have been laid down and agreed to by the civilized nations of the world as the course and policy for a neutral nation to pursue in dealing with a belligerent nation.

One of the first troubles which confronted the United States arose out of the selling of munitions of war to the allies. Germany and Germany's friends naturally resented this. The munition makers of the United States were willing to sell munitions to Germany, but England's blockade prevented their delivery. The right of a neutral country to sell munitions of war to a belligerent nation has been guaranteed by international law for over a hundred years. During the comparatively recent Balkan wars Germany freely availed herself of this right and at different times sold munitions to all of the belligerent Balkan States. This right is based upon sound public policy. The best energies of every country in times of profound peace, while not neglecting proper and adequate means of national defense, should be devoted to the education of children, the development of agriculture, the establishment of new industries, the increasing of commerce, and the encouragement of all kinds of legitimate business. All the energies of a country should not be devoted to the making and storing of vast supplies of war munitions to the detriment of everything else. If the laws of nations forbade the purchase of war munitions by belligerents from neutrals not only would it interfere with the legitimate industries of the neutral countries, but what is far more serious, the richest nation, or that nation which concentrated all of its energies and its resources in the manufacturing and storing of vast quantities of war supplies, would be at much advantage over and a constant menace to its more peaceful neighbors. It would also force these neighbors to curtail the appropriations for education and the encouraging and developing of agriculture and commerce and devote all its energies to manufacturing munitions, which policy, if pursued by all, would keep the world perpetually in a state of unrest, would make taxes oppressive, and the country would always be on a war basis. Then again, if the United States refused to sell munitions of war to belligerent neutrals, in case we got into a war we would ourselves be estopped from buying munitions from a neutral country.

Our country was well within its rights both as to international law and common sense when Congress refused to put an embargo upon the selling and exporting of munitions of war. We said to the belligerent nations: "We are manufacturing war munitions; we will sell them to you, but we will not deliver them;

come to our shores and get them if you want them and are willing to pay for them."

This invitation included the central powers as well as the entente, but there was practically no way for Germany to secure them, as the English fleet controlled the seas. However, Germany did buy munitions from the United States. The German submarine *Deutschland* returning to Europe after its wonderful trip to the United States carried with it over $1,000,000 worth of war munitions.

The next serious controversy with Germany grew out of the destruction of the *Lusitania*. Germany's answer to England's blockade was a submarine war against the commerce of the allies. Notwithstanding international law provided in the capture of belligerent vessels, the due observance of making this capture with every reasonable regard to the life of the crew, the security of the cargo, and the safe conveying of the prize to a port of entry for adjudication, and the protection of the captured from all injury as far as possible, German submarines violated all of these provisions and struck without warning, condemning both crew and cargo to destruction. While this course could be viewed only with the utmost disfavor by all the civilized countries of the world, yet it was never dreamed that the German submarine warfare would be conducted against passenger boats and the great ocean liners carrying hundreds of passengers who owed allegiance to the flags of countries not at war with Germany. When the news was flashed to America that the great floating palace, the *Lusitania*, with over 2,000 souls on board, had been struck without warning and that many of the passengers and crew had perished, a thrill of horror and intense indignation over this barbarous act was felt from one end of the United States to the other, which indignation was tremendously increased when it was learned that of the 1,000 men, women, and little children who perished 137 were Americans. Our relations with Germany at that time were already strained. About six weeks before the British passenger ship *Falaba* was sunk and an American citizen lost his life. About the same time the American steamer *Cushing* was attacked by airships, and a few days afterwards the American steamer *Gulflight* was attacked by submarines. The destruction of the *Lusitania* and the murder of 137 Americans brought forth a vigorous protest from the United States. It seemed as though the countries were on the verge of war, but Germany assured the Government of the United States that American ships would not be hindered in the prosecution of legitimate shipping, and the lives of American citizens on neutral vessels should not be placed in jeopardy. The Government of the United States relied on this promise, but the barbarous and ruthless warfare continued.

Out of this warfare sprang the famous McLemore resolution, to notify all American citizens that if they traveled in armed merchant belligerent vessels and were injured or murdered upon the high seas they traveled at their own peril, and the United States would not hold any country to account for such murder.

The adoption of this resolution would have been a shameful confession of the United States' inability to protect the lives and property of its own citizens. It would have justly held us up to the contempt of all civilization as a nation unwilling to protect its own people from assassination by a foreign power. Travel is a necessary part of some people's business, and because other nations were at war to ask our people to stop traveling, to stop looking after their own business, to lose their means of livelihood, and keep away from the great ocean highways which since the beginning of time have been free and open to the world was intolerable and unendurable.

A citizen of the United States has the right to expect, to demand, and to receive protection from his Government as he sails the seven seas, a protection always given to him in the past, once against English sailors in 1812, against Algerian pirates in 1815, and he is entitled to this protection against German assassins in 1916.

Still the murder of American citizens went on until in December, 1915, the German Government promised our Government that—

> Liners will not be sunk without warning and without the safety of the lives of the noncombatants, provided that liner does not try to escape or offer resistance.

But in the next 60 days four or five more ships were sunk, over 400 people were drowned, and an American consul, traveling to his post, was murdered. Still the United States forebore to go to war, and again protested to the German Government and again Germany promised to accord safety to the passengers and crew before sinking the vessel. Once more Germany defaulted and our Government threatened to sever diplomatic relations. Then Germany agreed to sink no vessels except in accordance with the general principles of visit and search, and that full opportunity would be given for all Americans to escape.

On January 31, 1917, however, Germany notified the United States that from and after February 1, she would forcibly prevent all navigation, including vessels of both belligerents and neutrals, in a zone around Great Britain, France, and Italy, and that all sea traffic would be stopped or the vessels sunk without warning.

Such a notification after all the German promises came to us like a clap of thunder from a clear sky. As the Secretary of State in a recent speech said that—

> It needed but the words reported to have been uttered by the German chancellor to complete the picture of the character of his Government when he announced that the only reason why the intensified submarine campaign was delayed until February last was that sufficient submarines could not be built before the time to make the attacks on commerce efficient.
>
> Do you realize that this means the promises to refrain from brutal submarine warfare, which Germany had made to the United States, were never intended to be kept; that they were only made in order to gain time to build more submarines and that when the time came to act the German promises were unhesitatingly torn to pieces like other "scraps of paper"?

This notice of Germany that all belligerent and neutral vessels would be sunk without warning whether they carried contraband or not, whether they were loaded with cargoes or not, whether they were passenger vessels or not, was nothing more nor less than an official declaration of piracy upon the high seas.

It is said that way back in the dim and misty past, when primitive men, sleeping in trees and dens and caves, would meet one of their own kind who did not belong to their immediate family and whom they had perhaps never before seen, that no questions would be asked, no quarter would be given, but with lowered head and bared fangs they would silently, ferociously hurl themselves one upon the other, and with fist and tooth and foot and nail fight it out to the last. If this be true, if mankind in the early morning of human existence was on so low a plane and men fought at random like the beasts of the forest, then it may well be said that the call of the wild has hearkened back for hundreds of centuries and now after nearly 2,000 years of Christianity finds its expression in the ruthless German submarine warfare, where silently, stealthily, and in the nighttime, neutral and stranger vessels are set upon and all on board are murdered without even the murderer knowing or caring who his victims are. This notification meant that nearly 2,000,000 square miles of ocean should be syndicated by Germany. The right to travel the seven seas is as inalienable a right as the right to breathe. [Applause.] In 1812, when we were but an infant Republic, the greatest maritime country in the world questioned this right. All the world knows what happened. How the young Republic arose in the vigorous strength of its manhood and settled forever the question as to whether the Stars and Stripes should wave in every port and on every sea. And now, over an hundred years later, when we have grown to be the mightiest Republic on the face of the earth, Germany tells us we must surrender the rights and liberties our fathers, when we were but an infant Republic, bought and paid for with their blood. That if we dare to sail these seas except in a certain course laid out by Germany a few ships a month, painted, as has often been said, like a barber's pole, that German submarines in the daytime or the nighttime will creep silently, stealthily, beneath the surface of the water and send our ships, passengers, and crew to destruction. Are we less patriotic than our fathers were? Do we intend to sit supinely by and permit one country to monopolize all the highways of ocean traffic? Are we willing to surrender our rights and tie our ships up into the docks until this war is over?

There was but one answer to this arrogant, cruel, bloodthirsty decree, whereby one nation decided to syndicate the ocean waters for its own exclusive use. Diplomatic relations were severed, and President Wilson instructed Secretary Lansing to give Ambassador Bernstorff his passports.

There are some even to-day who claim that we have as much grievance against England as we have against Germany, because England also established a dead line. It is true that England maintained a blockade and has seized our cotton and our vessels. This is true, and we protested in every instance, and it will be for the court to decide whether the prize be lawful or not. In fact, I understand that in nearly every instance the cotton seized has been paid for by the British Government. England may have seized some of our merchant vessels, but she did not send them to the bottom of the deep. England may have seized some of our cotton, but she did not murder our citizens upon the high seas. England's blockade was a visible blockade of ships, not beneath the waters but sailing on the surface of the waters. Ships were captured in endeavoring to circumvent this blockade, but they were not sunk, nor were the crews and passengers murdered. Great Britain and Germany both mined the North Sea, and we protested, but did not

go to war about it. Immediately after the severance of diplomatic relations Congress attempted to enact a law authorizing American merchantmen to be armed with small guns so as to be protected from the attack of submarines. There was some objection to this, and it failed to become a law. Events followed quickly. Congress adjourned, more American vessels were sunk, and more American lives were lost.

Nor were these our only grievances against Germany. Our country was overrun with German spies. German agents blew up our railroad bridges. They have destroyed some of our munition plants and our factories, and have plotted the destruction of many others. They have endeavored to stir up strife in our sister American Republics against us. Their accredited officials here in the United States, taking advantage of their official positions, the opportunities such positions afforded to acquire information, and the protection that international law throws around an envoy from a neutral country, have endeavored to involve us in a war with Japan and with Mexico. While we were at peace with all the world, German officials here in the United States were secretly trying to bribe Mexico to attack us, and offered to convert the States of New Mexico and Arizona into Mexican provinces. Our flag had been insulted in an hundred ways. Our people had been murdered on the high seas. The mangled bodies of American men, women, and children, drifting in the waters, cruelly and barbarously put to death by German submarines, turning their pale and shrunken faces toward America, "plead like angels trumpet tongued against the deep damnation of their taking off." We have seen how Germany treated helpless, bleeding Belgium, and we know that if Germany had the power, as it has the will, here in America, it would murder our men, women, and children and devastate our fair land as they have devastated Belgium, Serbia, and Roumania.

Our conflict with Germany was inevitable. As long as the Republic of the United States lived and flourished, it was the one unanswerable reply to German autocracy and Prussian militarism. A victorious Germany, with all of Europe lying bleeding and prostrate at its feet, would naturally have bent all its energies in destroying that country whose ideals and civilization was a reproach and a menace to the militarism and autocracy of the Imperial German Empire. Again, Germany was jealous of our growing commercial supremacy, and avarice would have been added to the hate and fear the Hohenzollerns bear toward a people who are free.

Secretary Lansing said a few days ago in a speech:

Let us understand, once for all, that this is no war to establish an abstract principle of right. It is a war in which the future of the United States is at stake. If any among you have the idea that we are fighting others' battles and not our own, the sooner he gets away from that idea the better it will be for him, the better it will be for all of us.

Relying on the fact that the American people have always been more or less opposed to a large military establishment, and knowing how utterly unprepared we were at the commencement of the great war, the humiliation of the United States doubtless seemed an easy matter to the Kaiser if once he had succeeded in subduing and terrorizing all of Europe. But the young giant of the West has awakened, and our entry into this world-wide war means the end of Prussian militarism and autocracy. Our people are a peace-loving, a liberty-seeking people. We did not enter this war for the love of conquest. Our brave boys are not going to the trenches of France to fight for territorial expansion. We are waging no war for the aggrandizement of our country. We have entered this war in self-defense. We have entered this war to preserve the eternal principles of free government. We have entered this war to protect our honor and to defend our homes and our firesides. We have entered this war to maintain the freedom of the seas and to see that the inalienable rights of mankind, so dear to the hearts of all lovers of human liberty, do not perish forever from the face of the earth. We are fighting for the ultimate happiness, prosperity, and liberty of all mankind.

As one man, our country has responded to the President's call, and the greatest material resources of any country in the world's history will be behind Pershing and his men as they carry the Stars and Stripes into the trenches of Europe. We will carry this war through to a speedy and a successful determination. The skies of the Fatherland will be darkened by the clouds of American aeroplanes. Millions, if necessary, of as brave soldiers as ever offered their lives for their country's cause will face the German Kaiser's guns, while the mighty bosom of the ocean will be dotted here and there with countless American vessels, carrying supplies to our men and our allies, and driving the murderous German submarine from the waters of the sea.

Here at home, though, our hearts will ever be with our brave boys who, "like bridegrooms stepping to a marriage feast," will meet the red storm of German fire and blood across the sea, yet our minds and our thoughts will be united in a firm resolve to leave nothing undone to expeditiously and successfully carry on this war.

To-day, thank God, geographical but not sectional lines mark the only division in our country, when over 100,000,000 united American people who love their country and their flag more than life and next to their God are all marching one way, keeping step to the music of those words:

Together shouts Niagara its thunder-toned decree,
Together echo back the waves upon the Mexic sea.
Together sing the sylvan hills where old Atlantic roars,
Together cry the breakers upon the wild Pacific shores.
Together say the people, and together it shall be
An everlasting charter bond, forever for the free,
Of liberty the signet ring, the one eternal sign,
Be those united emblems the Palmetto and the Pine.

[Applause.]

The SPEAKER. The lady from Montana [Miss RANKIN] is recognized for 30 minutes. [Applause.]

THE PRODUCTION OF COPPER AND THE LABOR UNIONS.

Miss RANKIN. Mr. Speaker, I had hoped to be able to make my first speech on woman suffrage as a war measure, because I believe it is the most important question before the American people in our world struggle for democracy. It is a step that must be taken if we are to solve with justice the problems that come before us. I hope that the time is not far distant when I may talk upon that subject; but to-day I must talk to my resolution, which I send to the desk and ask the Clerk to read in my time.

The Clerk read as follows:

Joint resolution to authorize the President to take over and operate metalliferous mines in certain cases.

Resolved, etc., That the powers granted to the President by section 10 of the act entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel," approved August —, 1917, to requisition and take over mines for use or operation by the Government, are hereby extended to apply to metalliferous mines, the product of which is a necessary raw material in the manufacture of supplies needed for the common defense.

Miss RANKIN. Mr. Speaker, I find in studying the powers that have been granted to the President to enable him to carry on the war, he has been given power to commandeer and operate practically every industry that is engaged in supplying materials necessary for the conduct of the war. Among other things, he is given the power to take over and operate the coal mines, but nowhere has he been given the power to take over metalliferous mines.

At this time copper, a metal essential to the every-day life of people in every part of the civilized world, is a basic necessity in war. It is a necessity that we can not overlook at this time. You have been informed by the daily press that the copper mines in the West, in Arizona and Montana, have not been operating to their fullest capacity. This is due to the fact that the mine owners and the mine workers have been unable to agree. The result has been an alarming decrease in the production of copper. According to the estimates of the Council of National Defense, the production in Butte in July was only 12,000,000 pounds, while the normal output is 30,000,000 pounds a month. This disagreement has also meant a great lawlessness. In Bisbee hundreds of men were deported in complete contempt of law and order. In Butte a man was lynched by masked men.

Mr. JOHNSON of Washington. Mr. Speaker, will the lady yield for a question?

Miss RANKIN. Yes.

Mr. JOHNSON of Washington. Did this man who was hanged belong to an organization which declares that it owes allegiance to no government?

Miss RANKIN. I understand that he belonged to the organization known as the Industrial Workers of the World, if that is what the gentleman has in mind.

Mr. JOHNSON of Washington. Is the lady familiar with the preamble and the basic law of that outfit?

Miss RANKIN. Yes; but this is a question of lawlessness. It is not a question of whom they hanged. [Applause.]

As our laws read to-day, there is no means for handling the situation. I am advised that the President has no real power by which to act. Therefore I am introducing this resolution, which I hope the committee will have ready to report to Congress when the absent Members return.

I have tried by every means that I know of to get governmental machinery in action to handle this deplorable situation in my State. I have been kept in close touch with the situation in Butte. After the deportation occurred in Bisbee I received telegrams from Butte asking for Federal protection. I reported this to the Department of Labor and was informed that the

department was doing all in its power to handle the situation through its representative, Mr. Rogers. A week ago last night I received a telegram at midnight saying that Mr. Rogers had left Butte, that no satisfactory settlement had been made, and that the people feared violence, and urged me to ask Secretary Wilson for protection. I telephoned this message to the Secretary at once. He asked me to see him the next day. I tried all the next day, until late in the evening, and was still trying to see the Secretary on Wednesday morning, when I received word that a man had been lynched.

Then came more appeals for protection. I tried to see the President, the Department of Labor, the Department of Justice, and, finally, the War Department. The only satisfaction I received was in the War Department, when I convinced them that the troops guarding the mines had been federalized, and therefore were under Federal control. Then it was agreed that some investigation of the situation would be made. In a crisis of this kind, coming as it does in time of war, when all our attention should be centered upon the enemy and not on local difficulties, there should be some effective means by which the Government would be able to protect itself against a decrease in necessary productiveness, and by which the people of each State would be guaranteed the protection provided by the Constitution of the United States. [Applause.]

Some explanation of the situation in Butte may be helpful at this time. Just before the outbreak of the European war difficulties in the Butte Miners' Union resulted in the disruption of the union, so that for the past three years the men have been working in Butte mines practically unorganized. For some years the Anaconda Copper Mining Co. has been using what is called in Butte the "rustling-card system." This rustling-card system is practically a blacklist on a national scale, or perhaps it had better be called a "white list." It works in this way: The Anaconda Copper Mining Co. has an employment bureau to which every miner must apply if he wishes a job. Here his record is investigated, and if it is found that he has never complained of his working conditions, if he has a clean record as to unions—that is, if he is not what they call an agitator—or if he has voted the right political ticket, he is given a rustling card. This card is in effect a permit, as we say in the West, "to rustle" for a job. The man who applies for work at any mine is first asked to show his rustling card. If he can not produce one, he is not hired. This rustling-card system has effectively discouraged the men from organizing. It has prevented them from demanding the enforcement of laws requiring safety devices in the mines. It has caused them to hesitate to discuss their grievances on the outside. The conditions of the mines have grown more and more unsafe. I have had heartbreaking letters from the wives of the miners saying that when their husbands went to work they never knew whether or not they would ever return, and that they lived in constant anxiety.

On June 8, 160 men were burned to death in a fire in one mine. This was the climax. The men stopped work.

The workers knew that they would never be safe as long as the rustling-card system existed. For under that system every man who complained of conditions or reported dangers or endeavored to form an organization was laid off for one reason or another, and it would be impossible for him to obtain work again in any mine in Montana or elsewhere. This rustling-card system is opposed by every legitimate labor organization in my State and it is easy to see the necessity of abolishing it.

Mr. John D. Ryan, of New York, the president of the Anaconda Copper Mining Co., is the man responsible for this situation. You are probably all familiar with Mr. Ryan's name in connection with his recent affiliation with the activities of the American Red Cross. If Mr. Ryan says the rustling-card system must be abolished, it will be. I have tried in vain to draw this fact to his attention, however. My telegrams have reached Mr. Ryan, but as yet I have received no response. The question I wished to ask Mr. Ryan was whether at this time, considering the great needs of the country in war, he would agree to abolish the rustling-card system, to meet grievance committees, and to recognize a union, a bona fide union, if it was organized.

Telegrams to-day say that the conditions in Butte are as bad as ever. And on my own responsibility I am urging a measure which I hope may relieve the situation.

It was with regard to these same mines that the newspapers some months ago were filled with the news of large Government purchases of copper for the war. Through the patriotic efforts of some prominent men the Government was able to secure copper for 16.67 cents a pound when the market price was 32 cents. At this price the Government purchased 50,000,000 pounds of copper, and later purchased 50,000,000 more. However, the companies refused to accept this same price, and they are now waiting for the Committee on War Purchases to say what they will pay. This incident has received no publicity. But it is interesting to the American people to know that if the committee sets the price at the present market price of 28 cents, this one purchase will cost the Government $6,000,000 more than the advertised price. Added to this, the copper interests have the advantage of not being on the embargo list.

Under these circumstances I believe it is imperative that the President of the United States, the Commander in Chief of the Army, be given the power to take over the metalliferous mines and operate them for the benefit of the Nation. [Applause.] Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The lady from Montana asks unanimous consent to extend her remarks in the RECORD. Is there objection?

Mr. MOORE of Pennsylvania. Mr. Speaker, before that request is put I want to ask the lady from Montana if she will answer a question: Did the lady from Montana undertake to lay any of these facts that she has so graphically depicted before the President or before the heads of any of the executive departments?

Miss RANKIN. I tried to see the President and the Attorney General in order to lay those facts before them, and also the Secretary of Labor and the Secretary of War, just as I reported. I was unable to see the President.

Mr. MOORE of Pennsylvania. Did you receive information from any one of the departments, the Attorney General's department in particular, as to whether any action might be expected against those who control the copper output, as the lady described it?

Miss RANKIN. I was told there was no way to get action except by utilizing moral influence and asking Mr. Ryan to try to act for the benefit of the Nation.

Mr. MOORE of Pennsylvania. Did the lady from Montana bring to the attention of the department officials the lynching of the man to whom she has referred?

Miss RANKIN. I appeared before the Secretary of Labor and the Secretary of War and tried to see the Attorney General.

Mr. MOORE of Pennsylvania. And what satisfaction did the lady receive?

Miss RANKIN. No satisfaction, except as I have stated.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from North Carolina [Mr. POU] is recognized for nine minutes.

Mr. MOORE of Pennsylvania rose.

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. MOORE of Pennsylvania. To make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MOORE of Pennsylvania. I desire to know how it is that the gentleman from North Carolina [Mr. POU] comes to be recognized at this time?

The SPEAKER. The gentleman from Mississippi [Mr. COLLIER] yielded him three minutes and the lady from Montana yielded him six minutes, and six and three make nine, and he is recognized for nine minutes. [Laughter.]

Mr. MOORE of Pennsylvania. I have no desire, of course, to interfere with the gentleman from North Carolina, and would like to hear him speak, but it seems to me this was not in the agreement.

Mr. DUPRÉ. The Speaker has already ruled that it was.

The SPEAKER. The Speaker has ruled that it has been the immemorial custom of the House, so far as he knows, that when one Member gets leave to make a speech and has time assigned him he can dole it out. The gentleman from North Carolina is recognized.

PROSECUTION OF THE WAR.

Mr. POU. Mr. Speaker, I would not have asked for time the other day but things have occurred in part of the district which I have the honor to represent. These things occurred, some of them, since the unanimous-consent agreement was made, and wishing to have something to say with respect to those matters, I asked our lady colleague from Montana [Miss RANKIN] if she would kindly yield to me part of her time, when she very courteously agreed to, and my friend from Mississippi [Mr. COLLIER] if he would yield me three minutes, which he agreed to do, and therefore I gained the nine minutes, for which I wish to thank both of my colleagues.

Mr. Speaker, we are told in news columns of our daily papers of opposition in a few localities to the selective-draft law. It is said there is some opposition in the State which I have the honor, in part, to represent. My information, which I am sure

is correct, is that the opposition to the enforcement of this law is confined to a few persons in two or three localities. With very few exceptions the people stand as a solid mass in support of the Government in enforcing the law and in a vigorous prosecution of the war. When these few misguided citizens have a little time to reflect, when they are informed and advised of their rights, when they realize that the law will be enforced without partiality, that it is absolutely just to all, North Carolina will know no division or dissension within her borders. [Applause.]

It is not surprising there should be discontent in a few localities when we see the example set by a few—a very few—Representatives of the people in Congress. We have seen a strange spectacle. We have seen gentlemen who voted for the declaration of war almost immediately thereafter set out on a course of obstruction. We have seen gentlemen vote to declare war and almost immediately proceed to criticize anything and everything the Commander in Chief of the Army and Navy has done or tried to do to prosecute war vigorously in order to insure early victory. When these gentlemen voted to declare war they well knew the enormous expense the Government must bear, and yet we see them placing obstacles in the way of measures absolutely necessary for the successful prosecution of the war. When these gentlemen voted to declare war they well knew a great army would have to be raised and sent to help our allies win victory, and yet we now hear the opinion expressed that no American soldier should be sent to Europe to fight unless he is willing to volunteer and go, anyhow. These gentlemen knew this Nation would be forced to conserve and control our food supply, and yet they have talked and talked and delayed and obstructed, criticized, and found fault, and even now the food-control bill is not a law. It should have become a law nearly a month ago. It is hard to understand just what object these gentlemen have in view. What is it they hope to accomplish? Shall we declare war and then refuse to do our part? Shall we permit our great food supply to be wasted when we know every pound of it is needed? Shall we declare war and then refuse to fight when we know the life of the Nation is at stake?

As God will be my judge, I felt I was doing my duty when I voted to declare war. There was no alternative, for Germany had been waging war on us for more than a year. Having cast that vote, the responsibility, in part, is mine, and it seems to me now my first and highest duty is to help as best I can in providing ways and means for a vigorous, determined prosecution of the war.

O, Mr. Speaker, we all hate war and we all long for the blessing of peace. We can make early peace possible only by showing the Imperial German Government that every ounce of energy this Nation possesses shall be expended to bring victory, and that we are ready to make any sacrifice. [Applause.]

Never have men fought for a more righteous cause. America has never been defeated; probably because she has never fought an unrighteous war. And right now the Nation is being born again.

A nation, like a human soul, to become pure, must go through a process of regeneration. There are sacrifices to be made, but when we win, as we shall, what will the victory mean?

It will mean that the rights of our citizens shall be forever respected; but it will mean far more than that—it will mean perpetual peace for America and for all people living under a just government of their own. [Applause.] It will mean the ending of this mad rush of nations to outstrip each other in building great ships utterly useless except in case of war. It will mean that great standing armies are no longer necessary, for there will be a bond of peace so strong, binding together great, free nations, that any remnant of autocracy which remains will never dare attack these forces banded together to preserve the peace of the world.

It will mean many things more which make especially for the greatness of America. And in the years to come the men whom the world will honor and remember will not be those who now are obstructing, criticizing, finding fault [applause], not the poor, deluded, ignorant man who, following the advice of some crank, is giving money to test the constitutionality of the selective-draft law; not the still more ignorant or vicious man who thinks he is justified in shooting officers charged with the duty of executing that law; but those whom the whole world will remember and honor will be those who fight to win this war. [Applause.]

America has entered the war, and it may be we see the first faint glow of the dawn of peace. We can not bring that day nearer by criticizing those who are doing their best to bring victory. [Applause.] Those who pursue this course may be the direct instrumentalities of postponing the day for which all good men pray. We may bring a little nearer the happy day by presenting to the world a united front and by supporting those intrusted with the conduct of the war as best we can. [Applause.]

The great mass of American people feel that the very life of the Nation is involved in the issue of this war. When President Wilson, Col. Roosevelt, Mr. Taft, and Mr. Root tell us, in effect, that everything is at stake we are bound to admit the probable gravity of the consequence. But certain gentlemen would have the courts say whether, having declared war, we must now fight to win. The courts must be permitted to say whether America is to live or perish. That is the meaning of the proposal to test the constitutionality of the selective-draft law.

Mr. Speaker, you might as well raise the question whether it is constitutional to have any organized government, whether it is constitutional for a nation to fight when attacked.

The man who means what he says when he declares he wants to see the war ended will now do all he can to help his Government in this crisis. The obstructionist in Congress and elsewhere should have seen a banner which was borne down Pennsylvania Avenue during the Confederate reunion by a company of veterans from North Carolina.

The banner was seen by many a tear-dimmed eye, borne aloft by one of these venerable men. It said, "Damn a man who ain't for his country, right or wrong." [Applause.] And in that applauding throng which lined the Avenue men who swore not at all were heard to say "Amen." [Applause.]

Mr. Speaker, instead of stirring up strife, let us proceed to pass a law suggested by Secretary McAdoo, insuring the lives of the men who go to the front. [Applause.] Let these men know they are to be the wards of the Nation; that if they come home wounded they will be cared for by the Government; that if they lay down their lives their families shall never suffer. And let us proclaim to the world that all men who fight in this war make up the grand army of human liberty, deserving the gratitude of all freemen forever. [Prolonged applause.]

The SPEAKER. The gentleman from Arizona [Mr. HAYDEN] is recognized for 30 minutes.

CONSCIENTIOUS OBJECTIONS AND THE SELECTIVE DRAFT.

Mr. HAYDEN. Mr. Speaker, I can not hope to charm the House by a manner so convincing as that of the lady from Montana [Miss RANKIN] who has preceded me. I listened with great interest to her remarks. Coming as I do from the State which produces more copper than any other in the Union—600,000,000 pounds of the red metal were made in Arizona last year—I stand ready to vote with the lady from Montana, and every other Member who wants to see this war carried to a successful conclusion, for any measure that will provide for the uninterrupted production of this basic necessity. If the operators of the copper mines of the United States and the men who work in them can not patriotically agree, there is a Federal power that will make it possible to produce copper; and I shall therefore vote for the Rankin resolution whenever it is brought up for consideration in the House. [Applause.]

I do desire, however, to secure your earnest attention to another question of immediate importance. The selective-draft act is now in full operation. The local boards in every county and city in the United States are to-day considering the claims of thousands of men between the ages of 21 and 31 for exemption from military service. I venture to say that, first or last, almost all of these boards will be called upon to certify one or more appeals to the district boards based upon what is called a "conscientious objection" to taking any part in war.

The district boards must consider all of these appeals, and the Federal courts will be compelled to pass sentence on men convicted of a refusal to serve in the National Army. There will be so many cases of this kind that I believe it well worth while that there should be some discussion in the House of the motives which impel a considerable number of our citizens to resist the draft. We should also give consideration to the form of punishment that should be meted out to them for their disobedience of this law.

This is no new problem. Among all races of men and in all recorded time a stubborn minority has existed which has refused to agree with the great body of their brethren as to what should be done in any given crisis. In times of peace we have learned to tolerate these contentious minorities; first, because their objections can be ignored as mere argument; and, second, because it has often been demonstrated that the minority was right and its opinions should not therefore be suppressed. But when a Nation goes to war and these peace-time protestations are translated into a firm and defiant refusal to serve in the

common cause, patience with the objectors is lost, the majority quickly becomes intolerant, and prompt and sometimes brutal punishment is visited upon the objectors.

The selective-draft act recognizes the existence of conscientious objectors to the extent that members of well-known religious sects or organizations opposed to participation in war are not compelled to perform combatant service. The Society of Friends, commonly known as Quakers, is the sect that is primarily responsible for this admission that some men feel compelled to obey the indwelling voice of God in their souls. Whenever what they consider to be a Divine command has conflicted with the claims of the State and society, they have not hesitated to follow the higher authority. By the purity of their lives, their self-discipline, their willingness to submit unflinchingly to severe punishment and even death rather than take part in war, the members of this church have convinced the world that they are acting only from the highest motives and that their convictions are therefore worthy of respect.

The Moravians, Mennonites, Dukhobors, Molokans, Anabaptists, and a number of other well-recognized religious organizations whose members have likewise defended their consciences at the cost of pain and obloquy, will also be benefited by this provision of the law, for time has taught statesmen that attempts to browbeat or coerce such religious enthusiasts will accomplish nothing. There are a number of men, however, not affiliated with any recognized church, who, as individuals, have religious convictions against war which they hold dearer than life. They are not benefited by the exemption provided in the selective-draft act, and, while few in numbers, their resistance will present a difficult problem for solution.

Whether the religious convictions of such men are to be recognized, depends largely upon our definition of conscience. If we are to look upon "the still, small voice within" as an authentic and authoritative message from God to the individual in whom and to whom it speaks, then such a person is a law unto himself and can not be bound by any man-made enactment. This was the old conception of conscience, but it is not concurred in by modern religious philosophers. The new theory recognizes that it is useless to discuss the origin of conscience, but that a more sound conclusion can be reached by observing how it operates. We now realize that a man's conscience is subject to growth and education. It is influenced by heredity and environment, and this is proven by the fact that the son of a Quaker will usually have a Quaker's conscientious objection to war.

Since men's consciences vary at different times and in different circumstances, we have a right to inquire as to how far the inner voice should be followed as a sure guide to conduct. The problem is not simple but most complex, and it is for this reason that men have established a moral law outside of themselves. Conscience is now generally looked upon as but one department of human knowledge. The very fact that men who are equally conscientious take opposite views of their duty is conclusive proof that the faculty of judging between right and wrong is fallible and that it needs correction by the collective conscience of the community or the Nation.

When a man says that he proposes to engage in obstinate resistance to the State in the name of God, have we not a right to inquire as to whether he has an adequate knowledge of all the circumstances which lead him to this conclusion? May we not ask whether he might not be mistaken and have confused his own self-will with "The stern daughter of the voice of God"? It is so easy to pretend that no one can complain if his objection is put to the test. As Cromwell said, "Think it possible that you may be mistaken." If the course of action proposed is disadvantageous and unpleasant, we have a better right to presume that the individual is acting from conscientious motives than in cases where an appeal to conscience would secure relief from danger and distress.

To those individuals who literally interpret the divine command, "Thou shalt not kill," we have a right to ask whether they do not exaggerate the value of physical life. Most men recognize that peace and prosperity are not the highest good. The use of force is not necessarily an evil and a violation of the spirit of Christianity. It depends entirely on how they are employed as to whether or not good or evil will follow the use of forceful means.

Have we not also a right to inquire of such persons as to whether or not their conduct is essentially selfish. Some of them seem to forget that "no man liveth to himself alone," and they apparently value the salvation of their own souls above their duty to the common welfare. They are inclined to observe the letter and not the spirit of Christ's teachings. It is true that love is the greatest thing in the world, but it is not all that there is on earth. Love should not be exalted to the exclusion of righteousness and to the neglect of social justice.

These are considerations which must be pressed in the interest of those who are willing to make the last great sacrifice in behalf of humanity by throwing themselves into the present conflict. Man rarely has a choice between pure good and an adulterated evil. The war in which we are now engaged presents the alternative between two great evils, and millions of men have resolved all conscientious doubts by putting the service of others before the safety of their own souls.

Notwithstanding every argument of a religious nature that can be made in favor of participation in this war, there will be those whose consciences will not allow them to perform military service. As "Christians," without affiliations with any sect, they will take this course; and in doing so they can point to the pages of history for their justification. Gibbon tells of Maximilianus, who, when presented as a recruit by his father, obstinately persisted that his Christian conscience would not permit him to become a soldier. This happened in North Africa over 1,600 years ago. Another famous example is that of Marcellus, the Roman centurion. On the day of a public festival he threw away his arms and the insignia of his office, exclaiming with a loud voice that he would obey none but Jesus Christ, the eternal King, and that he renounced forever the use of carnal weapons and service of an idolatrous master. On his own confession he was convicted of the crime of desertion and beheaded. These examples of Christian martyrdom continue down through the ages, so that one who suffers death for conscience's sake well knows that he goes to join an illustrious company whose virtues have not gone unrecorded.

Among the Anglo-Saxon peoples it is agreed that conscientious scruples against war, when based upon religion, should be respected if possible; but are we willing to show the same charity to that larger class of objectors who have no profound religious sanction for their refusal to do military service? There are numbers of men, some calling themselves humanitarians, others designated as Anarchists, Syndicalists, and Socialists, all of them profoundly dissatisfied with the present state of society and civilization, who will not fight in any army. They hold that all men are their brothers, and they will not shed fraternal blood. Their plan to put an end to wars is very simple. Let all those who have much to lose and little to gain by war—and by this class they mean the working men and women, the common people of the world—let them say, "We will have nothing to do with this slaughter of human beings for whom we have no hatred."

These humanitarian objectors are just as firm in their convictions as those who oppose war from motives of religion. The idealism which leads them to seek a short cut to Utopia also calls forth a desire for martyrdom in a cause about the justness of which they have no doubt. They will make every sacrifice to prove their convictions genuine, in the hope that a knowledge of their sufferings will induce mankind to see the virtues of their way of reforming the world. Each one of them is an avowed propagandist. His objection to war has the ulterior purpose of furthering a particular plan for securing social justice.

While I do not desire to quarrel over words, yet it seems to me that these social objectors have no just right to base their opposition to war upon the ground of conscience. Political views or humanitarian reasons, even though held with the strongest and most sincere conviction, should not be confused with the voice of God in the soul because such opinions can claim no spiritual authority. If such sentiments, then, do not have any divine sanction, we have an undoubted right to question their reasonableness and to discuss whether they should be recognized as a basis for exemption from military service.

There is logic in the objection of the anarchist. He will not obey any command of the State for the sole reason that it is a command. He desires a life free from all external control, because he believes that each individual should be free to determine his own course of action. The anarchist resists the heavy hand of the State on all occasions, and is therefore acting normally when he refuses to be drafted into the Army.

The syndicalists, of which the Industrial Workers of the World are the American example, also have some measure of logic in their opposition to the draft. Why should a man who denies that socal reform can be accomplished by the will of the majority as expressed through the ballot, who seeks to turn over all of the industries to the workers by "direct action," who discourses on the "international solidarity of labor" and proclaims himself a "citizen of the world," be expected to view with favor a plan which forces him to abandon the "one big union" and go forth to fight for the Government that he has been denouncing?

SOCIALIST OBJECTORS.

The socialist, upon the contrary, has no such philosophy to guide him. To one who believes in the collective ownership and management, through the State, of all the means of production and distribution it follows that the lawful commands of those who manage the affairs of the Government must be obeyed, for otherwise such a scheme of things would not long endure. Obedience to the authority of the State must, therefore, be a socialistic virtue, and the individual socialist who now sets up his personal judgment against the will of the majority can not claim consistency as one of the reasons for his resistance.

The socialists of the United States have sharply divided upon the question of approving or disapproving the act of Congress which declared the existence of a state of war with Germany. Many of them are able to see that when militarism makes an attack upon democracy the immediate duty of men of every shade of political belief is to rally to the cause of liberty and freedom. Jaurés did this for France as the last act of a life devoted to agitation, if not rebellion, against his Government, and the leading men of every political party walked in his funeral procession behind the blood-red flag of revolutionary socialism as a tribute to an honest man who clearly saw his duty and did not let his past prevent him from performing it. [Applause.] The French socialists, as a unit, followed the example of Jaurés, and I only wish that I could speak as well of their American comrades. Unfortunately, not a few of our socialists still seek to distract attention to their pre-war theories at a time when the fate of democracy depends upon utter unity.

Humanitarians in general, when they presume to detach themselves, with a happy assurance of spiritual excellence, as a superior type of individual who should not be called upon to engage in the rough and dangerous work of war, should not at least deny to the remainder of mankind the privilege of questioning whether they really are all that they claim to be. Did they not come into this world like all the rest of us and find it a place where selfish men and selfish nations were struggling for the mastery? If men must be killed and nations must make war in order that the earth shall hereafter be a better place to live in, why should these idealists be permitted to blandly say for themselves that they are of too fine a fiber to engage in such bloody and distasteful tasks?

All sensible men admit that humanity has made real progress toward social justice. To deny this is to say that liberty, equality, and fraternity can never be attained. Among the steps that have been taken along this road are our own, and the French Revolution. Will any student of history say that the American and the French people, and all the world for that matter, would be as well off to-day if these conflicts had been avoided? Whatever of liberty, of enlightenment, and of material comfort that the great mass of the people in the two Republics have enjoyed during the past century can be directly traced to the sacrifices made by our ancestors who were willing to bleed and to die for the sake of freedom. If this be true, why should these modern idealists be allowed to anoint themselves with the oil of superiority and, like parasites, enjoy the blessings of a democracy which was established by force of arms? Have they no responsibility to defend this same democracy when it is attacked?

The considerations that have been submitted as to the desirability of accepting conscription by those who now object to such service either upon religious or humanitarian grounds may give some of them pause, but there is sure to be a considerable number who will remain immune to argument. In England, after the passage of the conscription acts, about 25,000 prospective soldiers declared themselves as opposed to military service, and about 5,000 men actually went to jail rather than do military duty. It is reasonable to suppose that there will be a similar number of conscientious objectors in the United States, because we have inherited the same religious traditions and individualistic political tendencies. The question therefore arises as to what is to be done with these men.

The British Government has adopted the plan of offering what is known as alternative service in works of national importance, such as the construction of roads, railways, or other public utilities. It was soon found that the conscientious objectors were utterly useless as soldiers. The plan of sending them to France was quickly abandoned. Many of the objectors, particularly the Quakers, were willing to serve in the hospital corps or other noncombatant units. But a part of them, the so-called "absolutists," declined to even serve with the Red Cross, because by their efforts men would be saved to fight again. It was with reference to men of this character that Lloyd-George said he "would only consider the best means of making the path of that class a very hard one."

In the light of the English experience in dealing with conscientious objectors, we will be justified in recommending that uniform penalties should be provided for this offense. Some method of standardizing the sentences imposed by the Federal judges and the military courts should be devised. Since drafted men will be compelled to serve until six months after the close of the war, it seems to me that those who refuse to perform this same service should at least be sentenced for an equal length of time. As I understand the situation, those who fail to register and those who appear before the local boards and then refuse to take the physical examination will be subject to trial in the Federal courts. Upon the other hand, registered men who do not appear for examination and those who are certified as physically fit automatically come under the jurisdiction of the military authorities and will be tried for desertion by courts-marshal. I presume that it will not be difficult for the Secretary of War to standardize the military sentences, but it will perhaps be more difficult to arrange with the various Federal judges for uniform penalties, because each court is sovereign within its own jurisdiction in this respect.

Mr. GORDON. Mr. Speaker, may I interrupt the gentleman?

The SPEAKER. Does the gentleman yield?

Mr. HAYDEN. I yield to the gentleman from Ohio.

Mr. GORDON. You say these men who resist the draft will be punished in the Federal courts, and I suppose you assume that if they are convicted they will receive the penalty that Congress imposed for violation of that act, to wit, a year's imprisonment and a fine.

Mr. HAYDEN. The punishment was limited to not more than one year.

Mr. GORDON. Not more than one year; yes. I suppose you have noticed the proclamation of the Judge Advocate General, in which he says that he proposes to try them by court-martial and hang them. I should like to have the gentleman express his opinion about that amendment to the statute which we passed. Is it the gentleman's judgment that the Judge Advocate General can try these men by court-martial and impose the death penalty on men who have not been in the Army at all?

Mr. HAYDEN. I am merely stating the situation as it exists. If a registered man fails to appear, under the law as it is written he automatically comes under the jurisdiction of the military authorities.

Mr. GORDON. What puts him in the Military Establishment?

Mr. HAYDEN. The selective-draft act.

Mr. GORDON. Well, but the Constitution of the United States says that all persons who are not in the Army or Navy shall be entitled to a jury trial and punishment by the civil courts if they commit crimes, and they can not be punished until they are so convicted.

Mr. HAYDEN. But having been drafted into the military service of the United States, a man is in the Army and can be punished by court-martial.

Mr. GORDON. Then, why did we impose punishment by the civil courts?

Mr. HAYDEN. There is some confusion in the statute, which permits a part of these offenders to be punished in the Federal courts and the remainder to be tried by court-martial.

Mr. KAHN. Will the gentleman yield?

Mr. HAYDEN. I yield to the gentleman from California.

Mr. KAHN. The law provides, as I recall it, that one who refuses to register shall be tried in the Federal courts, and shall also be registered. The law provides that he shall be registered, in addition to being punished in the Federal courts.

Mr. CARTER of Oklahoma. Automatically.

Mr. HAYDEN. If registered and given a number, and that number is drawn, the man then comes automatically under the jurisdiction or the military authorities. If he then fails to obey any military command, he can be punished for desertion, or any other military crime. In other words, a stubborn and persistent objector who is registered and drafted, after serving a sentence imposed by a Federal judge, can be tried by court-martial and sentenced to a second term of imprisonment.

Like the gentleman from Ohio, I voted against the immediate adoption of the draft, not that I denied the right of the Nation to call every one of its citizens for service in the war but because I believed that under a system of selective volunteering all the men could be raised which the United States will be called upon to furnish during the present conflict. I was convinced that men who go to war of their own free will would make better soldiers than conscripts. It was as much for the sake of the Army as to protect the citizens that I opposed the draft. The time to discuss that question, however, is past, and we have at hand the problem of what to do

with the conscientious objector, which is, and always will be, one of the unhappy results of conscription.

Mr. GORDON. The Supreme Court of the United States held in Milligan's case that a man who was not in the Army of the United States could not be punished at all under the Constitution of the United States until he was convicted in the civil courts.

Mr. HAYDEN. But if he is in the Army he can be punished by court-martial. That the punishment should be swift goes without saying. It is much better for all concerned that cases of this kind should be promptly tried, both as a warning to others and in order that the desire of the objector for martyrdom may be quickly gratified. Experience in England also shows that it is highly desirable that all persons convicted of a refusal to obey the draft act should be confined under the civil rather than under the military authority. The reason for this is that soldiers, as a rule, have but little patience with conscientious objectors, and consequently many cases of brutal and inhuman treatment have been brought to light.

If it develops that there will be a considerable number of such prisoners, they should be placed in charge of some enlightened and humane person who is familiar with modern prison methods. No cruel or unusual punishments should be imposed upon the "martyrs." They should not be confined with common criminals in any existing penal institution, but separate detention camps should be provided. For the sake of harmony and good administration, I would even segregate the religious from the political objectors.

Of course the death penalty should not be invoked. The worst way to silence any agitation is to kill the agitator. The next worse method is to treat him with brutality while imprisoned. A just punishment should comprise nothing more than a fair equivalent for the service and sacrifice which the objector avoids by his failure to become a soldier.

In arguing for comparative mildness in the punishment of conscientious objectors, I do so not so much for their sake as from a belief that, in order not to sin against the principles of liberty those in authority should show a decent respect for an honest conviction, no matter how erroneous. It can be said with truth that it was only by firm and conscientious resistance to the will of the State that the political and religious freedom which we now enjoy was won. It is, therefore, the part of wisdom to recognize the larger expediency of tempering justice with mercy. [Applause.]

The SPEAKER. The time of the gentleman from Arizona has expired. The gentleman from New Jersey [Mr. PARKER] is recognized for 15 minutes. [Applause.]

WAR TAXATION.

Mr. PARKER of New Jersey. Mr. Speaker, I gave notice that I would speak upon taxation. It is the one great question now, whether we can stand the waste of such a war as this or whether we shall go into the same bankruptcy that has almost overwhelmed every one of the European powers without exception.

We declared war on the 2d day of April. This House passed a revenue measure about the 24th or 25th of May. That measure still sleeps elsewhere and the expenses of war go on. Every dollar of that expenditure—some talk of it here as $11,000,000,000 and some as $17,000,000,000 the first year—every dollar of that expenditure must be raised sooner or later by taxation. We as patriots must find a way to carry on the war, and we need the money and we need it now.

Production is the wealth of any country. I know that is not the view of some classes of political economists; they lay stress upon wealth which has been laid up. We had in this country in 1909 an estimated wealth of $187,739,000,000. Eleven thousand million dollars a year with interest would use that up in 14 or 15 years. We have to rely on a much greater wealth than that—the wealth that has been developed in this country in the power to produce; for in 1909 the minerals that were produced were valued at $2,115,000,000. Our crops were valued at $5,487,000,000. In 1914 our manufactures, the product of a policy in which I am proud to have had a share, were valued at $24,246,000,000, making a total in those years of lower prices of $31,848,000,000. It is fair to say that with the increase in production since 1909, when the latest figures were compiled—except in manufactures, compiled in 1914—taking into account the increase of production, and much more the increase in prices, which are double what they were then, our production every year is over $60,000,000,000, or nearly one-third of the estimated wealth of this country.

We know something about this matter of the relation of wealth to production when we look at the statistics of manufacture. The capital invested in manufactures was only a little over twenty-two thousand million dollars. The product was over twenty-four thousand million dollars, and after deducting the cost of materials and labor and salaries paid, the balance or the net surplus that went to that capital was four thousand five hundred and ten million dollars, and in this year it is at least twice if it is not three times that sum, for we know that the prices and profits have gone up in these years with the sudden demand all over the world for products, much more than the labor and other costs.

We rely upon this wealth; a share of that production taken every year would pay the expenses of this war. If our product was sixty thousand million dollars annually, 1 per cent of the money paid for these products, manufactures, and so forth, would be six hundred million dollars; 2 per cent would be twelve hundred million dollars; and 5 per cent would be three thousand million dollars. The United States have a great fund to which they can resort for the present payment of the expenses of this war, and we are leaving that fund alone, and it looks as if the revenue bill would impose most of the taxes, such as income tax and excess profits tax so that they can not be collected until next year, one year or more after the war began. We need the money now.

The bill as passed here recognized this source of income. It recognized in the first place customs duties, and it placed 10 per cent additional on everything that came into this country, whether dutiable or on the free list, except gold, silver, and so forth. That would give money from day to day as goods came through the customhouse. It was fair. The bill also imposed revenue taxes upon various manufactures. It selected only automobiles, jewelry, patent medicines, and so forth.

Among the larger manufactures there are many that stand in the same category—manufactures under patents or made under trade-marks. Sewing machines are largely made in my State. It is said that they cost about $12 apiece and they sell for $40. The great Singer Manufacturing Co. sells at a very little over cost to the Singer Co., and they distribute them. Typewriters, cash registers, agricultural implements, and tools—we need not go on with the list. Here is the statement of manufactures in the Statistical Abstract of 1916, on pages beginning at 182 and ending at 200. Take the largest items and you will find they are made in large factories, with greatly increased production between 1909 and 1914, which shows prosperity; and if you deduct the labor and salaries expenses of manufacture and cost of material, you will find that one-third of the capital is earned every year.

Take such items as these from the larger ones: Of agricultural implements the product was worth one hundred and sixty-four millions; automobiles, six hundred and thirty-three millions; brick and tile, one hundred and seventy-three millions; butter, cheese, and condensed milk, three hundred and sixty-four millions; canning and preserving, two hundred and forty-three millions, and so forth; while iron and steel products sold for thirteen hundred and thirty-six million dollars, and so forth. It is these products which are the wealth of the country, and now or later whether we borrow or not, we must look to them for the expenses of this war. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has five minutes.

Mr. PARKER of New Jersey. In the Civil War the United States was foolish enough not to raise money by taxation, but to issue greenbacks and bonds, and it had to pay two or three times as much for what it got, and its bonds for a long while were at a discount. They once sold at $40 on the $100. After the war people were trying to pay their debts. The great excitement of manufacturing and production which takes place in all wars, had ceased. Prices had been high during the war, during the period when bonds were issued, but then wheat was 50 cents a bushel, the farmers and the manufacturers were poor, and the South was utterly poor. It was in these hard times that we had to clench our fists and grit our teeth and fight repudiation and the greenback and silver policies to pay our debts incurred in the war and to restore our currency to a par with gold. The United States does not want to repeat that experience. If we are paying high prices now, let us not borrow at high prices and then collect taxes to pay these debts when prices have fallen and the people can not afford to pay. Let us collect what we can now. I stand with the chairman of the committee on that.

Every dollar issued in bonds must be paid hereafter. The interest upon these bonds will be low if our taxes are so imposed that money is coming in in abundance, so that the whole world knows that the United States can pay its bonds. If we want to borrow money upon our house, for God's sake let us see to it that we have rent from that house when we borrow upon the mortgage. Again, every dollar placed in

bonds takes away from the citizen a feeling of the duty that he owes at this time. I desire as a Member of Congress to protest against the swarm of organized protests which have come to us whenever we have wished to tax any industry.

Most industries are making money. We were told as to automobiles that the small ones would be ruined. So far as my experience is concerned, the protests that came to me did not come from the small companies but in bunches of 50 or 60 from agents or friends of some of the largest and most prosperous companies in the United States. I am proud of the fact that the jewelry manufacturers of my town, and they are a large industry, with some 70 or 80 factories, wrote to me saying that they did not object to the 5 per cent tax upon their products, but they only asked that they should not be singled out for that purpose. There were many of us Members who were eager at that time to add taxes on money received for the products of other branches of industry, so that we could make the tax smaller than 5 per cent, which perhaps is too high, so that we could make it 1 per cent or 2 per cent or in some cases as high as 5 per cent on the great industries. We wanted to tax money paid for advertising. Newspapers are one of the list of manufactures. A manufacturer can raise his prices or cut down his profits or cut down what goes to his agents, or do something that will enable the tax to be distributed among the entire community. We want the money and we want it now.

The SPEAKER. The time of the gentleman from New Jersey has expired.

By unanimous consent, Mr. PARKER of New Jersey was granted leave to extend his remarks in the RECORD, under which leave he submits the following:

Mr. PARKER of New Jersey. Mr. Speaker, when the bill was considered in the House many Members wished to add excise duties on other products. Any such amendment was held to be out of order. The rules of the House are certainly too strict when they prevent the Congress from finding means for the Government to make war.

Taxes on products fulfill the rules for taxation given by Adam Smith in his Wealth of Nations.

They are equal, according to the value of the product. They are largely on luxuries. They are certain—not a matter of mere estimate. They are easily paid, because they are paid out of money actually received. They can be economically collected, and need no great army of tax gatherers; they come in large sums, and continuously.

They are according to the tradition of the United States, which has always had a revenue composed of customs and excise, which supply a large proportion of our revenue now from beer, wines, liquors, and tobacco.

They are in the nature of war taxes. The United States has usually been supported by customs duties and has not levied special excise war taxes until time of war. It is only recently that we have seen such excise in time of peace. But we welcome them in time of war as being an efficient direct method of gathering in means for the support of the Government while business is brisk and with the least friction on the community.

It is idle to say that this is hard on the business of this country. The persons who really suffer now are not those who are in business, but those who live on small fixed incomes.

The United States wants money, and it wants it now; and, instead of taxing widows and orphans upon their small inheritances, we must dip up the moneys at the fountain head, where they are paid, and as the needs of the country may require.

Of course there is no absolute certainty in any taxation. One manufacturer will sell direct to the retailer and employ agents; another will sell to the wholesalers and will pay less tax; but it will not be a bad thing for the people of this country if the manufacturer is induced by the tax to sell at reasonable prices to wholesalers, who will dispose of what they take at reasonable profits, instead of forcing the poor to pay four or five prices for sewing machines, typewriters, agricultural machinery, and automobiles. It is the public that pays the high rents for display on our fashionable shopping streets, and the quicker our manufacturers can be induced to have reasonable wholesale prices and to allow their wares to be distributed by natural competition to the consumer the better for our country. We waste too much on advertising, agencies, expensive shops, and long credits.

If we are to be efficient in war, we must learn to be efficient not only in the production but in the distribution of the wealth which is so lavishly produced and so lavishly spent.

This, however, is by and by. Our present problem is not to impose taxes under the best theories, but to have some scheme of taxation which will bring in enough money for the conduct of the war, whether that scheme be good or bad.

The House voted for increased income and inheritance taxes. We have graded those taxes without reference to the number of persons among whom the income or inheritance will be divided. In the graded inheritance tax we are following an example which in England has been almost confiscatory in case of successive deaths, and which has reduced the value of landed estates by at least half.

The House voted those taxes willingly and freely, for it represents a people who are ready to make sacrifices to carry on this war. We will vote an excess profits tax, although the estimate of such profits is subject to many difficulties, even if it be made with absolute honesty. The chairman of our Committee on Ways and Means on Friday last explained some of the difficulties.

This House will vote whatever will bring in means to the Government and support its credit in this critical hour. But the United States needs revenue now; it can not wait until next year. And as long as it has debts to pay, it can not afford to rely solely on a system which will come to an end after the war, when great incomes and excess profits will be at an end.

In this its hour of need our country will return to a tax on the money received from production. It is the earliest tax system of which we know, when we learn from the twenty-seventh chapter of Leviticus that the Israelites paid a tenth part of the land, whether of the seed of the land or of the fruit of the tree, or of the herd or of the flock, or whatsoever passeth under the rod.

Above all we need revenue legislation, and we need it quickly. It is now four months since war was declared; it is time that a willing people should be paying lavishly into the Treasury—as they will do under the law—as willingly and bravely as they are sending their sons into the National Army and risking their best blood upon the battle fields of the Old World in the defense of their country.

Mr. JOHNSON of Washington. Mr. Speaker, I ask unanimous consent for three minutes in which to make a personal explanation.

The SPEAKER. The Chair is inclined to think that that is in contravention of the agreement.

Mr. JOHNSON of Washington. I do not want to rise to a question of personal privilege if I can have not to exceed three minutes in which to amplify a question which I asked the lady from Montana [Miss RANKIN], which seems to have been slightly misunderstood by some.

The SPEAKER. The gentleman has a right to speak to a question of personal privilege.

Mr. MOORE of Pennsylvania. Why not withdraw the question?

Mr. JOHNSON of Washington. I do not desire to do that. I want to make the question quite clear. It seems to have been thought by some Members sitting about me that on account of the question which I asked the lady from Montana [Miss RANKIN] I was as a Member of the House of Representatives advocating lynch law and receiving applause for such advocacy.

Mr. MOORE of Pennsylvania. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for two minutes in which to make a personal explanation.

The SPEAKER. The gentleman is speaking to a question of personal privilege, and that is the only way that he can get in.

Mr. JOHNSON of Washington. I understand that. I had wanted to ask for some time in which to discuss the affairs of the I. W. W., but I found that it could not be done, so that I have to take this method. Later I hope to secure time for a full discussion of the iniquitous activities of this organization, and its opposition to the Government. The question I asked was intended to convey the point that these very men, who, when they sign their oath, stand in opposition to the United States and in opposition to organized law, are the first to squeal when they get a dose of their own medicine. Of course I do not advocate mob law. As a matter of fact I am opposed to the death penalty for all crimes except those of treason and sedition and some of these men are guilty of these crimes. I merely desire now to call attention to the quickness with which these men who practice sabotage, who commit assassinations and preach disorder and mob rule, call upon the Government to defend them when they are in trouble.

ADJOURNMENT.

Mr. COLLIER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 58 minutes p. m., in accordance with the order heretofore made) the House adjourned until Friday, August 10, 1917, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of North Branch of the Susquehanna River, Pa. and N. Y., including flood prevention and consideration of any proposition for cooperation on the part of local State interests (H. Doc. No. 320); to the Committee on Food Control and ordered to be printed.

2. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of floods in the State of Kansas; investigation of the flood periods of the Kansas River and its tributaries, the Cottonwood and Neosho Rivers, in the State of Kansas, by an examination of the territory and from data already gathered by governmental, State, private efforts, and by the Board of Engineers of the War Department, and to devise some general plan which will best guard against the recurrence of floods and diminish their damaging defects upon the lower valleys of the Kansas, Arkansas, Missouri, and the Mississippi Rivers (H. Doc. No. 321); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

3. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Livingstone Channel, Detroit, Mich., with a view to securing increased width (H. Doc. No. 322); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

4. A letter from the Acting Secretary of the Treasury, transmitting copy of communication of the Secretary of War submitting a supplemental estimate of appropriation for the temporary appointment of additional clerks and other employees in The Adjustant General's Office of the War Department for the fiscal year ending June 30, 1918 (H. Doc. No. 323); to the Committee on Appropriations and ordered to be printed.

5. A letter from the chief clerk of the Court of Claims, transmitting a list of cases dismissed by the court for want of prosecution, on motion of the defendants, which cases were referred to this court for adjudication by the House of Representatives (H. Doc. No. 324); to the Committee on War Claims and ordered to be printed.

6. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Coos Bay Harbor, Oreg., from the entrance to Smiths Mill (H. Doc. No. 325); to the Committee on Rivers and Harbors and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. TAYLOR of Colorado, from the Committee on Mines and Mining, to which was referred the joint resolution (S. J. Res. 78) to suspend, during the present war with Germany, the requirement that no less than $100 worth of labor shall be performed or improvements made on each mining claim during each year for all owners who, in lieu of such assessment work, expend the sum of $100 in the raising or manufacturing of products necessary for the maintenance of the Army, Navy, or people of the United States, or shall perform 25 days' labor in any beneficial occupation, or pay into the Treasury of the United States $100, reported the same with amendment, accompanied by a report (No. 128), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BLACK: A bill (H. R. 5710) to amend section 11 of the act approved December 23, 1913, known as the Federal reserve act, as amended by the act of September 7, 1916; to the Committee on Banking and Currency.

By Mr. HERSEY: A bill (H. R. 5711) to provide for the erection of a public building at Dover, Me.; to the Committee on Public Buildings and Grounds.

By Mr. HUDDLESTON: A bill (H. R. 5712) to make unlawful depositing in the mails of the United States advertisements of alleged exposures of the secret work of fraternal orders; to the Committee on the Post Office and Post Roads.

By Mr. LOBECK: A bill (H. R. 5713) to provide for the erection of a baby hospital camp in the District of Columbia; to the Committee on the District of Columbia.

By Mr. WELTY: A bill (H. R. 5714) to provide for the erection of a public building in the city of St. Marys, in the State of Ohio; to the Committee on Public Buildings and Grounds.

By Mr. MORGAN: A bill (H. R. 5715) to prohibit soldiers in the Army of the United States and seamen and marines in the Navy or Marine Corps of the United States from being sued, and for other purposes; to the Committee on the Judiciary.

By Mr. ESCH: A bill (H. R. 5716) to extend the franking privilege to the officers of State and county councils of defense; to the Committee on the Post Office and Post Roads.

By Mr. JONES of Texas: Joint Resolution (H. J. Res. 138) authorizing and requesting the President of the United States to suggest a world peace conference; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARTER of Oklahoma: A bill (H. R. 5717) to remove the charge of desertion from the name of George W. Smith; to the Committee on Military Affairs.

Also, a bill (H. R. 5718) to correct the military record of Joshua Main; to the Committee on Military Affairs.

By Mr. FRENCH: A bill (H. R. 5719) granting a pension to Margery Fuller; to the Committee on Invalid Pensions.

By Mr. RIORDAN: A bill (H. R. 5720) granting an increase of pension to Harriet K. Bailie; to the Committee on Pensions.

By Mr. TALBOTT: A bill (H. R. 5721) granting an increase of pension to Nelson McCleary; to the Committee on Pensions.

By Mr. WALTON: A bill (H. R. 5722) for the relief of Ellen B. Walker; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of the Interdenominational Union of the city of Columbia, S. C., relative to the treatment of the negro; to the Committee on the Judiciary.

Also (by request), memorial of Society for the Promotion of Engineering Education, against withdrawal of undergraduates from engineering and medical schools for enlistment in the Army; to the Committee on Military Affairs.

Also (by request), memorial of United Catholic Societies of Belleville, Ill., indorsing peace movement recently introduced in the Senate; to the Committee on Foreign Affairs.

By Mr. DARROW: Petition of Waska Tribe, No. 184; Manaimy Tribe, No. 118; and Tulpehocken Tribe, No. 181, Improved Order of Red Men; Winona Council, No. 63, and Robert Morris Council, No. 61, Order of Independent Americans, of Philadelphia, Pa., in behalf of Senate joint resolution 84, authorizing the drafting of certain aliens in the military service of the United States; to the Committee on Military Affairs.

By Mr. DRUKKER: Petition of sundry residents of Paterson, N. J., in support of woman suffrage; to the Committee on the Judiciary.

By Mr. MEEKER: Petition of 79 citizens of St. Louis, Mo., in favor of House bill 5181 introduced by Mr. Mason; to the Committee on Military Affairs.

By Mr. RAINEY: Memorial of Scott County (Ill.) farmers, protesting against maximum grain prices; to the Committee on Agriculture.

Also, petition of William S. Sutton and 35 others of Easton, Ill., favoring national prohibition; to the Committee on the Judiciary.

Also, memorial of Camp 1067, Modern Woodmen of America, Grafton, Ill., protesting against exorbitant food prices; to the Committee on Agriculture.

By Mr. RANDALL: Memorial of Pasadena (Cal.) International Order of Good Templars, protesting against citizens of the United States being called upon to sacrifice food in order that the same may be used in the manufacture of intoxicating liquors; to the Committee on the Judiciary.

By Mr. TEMPLETON: Petitions of various branches of the Junior Order of American Mechanics of the State of Pennsylvania relating to immigration restriction; to the Committee on Immigration and Naturalization.

Also, petition of Hazle Council, No. 258, Order of Independent Americans, of Hazleton, Pa., favoring Senate joint resolution No. 84; to the Committee on Military Affairs.

SENATE.

WEDNESDAY, *August 8, 1917.*

(Legislative day of Saturday, August 4, 1917.)

The Senate reassembled at 12 o'clock m., on the expiration of the recess.

CONSERVATION OF FOOD—CONFERENCE REPORT.

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses upon the bill (H. R. 4961) to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel.

Mr. HOLLIS. Mr. President, in some remarks I made day before yesterday regarding the representation of union labor on the Council of National Defense I stated that no labor-union men had been appointed except on Mr. Gompers's committee, particularly not upon the committees on coal and railroads. I find that I am in error in that statement. Originally, there were no labor-union men appointed except the Secretary of Labor, Mr. Wilson. Somewhat later the woman's committee was appointed, and Miss Agnes Nestor, of Chicago, was appointed. She is a labor-union member. Later the labor-union men belonging to the miners' organization made complaint that they were not recognized, and several of their members were added to the committee on coal production, but none have been added to the committee on railroads or to any other of the great committees that are doing the practical work.

I make this statement in order to correct any misunderstanding that may have been caused by my remarks day before yesterday.

Mr. CHAMBERLAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hale	La Follette	Shafroth
Beckham	Harding	Lewis	Sheppard
Brady	Hardwick	McKellar	Sherman
Brandegee	Hitchcock	McNary	Smith, Ariz.
Calder	Hollis	Myers	Smith, Md.
Chamberlain	Husting	Nelson	Smoot
Colt	James	New	Sterling
Culberson	Johnson, Cal.	Norris	Sutherland
Curtis	Jones, N. Mex.	Overman	Thompson
Dillingham	Jones, Wash.	Page	Trammell
Fernald	Kellogg	Penrose	Vardaman
Fletcher	Kendrick	Pittman	Wadsworth
France	Kenyon	Pomerene	Warren
Gore	King	Reed	Williams
Gronna	Kirby	Saulsbury	Wolcott

Mr. LEWIS. I announce the absence of the Senator from Rhode Island [Mr. GERRY] on official business. I expect him here later in the day.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness.

Mr. MYERS. My colleague [Mr. WALSH] is detained by illness in his family.

Mr. JAMES. I desire to state that the senior Senator from New Jersey [Mr. HUGHES] is detained on account of illness. I ask that this announcement may stand for the day.

Mr. SUTHERLAND. I desire to announce the absence of my colleague, the senior Senator from West Virginia [Mr. GOFF], on account of illness. I will let this announcement stand for the day.

Mr. LEWIS. I desire to announce that the senior Senator from Arkansas [Mr. ROBINSON] is detained from the Senate on important business.

The PRESIDENT pro tempore. Sixty Senators have answered to their names. There is a quorum present. The question is upon agreeing to the conference report.

Mr. HUSTING. Mr. President, I wish to take up a few minutes in the discussion of the bill. First, I wish to say something in respect to the objection raised by the Senator from New Hampshire [Mr. HOLLIS] to the conference report. I voted for the Hollis amendment to the bill, which provided that the provisions of the bill should not be construed to prevent strikes or peaceful picketing or in any way amend or repeal the provisions of the Clayton Act. I would not favor the clause striking out this amendment if I thought it had that effect. I do not think it has that effect.

I understand that some arguments are going to be presented to the Senate to show that the bill ought not to be and can not be construed to have that effect; that is to say, to have the effect of repealing or amending the so-called Clayton Antitrust Act. I am frank to say, however, that the importance of this bill appeals to me to such an extent that I would feel warranted nevertheless in voting for the bill.

I was sufficiently interested, however, in the argument made by the Senator from New Hampshire, and by arguments already made upon the legal effect of striking out the Hollis amendment, to inquire from those who will have the administration of this law in their hands as to what construction would be placed upon it by them in the event that it became a law in its present form.

I am authorized by the Secretary of Labor, Mr. Wilson, to say that the administration does not construe this bill as prohibiting strikes and peaceful picketing and will not so construe the bill, and that the Department of Justice does not so construe the bill and will not so construe the bill. I am further advised that those who have interested themselves in protecting the rights of labor do not so construe the bill and will not so construe the bill.

Mr. REED. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Missouri?

Mr. HUSTING. I do.

Mr. REED. Will the Senator then say to us why the amendment which would have removed any necessity for construction, or any doubt, was stricken out?

Mr. HUSTING. I can not answer that question with authority, but I understand it was stricken out because it was not thought necessary or essential, that it had no effect whatever. I think it would have been wiser to have left it in, but it was stricken out, I understand, upon the argument that it was unnecessary, that the act could not legally be construed in that way, and that it was surplusage or redundancy.

Mr. REED. If the Senator will yield further, of course that kind of a reason I hardly think is a correct reason, but I wish to ask the Senator a question, because I am interested in the assurances which he tells us have been given. Of course the Secretary of Labor will not be the man to enforce the criminal provisions of this statute, because he has nothing to do with the enforcement of the criminal provisions of such a statute. Consequently his assurances amount to nothing, except the opinion in so far as it was the opinion of a very fine gentleman. The only person who could control would be the Attorney General. Has the Senator talked with the Attorney General?

Mr. HUSTING. I will say that I have not. I have not talked with the Attorney General. However, I can say that the Secretary of Labor advised me that this was the opinion of the administration and the Department of Justice. He did not give it merely as a matter of belief on his part, but said that he was authorized to so state.

Mr. REED. Now, may I ask one further question? Suppose that a complaint should be filed in a court of the United States charging the violation of this act, and that the case was lodged in court, and the judge of the court should hold that under the charge made a violation of the law had occurred, is the Senator prepared to say to the country that the Attorney General has stated that under such circumstances as that he would nullify the law and undertake to control the court?

Mr. HUSTING. Mr. President, I can not say anything further than what I have already said. I do not presume any United States district attorney will prosecute any person under this law contrary to the interpretation placed upon the law itself by his superior officer.

Mr. LEWIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. HUSTING. Certainly.

Mr. LEWIS. I should like the attention of the Senator from Missouri as well as the Senator from Wisconsin. My attention was greatly arrested and my interest very much aroused by the speech the Senator from New Hampshire [Mr. HOLLIS] made upon this question. Upon investigation, stimulated by the speech of the Senator from New Hampshire, I am advised—and I ask Senators what they have to say as to the conclusion I am about to utter—that the provisions we placed in the Federal Trade Commission act in the closing days of its consideration—I do not know whether Senators recall how it came about, but the Senator from Iowa [Mr. CUMMINS] is entitled to credit as having written it, and my participation in it was incidental, but it enables me to recall it with accuracy—to the effect that there shall not be prosecution of farmers' organizations or members thereof or of labor organizations or members thereof for any of the acts to which we particularly addressed ourselves as criminal concerning commercial bodies, would exclude the prosecutions of which the Senator from New Hampshire had such a sincere fear.

Mr. HUSTING. Mr. President, that is my belief. I will say to the distinguished Senator from Illinois, that is my view of it; and not only is it my view, but, as I said before, it is the view of the administration, and I am advised is also the view of the Department of Justice and of very eminent and able attorneys on the floor. I think the distinguished Senator from New Hampshire made a very able argument, and yet, notwithstanding that, I can not agree with him in his conclusions.

Mr. REED. Mr. President, the Senator from Illinois [Mr. LEWIS] seemed to address his remarks to me. Will the Senator from Wisconsin pardon me long enough to reply?

Mr. HUSTING. Certainly.

Mr. REED. I desire to say that if the pending bill does by implication repeal, or if it is in its terms contrary to the terms of the Clayton Act or of the Federal Trade Commission act, of course, the last act passed would be the controlling act, and the provisions of the act previously passed would constitute no protection, assuming, of course, that the Senator from New Hampshire [Mr. HOLLIS] is right in his construction of this proposed law. I think the Senator is right, as a matter of primary construction; but I think, in addition to the mere construction that would be placed upon the language itself, great weight must be given to the fact that the Senate, in order to remove all doubt and to make sure that a certain meaning would be given to the act, added an amendment expressly excepting labor organizations from the terms of the law we are now about to enact. That amendment having been objected to by the other House and having been stricken out in conference, the court will be compelled to give to that circumstance great weight, and the weight it will have will be in the direction of indicating that the legislative intent was something other and different from that which they struck out. That which they struck out was a clause excepting labor organizations; and, adding that consideration to the argument which was presented in regard to the language of the act itself, I have but little doubt that the act proposes to do exactly what the Senator from New Hampshire says it will do.

Mr. LEWIS. Mr. President, if the Senator from Wisconsin will allow me, I desire to say that there is a great deal in what the Senator from Missouri says as to two legal points; one, that where a later act covers a subject matter generally, it will be presumed to be the last expression, and therefore the exclusive one; but, Mr. President, I take it that since the case of Claflin against the United States, as early as Ninety-sixth United States down to the present day, repeal by implication is not only not favored but before a later act can be regarded as repealing some previous act, the particular subject matter claimed to have been repealed must have been referred to, and that it is not repealed merely because the subsequent act is posterior in date. Therefore I can not adopt the view that this later act works a repeal merely because it may be upon a similar subject matter.

Now, as to the second point which the Senator from Missouri makes, it is a very strong point and one which we lawyers know is always convincing, that where a matter has been considered and construction given and the body having jurisdiction rejects it, it is to be assumed that they rejected on the ground that they disagree from it. I think that would be very weighty were it not for the fact that we have evidence before us that it may have been rejected because the same matter had been previously taken care of in other legislation and the same object achieved without making it necessary to be repeated, and that therefore it may have been dismissed because it was a mere repetition and unnecessary. If we have not that construction, the Senator from Missouri must be admitted as being absolutely correct in the construction he makes.

Mr. REED. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Missouri?

Mr. HUSTING. I should like to conclude my argument, unless the Senator from Missouri desires to ask a question.

Mr. REED. I simply desire, in a word, to say that I do not understand the remark of the Senator from Illinois [Mr. LEWIS] to the effect that this language having been stricken out would not be of any weight, because the same matter had been taken care of in other legislation. The same matter is not taken care of in other legislation. Other legislation provided that certain laws then being enacted or then existing should not be applied to labor organizations and to farmers' societies, but that has nothing whatever to do with the terms of a subsequently passed law. If the terms of the law which was subsequently passed are broad enough to include those organizations, then, unless they are expressly excepted, they will, of course, be included.

Mr. HUSTING. Mr. President, I merely want to say a word in reply to the eminent Senator from Missouri [Mr. REED]. If the so-called Hollis amendment had been stricken out without anything having been said about it or without anyone claiming upon the floor of the Senate or in committee that it was for any other purpose than to negative the idea of modifying or repealing the Clayton Act or the Federal Trade Commission act, perhaps the Senator's construction might lie; but it appears here from the debate that many Senators have taken the view that this measure does not modify or repeal or amend the Clayton Act. So the action of many Senators and their votes will be based upon the assumption that it does not so modify, amend, or repeal that act, and the fact that others do think so will have no other effect than to put their opinion against the opinions of those who believe otherwise.

I should have liked the bill better if this provision had remained in it, because then there would not have been any chance for a quibble or a chance for a difference of opinion. I should have liked the bill better if the articles originally enumerated in the bill had been retained in it. I think it would have been far better, instead of awaiting the future action by Congress, to have put the power at once in the hands of the President to commandeer or regulate the price of other commodities, or to do with respect to them anything and everything which he may do in respect to food and fuels, so that in case of an emergency, which is likely to arise at any moment, we should have been in a position to properly defend ourselves in this war. There has got to be such a concentration of power, not only over foodstuffs and fuels but over everything which may enter into or be essential to the proper defense of our country and the proper waging of this war. This power has been stricken out contrary to my wishes, but I hope that other bills will be introduced taking care of the situation. They ought to be introduced at once and be passed; and if there is any division of opinion here upon the question of what effect this proposed legislation will have on the antitrust laws, let a bill be introduced embodying the Hollis amendment, and let it go through both Houses, as I think it will without much opposition. Then all uncertainty will be swept away.

But notwithstanding that this bill is not exactly as I would have it if I had the writing of it, it is necessary to pass this bill at once. We have listened to attacks on men, attacks on the administration, instead of what I think ought to be the prevailing sort of argument; that is, argument on the merits of the bill. I desire to speak for just a little while on the merits of this measure. The attacks that have been made here against Mr. Hoover are not, in my humble judgment, pertinent to the consideration of this bill. If Mr. Hoover does not fulfill his duties properly, the President has authority at any time to put somebody else in his place, and if that man does not fulfill the duties of the office the President has the right to supplant him.

I have no doubt that in the administration of the various laws and the new laws being put upon the statute books there will have to be a sifting process until the right man is found to occupy the right place. I do not think that is the case as to Mr. Hoover, although the fate of food administrators the world over has not been a happy one. Perhaps the trouble that has come to Mr. Hoover at the outset is the forerunner of what is going to be heaped upon his head before he gets through with this business. Certainly he has not received very much encouragement from this Chamber. I understand the effect of a good many of these speeches made here has been to discourage housekeepers in cooperating with Mr. Hoover. I understand that they have acted like a wet blanket on the proposition. Yet Mr. Hoover is a man of courage, a man of ability, and I look to see him push through the mists and throw off this load of opprobrium that has been heaped upon his head, and rise to the occasion as we have a right to expect of him and as the world expects of him.

No man can obtain the prominence of Mr. Hoover or earn the reputation he has earned in two years' time unless he has great merit; and when the world approves a man for what he has done I think it ill becomes his fellow citizens, upon mere suspicion or upon mere personal dislike or whatever it may be, to question not only his ability but his good faith and his general character and reputation.

I say that it seems to me that the attacks that have been made on Mr. Hoover have not alone hit Mr. Hoover but have hit the whole system and have hit the administration. It would be a bad thing, indeed, if it were not for the fact, as I have said before and as I repeat now, that, notwithstanding all the attacks that have been made upon the administration over the shoulders of some one else, these volleys have been deflected back against those who have fired the shots, and that the President to-day stands higher in the confidence of the people of the United States

than any other one man who can be named. He is the man, after all, who has got to attend to this business; he is the man back of whom this country has got to mobilize its resources; he is the man back of whom we have got to put all of our punch and all of our strength; he is the man around whom the people can rally, and, notwithstanding, I say, all the attacks that have been made upon him, notwithstanding all the obstructions that have been laid in his path, he is the man around whom the people are going to rally; he is the man in whom they have confidence, and he is the man to whom the people want us to intrust this power.

It is a good thing that is so, because in a country like this we can not replace the President of the United States. He is the man whom the people elected last November; he is the man who, for good or ill, we have got to trust with the conduct of the war. I say the people knew their business when they elected him to that high office and not some one of the men who have been criticizing him so much. I think the people exercised a great deal of discretion and discrimination and wisdom in electing him President of the United States instead of one of those men who are criticizing him and who think they can run the country better than he can. It is easy to criticize, it is easy to attack, it is easy to shoot when you can not be shot at in return, but it is a far different thing when the responsibility is placed upon your own shoulders and when you are the man who has got to cast the deciding vote upon all these momentous questions.

If I understand the sentiment of the people of this country correctly or in the least apprehend what they are thinking, I say that they are not lying awake nights for fear of the power that is being put in the hands of the President or that may be put in his hands, but they are lying awake nights because they are afraid that Congress will not give the President of the United States the power that he needs to properly defend this country. I say it is ungenerous and unjust to attack him and to withhold from him power that he must have properly to conduct this great war and at the same time to put all the responsibility upon him for its successful outcome.

We are up against a dangerous situation in this country. I think, beyond any doubt, we are up against the most dangerous situation this country has been in since the Civil War. Either this country is going to be defeated or it is going to be victorious, and if it is defeated somebody is going to dictate the terms of peace, and that will not be us, but will be the man who has set the world on fire, the man who has been concocting plans for over a quarter of a century to ensnare the world, the man who is responsible for all the diabolical deeds that have been done in the three years that have elapsed, the man who is trying to dominate the world, the man who in three years of war has done things to which I do not believe the inventive genius and the diabolical cunning of Satan himself could have added anything.

If you read the history of this war and the things that have been done in the name of Germany, I say even Satan himself could not have added anything to the horror of it if he had exercised his most inventive genius. Devilishness has done its absolute worst. How would we like to have that kind of a man tell us, tell the people of this country, what we must and what we must not do? How would we like to have a taste of what Belgium, of what Roumania, of what France, of what other nations of the world have suffered at his hands? Yet we talk about these things and talk about our situation as though we were discussing a moot case, as though we were not concerned with a condition but were theorizing as to whether this thing or that thing is a nice thing, a pleasant thing for the people to have put upon them.

Nobody wants this war; nobody says this is a pleasant war, or that any wars are pleasant; nobody wants to have his business interfered with; nobody wants to be drafted and go to war; but we are in war, we have been shoved into it by the powers that are seeking to dominate this world, and the sole question is whether we are going to properly defend ourselves against that power. That is the only question. It is not a question as to whether the President should have autocratic power or powers that he ought not to enjoy in time of peace, but I say it comes right down to the question whether we want to be defeated or not, whether we want to win this war or not. If we want to win this war, and do not want somebody else's will to be imposed upon us, we must do the things that are necessary to be done to bring about the desired result. All other things, in my judgment, are irrelevant and immaterial as long as we confine our warfare within the bounds of moral and international law.

We are sending men to Europe. Thousands have already gone over there. Thousands may be on the way. Thousands and tens of thousands are still to go there. Do we lose all our interest in these troops, in the provisioning of these troops, when they go across there? Is not this matter here at home something that pertains to this war? Have not these men got to be provisioned? Have not they got to be provided with ammunition? Have not they got to be provided with guns? Have not they got to be provided with everything that is necessary to maintain an army? And if so, are we going to go back on these boys after they go across the sea and withhold or so delay our aid as to render our aid of no use and unavailing?

What must our men think when they go to Europe, braving not only the dangers of the submarine but braving the perils of the trenches, to go up against the worst that this world has ever known, and then see this Congress haggling and haggling about whether we ought to do this thing or that thing to help them?

This matter has been going on for six or seven weeks. What is our situation to-day? We have heard attacks, as I have said before, made on Mr. Hoover and made on the administration, but where are the attacks made on the men who are manipulating food prices and making it almost impossible for people to live, making their conditions almost intolerable? They are going right along. The harvest is on. The grain is cut. It is being hauled to the elevators. It is being bought and sold; and while this Congress has been talking about it the things which it was intended to reach are fast passing beyond its jurisdiction. If this bill does not become a law before next November, how can it affect the present conditions now or relieve them? And as we have delayed it two months, to that extent we have rendered it useless as to transactions already made.

The real situation we are in has not been discussed much. I want to repeat what I said not long ago, that you can not expect men to remain contented if they have to starve to death; and conditions are fast becoming such that in the time of the greatest prosperity this country has ever known the wage earner can not make both ends meet. Some of the wage earners are being taken and put in the trenches—some of those who will not ask for exemption, because they would rather fight and die for their country than beg to be left at home to take care of their families. Yet you are doing all of these things and are not raising your hand to help the people that are in actual distress; and that there is distress everybody knows.

I do not want to take up the time of the Senate by going over ground that I have been over before on this same question, but I want to say just a word on the coal question in the United States, and especially in the Northwest. It is not a question any more of months that we can consider this thing; it is a question of days. I have just returned from a trip to Wisconsin. I took occasion to look into our coal situation there. Our coal warehouses are empty. Milwaukee, I have been informed, has 70 per cent of its normal supply for this time of the year; but outside of Milwaukee the State has only a negligible percentage of its supply. We have our frosts early in September. We begin to heat our houses early in October. What are we going to do? We have not got any coal. When we inquire into the reasons why we have not got any coal, what do we find? We find that some people are afraid to buy now, because they have to pay $10 or $11 or $12 a ton for anthracite coal. The local coal dealer says he can not get any coal because there is no market. I saw letters—I wish I had them here, so that I could put them into the RECORD—from wholesale coal dealers to these local men, saying that they would only accept tentative contracts for coal; that they could not insure their getting their normal winter supply; that they would do the best they could. You go to the wholesale dealer, and he says that he has not got any orders, on the one hand, or says that he can not get cars to bring them to his docks on the other. You go to the coal operators, and they say that the railroads will not haul the coal. You go to the railroads, and they say that the coal operators are not bringing the coal, are not loading the cars; and do you know what is happening all this time? Thousands and thousands of tons of shipping are going up the Great Lakes empty.

We have great ore-carrying vessels that carry ore from Duluth to eastern ports, to Ohio ports, to Erie, Pa., and to Buffalo, N. Y., and ordinarily haul coal back again. These ore freighters probably can load 10,000 tons or more of ore. What are they doing? They carry ore from Duluth to the Lake ports I have mentioned, but are now going back empty to Superior. They are going back empty to Superior instead of hauling coal to the Northwest, and they are soon going to need it there. When you inquire into the reason why that is, these ship men say that the coal men do not furnish them any coal to carry. When you ask the railroad men they say that the coal men at the mines refuse

to furnish coal to load the cars. When you go to the coal men they say that the railroads do not furnish the cars; and all the time what is happening? Why, the season is advancing, and next month, when the frost comes on and we have got to have coal to heat our houses, there will not be any coal in the Northwest. What will be the result then? The people will freeze in their houses unless drastic measures are taken at once to compel the coal to be sent out to the great Northwest, where it soon will be a necessity. Instead of getting coal when everyone knows it soon will be needed, the coal dealers and the coal operators and the railroads are engaged in a three-cornered debate as to the prices of coal and of transportation. Instead of delivering the goods, they are talking prices. Instead of trying to serve the public, they are thinking only of their own profit.

This is no exaggeration. This is a fact. I have taken occasion here for the last two or three days to go from one department to another to find out what can be done, and I am told that up to now they are helpless; that they have no power; that this bill is being held up, and that they are helpless to do anything. I went to the Council of National Defense and talked with one of the prominent men at its head, and he tells me that they are helpless to compel these boats or the coal men or the railroads, whoever is to blame, to ship coal into the Northwest. Now, let this talk go on a little longer, let this discussion go on just another month, and does anybody think that in the course of two or three weeks they can supply the great Northwest for this coming winter with anywhere near an adequate supply of coal?

Mr. REED. Mr. President——

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from Wisconsin yield to the Senator from Missouri?

Mr. HUSTING. Yes, sir; I yield.

Mr. REED. Simply in the interest of accuracy—and I feel sure the Senator wants to be accurate——

Mr. HUSTING. I always try to be.

Mr. REED. I call his attention to the fact that this bill when it came to us contained practically no provision which would have enabled anything of a substantial character to be done with the coal mines; that it was during the discussion here in this Chamber that the Committee on Interstate Commerce took up that question, and that it was as a result of the discussions here and the investigations of that committee that the very strong and forceful provision regarding coal control was put into this measure; and it was put in so late, it came here so late in the discussion, that there was, I think, only one speech made in regard to it before the vote came.

Mr. HUSTING. That is undoubtedly correct, as the Senator says; but you want to remember that this food bill came up when the food situation was acute and not the coal situation, and I am sure that if the coal provision had not gotten in this bill it would have gotten in some other bill before this time, and probably would have passed long before this. But being in this bill, it remains inoperative until the bill is passed. I say this more for the purpose of bringing it to public attention, or as much for that purpose as to criticize the delay of the bill; but I am trying to show, in addition, the necessity of a bill of this kind.

I say that if this bill is delayed another three or four weeks, and we do not get relief in the Northwest, with a sufficient supply of coal to heat our houses, to say nothing about running the factories, just merely to keep people alive, how in the world can we in three or four weeks, in view of the congested conditions of transportation, hope to secure enough coal to keep us alive? How in the world can we expect to get coal into Wisconsin, Minnesota, and the two Dakotas, and perhaps farther to the west, in time to save the people from actually freezing to death?

It shows how helpless this Government is when it is in the clutches of men who run public utilities and coal mines, and things of that sort, for themselves as their private property. I just want to point that out in passing. I am not going to dwell on that; but it just shows that here is a great, big country, engaged in a war with a European power, unable to compel the people who have secured possession of our coal mines or the people who run our railroads, wherever the fault may be, to do something that will keep our people from starving or from freezing to death.

Does anybody think for a moment that it is going to avail us to send soldiers over to Europe to fight for this country and have our people killed here at home at the hands of our own citizens? Not only that, but do you think the people are going to stand it? Does anybody for a moment believe that people are going to starve to death and freeze to death and not call somebody to account either for the delays that have been interposed in this legislation, or call to account these men who are responsible for this condition—the private persons who are responsible for it?

There are two reasons, as I said before, for this condition. If this bill had been passed earlier it could have been put in operation earlier; but I am talking particularly to the point that we are in a position where we have got to have this power, where the selfish interests that are intent only on running their own business for private profit do not take into consideration the necessities of the hour and the needs of the people here with winter coming on.

Somebody is going to be called to account for this. People will not starve or freeze twice. If the food situation this next winter is worse than it was or worse than it has been, or the people are going to freeze in their own homes, these interests and people and men that are responsible for it will not only be called upon for an accounting, but they will never have a chance to do it again. They ought to take notice of this, because the people of this country will not tolerate such treatment.

If it shall be demonstrated here that if in times of plenty, when there is ample supply of fuel and plenty of coal in the ground, the present facilities for mining and selling and distribution amongst the people are going to fail us, that will be a demonstration, and a conclusive demonstration, of the absolute inability and impotence of the present agencies to do the work, and will quite equally demonstrate that they are no longer entitled to be trusted with those responsibilities and those duties. They will be taken away from them.

I say, not only for the purpose of this bill but for the purpose of similar bills that are shortly coming after, that it is enough that we have an outside enemy to fight without being distressed with this sort of situation here at home. Instead of everybody pulling together here to defeat the common enemy we have got to be engaged here in trying to save ourselves from our local troubles. I have mentioned some of them here. I refer to those men who are looking on and debating and debating the coal situation as to price, and talking and talking when we are staring the coming winter right in the face and know that unless coal is brought to our door our people will have to suffer. These troubles weaken the Government and strengthen our enemy.

I say that it seems to me that the administration is not getting the support it ought to get from Congress—not so much in the final result, because it so happens that everything that has been demanded eventually has been given to the administration; but it has been given slowly. It has been given grudgingly, distrustfully, sullenly, and all the time these grants of power have been opposed, have been attacked. There has been going out to the country a stream of cold water that is having its effect. It has not had its full effect because the people have confidence in their administration; but it is having a certain amount of effect in chilling the enthusiasm of the people and in raising in the people's minds distrust of their own Government.

Instead of attacking our foe, instead of pointing out to the people the dangers that we are in of being overwhelmed by this enemy—which, if it ever sets foot upon this soil will bring home to us the most terrible visitation that has ever been visited upon any people—instead of urging concerted effort and cooperation, I say this stream of influence has been going out and having only the effect of obstructing and discouraging the people and not of enthusing them. Why do not all of us try to inspire the people with faith and conviction instead of constantly trying to shake their faith and confidence in their Government? Why not try to cement our people together instead of tearing them apart? Why not encourage the President instead of trying our best to discourage him and distrust him?

Is that going to do any good? It is said that wholesome criticism is a good thing. Of course it is; but destructive criticism—criticism that is only aimed for the purpose of bringing the administration into disrepute—can have no good results. It can have only bad results; and why do we do it? Certainly there is no man in Congress that wants to see this country overwhelmed and defeated. Then why this constant attack? Why this constant obstruction against something that finally is going to be done anyway and is done?

I want to restate what I have said on numerous other occasions. It seems to me we have got all the trouble in fighting the men who are seeking our undoing at the outset. I do not charge any Senator with willful misconduct or question his motives. He doubtless has good reasons for what he is doing and saying, but I can not for the life of me understand why Congress or the people of the United States want to concern themselves with anything in this hour other than to defeat the enemy. Clearly with us the issue is the autocracy or the democracy of the

world. The issue is our independence, our democracy as well. So it is not a question of whether you are in favor of the food bill or against it as a general proposition. If it is necessary, then its passage involves the question whether you are in favor of democracy or autocracy, because that is going to be the effect of this war. Either autocracy is going to be enthroned in the world or democracy is going to be established. That is as clear as crystal, as clear as day.

It does not make any difference any longer why this happened or that happened. It does not make any difference how some looked at one or the other of the issues antedating the war. The question now is simply and purely, Are you in favor of autocracy or are you in favor of the democracy of the world? Are you in favor of the United States or are you in favor of Germany? Are you in favor of supporting this administration to defeat Germany or are you going to do all you can to obstruct, hinder, and delay this country in defeating Germany? That there should be differences of opinion on matters of legislation, of course, is inevitable, but it only ought to be in such manner as not to obstruct something that is a crying need, for we have about the biggest job on our hands we have ever undertaken as a Nation. It will require not only all the physical forces that we can muster but all the moral forces, spiritual forces, we can muster to win this war. Whoever fails to give his moral support to his country in times like this, whether in private or public life, has assumed a heavy responsibility. The people whom we are fighting are united. Germany is united to a man. Are we going to be less united? In preparing for war, time is of the very essence. Delays are dangerous always, but in war times often fatal. Germany owes a debt of gratitude to her enemies for their delays. Are we going to make the same mistakes that were made by Germany's foes in Europe, always to get there just a little bit too late?

There are two ways by which we can defeat ourselves. One is by not mobilizing our forces at all; the other is by mobilizing our forces too late. If we do not get a million soldiers over there before Germany gets 2,000,000 soldiers more under arms, we are not accomplishing anything; but if we get our forces there before she can mobilize any additional forces—or, rather, before time can mobilize for her any more forces by the growing up of her young men into military age—that is the way we can defeat Germany. We can not defeat her by holding back and by not getting started just as quickly as we can. We can only defeat her by increasing the allied forces in a greater measure than Germany does hers.

I am speaking not only for this bill but for bills that may come hereafter.

In fact, there is only one thing for any man to determine for himself, and that is whether this war ought to be won or lost. If it is not to be lost, every man has got to do his duty, and the affairs of this country have got to be put in the hands of a man who can deliver the punch. It has got to be done quickly. It has got to be done with all the forces—physical, spiritual, and moral—which we can bring in order to rescue the world from the danger that has been hanging over at least the Eastern Hemisphere for three years. If we do not do that, we shall have to answer to posterity, we shall have to answer to history, and if anyone is in part even responsible for that result he has indeed a heavy responsibility to be accountable for.

This country ought to be united; it ought to be united to a man. These insidious influences that have been at work here have been at work in Russia and have torn Russia all to pieces. The deplorable condition of Russia to-day is due to the same influences that started to divide our people in this country, and those forces are working day and night in this country now. The pity of it is that they find oftentimes instruments here in this country with which to carry on their nefarious and treasonable work. If this influence is not stamped out in this country, even though we issue successfully out of this war, if it is not exterminated, it will yet keep on and tend to divide our people permanently. We have influences here in the United States that are doing the Kaiser's work for him, forces that started 30 years ago and are at work here to-day. They have been enabled through the press and through organizations, old and new, political and nonpolitical, sectarian and nonsectarian, to set our people one against the other and against their own Government.

Those forces ought to be hunted down and exterminated, because if they are not exterminated they will have to be dealt with after the war is over. Last fall we all knew that many crawled on their hands and knees to curry their favor and to get their votes, and the chances are they will do it again if it is deemed politically expedient to do so. These forces that are more German than American, that find nothing good in our Government and nothing bad in that of our enemies, ought to reap the opprobrium they so justly earned and be brought into such disrepute that decent men, yes, decent politicians, would shun them like the pest.

Now, we can not afford to have any division in this country. If any substantial portion of the people of this country are divided from the Government, we shall have to pay the penalty. The way we can bring this war to a speedy end is for the people to unite together on one purpose, one supreme purpose, the supreme purpose of the hour. If they do that, no American need fear the consequences.

Mr. VARDAMAN. Mr. President, I think it is eminently unfortunate that Senators can not discuss the merits or demerits of any particular measure without imputing improper motives to those who happen to differ from them. Personalities are always objectionable in discussion and indicate a weakness in the speaker or want of merit in the measure which he advocates. Sometimes it is both. In answer to any intimation that I have been a party to a scheme to delay, prevent, or postpone the final vote on any measure I can say that I have probably spent less time on my feet in the Senate than any other Member of this body who attends upon its deliberations as regularly as I do. Any suggestion, therefore, of that kind is utterly devoid of truth. It is not my proper function to animadvert upon the conduct of other Senators. They are doubtless doing that which their sense of obligation to their constituents and the country generally demands that they should do, and doing it quite as well as I could do it. But I do want to say that I am nauseated with this pharasaical noise that we hear upon the floor of the Senate too often that somebody or some Senator is withholding from the President of the United States the support which the President should have if this war is to be brought to a successful termination. As a matter of fact, I suspect the patriotism of a man who feels called upon to impute bad motives to somebody else in order to prove the good motives which actuate him. The man who undertakes to make out somebody else a sinner in order to prove himself a saint will bear watching. I think if there was more attention paid to the golden rule in senatorial discussion we would do more work and better work and do it in less time.

Mr. President, I was very much pleased on yesterday when the honorable Senator from Oregon [Mr. CHAMBERLAIN] secured unanimous consent to vote upon this conference report at 4 o'clock this afternoon. This question has been thoroughly discussed, every phase adequately considered, and I think the time has arrived when the matter ought to be disposed of finally. I am going to vote for the conference report, not because I approve everything that has been done or everything that the report contains, but for the reason that I believe it is the best that can be hoped for in the circumstances.

I confess that I was somewhat disappointed when the conferees on the part of the Senate found that they were unable to induce the conferees on the part of the House to insert certain amendments that they did not return to the Senate for instructions instead of going to the Executive for absolution from their senatorial obligations.

But that is in accord with the custom prevailing in Washington to-day in matters touching legislation. It is a melancholy fact that that pride in the independence of the legislative department of the Government which was so splendidly manifested by Senators in days gone by is no longer observable in this Chamber. Really, to show independence of executive domination often subjects a Senator to the criticism at the hands of the servile and sycophantic self-constituted censors as being disloyal to the Government

Mr. President, this bill, I am afraid, is going to be disappointing both to its proponents and those opposing it. I hope it will prove a disappointment to those who doubt its merit.

Mr. KENYON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Iowa?

Mr. VARDAMAN. I do.

Mr. KENYON. The Senator referred to the proposition that the Senate conferees should have returned to the Senate for instructions. I wish to say to the Senator that the conferees on the part of the Senate endeavored to do that. The bill and the papers were in the hands of the House conferees. The parliamentary situation was such that the Senate conferees could not return to the Senate for instructions without the consent of the House conferees. That they refused to give.

Mr. VARDAMAN. I am very glad to have that statement from the able Senator, because I think it is well for the Senate to preserve somewhat its constitutional independence and dignity and to maintain its rights as a coordinate branch of the

Government. It so rarely does anything of that kind that I am delighted to have the assurances of the honorable Senator from Iowa [Mr. KENYON].

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Connecticut?

Mr. VARDAMAN. I do.

Mr. BRANDEGEE. Do I understand the Senator correctly to say that when the Senate appoints conferees those conferees can not return to the body which appointed them without the consent of the House conferees?

Mr. KENYON. As I understand the parliamentary situation the Senate requested the conference. The House thereupon sent the bill to conference. The matter was in their hands. I know I asked permission to go back to the Senate for instructions as to the amendment relative to the war committee, and it was the unanimous sentiment that we could not do it, and parliamentarians in the Senate, I understand, so hold.

Mr. BRANDEGEE. Mr. President, I do not pretend to be a parliamentarian, but I am astounded that anybody should think that the agents of the Senate can not use their own judgment to walk out of the room if they desire before yielding or coming to a conclusion on any matters submitted to the conference committee, and can not come back to the Senate and get the views of the Senate as to whether they should yield or not.

Mr. NELSON. I think, if the Senator from Mississippi will allow me, the trouble grows out of this situation: The bill being in the possession of the House, necessarily the first action on the conference report would have to be taken there. Until the House acted it could not come back here to be acted upon at all.

Mr. BRANDEGEE. I agree entirely with the Senator that there could have been no conference report made here before it was made in the House. That is not what I am asking.

Mr. NELSON. For that reason the Senate conferees were handicapped in the manner the Senator from Iowa has stated.

Mr. BRANDEGEE. They may have thought that they were handicapped, but the Senate conferees could certainly have walked out of that conference room, having said to the House conferees, "Gentlemen, you are asking us to yield on all these points. We do not feel like doing it without consulting the body that instructed us. We will go back and submit it to them and meet with you later." There is nothing that could possibly have prevented that.

Mr. VARDAMAN. There is no doubt about the view of the honorable Senator from Connecticut being correct. In my judgment there were two ways open to the conferees. They could either refuse to concur and come back to the Senate for direction or they could have gone on and depended upon the Senate to reject the conference report if they disapproved it. That was not done, but I am glad to know that all the conferees on the part of the Senate were not in favor of supine acquiescence in the Executive order. Some little sense of independence is better than nothing. Mr. President, I shall not delay action upon this measure or consume the time which other Senators may desire in discussing the bill. I am not one of those favoring the bill who insist on taking all the time that should be devoted to discussing the merits or demerits of the measure in criticism of some Senator who may oppose the bill. I think it is unfortunate to delay action upon a measure in an effort to pick flaws in somebody else with the manifest purpose of proving loyalty to the administration by undertaking to show that some other Senator is disloyal. I desire action upon this bill at the earliest possible moment. I expect to vote for it, but I fear it is going to be a disappointment, a sad disappointment, to the people who are expecting some relief from it.

After listening to the speech of the able and patriotic Senator from Missouri [Mr. REED], I came to the conclusion that John Law, at the high tide of his influence in France in 1719, never promised more to the people of France with his famous "Mississippi scheme" and accomplished less in their behalf than the administrator of this law will be able to give to the people of the United States. I am afraid that the luscious fruit held out to the hungry will turn to ashes upon the famishing lips of the people. But the people are hoping and demanding something. They are hungry; poverty stares them in the face. They desire that something shall be done in their behalf. War conditions are unbearable. Of course I know it is not within the power of Congress to give them what they want; but, I repeat, they want something; they need something; they are hoping for something; and if we shall be guilty of a little economic bread-pill therapeutics, which we are doing when we enact this law, I am sure the people will pardon us under the circumstances. God knows I would that we had the power to give the people what they need.

Mr. STERLING. Mr. President, I think that during the course of this debate I should say a few words and put in the RECORD some matters relating to a subject which has been alluded to in the course of the debate, although perhaps not very germane to any of the provisions of this food-control bill. The matter relates to the construction of the military cantonments, and was first referred to by the Senator from Illinois [Mr. SHERMAN] day before yesterday, and by the Senator from New York [Mr. WADSWORTH] in his able discussion yesterday. The Senator from Illinois, as I understood him, criticized the Government or the War Department for some extravagance and waste in the matter of letting the contracts, in the employment of labor, and in the purchase of material used in the building of the several cantonments.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Illinois?

Mr. STERLING. Certainly.

Mr. LEWIS. Would the Senator from South Dakota be good enough to designate the Senator from Illinois to whom he alludes? I know that my colleague does not shirk the responsibility and I desire to have him designate him.

Mr. STERLING. I allude to Senator SHERMAN, the colleague of the Senator now on the floor.

Mr. LEWIS. I do not care to be confused as to my views on those particular subjects.

Mr. STERLING. The Senator from New York, in his discussion yesterday, did not criticize the department or the Government for any waste or extravagance, but that which he sought to criticize in regard to cantonment construction was the secrecy with which the work was done, the contracts let, and so forth. He rightly thought more publicity in this respect, as well as in the exercise of the powers conferred by the food-control bill, would inspire greater confidence on the part of the people.

Mr. President, in regard to the construction of these cantonments, I heard two months ago, more or less, of individual criticism of the methods of the Government in letting contracts for such construction, costing, as is estimated, nearly $90,000,000, and I have seen statements in the newspapers to the effect that the Government was paying extravagant wages and extravagant prices for material that entered into the building of these cantonments. Having that in view, and desiring to know, so far as could be known, the facts, on June 15 I introduced a resolution—Senate resolution 85—which I ask may at this point in my remarks be printed in the RECORD, so that it may appear in close connection with the answer of the Secretary of War, which I shall next present.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution referred to is as follows:

Resolved, That the Committee on Military Affairs be, and is hereby, directed to at once make inquiry and investigation as to buildings constructed, or to be constructed, at the various cantonments lately designated and established on the order or approval of the Secretary of War throughout the United States for the mobilization of troops, and that such inquiry relate to the following:

First. The kind and character of buildings constructed or to be constructed at such cantonments, including the material entering into such construction.

Second. The estimated cost of such construction at each of the various cantonments.

Third. The nature and basis of the contract or contracts entered or to be entered into by the War Department for such construction and the guaranties for the performance thereof by contractors, together with the basis of compensation for such contractors.

Fourth. The wages or compensation paid per diem or otherwise to carpenters and mechanics engaged in such construction as compared with the usual and ordinary wages for like labor or services.

Fifth. The price paid for material used in such construction as compared with the average market price of like material.

And that said committee make such investigation and report thereon to the Senate at the earliest practicable date.

Mr. STERLING. Mr. President, my resolution was referred to the Committee on Military Affairs, and by that committee was referred to the Secretary of War. The Secretary of War has made answer, and by the permission of the chairman of the Committee on Military Affairs, the Senator in charge of the pending bill, I have here the answer of the Secretary of War, with liberty to use and make it public. I ask to have it read for the purpose of doing justice to the Secretary of War and his management of this important work and for the information of everybody concerned. I send to the Secretary's desk first the letter of the Secretary of War, of date July 26, and ask that it may be read.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

WAR DEPARTMENT,
Washington, July 26, 1917.

The CHAIRMAN COMMITTEE ON MILITARY AFFAIRS,
United States Senate.

SIR: In compliance with your request of the 18th instant that the Senate Committee on Military Affairs be furnished with any information relating to Senate resolution 85, Sixty-fifth Congress, first session, that may be in the possession of the War Department, the following report is submitted, the inquiries being answered in their order:

First. At each of the 16 cantonments for the National Army there are now being constructed approximately from 1,000 to 1,250 buildings, varying in size from 43 feet by 140 feet to 14 feet by 14 feet. About one-half of the buildings are of the larger size. Some of these buildings are two-story, the balance are one-story. They are being constructed of wood, and will be roofed with felt patent roofing.

Second. The estimated average approximate cost of the cantonments is $5,600,000. The largest cantonment is at Fort Riley, Kans., and is intended for 46,000 men, and its estimated approximate cost is $6,400,000; the smallest is at Battle Creek, Mich., intended for 36,000 men, and its estimated approximate cost is $4,900,000. In this estimated cost is included the clearing of the land, building of barracks, officers' quarters, storehouses, laundries, stables, railroads, highways, streets, power plants, refrigerators, ice plants, plumbing system, steam-heating system, garbage incinerators, surface draining system, fire-protection appliances, stoves for heating, ranges for cooking, cots, and matresses. In fact, each cantonment will be a complete city for a population of 40,000 people, with all facilities, plants, and appliances required by modern living conditions.

Third. Submitted herewith is a copy of the form of contract which has been made with each of the contractors for cantonment construction. Practically all of the work, with the exception of roads, at each cantonment has been awarded to a single contractor. The guaranty of performance is contained in the bond required by article 9 of the contract.

Fourth. The contract provides that the contractor shall make no departure from the standard rate of wages paid as of June 1, 1917, in the locality where the work is being done without the prior consent and approval of the contracting officer.

In some cases it has been found necessary, in order to secure the large number of carpenters and mechanics required and to induce them to leave their homes and undertake this rush work, to pay a slight advance over the locally prevailing union rate of wage. Annexed hereto is a paper which shows the wages being paid at the cantonments and the locally prevailing rates of wages as of June 1, 1917, in so far as this office has been able to secure information of such rates.

Fifth. The largest item of material entering into the cantonment construction is, of course, the lumber. Upon the advice of the lumber committee of the munitions board of the Council of National Defense a contract was entered into with eight lumbermen's emergency bureaus, located in various lumber-producing sections of the United States, under which a scale of prices was fixed, which averaged $20 a thousand for southern pine and $22 a thousand for North Carolina pine, about 80 per cent of all of the lumber required being of those kinds. Northern hemlock and fir make up the balance of the lumber required. Under the contract the price for northern hemlock is the same as the price for southern pine, with freight charges added, and fir at the rate of $16 or $17 per thousand feet.

These prices are considerably lower than it is possible to obtain similar lumber for in the open market. Where it has been found necessary to purchase smaller quantities of lumber locally in the open market for the immediate construction of temporary buildings required for administration and other purposes at the cantonment sites, the contractors have been forced to pay as high as $42 per thousand feet for southern pine and North Carolina pine.

Plumbing supplies required for the cantonments have been contracted for through a large central firm—Crane & Co., of Chicago—who manufacture some of such supplies, and who have undertaken to have manufactured by other manufacturers such other plumbing supplies as are required for the work. The prices stipulated in the contract are considerably lower than the prevailing prices for similar material. At the time the arrangement was made with the Crane Co. it was necessary to induce manufacturers to make many of the articles required, particularly the pottery, and such orders had to be given in advance and scattered throughout the country to the various manufacturers thereof.

Very respectfully,

NEWTON D. BAKER,
Secretary of War.

Mr. STERLING. Mr. President, the Secretary of War in his letter refers to certain statements and tables relative to the union rate of wages at or near the places of these several cantonments during the years 1916 and 1917. I have those tables before me; I shall not attempt to give them at length, or to have them inserted at length in the RECORD. The tables give the union wage scale for carpenters, for building laborers, for plumbers, and for inside wiremen—electricians—for 1916 and 1917—partially, I will say, for the year 1917—at or near the locality at which each cantonment is to be built.

Thus for Fort Riley, Kans., the wage scale at Kansas City, Mo., and Fort Leavenworth, Kans., is given; for Fort Snelling, Minn., the wage scale for Minneapolis and St. Paul is given; and so on through the entire list of 16 cantonments, one or two places near the cantonment being taken from which to ascertain the union wage scale paid for these various occupations. The wage scale, as I said, is complete for the year 1916, but not complete for 1917. However, when given for 1917 the wage scale shows generally a material increase over the wage scale of 1916.

For carpenters the wage scale of 1916 runs from 32½ cents an hour at Petersburg, Va., to 65 cents an hour at Kansas City; 70 cents an hour at Chicago, Ill.; 62½ cents an hour at Salt Lake City, and the same at San Francisco. I recall that on yesterday the Senator from Illinois [Mr. SHERMAN] referred to what the Government was paying for the construction of cantonments at Rockford. I think the average for carpenters employed at or near the places of the several cantonments would be not far from 55 cents an hour for 1916, and, so far as the table shows, from 65 to 67½ cents an hour for 1917. The number of hours per day is usually eight.

For building laborers the wages for 1916 run from 22½ cents an hour at Louisville, Ky., to 62½ cents an hour at San Francisco, Cal., which is an extreme. A fair average, I think, or an estimated average, for this class of workmen for 1916 is from 37½ cents to 40 cents an hour. In nearly all cases the hours per day are eight. I think in about three, perhaps four, places the hours are nine hours per day.

For plumbers the 1916 wage scale runs from 44.4 cents an hour at Atlanta Ga., to 75 cents an hour at Kansas City, Salt Lake, Portland, San Francisco, Seattle, and at Chicago. I think the average would be from 67½ to 70 cents an hour.

The 1917 wage scale for that class of workmen shows material increases, so far as that scale is carried out. Thus, at Salt Lake plumbers are paid, in 1917, 81.3 cents an hour, the same at Seattle, and the average wage scale for places near the 16 cantonments, I think, would be about from 72½ to 75 cents an hour, and the hours per day are invariably eight for the plumbers.

The wages of inside wiremen, according to the 1916 wage scale, run from 37½ cents an hour at Grand Rapids, Mich., which is extremely low—the wages at that place being 45 cents an hour for 1917—to 75 cents at Chicago, which is extremely high. The next highest, 65 cents an hour, was paid at Kansas City. The average is 57½ cents an hour. So far as given, the scale for 1917 shows an increase; that at Boston, Mass., amounting to 62½ cents an hour in 1916 and 71.3 cents in 1917. Seattle shows an increase from 62½ cents to 75 cents an hour; Baltimore, from 43.8 cents to 58 cents an hour. That is as far, Mr. President, as I have sought to analyze the tables submitted by the Secretary of War.

In addition to these tables showing the union wage scale, the Secretary of War submits, under the head of "Labor data—National Army cantonments," a statement of what is being paid to the various classes of employees for the building of these cantonments. I have not compared them at length, but I take Ayer, Mass., for example. The wage scale for carpenters at Boston in 1916 was 57 cents an hour and in 1917 65 cents an hour. I find that the Government is now paying carpenters 65 cents an hour at Ayer, Mass., for cantonment work. Plumbers at Boston, Mass., in 1916 were paid 65 cents an hour; in 1917, 68.8 cents per hour; and the Government is now paying 68¾ cents an hour at Ayer. For electricians or inside wiremen at Boston, Mass., there was paid in 1916 62½ cents an hour, and in 1917, according to the union wage scale, 71.3 cents per hour; but the Government is now paying 70 cents at Ayer. For laborers the Government is paying now in Ayer, Mass., 37½ cents an hour.

So, Mr. President, it occurs to me that this, under the conditions, is not a bad showing on the part of the Government. I assume the employees are able to do a full day's work in their several lines, or that they are as good as the average.

Mr. NORRIS. Mr. President, will the Senator permit an interruption?

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Nebraska?

Mr. STERLING. I yield to the Senator.

Mr. NORRIS. I was out of the Chamber when the Senator began his address. I desire to ask him if he has the form of contract which has been entered into for the building of cantonments at various places?

Mr. STERLING. I have the form of contract here, I will say to the Senator, and I intend putting part of it in the RECORD.

Mr. NORRIS. Does it provide that the contractors shall be paid 10 per cent of what it costs to do the work?

Mr. STERLING. Not 10 per cent, but varying rates of per cent according to the cost. The contractors are paid, as a usual thing, a rate according to the cost of construction of the cantonment, but in no case to exceed more than $250,000.

Mr. NORRIS. Are the persons employed at the prices the Senator is now stating working for the Government or for the contractors?

Mr. STERLING. They are working primarily for the contractors. The contractors employ them.

Mr. NORRIS. What means does the Government take in order to prevent the contractor from increasing the expense, so that thereby he may increase his profits?

Mr. STERLING. The contract itself provides that the scale or rate of wages shall be the same as wages for the same kind of work in that locality or community, except where, under special circumstances, the Government contractor may pay a slightly higher rate of wages, and, according to a letter from the Secretary of War, which was read at the desk a little while ago, in answer to this resolution of inquiry, they have in a few

instances, I think, paid a slightly higher rate than the going rate of wages.

For building laborers at Boston, Mass., in 1916, 35 cents an hour was paid. The figures are not given for 1917, but the Government is paying 37½ cents an hour for such laborers at Ayer, Mass. I will not take time, Mr. President, to go further into this statement of what is being paid these several classes of employees at these 16 cantonments, but I will ask that it may be printed in the RECORD in connection with my remarks.

The PRESIDING OFFICER. Without objection, permission will be granted.

The matter referred to is as follows:

Labor data—National Army cantonments.

	Per hour.	Per 8-hour day.
Ayer, Mass.:	*Cents.*	
Carpenters	65	$5.20
Plumbers	68¾	5.50
Electricians	70	5.60
Laborers, semiskilled	37½	3.00
Yaphank, Long Island, N. Y.:[1]		
Carpenters (frame)	62½	5.00
Carpenters (local)	50	4.00
Carpenters' helpers	37½	3.00
Laborers, common (nonunion)	35	2.80
Laborers, skilled (nonunion)	37½	3.00
Wrightstown, N. J.:		
Laborers	30	2.40
Carpenters	60	4.80
Annapolis Junction, Md.:[2]		
Laborers	30	2.40
Carpenters	62½	5.00
Petersburg, Va.:		
Carpenters	57	4.56
Plumbers	68¾	5.50
Electricians	60	4.80
Laborers	25	2.00
Columbia, S. C.:		
Carpenters	40	3.20
Foreman	50	4.00
Laborers	21⅞	1.75
Atlanta, Ga.:		
Foreman	60	4.80
Carpenters	40–50	.....
Carpenters' helpers	20–25	.....
Labor foreman	35–45	.....
Labor	25	.....
Pipe fitters, foreman	50	.....
Checkers	27–35	.....
Truck chauffeurs	20–25	.....
Material clerks	.....	3.50
Division superintendent, $200 per month.		
Louisville, Ky.:		
Carpenters (time and half overtime; double time Saturday afternoon and Sunday)	50	4.00
Laborers (paid straight time)	30	2.40
Battle Creek, Mich.:[3]		
Carpenters	60	4.80
Laborers	35	2.80
Plumbers	65	5.20
Rockford, Ill.:		
Carpenters	62½	5.00
Carpenter helpers	37½	3.00
Laborers	35	2.80
Des Moines, Iowa:		
Bricklayers	81¼	.....
Carpenters	62½	.....
Cement workers	65	.....
Electric workers (inside)	60	.....
Hod carriers	35	.....
Building laborers	32½	.....
Lathers	50–55	.....
Plumbers	68¾	.....
Plumbers' helpers	31¼	.....
Painters	50	.....
Pipe layers	45	.....
Structural iron workers	62½	.....
Sheet metal workers	57½	.....
Tinners	57½	.....
Tile layers	71¼	.....
Rodman	32½	.....
Chainmen	29½	.....
Stationary engineers	70	.....
Common laborers	31¼	.....
Electrical workers (outside)	48	.....
Hoisting engineers	60–70	.....
Teams and teamsters	66⅔	.....
Common laborers	30⅝	.....
Carpenters	65	5.20
Laborers	33⅓	.....
Fort Riley, Kans.:[3]		
Carpenters	65	5.20
Laborers	37½	3.00
Plumbers	75	6.00
Electricians	50–60–75	.....
Fort Sam Houston, Tex.:[4]		
Electricians	56¼	4.50
Carpenters and painters	50	4.00
Sheet metal workers (time and half overtime)	75	6.00
Plumbers (double time overtime)	75	6.00
American Lake, Wash.:[3]		
Carpenters	62½	5.00
Laborers	37½	3.00

[1] All union trades demand double time for overtime.
[2] Time and half for overtime; $1 per day for board.
[3] Time and half overtime; double time Sunday.
[4] All labor double time for Sundays and holidays.

Mr. STERLING. I will simply say, Mr. President, that I thought it no more than fair and just that this matter, about which there has been a good deal of talk, a good deal of newspaper comment, and a good deal of criticism, too, should be stated here on the floor of the Senate, and that the version of the Secretary of War as to what is actually being done, and as to the cost of labor and materials, should be made public.

I now refer to the contract under which all this work is being done. There is first a long preamble reciting the necessity, as it were, for entering into these contracts. Then comes article 1, entitled "Extent of the work"; article 2, entitled "Cost of the work"; article 3, "Determination of fee"; article 4, "Payments"; article 5, "Inspection and audit"; article 6, "Special requirements"; article 7, "Right to terminate contract"; article 8, "Abandonment of work by contracting officer"; article 9, "Bond"; article 10, "Convict labor"; article 11, "Hours and conditions of labor"; article 12, "Right to transfer or sublet"; article 13, "No participation in profits by Government officials"; article 14, "Settlement of disputes"; and article 15, providing that this contract shall bind and inure to the contractor and its successors. I will read the remainder of article 15:

It is understood and agreed that wherever the words "contracting officer" are used herein the same shall be construed to include his successor in office, any other person to whom the duties of the contracting officer may be assigned by the Secretary of War, and any duly appointed representative of the contracting officer.

Then there is the place for signatures.

Mr. President, I wish to have printed in the RECORD article 2——

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Nebraska?

Mr. STERLING. I do.

Mr. NORRIS. Will not the Senator have the entire contract printed?

Mr. STERLING. I can, Mr. President, have the entire contract printed if desired.

Mr. NORRIS. I think it ought to be all printed.

Mr. STERLING. I thought it a little lengthy, and I thought these two articles were of special interest. Very well, then, I will ask that the entire contract be printed in the RECORD.

The PRESIDING OFFICER. Without objection, permission is granted.

The matter referred to is as follows:

CONTRACT FOR EMERGENCY WORK.

CONSTRUCTION OF ———.

Contract made and concluded this — day of ———, 1917, by and between ——— ———, a corporation organized under the laws of the State of ———, represented by ——— ———, its president, party of the first part (hereinafter called contractor) and the United States of America, by Maj. W. A. Dempsey, Q. M. U. S. R. (hereinafter called contracting officer), acting by authority of the Secretary of War, party of the second part.

Whereas the Congress having declared by joint resolution, approved April 6, 1917, that war exists between the United States of America and Germany, a national emergency exists, and the United States urgently requires the immediate performance of the work hereinafter described, and it is necessary that said work shall be completed within the shortest possible time; and

Whereas it is advisable under the disturbed conditions which exist in the contracting industry throughout the country for the United States to depart from the usual procedure in the matter of letting contracts and adopt means that will insure the most expeditious results; and

Whereas the contractor has had experience in the execution of similar work, has an organization suitable for the performance of such work, and is ready to undertake the same upon the terms and conditions herein provided: Now therefore

This contract witnesseth, That in consideration of the premises and of the payments to be made as hereinafter provided the contractor hereby covenants and agrees to and with the contracting officers as follows:

ARTICLE I.

Extent of the work: The contractor shall, in the shortest possible time, furnish the labor, materials, tools, machinery, equipment, facilities, and supplies, and do all things necessary for the construction and completion of the following work:

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in accordance with the drawings and specifications to be furnished by the contracting officer, and subject in every detail to his supervision, direction, and instruction.

The contracting officer may, from time to time, by written instructions or drawings issued to the contractor, make changes in said drawings and specifications, issue additional instructions, require additional work, or direct the omission of work previously ordered, and the provisions of this contract shall apply to all such changes, modifications, and additions with the same effect as if they were embodied in the original drawings and specifications. The contractor shall comply with all such written instructions or drawings.

The title to all work completed or in course of construction shall be in the United States; and upon delivery at the site of the work, and upon inspection and acceptance in writing by the contracting officer, all machinery, equipment, hand tools, supplies, and materials, for which the contractor shall be entitled to be reimbursed under paragraph (a)

of Article II hereof, shall become the property of the United States. These provisions as to title shall not operate to relieve the contractor from any duties imposed hereby or by the contracting officer.

ARTICLE II.

Cost of the work: The contractor shall be reimbursed in the manner hereinafter described for such of its actual net expenditures in the performance of said work as may be approved or ratified by the contracting officer and as are included in the following items:

(a) All labor, material, machinery, hand tools not owned by the workmen, supplies and equipment, necessary for either temporary or permanent use for the benefit of said work; but this shall not be construed to cover machinery or equipment mentioned in section (c) of this article. The contractor shall make no departure from the standard rate of wages being paid in the locality where said work is being done without the prior consent and approval of the contracting officer.

(b) All subcontracts made in accordance with the provisions of this agreement.

(c) Rentals actually paid by the contractor, at rates not to exceed those mentioned in the schedule of rental rates hereto attached, for construction plant in sound and workable condition, such as pumps, derricks, concrete mixers, boilers, clam-shell or other buckets, electric motors, electric drills, electric hammers, electric hoists, steam shovels, locomotive cranes, power saws, engineers' levels and transits, and such other equipment as may be necessary for the proper and economical prosecution of the work.

Rental to the contractor for such construction plant or parts thereof as it may own and furnish, at the rates mentioned in the schedule of rental rates hereto attached, except as hereinafter set forth. When such construction plant or any part thereof shall arrive at the site of the work, the contractor shall file with the contracting officer a schedule setting forth the fair valuation at that time of each part of such construction plant. Such valuation shall be deemed final unless the contracting officer shall, within five days after the machinery has been set up and is working, modify or change such valuation, in which event the valuation so made by the contracting officer shall be deemed final. When and if the total rental paid to the contractor for any such part shall equal the valuation thereof, no further rental therefor shall be paid to the contractor and title thereto shall vest in the United States. At the completion of the work the contracting officer may, at his option, purchase for the United States any part of such construction plant then owned by the contractor by paying to the contractor the difference between the valuation of such part or parts and the total rentals theretofore paid therefor.

Rates of rental as substitutes for such scheduled rental rates may be agreed upon in writing between the contractor and the contracting officer, such rates to be in conformity with rates of rental charged in the particular territory in which the work covered by this contract is to be performed. If the contracting officer shall furnish or supply any such equipment, the contractor shall not be allowed any rental therefor and shall receive no fee for the use of such equipment.

(d) Loading and unloading such construction plant, the transportation thereof to and from the place or places where it is to be used in connection with said work subject to the provisions hereinafter set forth, the installation and dismantling thereof, and ordinary repairs and replacements during its use in the said work.

(e) Transportation and expenses to and from the work of the necessary field forces for the economical and successful prosecution of the work, procuring labor and expediting the production and transportation of material and equipment.

(f) Salaries of resident engineers, superintendents, timekeepers, foremen, and other employees at the field offices of the contractor in connection with said work. In case the full time of any field employee of the contractor is not applied to said work but is divided between said work and other work, his salary shall be included in this item only in proportion to the actual time applied to this work.

(g) Buildings and equipment required for necessary field offices, commissary, and hospital and the cost of maintaining and operating said offices, commissary, and hospital, including such minor expenses as telegrams, telephone service, expressage, postage, etc.

(h) Such bonds, fire, liability, and other insurance as the contracting officer may approve or require; and such losses and expenses, not compensated by insurance or otherwise, as are found and certified by the contracting officer to have been actually sustained (including settlements made with the written consent and approval of the contracting officer) by the contractor in connection with said work, and to have clearly resulted from causes other than the fault or neglect of the contractor. Such losses and expenses shall not be included in the cost of the work for the purpose of determining the contractor's fee. The cost of reconstructing and replacing any of the work destroyed or damaged shall be included in the cost of the work for the purpose of reimbursement to the contractor, but not for the purpose of determining the contractor's fee, except as hereinafter provided.

(i) Permit fees, deposits, royalties, and other similar items of expense incidental to the execution of this contract, and necessarily incurred. Expenditures under this item must be approved in advance by the contracting officer.

(j) Such proportion of the transportation, traveling, and hotel expenses of officers, engineers, and other employees of the contractor as is actually incurred in connection with this work.

(k) Such other items as should in the opinion of the contracting officer be included in the cost of the work. When such an item is allowed by the contracting officer, it shall be specifically certified as being allowed under this paragraph.

The United States reserves the right to pay directly to common carriers any or all freight charges on material of all kinds and machinery furnished under this contract and certified by the contracting officer as being for installation or for consumption in the course of the work hereunder; the contractor shall be reimbursed for such freight charges of this character as it shall pay and as shall be specifically certified by the contracting officer: but the contractor shall have no fee based on such expenditures. Freight charges paid by the contractor for transportation of construction equipment, construction plant, tools and supplies of every character, shall be treated as part of the cost of the work upon which the contractor's fee shall be based, provided that charges for transportation of such construction equipment, construction plant, and tools over distances in excess of 500 miles shall require the special approval of the contracting officer.

No salaries of the contractor's executive officers, no part of the expense incurred in conducting the contractor's main office, or regularly established branch office, and no overhead expenses of any kind, except as specifically listed above, shall be included in the cost of the work; nor shall any interest on capital employed or on borrowed money be included in the cost of the work.

The contractor shall take advantage to the extent of its ability of all discounts available, and when unable to take such advantage shall promptly notify the contracting officer of its inability and its reasons therefor.

All revenue from the operations of the commissary, hospital, or other facilities, or from rebates, refunds, etc., shall be accounted for by the contractor and applied in reduction of the cost of the work.

ARTICLE III.

Determination of fee: As full compensation for the services of the contractor, including profit and all general overhead expense, except as herein specifically provided, the contracting officer shall pay to the contractor in the manner hereinafter prescribed a fee to be determined at the time of completion of the work from the following schedule, except as hereinafter otherwise provided:

If the cost of the work is under $100,000 a fee of 10 per cent of such cost.

If the cost of the work is over $100,000 and under $125,000 a fee of $10,000.

If the cost of the work is over $125,000 and under $250,000 a fee of 8 per cent of such cost.

If the cost of the work is over $250,000 and under $266,666.67 a fee of $20,000.

If the cost of the work is over $266,666.67 and under $500,000 a fee of 7½ per cent of such cost.

If the cost of the work is over $500,000 and under $535,714.29 a fee of $37,500.

If the cost of the work is over $535,714.29 and under $3,000,000 a fee of 7 per cent of such cost.

If the cost of the work is over $3,000,000 and under $3,500,000 a fee of $210,000.

If the cost of the work is over $3,500,000 a fee of 6 per cent of such cost.

Provided, however, That the fee upon such part of the cost of the work as is represented by payments to subcontractors under subdivision (b) above shall in each of the above contingencies be 5 per cent and no more of the amount of such part of the cost.

The cost of materials purchased or furnished by the contracting officer for said work, exclusive of all freight charges thereon, shall be included in the cost of the work for the purpose of reckoning such fee to the contractor, but for no other purpose.

The fee for reconstructing and replacing any of the work destroyed or damaged shall be such percentage of the cost thereof—not exceeding 7 per cent—as the contracting officer may determine.

The total fee to the contractor hereunder shall in no event exceed the sum of $250,000, anything in this agreement to the contrary notwithstanding.

ARTICLE IV.

Payments: On or about the 7th day of each month the contracting officer and the contractor shall prepare a statement showing as completely as possible: (1) The cost of the work up to and including the last day of the previous month, (2) the cost of the materials furnished by the contracting officer up to and including such last day, and (3) an amount equal to 3½ per cent, except as herein otherwise provided, of the sum of (1) and (2) on account of the contractor's fee; and the contractor at such time shall deliver to the contracting officer original signed pay rolls for labor, original invoices for materials purchased, and all other original papers not theretofore delivered supporting expenditures claimed by the contractor to be included in the cost of the work. If there be any item or items entering into such statement upon which the contractor and the contracting officer can not agree, the decision of the contracting officer as to such disputed item or items shall govern. The contracting officer shall then pay to the contractor on or about the 9th day of each month the cost of the work mentioned in (1) and the fee mentioned in (3) of such statement, less all previous payments. When the statement above mentioned includes any work of reconstructing and replacing work destroyed or damaged, the payment on account of the fee in (3) for such reconstruction and replacement work shall be computed at such rate, not exceeding 3½ per cent, as the contracting officer may determine. The statement so made and all payments made thereon shall be final and binding upon both parties hereto, except as provided in Article XIV hereof. The contracting officer may also make payments at more frequent intervals for the purpose of enabling the contractor to take advantage of discounts at intervals between the dates above mentioned or for other lawful purposes. Upon final completion of said work the contracting officer shall pay to the contractor the unpaid balance of the cost of the work and of the fee as determined under Articles II and III hereof.

ARTICLE V.

Inspection and audit: The contracting officer shall at all times be afforded proper facilities for inspection of the work and shall at all times have access to the premises, to the work and material, and to all books, records, correspondence, instructions, plans, drawings, receipts, vouchers, and memoranda of every description of the contractor pertaining to said work; and the contractor shall preserve for a period of two years after its completion or cessation of work under this contract all the books, records, and other papers just mentioned. Any duly authorized representative of the contractor shall be accorded the privilege of examining the books, records, and papers of the contracting officer relating to said work for the purpose of checking up and verifying the cost of said work. The system of accounting to be employed by the contractor shall be such as is satisfactory to the contracting officer.

If at any time the contracting officer shall find that bills for labor, material, or other bills legitimately incurred by the contractor hereunder are not promptly paid by the contractor, the contracting officer may, in his discretion, refuse to make further payments to the contractor until all such obligations past due shall have been paid. Should the contractor neglect or refuse to pay such bills within five days after notice from the contracting officer so to do, then the contracting officer shall have the right to pay such bills directly, in which event such direct payments shall not be included in the cost of the work.

ARTICLE VI.

Special requirements: The contractor hereby agrees that it will—

(a) Begin the work herein specified at the earliest time practicable and diligently proceed so that such work may be completed at the earliest possible date.

(b) Promptly pay for all labor, material, or other service rendered.

(c) Procure and thereafter maintain such insurance in such forms and in such amounts and for such periods of time as the contracting officer may approve or require.

(d) Procure all necessary permits and licenses and obey and abide by all laws, regulations, ordinances, and other rules applying to such work of the United States of America, of the State or Territory wherein such work is done, of any subdivision thereof, or of any duly constituted public authority.

(e) Unless this provision is waived by the contracting officer, insert in every contract made by it for the furnishing to it of services, materials, supplies, machinery, and equipment, or the use thereof, for the purposes of the work hereunder, a provision that such contract is assignable to the United States; will make all such contracts in its own name, and will not bind or purport to bind the United States or the contracting officer thereunder.

(f) In every subcontract made in accordance with the provisions hereof require the subcontractor to agree to comply fully with all the undertakings and obligations of the contractor herein, excepting such as do not apply to such subcontractor's work.

(g) At all times keep at the site of the work a duly appointed representative, who shall receive and execute on the part of the contractor such notices, directions, and instructions as the contracting officer may desire to give.

(h) At all times use its best efforts in all its acts hereunder to protect and subserve the interest of the contracting officer and the United States.

ARTICLE VII.

Right to terminate contract: Should the contractor at any time refuse, neglect, or fail in any respect to prosecute the work with promptness and diligence or default in the performance of any of the agreements herein contained, the contracting officer may, at his option, after five days' written notice to the contractor, terminate this contract and may enter upon the premises and take possession, for the purpose of completing said work, of all materials, tools, equipment, and appliances, and all options, privileges, and rights, and may complete or employ any other person or persons to complete said work. In case of such termination of the contract, the contracting officer shall pay to the contractor such amounts of money on account of the unpaid balance of the cost of the work and of the fee as will result in fully reimbursing the contractor for the cost of the work up to the time of such termination, plus a fee computed thereon at the rate or rates for monthly payments set forth in Article IV hereof; and the contracting officer shall also pay to the contractor compensation, either by purchase or rental, at the election of the contracting officer, for any equipment retained; such compensation, in the event of rental, to be in accordance with paragraph (c) of Article II, and in the event of purchase to be based upon the valuation determined by the contracting officer as of the time of his taking such possession. The contractor hereby agrees that such payments when made shall constitute full settlement of all claims of the contractor against the contracting officer and the United States, or either of them, for money claimed to be due to the contractor for any reason whatsoever. In case of such termination of the contract the contracting officer shall further assume and become liable for all such obligations, commitments, and unliquidated claims as the contractor may have theretofore in good faith undertaken or incurred in connection with said work, and the contractor shall, as a condition of receiving the payments mentioned in this article, execute and deliver all such papers and take all such steps as the contracting officer may require for the purpose of fully vesting in him the rights and benefits of the contractor under such obligations or commitments. When the contracting officer shall have performed the duties incumbent upon him under the provisions of this article, the contracting officer shall thereafter be entirely released and discharged of and from any and all demands, actions, or claims of any kind on the part of the contractor hereunder or on account hereof.

ARTICLE VIII.

Abandonment of work by contracting officer: If conditions should arise which in the opinion of the contracting officer make it advisable or necessary to cease work under this contract, the contracting officer may abandon the work and terminate this contract. In such case the contracting officer shall assume and become liable for all such obligations, commitments, and unliquidated claims as the contractor may have theretofore, in good faith, undertaken or incurred in connection with said work; and the contractor shall, as a condition of receiving the payments mentioned in this article, execute and deliver all such papers, and take all such steps as the contracting officer may require for the purpose of fully vesting in him the rights and benefits of the contractor under such obligations or commitments. The contracting officer shall pay to the contractor such an amount of money on account of the unpaid balance of the cost of the work and of the fee as will result in the contractor receiving full reimbursement for the cost of the work up to the time of such abandonment, plus a fee to be computed in the following manner: To the cost of the work up to the time of such abandonment shall be added the amount of the contractual obligations or commitments assumed by the contracting officer, and such total shall be treated as the cost of the work, upon which the fee shall be computed in accordance with the provisions of Article III hereof. When the contracting officer shall have performed the duties incumbent upon him under the provisions of this article, the contracting officer and the United States shall thereafter be entirely released and discharged of and from any and all demands, actions, or claims of any kind on the part of the contractor hereunder or on account hereof.

ARTICLE IX.

Bond: The contractor shall prior to commencing the said work furnish a bond, with sureties satisfactory to the contracting officer, in the sum of $250,000, conditioned upon its full and faithful performance of all the terms, conditions, and provisions of this contract and upon its prompt payment of all bills for labor, material, or other service furnished to the contractor.

ARTICLE X.

Convict labor: No person or persons shall be employed in the performance of this contract who are undergoing sentence of imprisonment at hard labor imposed by the courts of any of the several States, Territories, or municipalities having criminal jurisdiction.

ARTICLE XI.

Hours and conditions of labor: No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the contractor, or any subcontractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, such prohibition being in accordance with the act approved June 19, 1912, limiting the hours of daily service of mechanics and laborers on work under contracts to which the United States is a party. For each violation of the requirements of this article a penalty of $5 shall be imposed upon the contractor for each laborer or mechanic for every calendar day in which said employee is required or permitted to labor more than eight hours upon said work, and all penalties thus imposed shall be withheld for the use and benefit of the United States: *Provided*, That this paragraph shall not be enforced nor shall any penalty be exacted in case such violation shall occur while there is in effect any valid Executive order suspending the provisions of said act approved June 19, 1912, or waiving the provisions and stipulations thereof with respect to either this contract or any class of contracts in which this contract shall be included, or when the violation shall be due to any extraordinary events or conditions of manufacture, or to any emergency caused by fire, famine, or flood, by danger to life or property, or by other extraordinary events or conditions on account of which, by subsequent Executive order, such past violation shall have been excused.

In the event of any dispute with reference to wages, hours, or other conditions appertaining to said work, between the contractor or any subcontractor and labor employed by him on said work, the contractor or subcontractor shall immediately notify the contracting officer of the existence of such dispute and the reasons therefor. The contracting officer may, at his option, instruct the contractor or subcontractor involved in such dispute as to the method or steps which the contractor or subcontractor should follow with reference thereto, and the contractor or subcontractor shall thereupon comply with such instructions.

ARTICLE XII.

Right to transfer or sublet: Neither this contract nor any interest therein shall be assigned or transferred. The contractor shall not enter into any subcontract for any part of the work herein specified without the consent and approval in writing of the contracting officer. In case of such assignment, transfer, or subletting without the consent and approval, in writing, of the contracting officer, the contracting officer may refuse to carry out this contract either with the transferor or transferee, but all rights of action for any breach of this contract by the contractor are reserved to the United States.

ARTICLE XIII.

No participation in profits by Government officials: No Member of or Delegate to Congress or Resident Commissioners nor any other person belonging to or employed in the military service of the United States is or shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this article shall not apply to this contract so far as it may be within the operation or exception of section 116 of the act of Congress approved March 4, 1909 (35 Stats., 1109).

ARTICLE XIV.

Settlement of disputes: This contract shall be interpreted as a whole and the intent of the whole instrument, rather than the interpretation of any special clause, shall govern. If any doubts or disputes shall arise as to the meaning or interpretation of anything in this contract, or if the contractor shall consider himself prejudiced by any decision of the contracting officer made under the provisions of Article IV hereof, the matter shall be referred to the officer in charge of cantonment construction for determination. If, however, the contractor shall feel aggrieved by the decision of the officer in charge of cantonment construction he shall have the right to submit the same to the Secretary of War, whose decision shall be final and binding upon both parties hereto.

ARTICLE XV.

This contract shall bind and inure to the contractor and its successors.

It is understood and agreed that wherever the words "contracting officer" are used herein the same shall be construed to include his successor in office, any other person to whom the duties of the contracting officer may be assigned by the Secretary of War, and any duly appointed representative of the contracting officer.

Witness the hands of the parties hereto the day and year first above written, all in triplicate.

By ——— ———, *President.*

UNITED STATES OF AMERICA,

By ——— ———, *Contracting Officer.*

Schedule of rental rates.

(The rates mentioned are per day.)

Automobiles	$5.00
Adding and listing machines	.20
Buckets, tipple and bottom dump	.25
Boring machine, pneumatic	.50
Boring machine, electric	.50
Buckets, orange peel, 1 yard	3.50
Buckets, orange peel, less than 1 yard	2.00
Buckets, clamshell	2.00
Boiler and 3-drum engine	3.50
Boiler and 2-drum engine	3.00
Boiler and 1-drum engine	2.50
Boiler only, 30 horsepower and smaller	1.50
Boiler only, larger than 30 horsepower	2.00
Block machine, concrete	1.50
Cars, skip, 1½ yards	.25
Cars, skip, 3 yards	.50
Cars, steel, 1 yard and smaller	.15
Cars, 4-yard, wooden	.25
Cars, 6-yard wooden	.75
Cars, 12-yard, wooden	2.00
Cars, 1 hopper, radial gate	.25
Crushers only	2.00
Crushers, with elevator and screen	3.00
Conveyor, gravity, per 100 feet	1.00
Compressor, 10 by 10, with steam engine	2.50
Compressor, 8 by 8, belt driven	1.00
Compressor, with gasoline engine on wheels	5.00
Compressor, Westinghouse, 9½ inch	1.00
Cableways, without engine	4.00
Drill, auto traction	5.00
Dump wagons	.25
Diving outfit with pumps	10.00
Derricks, 60 feet to 85 feet	2.00
Derricks, 30 feet to 59 feet	1.50
Derricks, less than 30 feet	1.00
Derricks, breast	.25
Derricks, circle swing	.25

Elevators, platform or bucket	$0.25
Elevators, with bins for concrete	.50
Engines, skeleton, 3 drum	2.00
Engines, skeleton, 2 drum	1.50
Engines, skeleton, 1 drum	1.00
Engines, steam, horizontal, 11 to 40 horsepower	1.50
Engines, steam, upright, to 10 horsepower	.50
Engines, gasoline, to 8 horsepower	.50
Engines, 2 drum, with electric motor	4.00
Engines, gasoline, 10 horsepower	1.00
Engines, derrick, swinging	.50
Hammers, riveting	.25
Hod-elevating machine	1.00
Leveling instruments, engineers'	.25
Locomotive, 36-inch gauge	5.00
Locomotive, standard gauge	10.00
Mixers, with boiler side loader	4.00
Mixers, with electric motors, 1 yard	4.00
Mixers without boiler, less than 1 yard	2.00
Mixers without boiler, 1 yard and larger	3.50
Mixers, with gasoline engine	3.00
Motorcycles	1.00
Motors, 2 horsepower	.15
Motors, 5 horsepower	.25
Motors, 10 horsepower	.50
Motors, 25 horsepower	1.00
Motors, 50 horsepower	2.00
Pumps, centrifugal, 10 inch, belt driven	3.00
Pumps, centrifugal, 10 inch, with motor attached	4.00
Pumps, centrifugal, 8 inch, steam connected	2.00
Pumps, centrifugal, 6 inch, steam connected	1.50
Pumps, centrifugal, 4 inch, steam connected	1.00
Pumps, duplex and triplex, to 3 inch	.50
Pumps, pulsometer, to 4 inch	1.55
Pumps, diaphragm	.20
Pumps, diaphragm, with gas engine	1.05
Pumps, triplex, with belt drive	.20
Pile drivers, drop	1.50
Pile drivers, drop, with single-drum engine and boiler	3.50
Pile hammers, steam, up to 2,500 pounds	3.00
Pile hammers, steam, larger than 2,500 pounds	5.00
Rail, per ton	.06
Roller, horse	1.00
Steam drills	1.00
Small air drills	.50
Steam roller	8.00
Steam shovel	30.00
Sprinkling cart	1.00
Saw benches	.25
Saw benches, with motor or gasoline engine	.50
Scale boxes	.25
Scraper, wheel	.50
Transits	.50
Typewriter	.10

Fuel and lubricants not included in these prices.

Mr. STERLING. I think, Mr. President, I have no further comment to make upon this question of the cantonments now. The letter of the Secretary and the statements furnished may speak for themselves.

Just a word with reference to the conference report on the food-control bill.

There are some things in this conference report which I regret very much—not that I shall not vote for the report. I regret that the conferees saw fit to adopt and present to the Senate again the original House proposition in regard to licensing. It seemed to me that the Senate provision in regard to licensing the business of importing, manufacturing, or storing any of the necessaries described in this bill was a wholesome provision, and that to limit the licensing to the manufacturing, storing, or importing of necessaries entering into interstate commerce was as far as there was any necessity for the Government to go at this time. I thought of some of the consequences of the very sweeping provisions of the House bill and, as it stands now, the conference report.

Out in my part of the country—and I think it true of the State of Nebraska and other States—there may be found in every small town of, say, 250 or 300 inhabitants the feed mill where the farmers take their oats, their corn, and their barley or their rye to be ground for feed. Under the provisions of this bill the man who runs such a mill is a manufacturer of feed, or the farmer who keeps a mill on his own premises for the purpose of grinding feed for his own use is a manufacturer of one of the articles called necessaries in this bill. Under the power given by the bill a license can be required of the farmer or of the man in town who, for the benefit of the farmers, runs the little mill for the purpose of grinding feed for farm stock. Of course inspection would follow the licensing of such a business.

I wish heartily that some provision could have been incorporated in the bill so limiting it that it would not be made to apply to this particular business or industry. In saying that I shall support the bill and the conference report, Mr. President, it is with the hope, so ably expressed by the Senator from New York [Mr. WADSWORTH] on yesterday, that it will be wisely and justly administered; that it will not be extended to activities or businesses to which there is no need to extend it; and that the power conferred will be used with some discretion and sense of "the fitness of things." It is with that hope, indeed, that I shall support the bill so far as the licensing feature of it is concerned.

One other proposition, Mr. President, is that in regard to the board which the Senate provided for the administration of the food-control bill—a board of three instead of one man. Now, nothing ever seemed to me to be more reasonable than the Senate provision, under all the conditions. Why, boards, commissions, and committees are the ordinary means by which government is carried on. It is one of the means by which we transact business here in the Senate, and the great means in the House, of course, is committee work.

We could make no headway without using the instrumentality of committees, and it is so through all the activities of Government. We have the many and various bureaus and commissions that administer different affairs of Government. Why should there not be a commission of a reasonable number to administer the provisions of this great bill, especially when we consider the diversity and variety of interests involved, and the tremendous powers conferred?

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Missouri?

Mr. STERLING. I yield to the Senator from Missouri.

Mr. REED. I should like to ask the Senator if he believes that the mill of the miller about whom he just spoke could be taken by the Government without just compensation, under present and existing circumstances?

Mr. STERLING. No; I do not, Mr. President.

Mr. REED. I ask him as a lawyer if it has not been repeatedly held that depriving the owner of the use of his property is a taking of the property?

Mr. STERLING. I think it has been so held, as a proposition of law.

Mr. REED. If we, by this bill, say to the proprietor of a piece of property, "You shall not use it unless you take out a license, and when you take out the license you shall agree to limit the uses to which you will put that property," have we not taken property without due process of law, and can we do it without compensation?

Mr. STERLING. The Senator from Missouri presents what seems to me a close question. But I think with reference to the manufacture, the importation, and the disposition of those things in this bill called "necessaries," as a matter of law a license system can be provided for, and under that license there may be a regulation of the business. It is to meet the emergency of war, and I put it on that ground now, if none other.

Mr. REED. If we can not take the property outright under present conditions, then we can not take it in part, and we can not take it through the pretext of a license. Now, I call the Senator's attention to the fact that this bill applies to the small miller doing a local business just as he says, doing a legitimate business just as he says, doing a business that never has been held to be classed with the liquor business or similar semioutlawed occupations, but I call his attention to the fact that the Federal Government possesses no police powers except such police powers as are attached to the powers expressly granted to them.

Mr. STERLING. I would say to the Senator from Missouri that ordinarily to take property without compensation is, of course, to take it without due process of law. To deprive a man of the use of his property wholly or partially is, in principle, the same as taking it without due process of law, and the only thing that justifies that regulation which does or may deprive him of any use of it, or partly deprive him of the use of it, is the existing emergency of war; and still regulation does not necessarily imply a deprivation of the use.

Mr. President, one thought further relative to the food-administration board. I think I know, and I think other Senators know, how we first became imbued with the idea that Mr. Hoover was the man of all others to be food administrator in the United States during the war. I do not question his ability or his patriotism for a moment, and if a food-administration board were provided for I would think it eminently fitting that Mr. Hoover should be at the head of that board; but, Mr. President, Mr. Hoover's vast experience has been in feeding or helping to feed some millions of starving people in Belgium. It will be a different problem, and altogether a more complex problem, to be food administrator of the United States under this bill than as head of the Belgian Relief Commission to solicit and expend funds and provide food to meet the wants of the Belgian people. Powers are conferred under the terms of this bill unlike any he ever exercised in his capacity as the head of the Belgian Commission, and it would seem to me quite reasonable if Mr. Hoover, instead of desiring full control,

should welcome the appointment of two additional men here, such as the President may, in his discretion and his wisdom, think fit and competent to assist him and to share with him in an advisory capacity, at least, the very great responsibility of administering the food-control bill. I think nothing would be lost in the way of efficiency, and, as stated yesterday by the Senator from New York [Mr. WADSWORTH], I think the additional members of this board would serve to create confidence throughout the United States in the administration of the law that we are now about to enact.

The same proposition is involved, Mr. President, in the provision for the joint committee of the two Houses—two Republicans and three Democrats from each—for the purpose of supervising the expenditures of the war, which provision has been eliminated by the conferees. As it stood when it left the Senate, it was not to supervise generally the conduct of the war, but it was to supervise the expenditures made under contract for the purpose of carrying on the war. It seemed reasonable to suppose that the President would welcome the appointment of such a joint committee, composed of members of both parties and from the two Houses of Congress; for they would, I think, without embarrassment to him, have borne some of the responsibility of seeing that these vast expenditures made in carrying on the war were wisely and properly made. The desire for such a joint committee is no reflection on the President. The same argument will apply here that applies to the food-control board—it is the great argument, after all—the people will have greater confidence and will more readily lend their support to the administration in the conduct of the war, if they feel that here is an able, patriotic joint committee of the two Houses, made up from the two parties, whose business it will be to superintend and examine the expenditures that are made of the vast appropriations we have made and are yet to make for the purpose of carrying on the war.

As I stated, Mr. President, I shall support this conference report, but, on account of the elimination of that part of the bill as passed by the Senate providing for the joint committee, on account of the elimination of the food administration board, and on account of the sweeping licensing system now provided for, I shall vote for it with some misgiving. I shall hope, however, that the powers conferred will be exercised with wisdom and good judgment, and that no evil results will flow therefrom.

Mr. SMITH of South Carolina. Mr. President, while this bill was under discussion in the Senate I at length gave my views on what I considered was its proper purpose—the encouragement of production. I thought that under the operation of an unchangeable law, the law of supply and demand, whenever there was present an abundance, an over-production of any given article, regardless of what it was, it would be cheap, easily available to all those who desired it, and the scarcity of an article produced its high price. Therefore I thought that if Congress wanted to provide itself against the danger of lack of foodstuffs the only way, humanly speaking, that they might encourage extraordinary production of any article or articles was to remove as far as might be the danger of disastrous and impoverishing low prices incident to overproduction, especially where that overproduction was made by those who were financially unable to hold the commodity and to carry it over the period of overproduction and to guarantee to themselves by an equitable distribution of it a price that would render them a profit.

The producers of this country are perhaps as a class, more than any other class, without resources, without financial ability, but upon that class financially devolves the stupendous task of feeding millions of Americans and at this juncture the millions of our allies. You ask them to produce a surplus in the light of the disastrous experience they have had in the past when overproduction meant poverty. These crops are not crops for their consumption, but it represents to them their cash, their money. When they produce a surplus, the surplus rules the sale of it all and they would be impoverished. It is a curious anomaly, but it is true, that when the farmers of America produce a surplus they suffer. When they produce a less amount, they are most prosperous. It is the law of increasing and diminishing returns, which is exemplified powerfully in their case.

Therefore I believe that if we want to invite them to supply this Nation and our allies with an abundance of food we must, as far as human legislation can do it, provide against their suffering the disasters that will come by overproduction. Hence I say I was in favor of a minimum price, a minimum price fixed at a line that would mark a profit generally.

Criticism has been made here that no man could fix a fair and just price to meet all the different conditions under which a given crop such as wheat might be raised.

None of the members of the conference committee even took that into contemplation. The best we can do is the best that any legislation on any subject can do, and that is meet the general rule and not the exception. Hence we attempted to fix the minimum price. That, in the judgment of the conferees, would encourage the production of wheat, the great universal source of bread. I believe that that was the correct principle.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Missouri?

Mr. SMITH of South Carolina. I yield.

Mr. REED. As the bill left the Senate, the minimum price of $2 for wheat was guaranteed for this year's crop. The argument that was adduced in favor of a guaranty for this year's crop was that the farmer's export market had been taken away and that it was proposed to vest an authority in the food-control board or individual which would control the domestic market. Now, the conferees changed that provision which guaranteed the price for this year to a guaranty for next year. Why was that done?

Mr. SMITH of South Carolina. I think I am violating no rule of propriety when I say that that question was discussed at some length, and an appeal was made to those who represent wheat-growing States, and they rather insisted that in view of the scarcity of wheat now and its present high prices, in the face of any artificial restriction that might be thrown around it, they would prefer, if anything, to leave it at this time to such exigencies as might arise. They were of opinion that there could not be any pressure brought that could possibly disastrously affect the price now, because, in their opinion, there was not more than enough scantily to provide for America and the allies, and as they wanted to seek to encourage an abundance for the 1917–18 crop, which would run into 1919 in sale, it would be effective to put a $2 minimum for 1918–19.

Mr. REED. Mr. President——

Mr. SMITH of South Carolina. I yield to the Senator.

Mr. REED. The Senator states that the men from the wheat States urged these arguments. I suppose he means the men from wheat States who were on the conference committee.

Mr. SMITH of South Carolina. That is what I meant.

Mr. REED. Those men were men who never even thought of a guaranty for wheat, who allowed the bill to pass in the House of Representatives without any kind of a guaranteed limit. I wish to ask the Senator if he does not think the judgment of the men who made this fight in the Senate for the wheat was quite perhaps as good, and their desire to serve the farmer quite as reliable, as the judgment of men who had never even dreamed of that sort of a guaranty?

Mr. SMITH of South Carolina. Well, Mr. President, that is neither here nor there because a majority of the conference committee took the position that in view of the scanty store now in sight there possibly could not be any material effect upon the present crop. As far as I am individually concerned, and I am speaking for myself, it was a matter it seemed to me that was not worth the time it would take to reach an agreement as to whether it would affect the little residium of the present crop in its sale, because it is known that the present crop is so very small that the possibilities are that wheat is going to be much higher priced than it is now. For that reason it seemed to me——

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Missouri?

Mr. SMITH of South Carolina. Just as soon as I finish the sentence.

For that reason my only object was to encourage an abundant production by putting a base line which would represent a profit to crops to be made. We discussed the probable effect of an embargo. I listened to the discussion of the Senator who is now interrogating me in reference to shutting out the world's market to the farmer by an embargo. It was an argument that was proper, but the committee felt that as this crop was now being stored and as the crop was so notoriously small there would be guaranteed to the farmer a price perhaps in excess of what he is now getting, but the thing for us to address ourselves to was, as far as we could by legislation, to encourage a superabundance in the crop year now pending.

I yield to the Senator from Missouri.

Mr. REED. I am sorry that the Senator who so generously yields to me is not as well posted on wheat as he is on cotton, because he is one of the great cotton experts, I think, in the country. He speaks of the remaining small part of this year's crop. This year's crop is not yet one-third thrashed, probably not 20 per cent of it thrashed. The vast amount of it stands

in the shock in the fields. They have hardly quit cutting this year's crop in the northern part of the United States. It is all in hands of the farmers yet, substantially.

The second observation I wish to make by way of correction is that the statement that this is an insignificant crop is a mistake. This year's wheat crop is substantially the average crop of the United States. It is admitted that there will be practically 300,000,000 bushels of wheat to send abroad. That 300,000,000 bushels of wheat to send abroad under normal conditions would, of course, fix the price that it is sold for home consumption. There is at the present time a very high price for wheat

It exists, I think, because of two factors: First, the ordinary methods of selling wheat have been almost entirely broken up; second, they have dinned it into the ears of the farmer that the world is going to starve to death so successfully that the farmer is hanging on to his wheat; but, of course, the time will soon come when he will have to let go of it. Now, when he does let go of it his surplus that goes abroad will have to be marketed through one concern that holds the monopoly of the foreign market, and that is this English company, the wheat export company. It is, therefore, very likely that that wheat export company will put a price far below $2 for this year's crop; and if they do, it will do more to discourage the farmer from planting next year's crop than anything Federal Government guaranty can do toward encouraging him.

So I want to say to the Senator now, who has in all matters with respect to this bill, I think, been very earnest and very sincere, who, I think, wanted to do something for the wheat farmer, if he had come to some of us who live in wheat States and who were responsible for this $2 guaranty, we could have given him some light which would have saved the farmers on this year's crop, and next year's crop would have been taken care of by legislation to be hereafter enacted.

Mr. SMITH of South Carolina. Mr. President, I do not care to consume too much time; but, in answer to that, I want to say I can not conceive of any intelligent body of men, with a guaranty of $2 fixed in the bill for next year's seeding and harvest, being foolish enough, before that crop is planted, to deliberately break the price of the present small crop below $2. That would simply mean that they would serve notice on the farmer that they were determined to break the market below a reasonable profit, and would have the identical effect the Senator from Missouri indicates would occur in case they did break it below that point. That remains to be seen; it is up to the administration, and that leads me to say——

Mr. REED. No; that, unfortunately, is not "up to the administration"; it is up to an English company.

Mr. SMITH of South Carolina. It is up to those charged with the administration.

Mr. REED. That is connected with high Englishmen, great Englishmen, who are here and who are contending now, first, that the allied Governments ought to be furnished every war supply at the price at which our Government obtains it from our own people; second, that their people should be furnished all kinds of American products at the same price our people get, and who insist that the American market should be made to serve the British and French people. I do not complain bitterly of these men; I do not criticize these men for coming; but I do say that we have put the American farm prices in the hands of a British company, and I do unhesitatingly say that you will hear from the American farmer on that, and I think you heard from him in Virginia yesterday.

Mr. SMITH of South Carolina. Mr. President, be that as it may, I do not know anything about whether or not this is to be entirely turned over into the hands of the Englishmen. We were trying to pass a bill that within our judgment would as nearly as possible meet the situation, and if those who have the bill in charge saw fit to turn it over to those who have no sympathy with America or with the American farmer we will find that out in plenty of time to correct it. Now, what I do say——

Mr. REED. Will the Senator just let me make this observation? He says we will find it out in plenty of time to protect the farmer. How will you protect the farmer who has 500 bushels of wheat or 100 bushels of wheat to sell and has to have the money, and who therefore sells it upon this controlled market? How will you protect him hereafter by legislation coming in the future? If the Senator will pardon me, it is like your little cotton raiser I have heard him speak of and so eloquently defend. When the time comes for market, for the most part, he has to bring his crop down and has to take the price. There is no protection for that man except the price that he gets in the market. If you have taken his market away from him, as you feared it was taken away from him when we put cotton in this bill, you will have done him a great wrong; and just as you thought to keep cotton out of the bill I tried to protect the wheat farmer. You have taken out the guaranty that was to come to him this year. You have left him at the mercy of an English export company now, and you say to him, "We will take care of you in the future." I am talking about taking care of him now.

Mr. SMITH of South Carolina. Mr. President, as far as that is concerned, I have given to the Senate the reasons upon which we reached the conclusion as to that. There were some other features of the bill which some of us stood out for, but, as the conference report indicates, it was of no avail.

Now, touching the two amendments placed in the bill by the Senate, about which this battle has raged, I wish to say here frankly that, so far as the commission to administer the bill is concerned, I was in favor of that. I was strongly in favor of it. I stated my reasons when the bill was under discussion, and will not repeat them now. I did not think that the auditing committee was a proper one for a place in this bill or that we should put an auditing committee provision on the bill. But the Senate sought to put it on. As a conferee it was my duty to use all the power that I had, short of defeating the bill, to keep those two provisions in the bill. Every member of the conference committee on the part of the Senate for nearly a week stood firm on those two propositions until the President of the United States, upon whom rests the responsibility of administering this law, stated to the committee by proxy that they would embarrass him in the administration of this legislation.

We in the Senate were passing a bill to be administered by him, and the two committees or boards were mere suggestions or expressions of opinion on the part of the Senate how it should be administered. It did not affect the purpose and principle of the bill. He said that these two committees or boards would embarrass him in the multitude of responsibilities that were resting upon him. I was of opinion that the commission would aid him. Upon him all this stupendous legislation converges; when we have gone to our homes there will rest upon him the crushing weight of responsibility for the conduct of this war. When he asked me as a legislator not to forego a principle in the bill, but simply a policy of administration, and allow him a freer hand in administering the law, I voted to recede, because he asked for the responsibility and took it from me and placed it on himself. The ultimate responsibility rests upon him, and God knows that I would not add one jot or tittle to the almost inconceivable burden that rests upon him as the head of the American Government, and around whom revolves the destiny of the world. Upon the patriotism, upon the loyalty to the principles of our Government and their faithful execution depend the destiny of civilization. Woodrow Wilson is to-day the man whom the fortunes of chance or of politics has made the keystone to the arch of the world's hope. To America all the lines of the past have converged, and into the President's hands are placed the forces that are to mold the future. I know that he has an appreciation of the stupendous responsibilities that rest upon him. He can not avoid them if he would, and I hope he would not avoid them if he could in this emergency. I voted to relieve him of what he in a plea to the conference committee, a personal plea, asked might not be placed in the bill as an expression of the manner in which we thought it ought to be administered.

I am speaking for myself. The conferees yielded, and I believe the Senate is going to yield on those two points, not that Woodrow Wilson has asked it, but because the President of the United States in the time of national travail asks it. I voted to recede because I thought on the question of policy when he asked it perhaps it was my duty to recede. It did not involve a principle; it involved a policy of administration; and he said the policy would embarrass him. He preferred his own policy. Therefore I voted to recede.

Mr. President, I have said thus much in order that certain reflections which have been thrown from time to time on the conferees should be explained as far as I am concerned. I want my colleagues in the Senate to understand that I am explaining, not apologizing. I am giving you an American citizen's reasons why he did a thing when charged with the responsibility by you, and why he met that responsibility in the manner that he did meet it.

Mr. LEWIS. Mr. President, I rise to close the argument on the report—in favor of its adoption. At an earlier stage of this debate I freely presented my views upon this bill—upon its merits and its constitutionality.

Very eminent legal minds, such as the Senator from Utah now presiding [Mr. KING in the chair]; the distinguished junior Senator from Tennessee [Mr. MCKELLAR]; the very learned and industrious Senator from Missouri [Mr. REED]; Senator BORAH, of Idaho; Senator SHIELDS, of Tennessee; and

others voiced opposition to my views, both as to the constitutionality of the measure and its legal phases. Some of the Senators differed from my viewpoint as to the expediency and the advantage of the bill. As to that, of course, there will remain differences.

Senators have said that when this bill has been passed and gone into effect there will be disappointment disclosed to those who had hoped benefits to flow from it. Sir, one thing we can console ourselves with, even if this doleful prophecy shall be realized. There never has been a serious measure so thoroughly considered to which the best minds of the Senate have given attention and diligence more than this one. The junior Senator from Pennsylvania [Mr. KNOX], long an able representative of his State in this body, then the Attorney General of the United States, the head law officer of this country; then the Secretary of State, the head diplomatic officer of this Nation; now returned to the Senate with that fullness of experience—addressed himself to the constitutional features of this bill and found it agreeable to sustain it in its general provisions, both as to constitutionality and expediency. I mention the Senator from Pennsylvania merely that it may be understood by the country how thoroughly nonpartisan this discussion is. The same may be said of the Senator from Minnesota [Mr. KELLOGG], who fortified the argument of the Senator from Pennsylvania, who also had experience as an officer in the execution of the trust laws of this country. He gave his views as a lawyer long sustained by many experiences.

On this side of the Chamber the best of counsel prevailed; the best judgment was tendered. As a result the American people can have the assurance that, whatever shall be the final result of this bill, no interest of America, whether in behalf of the Constitution, so eminently led by the junior Senator from Missouri [Mr. REED] on this side of the Chamber, on the contention of unconstitutionality or the question of the propriety of the bill, its practicality, its workable future, its application—all, all received the most serious consideration, the most careful investigation. This measure will go before the American people the most completely analyzed and considered measure of its importance that possibly has gone from this body.

Mr. President, there must always be differences between independent minds upon a measure so novel as this—one which is an innovation on our system of government. These differences of judgment are born of two conditions: One, the geography which a man represents; the other his independent intellect, deducing, as he does, from his learning and his investigation, his own convictions. There is no better sign nor healthier one than that these divergent views shall always be expressed and shall be spoken with freedom. When they have been so expressed, we then know at the conclusion that no one's voice has been suppressed, nor can there come truthfully from any quarter of the country the cry that any protest has not received audience.

Mr. President, from this reflection may I be so bold as to hope that never again will a Senator on this floor rise and impeach the integrity—I mean the mental integrity—of a Senator merely because of these differences by alluding to him as "traitor" or employing the term "un-American," so pregnant of accusation, yet so apparently to be justified as innocent of criminal accusation? To the minds of many its definition means disloyalty. Why should a Senator on this floor, because he is firmly wedded to this measure or because of his devotion to the cause of the President, as I am, or his attachment to that which he may call his party duty, find it agreeable to indulge in expressions of that kind without reflecting on the danger he does the very cause he advocates? If that sort of thing shall be multiplied in expression in this body, I warn my esteemed friend from Mississippi, the senior Senator [Mr. WILLIAMS], to whom I now particularly allude, and such others as choose to follow in the lead of these expressions, that the effect will be to drive from the support of the President and the administration every Senator who has been so characterized.

For myself, I would have a contempt for that man who had risen to the dignity of filling a seat in this place if his nature were not such as not to prefer to give his seat up in defeat than to have it held out that he had surrendered his convictions under the cry that he was a traitor and under the fear of the effect of these accusations. The result will be that a man having an honest difference with the administration—a real mental distinction—upon measures, an honest opposition as to the method in which they will operate, will continue his opposition in order that he might not give evidence that he has surrendered because of the fear that he had been detected in disloyalty. More than that, if he is an honest man—and no other man is in this Chamber, nor can get here—his people, who have known him for years and years before they honored him with his place, will regard those accusations as an aspersion upon themselves. They will feel that they have been charged with having chosen a disloyal man to represent them, and that they are being thus voiced by treason; and, knowing their representative to be neither, they will rally around him that they may protect the honor of their State against the accusation, and will uphold him in his opposition to the measure or to the President rather than to have it overruled by an adverse decision, lest from the adverse decision there may come the conclusion from the public that this particular constituency have been represented by a dishonest and disloyal man.

Let us have common judgment; let us not repeat this sort of thing. If there be not the sense of amenities to persuade us against this indulgence, let there be reflection that by such we do injury to the cause we advocate; that by entering upon such methods we defeat the result which we would achieve. This we do by arraying forces against us which we think we are inviting for us through that form of malediction.

I am called upon to refer to this because it seems to have grown so general. There now seems to be no longer timidity to enter upon that form of accusation. Certain Senators seem to feel free to indulge it and to repeat it as though it were an ordinary speech from the mouth of a man merely voicing opposition to ideas.

Mr. President, the American public regard this great body in two ways—either as a body of great thought and great responsibility or one of no thought and no respectability. If the latter estimate shall increase, it will be due to the estimate that certain Senators set upon this body by their thoughtless characterization, by their unmeant accusations, but which in the zeal of utterance they find themselves indulging in as a habit to the injury of this body, to the clouding of the honor of the country, and to the defeat of the measures involved. May I be so bold as to hope that we shall not have repetition of this?

Mr. President, there is no un-American man in this body. There is no traitor on this floor. If ever the aspect of a traitor were raised in this body he would be driven from the floor at once, without clergy or mercy. If ever the attitude of disloyalty were disclosed in speech or action on the part of any Senator, so reprehensible would he be in the minds and appreciation of all his fellows that he could not lift his head to recognition. So let us not put that stigma upon honest men merely because it comes easily to the expression of the mouths of those who are themselves able and loyal Senators but sometimes hasty and careless orators.

Mr. President, I want this measure to pass. All of the provisions of this bill can not meet my whole approval. The Senator from Missouri, without being conscious of the fact, voiced my peculiar predicament. I represent a grain State. I represent two states of political situation; one, the state of Chicago, with its great crowded population of poor, miserable, and humble, in certain quarters; its large business, its great commerce, in others—all anxious that certain provisions of this bill shall go hastily into effect because of the promise of relief which has been assured them to be the result of the measure. Then, sir, I represent, with my eminent colleague, the State of Illinois outside of Chicago, where are the wheat and corn growing classes, the farmers. Many of those, I must say, sir, are in protest against what they feel will be the consequence upon them of this measure. I differ from any colleague, Senator SHERMAN. I regard him radically wrong upon many of the fundamentals of Government; but I should be unjust to truth if I did not admit that he represents a part of the State that is in revolt against certain provisions of this measure as they are taught to regard it, and that in many of his voicings here he but echoes those sentiments. But, sir, I am compelled for myself to recognize that there is no measure with every feature of which every man can agree, and that no feature of every bill applies uniformly to every part of our country. I am compelled to choose a measure according to what I think will be in its general result its general effect. I am willing to adopt the philosophy of Portia, that "I would rather do a little wrong that I might do a great good."

Mr. President, then what is the measure as to which the conferees of the Senate and the conferees of the House met together with divergent views? Like a jury in a damage suit, like a board of arbitration in a contest, they finally came to a conclusion upon all opposing contentions. The verdict had to surrender one contention or the other. If not, they would have been in session to-day, and they would have continued day unto day and year unto year. Some yielding had to be. When we

in the Senate added to the bill provisions that were not in the House bill, either they had to be yielded to, sir, by the House or retreated from by the Senate. Consequently we are confronted with the ordinary course of legislation—the mere compromises and concessions to bring it about.

Therefore this is a food bill, so designated, for the purpose of regulating food. Its object is to provide food for the soldiers who are on their way to battle for our Nation; to provide food for the citizens who shall remain here to survive and to be sustained; to provide against exactions and injustice produced by the fuel barons of the country; and to lay the foundation, so far as it can be laid, for Government supervision and control of those commodities essential to the welfare of the individual.

Senators, we are inclined to feel that all we see in this project would be new to government. The bill is an innovation in our country, but may I interest you in the thought that the historical literature of farm management is voluminous? It includes ancient literature, covering the control of grain, the control of its price, the control of its output quantity, and the control of its distribution. Varro cites 50 Greek authors whose works on the subject he knew, beginning with Hesiod and Xenophon. Indeed, Margo of Carthage wrote a treatise as to the control of prices and the distribution of food, writing it in the Punic tongue, which was regarded of such value that the Romans had it translated into Latin. It became a textbook for the guidance of control in unusual events of the grain crops when the armies of Rome were out in the fields of conquest. And it is familiar to the scholars about me that Cato the Senior availed himself of these treatises as a foundation for the decrees which went out of Rome governing the amount of the crops to be distributed to the people, the methods by which they should be distributed to the soldiers, and their price. Subsequently, I regret to say, they went too far, and under a paternalistic form of government sought to give a quantity of land to certain citizenry and a certain quantity of grain, which soon led, of course, to the disadvantage of the citizen, for he ceased any industry on his own part and became a charge on his country. I merely mention that to the Senate to show that what we do now, while apparently an innovation under our form of government, seems after all but an emulation of that which was done by the ancients since history gives us any record.

Mr. REED. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Missouri?

Mr. LEWIS. I yield to the Senator from Missouri.

Mr. REED. I presume the Senator, by contemporaneous authorities with those which he has just quoted, could easily demonstrate that slavery is quite justifiable?

Mr. LEWIS. Mr. President, the authorities to which I refer—and a Senator near me asks if they are from the books of JAMES HAMILTON LEWIS on the Two Republics, Rome and the United States——

Mr. REED. Mr. President, filtering down through that particular channel, I understand that they would, of course, come to us with a sort of sanctity that would put them above reproach or criticism. So I withdraw my question.

Mr. LEWIS. I will say, Mr. President, it is true that a work written by this JAMES HAMILTON LEWIS, or one of its volumes, dwelling upon the comparison of the two Republics, makes adversion to these facts and does also have observations as to the slavery prevailing in those lands. I will say to the Senator that there were precedents in the older days for slavery, and that there were those in the old South who contended that slavery was justifiable in our own land because of those precedents. They quoted Scripture also as precedent. But, Mr. President, the Senator must distinguish between precedents which were practical and moral, which could be emulated to the advantage of free government, and those which were immoral and un-Christian and could only be adopted to the destruction of free government. There is the distinction between the precedents as to agriculture on the one hand and slavery on the other.

Now, Mr. President, I merely call attention to the fact that this conference report, which is being so ably sustained by the industrious efforts of the eminent Senator from Oregon [Mr. CHAMBERLAIN], acting as chairman, can be found to be a duplicate of many concessions of similar character in all forms of agricolan history.

Mr. President, there are reasons justifying our action in sustaining this result, however, that have not been dwelt upon. Not only is it necessary to control food that we may guide it to proper destination, to proper distribution, but there will come a time when we have got to consider the expenditures that we are undertaking.

The senior Senator from New York [Mr. WADSWORTH] in a very thorough discussion, well worthy of the reflection of any Senator, on yesterday called attention to the amount of the expenditures being made and invited the serious consideration of the Senate as to whether these expenditures should not be so supervised that the public should constantly know in what manner their money went forth. The Senator from Utah [Mr. SMOOT] a short while ago presented figures which, according to his judgment—and however much I differ from him in the doctrines of politics, as a mystical, magical metaphysician of statistics no one can dispute him [laughter]—the Senator produced what appeared to be reputable figures to demonstrate the vast sums of money which we would have to expend according to already presented estimates. Mr. President, in providing money for surplus food or to pay excessive prices for necessary food would be an unnecessary expenditure, and that should be guarded and watched. This war will be very expensive. That it may run from $10,000,000 to $20,000,000 a day, if future contemplation shall be realized, few of us can now dispute. The Senator from Utah intimates that possibly it may be more than that, and I take it that my brother Senator from Oklahoma [Mr. GORE], who has suggested something to me, probably indulges in that fear also.

Mr. President, it is interesting to contemplate war expenditures. The Napoleonic wars, which lasted from 1793 to 1815, cost approximately $7,000,000,000, while we have voted $7,000,000,000 in a single fund, which will only go to the preliminaries of this conflict. The Mexican War cost us about $100,000,000. The Civil War resulted in the aggregate expenditure of about $8,000,000,000, running from 1861 to 1865, before all things were ended. The Franco-Prussian War consumed about $3,500,000,000. The second South African War, from 1900 to 1902, cost in round figures $1,500,000,000. The Russo-Japanese engagement consumed not less, Mr. President, than $3,500,000,000; and in our hostilities with Spain in 1898 we expended $175,000,000. Surely, sir, from these figures you will gather what will be the stupendous sum we will be compelled to expend if this enterprise proceeds upon the magnitude of men and lands it is now projected. Then, sir, for that reason it is prudent that any step that can be taken here that would limit expenditures, while yet doing justice to the producer, shall be adopted by us.

Mr. President, with the object of the bill therefore so meritorious, is there a man here who would object to the measure? None. Is there a Senator who, because of some technical objection to the conference report, would defeat the object of this legislation? None. Is there a Senator here, however tenacious of his constitutional views or other attitudes of mind, who would deny the public the main benefits of the measure because of these incidental objections? None. Then, Senators, might I be so bold as to ask, if you succeeded in sustaining the particular individual objections you have, and yet the result that flowed from your action were to deny to the American public the general benefits which I apprehend is in the spirit of the bill, would not every one of us regret it? Would not the Senator who had prevailed regret it? I know he would, for I know the patriotism of every man who serves in this body.

Then, sir, I make free to ask Senators if they can not waive mere objections to matters which apply purely locally in their influences that we may have a union of support upon this measure? And can not they justify the waiving of those objections upon these grounds: That all over the world there has gone forth the printed charge that this bill is the test of such strength as the President of the United States will have in the support of his war measures. Mr. President, there will be focused millions of eyes upon this test in view of the controversy which has raged around it. Senators who will be seen opposing this report will be misconstrued, and I know misjudged. That may not concern certain brave characters, but it would concern them if they thought that that misjudging of them likewise would be a misjudging of their country. That the wrong condemnation of them would wrongly condemn their Commander in Chief and wrongly condemn this body which these Senators represent.

Mr. President, it has gone forth that in this measure the President, as the Commander in Chief, is being so opposed by distracted elements and discordant sources that there will be the evidence that he has not the body behind him. That he has not the Senate in support of him.

Mr. President, because I know that every Senator here wishes to refute that calumny and deny that slander, I would that each Senator could find it agreeable to abandon his specific objections frankly and freely before his countrymen, on something after the order of the Senator from South Carolina [Mr. SMITH], still

adhering, if he please, to his conviction in conscience, but freely admitting that he prefers to yield it, lest from the contrary there should arise an impression against his country and the Senate that would wrong both.

Mr. President, I have other reasons which I beg to submit to the Senate. If we do not present unity at this time, we will convince those who are associated with us in foreign lands in our enterprise that we have not the spirit that would yield mere pride of objections in order to accomplish the great end which we have undertaken. We will dishearten many; while, on the other hand, if we will show that union of purpose we will nerve the men who are about to move to the front and give new heart to those who are about to make sacrifice for their Nation. More than that, sir, we will slay that incipient rebellion which we have seen to lift its head throughout parts of this country against the enlistment of soldiers, against obedience to the draft law and the authority of the country. When, sir, they shall receive the blow which they should receive from the voice and action of their representatives, they will quail before it and surrender, for they will have presented themselves before the world without support, and, while we will not with voice have referred to them in specific condemnation, our action will be an announcement to them of how unwelcome their conduct is before the American Nation and how contemptible in the shadow of the American flag. For that reason also I beseech my brother Senators to contemplate the effect of waiving their objections upon ordinary matters that they may give unanimous support to this measure.

Mr. President, there is a last consideration to which I beg the indulgence of the Senate to advert. Senators on this floor have from time to time referred to our soldiers moving to France. The public press have referred to our men moving to France. The eminent senior Senator from New York paid a splendid tribute to France and her achievements with respect to the management of this conflict. Mr. President, the word "France," beautiful as it is pronounced, in view of the sacrifice of that country for the great cause of liberty and justice, will not be so frequently mentioned alone hereafter as before. The reason will be that there will be other countries to take our consideration in common with marvelous France.

Mr. President, we must not quail before the spectacle of fact. We must be courageous and view things just as they are. There is Russia; there is the practical fact of her situation. We can not hide our eyes, if we want to, to what all of that means. There is Italy, surrounded with the hordes of Austria, and the dangerous position she occupies in this conflict, sir. If the future is to be what the news of the times threaten, the next move of the American soldier will be toward Russia, then toward Italy. Behind these soldiers, wherever they go, must go food and supplies. For, sir, if we ask Russia to emulate our example of government and take from us the principles which we have endeavored to implant in civilization and ask her newborn country to fight for them, we must likewise put behind her such assistance as would be loyal and just. It is not sufficient that at a distance we merely commend her, praise her, or encourage her. We will be compelled, sir, to go further. Our soldiers must take the course, under the wise management of those who lead our armies, and find their way, through the shift of armies to posts of necessity. This will be where they will supplement and sustain and reenforce and strengthen those of Russia fighting in the cause which we say is necessary to the freedom of the world and the democracy of civilization. The same course, sir, must be followed as to Italy, if Italy is not to be the victim of Prussia. Our men must likewise join there in the conflict along the Trentino and along the border where Italy and Austria wage their warfare in order to preserve France from the Austrians' victorious return march. As well, sir, in the crescent of the Bosphorus—in the dark shadows of guilty Turkey—assistance will yet have to be provided.

So, sir, it must be plain to you that if we are to move on further than now charted for us, we move on very much further. And behind these men wherever they go must be the food of this Nation. The other nations, our friends in the cause, are not so situated that they can put their agriculture behind our men, for they have very few men who can serve them as farmers. The result must clearly be that from us almost alone must come the source and supply to our armies and those of our copartners, who are often spoken of as "allies." Then, confronting this situation courageously and admitting it freely, let us ask, Do we not owe it to ourselves, sir, that we should move on now, abandon every small objection, yield every delicate refinement, surrender mere pride of opinion for the object of the measure, for the aspect we can give the country and the example we can present to the world, sir, for the effect it may produce upon the men whom we have summoned to die for us if need be? May I not beseech my brother Senators for as near a united vote for this report as their sense of conscience and patriotism can possibly allow? And this, sir, to the end that we can say to the allies that to them we bring justice and freedom to the full extent of our ability, and to our own country we send every support that our arms, our voice, and our treasure can give to insure unconquerable America the victory that is destined to be hers.

Mr. REED. Mr. President, I rise for two purposes, the first of which I do as an act of justice to a gentleman whom I may have inadvertently wronged.

In the course of extemporaneous remarks the other day, I stated of Mr. John Beaver White:

> I do not know what his business operations were in England, but my information is he was there long enough to go through the bankruptcy court.

I did have such information, and I had it from a source which I regarded as absolutely reliable. I will say in passing, however, that I did not intend to make the remark; it was one of those things that came out of my lips when I was speaking in the hurry and haste of extemporaneous debate. But the distinguished Senator from Pennsylvania [Mr. KNOX] has called my attention to a letter he received from Mr. White, which I desire now to read to the Senate. The letter has been handed to me through the courtesy of the Senator from Pennsylvania [Mr. KNOX]. It is as follows:

WASHINGTON, D. C., *August 7, 1917.*

Hon. P. C. KNOX,
United States Senate, Washington, D. C.

MY DEAR SENATOR: May I ask your valued service in denying the statement made on the floor of the Senate yesterday by Senator REED, referring to me by name, as follows:

"I do not know what his business operations were in England, but my information is he was there long enough to go through the bankruptcy court."

This statement is absolutely without foundation in fact and contains not an atom of truth. Not only is the statement untrue, but I have never been even remotely connected with any financial failure of any kind or character.

Yours, faithfully, JOHN BEAVER WHITE.

Mr. President, as I made my statement openly and on the floor of the Senate, and in that way to the country, Mr. White is entitled to have his denial made in the same way, and I have therefore presented his letter. And I go further than that; I apologize to Mr. White in this public way for having made a statement about him upon information which he declares is incorrect, and which for the present I shall assume is incorrect. If I find in the future that there has been a mistake made in this apology, I shall retract the apology; but at the present time I want it to go as full and unequivocal.

Mr. REED. Mr. President, that I have discussed this bill to the weariness of the Senate I am aware. A further imposition upon your patience is excusable only because arguments and charges have been advanced which imperatively demand reply.

As I proceed, I shall endeavor to show—

First: THE INJUSTICE OF ATTACKS UPON MEMBERS OF CONGRESS, BECAUSE IN THE PERFORMANCE OF THEIR CONSTITUTIONAL DUTIES THEY HAVE EXERCISED THEIR INDEPENDENT JUDGMENTS.

Second: THAT THE BILL IS GROSSLY UNJUST TO THE FARMER, BECAUSE IT TAKES AWAY HIS MARKET AND COMPELS HIM TO SELL FOR PRICES ARBITRARILY FIXED BY ONE MAN.

Third: THAT THE BILL WEAKENS THE COUNTRY BY DISCOURAGING AGRICULTURE AND MENACING BUSINESS.

Fourth: THAT THE BILL IS IN MANY RESPECTS UNCONSTITUTIONAL.

Fifth: THAT CONGRESS HAS GIVEN TO THE PRESIDENT UPON ALL GREAT WAR MEASURES AN ENTHUSIASTIC AND PATRIOTIC SUPPORT.

Throughout the debate it has been covertly insinuated, if not openly asserted, that all who seek to alter or oppose a single provision of this bill are therefore bad citizens, enemies of the Republic, friends of Germany, and altogether traitorous scoundrels.

The policy of coercion and abuse has been extended to all measures branded "Administration." The purpose is to create an atmosphere of prejudice against Members of Congress who venture even occasionally to exercise an independent judgment.

I beg you to consider this strange new doctrine, which, if it be not arrested, may destroy the independence of the people, because it denies to their representatives freedom of action.

It is urged that opposition to this bill advertises that there is dissension in our ranks, and thus gives aid and comfort to the enemy.

The proposition if accepted ends both freedom of debate and freedom of vote. The functions of Congress are paralyzed. It is reduced to a mere board of registrars whose sole duty is to record the decrees of the Executive Department. This follows whether the mandate emanates from the brain of the President himself or from that of a subordinate clerk.

Furthermore, even though Congress may deem the Executive mandate unjust to the people and injurious to the State, it must, nevertheless, be recorded as the law of the land.

All these results follow if we concede the hypothesis that "to pause, to deliberate, to take counsel, to pass upon the merits of a proposed law," will give aid and comfort to the enemy.

Such a doctrine defeats the purpose for which Congress was created; deprives the people of their constitutional right to speak through legally constituted agents; centralizes all authority in the Executive; transforms our democracy into an oligarchy; and attacks the temple of liberty at its foundation.

The assertion that opposition to a measure by Members of Congress, who believe in its unwisdom, "renders aid and comfort to the enemy" is monstrous. There is no Member of this body who would not make any sacrifice, incur any displeasure, or suffer any penalty, rather than to wittingly render assistance to those who make war upon our beloved Republic.

What has transpired in the Senate, or outside the Senate, best calculated to give aid and comfort to the enemy? I put the question to you; I put it to the country; I put it to the press of the country. Let me answer by illustration:

If a distinguished German leader from his place in the Reichstag were to repeatedly denounce his fellow members as "American sympathizers, conspiring to accomplish the overthrow of the German Empire," would not America thrill with pleasure and confidence? Would not such a declaration strengthen our arms, stiffen our demands and inspire us to vigorously pursue the war until Germany should abjectly sue for peace?

When, therefore, in this Chamber it is asserted or intimated that a considerable body of Senators are deliberately giving aid and comfort to Germany, when such statements are repeated from day to day, when great newspapers print these Senatorial attacks and by news and editorial certify to all the world that there exists "a German party in Congress, backed by a powerful and seditious element among the people, which constantly seeks to harass, hamstring, handicap, and betray the United States," what must be the effect upon the German Government. Candor compels the answer that such assertions give to the enemy the most substantial aid and comfort he ever has or ever will receive from America. Moreover, the charges being monstrously false, infamously wicked, and criminally slanderous, their enormity is thereby infinitely magnified.

Mr. President, notwithstanding these intemperate charges, the indubitable truth remains that there is not as much disloyalty to America within all her vast borders as there is disloyalty to and hatred of the Kaiser within a single petty Province of the Empire of Germany.

Criminals exist in all communities. Idiots are indigenous to every clime. A certain percentage of unbalanced creatures come into the world each year. Accordingly we must expect to find among our 104,000,000 people a few misguided, half-balanced creatures who are not loyal to the Flag. But with the exceptions named there is no disloyalty.

The brain of America thrills with one impulse, the soul of America is inspired by one hope, the heart of America beats with one desire, the lips of America breathe but one prayer—that we may gloriously win this war, establish the primacy of Democracy, and prove to all races, kindreds, and peoples that the United States can and will defend her rights.

But, Mr. President, at such a time as this questions inevitably arise over which men of independent minds are likely to differ. Some of these questions relate to domestic, others to foreign policies.

Among the domestic problems may be mentioned these: Can we best strengthen the United States by leaving business free or by placing it in leading strings? Do the people of the United States really need a guardian or dictator to rule over them? Will industry and business free produce more than industry and business in chains? Springing from these as a corollary is the inquiry, How did we get along before Mr. Hoover came? What will we do when he returns to his English home?

Some foreign problems are: Should America try to revise the map of Europe? If so, to what extent? Should America try to force upon a foreign country a particular form of Government? Is it our business to try to democratize the world, or should we endeavor to maintain our own democracy? More serious than these is the question, Under what circumstances may we in honor insist upon peace?

In answering such questions men alike inspired by love of country may nevertheless disagree. This is especially true because the circumstances of the times are unprecedented and the ultimate answers lie largely within the uncertain future.

How men may honestly differ is illustrated by the fact that but a few moments since a distinguished Senator argued that "we owe Russia an obligation of support, because Russia is now following the principles we implanted."

I can not agree with my friend. We are in no way bound for Russia or to Russia. We are not responsible for the frontiers of foreign states. We are not answerable for the form of government established in European or Asiatic countries.

Whenever we shall receive full satisfaction for wrongs done and guaranties against future violation of our rights negotiations ought to begin. Of course we should not contemplate withdrawal from the conflict until whatever just obligations we may owe to our associates in arms have been faithfully discharged.

Let me add that I regard the discussion at this time of peace or the terms of peace as unfortunate. Such discussions will be accepted as evidence of weakness. The combatant who first asks for terms is generally regarded as ready to quit the fight.

A great European statesman declares "that good news may come in the near future." Let God speed the day! But until that good news shall come we should not pause to discuss the questions of peace. As long as the Kaiser, raging with the insanity of world conquest, clutches a reeking sword and chooses the part of world outlaw, so long as his spies lurk within American borders and his pirate ships harry American commerce, our proclamations should be made by acts. Each day should bring more guns, more men, more money, and more ships—still more—and more of armament, until even his passion-blinded eyes shall glimpse the vision of that day of bloody reckoning which is ahead, and to escape its retribution he shall cry for peace.

No sensible man familiar with the bill as it came here will deny that it needed discussion and amendment in order that its many absurdities might be eliminated.

I give but one illustration. The bill, as prepared by some wise subordinate in some Department, as introduced in the Senate, and as actually passed by the House, contained this laughable provision:

> That undue enhancement or fluctuation of prices of * * * necessaries are hereby prohibited.

Contemplate, if you please, the sagacity, learning, and care of the writer of a law who undertakes to deal with "*prices*" as he might with men. Think of Congress writing a law like this:

> Be it enacted *that prices shall not rise.*
> Be it further enacted *that prices shall not change.*

Why did not the House extend the beneficent scheme and provide:

> Be it enacted that it shall be unlawful for hunger or fever or disease to afflict mankind.

While we are forbidding "prices to fluctuate," why not prohibit the wind from changing, forbid drought, and command the rain to fall. Why not get rid of the measles, the mumps, the boll weevil, and chinch bugs by a statutory prohibition. If the intelligent author of this bill had written the Declaration of Independence, he would not have been satisfied with the assertion all men are entitled to "the pursuit of happiness," but would have inserted a clause commanding them to be happy.

After some debate we eliminated the foolish provision. We also made many radical changes. Much of the good we did has been nullified by the conferees. There, however, remains some beneficial features added by the Senate. The provision regulating the mining and marketing of coal was added here, and it was worth all the time consumed in the debate. *That provision rests upon the sound doctrine that a business that has in fact combined thereby becomes subject to public control.*

Mr. President, returning to my theme and proceeding from the undeniable proposition that it is our duty to bring to every measure untrammeled judgment, I inquire what just complaint can be lodged against the Senate touching the consideration of this so-called food dictator bill?

There are those who believe the bill will strengthen the United States in the present war. It is their duty to support it. But there are other Senators who feel certain that the bill will weaken the United States. Is it not their duty to resist its passage?

Regarding the bill as seriously impairing our national strength, I must therefore contend against it or betray the trust I hold from the people of my great State.

A vote upon this bill is not a test of loyalty. It may be a test of soundness of judgment.

Those who oppose the bill are not influenced by petty reasons. They act in obedience to the most weighty considerations. They want success for America in this war. They believe the bill weakens us at an hour when we ought to "increase and multiply our strength."

It is conceded that to win the war we must command the vastest sums of money ever gathered by any government.

We must produce food to feed half the world.

We must wave the wand of industry above countless farms and command the miracle of double crops.

We must touch growing forests and change them into argosies that bear our products to Europe's distant shores.

We must lay the finger of magic upon mines where gross metals sleep and transform them into frowning cannon and deadly shells.

We must darken the firmaments above the capitals of our enemies with resistless fleets of the air and astound their ears by the artillery of the skies.

Coincident with the execution of these herculean tasks millions of peaceful citizens must be converted into skilled warriors who play the game of life and death with intrepid souls.

To work this enchantment every man must be encouraged to produce the essentials of life, as well as the instruments of death.

The wheels of factories must hum through every hour of the twenty-four. The furnaces of mills must send their blazing challenge into the night. Gold must be gathered in vaster hoards than man has ever seen in all the course of time.

It is therefore a poor time to menace the man who produces. It is a mistake to disturb industry. It is a blunder to hang a threat over business. *It is suicide to discourage agriculture.*

When you seize the markets of the country you stifle production. If it be the labor market, you dishearten the workman. If it be the agricultural market, you dismay the farmer. If it be the manufacturing market, you alarm the mill owner. If it be credits, you invite panic.

All of these acts impede or arrest the delicate and intricate machinery of production.

Dictators are not yet so common as to inspire confidence. Lack of confidence produces industrial paralysis. A panic at this time might be fatal to our arms.

Holding these views, I have insisted and still insist that our legislation should be confined to the prevention of those acts which obstruct the markets of the people, which interfere with the free flow of commerce.

Among these are "forestalling," "hoarding," "gambling," "restraints of trade"—all such evil devices should be sternly prohibited and rigidly punished.

But the great people of this mighty land should be encouraged to bend their efforts to create a vast surplus. The man who does not know that profits are the universal solvent for universal effort is dull indeed.

All this seems so plain as to be axiomatic. Yet, sir, *this bill as reported by the conferees seeks to create in the Executive the arbitrary authority to command that citizens shall cease using their private property for purposes recognized as legal since Magna Charta.*

The bill recites:

Whenever the President shall find it essential to license the importation, manufacture, storage, mining, or distribution of any necessaries * * * and shall *publicly so announce, no person shall, after a date fixed* * * * *carry on such business* * * * *unless he shall secure and hold a license.*

While the vast powers of the bill are lodged in the President, they will be exercised by men many of whose names are not even now known to the public, if, indeed, they are to the President.

The power is to be exercised without any pretense of compensation. It is not dependent upon the ascertainment of any fact. All that is required is that "the President shall find it essential," which is merely the equivalent of "whenever the President shall see fit."

The power does not rest upon any finding of misconduct on the part of the proprietor of the property. It springs alone from the Executive will. Its motive force is a simple Executive impulse.

The formality of service of notice is not required. A "public announcement" is sufficient. A newspaper interview is probably all that is demanded.

Whereupon this occurs: The man who has spent his life in creating a business, and who thinks he owns it—the man who has painfully, rock by rock, built a mill from the ground up and believes himself proprietor—the man who in sweat and toil has established a great factory and who fondly regards it as his own—picks up a morning paper and reads "*a public announcement*" that he must *take out a license* or *close his business.*

If he fails to obey the mandate and dares to enter his own premises and set in motion a single wheel, he may be sent to the penitentiary.

If, however, he shall yield to compulsion and take out a license, is he then permitted to conduct his business in accordance with the law of the land? Ah, no! *He must conduct it in accordance with the terms and conditions fixed by Executive will.* His books of account are taken from him and those of the Government substituted. An auditor may pry into his private business affairs. A federal inspector may invade his private premises by day or by night. He may be compelled under oath to report his private transactions to a federal understrapper.

Moreover, he has waived his right as a free man to fix the value of his services or property and *must accept the price fixed by the President.* If, forsooth, he shall venture in violation of any regulation, however arbitrary or unjust, to conduct his own business in his own way, or if he shall fail to obey the orders of those placed over him, again is he haled before a United States Commissioner, clapped into jail, and finally securely landed in a federal prison.

That is the taking of private property without due process of law.

I unhesitatingly say that the Federal Government can not come to the mill of a citizen and declare, "If you turn another wheel, you will be sent to the penitentiary unless you first take out a license and thereupon you shall conduct your business in the manner and for the prices the Government may stipulate."

I unhesitatingly say that is depriving the citizen of his property without just compensation, because when a citizen is deprived of the right to the control and enjoyment of his property he is "deprived of his property."

I also say that whether the bill is constitutional or unconstitutional it will at least alarm business, discourage agriculture, lessen production, and may breed panic.

In the flood tide of his power Frederick The Great began the construction of his country lodge of Sans-Souci. Victor over Austria, Dictator of the Peace of Dresden, he had established himself the foremost martial figure of the world. In providing grounds for the King's Gardens his agents sought to purchase a bit of land on which was located the windmill of an old Potsdam miller.

He refused "to sell at any price." "Not at any price?" said the King's agent. "Can not the King take it from you for nothing if he chooses?" Proudly the old man answered. "Not while we have at Berlin the Kammergericht"—the Supreme Court of Justice.

The autocrat of Prussia dared not take by force the old miller's estate. Accordingly he expressed delight that his sturdy subject reposed such confidence in the integrity of Prussian courts. The mill of Potsdam was thereafter regarded as an ornament to the Gardens of the King, because a monument of the King's justice.

Let us ponder this page torn from Prussian history.

ARBITRARY LEGISLATION UNNECESSARY.

The enactment of legislation of this arbitrary and unconstitutional character is wholly unnecessary. It lacks even the poor excuse that it is "intended to prevent speculation, gambling, and hoarding." In proof I cite the following from the records of Congress:

More than eight weeks ago we passed the "food survey bill." It came to us from the House of Representatives as "*an emergency measure.*" Its chief purposes were to ascertain the condition of our food supplies and to encourage the planting of a large crop for the *present year.*

For those reasons we rushed it through the Senate in three days' time. But we added two stringent amendments which, taken together, rigidly prohibited and severely punished food gambling and food hoarding. We authorized the President, if necessary to prevent speculation or gambling, to close every grain exchange in the land. We returned the bill to the House of Representatives. It has been held in conference more than eight weeks.

I openly and upon the floor of the Senate charge that the bill was pigeonholed in response to the outrageous demand of a member of the Cabinet, who stated in substance that if the *food survey bill* was permitted to become a law *before* the *food dictatorship bill* was passed the chief arguments in favor of the latter bill would be eliminated.

And so the food survey bill, which we were told was one of highest emergency, has been strangled for more than two months. Important information relating to the condition of

our food supplies has not yet been gathered. The season for planting crops has been allowed to pass.

But, sir, the moment the Senate conferees abjectly surrender to the House conferees on the pending measure, the food survey bill is reported out of conference, and is now here waiting the mere form of ratification to become a law.

AGAIN, MR. PRESIDENT, IF THE POWERS CONVEYED BY THIS BILL ARE EMPLOYED, IT WILL DEPRIVE THE FARMER OF THE LAST VESTIGE OF A FREE MARKET IN WHICH TO SELL WHAT HE PRODUCES. AT THE SAME TIME HE WILL BE COMPELLED TO BUY IN A MARKET WHERE WAR PRICES PREVAIL.

The result indicated springs from the fact that the embargo law and the enforcement thereof, together with the action of the Allied Governments, have already placed the control of all wheat exports in the "Wheat Export Co." That company is, in fact, a syndicate or corporation comprised of English concerns. Thus to-day an English company exercises a complete monopolistic control over America's foreign grain markets. It therefore has the power to fix the price of every bushel of wheat raised on American farms which is sent abroad.

Let it not be forgotten that Mr. Hoover counseled, aided, and abetted the organization of this English monopoly. The fact I have hitherto charged. The proof I have hitherto produced from Mr. Hoover's own testimony. The fact will not be here denied. I challenge denial at this time. There are none to stand forth and dispute the truth of my assertion.

Having thus taken away the farmer's foreign market, the food dictator is by this bill granted authority and power to seize and control the domestic market.

By employing the licensing provision he may bring all the mills, elevators, and grain exchanges within his control. *On top of this he is furnished with $150,000,000 of Government money for the express purpose of going into the market and controlling prices.* Indeed, it is no longer concealed, although the fact was for a long time disputed, that the food dictator, acting in conjunction with the English Wheat Export Co., will be able to arbitrarily fix the price of every bushel of grain raised upon the farms of America.

THE FARMER IS THEREFORE DEPENDENT FOR THE PRICE OF HIS GRAIN CROP UPON THE WILL OF ONE MAN. AS THAT MAN SHALL DICTATE, THE 45,000,000 PEOPLE ENGAGED IN AGRICULTURE IN THE UNITED STATES MAY BE BLESSED WITH PROSPERITY OR REDUCED TO BANKRUPTCY.

I protest therefore that the bill is highly injurious to the country. It will discourage agriculture at the very moment when we most need to encourage the production of great crops.

It was for the purpose of protecting the farmer against injustice by a food dictator that we have contended for a price guaranteed by the law. We believed this necessary as an act of justice and also because the farmer, appalled by the fact that the price of his wheat is to be arbitrarily dictated by one man, in all probability will reduce his acreage. We sought and obtained a legislative guaranty of $2 per bushel on this year's crop. We believed that good prices this year would result in a larger crop next year.

But the conferees, without consulting a single Senator from a wheat-growing State, and, I believe in response to influences emanating from Mr. Hoover, have changed the guaranty so that it does not apply until *next* year. *This year's production is left to the mercy of the food dictator and the English syndicate.*

MR. HOOVER—DICTATOR.

Who, pray, is this food dictator? A gentleman recently arrived from England who brought with him a hired press agent and a number of English gentlemen. Perhaps, to be accurate, I should say, "of Americans who have lived so long in England that one feels warranted in referring to them as English." To this gentleman, who left America at the age of 23, whose house, home, business, interests, and fortune are in England; who probably has never paid a dollar of taxes in the United States; who has not in over 20 years cast a vote in the United States; who is not now a qualified voter of the United States; who is politically so much of an Englishman that he describes himself, not as a Democrat or Republican, but as a "Liberal," we are about to turn over 45,000,000 people engaged in agriculture. He may, if he graciously chooses, make them prosperous. He may, if he so wills, reduce many of them to bankruptcy.

Even if this autocrat we set over the farmers of America shall fix a price for wheat which is fair, the fact, nevertheless, remains that we have deprived 45,000,000 citizens of their free markets. We have given one man arbitrary power over the destiny and fortunes of many freemen.

To the American who understands the principles for which our fathers fought, arbitrary power is none the less hateful because it may be for the moment benevolently exercised. The presence of a master with his whip enrages although the lash may never cut the skin.

Senators, you may force this bill through, but I warn you that when you alarm the farmer you reduce the bread supply of the cities. That, sir, is a most serious mistake. Such is my opinion. Such is the opinion of others.

I shall vote in accordance with my opinion. There are many here who believe as I believe, who yet will, for considerations which they see fit to regard as controlling, vote for the bill. I shall not criticize them. Let them answer to their own consciences. But let none such dare charge me with disloyalty.

ARBITRARY POWER GIVEN TO ONE MAN.

Mr. President, in order to escape the dangers necessarily incident to dictatorships, the Senate provided an administrative board of three men. Our conferees have incontinently surrendered the provision. The producers of the country are to be turned over to one man, a man who has with unparalled temerity assumed to exercise authority which has not yet been granted, and who now with a reckless and lavish hand is spending hundreds of thousands of dollars of the taxpayers' money before the office he pretends to usurp has even been created.

We are to have no check upon that man. No one is to sit with him or scrutinize the things he may do.

When we protest that such power is unsafe we are told that we are "interfering with administrative functions." I deny it. We are now engaged in creating an agency and prescribing its powers. The powers when granted will be executive, but the act of creating the agency and prescribing its powers is purely legislative. It is our business to see to it that the powers granted shall be so restricted and guarded that the rights of the people shall not be invaded.

We therefore have the right—nay, it is our duty—to insist that if these vast powers must be granted they be conferred upon a board to the end that the country may have the benefit of the united judgment of several men and that each member may act as a check upon the others.

AUDITING COMMITTEE REJECTED.

As the bill left the Senate it created a committee to see that the taxpayers' money should be spent providently and in accordance with law. That wholesome provision has been stricken out. No sound argument has been advanced in support of the action of the conferees. No honest man connected with any department ought to object to accounting for every penny by him expended.

The necessity for such a committee is just now imperative. If we are to have a dictator like Mr. Hoover; if we are to place in his hands millions of dollars of the public funds; if we are to authorize him to buy and sell, to barter and to trade, to organize a force of agents unlimited in number, to pay salaries as he may see fit, to rent quarters the size of which have not been specified, to pursue a course of conduct laid out by himself for himself, surely the least we can do is to create a committee to ascertain where and how the taxpayers' money have been expended.

Likewise, if we are to pour out thousands of millions of dollars in this conflict, surely it can do no harm to examine the accounts of those who handle these unprecedented sums. Yet, in obedience to demands coming from outside this body, our conferees have consented to strike this wholesome provision from the bill.

Mr. President, on yesterday the Senator from New York [Mr. WADSWORTH], in a great speech, uttered this great truth:

If we are to win this war the greatest asset we can have is the confidence and enthusiastic support of the people.

I agree with that statement. Given the enthusiastic confidence and support of the people, given competent generals to command the army, this nation is invincible against all the forces of earth. You talk about Germany coming here and conquering the United States! I have listened to that kind of twaddle until my gorge has risen. Germany cross the Atlantic Ocean and conquer the United States!

The lesson of all history is that no army can go thousands of miles from its base of supplies and conquer a great, powerful, and brave people upon their own soil.

For centuries English kings attempted the conquest of France. They failed not so much from French valor as because they fought too far from their base of supplies.

At a time when his fleets swept every sea, and his treasure galleys bore the gold of every land, Philip II undertook the conquest of England. But his invincible Armada became victim of ocean storms and the intrepidity of Sir Francis Drake. Philip fought too far from his base of supplies.

The veterans of Napoleon hurled back the hosts of the Czar, only to retreat before the invisible legions of winter and hun-

ger—two enemies human valor can not withstand. Napoleon fought too far from his base of supplies.

France established Maximilian on the throne of Mexico. But Maximilian went to execution. The French undertook a task too far from their base of supplies.

Why, sir, with a population aggregating 350,000,000 it took the British Empire three years to conquer the two little South African colonies of Boerland, whose people numbered but 1,300,000 souls. The answer to the riddle is England's army fought too far from its base of supplies.

Have we forgotten that with British soldiers quartered in their homes, British fortresses frowning above their cities, British fleets riding in their harbors, the American colonies, possessing not a single soldier, a single cannon, or a single ship of war, with naked hands wrested their liberties from the most puissant power of earth?

I affrm, sir, that the sons of the frontiersmen who fought at Lexington, of the patriots who starved at Valley Forge, of the veterans who conquered at Yorktown, are not degenerate.

I unhesitatingly declare that the mighty America of to-day can range her hosts upon her seagirt shores and hurl back into the ocean the united armies of earth. Give us a little time to prepare and they will never land a single division of troops, or if they do, it will be but to march into the open jaws of death.

Time for preparation we now have had. The work is far advanced. As it proceeds the German nation is hemmed in by fire and steel—a living wall of valiant enemies who mock at death and wait in eagerness the hour when vengeance shall be theirs. Against these invincible lines German valor breaks as break the ocean waves upon the eternal rocks, and like the waves rolls back foaming in impotent fury.

Besides, sir, were Germany to accomplish the impossible, and lay her conquering sword across every capital in Europe; were she then to seek vengeance upon us, her armies would not have left Europe's shores until her ancient enemies, mad with the shame of defeat, smarting from German blows, would leap upon her flanks and drag her down, as furious hounds drag down the stag already weak from loss of blood. The "German Invader" is a bogie man that should frighten none but children.

> The Pilgrim's spirit has not fled,
> It walks in the noon's broad light,
> And it guards the bed of the brave who are dead
> With its sentinel stars at night.
>
> It watches the bed of the brave who are dead
> And will guard them evermore;
> Till the waves of the bay where the Mayflower lay
> Shall foam and seethe no more.

Mr. President, has it come to this: That a Member can not upon the floor of the Senate express the opinion that a certain measure makes for the weakness of his country instead of for its strength without some braying animal somewhere in some town or some State—of course, it never gets in the Senate—in discordant voice roars out, "You are the enemy of the United States"?

THE SCROLL OF INFAMY.

Is agreement with everything the President may suggest the test of loyalty to country? Do you dare make that the test? If so, we have already lost the war. The country is surrendered and our honor gone.

Why, let us see where we will end with such a test as that. The President insistently demanded press censorship. The Congress of the United States said "No." By the test you propose that fact proves the disloyalty of a majority of the members of Congress. Was Congress disloyal? Ah, no! It but expressed the patriotic opinion of men who love their country and its Constitution and believe that the best way to fight this war is with an untrammeled press. I so voted then; I so believe now.

Again, although the President openly protested, both Houses of Congress voted to inject the prohibition question into this bill. Do you dare affirm that because a majority of the members of Congress differed from the President on prohibition they are therefore traitorous rogues? If so, I can unite the names of those who voted for prohibition to those who favored freedom of the press and prove that 80 per cent of both Houses are disloyal.

Your argument, my friends, proves quite too much. The net you spread may catch the feet of those who come accusing others. The names of the "holier than thou" may yet be found in the ignominious list. For behold a majority of this Senate decisively declared against a single food dictator. Those who so voted had full knowledge of the fact that the President insisted on a single man. Were they therefore disloyal? If so, and their illustrious names must be added to the long list of rogues I have already held up to your view, I fear it will now embrace nearly all members of the Senate.

Still more, it was of common understanding that the President opposed the creation of an auditing committee, yet a majority of the Senate voted in the teeth of his insistence. Why, sir, messengers repeatedly came, as came the Senator from Wisconsin this morning, oppressed with the weighty burden of administration advice, yet a majority of the Senate impudently insisted that it was our duty to see that the people's money be honestly expended. If the test of loyalty is blind obedience, then here are others whose names must be written in dishonor's growing scroll.

Even yet the case is not complete. At the instance of the Senator from New Hampshire, a majority of the Senate voted to exempt labor organizations from the bill's drastic penalties. The conferees have stricken the exemption out, for did not some one "in hot haste bring tidings from the administration"? Accordingly it now appears that all who voted to exclude labor from the terms of the bill are likewise traitors. Even the Senator from New Hampshire, who has so long been a faithful servitor, will be astonished to discover his name far down upon the list of the disloyal.

Why, Mr. President, upon the brazen cheek of impudence shame's hot flame must burn when in this Chamber Senators are denounced because, instead of yielding a ready acquiescence to every Executive demand, they insist upon employing their best judgment in the performance of their legislative duties.

The men who sit about me represent great commonwealths, mighty States, whose teeming millions constitute the puissant citizenry of the Republic. We hold our powers from the people. We are trustees of a great and sacred trust. The warrant of our authority is the Constitution; by it we are bound in law; to it we are bound by honor and by oath. When we transfer to another the powers and responsibilities the Constitution imposes upon us we subvert the rights of the people. We betray those who sent us here to guard their rights. Who gives consent to breaking down the form and structure of our Government is traitor to America—assassin of liberty.

It follows we must employ the best judgment we possess. If it shall sometimes run counter to the desire or ambition of others, we must nevertheless continue to do that which we believe makes for the highest interest of the State. Senators may, if they see fit, pursue an opposite course. I do not challenge either their right or their good faith. For myself, I decline to confuse sycophancy with patriotism, to mistake cringing for statesmanship, or to confound abdication with service.

Mr. President, I make bold to suggest that it may help win this war if Members of Congress extend to each other that decent respect due to membership in a great body. I employ the term "great" because Congress has been constituted by the greatest people of earth; because Congress is the only instrumentality through which that great people may speak their sentiments by legislative acts. Doubtless Members of this Congress are less efficient than their critics. But for the present they are here charged with the grave responsibility of legislating. That responsibility they can not shirk. That duty they may not transfer to another without violence to the Republic.

Mr. President, why this miserable cavil and all the time criticism? What has Congress done to merit it? Does the editor think—the statesman believe—the critic imagine he helps his country by going up and down the earth declaring that the "Congress is foolish, incompetent, disloyal, recreant to duty"? Would not the Kaiser get less comfort if he were told that Congress is patriotically toiling night and day to strengthen our defenses and create invincible armies that will speedily work his destruction?

Let us see what has been done. As we proceed we shall be convinced that in all history no free legislative body has ever rendered to King or President a more ardent, prompt, and efficient cooperation in war measures than this Congress has accorded the President of the United States. I shall not endeavor to recite the complete record. A reference to the more important acts will prove abundantly sufficient.

When the European war broke upon the world and the President declared "for strict neutrality," Congress put a padlock on its lips and remained silent even when Belgium was invaded; when the death cries of the *Lusitania's* victims rang in the ears of the world; when American ships were finding graves at the ocean's bottom.

More than a year before we declared war upon Germany, while we were yet pursuing a policy of nonintervention and inditing paeans to peace, at the mere suggestion of the President Congress revolutionized our traditional policy of a small Army and Navy. The willingness of Congress to thus cooperate was evidenced by numerous important acts.

March 17, 1916, witnessed the passage of the Army reorganization bill, which authorized the President to increase the Regular Army from 90,000 to 290,000 and raise the militia to 457,000.

It provided for the organization of machine-gun companies; increase in the Medical, Signal, Engineer, and Quartermaster Corps.

The Ordnance Department was vastly strengthened.

Officers were provided for training the National Guard and students of colleges and schools.

The following new organizations were created: Officers' Reserve Corps, Officers' Training Corps, Enlisted Reserve Corps, Citizens' Training Corps.

Provision was made for a vast extension of the aerial service at a cost of over $13,000,000.

The foregoing program involved the unprecedented amount of $267,579,000 for the first year.

At the same time the President was authorized to draft the National Guard into military service for the period of any war.

The President was by the same bill empowered in time of war or imminent danger to order any factory to make anything it could produce and to compel it to give his order precedence over all other business; to order all ammunition factories to produce the kind of arms and ammunition desired; to compel the owners of factories to transform them into ammunition plants; to force owners of factories to sell their products at prices determined by the Secretary of War. If satisfactory prices were not given, to seize the plant.

Failure to obey any of these commands was made punishable by a fine of $50,000 and imprisonment for three years.

Authority was granted the President to appoint a board for the mobilization of industries essential for military preparedness.

A board to report on the feasibility of the Government manufacturing arms and ammunition was authorized.

A Government nitrate plant was authorized and $20,000,000 appropriated to pay the bill.

July 1, 1916, Congress declared an emergency and gave the *President full authority to draft the entire National Guard.* On the same date it passed a bill carrying the following important appropriations for improvement of the permanent Military Establishment:

To create a powder factory, $500,000.

For additional facilities for manufacturing field artillery, $1,000,000.

For additional capacity for manufacturing gun carriages, $500,000.

For additional capacity for manufacturing armor-plate projectiles, $215,000.

For improvement of military posts in Hawaii, $1,000,000.

For seacoast defenses, $420,000.

Altogether the bill carried approximately $8,000,000, largely for new works or permanent betterments.

July 6, 1916, authority was granted to spend for purchase of seacoast cannon, $340,000;

For purchase and test of ammunition for seacoast cannon, $2,200,000; and

For purchase of tools, and so forth, for manufacture of arms, and so forth, $1,000,000.

At the same time enormous additional appropriations were made.

August 29, 1916, provision was made to improve and equip for the construction of war vessels the navy yards at Puget Sound, Philadelphia, Norfolk, New York, Boston, Portsmouth, Charleston, and New Orleans, and $6,000,000 was appropriated.

A naval program great beyond all precedents was entered upon. By it the construction of 157 vessels was authorized at a cost of $588,180,576. This was nearly five times the average annual appropriation under any of Mr. Wilson's predecessors.

The naval program above specified has since been increased to embrace 204 vessels, at a total cost of $618,600,000.

In addition there are now being built out of the naval emergency fund 85 destroyers, tugs, and mine sweepers, at an estimated cost of $67,000,000.

Approximately 350 submarine chasers, at an estimated cost of $26,320,000.

Ordnance stores and materials have been provided, at a cost of $379,000,000.

The enlisted strength of the Navy—exclusive of the Naval Reserve and Naval Militia—has been increased from 51,500 to 150,000.

August 29, 1916, number of cadets at West Point and Annapolis was increased 50 per cent.

On the same date, with an almost lavish hand, Congress made appropriations carrying out a great scheme of preparedness. I cite but a few:

For automatic machine rifles for the Army, $6,000,000.

For automatic machine rifles for the National Guard, $6,000,000.

For Army motors, $500,000.

For manufacturing field artillery for National Guard, $10,000,000.

For manufacturing reserve ammunition for field artillery for National Guard, $10,000,000.

To provide camps for instruction of National Guard, $500,000.

For a projectile plant, $1,411,000.

For an armor-plate factory, $11,000,000.

For batteries for merchant auxiliaries, $3,300,000.

For reserve ordnance supplies, $4,500,000.

For Navy aeronautic station at Pensacola, Fla., $420,000.

For stocks and docks at Norfolk, $1,242,000.

For dry dock at Hawaii, $700,000.

For depots for coal at various foreign ports, $460,000.

A total for public works of $8,350,000 was appropriated.

Provision was made for—

Organization of a complete naval flying corps;

Organizing complete naval reserve forces;

Organization of naval auxiliary reserve;

Organization of naval coast defense reserve;

Organization of naval reserve flying corps;

Organization of Marine Corps Reserve;

Organization of Naval Militia and National Naval Volunteers; and

Establishment of Marine Corps training camps.

The President was given express authority to assume control, take possession of, and to utilize to the exclusion of all other traffic for the transfer of war materials, troops, and so forth, all systems of transportation. This includes that vast network of railroads which covers like a spider's web the United States, comprising a mileage greater than the total railroad mileage of all Europe.

At the same time a Council of National Defense was created, with authority to choose an advisory commission to coordinate industries and resources of the entire Nation for the purpose of the national security and welfare.

Having made all this preparation for war, Congress on the same date, evidently to complete the program by covering all possible phases of the question, authorized the President to call a conference of all the nations of the world to create a court of arbitration for the settlement of international disputes and to provide for universal disarmament. To this end the President was *empowered to appoint members of such tribunal and given $200,000 to pay their expenses.*

March 4, 1917, the last day of the old Congress, the naval program was further increased by the addition of 18 torpedo boats, at a cost of $6,115,000. Twenty-six coast submarines were authorized, to cost $50,000,000.

The President was given authority to expend, in his discretion, in order to secure more expeditious delivery of materials, $215,000,000.

The President was authorized to order ships built or war materials from any person capable of producing the same.

The acceptance and filling of such orders was made obligatory and to be given precedence over all other orders or contracts.

Failure to accept such order and give such preference or supply materials at the price fixed by the President authorizes the President to take immediate possession of the factory and to operate it as he sees fit.

The President was also given authority to modify or cancel any existing contract for the building or production of ships or war materials, and if the contractor refuses to obey, the President may take immediate possession of his factory or plant.

The President was further authorized to requisition and take over any factory of any kind or any part of such factory at any place in the United States for the purpose of producing war materials. This authority continues until March 1, 1918.

The President was likewise authorized in certain contingencies to expend $12,000,000 to equip a navy yard in order to produce any of the ships authorized.

JANUARY 22, 1917, THE SENATE ENTHUSIASTICALLY CHEERED THE PRESIDENT'S ADDRESS IN WHICH HE DECLARED FOR "PEACE WITHOUT VICTORY."

TWELVE DAYS LATER, FEBRUARY 3, THE ENTIRE CONGRESS RECEIVED WITH VOCIFEROUS APPLAUSE THE PRESIDENT'S ANNOUNCEMENT OF A SEVERANCE OF DIPLOMATIC RELATIONS WITH GERMANY.

APRIL 2 THE SAME CONGRESS AGAIN SHOOK THE CAPITOL WITH CHEERS FOR THE PRESIDENT'S DEMAND FOR WAR.

WITHIN THREE DAYS THEREAFTER—APRIL 5—CONGRESS PASSED THE MOMENTOUS RESOLUTION WHICH PLUNGED US INTO THAT MIGHTY CONFLICT WHICH IN ITSELF EXCEEDS ALL THE WARS OF ALL HISTORY.

APRIL 17, 1917 (AS I RECOLLECT, WITHOUT A DEBATE OF EVEN FIVE MINUTES), CONGRESS GAVE THE PRESIDENT AUTHORITY TO EXPEND AS HE SAW FIT $100,000,000.

April 24 Congress gave the President authority to issue $7,000,000,000 of bonds and certificates of indebtedness. The bill was passed by the House three days after it was introduced. It reached the Senate on April 16 and was passed April 17.

This is the most stupendous sum of money ever placed at the disposal of any earthly Prince, King, Czar, Kaiser, Emperor, or President. It was justly put at the disposition of the President without hesitancy, without opposition, almost without debate. It was at once a vote of confidence in the President and a proclamation of the willingness of Congress to wage the war with every resource of the land until our enemies shall lie prostrate.

In pursuit of the same policy of hearty cooperation on various dates Congress passed acts conferring upon the President most extraordinary and far-reaching powers.

May 12, 1917, the President was authorized to seize all vessels belonging to citizens of enemy nations.

May 18 the President was authorized to draft approximately 1,250,000 men, including the entire National Guard, bringing the total of the Army to over 2,000,000.

June 15 espionage prohibited and punished by stringent act.

The President was granted absolute control over movements of all vessels, foreign and domestic, in territorial waters of the United States, with right to take possession of the same.

On the same date injury to foreign vessels prohibited under severe penalties. Interference with or obstruction of exportation to foreign countries prohibited and punished.

The neutrality act was passed on this date, authorizing the President to withhold clearance of vessels carrying supplies or information to belligerent nations, also authorizing detention of any armed vessel, domestic or foreign, coming within the waters of the United States.

The President was further authorized to seize arms and ammunition intended for export.

June 15 witnessed the passage of the embargo act whereby *the President was authorized to prohibit exportations from the United States to any or all countries named in his proclamation except at such times and under such regulations as he may fix, and also empowered to refuse clearance to any vessel, domestic or foreign, carrying such goods.*

June 15 Congress, at the request of the administration, passed an act to prevent disturbance of foreign relations. This act prohibited willful misstatements calculated to influence the conduct of any foreign government to the injury of the United States. The act further penalized offenses calculated to interfere with the diplomatic relations, and so forth; punished making false application for passport and counterfeiting of Government seals. The act also provided for a drastic use of search warrants and denied the use of the mails to the publications carrying any matter prohibited by the act.

All of the foregoing measures of date June 15 were considered in one act known as the espionage bill.

June 15 *Congress authorized the President to order from any person ships and materials; to suspend or cancel or requisition any ships building or built; to require the owner of any plant to place at the disposal of the Government any part of his output.*

On the same date the right of the President to requisition all ships, shipyards, plants capable of producing materials for ships; to cancel all existing contracts, and generally to take over all and everything necessary to the immediate construction of a navy was renewed and extended.

The President was further authorized to expend in building an emergency merchant fleet $750,000,000.

Enormous appropriations were made for the coast defense aggregating $621,000,000.

It was the general opinion in Congress that these enormous grants of power and money were all that could be desired, but the administration concluded it to be advisable to build the greatest aviation fleet ever conceived by the brain of man. It asked for $640,000,000. When the bill came before the Military Committee I had the honor to suggest that, although it contained many provisions objectionable to the members of the committee, we should nevertheless report it out immediately, so that the work of construction could begin without delay. The bill was so reported, every man on the committee waiving his objections. It was held here in the Senate at the instance of some Senators, who merely desired time to read the bill; it was held for that purpose only. Within two days' time it was called up by the Chairman and passed with less than 50 minutes of debate and no dissenting vote.

Other staggering sums, possibly aggregating $10,000,000,000, will be soon demanded. There has not thus far been a hint of Congressional opposition. On the contrary, there is a complete concert of opinion that the sinews of war must be furnished without limit.

For weeks the Finance Committee of the Senate has been bending to the difficult task of preparing a bill that will raise the immense revenues necessary. There has been no disposition to shirk responsibility or to evade the full performance of the very unpleasant duty. When the bill gets here it will be scrutinized, debated, and possibly improved. In any event, during the grilling days of August, Members of Congress are bending every effort to produce the best results possible.

This, Mr. President, is what I call backing up the President.

We have given him every soldier, every ship, and every dollar he has asked.

We have given him every cannon, every fortress, every shipyard he has requested.

We have given him authority to commandeer the railways and lines of transportation.

We have authorized him to seize great factories, requisition mighty plants, and to summon at will almost the entire resources of the country.

If we do our full duty, we must give him one more thing—our honest counsel. If we do not give him that we are recreant to our trust. If we do not give him that, then have we betrayed the American people. If we do not give him that and failure shall come in this great war, then will the disaster be justly chargeable upon us, because we have not dealt honestly with the President or with the country. But if all shall do their part as God gives to them the light, then, fellow Senators, we will not fail.

Never before have I witnessed the spectacle of Senators upon the floor declaring a measure "unwise," "unsound," "of doubtful constitutionality," "uncertain in its effects," and yet asserting their intent to vote for it.

Some Senators find solace in the statement that by so voting they pass the responsibility on to the President. Ah, Senators, that is a grave mistake. We can not thus shirk the responsibility we owe our country. We can not thus transfer our responsibility to the shoulders of the President.

Loyalty to the country consists in giving it honest service. Loyalty to the President demands honest counsel. The curse of great men is the sycophancy of courtiers.

I have contended bitterly against this bill because I regarded it as injurious. I thought it my duty to so contend; I still think it my duty.

I look confidently to the future for complete vindication. Even now I think I have the vindication of your judgment; for that I have made an honest contention and have tried only to serve my country and my State.

Mr. KNOX. Mr. President, it occurred to me a moment ago that I would not be true to the sentiments I entertain if I did not transmit a note of congratulation to the Senator from Missouri [Mr. REED]. But so deeply do I feel gratitude to him as a Member of this body that I thought it more manly to openly say that I feel highly gratified and much uplifted by his splendid vindication of the honor of the Senate, of independent thought, and of free speech.

Mr. BANKHEAD. Mr. President, I desire to ask the Secretary to read the telegram I send to the desk in order that it may go into the RECORD.

The PRESIDENT pro tempore. Without objection, the Secretary will read the telegram.

The Secretary read as follows:

INDIANAPOLIS, IND., *August 8, 1917.*

HON. JOHN H. BANKHEAD,
Care United States Senate, Washington, D. C.:

Coal mine workers of the United States are deeply concerned over Pomerene coal amendment to food bill, because fixing of selling price of coal and the probable fixing of wages will greatly affect miners. In behalf of miners we ask that President be given authority to employ such agency as he may wish in arriving at selling price of coal and operation of mines. We are unalterably opposed to Federal Trade Commission being given exclusive right to fix selling price of coal. Justice demands that the million men who mine the Nation's coal supply be given representation on any board having authority to fix selling price of coal and arrange for probable governmental operation of mines. We petition that provision be inserted in coal amendment providing for representation of miners on boards which are authorized to fix selling price of coal.

JOHN P. WHITE,
President,
FRANK J. HAYES,
Vice President,
WM. GREEN,
Secretary-Treasurer,
United Mine Workers of America.

Mr. NEWLANDS. Mr. President, I avail myself of the few remaining moments, if no one else seeks the floor, to state my regret that the provision adopted by the Senate preserving the right of peaceful combination and collective action of employees under the Clayton Act was eliminated by the conferees from the

bill. I wish to say that I have supported a measure for limiting the power of strikes of railroad operators, conditioned, however, upon the creation of a tribunal for the adjustment of differences between employers and employees. I have thus far limited the legislation which I have sought to have enacted upon that subject to the common carriers of the country upon the ground that the public interest requires that the interchange of products should at no time and under no contingency be paralyzed; that the use of railroads is a public use and the service of railroads is a public service which at no time should be interrupted by disputes between the carriers and their employees.

But I do not believe that the legislation of the Clayton Act, in which the questions of labor strikes and labor injunctions were fully debated and determined, should be affected in any way by indirection. To my regret the Senate thus far has been unwilling and the Congress has been unwilling to enter upon the consideration of any adequate legislation with reference to limiting the power of strikes on railroads; but I want to meet the matter squarely upon its merits in a well-balanced bill preserving the rights of both the public and the employees, and not to attempt to secure partial results by indirection.

A reading of section 4 of the bill indicates to me that the contention may well be made—I do not insist that it will be successfully made—that that section does limit and restrain the power of strikes. If it does accomplish that purpose, the result will have been secured by indirection and not by squarely meeting the question in open debate in Congress.

I shall vote for the adoption of the conference report, because matters involved in this bill are of large moment, and action, in my judgment, should not be delayed, but I hope that before long some resolution will be adopted by the Congress which will indicate that it does not favor legislation by indirection, and that section 4 is not intended to affect the labor provisions of the Clayton Act. I would much prefer to meet the whole question squarely upon the recommendations of the President made at the time of the last strike, with reference to which Congress thus far has taken only partial action.

Mr. KING. Mr. President, I intended, if the opportunity had been afforded me to-day, to discuss some of the provisions of this bill, also its policy and expediency, and to give some attention to the legal questions involved in this proposed legislation, including the matter just referred to by the Senator from Nevada [Mr. NEWLANDS]. I listened with deep interest to the excellent legal argument made a day or two ago by the Senator from New Hampshire [Mr. HOLLIS], in which he contended that he could not support the conference report because the conferees had stricken out sections 6 and 26 of the bill as it passed the Senate. His contention was that section 4 of this bill, as reported by the conference committee, would make it an offense for employees to strike or quit their employment. During his remarks I ventured to express dissent from the views announced by him, and to suggest that, as I interpreted the bill, it did not repeal existing law relating to labor unions and employees, and did not challenge the right of employees to strike, and that the provisions of section 4 would not be construed to include employees. I stated also, as I remember, that the bill in its present form did not, in my opinion, modify or repeal the provisions of sections 6 and 20 of the so-called Clayton Act.

Upon further investigation and more mature reflection I am confirmed in the view then briefly expressed. Owing to the fact that, under the unanimous-consent agreement, a vote will be taken within a few moments, I have no time to discuss the legal phases of this question. I venture to suggest, however, that this bill will not be construed to include within its terms employees who may strike or leave their employment. The purpose of the bill is primarily directed against the hoarding of foods and the control of coal and food supplies. It is not concerned with transportation or labor or the questions involved in a consideration of those subjects. It seems clear to me that this bill does not repeal any provisions of the so-called Clayton Act, and would not reach individuals who might leave their employment. Repeals by implication are not favored, and I believe the provisions of the Clayton Act will stand unimpaired and unaffected if the bill shall become law. If I believed that it did repeal, modify, or affect either section 6 or section 20 of the act approved October 15, 1914, I would join with the Senator from New Hampshire in voting against the conference report. Believing, however, that it does not affect the provisions of the act just referred to, I shall vote for the conference report. I do so, however, reluctantly and with serious misgivings. Some of the features of the bill are excellent and will result in some benefits and advantages to the public and to the Nation.

There are features of the bill that are very obnoxious and odious to me, and will, I believe, prove disappointing to the public. Of course it is difficult to bring our minds to a contemplation of the fact that we are at war, and that our industries must be mobilized, and that the process of mobilization means more or less of governmental restraint and control. Nevertheless, I believe the licensing provisions of the bill may prove exceedingly oppressive; indeed, will prove very oppressive and obnoxious if in the administration of the bill there is not the highest wisdom and sagacity employed. In my opinion some Senators will vote for this bill because of their great confidence in the President. His ability and patriotism are warranty for the wise and patriotic execution of the great trust committed to the executive department by this bill. However, there are some provisions that seem subversive of the rights of the States, and their constitutionality will doubtless be challenged. Too much is expected by the public of the bill. In my opinion it will fail to satisfy the consumers, who expect prodigious reforms in our economic situation, and particularly in all matters relating to food and fuel supplies. The era of high prices is upon us, and this bill will fail to bring prices to a proper level and will prove a disappointment to the wage earners and to the consuming public, especially in the great centers of population. Nor will it, in my opinion, be very effective in stimulating agricultural production; but the situation is such that some legislation is required relating to the food problem, and particularly with reference to coal. National legislation relating to these matters, particularly in view of our dual form of Government, necessarily must provoke serious differences of opinion and honest but strong opposition. Governmental control of private enterprises and the fixing of prices by the Federal Government will inevitably provoke discussion and opposition; but the necessities of the Government and the people resulting from the war and the obligations resting upon us to supply our allies with food perhaps demands a radical departure from the industrial conditions obtaining in times of peace.

The food and fuel situation is so acute as to demand some Federal action; the people demand this bill or one giving to the President power to control foods and fuels. The President feels that this legislation is necessary in order to aid in the vigorous prosecution of the war. Considering all these facts, I shall support the conference report, notwithstanding this measure is, as I have stated, very imperfect in my opinion, radical and extreme in many of its provisions, and will prove disappointing and unsatisfactory to the people.

The PRESIDENT pro tempore. The question is on agreeing to the report of the conference committee.

Mr. CHAMBERLAIN. On that I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The hour of 4 o'clock having arrived, the Secretary will call the roll on agreeing to the conference report.

The Secretary proceeded to call the roll.

Mr. CALDER (when his name was called). I have a general pair with the junior Senator from Rhode Island [Mr. GERRY], who is absent. If he were present, he would vote "yea." I intend to vote likewise. So I shall take the liberty of voting. I vote "yea."

Mr. KENYON (when Mr. CUMMINS's name was called). I announce the necessary absence of my colleague [Mr. CUMMINS]. If present, he would vote "yea."

Mr. FERNALD (when his name was called). I have a pair with the junior Senator from South Dakota [Mr. JOHNSON]. If present, he would vote "yea." I therefore vote. I vote "yea."

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. GALLINGER], who is necessarily absent. I am assured that if he were present he would vote for the conference report. I therefore vote. I vote "yea."

Mr. CURTIS (when Mr. FRELINGHUYSEN's name was called). I have been requested to announce that the Senator from New Jersey [Mr. FRELINGHUYSEN] is unavoidably detained from the Senate, and that if present he would vote "yea." He is paired with the junior Senator from Montana [Mr. WALSH].

I have also been requested to announce the absence of the senior Senator from New Hampshire [Mr. GALLINGER]. He is paired with the Senator from Florida [Mr. FLETCHER], and if the Senator from New Hampshire were present he would vote "yea."

Mr. LEWIS (when Mr. GERRY's name was called). I desire to announce the absence of the junior Senator from Rhode Island [Mr. GERRY] on official business in the State of Rhode Island; I desire also to state that I am instructed to say to the Senate that if he were present the junior Senator from Rhode Island would vote "yea."

Mr. SUTHERLAND (when Mr. GOFF's name was called). I desire to announce the absence of my colleague, the senior Senator from West Virginia [Mr. GOFF] on account of illness.

He has a general pair with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. GORE (when his name was called). On this vote I am paired with the senior Senator from Georgia [Mr. SMITH]. If he were present, he would vote "yea." If I were at liberty to vote, I should vote "nay."

Mr. JONES of Washington (when his name was called). The junior Senator from Virginia [Mr. SWANSON] is necessarily absent from the Chamber to-day. I am paired with that Senator for the day; but, understanding that if present he would vote "yea" upon the adoption of the conference report, I feel at liberty to vote. I therefore vote. I vote "yea."

Mr. KENDRICK (when his name was called). I have a pair with the senior Senator from New Mexico [Mr. FALL], who is absent on account of illness in his family. Not knowing how he would vote on this question if present, I transfer my pair to the senior Senator from Louisiana [Mr. RANSDELL] and vote "yea."

Mr. WEEKS (when Mr. LODGE's name was called). On this question my colleague [Mr. LODGE] is paired with the senior Senator from Illinois [Mr. SHERMAN]. If my colleague were present, he would vote "yea."

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Colorado [Mr. THOMAS]. I am informed by his colleague that if present the senior Senator from Colorado would vote as I intend to vote upon this question. I therefore vote. I vote "yea."

Mr. BRANDEGEE (when Mr. MCLEAN's name was called). My colleague [Mr. MCLEAN] is necessarily detained from the Senate on account of illness. He is paired with the senior Senator from Montana [Mr. MYERS]. If he were present, I am informed that my colleague would vote "yea."

Mr. MYERS (when his name was called). I have a general pair with the Senator from Connecticut [Mr. MCLEAN], who is absent. I am assured that if he were present he would vote "yea." Therefore, that leaves me at liberty to vote. I vote "yea."

Mr. REED (when his name was called). I have a pair with the Senator from Michigan [Mr. SMITH]. I have this telegram from him, which I ask to be permitted to read:

GRAND RAPIDS, MICH., *August 8, 1917.*

Hon. JAMES A. REED,
United States Senate, Washington, D. C.:

Will you please announce to the Senate that if I were present to-day I would vote for the passage of the food-control bill? If perfectly convenient for you to pair with me, I would be glad to have you; otherwise with this announcement you may feel at perfect liberty to vote as you desire.

WM. ALDEN SMITH.

I transfer my pair with the Senator from Michigan to the Senator from South Dakota [Mr. JOHNSON] and vote "nay."

Mr. SHERMAN (when his name was called). I have a pair with the senior Senator from Massachusetts [Mr. LODGE], who, if present, would vote "yea." If I were at liberty to vote, I should vote "nay." I withhold my vote.

Mr. SHAFROTH (when the name of Mr. THOMAS was called). I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of sickness, and to state that he is paired with the senior Senator from North Dakota [Mr. MCCUMBER]. If present and permitted to vote, my colleague would vote "yea."

Mr. MYERS (when Mr. WALSH's name was called). My colleague [Mr. WALSH] is absent on account of illness in his family. He is paired with the Senator from New Jersey [Mr. FRELINGHUYSEN]. If my colleague were present, he would vote "yea."

Mr. NEW (when Mr. WATSON's name was called). I desire to announce the unavoidable absence from the Senate of my colleague [Mr. WATSON] owing to illness in his family.

Mr. WOLCOTT (when his name was called). I transfer my general pair with the Senator from Indiana [Mr. WATSON] to the Senator from New Jersey [Mr. HUGHES] and vote "yea."

The roll call was concluded.

Mr. JAMES. I desire to state that the senior Senator from New Jersey [Mr. HUGHES] is prevented from attendance on the Senate by reason of illness.

Mr. KIRBY. I desire to announce the unavoidable absence of my colleague [Mr. ROBINSON]. I understand that if present he would vote "yea."

Mr. CURTIS. Mr. President, I desire to announce the absence of the Senator from Michigan [Mr. TOWNSEND] on account of illness in his family. If present, he would vote "yea." He is paired with the senior Senator from Arkansas [Mr. ROBINSON].

Mr. LEWIS. I desire to announce that the Senator from Louisiana [Mr. RANSDELL], the Senator from South Dakota [Mr. JOHNSON], the Senator from Georgia [Mr. SMITH], the Senator from Virginia [Mr. SWANSON], the Senator from Montana [Mr. WALSH], and the Senator from Arkansas [Mr. ROBINSON] are necessarily detained from the Senate on important public business. If present, these Senators would vote for the adoption of the conference report.

The result was announced—yeas 66, nays 7, as follows:

YEAS—66.

Ashurst	Husting	Nelson	Smith, Md.
Bankhead	James	New	Smith, S. C.
Beckham	Johnson, Cal.	Newlands	Smoot
Brady	Jones, N. Mex.	Norris	Sterling
Brandegee	Jones, Wash.	Overman	Stone
Broussard	Kellogg	Owen	Sutherland
Calder	Kendrick	Page	Thompson
Chamberlain	Kenyon	Phelan	Trammell
Colt	King	Pittman	Underwood
Culberson	Kirby	Poindexter	Vardaman
Curtis	Knox	Pomerene	Wadsworth
Dillingham	Lewis	Saulsbury	Warren
Fernald	McCumber	Shafroth	Weeks
Fletcher	McKellar	Sheppard	Williams
Hale	McNary	Shields	Wolcott
Harding	Martin	Simmons	
Hitchcock	Myers	Smith, Ariz.	

NAYS—7.

France	Hardwick	La Follette	Reed
Gronna	Hollis	Penrose	

NOT VOTING—23.

Borah	Goff	Ransdell	Thomas
Cummins	Gore	Robinson	Tillman
Fall	Hughes	Sherman	Townsend
Frelinghuysen	Johnson, S. Dak.	Smith, Ga.	Walsh
Gallinger	Lodge	Smith, Mich.	Watson
Gerry	McLean	Swanson	

So the conference report was agreed to.

AGRICULTURAL PRODUCTS—CONFERENCE REPORT.

Mr. GORE. Mr. President, I ask that the conference report on House bill 4188, being the food-survey or food-production bill, be laid before the Senate.

The PRESIDENT pro tempore. In compliance with the request of the Senator from Oklahoma, the Chair lays before the Senate the conference report on House bill 4188, which will be read.

The Secretary proceeded to read the report.

Mr. GORE. If there be no objection, I ask that the formal reading of the report be dispensed with.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oklahoma that the formal reading of the conference report be dispensed with? The Chair hears none, and it is so ordered.

The report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4188) to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 5, 10, 11, 12, 14, 15, 16, 17, 18, 20, 21, 24, 25, 26, 29, 31, 32, 33, 35, and 38.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 7, 8, 9, 13, 19, 23, 28, and 39, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the Senate amendment insert the following:

"It shall be the duty of any person, when requested by the Secretary of Agriculture, or any agent acting under his instructions, to answer correctly, to the best of his knowledge, under oath or otherwise, all questions touching his knowledge of any matter authorized to be investigated under this section, or to produce all books, letters, papers, or documents in his possession or under his control relating to such matter. Any person who shall, within a reasonable time to be prescribed by the Secretary of Agriculture, not exceeding 30 days from the date of the receipt of the request, willfully fail or refuse to answer such questions or to produce such books, letters, papers, or documents, or who shall willfully give any answer that is false or misleading, shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $1,000 or by imprisonment not exceeding one year, or both."

And the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of

the matter stricken out by the Senate amendment insert ", or contract with persons to grow"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In line 4 of said amendment, after the word "at," insert "such important central"; in the same line, after the word "markets," insert "as the Secretary of Agriculture may from time to time designate and"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the amount proposed by the Senate amendment insert "$650,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In line 11 of said amendment, after the word "admission," insert "for immediate slaughter at ports of entry"; in the same line, after the word "cattle," insert "which are otherwise free from disease and which have not been exposed to the infection of any other disease within 60 days next before their exportation"; in line 17 of said amendment, after the word "ninety," change the period to a colon and insert "*Provided*, That the importation of tick-infested cattle from any country referred to in this section in which foot-and-mouth disease exists, which existence shall be determined by the Secretary of Agriculture, is prohibited: *Provided further*, That all cattle imported under the provisions of this section shall be slaughtered in accordance with the provisions of the act of June 30, 1906 (34 Stat. L., p. 674), commonly called the meat-inspection amendment, and the rules and regulations promulgated thereunder by the Secretary of Agriculture, and that their hides shall be disposed of under rules and regulations to be prescribed by the Secretary of Agriculture"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the section number proposed insert "10"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In line 2 of said amendment, after the word "authorize," insert "in his discretion"; change the section number to "11"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the section number proposed by the Senate amendment insert "12"; and the Senate agree to the same.

T. P. GORE,
E. D. SMITH,
HOKE SMITH,
C. S. PAGE,
W. S. KENYON,
Managers on the part of the Senate.

A. F. LEVER,
GORDON LEE,
E. S. CANDLER,
G. N. HAUGEN,
JAMES C. MCLAUGHLIN,
Managers on the part of the House.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

NATION-WIDE PROHIBITION.

Mr. SHEPPARD. Mr. President, I desire to ask permission to withdraw from the files of the Senate petitions presented by me on Monday, July 30, in favor of nation-wide prohibition.

The PRESIDENT pro tempore. Without objection, the request of the Senator from Texas is granted.

PETITIONS.

Mr. HOLLIS presented a petition of sundry citizens of Derry, N. H., praying for the enactment of legislation to render possible the return of the bodies of our soldier dead to their home burial grounds in a sanitary and recognizable condition, which was referred to the Committee on Military Affairs.

Mr. SUTHERLAND presented petitions of the Missionary Society of the Methodist Episcopal Church South, of Clendenin; of the Woman's Missionary Society of the Johnson Memorial Church, of Huntington; and of the Junior Missionary Society of the Methodist Episcopal Church South, of Clendenin, all in the State of West Virginia, praying for national prohibition as a war measure, which were ordered to lie on the table.

He also presented a petition of the employees of La Belle Iron Works, of Wheeling, W. Va., praying for the enactment of the so-called food-control bill, which was ordered to lie on the table.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NORRIS:

A bill (S. 2752) granting an increase of pension to Edward Sams; and

A bill (S. 2753) granting an increase of pension to Mary A. Mastin; to the Committee on Pensions.

By Mr. KING:

A bill (S. 2754) for the erection of a hospital camp for babies in the District of Columbia; to the Committee on the District of Columbia.

By Mr. CALDER:

A bill (S. 2755) granting a pension to Ingeborg Moeller; to the Committee on Pensions.

By Mr. POMERENE:

A bill (S. 2756) to provide further for the national security and defense by regulating the production, sale, and distribution of iron ore, iron, steel, and their products; to the Committee on Interstate Commerce.

By Mr. OWEN:

A bill (S. 2757) granting a pension to James S. Burns (with accompanying papers); to the Committee on Pensions.

AMENDMENTS TO THE CONSTITUTION.

Mr. BRANDEGEE. I introduce a joint resolution and ask that it be read and referred to the Committee on the Judiciary.

The joint resolution (S. J. Res. 90) proposing an amendment to the Constitution of the United States was read the first time by its title and the second time at length and referred to the Commitee on the Judiciary, as follows:

Article V of the Constitution of the United States is hereby amended to read as follows, to wit:

"ARTICLE V.

"The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes as part of this Constitution when ratified within six years from the date of their proposal by the legislatures of three-fourths of the several States, or by conventions in three-fourths thereof, or by the electors in three-fourths thereof, as the mode of ratification may be proposed by the Congress: *Provided*, That no State, without its consent, shall be deprived of its equal suffrage in the Senate."

PRINTING OF WAR-REVENUE BILL.

Mr. SIMMONS. I submit the following resolution, which I send to the desk and ask for its present consideration.

The PRESIDENT pro tempore. The Senator from North Carolina submits a resolution which will be read.

The Secretary read the resolution (S. Res. 113), as follows:

Resolved, That there be printed 15,000 additional copies of Senate Document No. 74, Sixty-fifth Congress, first session, entitled "Revenue to defray War Expenses," of which 10,000 shall be for the use of the Senate and 5,000 for the use of the Committee on Finance.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BRANDEGEE. Mr. President, does the resolution provide for the printing of the revenue bill or the report of the committee?

Mr. SIMMONS. It provides for the printing of the bill. I will say to the Senator from Connecticut that the 15,000 additional copies of the bill heretofore authorized to be printed have been exhausted, and there is still a very great demand for copies of the bill.

Mr. SMOOT. Mr. President, I know the great demand there has been for the printing of 15,000 extra copies of the bill, and I know they should be printed, but I believe that we have already exhausted our right by a Senate resolution under the law to print extra copies of this bill. We have already printed 15,000 copies of it, which comes within a very few dollars of the $500 limit of printing allowed under a Senate resolution.

In looking over the precedents, Mr. President, I find that the spirit if not the exact letter of the law has been violated by the Senate in the past. At the time the Monetary Commission was in existence it was claimed that the law meant that the Senate could order $500 worth of printing on a Senate resolution in the morning of one day and in the afternoon there could be

another similar resolution presented and passed, and that as many such resolutions could be passed as it was possible for the Senate to act upon during the day or at any time thereafter. At that time it was decided that that was not a compliance with the law, and that wherever a resolution of the Senate was passed authorizing the printing of a document the printing of which would cost $500, the Senate had taken advantage of the law in the printing of such Senate document to the extent which was permissible.

Mr. President, I also desire to state that this question has been discussed by members of the Printing Committee of the other House and with members of the Printing Committee of the Senate, and it was tacitly agreed that the law should not be violated in the future in this way. I admit that the law provides that not to exceed $500 worth of printing shall be authorized under one resolution, and in the past there have been printed Senate documents under Senate resolutions the cost of which amounted to more than $500.

I call attention now, Mr. President, to the matter, not that I am going to object to the printing of 15,000 extra copies of the revenue bill, for I admit they are needed very badly, but for the reason that I believe the Senate ought in the future to adhere strictly to the policy which was adopted years ago in relation to expending more than $500 in the printing of one document at any time under a Senate resolution. Mr. President, if such a policy is not adopted there is no need of having a law providing a limitation upon the amount of printing that may be ordered under a Senate resolution, for the Senate may print just as many copies of documents as it desires and keep printing them as long as it may see fit.

I merely wanted to emphasize the fact that the spirit of the law and the agreement which was virtually entered into ought to be lived up to in the future.

The PRESIDENT pro tempore. The question is on agreeing to the resolution?

The resolution was agreed to.

WAR REVENUE.

Mr. SIMMONS. I move that the Senate proceed to the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes, which had been reported from the Committee on Finance with amendments.

ADJOURNMENT TO FRIDAY.

Mr. MARTIN. I move that when the Senate adjourns to-day, it adjourn to meet at noon on Friday next.

The motion was agreed to.

EXECUTIVE SESSION.

Mr. MARTIN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After one hour spent in executive session, the doors were reopened and (at 5 o'clock and 15 minutes p. m., Wednesday, August 8, 1917) the Senate adjourned, the adjournment being under the order previously made, until Friday, August 10, 1917, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate August 8 (legislative day of August 4), 1917.

UNITED STATES MARSHAL.

B. A. Enloe, jr., to be United States marshal for the eastern district of Oklahoma. (Reappointment.)

RECEIVER OF PUBLIC MONEYS.

Thomas Corbally, of Montana, to be receiver of public moneys at Great Falls, Mont. (Reappointment.)

APPOINTMENT IN THE ARMY.

Rev. Clarence R. Rice, of Ohio, to be chaplain with rank of first lieutenant from August 6, 1917, to fill an original vacancy.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

The following-named probationary second lieutenants in the Marine Corps to be probationary first lieutenants in the Marine Corps, for temporary service, from the 22d day of May, 1917:

Robert S. Hunter,
Glenn D. Miller,
Burwell H. Clarke,
Walter G. Sheard,
Charles A. Wynn,
Thomas E. Watson,
Roger W. Peard,
Herbert Rosenzweig,
Paul Brown,
Edward S. Chandler,
Charles A. Howell,
Charles P. Gilchrist,
Lloyd L. Leech,
George C. Hamner,
James M. Bain,
Harold S. Fassett,
Karl I. Buse,
John R. Martin,
Gustav Karow,
Jesse H. Fugate, jr.,
Samuel A. Woods, jr.,
Raphael Griffin,
Horace C. Cooper,
Peter C. Geyer, jr.,
James E. Davis,
James T. Moore,
William C. Byrd,
George B. Reynolds,
David H. Owen,
Joseph E. Brewster,
Nimmo Old, jr.,
Benjamin T. Cripps,
Louis W. Whaley,
John M. Arthur,
James F. Jeffords,
Jacob M. Pearce, jr.,
Gordon Watt,
Thomas P. Cheatham,
Thomas E. Bourke,
William C. James,
Daniel E. Campbell,
William B. Black,
Maurice G. Holmes,
Charles C. Gill,
James E. Betts,
Norman S. Hinman,
George Faunce Adams,
Wethered Woodworth,
James W. Webb,
John M. Tildsley,
Le Roy P. Hunt,
Louis E. Woods,
Edward R. Rhodes,
Harry K. Cochran,
Donald R. Fox,
William McN. Marshall,
George H. Scott,
Alexander Galt,
Paul R. Cowley,
Allen W. Harrington, jr.,
Bailey M. Coffenberg,
Eugene F. C. Collier,
Evans O. Ames,
Stanley M. Muckleston,
William H. Davis,
Richard N. Platt,
William E. Williams,
William W. Scott, jr.,
Franklin A. Hart,
George Franklin Adams,
George W. Spotts,
Bruce J. Milliner,
Emmett W. Skinner,
Jesse J. Burks,
William LaF. Crabbe,
Harlan E. Major, and
Frank L. Morris.

The following-named second lieutenants in the Marine Corps to be first lieutenants in the Marine Corps, for temporary service, from the 22d day of May, 1917:

John D. Nevin and
William P. Richards.

Quartermaster Clerk Robert W. Maxwell to be a second lieutenant in the Marine Corps, for temporary service, from the 14th day of June, 1917.

The following-named noncommissioned officers in the Marine Corps to be second lieutenants in the Marine Corps, for temporary service, from the 24th day of July, 1917:

Sergt. Maj. Clarence N. McClure,
Sergt. Maj. Michael Kearney,

Sergt. Maj. Bror G. Brodstrom,
Sergt. Maj. Angus Wilson,
Sergt. Maj. Fred Lueders,
Q. M. Sergt. Abel E. LeBlanc,
First Sergt. John F. Duffy,
First Sergt. Harry H. Couvrette,
First Sergt. Frank Patterson,
First Sergt. Charles G. Knoechel,
First Sergt. Charles F. Merkel,
First Sergt. Charles F. Finger,
First Sergt. William S. Robinson,
First Sergt. John Kearns,
First Sergt. James E. Snow,
First Sergt. Harry L. Jones,
Gunnery Sergt. John W. Hingle,
Gunnery Sergt. Earl C. Nicholas,
Sergt. Joseph Reardon,
Sergt. William L. Erdman,
Sergt. Frank N. Gilmore, and
Sergt. George L. Littlefield.

The following-named citizens to be second lieutenants in the Marine Corps, for temporary service, from the 31st day of July, 1917:

Mark A. Smith, a citizen of Illinois,
Timothy J. Holland, a citizen of New York,
Vincent E. Healy, a citizen of Illinois,
Charles D. Sniffen, a citizen of the District of Columbia,
Walter A. Powers, a citizen of Maine,
William H. Abrams, a citizen of California,
Edmund G. Chamberlain, a citizen of Texas,
Clarence E. Nelson, a citizen of California,
Herman R. Holljes, a citizen of Maryland,
George H. Martin, jr., a citizen of California,
Benjamin DeW. Knapp, a citizen of California,
Robert J. Archibald, a citizen of California, and
Gilder D. Jackson, jr., a citizen of Delaware.

POSTMASTER.

ALASKA.

John W. Stedman to be postmaster at Wrangell, Alaska, in place of J. E. Worden, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 8 (legislative day of August 4), 1917.

ENVOYS EXTRAORDINARY AND MINISTERS PLENIPOTENTIARY.

George Pratt Ingersoll to be envoy extraordinary and minister plenipotentiary to Siam.

Hoffman Philip to be envoy extraordinary and minister plenipotentiary to Colombia.

SHIPPING BOARD.

Bainbridge Colby to be a member of the United States Shipping Board.

PROMOTIONS AND APPOINTMENT IN THE NAVY.

Commander Adelbert Althouse to be a captain.

Lieut. (Junior Grade) Ernest F. Buck to be a lieutenant.

The following-named ensigns to be lieutenants (junior grade):

Sherrod H. Quarles.
Charles D. Swain.
William A. Teasley.
Harold J. Nelson.

The following-named assistant naval constructors to be naval constructors:

Whitford Drake.
Harry G. Knox.
Lew M. Atkins.

Midshipman Lawrence Harvey to be an assistant paymaster.

Raymond T. Mahon to be an assistant paymaster.

The following-named ensigns to be lieutenants (junior grade):

Harry J. Reuse.
John D. Pennington.
Thomas L. Shannon.
Morris J. Lenney.

The following-named lieutenants (junior grade) to be lieutenants:

Charles M. Cooke, jr.
Augustine H. Gray.
Chester S. Jersey.
Howard K. Lewis.
Warren L. Moore.
James B. Will.
Harry W. Hosford.
Francis G. Marsh.
Herbert W. Underwood.
Percy K. Robottom.
Lyal A. Davidson.
Alston R. Simpson.
Josiah O. Hoffman, jr.
Millington B. McComb.
William M. Corry, jr.
Melville S. Brown.
Stanley R. Canine.
Joseph P. Norfleet.
Robert E. Bell.
Charles J. Moore.
Thomas Moran.
James A. Logan.
John H. Smith.
Francis A. La Roche.
Francis P. Traynor.
John H. Wellbrock.
Lewis Hancock, jr.
Henry B. Cecil.
William S. Nicholas.
Edward K. Lang.
Edwards B. Gibson.
Charles A. Pownall.
Murphy J. Foster.
James G. Ware.
Godfrey de C. Chevalier.
Walter A. Edwards.
Valentine N. Bieg.
Miles P. Refo, jr.
Edgar M. Williams.
Earl A. McIntyre.
Robert T. Young.
Marc A. Mitscher.
Scott B. Macfarlane.
Roman B. Hammes.
Earl W. Spencer, jr.
William D. Kilduff.
Romuald P. P. Meclewski.
Joseph F. Crowell, jr.
Charlton E. Battle, jr.
Herbert R. Hein.
Herbert H. Bouson.
Mervyn S. Bennion.
Walter E. Brown.
Hollaway H. Frost.
Robert T. Merrill, 2d.
Walter D. Seed, jr.
Alfred T. Clay.
Franklin S. Steinwachs.
Earle C. Metz.
Frederick C. Sherman.
Wadleigh Capehart.
Hugh McC. Branham.
Robert C. Lee.
Edwin J. Gillam.
Frank H. Luckel.
Francis L. Shea.
George M. Cook.
Donald B. Beary.
Elmer De L. Langworthy.
Bernard O. Wills.
Walter V. Combs.
Frank H. Kelley, jr.
Leslie La F. Jordan.
James T. Alexander.
John L. Riheldaffer.
Howard B. Berry.
Dorsey O. Thomas.
Alfred Y. Lanphier.
Spencer S. Lewis.
Walden L. Ainsworth.
Robert N. Miller.
William A. Richardson.
Lorain Anderson.
Roy C. Smith, jr.
Lawrence F. Reifsnider.
Robert Gatewood.
Frederick G. Reinicke.
Bolivar V. Meade.
Samuel W. King.
Walter D. La Mont.
Howard A. Flanigan.

George L. Dickson.
Elmer K. Niles.
George L. Weyler.
Jefferson D. Smith.
Clarkson J. Bright.
Herbert O. Roesch.
John F. Donelson.
Webb Trammell.
Herbert A. Ellis.
Frederick S. Hatch.
Ole O. Hagen.
Robert M. Griffin.
Alfred G. Zimermann.
Milton H. Anderson.
Oliver L. Wolfard.
Harry L. Merring.
Morris E. Gilmore.
George M. Lowry.
William E. Baughman.
John A. Fletcher.
Oscar C. Badger.
Thomas S. King, 2d.
Howard S. Jeans.
Edward B. Lapham.
Daniel J. Callaghan.
Cecil Y. Johnston.
Walter A. Riedel.
Edgar R. McClung.
John H. Magruder, jr.
Paul F. Foster.
Frank Loftin.
Thomas S. McCloy.
George B. Ashe.
Harold R. Keller.
Eric L. Barr.
Ralph F. Wood.
Paul M. Bates.
John W. Reeves, jr.
Urey W. Conway.
Robert P. Hinrichs.
Lucien B. Green, 2d.
Frank E. P. Uberroth.
Glenn F. Howell.
Glenn B. Strickland.
Francis M. Collier.
Merritt Hodson.
Ralph G. Risley.
Pat Buchanan.
Alexander Macomb.
William F. Callaway.
Wallace B. Phillips.
Franz B. Melendy.
Joseph R. Mann, jr.
John W. Gates.
Van L. Kirkman, jr.
Harvey S. Haislip.
Ralph E. Dennett.
Charles G. McCord.
Alfred S. Wolfe.
Eugene T. Oates.
Marion C. Cheek.
Robert P. Molten, jr.
William J. Butler.
Jay K. Esler.
George D. Murray.
Oliver M. Read, jr.
George J. McMillin.
Howard F. Kingman.
James G. B. Gromer.
Bushrod B. Howard.
Albert R. Mack.
Calvin H. Cobb.
Lee C. Carey.
Glenn A. Smith.
Donald C. Godwin.
Webb C. Hayes.
Jay L. Kerley.
Robert H. Skelton.
Roger W. Paine.
Delavan B. Downer.
Ellis S. Stone.
Francis S. Craven.
Lybrand P. Smith.
William D. Chandler, jr.
Harry W. Hill.
Bernhard H. Bieri.
James C. Byrnes, jr.
Robert K. Awtrey.
Scott D. McCaughey.
Edward W. Hanson.
Frank J. Lowry.
Thomas Baxter.
Aylmer L. Morgan, jr.
John R. Peterson, jr.
James McD. Cresap.
Everett D. Capehart.
Lewis W. Comstock.
Lyell St. L. Pamperin.
Joseph L. Nielson.
Frank C. McCord.
John C. Thom.
Ames Loder.
Walter S. Davidson.
Henry J. Shields.
Guysbert B. Vroom.
Elliott B. Nixon.
Joseph M. Blackwell.
Jenifer Garnett.
Sherwood Picking.
Norman L. Kirk.
James H. Taylor.
George A. Rood.
Fred Welden.
John W. McClaran.
Carlos A. Bailey.
Wells E. Goodhue.
Solon E. Rose.
Frederick L. Riefkohl.
John F. Meigs, jr.
William C. Barnes.
Philip R. Baker.
Harrison R. Glennon.
George F. Parrott, jr.
Harry D. McHenry.
Ralph C. Lawder.
Roy W. Lewis.
Richard S. Field.
Harry R. Bogusch.
Robert H. English.
George C. Fuller.
Carroll Q. Wright, jr.
Joseph McE. B. Smith.
William H. O'Brien, jr.
Howard S. Keep.
William M. Quigley.
Rivers J. Carstarphen.
John A. L. Zenor.
Robert B. Simons.
Norman Scott.
Conrad Ridgely.
Richard P. Myers.
Howard D. Bode.
Harold E. Snow.
Robert M. Doyle, jr.
Morton L. Deyo.
Harold T. Bartlett.
Ralph S. Parr.
John A. Byers.
John H. Holt, jr.
William A. Corley.
Howard H. Good.
Carleton H. Wright.
Robertson J. Weeks.
Marc W. Larimer.
Edward P. Nickinson.
Harry G. Patrick.
John H. Culin.
Andrew C. Bennett.
Fred K. Elder.
Eugene P. A. Simpson.
Oliver W. Bagby.
James C. Clark.
Robert D. Moore.
Harold Dodd.
Warren A. Shaw.
Guy C. Hitchcock.
Ralph S. Wentworth.
Mahlon S. Tisdale.
Edmund A. Crenshaw, jr.
William D. Taylor.

Homer C. Wicks.
Robert A. Lavender.
Robert S. Haggart.
Philip Van H. Weems.
Lunsford L. Hunter.
Ernest W. Broadbent.
Forrest U. Lake.
Elliott Buckmaster.
Walter S. De Lany.
Albert B. Sanborn.
Clarence Gulbranson.
Donald F. Patterson.
Donald W. Hamilton.
Heister Hoogewerff.
Louis E. Denfeld.
George W. D. Dashiell.
Nathan B. Chase.
Alexander W. Loder.
Carroll M. Hall.
Beriah M. Thompson.
Richard H. Booth.
Robert P. Mohle.
Robert M. Hinckley.
Charles H. McMorris.
Virgil C. Griffin, jr.
Henry M. Kieffer.
Benjamin Perlman.
Ernest G. Small.
Donald Boyden.
Herman E. Fischer.
Willard E. Cheadle.
Thomas L. Gatch.
James A. Saunders.
Alfred E. Montgomery.
Frederick Baltzly.
Allen H. Guthrie.
Edward O. McDonnell.
Lawrence P. Bischoff.
James C. Monfort.
Carl G. Gilliland.
Whitley Perkins.
Robert A. Hall.
Anton B. Anderson.
George L. Woodruff.
Schuyler Mills.
James L. King.
Davis De Treville.
John P. Dalton.
Louis P. Wenzell.
Raymond E. Kerr.
George H. Fort.
Albert C. Roberts.
Carroll B. Byrne.
Robert R. Thompson.
Nelson W. Hibbs.
Emory P. Eldredge.
Ellis M. Zacharias.
Wentworth H. Osgood.
Harold B. Grow.
Herbert G. Gates, jr.
John H. Falge.
Ralph W. Holt.
Emory W. Coil.
George W. La Mountain.
Harold W. Scofield.
William S. Hogg, jr.
John L. Fox.

The following-named ensigns to be lieutenants (junior grade):

Lynde D. McCormick.
Arthur C. Davis.
Oliver H. Ritchie.
Arthur D. Struble.
Warner P. Portz.
Frederic P. Culbert.
Howes Bodfish.
Richard W. Bates.
Claude O. Kell.
James M. Shoemaker.
Gerard H. Wood.
Kendall Preston.
Lloyd Van H. Armstrong.
Melville W. Powers.
Howard L. Vickery.
Vincent H. Godfrey.
Hugh G. Eldredge.
Edward E. Hazlett, jr.
Norwood G. Calvert.
Charles F. Osborn.
William H. Bowman.
Scott Umstead
Finney B. Smith.
Powell McC. Rhea.
Henry P. Burnett.
Hubert E. Paddock.
Theodore E. Chandler.
Ivan M. Graham.
Frank D. Wagner.
Otto Nimitz.
Burton W. Chippendale.
Thomas G. Peyton
Cornelius W. Flynn.
William Granat.
Robert M. Farrar.
Ryland D. Tisdale.
Walter J. Confer.
Julius C. Delpino.
John D. Small.
Robert W. Clark.
John B. Kneip.
Francis S. Low.
Francis M. Mail, jr.
Frank C. Huntoon.
Earle W. F. Childs.
Philip C. Morgan.
Marcus C. Miller.
John L. McCrea.
Frederick G. Richards.
Noble Withers.
Mark L. Sperry, jr.
Wesley J. Shofner.
Merrill T. Kinne.
Walter A. Hicks.
Leverett S. Lewis.
Frederick W. Pennoyer, jr.
Benjamin F. Perry.
Louis R. Moore.
Roy de S. Horn.
Winfred H. A. Pike, jr.
Melville C. Partello.
Robert O. Glover.
John F. Bates, jr.
John H. Rockwell.
Archie E. Glann.
Harry H. Chenoweth.
Stuart B. Clark.
John C. Lusk.
Leon B. Scott.
George P. Lamont.
Walter M. A. Wynne.
Myron J. Walker.
William J. Lorenz.
Edouard V. M. Isaacs.
Edwin S. McCoach.
Donald MacL. Dalton.
Herbert V. Wiley.
Samuel R. Shumaker.
Stephen H. Matteson.
Glenn H. Easton.
Allan R. Wurtele.
Samuel P. Jenkins.
Nelson J. Leonard.
Robert T. Darrow.
Armit C. Thomas.
George W. Grove.
Alan Barnett.
Homer W. Graf.
Romeo J. Jondreau.
Conrad L. Lein.
George C. Hill.
James P. Brown.
Winthrop Winslow.
William J. Nunnally, jr.
Alexander S. Wotherspoon.
Robert M. Fortson.
Forrest B. Royal.
Morris H. Spriggs.
Marshall B. Arnold.
Roswell H. Blair.
Tully Shelley.
Dallas D. Dupre.

John S. Farnsworth.
Edward Breed.
James E. Maher.
Alexander G. Hatch.
Leighton Wood.
Harvey E. Overesch.
Homer H. H. Harrison.
Allen G. Quynn.
David McL. Collins.
Daniel W. Armstrong.
George C. Kriner.
Clifford G. Richardson.
James M. Lewis
Raymond Burhen.
Millard G. Gamble, jr.
John H. Campman.
Henry S. Clark, jr.
Ralph W. Christie.
Lewis L. Stedman.
Preston Marshall.
Lyman B. Hoops.
William S. Hactor.
John S. Ray.
William M. Snelling.
Joseph H. Chadwick.
Arthur Landis.
William D. Sullivan.
Eugene G. Herzinger.
Adolph J. Merkt.
Harry J. Reuse.
John D. Pennington.
Morris J. Lenney.
Elmer R. Henning.
Nathaniel M. Pigman.
Horace D. Clarke.
Thomas G. Brown.
Irving R. Chambers.
Allan E. Smith.
Chester E. Lewis.
Stuart A. Maher.
Ralph Kiely.
John M. Field, jr.
Archer E. King, jr.
Harold O'D. Hunter.
Forrest K. Libenow.
Dewitt C. Watson.
Harold M. Meyers.
Jonathan H. Sprague.
Myron W. Hutchinson, jr.
Isaac Schlossbach.
John J. Mahoney.
Robert M. Parkinson.
James R. Kyle, jr.
William D. Thomas.
Hilbert A. Fisher.
Samuel R. Deets.
Charles F. Wedderburn.
Claude C. Vickrey.
Albert R. Stephan.
Elmer B. Hough.
Albert Osenger.
Richard S. Bulger.
Horace E. Burks.
Walter D. Snyder.
Thomas L. Shannon.
John D. Edwards.

The following-named noncommissioned officers in the Marine Corps to be second lieutenants in the Marine Corps:

Sergt. Maj. Edward H. W. Holt.
Sergt. Maj. Charlie Hansen.
Sergt. Maj. Walter J. Eddington, jr.
Q. M. Sergt. James P. Smith.
Q. M. Sergt. Norman M. Shaw.
Q. M. Sergt. John P. Harvis.
First Sergt. William J. Holloway.
First Sergt. Pink H. Stone.
First Sergt. Ray W. Jeter.
First Sergt. Robert Yowell.
First Sergt. James H. McGan.
First Sergt. Robert J. Woodrich.
First Sergt. William Workman.
Gunnery Sergt. Augustus Aiken.
Gunnery Sergt. Clate C. Snyder.
Gunnery Sergt. Frank F. Zissa.
Gunnery Sergt. Joseph M. Swinnerton.
Gunnery Sergt. Edward P. Oliver.
Gunnery Sergt. Max Cox.
Gunnery Sergt. Walter J. White.
Sergt. Charles McL. Lott.
Sergt. Ernest L. Russell.
Sergt. James F. Robertson.
Sergt. Charles H. Martin.
Corpl. Charles F. Kienast.
Sergt. Maj. Kirt Green.
Sergt. Maj. Charles S. Beale.
Sergt. Maj. Frank Whitehead.
Q. M. Sergt. Frank E. Verner.
Q. M. Sergt. Oliver A. Dow.
First Sergt. William R. Perry.
First Sergt. Bert Pearson.
First Sergt. John F. Evans.
First Sergt. Clarence H. Medairy.
First Sergt. Stephen F. Drew.
First Sergt. Hans O. Martin.
First Sergt. Harry Paul.
First Sergt. Alvin J. Daigler.
Gunnery Sergt. William Merrill.
Gunnery Sergt. William J. Borden.
Gunnery Sergt. Martin J. Kelleher.
Gunnery Sergt. Robert W. Winter.
Gunnery Sergt. Sidney O. Thompson.
Gunnery Sergt. William H. Haggerty.
Gunnery Sergt. Edgar S. Tuttle.
Sergt. Russell A. Presley.
Sergt. William J. Flanagan.
Sergt. William F. Becker.
Sergt. Rolin A. York.
Corpl. Harvey B. Mims.
Corpl. Earl B. Hammond.

POSTMASTER.

SOUTH CAROLINA.

Pierre H. Fike, Spartanburg.

REJECTION.

Executive nomination rejected by the Senate August 8 (legislative day of August 4), 1917.

POSTMASTER.

SOUTH CAROLINA.

Florence K. Metcalf, Campobello.

SENATE.

FRIDAY, *August 10, 1917.*

Rev. Frank Eakes, of Atlanta, Ga., offered the following prayer:

We are grateful to Thee, our heavenly Father, for the great men Thou hast given to the world—for the great men of this our own land and country. We pray Thy blessing upon every one engaged in the work of forwarding Thy kingdom. Bring to pass such things as may be good for the world and for all humanity. Let Thy blessing rest upon the proceedings here this day, that all things may be done to the honor and glory of Thy name. We ask for Jesus' sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Saturday, August 4, 1917, when, on request of Mr. HARDWICK and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by G. F. Turner, one of its clerks, announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the President pro tempore:

H. R. 4188. An act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products; and

H. R. 4961. An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel.

PETITIONS.

Mr. HARDWICK presented a petition of sundry citizens of Gordon County, Ga., praying for the observance of the Constitution and asserting their rights thereunder, which was referred to the Committee on the Judiciary.

Mr. MYERS. I present resolutions adopted by the State board of charities of New York, indorsing the Hollis and Myers amendments to the pending revenue bill, which I ask to have printed in the RECORD and lie on the table.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

Resolutions adopted at stated meeting of State board of charities, held in New York City, July 11, 1917, relative to Hollis-Myers amendments to tax bill.

Whereas there is now under consideration by the Senate Finance Committee an amendment to the tax bill known as the Hollis amendment, which provides that deductions shall be allowed from taxable income for gifts and contributions for charitable, educational, and religious purposes, in the same manner as for the expenses of business, and for taxes paid for the support of national, State, or local governments which are now deductible from gross income in ascertaining the net income upon which the income tax is levied; and

Whereas there is also pending before the same committee the Myers amendment to the same bill, which provides that legacies and bequests for charitable, educational, and religious purposes shall be exempt from the Federal estate tax (inheritance tax); and

Whereas the State Board of Charities of the State of New York, which has under supervision an intimate acquaintance with more than 600 private charitable institutions of the State, representing not only a capital investment of millions of dollars but also the life investment of thousands of persons who have by great care, self-denial, and much effort made these institutions effective in caring for all classes of dependents, is fully convinced that the proposed increased taxation will seriously affect the private charitable institutions of the State by the curtailment of their income unless the proposed exemption is incorporated in the pending legislation: Be it

Resolved, That the State board of charities unanimously indorses the Hollis and the Myers amendments, which will, if adopted, safeguard the work of charitable institutions by such exemption from taxation of gifts and bequests.

Resolved, That the secretary of this board be, and he is hereby, directed to forward to the President of the United States Senate, the chairman of the Senate Finance Committee, and also to the Senators of the State of New York copies of this resolution.

Mr. MYERS presented resolutions adopted by the Montana Bankers' Association, of Great Falls, Mont., favoring the enactment of legislation in order to deal with the I. W. W. organization, which were referred to the Committee on the Judiciary.

MOTOR-TRUCK DELIVERY.

Mr. HARDWICK, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 2718) to authorize experiments in motor-truck delivery, reported it without amendment and submitted a report (No. 104) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SIMMONS:

A bill (S. 2758) to amend an act entitled "An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department," approved September 2, 1914, and for other purposes; to the Committee on Finance.

By Mr. MYERS:

A bill (S. 2759) to authorize the Secretary of the Interior to exchange for lands in private ownership lands formerly embraced in the grant to the Oregon & California Railroad Co.; and

A bill (S. 2760) to validate the patent for certain lands heretofore issued to George E. Windecker; to the Committee on Public Lands;

A bill (S. 2761) granting an increase of pension to Charles G. Camron; to the Committee on Pensions.

By Mr. BORAH:

A bill (S. 2762) granting an increase of pension to Katherine Perkins (with accompanying papers); to the Committee on Pensions.

By Mr. KENYON:

A bill (S. 2763) granting an increase of pension to John Ferris (with accompanying papers); to the Committee on Pensions.

By Mr. CURTIS:

A bill (S. 2764) for the relief of William H. Dooley;

A bill (S. 2765) for the relief of Alfred Rebsamen (with accompanying papers);

A bill (S. 2766) to correct the military record of Daniel Elshire (with accompanying papers); and

A bill (S. 2767) for the relief of Thomas J. Temple (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 2768) granting an increase of pension to George M. Edwards;

A bill (S. 2769) granting an increase of pension to Samuel M. Lanhan;

A bill (S. 2770) granting an increase of pension to James M. Shuey (with accompanying papers);

A bill (S. 2771) granting an increase of pension to Fernando C. Cash (with accompanying papers); and

A bill (S. 2772) granting a pension to James Wright (with accompanying papers); to the Committee on Pensions.

By Mr. POMERENE:

A bill (S. 2773) for the organization and maintenance of reclamation camps and to provide funds to defray the expenses thereof; to the Committee on Military Affairs.

By Mr. SUTHERLAND:

A bill (S. 2774) granting the consent of Congress to the Gilmer-Pittsburgh Coal Co. to construct a bridge across the Little Kanawha River; to the Committee on Commerce.

AMENDMENT TO WAR-REVENUE BILL.

Mr. MYERS. I offer an amendment to the pending war-revenue bill, which I ask to have printed and lie on the table. I also ask that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to lie on the table and to be printed and to be printed in the RECORD, as follows:

Add a new section, as follows:

SEC —. That section 203 of the act of September 8, 1916, entitled "An act to increase the revenue, and for other purposes," be, and the same is hereby, amended by adding at the end of subdivision (a) a further paragraph numbered (3), so that section 203 will read as follows:

"SEC. 203. That for the purpose of the tax the value of the net estate shall be determined—

"(a) In the case of a resident, by deducting from the value of the gross estate—

"(1) Such amounts for funeral expenses, administration expenses, claims against the estate, unpaid mortgages, losses incurred during the settlement of the estate arising from fires, storms, shipwreck, or other casualty, and from theft, when such losses are not compensated for by insurance or otherwise, support during the settlement of the estate of those dependent upon the decedent, and such other charges against the estate as are allowed by the laws of the jurisdiction, whether within or without the United States, under which the estate is being administered;

"(2) An exemption of $50,000; and

"(3) All bequests, legacies, devices, or gifts to the United States, or to any State, or to any political division thereof, for exclusively public purposes, and all bequests, legacies, devices, or gifts for uses of a religious, literary, charitable or educational character, or for the encouragement of art, or to societies for the prevention of cruelty to children or for the prevention of cruelty to animals.

"(b) In the case of a nonresident, by deducting from the value of that part of his gross estate which at the time of his death is situated in the United States that proportion of the deductions specified in paragraph (1) of subdivision (a) of this section which the value of such part bears to the value of his entire gross estate, wherever situated. But no deductions shall be allowed in the case of a nonresident unless the executor includes in the return required to be filed under section 205 the value at the time of his death of that part of the gross estate of the nonresident not situated in the United States."

LEASE OF POTASH LANDS.

Mr. SHAFROTH. I have an article here from the New York Times of this morning relative to the bill which has been reported out by the Public Lands Committee concerning potassium and which follows in a somewhat similar line as to the other natural resources of the States. I ask unanimous consent that this editorial from the New York Times be read at the desk by the Secretary.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

[From the New York Times.]

A LAKE OF POTASH.

The Senate Committee on Public Lands has reported favorably a bill, introduced by Senator PITTMAN, the passage of which would probably cause a great increase of the quantity of potash produced in this country. Our supply of potash, so useful as a fertilizer, formerly came from Germany. But imports from the extensive deposits there ended with the beginning of the war. While a notable growth of new industries, involving the investment of more than $200,000,000, has given us a large output of dyestuffs and chemicals which in the days of peace were sent from Germany, there has been no domestic compensation for the loss of German potash. The search for mineral deposits here must be called unsuccessful. Small quantities are taken from feldspar and found as by-products in the cement industry. We are also taking potash from kelp or seaweed on the southern Pacific coast, and the Government is about to set up a factory there. Deposits of alunite in Utah have been made to yield something in addition. But all we have been able to produce is very little in comparison with our great imports in the past.

Senator PITTMAN says in a letter to the Council of National Defense that his bill is designed to promote utilization of the potash in Searles Lake, Cal. It is estimated by the Geological Survey and the Bureau of Mines that the waters of this lake hold in solution not less than 20,000,000 tons of chloride of potash, which can be taken out at a cost which will be low enough to permit the use of it as a fertilizer. The lake and the land surrounding it have been withdrawn by the Government from the operation of the mining laws, and there is no statute under which the productive work can be done. It is provided in the bill that exclusive rights to prospect for potash shall be granted and that patents shall be issued for tracts in which the mineral is found. Holders of patents must pay annual rentals and an output royalty of not less than 2 cents a pound. The Senator points to our imports of 529,000 tons in 1913 and of only 10,000 tons in 1916, while the price has been multiplied by 10. This potash should not remain in the lake. It should be available for use on the farms. As all the safeguards which could be suggested are in the bill, it should be passed without delay.

WOMAN SUFFRAGE.

Mr. LEWIS. Mr. President, may I ask the attention of the Senator from Utah [Mr. SMOOT]? Mrs. James W. Wadsworth, jr.,

president of the Women's Anti-Suffrage Association, issued a letter a short while ago pointing out the impropriety of picketing and certain forms of suffrage. Certain citizens of my community, who I assume from their correspondence are opposed to this course from the communication, desire to have this letter printed in the RECORD. My views on suffrage are nowise involved at this time, but as an accommodation to those who are apparently opposed to suffrage I ask that their request that this letter may be published in the RECORD be granted. If there is no objection, I tender the communication of Mrs. Wadsworth to be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the request of the Senator from Illinois is granted.

The letter referred to is as follows:

"In accepting the presidency of the National Association Opposed to Woman Suffrage Mrs. James W. Wadsworth, jr., of Washington, D. C., wife of the senior Senator from New York and daughter of the late Hon. John Hay, Secretary of State under Presidents McKinley and Roosevelt, issues the following statement:

"'I have just received your note informing me of the action taken by the executive board of the National Association Opposed to Woman Suffrage in moving the national headquarters to Washington and electing me president of the association subsequent to the resignation of Mrs. Dodge, who for so many years has been our faithful and efficient leader. Although most reluctant to shoulder any additional burden outside the care of my family, the war-relief work, and the charities in which I am already engaged, I feel that it is my duty, in the interest of patriotism and national defense, to accept this office and to do my utmost to justify your confidence. I feel deeply the honor and responsibility you have conferred on me by this choice and am profoundly impressed with the importance of our endeavor.

"'Red Cross work and war-relief work are cruel and pressing necessities and should not be slighted for any other consideration; but, God willing, their importance and need will only last for a few years, through the war and period of reconstruction, whereas this question of suffrage is to affect the life and government of our Nation until the very end of our existence.

"'We are a country at war. Surely the qualities of leadership most needed at this time are strength, stability, breadth, and fairness of vision, a direct and uncomplex method of thought and action. Can we possibly hope to gain these by throwing into our national politics so inflammable and uncertain an element as the feminine vote?

"'In spite of the embarrassed protests of thousands of good women suffragists against the seditious and disloyal actions of the pickets in Washington, is it not in every way probable that these bolder and more audacious spirits would lead and influence those of the less responsible voters, both men and women, than could be counteracted by the conservative and well-meaning woman voter, who to get into the political arena herself would have to open the door to so lawless and mischief-making a company?

"'Furthermore, I feel that it is a very poor economy to duplicate instead of to divide labor and responsibility. It is bad "team work," whether in play, in business, or in life itself, for two people to be in a place where one is sufficient. I believe strongly in woman's star of destiny, but I also believe that it shines far above and beyond the field of politics, and with your loyal help and cooperation I propose to do my very best to keep it there.'"

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts:

On August 9, 1917:

S. 1816. An act to amend the act to regulate commerce, as amended, and for other purposes.

On August 10, 1917:

S. 2356. An act to amend the act to regulate commerce, as amended, and for other purposes.

RELIEF OF OFFICERS AND ENLISTED MEN (S. DOC. NO. 75).

Mr. FLETCHER. Mr. President, I ask to have printed as a public document certain correspondence between President Wilson and Secretary McAdoo relating to the bill providing for family allowances, indemnification, reeducation, and insurance in behalf of officers and enlisted men of the Army and Navy of the United States.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEASE OF POTASH LANDS.

The PRESIDENT pro tempore. The morning business is closed.

Mr. PITTMAN. I am informed that the revenue bill will not be taken up until the hour of 2 o'clock. During the last morning hour——

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from North Carolina?

Mr. PITTMAN. Certainly.

Mr. SIMMONS. I desire to say of course the unfinished business would not come up until 2 o'clock, but I had expected to call it up this morning as soon as the routine business was disposed of. However, since I have come into the Chamber several Senators have urged me very strongly not to interfere with the morning hour for other business. I have said that I would not ask to take up the bill out of its order, but that I would wait until 2 o'clock, when the bill will be laid before the Senate, and I hope we shall then proceed with it continuously until it is disposed of.

Mr. PITTMAN. Under those conditions, and only under those conditions, will I make the motion I intended to make. During the last morning hour we had about completed the consideration of the bill (S. 2156) to authorize exploration for and disposition of potassium or sodium. I feel that the debate is about concluded on that matter and that we can finish it in a very short time. The importance of the bill is known to the Senate without further explanation. I therefore move that the Senate proceed to the consideration of the bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 2156) to authorize exploration for and disposition of potassium or sodium.

The PRESIDENT pro tempore. The pending amendment will be stated.

The SECRETARY. The senior Senator from Utah [Mr. SMOOT] proposes an amendment on page 3, line 24, after the word "lessee," to insert the words "and the potash public lands in San Bernardino County, Cal., may be operated by the United States."

Mr. SMOOT. As a substitute for that amendment I desire to offer the following amendment: After the word "lessee," in line 24, page 3, I move to insert the following proviso:

Provided, That the potash deposits in the public lands in San Bernardino County, in the State of California, may be operated by the United States if the Secretary of the Interior is unable to lease the same upon satisfactory terms.

I offer that amendment with a view of having the amendment of the committee on page 2, line 24, inserting the words "operated by the United States or" disagreed to, and then allow the amendment that I have offered to follow on line 24, page 3.

Mr. PITTMAN. Mr. President, as the Senator having the bill in charge I have no objection to that amendment for this reason: The report of the Government shows after three years of prospecting for potash the only substantial field that has been discovered which may be immediately used is Searles Lake, in San Bernardino County, Cal.

Mr. KELLOGG. Mr. President——

Mr. PITTMAN. Just a second, until I finish. If the Government has the authority to operate those potash deposits, it will then be in a position where it can control the price of the product of every other potash deposit in the United States. That is the real object of this measure. I am trying to avoid opposition, I am trying to pass the bill. So far as I am personally concerned, I think the amendment offered by the Senator from Utah would protect the people of this country just as well as the language placed in the bill by the committee.

Mr. KELLOGG. I should like to ask the Senator from Nevada a question. As I understand the amendment offered by the Senator from Utah, if the Government can not lease the lands then it may operate them.

Mr. PITTMAN. That is the understanding.

Mr. KELLOGG. And the Government has to go through the process of trying to lease the land before it can operate it itself. It seems to me that with this large deposit and with the pressing necessity on the Government the Government ought to have the authority to operate it at once if the Government feels that such is the necessity of the case.

Mr. PITTMAN. I will say this, Mr. President. The testimony before the Public Lands Committee demonstrated the fact that it would cost a million dollars for the Government to prepare to operate at Searles Lake, and there are now two great concerns there that have facilities to commence immediate operation. If the Government can execute a satisfactory lease with them, I believe it to the interests of the people of the

country. If the Government can not execute a satisfactory lease, then, of course, the Government will have to go to the expense of operating it.

Mr. SMOOT. I wish the attention of the Senator from Minnesota. If he will follow the amendment he will see that it is in the hands of the Secretary of the Interior. The amendment reads as follows:

Provided, That the potash deposits in the public lands in San Bernardino County, in the State of California, may be operated by the United States, if the Secretary of the Interior is unable to lease the same upon satisfactory terms.

Or, in other words, if the terms imposed by the Secretary of the Interior are not satisfactory, then, of course, he could not lease them, and in such case the Government can operate the potash deposits.

Mr. KELLOGG. That means that the Secretary of the Interior must lease them if he can do so on satisfactory terms.

Mr. SMOOT. Certainly.

Mr. KELLOGG. I do not see any reason why the Government should not be authorized to operate the mines in San Bernardino County if it is the opinion of the Secretary of the Interior or of the Government that it is for the interest of the public to do so.

Mr. SMOOT. I can not see that it will be to the interest of the public for the Government to work and operate mines in the United States, especially if the Secretary of the Interior has it in his power to make a lease that is absolutely satisfactory to the Government of the United States. We might just as well have the Government go into the operation of every other class of industry in the United States. But this amendment guards the interests not only of the people but of the Government of the United States as well.

Mr. GRONNA. Mr. President, would the Senator from Utah object to modifying the amendment so as to make it optional with the Secretary of the Interior whether he shall lease it or operate it? I should have no objection to that amendment. I am in accord with the Senator from Minnesota in what he stated. I can see no good reason why the Government should not operate it, if it thought it best, without being compelled to ascertain whether or not it would be leased. If the Senator from Utah will modify his amendment making it optional with the Secretary of the Interior whether or not he shall lease it or operate it, personally I would have no objection.

Mr. SMOOT. I think the amendment does that now.

Mr. GRONNA. No; I think the Senator's amendment compels the Secretary of the Interior to lease it. He is to ascertain if it is possible to lease it.

Mr. SMOOT. The amendment says "may be operated by the United States if the Secretary of the Interior is unable to lease the same upon satisfactory terms."

Mr. GRONNA. I would construe that to mean that the Secretary of the Interior must first undertake to lease it, and if it can be leased, of course, the Government then could not operate it.

Mr. SMOOT. Mr. President, allow me now to read the amendment as it would be following the suggestion of the Senator:

Provided, That the potash deposits in the public lands of San Bernardino County, in the State of California, may be operated by the United States or may be leased by the United States upon satisfactory terms.

Then there would be no question about the alternative.

Mr. GRONNA. I have no objection to that.

The PRESIDENT pro tempore. There is a pending amendment. The pending amendment is the amendment reported by the committee, which the Secretary will now state.

The SECRETARY. In section 2, page 2, line 24, after the words "may be," it is proposed to insert "operated by the United States, or."

Mr. SMOOT. In order that the bill may conform to the amendment which I have just offered, I ask that the committee amendment may be disagreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was rejected.

Mr. WEEKS. Mr. President, I should like to ask the Senator in charge of the bill a question. I understand that any prospector having a license from the Secretary of the Interior may, if he finds potash on Government land, locate 640 acres. Is that correct?

Mr. PITTMAN. He may get a permit to prospect for potash on 2,560 acres, and if he discovers potash, then the Government rewards him for it by giving him a patent for one-fourth of the land covered by the permit.

Mr. WEEKS. Would that permit him to make an investigation in a Government park?

Mr. PITTMAN. No; I think not. It could only be on the public lands of the Government.

Mr. WEEKS. Let me call this fact to the attention of the Senator: The Government has been buying a great many tens of thousands of acres of land in the Appalachian region; there is potash all through that region; it is insoluble now; it is not obtainable under any process known to-day; but a process may be discovered at any time which would enable that potash to be obtained in large quantities. That land has cost the Government from $5 to $10 an acre. Would it be possible for a permittee to locate 2,560 acres of land in that region and to obtain 640 acres of it if he discovers potash there?

Mr. SMITH of Arizona. Mr. President, as I understand, if the Senator from Nevada will permit me, the Appalachian region is a reserve; it is not public land in the sense we usually employ that term. It is Government-owned land, but it is part of a reservation.

Mr. BRANDEGEE. Mr. President——

The PRESIDENT pro tempore. The Senator from Nevada [Mr. PITTMAN] has the floor. Does the Senator from Connecticut desire recognition?

Mr. BRANDEGEE. No. I wanted the Senator from Nevada to yield to me for a question.

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Connecticut?

Mr. PITTMAN. I do, with pleasure.

Mr. BRANDEGEE. Mr. President, I desire to suggest, in addition to what the Senator from Massachusetts [Mr. WEEKS] has said, that it would be advisable, it seems to me, to insert in the bill, after the words "public lands," the words "not heretofore devoted to governmental purposes," or "heretofore appropriated or reserved," or some such phrase as that.

Mr. NELSON. Mr. President, will the Senator from Nevada yield to me?

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Minnesota?

Mr. PITTMAN. With pleasure.

Mr. NELSON. I want to call the Senator's attention to the language at the top of page 2. The words "public lands belonging to the United States" are recommended to be stricken out, and that will leave the language so that any land, whether in a reservation or not, may be entered. The term "public land" has a well-defined meaning in the land laws of the United States. It means land that is open to public entry of some kind.

Mr. PITTMAN. That is true.

Mr. NELSON. It does not refer to reserved lands. By striking out those words it will be left so that one might make such an investigation on a reservation or anywhere else if the land belonged to the United States.

Mr. SMOOT. Will the Senator from Nevada yield to me?

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Utah?

Mr. PITTMAN. I yield.

Mr. SMOOT. I want to say to the Senator from Minnesota [Mr. NELSON] that I have already given notice that as soon as the committee amendments are disposed of I shall offer an amendment on page 2, line 2, to insert the words "on public," so that the language would read "on public lands of the United States."

Mr. NELSON. What has been done with the amendment at the top of page 2?

Mr. SMOOT. It has not yet been acted upon. It will be, however; and I then intend to offer the amendment I have suggested, so that the language will read "on public lands of the United States."

Mr. NELSON. Very well.

Mr. SMOOT. I will say to the Senator that I have already given notice of that amendment.

Mr. WEEKS. Mr. President, what will be the status of the remainder of such land after the permittee shall have obtained the right to locate on 640 acres?

Mr. PITTMAN. Under the terms of the bill, that would then be subject to lease by the Secretary of the Interior.

Mr. WEEKS. Would it be subject to entry?

Mr. PITTMAN. It would not be subject to entry.

Mr. BRANDEGEE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Connecticut?

Mr. PITTMAN. I do.

Mr. BRANDEGEE. I of course defer to the better judgment and more complete knowledge of the Senator from Minnesota [Mr. NELSON] on questions of what constitute public lands; but I want to call his attention to the fact that the amendment which the Senator from Utah [Mr. SMOOT] says he is going to propose

would not, as it seems to me, quite cover the case. It is a purely technical distinction. The Senator from Minnesota says the phrase "the public lands of the United States" has a definite meaning in law, and I assume it may; but I do not think that it is quite synonymous with the phrase "any public land of the United States." A national park would certainly be public land of the United States, land of the United States devoted to a public purpose.

Mr. SHAFROTH. Will the Senator from Connecticut yield to me?

Mr. BRANDEGEE. I can not yield to the Senator from Colorado, because the Senator from Nevada has the floor.

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Colorado?

Mr. PITTMAN. Not at present, for the reason that we are now considering the amendment intended to be proposed by the Senator from Utah. We have temporarily passed over the amendment which the Senator from Connecticut is now discussing.

Mr. BRANDEGEE. The present time may not be opportune for a discussion of that amendment, and I have nothing more to say.

Mr. PITTMAN. I say that we have passed by that temporarily. The question now is on the amendment of the Senator from Utah, and I should like to have that disposed of first, and then go back to the other matter.

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from Utah.

The SECRETARY. The Senator from Utah proposes an amendment on page 3, line 24, after the word "lessee," to insert the words:

Provided, That the potash deposits in the public lands in San Bernardino County, in the State of California, may be operated by the United States or may be leased by the United States upon satisfactory terms.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment.

Mr. SMOOT. Now, Mr. President, so as to complete the amendments which relate to the amendment that has already been adopted, I move to strike out, beginning with the word "or," in line 10, on page 1, the following: "or borates, carbonates, or nitrates of sodium, or borates of calcium, or associated similar salts, on public lands belonging to the United States," and, in line 2, page 2, before the word "lands," to insert "on public."

Mr. PITTMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Nevada?

Mr. SMOOT. Yes.

Mr. PITTMAN. Will the Senator agree first to act on that part of his amendment proposing to strike out the words he has read?

Mr. SMOOT. That would be all right, and probably, with the notice I have given to the Senate, that will be best.

Mr. PITTMAN. I do not think there is any objection to striking out those words, as the sodium feature of it is taken care of in another bill.

Mr. GRONNA. Mr. President, I am somewhat in the dark in this matter. Will the Senator from Utah explain why he wants the language stricken out? Are not those minerals as necessary as are the minerals which are proposed to be included?

Mr. SMOOT. No, Mr. President; they are not; and not only that, but the bill itself as reported, if the Senator will notice, provides for potassium only, and the requirements in the bill are particularly adaptable to the potassium situation in this country.

Mr. SHAFROTH. I will state to the Senator——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Colorado?

Mr. SMOOT. Yes; I yield.

Mr. SHAFROTH. I will state to the Senator that the situation as to sodium is taken care of in another bill. It was never the intention of the committee to have this bill cover sodium. It was only to cover potash, but through some mistake sodium was included.

Mr. GRONNA. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. I do.

Mr. GRONNA. The only interest I have in the bill, of course, is to see that the Government is given the privilege of getting these minerals. I take it that now is the time when it is necessary for the Government to have all sorts of minerals. I know the Senator from Utah and the Senator from Colorado are well informed on these questions, while I have not had the time to study them, nor do I understand thoroughly the situation. I want to know from the Senator from Utah, if we pass this bill, giving the Government the privilege of mining potash, if it in any way would cripple it from getting other minerals which of course will also be used in the manufacture of explosives?

Mr. SMOOT. Sodium is not used in the manufacture of such materials.

Mr. GRONNA. What is it used for, then; fertilizers?

Mr. SMOOT. Sodiums are not used for fertilizers.

Mr. GRONNA. Then, what is the idea?

Mr. SMOOT. Sodium salts generally go into the manufacture of different chemicals.

I will say to the Senator that the Committee on Public Lands has already virtually passed upon a leasing bill covering oil and coal and sodium and the other products that have been suggested, and that bill will, no doubt, be brought up for the action of Congress; but the Senator from Nevada and the other members of the committee thought that the question of potash was so acute at this time that it would be easier to get a bill covering potash alone through both Houses of Congress than to pass a measure covering all the other items I have mentioned.

Mr. GRONNA. I realize that that is a very important question. We have had that question before the Committee on Agriculture at various times, and I know we have made quite large appropriations to encourage the industry of growing along the coast a certain kind of weed which contains potash. I also know that the Government is intensely interested in the potash situation. I do not know, however, for what purpose it is being used altogether, but I assume that it is used to some extent in the manufacture of explosives.

Mr. SMOOT. Potash?

Mr. GRONNA. Yes.

Mr. SMOOT. Oh, certainly it is used in the manufacture of explosives. I thought the Senator had reference to sodium.

Mr. GRONNA. I had reference to potash.

Mr. SMOOT. There is no question that it is absolutely necessary that we produce potash in this country, not only for fertilizing purposes, but for other purposes. That is why I am willing at this time to allow the leasing system to apply under this bill in relation to potassium.

Mr. GRONNA. With that explanation, I have no objection to the measure.

Mr. WEEKS. Mr. President, I desire to ask one more question. I have been looking over the report since I came into the Chamber, and I notice that the Secretary of the Interior seems to have indicated in the letter which he wrote to the Senator from Montana [Mr. MYERS] that the bill is similar to a bill which was acted on by the Senate at the last Congress or at the present session of Congress. Did the Interior Department or the General Land Office approve of that bill?

Mr. PITTMAN. It did. The bill passed the House, and came to this body and the potash provision was approved by this body.

Mr. WEEKS. The Secretary indicates the necessity for potash, but he does not state in this particular letter that he approves of this bill in its present form.

Mr. PITTMAN. He has subsequently reported favorably on this bill with the amendments suggested.

Mr. KING. Mr. President, I regret to find myself in the minority with respect to this important bill. I am assured that it will pass, and am told by members of the committee that it is deemed to be of such importance at this time as to be regarded as a war measure and to warrant the support of all Senators. Notwithstanding the appeals made for its support, I can not bring myself to indorse the views of its advocates, and shall therefore vote against its passage. If it were not for my great respect for the Senator from Nevada [Mr. PITTMAN] and my high regard for the Senator from Colorado [Mr. SHAFROTH], both of whom assure me that it will not materially affect the principles and policies underlying our mineral system, I should feel compelled to do everything within my power to defeat it. As it is, I shall content myself with a brief statement of my views, and then vote in the negative. The bill, on its face, is not so obnoxious as might be thought from the terms of opposition which I have heretofore employed against it. But the policy of this legislation and the principles involved therein, in my opinion, are fraught with great danger to the accepted policy of our Government with respect to the mineral lands owned by the United States. This legislation I regard as inexpedient, unwise, and as being a departure from established methods and policies of the Government and will prove harmful to the country and injurious and oppressive to the West. What is desired is

the occupation, settlement, and development of the public lands and the exploitation of the mineral resources of our country. Whatever will conduce to the development of these lands is best for the Nation, as well as for the States in which the lands are found. It is inexpedient to interpose obstacles to the acquisition of title by private individuals to the mineral lands of our country. I do not mean, of course, that a monopoly of the mineral lands should be encouraged or desired; but the policy of our Government has been to encourage private persons to enter upon the public domain and upon the mineral lands, and by the expenditure of time and means bring forth the mineral wealth locked up therein. Experience has demonstrated that this liberal policy is the most effective method of developing the mineral resources of our country.

The adventurous sons of the East, attracted by the discovery of gold in California, hastened across the desert wastes, and by other routes, and located the lands containing rich minerals. It is a matter of common knowledge that the system established by them became the basis of the legislation enacted by Congress a number of years thereafter. When the Federal Government came to legislate with respect to its mineral possessions, it adopted rules and regulations established by the miners of the West, and, in the main, crystallized them into law. A system of leasing and landlordism would not have poured into the arteries and channels of trade the hundreds of millions that came to our Nation under the wise and beneficent policy adopted by our national lawgivers.

The element of hazard and chance is so great in mining that the leasing system will not encourage development, but, on the contrary, will retard and discourage development. The knowledge that title could be obtained with ease and that the possession of the occupant would be protected was an inducement to thousands of prospectors and miners to thread the mountain fastnesses and desert wastes and to search out the hidden treasures therein and pour them into the lap of commerce. These men would not have undergone the hazards and hardships and incurred the risks and dangers that they had to encounter if a bureaucratic and paternal system had obtained.

I desire to state that this bill contains an element of paternalism that is obnoxious to me. It permits leasing by the Federal Government. In my opinion, it is unwise and will prove to be inefficient. The Federal Government will be unsuccessful as a landlord and in operating mines. If I had the time, I could show that other nations, as well as our own, have attempted to develop mines under leasing systems, but the attempts were usually attended with failure. For a number of years in the early days of this Republic the law provided for leasing lead, saline, and other mineral lands. Great complaint was made against the law and the operation of the Government thereunder. The system under these enactments became the subject of investigation and of discussion in the Congress of the United States. There were strong and able debates over the policy of the Government in dealing with these lands and over the suggestion of continuing and extending landlordism with respect to any part of the public domain. Finally the sentiment became so strong against the system that it was swept from the statute books. The records conclusively show that under the leasing system mineral lands were not developed; they brought no revenue to the Government, and the policy was attended by friction, irritation, and general discontent. President Polk recommended the repeal of the laws, and his recommendations were carried into effect.

I believe that the people now desire that the mineral wealth within the public domain should be placed at their disposal. The thought of all patriotic men, and those who have controlled the legislation of our Nation as well as those who have desired proper conservation of the resources of our country, has been to unlock the mineral wealth of the Nation. But there is some difference as to the method to be employed. We want the gold, silver, copper, lead, and other minerals of our country taken from mother earth and placed at the disposal of the people. We want gold and silver to add to our circulating medium and to augment the general prosperity not only of our country but the world. We need the lead, copper, zinc, coal, iron, oil, and other minerals in our country in our industries and in the business enterprises of our Nation, and in this crisis in the life of our country they are indispensable. Whatever will obstruct the development of the mineral lands of our country and tend to keep locked within the rocky fastnesses of our country those important metals is injurious to all classes and to the country. It is a narrow and mistaken view that seeks to limit the production of mineral wealth or interpose obstacles to the freest development of the mineral lands. The wealth dug out of the ground goes to the people. The miner who discovers and develops a paying mine can not, if he prospers, conceal it; his success means the opening of the mine and the putting of the product on the market. This means increased labor, higher wages, and the general enrichment of all.

I believe that this bill, if enacted into law, will operate as a bad and dangerous precedent. It will be regarded as the introduction of a wedge aimed at the destruction of the present laws which deal with the mineral lands of the Nation and will be interpreted as meaning that the Government intends to adhere to the policy followed for a number of years, under which hundreds of millions of acres of public domain, mineral and agricultural, will remain locked and sealed—a "promised land," denied to the present generation.

Mr. SHAFROTH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Colorado?

Mr. KING. I yield to my friend from Colorado.

Mr. SHAFROTH. I desire to state to the Senator that I heartily agree with what he says with regard to the evils of a leasing system, and I have expressed my views in the Senate time and time again with relation to that subject, as has also the senior Senator from Utah [Mr. SMOOT]; but we have met with a constant opposition by reason of the fact that many believe that a leasing system should exist. This is a compromise bill. It allows a permit to be issued for 2,560 acres of potash land, and if a man makes a discovery, then he is entitled to one-fourth of that in fee simple. So that it is a compromise between the leasing system and the entry system; and, inasmuch as these lands have been locked up for probably 10 or 15 years and it is necessary that they should be developed, we have thought best to accept this compromise.

Mr. KING. Mr. President, I appreciate the reasons which induced my colleague, the senior Senator from Utah [Mr. SMOOT], the Senator from Colorado [Mr. SHAFROTH], the distinguished Senator from Nevada [Mr. PITTMAN], and other western Senators to assent to this measure. I have no doubt that they have found that there is pronounced opposition to a restoration of these "locked lands" by private entry, as well as objection to the perpetuation of the mineral-land system which for so many years has obtained in this Republic; and doubtless they have found a desire upon the part of some to withdraw mineral lands from entry and deal with them through a leasing system or some form of governmental control; but I reiterate, Mr. President, that, in my opinion, this bill will establish a bad precedent; one that will be seized upon by agents and agencies of the Government and by others hostile to a true, just, and beneficent policy of development, and will be made the basis of persistent demands for subjecting all the mineral lands of the United States to a deadening paternalism and to a governmental control that is odious and obnoxious to every American.

I do not like bureaucracy; I do not believe in the paternalism that seems to have reared its head in some of the departments of the Government. This bill, in my judgment, is fundamentally wrong and will be a precedent that will come home to plague my distinguished friend from Colorado and the western Senators, and will be used as a weapon for the repeal of existing mineral laws.

My friend says that the lands have been locked up. I grant it; that is one of the grounds of my complaint; but because the lands have been locked up and the public have been denied entry thereon, and the development of the public domain pro tanto has been retarded, that does not justify legislation of this character, so utterly at variance with the past legislation of the United States—at least, the legislation that has prevailed since the year 1866.

Mr. SHAFROTH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Colorado?

Mr. KING. I yield.

Mr. SHAFROTH. I should like to state to the Senator also that, in my judgment, the leasing system will prove a failure, and the quicker it proves a failure the easier it will be for us to get legislation such as the Senator desires. Congress passed three years ago a leasing bill as to coal lands up in Alaska. I made the prediction that they would not make a single lease up there, and not a single lease has been made, although three years of time have elapsed since then. People will not enter into leases with the Government when they are subject to forfeiture. Therefore, if we give them this proposition to demonstrate their theory, and it is shown by experience that it will not operate, it will resolve itself back to the very position for which the Senator contends and which I think is the wise governmental policy.

Mr. SMITH of Arizona. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Arizona?

Mr. KING. I yield.

Mr. SMITH of Arizona. If the Senator will permit me in that same connection, the Government also, in the paternalism of which you complain, and with your complaint I have great sympathy, have reserved in the States, under claim of title to the land, water-power sites—an absolute intrusion on the right of every State—and they have reserved these water-power sites, with the vast lands about them, for the purposes of leasing. They will be under that reservation when Gabriel blows his horn, as far as any development of water-power is concerned. So if it were not for the fact in this bill that a man can discover land and get his individual title, I would not myself for one minute consent to any leasing system.

Mr. KING. Mr. President, the illustration to which my friend, the Senator from Arizona, refers confirms, in my opinion, the views I have imperfectly suggested. There is no sufficient reason why these lands should have been withdrawn from entry. There is no reason why the enterprising people who desired to go upon the public lands should have been denied full opportunity to do so, and to bring forth the hidden riches that may be found there. Men will not lease from the Government the mineral lands; and I agree with the Senator from Colorado that the leasing system will be a failure whenever adopted in this country, as it has been a failure here in the past.

A year or two ago a plan was evolved looking to the leasing by the Government of some of the carbonate mineral lands of the Government, and to the operation by the Government of a portion of the lands containing the same class of minerals. The plan also contemplated the building of mills to treat and handle the ores. In other words, the idea was that the Government should enter upon the public domain, prospect for minerals, mine the same, and erect the necessary plants for treating the ores, and should then dispose of the same to the public—that is, the Government was to enter the field of private enterprise and to engage in the hazardous business of mining. The scheme was so unwise that it was foredoomed to failure. Fortunately the bill did not pass, and I believe the plan has been abandoned. Of course, it must be obvious that the Government of the United States ought not to engage in mining activity or go upon public domain and prospect, develop, and work mines and mining properties. Private enterprise can accomplish these results far more successfully. Government enterprises of this kind would develop a paternalism that would be obnoxious and oppressive. Mr. President, a wrong was done in locking up such vast areas of the mineral lands of our country. There is no justification, in my opinion, for continuing this policy. If we want potash lands developed, or other mineral lands, throw them open to public entry. Tell the people that they can go upon them and under reasonable rules and regulations obtain title thereto. There is too much of bureaucracy in certain departments of our Government. There is a disposition to have too many boards and bureaus; too many commissions and subcommissions, inspectors, Government employees, and Federal agencies. The people of the West have suffered from the indefensible activities of Government subordinates and agencies. Men have been hampered in obtaining titles not only to mineral but to agricultural lands. There has been too much supervision, a resort to too many technicalities, and a disposition to prevent individuals from developing lands and obtaining title thereto. Men have been sent to inspect lands who were not in sympathy with the law and are not in sympathy with the policy of the Government permitting alienation of any of its lands; they have regarded men seeking to obtain titles as enemies to the country if not positive thieves and criminals; and with this unsympatheitc view they have made the acquisition of title difficult and, in many instances, impossible. As a result, there has not been the development of the mineral lands and of the waterpower and agricultural lands that otherwise would have resulted.

I repeat that the mineral lands ought to be opened up to the public. Unlock the door to opportunity, and the courageous and vigorous men and women of our country will take the risks and hazards incident to entry upon these lands and to their development, and will add to the prosperity and wealth of our Nation.

But, in my opinion, the day has come when the public lands within the States should be ceded to the States. The States can control them far better than the Federal Government can, and their administration will result in benefits to the people and to the Nation never realized under Federal supervision.

Mr. GRONNA. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. KING. I yield to the Senator from North Dakota.

Mr. GRONNA. If I may be permitted in the Senator's time, I should like to say that I am somewhat surprised at the statement of the Senator from Utah. If I understood him correctly, he said that he did not know why these lands had been withdrawn from entry. The Senator knows that only a very few years ago the most tremendous campaign was made against Mr. Ballinger when he was Secretary of the Interior, and we all know what the charges were, and they were made by the Senator's party. There was an organized effort to see that these charges were brought before the public. Now, does the Senator think that the conditions have changed simply because Mr. Ballinger is not in office, but some other man?—and he is a very good man. Does he think that the people of the country have changed their minds with regard to this important question?

Mr. KING. Mr. President, I shall not be diverted from the thoughts that I am briefly submitting by the interrogation of the Senator from North Dakota and the personal element which he has sought to introduce into this matter. I am familiar with what has been denominated the Ballinger controversy and the campaign, as the Senator calls it, or propaganda, that led to the investigation when Mr. Ballinger was Secretary of the Interior. I shall only reiterate now what I said before—that, in my opinion, the plan of withdrawing the mineral lands of the United States, whether they be potash lands or lands that yield the precious metals, or any form of mineral wealth, is unwise; that if development and mineral production is what is desired, it can and will be accomplished by removing the present oppressive restrictions, rescinding the orders of withdrawal, and opening wide the door, so that any person desiring to enter thereon may do so, and make such investigation and such development as his capital and his means and his enterprise will permit. However, as before stated, I think the best way of dealing with the public domain is to cede it to the States. I repeat that the States can handle the public lands far better, with greater economies and with infinitely better results, than they can be handled by the Federal Government and its agencies in Washington. This bureaucratic method of handling the public domain has been expensive and extravagant; it has not been profitable to the Government and is not now satisfactory to the people within the States where the public lands are found.

I shall vote against this bill, Mr. President. I shall not occupy any further time or discuss its imperfections, nor will I attempt to obstruct its passage. I am assured from observation and investigation that it will pass. I predict that it will not result in success or accomplish what is designed by its proponents; and I again repeat that it will be a precedent that will come home to vex the people of the West and will be used as the basis for demanding further concessions with respect to the mineral lands and to the repeal of the present mineral system.

Mr. PITTMAN. Mr. President, I ask to have the amendment of the Senator from Utah stated.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Utah and accepted by the Senator in charge of the bill. The Secretary will state the amendment.

The SECRETARY. In lieu of the proposed amendment of the committee at the top of page 2 Mr. SMOOT proposes the following: Beginning on page 1, line 10, after the word "potassium," strike out the comma and the words "or borates, carbonates, or nitrates of sodium, or borates of calcium, or associated similar salts on public lands belonging to the United States," and insert:

on public lands of the United States not known to contain valuable deposits of the kinds above described.

Mr. SMOOT. Mr. President, I desire to offer another amendment, after the words "United States," but I ask that the Senate act first upon the amendment which has just been stated.

The PRESIDENT pro tempore. The question is on agreeing to the amendment as stated.

The amendment was agreed to.

Mr. SMOOT. Now, Mr. President, on page 2, line 2, beginning with the word "not," I move to strike out the words "not known to contain valuable deposits of the kinds above described," and insert, after the words "United States," the words "except lands in San Bernardino County, Cal.," so as to conform to the other part of the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. Mr. President, on page 2, beginning on line 22, I move to strike out the following words:

and all other lands known to contain such valuable deposits as are enumerated in section 1 hereof.

That is also to conform to the rest of the bill.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 2, lines 22 and 23, it is proposed to strike out the words:

and all other lands known to contain such valuable deposits as are enumerated in section 1 hereof.

Mr. POINDEXTER. Mr. President, I should like to know how the sentence will read after that amendment is made.

The SECRETARY. So that, if amended, it will read:

All other lands described and embraced in such a prospecting permit from and after the exercise of the right to patent accorded to the discoverer, and not covered by leases, may be leased by the Secretary of the Interior.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. Now, on page 4, line 1, after the word "of," I move to insert the word "such," so that it will read:

That in addition to areas of such mineral land.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 4, line 1, before the words "mineral land," it is proposed to insert the word "such."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. Now, on page 6, line 20, I move to strike out the words "or sodium," so as to conform with the title of the bill.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 6, line 20, after the word "potassium," it is proposed to strike out the words "or sodium."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TRAMMELL. Mr. President, I offer the amendment which I send to the desk.

Mr. PITTMAN. Mr. President, is this an amendment to a committee amendment?

Mr. TRAMMELL. No.

Mr. PITTMAN. I think we had better get through the committee amendments first.

Mr. TRAMMELL. I beg pardon. I thought they had been completed.

Mr. PITTMAN. There is a committee amendment on page 6, line 20.

The PRESIDENT pro tempore. The Secretary will state the committee amendment.

The SECRETARY. On page 6, line 20, the committee proposes to strike out the words "phosphate, oil, gas."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The SECRETARY. Also, on page 7, line 18, after the word "initiated," the committee proposes to insert a colon and the words:

Provided, That nothing in this act shall prevent any State or Territory wherein the lands or deposits leased are located from levying and collecting taxes on improvements upon or the output or product from any lands or minerals leased under this act.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The SECRETARY. Also, on page 7, the committee proposes a new section, as follows:

SEC. 13. That the Secretary of the Interior is hereby authorized and directed to incorporate in every lease issued under the provisions of this act a provision reserving to the President the right to regulate the price of minerals extracted and sold from the leased premises, which stipulation shall specifically provide that the price or prices fixed shall be such as to yield a fair and reasonable return to the lessee upon his investment and to secure to the consumer the product at the lowest price reasonable and consistent with the foregoing: *Provided*, That such lease issued under this act shall also stipulate that during the present war or during any other war in which the United States may be engaged, the President shall have authority to so regulate the disposal of the minerals produced under such lease as to secure their distribution and use wholly within the limits of the United States or its possessions.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

Mr. SMOOT. Mr. President, I should like to call the attention of the Senator from Nevada to an amendment that I think ought to be made to the committee amendment on page 8, line 1, in which there is reserved to the President the right to regulate the price of minerals extracted and sold. I am going to ask the Senator if he does not think that now that sodium is stricken out it ought to reserve to the President the right to regulate "the price of such mineral extracted"?

Mr. PITTMAN. Yes; I think that should be definite.

Mr. SMOOT. After the word "of," then, I move to insert "such," and to make the plural singular, on page 8, line 1.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 8, line 1, after the word "of," before the word "mineral," it is proposed to insert the word "such"; also to strike out the "s," so that the word "minerals" will be singular.

Mr. SMOOT. And the same thing in line 10 of the same page, after the words "disposal of."

The SECRETARY. It is also proposed to strike out the word "the," before the word "minerals," on line 10, and to insert the word "such"; also to strike out the word "minerals" and insert "mineral."

Mr. SMOOT. And the word "their," on line 11, before "distribution," should be "its."

The SECRETARY. It is also proposed to strike out the word "their," before the word "distribution," and to insert the word "its."

The PRESIDENT pro tempore. These amendments to the amendment, the Chair understands, are accepted by the Senator from Nevada. The question is on agreeing to the amendment proposed by the committee, to be known as section 13, as amended.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments.

Mr. TRAMMELL. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The SECRETARY. On page 2, in lines 12 and 13, it is proposed to strike out the words "640 acres of the land" and to insert in lieu thereof the words "an acreage equal to one-fourth of the lands upon which the deposit is discovered on the land."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Florida.

Mr. TRAMMELL. Mr. President, I am very much in sympathy with the object and purpose of this bill. I do not believe we can engage in any better work than endeavoring to stimulate the discovery in this country of greater amounts of potash, which is, as we all know, a very important ingredient in the manufacture of fertilizers. I do not believe, however, that we should permit the terms of this bill to be such as to give the prospector an opportunity to procure a patent to the entire amount of the land upon which he makes the discovery.

Mr. SHAFROTH. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Colorado?

Mr. TRAMMELL. I do.

Mr. SHAFROTH. Would not that be accomplished by striking out the words "640 acres" and inserting "one-fourth of the land embraced in the permit"?

Mr. TRAMMELL. I do not think it would, Mr. President; because the term "land embraced" there refers not to the land upon which the discovery is made, but to the land included within the prospecting permit. Therefore it would entitle him to one-fourth of the entire acreage of 2,560 acres.

Mr. SHAFROTH. Does not the Senator believe that if a man makes a discovery on the land embraced in his permit he should be permitted to select one-fourth of it?

Mr. TRAMMELL. I hardly agree with that idea. What I am attempting to have provided in this law is that he shall receive one-fourth of the land upon which he makes the discovery and not one-fourth upon which the discovery is made, or 640 acres out of 2,560 acres.

Mr. SHAFROTH. Does not the Senator recognize that that would make a complication, that it would be very difficult, indeed, to ascertain the boundary of the potassium lands discovered? The prospector would have to drill or sink a shaft over every few feet of ground and ascertain how much of the area of the land contains the deposit. That would be too costly for him to consider taking out a permit. It seems to me that if we limit his right of patent to one-fourth of the amount embraced in the permit that is definite and distinct, but if the prospector is going to have to sink a shaft or drill on every few feet of the entire 2,560 acres it would be so expensive that nobody would undertake even prospecting.

Mr. TRAMMELL. That might be more definite and distinct, but it affords an opportunity for the prospector to get the cream of the tract and the Government would have nothing left upon which you would find a deposit. It would also have a tendency to lessen the energies and efforts of the prospector to see whether a deposit exists upon the entire tract. If he goes in on 2,560 acres and discovers 640 acres upon which a deposit may exist, then as far as he is concerned he would no doubt under this measure cease his labor, and there would be no advantage in

any investigation upon the remainder of the tract upon which his permit authorized prospecting.

Mr. PITTMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Nevada?

Mr. TRAMMELL. Certainly.

Mr. PITTMAN. The Senator will understand that this matter was recognized as having merits at the time the so-called oil-lease bill was first brought before the Senate some four years ago. Since that time I believe three separate bills have been before the Public Lands Committee of the Senate and the Public Lands Committee of the House, and they realized the difficulty of such a limitation as the Senator proposes. So they decided in connection with oil that they would give the prospector a permit upon 2,560 acres, or such amount as was open, and reward the discoverer with one-fourth. They did also the same thing with potash. They pursued that same course during four years' time. The bill passed the House of Representatives almost unanimously with the very provision this bill now contains with regard to potash. I think it is too late for us to attempt to work out anything definitely at this time. I do not think we could accomplish it. I think the suggestion made by the Senator from Colorado of one-fourth instead of 640 acres is practical, because there might not be 2,560 acres in the permit. In a few minutes I am going to offer an amendment to cover that.

Mr. TRAMMELL. As I previously stated, my idea was to give the Government the advantage of the services of the prospector not merely on the acreage up to the amount he will procure patented but on the entire tract of land. I take the position that if the discovery is on a particular 640 acres, and the prospector finds he will reach 640 acres, then his labors have ended and the Government has not had the benefit of his prospecting the entire tract of land.

I offer the amendment because I think an ample reward would be one-fourth of the land upon which the deposits were actually discovered. If the tract of land contains 2,560 acres and his deposit only covers 460 acres or 450 acres, the natural thing for him to do would be to select that 450 acres and get his patent to it, and the Government would have had no benefit whatever from his endeavors to make the discovery except the matter of having the potash brought upon the market by a private individual, a corporation, or association that would receive a patent free of charge from the Government.

Mr. SHAFROTH. I believe it would be better to restrict it to one-fourth of the area upon which the discovery is made. Then certainly the Government, representing, as it does, the whole American people, would have reserved for the benefit of the entire American people three-fourths of the land upon which the discovery is made.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Florida [Mr. TRAMMELL].

The amendment was rejected.

Mr. KELLOGG. Would it be in order to amend the committee amendment in section 13?

The PRESIDENT pro tempore. The amendment has already been agreed to. The Senator may move to amend it in the Senate.

Mr. KELLOGG. I give notice of an amendment in the Senate.

The PRESIDENT pro tempore. Or the Senator can move to reconsider the vote by which the amendment was agreed to.

Mr. KELLOGG. I do not care to do that.

Mr. HUSTING. Mr. President, I move to strike out, on page 8, lines 8 and 9, the words "during the present war or during any other war in which the United States may be engaged.

The PRESIDENT pro tempore. The Senator is offering an amendment to an amendment already agreed to. He will have to move to reconsider before his amendment is in order, or obtain unanimous consent.

Mr. HUSTING. I will ask unanimous consent.

Mr. PITTMAN. The Senator was absent when we considered that amendment. I will join with him in the request for unanimous consent if he wants to have it reconsidered.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin?

Mr. SMOOT. What is the request?

The PRESIDENT pro tempore. For the reconsideration of the vote by which the amendment which the Senator from Wisconsin seeks to amend was adopted.

Mr. SMOOT. In what part of the bill?

The PRESIDENT pro tempore. Section 13.

Mr. SMOOT. I have no objection.

The PRESIDENT pro tempore. The Chair hears no objection, and the vote by which section 13 was agreed to is reconsidered. The Senator from Wisconsin offers an amendment, which will be stated.

The SECRETARY. On page 8, lines 8 and 9, in the committee amendment, strike out the words "during the present war or during any other war in which the United States may be engaged."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wisconsin to the amendment of the committee.

Mr. HUSTING. Mr. President, I wish to say a few words on that. I propose to so amend the proviso as to read:

Provided, That such lease issued under this act shall also stipulate that the President shall have authority to so regulate the disposal of the minerals produced under such lease as to secure their distribution and use wholly within the limits of the United States or its possessions.

I do not know of any good reason why that should be confined only to the war period. The bill, as I understand it, will relate primarily to Searles Lake, which is the only known potash deposit of any consequence in the United States or the only deposit easily available. It was stated before the committee, I believe, that other countries have been busying themselves to obtain potash deposits. This being the only deposit in the United States of any consequence, it seems to me that this Government should have the authority, if it desires to exercise it, to confine the sale of that potash to the United States. If we turn this monopoly, and that is what it is, into the hands of private corporations, without necessary restrictions, we shall have no means of using and confining the use of this potash deposit to the United States. I think a number of Senators on the committee doubted the advisability of letting it go at all, in so much as it is a monopoly, but if we are going to permit the Secretary of the Interior to lease it, then we certainly ought to keep control of it.

There is a provision in here that the Government shall reserve the right to fix the price. Of course, if we can only fix that price within the United States that provision would be of little value if the producers of this deposit were at liberty to sell it outside of the United States. That clause would be meaningless. It would be of no value whatever to the people of the United States.

It seems to me that there can be no good reason why the Government should not reserve to itself the right to insist that this potash shall be held in the United States and shall be sold to the people of the United States at a fair price. It is admitted that it is very desirable to have this right reserved to the Government during the war. I think it is as important to have it at any time. This does not mean that the President or the Government shall insist that this potash shall be sold in the United States, but if it is necessary, if it is thought wise, we should have the right to insist that it be sold within the confines of the United States and used within the United States.

Mr. PITTMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Nevada?

Mr. HUSTING. Certainly.

Mr. PITTMAN. I think the reason why the committee placed in the words "during the war" was because if there were so many restrictions being placed in the lease it might be difficult to get a lease. I think the statement of the Senator from Wisconsin would justify this body in carrying the amendment, and as far as I am personally concerned, speaking for myself, I am willing to vote for it.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. HUSTING. I do.

Mr. SMOOT. Before that is done I desire to call attention to what I think will be the effect of adopting the amendment. We all admit that we want to encourage the prospecting for potash in every part of the United States. We want also to restrict as far as possible the holdings of the prospector. We give a patent after the discovery is made to a portion of the land on which the permit was issued to the individual discovering the potash. The balance of the land can be leased by the Government of the United States to any citizen of the United States. There is no doubt it will be leased.

I believe that if we strike out the words that any lease issued under this act shall also stipulate that the President shall have authority to so regulate the disposal of the minerals produced under the lease we will find out that the prospectors will not spend their money to prospect for potash, knowing in advance that even if they discover it, and even if they are given one-quarter of the land in which they are given a permit to prospect upon and develop potash, the price of it is virtually left to the President of the United States, and the prospector is not going to take any such chances.

Mr. PITTMAN. Mr. President——

Mr. SMOOT. Just a moment, Senator. My opinion is that if we adopt that amendment and leave it entirely with the President at all times hereafter to regulate the price, the further prospecting for potash in this country will be limited indeed.

I wish to say to the Senator just another word. I have not the least doubt but that within the State of Utah there will be hundreds of thousands of tons of potash produced from lands that are now known to contain potash, discovered a very short time ago. I know of a number of cement plants in the West that are now putting in machinery for the purpose of extracting the potash that is found in the cinders, that are ultimately ground up, from which cement is made. I have seen a statement from one company in which it is claimed tests have been made and found to contain 1 per cent, and in many cases more, of potash, and the company has already ordered the machinery and is going to put it in operation in connection with the cement plant, and is going to produce thousands and thousands of tons of potash from that source.

I hope the Senator from Wisconsin will not insist upon his amendment, because if it is adopted I feel quite sure the prospecting will be retarded and will be limited to almost nothing in the future.

Mr. PITTMAN and Mr. SHAFROTH addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield; and if so, to whom?

Mr. HUSTING. I yield to the Senator from Nevada.

Mr. PITTMAN. This provision does not apply to any lands that the prospector would obtain under the bill. It applies solely to land that may be leased, because the provision must be contained in the lease.

Another reason why it would not interfere with leasing is that Germany contains a deposit of potash that is estimated to be sufficient to supply the civilized world for 500 years. It is of a character and so situated that none of our experts contend that we can enter into competition with Germany anywhere, unless it be right in the United States. We have no hope of ever being able to ship any potash out of the United States in competition with Germany. Our main hope, our main object, is to be able to supply our own people with potash at a rate that will permit them to use it in the fertilization of their land.

I have not made any argument on this bill, because I think it is more important that it should pass than that we should make speeches. I realize the interest of the Senator from Utah in the matter, and if it applied to the land of the prospector I would not have said what I did say about voting for it, but I read it and it applied only to leases made. Now that we have gotten through with all the amendments in the bill, we will try to pass it before 2 o'clock.

Mr. SHAFROTH. Mr. President——

Mr. HUSTING. I yield to the Senator from Colorado.

Mr. SHAFROTH. The Senator spoke of the deposit which is well known and which the Government has thought somewhat of trying to operate, namely, the Searles Lake deposit. Would it not be satisfactory to the Senator if we would make the section apply to the public potassium lands of the United States in San Bernardino County, Cal., where Searles Lake is situate? It seems to me that that is the only thing that we have been seriously considering, and that is all the committee thought they were legislating with relation to in this measure.

Then the argument which the Senator from Utah has made would not apply, because if we are going to cripple the prospector so that he can not go out and find land out of which he can get his reward and out of which there can be development, you can readily see that he will not undertake it.

The argument of the Senator from Utah is unanswerable, it seems to me, if the provision is going to apply to all potash lands; but if it is limited to potash lands in San Bernardino County, Cal., so far as I am concerned, I am perfectly willing to vote for it.

Mr. HUSTING. Mr. President, I can not agree with the Senator from Colorado. While this bill refers particularly to Searles Lake, I can not see why the Government should put itself now in a position where deposits of a substance that is limited and which we are obliged to import shall be mined under the laws of the United States, that the people of the United States be deprived of the use of it.

So far as I am concerned, I would not have stood for this provision in the bill at all, so far as permitting the commodity to get into the hands of private parties or of there being a possibility of its getting into the hands of private parties, were it not for the fact that certain people discovered the deposit and undertook to develop Searles Lake and have expended a great deal of money in developing it, and because we are in great need of potash and we need the immediate development of our potash resources either by private or public agencies, and under this bill the Senate can determine which is best for us. I can not, however, understand the soundness of the policy which would move the Government of the United States voluntarily to let slip out of its hands something that is so vital for its interest and welfare and to the productivity of the lands of this country. Here it is now, and we are proposing to pass a law to let it get out of our hands or at least proposing to give the Secretary of the Interior an option to let it get out of our hands. We ought not to do that at all; we ought to keep it and develop it ourselves and then dispose of it as we see fit. I can not think of any good, sound argument why potash lands that are going to be developed under lease under this bill should not be taken subject to the power of the United States to avail itself of this product if, in the judgment of the President of the United States, we need it. We are now importing potash; it is hard to get. We are hard up for potash now, and yet it is argued that while we are still in a position to control it we should let it get out of our hands and let those who take it dispose of it as they see fit.

Mr. SHAFROTH. Will the Senator answer this question: Would he, in leasing land, stipulate with the Government that the price of his product could be fixed by some one else, and would he not decline to enter into a lease upon such terms?

Mr. HUSTING. I will say to the Senator from Colorado, in the first place, that if these people do not want to take the land under these conditions the United States Government itself can produce the potash.

Mr. SHAFROTH. Yes; but it never will, as it never has.

Mr. HUSTING. I will ask the Senator if he were the owner of Searles Lake would he lease it except upon terms that would safeguard his interests?

Mr. SHAFROTH. So far as Searles Lake is concerned, I am perfectly willing that this clause shall be inserted, but it seems to me to apply it as to every piece of land that is proposed to be leased under this bill would simply mean that no development would follow. It will be putting in a provision which will absolutely prevent development if we say that this product shall be sold at a price to be named by somebody who has no interest in the leasehold.

Mr. HUSTING. Mr. President, I can not look at this matter solely from the standpoint of the prospector or the man who wants to get the best deal out of the Government that he can. I am trying to look at it from the standpoint of the United States. The Government has a right to be considered in this matter; the people of the United States have a right to be considered in it; and laws should be passed not to suit the man who wants favors from the United States, but they ought to be so framed as to conserve the interests of the people of the United States. That is solely the standpoint from which I am looking at the matter. If, in the judgment or the wisdom of the President of the United States, in instances where men take leases from the Government it is not necessary to confine the potash to the United States, well and good; it will not be kept here; but what good will it do to limit the price of potash in the United States when there is perfect liberty to ship it out of the United States and get what its producers can for it? If the Government fixes a price for the product here within the boundaries of the United States and the market price outside of the United States is higher, the result will be that we shall get none of it, because they will seek the market where they can get the greatest price for their product, and we will have no means to avail ourselves of its use or compel its sale here. So this provision as it now stands in the bill really nullifies the practical effect of the power to fix a price which the Government has under the bill. The Government can not fix the price for the outside world; we are not interested in what the outside world is going to pay for this product; but if this language is left in the bill, we might just as well wipe the other provision out, because if the market price outside the United States is higher than in the United States, what will it avail us to fix prices in the United States when the producers of this product will sell none here?

I do not think this bill ought to pass. I shall oppose it as much as I can, to the extent of my ability, if this language remains in the bill, because it is clearly against the interests of the United States.

Mr. KELLOGG. Mr. President, I agree with the Senator from Wisconsin [Mr. HUSTING] and with the Senator from Nevada [Mr. PITTMAN] that this amendment ought to be made. It has been stated to the committee that Searles Lake has a very large deposit of potassium and that there are no other

known deposits. The chairman of the committee has just stated that he doubts if any other deposits will be discovered, at any rate in the near future.

It has also been stated to the committee that it is of the most vital importance for this Government and for the people of this country to develop the production of potash for use in war and for fertilizer during the war and afterwards. We all know what tremendous benefits Germany has reaped because, as a Government, she controls the greatest known potash supply. Before the war broke out not only did the German Government lay its hands upon the potash supply of Germany, but it canceled every contract with every American purchaser of potash and forced the people of this country to go to Germany and to pay what Germany fixed as the price for potash. Our purchasers in this country who had, or supposed they had, contracts with Germany had to go to Germany and do what the German Government said.

I do not wish in any way to deter American enterprise by having the Government generally lay its hands upon the production of minerals, fix the prices of products, and to take over the business; that is not what I believe in; but as to the potash supply, which is of importance to the people of this country, it does seem that the Government should have a right to control its disposition and to regulate its price. Certainly the provision which has been agreed to as offered by the Senator from Utah [Mr. SMOOT] for the Government to regulate the price will deter production as much as to regulate the disposition. It is a well-known fact that our phosphates have been going out of this country by the hundreds of thousands of tons to enrich foreign soil. I think this Government ought to take such steps as will enable it to control all of the potash and fertilizer material there is in this country and to say, if it becomes necessary, that it shall be used in this country alone; at least, that this country should have the preference.

Mr. President, I do not wish to deter development or to impose such restrictions as unduly to stop American enterprise; but we know the benefit this country will reap if it can control the products necessary to war and necessary to the fertilization of its soil. The time is coming in the near future, if it is not here to-day, when the American people must wake up to the fact that we have got to increase the production of our soil and improve our farming methods. So we have got to look to the fertilizer material in this country and be able to control it.

I believe, as I stated before the committee, that this is but a reasonable precaution to insure a control of this great fertilizer ingredient. I think it was only a short time ago that the Congress had under consideration a bill to control certain things, and it was claimed that it was unconstitutional. It certainly is not unconstitutional to so provide as to this commodity in the very bill for the lease of the product. I think the chairman of the committee is right in accepting this amendment.

Mr. PITTMAN. I ask to have the amendment stated.

The PRESIDING OFFICER. The Secretary will state the amendment offered by the Senator from Wisconsin.

The SECRETARY. In the amendment of the committee, on page 8, line 8, after the word "that," it is proposed to strike out "during the present war or during any other war in which the United States may be engaged."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Wisconsin to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title of the bill was amended so as to read: "A bill to authorize exploration for and disposition of potassium."

CALLING OF THE ROLL.

The PRESIDING OFFICER. The calendar under Rule VIII is in order. The Secretary will state the first bill on the calendar.

The SECRETARY. A bill (S. 634) to promote export trade, and for other purposes.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Kansas suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Beckham	Calder	Fernald	Gronna
Brady	Colt	Fletcher	Harding
Brandegee	Culberson	France	Hollis
Broussard	Curtis	Gerry	Husting
Johnson, Cal.	Lewis	Page	Smith, Md.
Jones, N. Mex.	McKellar	Pittman	Smoot
Jones, Wash.	McNary	Poindexter	Sterling
Kellogg	Martin	Saulsbury	Stone
Kendrick	Myers	Shafroth	Sutherland
Kenyon	Nelson	Sheppard	Swanson
King	New	Shields	Trammell
Kirby	Overman	Simmons	Vardaman
La Follette	Owen	Smith, Ariz.	Williams

Mr. MCNARY. I desire to announce the absence of my colleague [Mr. CHAMBERLAIN] on official business, and also to state the he is paired with the junior Senator from Pennsylvania [Mr. KNOX].

Mr. SUTHERLAND. I desire to announce the absence of my colleague, the senior Senator from West Virginia [Mr. GOFF] on account of illness. I will let this announcement stand for the day.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness. This announcement may stand for the day.

Mr. LEWIS. I wish to announce the necessary absence on official business of the Senator from California [Mr. PHELAN] and the Senator from Arkansas [Mr. ROBINSON].

The PRESIDING OFFICER. Fifty-two Senators have answered to their names. There is a quorum present.

WAR REVENUE.

Mr. SIMMONS. Mr. President, I move that the Senate proceed to the consideration of the unfinished business, H. R. 4280.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes.

Mr. SIMMONS. Mr. President, I announced this morning that I should desire to begin my opening statement on this bill at 2 o'clock. I will ask that the reading of the bill be proceeded with until that time, when I shall ask that its further reading be dispensed with for the time being.

The PRESIDING OFFICER. The Secretary will proceed with the reading of the bill.

The Secretary proceeded to read the bill, and read to section 401, on page 41.

Mr. SIMMONS. Mr. President, I ask that the further reading of the bill be temporarily suspended and that the committee amendments to the bill be first taken up and disposed of.

Mr. PENROSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Husting	New	Simmons
Beckham	Jones, N. Mex.	Owen	Smith, Ariz.
Brady	Jones, Wash.	Page	Smith, Md.
Calder	Kellogg	Penrose	Smoot
Colt	Kendrick	Pittman	Sterling
Culberson	Kenyon	Poindexter	Sutherland
Curtis	King	Pomerene	Trammell
Dillingham	Lewis	Reed	Vardaman
France	McCumber	Saulsbury	Weeks
Gerry	McKellar	Shafroth	Williams
Gore	McNary	Sheppard	
Harding	Myers	Sherman	

Mr. LEWIS. I wish to announce the necessary absence of the Senator from California [Mr. PHELAN] and the Senator from Arkansas [Mr. ROBINSON], occasioned by official business.

Mr. WEEKS. I wish to announce the unavoidable absence of my colleague [Mr. LODGE]. I will let this announcement stand for the day.

Mr. MCNARY. I desire to announce the unavoidable absence of my colleague [Mr. CHAMBERLAIN] on official business. I ask that this announcement may stand for the day.

The PRESIDENT pro tempore. Forty-six Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. MARTIN and Mr. SWANSON answered to their names.

Mr. JOHNSON of California, Mr. FLETCHER, Mr. HOLLIS, Mr. BRANDEGEE, Mr. OVERMAN, and Mr. FERNALD entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Fifty-four Senators have answered to their names. There is a quorum present. The Senator from North Carolina asks that the further reading of the bill be dispensed with.

Mr. SIMMONS. I ask that the formal reading of the bill be dispensed with.

The PRESIDENT pro tempore. If there is no objection, it is so ordered.

Mr. SIMMONS. I also ask that the committee amendments be taken up for action as they are reached.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. OWEN. I understand that that is to be the rule after we proceed to the consideration of the bill.

Mr. SIMMONS. Surely; that is done pro forma, to make that the order of the Senate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SIMMONS addressed the Senate. After having spoken for about three hours,

Mr. PENROSE. Mr. President, I rose to make an inquiry of the Senator from North Carolina, who has been speaking in a very illuminating way for over three hours. I do not suppose that he can conclude to-day. Would it not be better that we should adjourn and he continue on Monday? I have one reason for making the inquiry. I think it is important to have the Senator's statement in to-morrow's RECORD. A delay of several days has been the subject of a good deal of criticism when practiced on the other side of the Capitol. It will take the Senator some time to correct his very illuminating and important statements so as to have his speech in the RECORD in the morning.

Mr. SIMMONS. I can not do it. That is out of the question.

Mr. SMOOT. It is physically impossible.

Mr. SIMMONS. It is physically impossible for me to do it.

Mr. PENROSE. I only thought that it would be impossible if the Senator kept on for an hour longer.

Mr. SIMMONS. I would not undertake to have it ready for to-morrow's RECORD, but I shall try to get it in Sunday's RECORD.

Mr. PENROSE. It ought to be in the RECORD as early as possible for the information of Senators who have been unable to be present. Sometimes there has been very undue delay in getting such important statements into the RECORD. I am not criticizing the delay, for I know how difficult it is to get the speech in shape and have the figures accurately given, but I think the Senator having spoken so long he would be willing to have an adjournment until Monday.

Mr. MARTIN. I hope the Senate will not adjourn over until Monday.

Mr. PENROSE. That has been suggested.

Mr. MARTIN. I think it would be exceedingly unfortunate to lose to-morrow when there is such a demand for the completion of vital legislation. I shall move an adjournment until to-morrow when the time comes.

Mr. PENROSE. The suggestion of an adjournment over until Monday did not mean a vacation; it meant to give Senators an opportunity to read the bill and read the report and prepare their own speeches. That was the reason why I urged it at all.

Mr. MARTIN. Does the Senator from North Carolina wish to discontinue his remarks now?

Mr. SIMMONS. I have no objection to that. Of course, I am a little weary.

Mr. MARTIN. The Senator will suit his pleasure. The Senate will conform to his wishes.

Mr. SIMMONS. I do not think I could get through in an hour, and I think by that time both the Senate and myself would be worn out.

Mr. MARTIN. The Senator would rather wait until to-morrow to complete his remarks?

Mr. SIMMONS. I would as lief do so.

EXECUTIVE SESSION.

Mr. MARTIN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 5 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Saturday, August 11, 1917, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate August 10, 1917.

ASSISTANT SECRETARY OF THE INTERIOR.

Seldon G. Hopkins, of Cheyenne, Wyo., to be Assistant Secretary of the Interior, vice Bo Sweeney, deceased.

COMMISSIONER OF LABOR STATISTICS.

Royal Meeker, of New Jersey, to be Commissioner of Labor Statistics in the Department of Labor. (Reappointment.)

COAST GUARD.

Cadet Donald Hoyt MacCollom to be third lieutenant in the Coast Guard of the United States, to rank as such from August 1, 1917.

Cadet Norvin Cliffe Smith to be third lieutenant in the Coast Guard of the United States, to rank as such from August 1, 1917.

Cadet Engineer John Anthony Curran to be third lieutenant of Engineers in the Coast Guard of the United States, to rank as such from August 1, 1917.

TEMPORARY PROMOTIONS IN THE ARMY.

CORPS OF ENGINEERS.

To be lieutenant colonels.

Maj. Lewis H. Rand, Corps of Engineers, to rank from July 9, 1917, vice Lieut. Col. Edgar Jadwin, appointed colonel of Engineers in the National Army.

Maj. Edward M. Markham, Corps of Engineers, to rank from July 13, 1917, vice Lieut. Col. Herbert Deakyne, appointed colonel of Engineers in the National Army.

Maj. Thomas H. Jackson, Corps of Engineers, to rank from July 13, 1917, vice Lieut. Col. William P. Wooten, appointed colonel of Engineers in the National Army.

Maj. George B. Pillsbury, Corps of Engineers, to rank from July 18, 1917, vice Lieut. Col. James B. Cavanaugh, appointed colonel of Engineers in the National Army.

To be major.

Capt. George R. Goethals, Corps of Engineers, to rank from July 9, 1917, vice Maj. Lewis H. Rand, promoted.

APPOINTMENT, BY TRANSFER, IN THE ARMY.

FIELD ARTILLERY ARM.

Capt. Charles T. Harris, jr., Coast Artillery Corps (Ordnance Department), to be captain of Field Artillery from July 1, 1916, to fill an existing vacancy.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

Second Lieut. Francis M. Brennan, Third Infantry, to be first lieutenant from May 15, 1917, to fill an original vacancy.

NOTE.—The above-named officer was nominated to the Senate on July 25, 1917, for said promotion under the name William M. Brennan, and his nomination confirmed by that body on August 1, 1917. This is submitted for the purpose of correcting an error in the name of the nominee.

Lieut. Col. Joseph D. Leitch, Eighth Infantry, to be colonel from July 18, 1917, vice Hagadorn, assigned to the detached officers' list.

Lieut. Col. Samuel Burkhardt, jr., Nineteenth Infantry, to be colonel from July 29, 1917, vice Arrasmith, Fiftieth Infantry, retired from active service July 28, 1917.

Maj. John F. Preston, Fourth Infantry, to be lieutenant colonel from July 18, 1917, vice Leitch, Eighth Infantry, promoted.

Maj. Frederick G. Lawton, Twenty-sixth Infantry, to be lieutenant colonel from July 29, 1917, vice Burkhardt, Nineteenth Infantry, promoted.

MEDICAL CORPS.

To be colonels with rank from May 15, 1917, to fill original vacancies.

Lieut. Col. David Baker.
Lieut. Col. Albert E. Truby.
Lieut. Col. James R. Church.
Lieut. Col. Joseph H. Ford.
Lieut. Col. Percy M. Ashburn.
Lieut. Col. Elmer A. Dean.
Lieut. Col. Francis M. C. Usher.
Lieut. Col. Willard F. Truby.
Lieut. Col. Frederick F. Russell.
Lieut. Col. Edwin P. Wolfe.

To be lieutenant colonels with rank from May 15, 1917, subject to examination required by law, to fill casual vacancies.

Maj. Henry F. Pipes, vice Lieut. Col. Albert E. Truby, promoted.

Maj. Charles L. Foster, vice Lieut. Col. James R. Church, promoted.

Maj. John R. Bosley, vice Lieut. Col. Joseph H. Ford, promoted.

Maj. Robert C. Loving, vice Lieut. Col. Percy M. Ashburn, promoted.

Maj. Orville G. Brown, vice Lieut. Col. Elmer A. Dean, promoted.

Maj. George F. Juenemann, vice Lieut. Col. Francis C. M. Usher, promoted.

Maj. Joseph F. Siler, vice Lieut. Col. Willard F. Truby, promoted.

Maj. Arthur M. Whaley, vice Lieut. Col. Frederick F. Russell, promoted.

Maj. Theodore Lamson, vice Lieut. Col. Edwin P. Wolfe, promoted.

To be lieutenant colonel from June 25, 1917, subject to examination required by law.

Maj. Craig R. Snyder, vice Lieut. Col. George D. Deshon, who died June 24, 1917.

APPOINTMENT IN THE ARMY.

CHAPLAIN.

Rev. William Joseph Ryan, of Colorado, to be chaplain with rank of first lieutenant from August 9, 1917, to fill an original vacancy.

APPOINTMENTS IN THE NAVY.

The following-named citizens to be dental surgeons in the Navy for a probationary period of two years from the 30th day of July, 1917:

Robert S. Maxwell, a citizen of Colorado,
Joseph A. Tartre, a citizen of Maine,
Alvin B. Ward, a citizen of Wisconsin,
Robert T. Davis, a citizen of Connecticut,
Kemper K. Weaver, a citizen of Ohio,
Louis B. Lippman, a citizen of New York,
Frank Kaufman, a citizen of New York,
James I. Root, a citizen of Michigan,
Merrill G. Swenson, a citizen of Minnesota,
Charles C. Tinsley, a citizen of Georgia,
Philip S. McGann, a citizen of Massachusetts,
Harold A. Daniels, a citizen of Texas,
Eugene D. Jarboe, a citizen of Maryland,
Hubert F. Delmore, a citizen of Wisconsin, and
Paul W. Yeisley, a citizen of Pennsylvania.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 10, 1917.

COMMISSIONER OF LABOR STATISTICS.

Royal Meeker to be Commissioner of Labor Statistics in the Department of Labor.

RECEIVERS OF PUBLIC MONEYS.

Kirk E. Baxter to be receiver of public moneys at Bellefourche, S. Dak.

Daniel F. Burkholder to be receiver of public moneys at Gregory, S. Dak.

REGISTERS OF THE LAND OFFICE.

Joseph Astor Barker to be register of the land office at Great Falls, Mont.

Edwin M. Starcher to be register of the land office at Gregory, S. Dak.

POSTMASTERS.

SOUTH CAROLINA.

E. D. Raney, Beaufort.
Joseph M. Poulnot, Charleston.
Leila J. Huntley, Cheraw.
William M. McMillan, Clinton.
James A. Cannon, Fountain Inn.
Francis B. Gaffney, Gaffney.
John M. Pagan, Great Falls.
Julius F. Way, Holly Hill.
John H. Rothrock, Inman.
Louis Stackley, Kingstree.
James F. Hunter, Lancaster.
E. C. Bethea, Latta.
Edward W. Shull, New Brookland.
Ernest L. Richardson, Wagener.

VERMONT.

Marion T. Flynn, Alburg.
Robert J. Orvis, Manchester.

HOUSE OF REPRESENTATIVES.

FRIDAY, *August 10, 1917.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou Great Father Soul, in whom we live and move and have our being, so move upon our hearts that we may feel Thy presence and realize that we are an integral part of a great plan, and that if we fulfill our destiny we must work with Thee, through Thee, for Thee, "in the accomplishment of the thing whereunto we are sent."

Help us to dedicate ourselves to the paramount issue of the hour, that justice, liberty, and equal rights for all may be established in all the earth; in His name. Amen.

THE JOURNAL.

The Journal of the proceedings of Tuesday, August 7, 1917, was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had agreed to the reports of the committees of conference on the following bills:

H. R. 4961. An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel; and

H. R. 4188. An act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products.

ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, announced that that committee had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 4961. An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel; and

H. R. 4188. An act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products.

SWEARING IN OF A MEMBER.

Mr. YOUNG of North Dakota. Mr. Speaker, I desire to state that the Hon. JOHN M. BAER, Congressman elect from the first district of North Dakota, is present and is ready to be sworn in. I ask unanimous consent that the oath of office be administered to him, notwithstanding the fact that his certificate of election has not yet arrived.

The SPEAKER. Without objection, that will be done. [Applause.]

There was no objection.

Mr. BAER appeared at the bar of the House and took the oath of office.

LEAVE OF ABSENCE.

By unanimous consent, Mr. LOBECK was granted leave of absence indefinitely, on account of illness in his family.

ADJOURNMENT.

Mr. DIXON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 6 minutes p. m.) the House, under its previous order, adjourned until Tuesday, August 14, 1917, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of Agriculture, submitting a tentative provision for insertion in the urgent deficiency bill to authorize the payment of rent in the District of Columbia (H. Doc. No. 327); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Obey (Obed) River, Tenn., from its mouth to its fork at Eastport, or Spurrier, Tenn. (H. Doc. No. 328); to the Committee on Rivers and Harbors and ordered to be printed.

3. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Front River, Ga., near Clark's Dock, Sapelo Harbor (H. Doc. No. 329); to the Committee on Rivers and Harbors and ordered to be printed.

4. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Beach Creek, Va., with a view to increasing the dimensions of the channel to a depth of 6 feet and a width of 60 feet (H. Doc. No. 330); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ALEXANDER: A bill (H. R. 5723) to amend an act entitled "An act to authorize the establishment of a Bureau of War-Risk Insurance in the Treasury Department," approved

September 2, 1914, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FITZGERALD: A bill (H. R. 5724) to incorporate the American Academy of Engineers; to the Committee on the Judiciary.

By Mr. DENT: A bill (H. R. 5725) authorizing the Board of Managers of the National Home for Disabled Volunteer Soldiers to transfer to the control of the Secretary of War for the period of the existing war the buildings and property, together with such equipment and supplies as can be spared, of the Southern Branch of the National Home, at Hampton, Va.; to the Committee on Military Affairs.

By Mr. CARY: Resolution (H. Res. 129) to authorize certain committees of the House of Representatives to hold sessions during the coming recess of Congress; to the Committee on Rules.

By Mr. ASWELL: Joint resolution (H. J. Res. 139) to provide that pensions shall not be paid to pensioners residing in a foreign country with which the United States is at war; to the Committee on Pensions.

By Mr. WALTON: Joint resolution (H. J. Res. 140) to authorize the Secretary of the Interior to expend funds in New Mexico and Texas for drainage purposes; to the Committee on Appropriations.

By Mr. BLANTON: Joint resolution (H. J. Res. 141) to authorize the Secretary of the Interior to expend funds in New Mexico and Texas for drainage purposes; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANTHONY: A bill (H. R. 5726) granting a pension to Winnie Turner; to the Committee on Pensions.

Also, a bill (H. R. 5727) granting a pension to Martha J. Gallivan; to the Committee on Pensions.

By Mr. BRODBECK: A bill (H. R. 5728) granting a pension to Margaret J. Rogers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5729) granting an increase of pension to Frederick Freund; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5730) granting an increase of pension to William H. Hertz; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 5731) granting relief to William Nichols; to the Committee on Claims.

By Mr. JACOWAY: A bill (H. R. 5732) granting a pension to Frank W. Godsey; to the Committee on Pensions.

By Mr. KINKAID: A bill (H. R. 5733) granting an increase of pension to Robert M. Dickson; to the Committee on Invalid Pensions.

By Mr. RAMSEYER: A bill (H. R. 5734) granting a pension to Charlotte West; to the Committee on Invalid Pensions.

By Mr. RUBEY: A bill (H. R. 5735) granting a pension to George M. Laquey; to the Committee on Pensions.

Also, a bill (H. R. 5736) granting a pension to Ellis B. McNeeley; to the Committee on Pensions.

Also, a bill (H. R. 5737) granting a pension to John T. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5738) granting a pension to Rufus C. Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5739) granting a pension to David Hartman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5740) granting an increase of pension to James T. Hewitt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5741) granting an increase of pension to Winfield S. Gregory; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5742) granting an increase of pension to Alexander H. Lamb; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5743) granting an increase of pension to Joseph Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5744) granting an increase of pension to Jackson H. Atkinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5745) granting an increase of pension to George W. Boatman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5746) granting an increase of pension to Bentley Briant; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5747) granting an increase of pension to Thomas A. Caldwell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5748) granting an increase of pension to William V. Farris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5749) granting an increase of pension to John Coats; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5750) granting an increase of pension to Jabez Goodman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5751) granting an increase of pension to William N. Green; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5752) granting an increase of pension to John L. W. Hicks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5753) granting an increase of pension to Winthrop Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5754) granting an increase of pension to Charles Kilgore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5755) granting an increase of pension to William R. McAllister; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5756) granting an increase of pension to Richard B. V. Nipper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5757) granting an increase of pension to Allen Orders; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5758) granting an increase of pension to George W. Prewett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5759) granting an increase of pension to John W. Roads; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5760) granting an increase of pension to Joseph H. Rust; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5761) granting an increase of pension to Elijah W. Sorber; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5762) granting an increase of pension to Henrietta C. Stanton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5763) granting an increase of pension to Thomas A. Stephens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5764) granting an increase of pension to Isaac Vervalen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5765) granting an increase of pension to Francis M. Walters; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5766) granting an increase of pension to John W. Wilkerson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5767) granting an increase of pension to Lafayette Murry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5768) granting an increase of pension to H. A. Rood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5769) granting an increase of pension to James K. P. Gibson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5770) granting an increase of pension to Landon C. Campbell; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 5771) for the relief of James K. P. Welch; to the Committee on Military Affairs.

Also, a bill (H. R. 5772) for the relief of Reuben Sewell; to the Committee on Military Affairs.

By Mr. TEMPLETON: A bill (H. R. 5773) granting a pension to Thomas Hamilton; to the Committee on Pensions.

By Mr. TILLMAN: A bill (H. R. 5774) granting an increase of pension to Abiather F. Crane; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of sundry citizens of the State of California, protesting against the bill making the anniversary of the discovery of America a holiday; to the Committee on the Judiciary.

Also (by request), petition of the members of Division No. 27, Ancient Order of Hibernians, of Olyphant, Pa., in re the freedom and independence of Ireland; to the Committee on Foreign Affairs.

By Mr. CARY: Petition of J. Rutzer, G. Chiniel, F. Domenscheck, W. Hackwarth, E. Wolf, S. Brown, R. Waldeck, J. Franko, J. Brodd, and 350 others, opposing national prohibition; to the Committee on the Judiciary.

By Mr. DARROW: Resolutions of Sapana Tribe, No. 468, Chippewa Tribe, No. 51, and Roohootah Tribe, No. 227, Improved Order of Red Men; Chestnut Hill Council, No. 215, Order of Independent Americans; and American Flag Council, No. 114, Sons and Daughters of Liberty, all of Philadelphia, Pa., in behalf of Senate joint resolution No. 84, relative to drafting aliens in the military service of the United States; to the Committee on Military Affairs.

By Mr. FOCHT: Evidence in support of House bill 5506, for the relief of Rufus Potter; to the Committee on Invalid Pensions.

By Mr. GALLIVAN: Petition of Patrick F. Hastings, president, and 45 members of Division 25, Ancient Order of Hibernians, of Boston, Mass., asking that Congress obtain complete freedom and national independence for Ireland; to the Committee on Foreign Affairs.

By Mr. HAMILTON of Michigan: Petition of members of the First Congregational Church of St. Joseph, in behalf of nationwide prohibition; to the Committee on the Judiciary.

By Mr. LINTHICUM: Petition of Samuel Kirk & Son Co., of Baltimore, Md., urging that the excess profits tax be made to

apply to professional men, partnerships, and individuals, just as to corporations; to the Committee on Ways and Means.

Also petition of Corkran Hill & Co., Baltimore, Md., protesting against any war tax on drop letters and postals not paying a profit of over 300 to 700 per cent; to the Committee on Ways and Means.

Also, petition of the Federal Sign System (Electric), Baltimore, Md., protesting against certain provisions of the war revenue bill, as putting an unfair proportion of the burden on the manufacturer; to the Committee on Ways and Means.

Also, petition of the Real Estate Board of Baltimore, Md., urging that drastic steps be taken to insure quick transportation and an abundant supply of coal for the winter; to the Committee on Agriculture.

Also, petition of the Baltimore Cooperage Co., Baltimore, Md., protesting against the national prohibition amendment; to the Committee on the Judiciary.

Also, petition of Levi Gottschalk, Baltimore, Md., urging the enactment of the Hollis and Myers amendments to the war revenue bill; to the Committee on Ways and Means.

By Mr. SANDERS of New York: Petition of 160 residents of Wyoming, N. Y., and vicinity urging the passage of either the Moore purple-cross bill, House bill 5410, or the Wolcott purple-cross bill now in the Senate; to the Committee on Military Affairs.

By Mr. TEMPLETON: Petition of Lafayette Council, No. 59, Order of Independent Americans, Hazleton, Pa., favoring Senate joint resolution No. 84; to the Committee on Military Affairs.

Also, petition of Wanamie Council, No. 549, Junior Order American Mechanics, Wanamie; Nanticoke Council, No. 291, Junior Order American Mechanics, Nanticoke; West Side Council, No. 258, Junior Order American Mechanics, West Nanticoke; Hanover Council, No. 251, Junior Order American Mechanics, Sugar Notch; Columbia Council, No. 43, Junior Order American Mechanics, Wilkes-Barre; Dial Rock Council, No. 203, Junior Order American Mechanics, Duryea, all of the State of Pennsylvania, favoring immigration restriction; to the Committee on Immigration and Naturalization.

By Mr. WALTON: Petition of Otis, Carlsbad, and New Mexico Women's Auxiliary of the State Council of Defense, favoring food control and the establishment of moral safeguards at military camps; to the Committee on Agriculture.

By Mr. WOODYARD: Petition of citizens of Elizabeth, W. Va., favoring the passage of House bill 5410, known as the purple cross bill; to the Committee on Military Affairs.

SENATE.

SATURDAY, *August 11, 1917.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we bless Thee that Thou dost day by day give to us grace and strength for our daily task. In the ever-widening world, in the path that is ever new, amid the untried problems of our day Thou dost smile upon us. We believe that Thou art guiding us on to the completion of the great Divine Purpose. Give us this day Thy grace that we may perform the duties of the day in the fear of God, with an eye single to Thy glory. For Christ's sake. Amen.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Husting	Myers	Simmons
Beckham	Johnson, Cal.	New	Smith, Ariz.
Brady	Jones, N. Mex.	Overman	Smoot
Brandegee	Jones, Wash.	Page	Sterling
Culberson	Kellogg	Penrose	Sutherland
Curtis	Kendrick	Poindexter	Swanson
Dillingham	King	Pomerene	Thompson
Fernald	Kirby	Reed	Trammell
Gerry	La Follette	Saulsbury	Vardaman
Gore	McCumber	Shafroth	Wadsworth
Harding	McKellar	Sheppard	Williams
Hardwick	McNary	Sherman	
Hollis	Martin	Shields	

Mr. McNARY. I desire to announce the absence of my colleague [Mr. CHAMBERLAIN] on official business. I ask that this announcement may stand for the day.

Mr. CURTIS. I desire to announce the absence of the Senator from New Mexico [Mr. FALL] on account of illness in his family. I will let this announcement stand for the day.

I wish also to announce the unavoidable absence of the senior Senator from New Hampshire [Mr. GALLINGER]. I will let this announcement stand for the present.

I desire also to announce the absence of the junior Senator from Michigan [Mr. TOWNSEND] on account of illness in his family. I will let this announcement stand for the present.

Mr. SUTHERLAND. I desire to announce the absence of my colleague, the senior Senator from West Virginia [Mr. GOFF], on account of illness. I will let this announcement stand for the day.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness. I will let this announcement stand for the day.

Mr. MYERS. My colleague [Mr. WALSH] is necessarily detained on account of illness in his family. This announcement may stand for the day.

Mr. KIRBY. I desire to announce the unavoidable absence of my colleague [Mr. ROBINSON]. I wish to have this announcement stand for the day.

Mr. KING. I wish to announce that the Senator from California [Mr. PHELAN] and the Senator from Illinois [Mr. LEWIS] are detained on important public business.

The PRESIDENT pro tempore. Fifty Senators have answered to their names. There is a quorum present. The Secretary will read the Journal of yesterday's proceedings.

On request of Mr. HARDWICK, and by unanimous consent, the reading of the Journal of yesterday's proceedings was dispensed with and the Journal was approved.

LIST OF CLAIMS (S. DOC. NO. 76).

The PRESIDENT pro tempore laid before the Senate a communication from the chief clerk of the Court of Claims, transmitting a list of cases referred to the Court of Claims for adjudication by the United States Senate and dismissed by the court for want of prosecution on motion of the defendants, which, with the accompanying papers, was referred to the Committee on Claims and ordered to be printed.

PETITIONS AND MEMORIALS.

Mr. SHEPPARD. I send to the desk a resolution by the Texas House of Representatives, with my reply acknowledging receipt of the resolution. I ask that the resolution be read.

The PRESIDENT pro tempore. Without objection, it is so ordered, and the Secretary will read. The Chair hears no objection.

The Secretary read as follows:

"Whereas the United States Senate has passed the Sheppard resolution by more than two-thirds majority, submitting to the several States an amendment to the Federal Constitution providing for the prohibition of intoxicating liquors for beverage purposes; and

"Whereas this resolution must be passed by the House of Representatives of the United States Congress before it can be ratified by the several States: Therefore be it

"*Resolved by the House of Representatives of the Texas Legislature in special session assembled*, That we urge our Representatives in Congress to use their influence and all honorable means within their power to secure the passage of this amendment in the House of Representatives, at the earliest possible date, in order that it may be submitted to the several States and be ratified by them within the time limit fixed in the resolution; and be it further

"*Resolved*, That we congratulate Senator MORRIS SHEPPARD for his untiring efforts in securing the passage of this resolution through the United States Senate, and that the chief clerk of this house be instructed to send a copy of this resolution to Senator MORRIS SHEPPARD and to each Representative from Texas in the United States Congress."

I certify that the above resolution was adopted by the house of representatives, thirty-fifth legislature, August 2, 1917.

BOB BARKER,
Chief Clerk House of Representatives.

—

WASHINGTON, D. C., *August 9, 1917.*

Hon. BOB BARKER,
Chief Clerk House of Representatives,
Austin, Tex.

MY DEAR SIR AND FRIEND: I thank you very much for sending me a copy of the resolution of the house of representatives, thirty-fifth legislature, regarding my national prohibition amendment. It is gratifying beyond expression to note the indorsement which the house gave this resolution and to be the recipient of its generous congratulations.

I feel an especial pride in the fact that my home State, Texas, is the first State to indorse through its legislature this resolution after its passage by the Senate.

Kindly convey to the house my heartfelt thanks.

With expressions of regard, I am,

Yours, very sincerely,

MORRIS SHEPPARD.

Mr. SHEPPARD. I also send to the desk the following resolution by the Texas State Senate and ask that it be read. I also send a copy of my reply acknowledging receipt of the resolution for insertion in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered, and the Secretary will read.

The Secretary read as follows:

Senate resolution 9.

Whereas the Senate of the United States has passed a measure that will secure for the people of the United States nation-wide prohibition and thereby conserve the food supply of the country; and
Whereas it is necessary for the House to pass this measure: Therefore be it

Resolved by the Senate of Texas, That we request each and every Congressman from Texas in the present United States Congress to vote for said measure. And that a copy of this resolution be sent to each Member in the House from Texas by the secretary of the senate.

DAYTON.	BUCHANAN of Scurry.
HENDERSON.	ROBBINS.
LATTIMORE.	SUITER.
WOODWARD.	SMITH.
DECHERD.	BUCHANAN of Bell.
WESTBROOK.	J. M. ALDERDICE.

The foregoing resolution was read and adopted.
August 3, 1917.

JNO. D. MCCALL,
Secretary of the Senate.

WASHINGTON, D. C., *August 10, 1917.*

MY DEAR SIR AND FRIEND: I am deeply pleased to have a copy of senate resolution 9 in behalf of the nation-wide prohibition amendment which recently passed the United States Senate, and I thank you for transmitting it.

Please convey to the senate my unqualified appreciation of this action. I am especially proud of the fact that my home State, Texas, has been the first State to indorse through both houses of its legislature this resolution after its passage through the United States Senate.

With every good wish, I am,
Yours, very sincerely, MORRIS SHEPPARD.

Hon. JOHN D. MCCALL,
Secretary State Senate, Austin, Tex.

Mr. BRANDEGEE. I present a communication received from the Connecticut State Council of Defense, in which is contained a copy of a letter written by the chairman of that council to Provost Marshal Gen. Crowder. I should like to have it printed in the RECORD, because it relates to the question of amending the draft act so as to include citizens of our allies and is germane to the bill reported from the Committee on Military Affairs by the Senator from Oregon [Mr. CHAMBERLAIN], which I hope will be called up at a very early day. I ask that it may be printed in the RECORD. I will not delay the Senate to have it read.

The PRESIDENT pro tempore. Without objection, that action will be taken.

The matter referred to is as follows:

CONNECTICUT STATE COUNCIL OF DEFENSE,
Hartford, Conn., August 4, 1917.

The Hon. FRANK B. BRANDEGEE,
United States Senator, Washington, D. C.

DEAR SIR: Herewith please find copy of a letter addressed to Provost Marshal Gen. E. H. Crowder. Copies of this letter have been sent to the Hon. Newton D. Baker, Secretary of War, to the Hon. W. S. Gifford, director of the Council of National Defense, and to every other member of the Connecticut delegation in Congress.

In a recent letter addressed to a member of our council by Provost Marshal Gen. Crowder, the following paragraphs appear:

"I have tried to impress upon others the view that it would be best to accept the Government's apportionment in regulations and estimates already issued, and let the work of the exemption boards go on. If Congress wishes to change the rule of apportionment or if the Director of the Census chooses to revise his estimates, we will call into the service fewer men than we have examined in some overestimated districts. We will call out additional men in other districts for examination and will respond in every State with the net quotas called for by any new rule of apportionment that may be prescribed by Congress or those which correspond with a revised estimate which the Director of the Census may put forth.

"The net quotas which correspond with subdivisions within a State or of the State itself will, following this plan, depend upon Congress or the Director of the Census. Failure upon the part of either to act will leave the net quotas as they have already been fixed."

These statements would indicate, if Gen. Crowder is well advised, that it will be possible to secure relief for Connecticut even as regards the first levy under the draft act. In any event, they clearly point the way to a rectification of the absurd and unfair existing system and possibly make congressional action unnecessary. We realize that to secure any change in the rule of apportionment through congressional action would consume a great deal of time and possibly lead to other complications which we can not now foresee. On the other hand, it is hard to see how the factor of alien registrants, which is so serious in this State, can be handled so as to bring about a just method of apportionment without some action by Congress unless indeed the President is clothed with the power necessary for the adequate handling of the problems involved.

On the whole it would seem if the Secretary of War can be actively interested that he could readily secure from the Director of the Census a revision of the estimates of population which would remove a large part of the burden unfairly placed upon Connecticut. Then the matter of dealing with the problems presented by the aliens could be taken up by Congress or brought to the attention of the President.

We trust this matter may have your earnest attention and that everything possible may be done to correct the inequality and unfairness from which our State is suffering and by reason of which it is likely in the future to be seriously embarrassed unless some remedy can be had.

Yours, very truly, R. M. BISSELL, *Chairman.*

HARTFORD, CONN., *August 2, 1917.*

Provost Marshal Gen. E. H. CROWDER,
War Department, Washington, D. C.

DEAR SIR: We beg to submit herewith certain statements and considerations which we believe demonstrate beyond question that the method recently employed by the War Department for allocating the draft quotas among the several States worked great injustice to the State of Connecticut.

In view of the facts and conclusions hereinafter set forth we feel warranted in making a respectful but most urgent request that steps be at once taken looking to a different and more equitable method of apportioning the ensuing draft levies, and at the same time we strongly insist that due credit should be given to the State of Connecticut in subsequent levies for the excess number of soldiers required to be furnished by it under the inequitable and unfair basis of contribution heretofore used.

Connecticut during the months of March and April, 1917, made a complete census of its male population beyond the age of 15 years and has preserved the records of that census in card form. The date of this census is so recent as to make it perfectly reliable for our present use. The card records disclose the ages, nationalities, occupations, and numerous other characteristics of the individuals recorded thereon, and tabulations made therefrom form in large measure the basis of the statements and arguments hereinafter made.

We beg to call your attention to the fact that the method of apportionment used for the first draft has operated in several ways to impose unfair burdens upon this State.

First. It grossly exaggerated the population of the State, thereby increasing the quota required without adding in any way to the supply of men from whom the quota must be drawn.

The census of 1910 gives Connecticut a population of 1,114,000. In furnishing his recent estimate to the War Department the Director of the Census arbitrarily "estimated" the population now to be 1,719,623. Admitting that our population has considerably increased since 1910, due chiefly to the demands of war industries for labor, nevertheless the most reliable obtainable data indicate a present population of not exceeding 1,350,000. These data are available, but for the sake of brevity are not herein set forth. The total registration in Connecticut, made in accordance with the provisions of the registration act, was 159,890, but of that number 34,276 are married and have dependents as well.

Second. The inclusion of aliens in the registration works injustice to Connecticut.

Of the 159,890 registrants about 58,000 are friendly or neutral aliens who have not taken out their first papers and who are therefore not liable to draft. It will be seen that these aliens in our State increased the total of our registration by more than 50 per cent of what it would have been had they not resided here. And, furthermore, by the arbitrary calculation made by the War Department these 58,000 aliens are made the basis for an increment of population amounting to over 500,000 in number, although it is well known that a very large proportion of these aliens are unmarried laborers and mechanics who represent themselves alone and do not increase the State's population save by their presence here. The injustice involved is made even more glaring when it is remembered that these 58,000 aliens are all exempt from military service and will not contribute one man to Connecticut's draft quota.

There is another and a very unfortunate condition in connection with the presence of these exempt aliens in the State which seems to have been entirely overlooked by the War Department, namely, that they will during the war continue in their present employment, enjoying the highest wage scale ever known in the history of the State, while their compatriots who have become citizens or have taken out their first papers will be compelled to enter the military service of the country. This condition, of course, will tend to estop completely the naturalization of all such exempt aliens. The remedy for this condition would seem to be the drafting of all exempt aliens whose native countries will consent to the process, and the deportation of exempt aliens whose countries will not so consent.

Third. Connecticut's war industries add to its military burden.

When the great war began in 1914 Connecticut already had, as compared with other States, an abnormal number of its male population employed in industries which have since become engaged in the manufacture of munitions and other war material, and the very considerable additions made to our male population since that date have for the most part found employment in such industries. The records of our recent census show that of the approximately 101,000 registrants liable for draft, i. e., citizens or aliens who have taken out their first papers, over 26,000, i. e., more than 25 per cent, are engaged in such work. These registrants to a very large extent will be properly exempt from draft, and therefore, taking into account those who will be exempt by reason of occupation and because they are married and have dependents, it is altogether probable that less than 50 per cent of the total number of 159,890 registrants are actually liable for military service.

Here again it will be noticed that the presence in this State of the great factories which are expected to furnish over 50 per cent of the Nation's supply of arms and munitions augments the number of our registrants, but decreases the available supply of men for military service. Yet under the operation of the system adopted by the War Department the demand made upon Connecticut for soldiers is very sensibly increased because of the large number of munitions workers here.

Fourth. Connecticut's registration was complete.

Having on hand as a result of the recent census a complete list of the male inhabitants required to register under the registration act, the governor of Connecticut caused to be sent to each a notice that he was by law compelled to register with instructions for compliance with such obligation. Lists of those required to register were sent to the registrars in each voting district throughout the State and public notice was given of this procedure. Can it be denied that the existence of this record and the use made of it resulted in a more full and complete registration than would otherwise have been the case, or than was the case in other States where no such aids were available? There can be no doubt, in our opinion, that our census record again swelled our number of registrants, and under the method adopted by the War Department our "estimated" population, thus bringing about another addition to Connecticut's draft allotment. Is it not reasonable to suppose that incomplete registrations may have decreased, perhaps very largely, the quotas of certain other States?

The mere statement of the foregoing reasons is conclusive and does not admit of serious or successful controversion. The case is absolutely demonstrated. The facts alleged are susceptible of proof, and

the unfairness of the burden laid upon this State can not be denied. The War Department and the Census Bureau established the existing fallacious and incorrect theory by means of which Connecticut's quota has been determined. It would therefore seem to be in thier power to abandon the misleading and unreliable "estimates of population" which are responsible for serious injustice to this State. There is, indeed reason to believe that the so-called estimates of population have caused a violation of both the spirit and the letter of section 4 of the law under which the new army is being created. The said section distinctly states:

"Each State * * * shall be required to supply its quota in proportion that its population bears to the total population of the United States."

How can it be held that an arbitrary estimate or guess, which, according to the best obtainable information, attributes to Connecticut a population larger by about 400,000, or 30 per cent, than that which the State actually contains, complies with the language of the act just quoted?

We close, therefore, as we began by pressing upon your attention the necessity for forthwith changing the rule of apportionment as applied to Connecticut by the War Department, based on the erroneous and misleading estimate furnished by the Census Bureau, so that a more equitable and just levy may be made in accordance with the facts and considerations herein set forth. And may we not insist that justice to our State can be had only by means of a credit to be given when ensuing quotas are levied? This credit should equal the number in excess of Connecticut's fair allotment apportioned to this State under the recent draft. This excess we believe to be at least 4,000.

Connecticut expects and desires to do her full duty in this war in furnishing men, money, materials, and service of all kinds for the Nation's use, as it has done in every previous war in which this country has been engaged. Great demands will be made upon this State, but they will be cheerfully met if justly imposed.

Yours, very truly,

——— ———, *Chairman.*

Mr. POINDEXTER. I ask unanimous consent to have printed in the RECORD a statement from the United Press, correcting a misapprehension that has occurred in regard to its attitude on the subject of prohibition, through the proceedings of another organization of the same name. I ask that the statement may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it will be so ordered. The Chair hears no objection.

The matter referred to is as follows:

[From the Cleveland Press, Apr. 19, 1917.]

UNITED PRESS SUES TO ENJOIN USE OF ITS NAME.

The United Press Associations of New York Thursday filed suit in the Federal court here for an injunction against O. K. Shimansky to prevent him from sending out antiprohibition propaganda and other publicity matter in such a way as to make it appear to come from the United Press.

Shimansky has been conducting a publicity campaign mainly in behalf of the liquor interests through a concern incorporated in Ohio by him as the "United Press Association Co."

In sending propaganda to newspapers throughout the country, however, Shimansky used the name "United Press Association," omitting the word company.

The petition filed to-day asks that the injunction perpetually restrain Shimansky from using the name "United Press" or "United Press Association," unless accompanied with the following explanatory statement:

"Not connected with the United Press Associations."

AFFIDAVITS FILED.

John H. Perry, counsel for the United Press, supported his petition with a large number of affidavits from newspaper publishers and Members of Congress, stating they received liquor-propaganda literature from Shimansky under the name of the United Press Association.

"The Cleveland concern is a paid publicity bureau," said Perry to-day. "Its aim is to get advertisements for special interests into the newspapers as news matter.

"The Cleveland concern has simply been masquerading under the name of the United Press. As a consequence the United Press has been flooded with letters from its clients objecting to the unfair use of its name. A gross deception has been practiced upon United Press clients and a fraud and imposition upon the public generally. We propose to put an end to such unfair practices."

Federal Judge Westenhaver immediately granted an order returnable April 28, under which the defendants must show cause why they should not be compelled to state in all their publicity that they are not connected with the United Press of New York.

ACTIVITIES OF THE INDUSTRIAL WORKERS OF THE WORLD.

Mr. KING. Mr. President, I have received a number of letters and communications from citizens of my State and other States calling attention to the pernicious activities, the crimes, and violence of the Industrial Workers of the World and other kindred organizations against the Federal Government and requesting that Congress enact additional legislation, if the present law is inadequate to handle the situation, and punish the acts of the members of such organizations, which are such a menace to the Nation.

I have also received a number of communications asking the internment or deportation of a number of naturalized citizens who are disloyal to the Government and requesting the Federal Government to immediately take the necessary steps in the various districts of the United States to cite before the Federal courts those persons who obtained naturalization papers fraudulently or who are disloyal and have those papers canceled, and that after the cancellation of the same the holders of the papers be either interned or deported.

I did not care to burden the RECORD, but felt that the substance of the communications should be stated at this time.

Mr. MYERS. Mr. President, I have received a considerable number of communications of like nature from Montana as those referred to by the Senator from Utah as having come from his State. I think a very serious situation prevails in regard to the Industrial Workers of the World in Montana and other Western States. I believe there is need for some additional legislation to cope with such conditions. I am now engaged in giving that subject attention, in connection with other Senators and the Department of Justice, and I hope in the near future there may be some legislation to meet the requirements of the situation.

Mr. POINDEXTER. Mr. President, I should like to inquire of the Senator from Montana what steps have been taken by the State authorities of Montana to curb the activities of the Industrial Workers of the World?

Mr. MYERS. I can not say. I am not fully informed on that subject. I suppose the State officials have taken whatever steps they may have felt authorized to take under the laws of the State of Montana, when specific instances of infractions of the law have come to their attention; but I am informed that there is not adequate law on the statute books of Montana to handle the evils which arise from the situation which exists there. It is claimed there is not sufficient law on the statute books of the United States, either.

Further answering the question of the Senator from Washington, I do not know just what steps have been taken by the State authorities of the State of Montana, but I am told they are doing the best they can under the circumstances.

Mr. POINDEXTER. The laws of Montana and the constitution of Montana not only authorize but fix the duty upon the State and municipal authorities of the State to protect life and property within the borders of the State. One of the peculiar reserved powers of the States in the Constitution of the United States is to preserve domestic order, to protect the people of the States against domestic violence.

This Industrial Workers of the World organization, at least the leaders of it, are outlaws, or ought to be made outlaws, because their official utterances, their printed literature, their speakers, advocate murder, and openly advocate it. They openly advocate the destruction of property. The fact of the case is there are very few crimes in the calendar that these agitators do not openly advocate in their oral and written propaganda.

I call attention to this in connection with the remarks of the Senator from Montana because, while I agree that in the last resort, if there is no safety in the authorities of the State, the Federal Government ought and must intervene for the preservation of a republican form of government—if under no other clause of the Constitution, the necessity for the preservation of that sort of order and of safety of life and of property and of property rights held essential for any form of government as the only basis upon which a policy of government can be formulated. Somewhat the same situation exists in the State of Washington.

Mr. MYERS. I should like to ask the Senator from Washington what has been done by the State authorities of Washington to curb this evil?

Mr. POINDEXTER. They have called on the Federal Government for assistance. That is about all they have done, and I think it is a reflection upon any great State of the Union that it should. I hope that ultimately the State of Washington and the State of Montana will not say that the State is unable to protect itself.

Mr. MYERS. It has not done so yet. I will ask the Senator what has been done in respect to this situation, particularly in the city of Spokane, which has experienced considerable trouble, according to newspaper accounts?

Mr. POINDEXTER. They have organized some military companies there; and whenever there has been a military company organized, even though it is only a home guard, I have noticed that the trouble subsides at once. My opinion is that the proper way to deal with the matter is with a sufficient preparation of military force to meet the issue of force which those people put forth. The Industrial Workers of the World have not any special privilege of using force to redress wrong. If they appeal to that sort of a decision of the question, it is necessary for the people of the various communities to meet them upon their own ground. Wherever home guards have been organized, wherever there is a company of militia, or wherever there is an organization of United States troops, however small it may be, I have noticed that this trouble disappears.

The organization to which the Senator refers seems to express great surprise and horror and indignation if any of their constitutional rights are violated, and yet they propose to violate the constitutional rights of everybody else. That is the issue. They seem to claim some sort of a special privilege of committing murder and arson and sabotage, all of which they openly teach in their literature.

Mr. President, in this connection I desire to state I have here a communication from a lumber company in the State of Washington, in the nature of a petition, which I desire to present, and at the same time I present a communication from the employees of this lumber company—the Clear Lake Lumber Co., of Clear Lake, Wash. It is particularly interesting.

One of the serious features of the Industrial Workers of the World's agitation in the Northwest has been the curtailment of lumber production, one of the things that are essential to our industries, and especially so to the conduct of the war, in the building of ships. These employees state in this communication that the leaders of the Industrial Workers of the World have threatened violence against them if they do not strike. They say they do not want to strike, but that the agitators urge that action. All of the members of the Industrial Workers of the World, of course, are not criminals of this description; some of them are merely deluded followers; and I digress to say, what really is obvious and ought not to be necessary to say, that there should at all times be a clear line drawn between a legitimate labor union, with its reasonable demands, nearly all of which I have supported and do support, and the advocates of murder and dynamite that are leading the Industrial Workers of the World organization.

Mr. MYERS. Mr. President, if the Senator from Washington will permit me to make an observation right here, I desire to say that I concur in his denunciation of the Industrial Workers of the World leaders, and also what he says in behalf of well-governed and legitimate organized labor. There has recently been no particular instance of the destruction of property of which I know in Montana. I agree with the Senator that the State authorities should do all in their power to keep down disorder and to enforce the law; but I think, at the same time, there might well be some additional legislation by Congress on the subject. The trouble in Montana has been not so much open violence but mostly incendiary and inflammatory talk, seditious talk, threats, abuse of the Government, abuse of all government and organized society, denunciation of the war, fomenting strikes, and inciting disturbance. I think some of the talk has been treasonable, and if there is no law to punish such talk some should be provided, and I hope it may be. Such conduct should not be allowed to continue in this crisis.

Mr. POINDEXTER. Mr. President, I think a great deal can be done by the enforcement of the existing laws, although I am ready to join with the Senator from Montana in promoting the passage of any additional legislation that may appear to be necessary.

There is just one other matter in connection with this representation from the Clear Lake Lumber Co. to which I desire to call attention, because it is quite interesting. The employees and the company both are willing to agree upon an eight-hour day. The question of an eight-hour day is one of the issues that have been the legitimate subject of dispute between the lumber companies and their employees, entirely distinct from this propaganda of crime and violence to which I have been referring. So far as I am concerned, I believe in an eight-hour day, and I think that Congress believes in an eight-hour day, for Congress has passed numerous laws fixing eight hours as the standard of a day's work in nearly all of the Government establishments. In the navy yards and other work which the Government is carrying on, and the factories for Army equipment, which are conducted under the War Department, the eight-hour day has been fixed by act of Congress. The same principles which induced that legislation as applicable to Government work apply in any industry, whether it is conducted by the Government or by a private company. This company which employs these men points out, however, that it is impossible for them to establish an eight-hour day in their enterprise and compete with other people who do not establish an eight-hour day. I do not know that they are right in that, because I believe—and I have it from employers of labor, from men who have made a scientific study of the proposition—that, as a rule, they get more and better work, they have a better class of employees, and a larger sum total of results for their labor on the basis of an eight-hour day than on the basis of a 10-hour or a longer day.

Mr. BRADY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Idaho?

Mr. POINDEXTER. I do.

Mr. BRADY. I should like to inquire of the Senator from Washington whether it is his intention to have these communications to which he refers printed in the RECORD or to have the Secretary read them?

Mr. POINDEXTER. I will ask the Secretary to read certain portions of the communications relative to the matter of which I have been speaking, and which I have marked in pencil.

Mr. BRADY. It is very important that the Senate should have all of the information.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Washington? The Chair hears none, and the Secretary will read the portions of the communications as indicated.

The Secretary read as follows:

CLEAR LAKE LUMBER CO.,
Clear Lake, Wash., August 4, 1917.

The compulsory eight-hour law in the lumber business or a standard day would go a long way toward settling this labor difficulty. But something must be done in order to make the loafers, strikers, idlers, and disturbers of the peace go to work, and the Industrial Workers of the World, with their propaganda of treason and revolution, must be stamped out before we will have peace.

Mr. POINDEXTER. The next letter from which I ask the Secretary to read is from the employees, the laboring men, who are working for the Clear Lake Lumber Co.

The Secretary read as follows:

Upon careful investigation we find that the lumber manufacturers and loggers on the Pacific coast are not opposed to an eight-hour day, provided it can be made universal in the lumber industry throughout the United States. We also believe that the lumber manufacturers can not run (except for local consumption) on an eight-hour day and pay present scale of wages and compete with the South, employing colored labor on a 10 and 11 hour day, as well as other lumber-producing sections of the United States.

We have steady employment and the camps and mills of this company are still in operation, although we have been threatened with violence by the Industrial Workers of the World, but through our firm stand for our personal rights we have been able to protect ourselves, although we have been told we will be marked men if we do not strike and shut down the company's operations. These men that are stirring up the trouble are not regular employees and are mostly strangers to us. We do not even know that they are lumber workers.

We do not believe that an eight-hour day can be gained in the lumber industry on the Pacific coast by strikes and walkouts, and we see no reason why the President of the United States should not take the same attitude in favor of the men working in the lumber industry as he did the railroad men last year.

Mr. JONES of Washington. Mr. President, I think it would be interesting in connection with the discussion we have just had to have printed in the RECORD the preamble to the constitution of the Industrial Workers of the World, which shows the real objects and purposes of this organization. I ask that it may be read by the Secretary.

The PRESIDENT pro tempore. Without objection, the Secretary will read as requested.

The Secretary read as follows:

PREAMBLE OF THE INDUSTRIAL WORKERS OF THE WORLD'S CONSTITUTION.

The working class and the employing class have nothing in common. There can be no peace so long as hunger and want are found among the millions of working people and the few, who make up the employing class, have all the good things of life.

Between these two classes a struggle must go on until the workers of the world organize as a class, take possession of the earth and the machinery of production and abolish the wage system.

We find that the centering of the management of industries into fewer and fewer hands makes the trade-unions unable to cope with the ever-growing power of the employing class. The trade-unions foster a state of affairs which allows one set of workers to be pitted against another set of workers in the same industry, thereby helping defeat one another in wage wars. Moreover, the trade-unions aid the employing class to mislead the workers into the belief that the working class have interest in common with their employers.

These conditions can be changed and the interest of the working class upheld only by an organization formed in such a way that all its members in any one industry, or in all industries, if necessary, cease work whenever a strike or lockout is on in any department thereof, thus making an injury to one an injury to all.

Instead of the conservative motto, "A fair day's wages for a fair day's work," we must inscribe on our banner the revolutionary watchword, "Abolition of the wage system."

It is the historic mission of the working class to do away with capitalism. The army of production must be organized, not only for the everyday struggle with capitalists, but also to carry on production when capitalism shall have been overthrown. By organizing industrially we are forming the structure of the new society within the shell of the old.

Knowing, therefore, that such an organization is absolutely necessary for our emancipation, we unite under the following constitution:

Mr. HOLLIS. Mr. President, before this subject is dropped I wish to direct the attention of the Senate to the point at which the Federal Government is particularly interested in the teaching, the propaganda, and the actions of the Industrial Workers of the World. The Industrial Workers of the World teach resistance to all authority. So far as they resist the ordinary authorities, the State and the local governments must take care of that situation; but this organization is taking advantage

of the present war to stir up opposition to the Federal Government in its conduct of the war. They are advising and exhorting everyone to disregard the Federal laws, particularly the laws that have to do with the conduct of the war and the selective draft. When they do that the Federal Government has a real and vital interest in what they are trying to accomplish, and I hope that all Senators will study the subject carefully and be ready with suggestions which may aid us to enact laws to cope with this very real danger.

DECISION IN THE MILLIGAN CASE (S. DOC. 77).

Mr. GORE. I ask unanimous consent to have printed in the RECORD, and also to have printed as a public document, the decision of the Supreme Court in the Milligan case.

The PRESIDENT pro tempore. Without objection, it is so ordered. The Chair hears none.

EX PARTE MILLIGAN.

1. Circuit courts, as well as the judges thereof, are authorized by the fourteenth section of the judiciary act to issue the writ of habeas corpus for the purpose of inquiring into the cause of commitment, and they have jurisdiction, except in cases where the privilege of the writ is suspended, to hear and determine the question, whether the party is entitled to be discharged.

2. The usual course of proceeding is for the court, on the application of the prisoner for a writ of habeas corpus, to issue the writ, and on its return to hear and dispose of the case; but where the cause of imprisonment is fully shown by the petition the court may, without issuing the writ, consider and determine whether upon the facts presented in the petition the prisoner, if brought before the court, would be discharged.

3. When the circuit court renders a final judgment refusing to discharge the prisoner he may bring the case here by writ of error; and if the judges of the circuit court, being opposed in opinion, can render no judgment, he may have the point upon which the disagreement happens certified to this tribunal.

4. A petition for a writ of habeas corpus, duly presented, is the institution of a cause on behalf of the petitioner; and the allowance or refusal of the process, as well as the subsequent disposition of the prisoner, is matter of law and not of discretion.

5. A person arrested after the passage of the act of March 3, 1863, "relating to habeas corpus and regulating judicial proceedings in certain cases," and under the authority of the said act, was entitled to his discharge if not indicted or presented by the grand jury convened at the first subsequent term of the circuit or district court of the United States for the district.

6. The omission to furnish a list of the persons arrested to the judges of the circuit or district court, as provided in the said act, did not impair the right of such person, if not indicted or presented, to his discharge.

7. Military commissions organized during the late Civil War in a State not invaded and not engaged in rebellion, in which the Federal courts were open and in the proper and unobstructed exercise of their judicial functions, had no jurisdiction to try, convict, or sentence for any criminal offense a citizen who was neither a resident of a rebellious State nor a prisoner of war, nor a person in the military or naval service, and Congress could not invest them with any such power.

8. The guaranty of trial by jury contained in the Constitution was intended for a state of war, as well as a state of peace, and is equally binding upon rulers and people at all times and under all circumstances.

9. The Federal authority having been unopposed in the State of Indiana and the Federal courts open for the trial of offenses and the redress of grievances, the usages of war could not under the Constitution afford any sanction for the trial there of a citizen in civil life not connected with the military or naval service by a military tribunal for any offense whatever.

10. Cases arising in the land or naval forces, or in the militia, in time of war or public danger, are excepted from the necessity of presentment or indictment by a grand jury, and the right of trial by jury in such cases is subject to the same exceptions.

11. Neither the President, nor Congress, nor the judiciary can disturb any one of the safeguards of civil liberty incorporated into the Constitution, except so far as the right is given to suspend in certain cases the privilege of the writ of habeas corpus.

12. A citizen not connected with the military service and resident in a State where the courts are open and in the proper exercise of their jurisdiction can not, even when the privilege of the writ of habeas corpus is suspended, be tried, convicted, or sentenced otherwise than by the ordinary courts of law.

13. Suspension of the privilege of the writ of habeas corpus does not suspend the writ itself. The writ issues as a matter of course, and on its return the court decides whether the applicant is denied the right of proceeding any further.

14. A person who is a resident of a loyal State where he was arrested, who was never resident in any State engaged in rebellion, nor connected with the military or naval service, can not be regarded as a prisoner of war.

Mr. Justice Davis delivered the opinion of the court:

On the 10th day of May, 1865, Lambdin P. Milligan presented a petition to the Circuit Court of the United States for the District of Indiana to be discharged from an alleged unlawful imprisonment. The case made by the petition is this: Milligan is a citizen of the United States; has lived for 20 years in Indiana; and, at the time of the grievances complained of, was not and never had been in the military or naval service of the United States. On the 5th day of October, 1864, while at home, he was arrested by order of Gen. Alvin P. Hovey, commanding the military district of Indiana, and has ever since been kept in close confinement.

On the 21st day of October, 1864, he was brought before a military commission, convened at Indianapolis by order of Gen. Hovey, tried on certain charges and specifications, found guilty, and sentenced to be hanged and the sentence ordered to be executed on Friday, the 19th day of May, 1865.

On the 2d day of January, 1865, after the proceedings of the military commission were at an end, the Circuit Court of the United States for Indiana met at Indianapolis and empaneled a grand jury, who were charged to inquire whether the laws of the United States had been violated and, if so, to make presentments. The court adjourned on the 27th day of January, having, prior thereto, discharged from further service the grand jury, who did not find any bill of indictment or make any presentment against Milligan for any offense whatever, and in fact, since his imprisonment, no bill of indictment has been found or presentment made against him by any grand jury of the United States.

Milligan insists that said military commission had no jurisdiction to try him upon the charges preferred, or upon any charges whatever, because he was a citizen of the United States and the State of Indiana and had not been, since the commencement of the late rebellion, a resident of any of the States whose citizens were arrayed against the Government, and that the right of trial by jury was guaranteed to him by the Constitution of the United States.

The prayer of the petition was that under the act of Congress approved March 3, 1863, entitled "An act relating to habeas corpus and regulating judicial proceedings in certain cases," he may be brought before the court and either turned over to the proper civil tribunal to be proceeded against according to the law of the land or discharged from custody altogether.

With the petition were filed the order for the commission, the charges and specifications, the findings of the court, with the order of the War Department reciting that the sentence was approved by the President of the United States and directing that it be carried into execution without delay. The petition was presented and filed in open court by the counsel for Milligan; at the same time the district attorney of the United States for Indiana appeared, and by the agreement of counsel the application was submitted to the court. The opinions of the judges of the circuit court were opposed on three questions, which are certified to the Supreme Court:

First. "On the facts stated in said petition and exhibits, ought a writ of habeas corpus to be issued?"

Second. "On the facts stated in said petition and exhibits, ought the said Lambdin P. Milligan to be discharged from custody as in said petition prayed?"

Third. "Whether, upon the facts stated in said petition and exhibits, the military commission mentioned therein had jurisdiction legally to try and sentence said Milligan in manner and form as in said petition and exhibits is stated?"

The importance of the main question presented by this record can not be overstated, for it involves the very framework of the Government and the fundamental principles of American liberty.

During the late wicked Rebellion the temper of the times did not allow that calmness in deliberation and discussion so necessary to a correct conclusion of a purely judicial question. Then considerations of safety were mingled with the exercise of power, and feelings and interests prevailed which are happily terminated. Now that the public safety is assured, this question, as well as all others, can be discussed and decided without passion or the admixture of any element not required to form a legal judgment. We approach the investigation of this case fully sensible of the magnitude of the inquiry and the necessity of full and cautious deliberation.

But we are met with a preliminary objection. It is insisted that the circuit court of Indiana had no authority to certify these questions, and that we are without jurisdiction to hear and determine them.

The sixth section of the "act to amend the judicial system of the United States," approved April 29, 1802, declares "that whenever any question shall occur before a circuit court upon which the opinions of the judges shall be opposed, the point upon which the disagreement shall happen shall, during the same term, upon the request of either party or their counsel, be stated under the direction of the judges and certified under the seal of the court to the Supreme Court at their next session to be held thereafter, and shall by the said court be finally decided; and the decision of the Supreme Court and their order in the premises shall be remitted to the circuit court and be there entered of record, and shall have effect according to the nature of the said judgment and order: *Provided*, That nothing herein contained shall prevent the cause from proceeding, if in the opinion of the court further proceedings can be had without prejudice to the merits."

It is under this provision of law that a circuit court has authority to certify any question to the Supreme Court for adjudication. The inquiry, therefore, is whether the case of Milligan is brought within its terms.

It was admitted at the bar that the circuit court had jurisdiction to entertain the application for the writ of habeas corpus and to hear and determine it, and it could not be denied, for the power is expressly given in the fourteenth section of the judiciary act of 1789, as well as in the later act of 1863. Chief Justice Marshall, in Bollman's case (4 Cranch, 75), construed this branch of the judiciary act to authorize the courts as well as the judges to issue the writ for the purpose of inquiring into the cause of the commitment, and this construction has never been departed from. But it is maintained with earnestness and ability that a certificate of division of opinion can occur only in a cause, and that the proceeding by a party, moving for a writ of habeas corpus, does not become a cause until after the writ has been issued and a return made.

Independently of the provisions of the act of Congress of March 3, 1863, relating to habeas corpus, on which the petitioner bases his claim for relief, and which we will presently consider, can this position be sustained?

It is true that it is usual for a court, on application for a writ of habeas corpus, to issue the writ, and, on the return, to dispose of the case; but the court can elect to waive the issuing of the writ and consider whether, upon the facts presented in the petition, the prisoner, if brought before it could be discharged. One of the very points on which the case of Tobias Watkins, reported in Third Peters (p. 193), turned was whether, if the writ was issued, the petitioner would be remanded upon the case which he had made.

The Chief Justice, in delivering the opinion of the court, said: "The cause of imprisonment is shown as fully by the petitioner as it could appear on the return of the writ; consequently the writ ought not to be awarded if the court is satisfied that the prisoner would be remanded to prison."

The judges of the Circuit Court of Indiana were, therefore, warranted by an express decision of this court in refusing the writ, if satisfied that the prisoner on his own showing was rightfully detained.

But it is contended, if they differed about the lawfulness of the imprisonment, and could render no judgment, the prisoner is remediless; and can not have the disputed question certified under the act of 1802. His remedy is complete by writ of error or appeal, if the court renders a final judgment refusing to discharge him; but if he should be so unfortunate as to be placed in the predicament of having the court divided on the question whether he should live or die, he is hopeless and without remedy. He wishes the vital question settled,

not by a single judge at his chambers but by the highest tribunal known to the Constitution; and yet the privilege is denied him; because the circuit court consists of two judges instead of one.

Such a result was not in the contemplation of the legislature of 1802; and the language used by it can not be construed to mean any such thing. The clause under consideration was introduced to further the ends of justice, by obtaining a speedy settlement of important questions where the judges might be opposed in opinion.

The act of 1802 so changed the judicial system that the circuit court, instead of three, was composed of two judges; and, without this provision or a kindred one, if the judges differed, the difference would remain, the question be unsettled, and justice denied. The decisions of this court upon the provisions of this section have been numerous. In United States *v.* Daniel (6 Wheaton, 542), the court, in holding that a division of the judges on a motion for a new trial could not be certified, say: "That the question must be one which arises in a cause depending before the court relative to a proceeding belonging to the cause." Testing Milligan's case by this rule of law, is it not apparent that it is rightfully here; and that we are compelled to answer the questions on which the judges below were opposed in opinion? If, in the sense of the law, the proceeding for the writ of habeas corpus was the "cause" of the party applying for it, then it is evident that the "cause" was pending before the court, and that the questions certified arose out of it, belonged to it, and were matters of right and not of discretion.

But it is argued, that the proceeding does not ripen into a cause until there are two parties to it.

This we deny. It was the cause of Milligan when the petition was presented to the circuit court. It would have been the cause of both parties, if the court had issued the writ and brought those who held Milligan in custody before it. Webster defines the word "cause" thus: "A suit or action in court; any legal process which a party institutes to obtain his demand, or by which he seeks his right, or supposed right"—and he says, "this is a legal, scriptural, and popular use of the word, coinciding nearly with case, from cado, and action, from ago, to urge and drive."

In any legal sense, action, suit, and cause, are convertible terms. Milligan supposed he had a right to test the validity of his trial and sentence; and the proceeding which he set in operation for that purpose was his "cause" or "suit." It was the only one by which he could recover his liberty. He was powerless to do more; he could neither instruct the judges nor control their action, and should not suffer because, without fault of his, they were unable to render a judgment. But the true meaning to the term "suit" has been given by this court. One of the questions in Weston *v.* City Council of Charlestoa (2 Peters, 449), was, whether a writ of prohibition was a suit; and Chief Justice Marshall says: "The term is certainly a comprehensive one, and is understood to apply to any proceeding in a court of justice by which an individual pursues that remedy which the law affords him." Certainly, Milligan pursued the only remedy which the law afforded him.

Again, in Cohens *v.* Virginia (6 Wheaton, 264), he says: "In law language a suit is the prosecution of some demand in a court of justice." Also, "To commence a suit is to demand something by the institution of process in a court of justice, and to prosecute the suit is to continue that demand." When Milligan demanded his release by the proceeding relating to habeas corpus he commenced a suit, and he has since prosecuted it in all the ways known to the law. One of the questions in Holmes *v.* Jennison et al. (14 Peters, 540), was whether under the twenty-fifth section of the judiciary act a proceeding for a writ of habeas corpus was a "suit." Chief Justice Taney held that "if a party is unlawfully imprisoned, the writ of habeas corpus is his appropriate legal remedy. It is his suit in court to recover his liberty." There was much diversity of opinion on another ground of jurisdiction; but that, in the sense of the twenty-fifth section of the judiciary act, the proceeding by habeas corpus was a suit was not controverted by any except Baldwin, justice, and he thought that "suit" and "cause" as used in the section mean the same thing.

The court do not say that a return must be made, and the parties appear and begin to try the case before it is a suit. When the petition is filed and the writ prayed for, it is a suit—the suit of the party making the application. If it is a suit under the twenty-fifth section of the judiciary act when the proceedings are begun, it is by all the analogies of the law equally a suit under the sixth section of the act of 1802.

But it is argued that there must be two parties to the suit, because the point is to be stated upon the request of "either party or their counsel."

Such a literal and technical construction would defeat the very purpose the legislature had in view, which was to enable any party to bring the case here when the point in controversy was a matter of right and not of discretion; and the words "either party," in order to prevent a failure of justice, must be construed as words of enlargement and not of restriction. Although this case is here ex parte, it was not considered by the court below without notice having been given to the party supposed to have an interest in the detention of the prisoner. The statements of the record show that this is not only a fair but conclusive inference. When the counsel for Milligan presented to the court the petition for the writ of habeas corpus, Mr. Hanna, the district attorney for Indiana, also appeared, and by agreement the application was submitted to the court, who took the case under advisement and on the next day announced their inability to agree and made the certificate. It is clear that Mr. Hanna did not represent the petitioner, and why is his appearance entered? It admits of no other solution than this, that he was informed of the application and appeared on behalf of the Government to contest it. The Government was the prosecutor of Milligan, who claimed that his imprisonment was illegal and sought in the only way he could to recover his liberty. The case was a grave one, and the court unquestionably directed that the law officer of the Government should be informed of it. He very properly appeared, and, as the facts were uncontroverted and the difficulty was in the application of the law, there was no useful purpose to be obtained in issuing the writ. The cause was therefore submitted to the court for their consideration and determination.

But Milligan claimed his discharge from custody by virtue of the act of Congress "relating to habeas corpus and regulating judicial proceedings in certain cases," approved March 3, 1863. Did that act confer jurisdiction on the Circuit Court of Indiana to hear this case?

In interpreting a law the motives which must have operated with the legislature in passing it are proper to be considered. This law was passed in a time of great national peril, when our heritage of free government was in danger.

An armed rebellion against the national authority, of greater proportions than history affords an example of, was raging; and the public safety required that the privilege of the writ of habeas corpus should be suspended. The President had practically suspended it, and detained suspected persons in custody without trial; but his authority to do this was questioned. It was claimed that Congress alone could exercise this power; and that the legislature, and not the President, should judge of the political considerations on which the right to suspend it rested. The privilege of this great writ had never before been withheld from the citizen; and as the exigence of the times demanded immediate action, it was of the highest importance that the lawfulness of the suspension should be fully established. It was under these circumstances, which were such as to arrest the attention of the country, that this law was passed. The President was authorized by it to suspend the privilege of the writ of habeas corpus, whenever, in his judgment, the public safety required; and he did, by proclamation, bearing date the 15th of September, 1863, reciting, among other things, the authority of this statute, suspend it. The suspension of the writ does not authorize the arrest of any one, but simply denies to one arrested the privilege of this writ in order to obtain his liberty.

It is proper, therefore, to inquire under what circumstances the courts could rightfully refuse to grant this writ, and when the citizen was at liberty to invoke its aid.

The second and third sections of the law are explicit on these points. The language used is plain and direct, and the meaning of the Congress can not be mistaken. The public safety demanded, if the President thought proper to arrest a suspected person, that he should not be required to give the cause of his detention on return to a writ of habeas corpus. But it was not contemplated that such person should be detained in custody beyond a certain fixed period, unless certain judicial proceedings, known to the common law, were commenced against him. The Secretaries of State and War were directed to furnish to the judges of the courts of the United States a list of the names of all parties, not prisoners of war, resident in their respective jurisdictions, who then were or afterwards should be held in custody by the authority of the President, and who were citizens of States in which the administration of the laws in the Federal tribunals was unimpaired. After the list was furnished, if a grand jury of the district convened and adjourned, and did not indict or present one of the persons thus named, he was entitled to his discharge; and it was the duty of the judge of the court to order him brought before him to be discharged, if he desired it. The refusal or omission to furnish the list could not operate to the injury of any one who was not indicted or presented by the grand jury; for, if 20 days had elapsed from the time of his arrest and the termination of the session of the grand jury, he was equally entitled to his discharge as if the list were furnished; and any credible person, on petition verified by affidavit, could obtain the judge's order for that purpose.

Milligan, in his application to be released from imprisonment, averred the existence of every fact necessary under the terms of this law to give the Circuit Court of Indiana jurisdiction. If he was detained in custody by the order of the President, otherwise than as a prisoner of war; if he was a citizen of Indiana and had never been in the military or naval service, and the grand jury of the district had met, after he had been arrested, for a period of 20 days, and adjourned without taking any proceedings against him, then the court had the right to entertain his petition and determine the lawfulness of his imprisonment. Because the word "court" is not found in the body of the second section, it was argued at the bar that the application should have been made to a judge of the court, and not to the court itself; but this is not so, for power is expressly conferred in the last proviso of the section on the court equally with a judge of it to discharge from imprisonment. It was the manifest design of Congress to secure a certain remedy by which any one, deprived of liberty, could obtain it, if there was a judicial failure to find cause of offense against him. Courts are not always in session, and can adjourn on the discharge of the grand jury; and before those, who are in confinement, could take proper steps to procure their liberation. To provide for this contingency, authority was given to the judges out of court to grant relief to any party who could show that, under the law, he should be no longer restrained of his liberty.

It was insisted that Milligan's case was defective, because it did not state that the list was furnished to the judges; and, therefore, it was impossible to say under which section of the act it was presented.

It is not easy to see how this omission could affect the question of jurisdiction. Milligan could not know that the list was furnished, unless the judges volunteered to tell him; for the law did not require that any record should be made of it or anybody but the judges informed of it. Why aver the fact when the truth of the matter was apparent to the court without an averment? How can Milligan be harmed by the absence of the averment, when he states that he was under arrest for more than 60 days before the court and grand jury which should have considered his case met at Indianapolis? It is apparent, therefore, that under the habeas corpus act of 1863 the circuit court of Indiana had complete jurisdiction to adjudicate upon this case, and, if the judges could not agree on questions vital to the progress of the cause, they had the authority (as we have shown in a previous part of this opinion), and it was their duty to certify those questions of disagreement to this court for final decision. It was argued that a final decision on the questions presented ought not to be made, because the parties who were directly concerned in the arrest and detention of Milligan, were not before the court; and their rights might be prejudiced by the answer which should be given to those questions. But this court can not know what return will be made to the writ of habeas corpus when issued; and it is very clear that no one is concluded upon any question that may be raised to that return. In the sense of the law of 1802, which authorized a certificate of division, a final decision means final upon the points certified; final upon the court below, so that it is estopped from any adverse ruling in all the subsequent proceedings of the cause.

But it is said that this case is ended, as the presumption is that Milligan was hanged in pursuance of the order of the President.

Although we have no judicial information on the subject, yet the inference is that he is alive; for otherwise learned counsel would not appear for him and urge this court to decide his case. It can never be in this country of written constitution and laws, with a judicial department to interpret them, that any Chief Magistrate would be so far forgetful of his duty as to order the execution of a man who denied the jurisdiction that tried and convicted him after his case was before Federal judges with power to decide it, who, being unable to agree on the grave questions involved, had, according to known law, sent it to the Supreme Court of the United States for decision. But even the suggestion is injurious to the Executive, and we dismiss it from further consideration. There is, therefore, nothing to hinder this court from an investigation of the merits of this controversy.

The controlling question in the case is this: Upon the facts stated in Milligan's petition, and the exhibits filed, had the military commission mentioned in it jurisdiction, legally, to try and sentence him?

Milligan, not a resident of one of the rebellious States or a prisoner of war, but a citizen of Indiana for 20 years past and never in the military or naval service, is, while at his home, arrested by the military power of the United States, imprisoned, and, on certain criminal charges preferred against him, tried, convicted, and sentenced to be hanged by a military commission, organized under the direction of the military commander of the military district of Indiana. Had this tribunal the legal power and authority to try and punish this man?

No graver question was ever considered by this court, nor one which more nearly concerns the rights of the whole people; for it is the birthright of every American citizen, when charged with crime, to be tried and punished according to law. The power of punishment is alone through the means which the laws have provided for that purpose, and if they are ineffectual there is an immunity from punishment, no matter how great an offender the individual may be, or how much his crimes may have shocked the sense of justice of the country or endangered its safety. By the protection of the law human rights are secured; withdraw that protection and they are at the mercy of wicked rulers, or the clamor of an excited people. If there was law to justify this military trial, it is not our province to interfere; if there was not, it is our duty to declare the nullity of the whole proceedings. The decision of this question does not depend on argument or judicial precedents, numerous and highly illustrative as they are. These precedents inform us of the extent of the struggle to preserve liberty and to relieve those in civil life from military trials. The founders of our Government were familiar with the history of that struggle, and secured in a written Constitution every right which the people had wrested from power during a contest of ages. By that Constitution and the laws authorized by it this question must be determined. The provisions of that instrument on the administration of criminal justice are too plain and direct to leave room for misconstruction or doubt of their true meaning. Those applicable to this case are found in that clause of the original Constitution which says, "That the trial of all crimes, except in case of impeachment, shall be by jury"; and in the fourth, fifth, and sixth articles of the amendments. The fourth proclaims the right to be secure in person and effects against unreasonable search and seizure, and directs that a judicial warrant shall not issue "without proof of probable cause supported by oath or affirmation." The fifth declares "that no person shall be held to answer for a capital or otherwise infamous crime unless on presentment by a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger, nor be deprived of life, liberty, or property, without due process of law." And the sixth guarantees the right of trial by jury in such manner and with such regulations that, with upright judges, impartial juries, and an able bar, the innocent will be saved and the guilty punished. It is in these words: "In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation, to be confronted with the witnesses against him, to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense." These securities for personal liberty thus embodied were such as wisdom and experience had demonstrated to be necessary for the protection of those accused of crime. And so strong was the sense of the country of their importance, and so jealous were the people that these rights, highly prized, might be denied them by implication, that when the original Constitution was proposed for adoption it encountered severe opposition, and but for the belief that it would be so amended as to embrace them it would never have been ratified.

Time has proven the discernment of our ancestors, for even these provisions, expressed in such plain English words that it would seem the ingenuity of man could not evade them, are now, after the lapse of more than 70 years, sought to be avoided. Those great and good men foresaw that troublous times would arise, when rulers and people would become restive under restraint and seek by sharp and decisive measures to accomplish ends deemed just and proper, and that the principles of constitutional liberty would be in peril unless established by irrepealable law. The history of the world had taught them that what was done in the past might be attempted in the future. The Constitution of the United States is a law for rulers and people, equally in war and in peace, and covers with the shield of its protection all classes of men at all times and under all circumstances. No doctrine involving more pernicious consequences was ever invented by the wit of man than that any of its provisions can be suspended during any of the great exigencies of government. Such a doctrine leads directly to anarchy or despotism, but the theory of necessity on which it is based is false, for the Government, within the Constitution, has all the powers granted to it which are necessary to preserve its existence, as has been happily proved by the result of the great effort to throw off its just authority.

Have any of the rights guaranteed by the Constitution been violated in the case of Milligan; and if so, what are they?

Every trial involves the exercise of judicial power; and from what source did the military commission that tried him derive their authority? Certainly no part of the judicial power of the country was conferred on them, because the Constitution expressly vests it "in one Supreme Court and such inferior courts as the Congress may from time to time ordain and establish," and it is not pretended that the commission was a court ordained and established by Congress. They can not justify on the mandate of the President, because he is controlled by law and has his appropriate sphere of duty, which is to execute, not to make, the laws; and there is "no unwritten criminal code to which resort can be had as a source of jurisdiction."

But it is said that the jurisdiction is complete under the "laws and usages of war."

It can serve no useful purpose to inquire what those laws and usages are, whence they originated, where found, and on whom they operate; they can never be applied to citizens in States which have upheld the authority of the Government and where the courts are open and their process unobstructed. This court has judicial knowledge that in Indiana the Federal authority was always unopposed and its courts always open to hear criminal accusations and redress grievances; and no usage of war could sanction a military trial there for any offense whatever of a citizen in civil life, in nowise connected with the military service. Congress could grant no such power; and to the honor of our National Legislature, be it said, it has never been provoked by the state of the country even to attempt its exercise. One of the plainest constitutional provisions was therefore infringed when Milligan was tried by a court not ordained and established by Congress and not composed of judges appointed during good behavior.

Why was he not delivered to the Circuit Court of Indiana to be proceeded against according to law? No reason of necessity could be urged against it, because Congress had declared penalties against the offenses charged, provided for their punishment, and directed that court to hear and determine them. And soon after this military tribunal was ended the circuit court met, peacefully transacted its business, and adjourned. It needed no bayonets to protect it and required no military aid to execute its judgments. It was held in a State eminently distinguished for patriotism, by judges commissioned during the Rebellion, who were provided with juries, upright, intelligent, and selected by a marshal appointed by the President. The Government had no right to conclude that Milligan if guilty, would not receive in that court merited punishment, for its records disclose that it was constantly engaged in the trial of similar offenses and was never interrupted in its administration of criminal justice. If it was dangerous, in the distracted condition of affairs, to leave Milligan unrestrained of his liberty, because he "conspired against the Government, afforded aid and comfort to rebels, and incited the people to insurrection," the law said arrest him, confine him closely, render him powerless to do further mischief, and then present his case to the grand jury of the district with proofs of his guilt, and if indicted try him according to the course of the common law. If this had been done, the Constitution would have been vindicated, the law of 1863 enforced, and the securities for personal liberty preserved and defended.

Another guaranty of freedom was broken when Milligan was denied a trial by jury. The great minds of the country have differed on the correct interpretation to be given to various provisions of the Federal Constitution, and judicial decision has been often invoked to settle their true meaning; but until recently no one ever doubted that the right of trial by jury was fortified in the organic law against the power of attack. It is now assailed; but if ideas can be expressed in words and language has any meaning, this right—one of the most valuable in a free country—is preserved to everyone accused of crime who is not attached to the Army or Navy or militia in actual service. The sixth amendment affirms that "in all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury," language broad enough to embrace all persons and cases; but the fifth, recognizing the necessity of an indictment or presentment before anyone can be held to answer for high crimes, "excepts cases arising in the land or naval forces or in the militia, when in actual service, in time of war, or public danger"; and the framers of the Constitution, doubtless, meant to limit the right of trial by jury, in the sixth amendment, to those persons who were subject to indictment or presentment in the fifth.

The discipline necessary to the efficiency of the Army and Navy required other and swifter modes of trial than are furnished by the common law courts; and, in pursuance of the power conferred by the Constitution, Congress has declared the kinds of trial, and the manner in which they shall be conducted, for offenses committed while the party is in the military or naval service. Every one connected with these branches of the public service is amenable to the jurisdiction which Congress has created for their government, and, while thus serving, surrenders his right to be tried by the civil courts. All other persons, citizens of States where the courts are open, if charged with crime, are guaranteed the inestimable privilege of trial by jury. This privilege is a vital principle, underlying the whole administration of criminal justice; it is not held by sufferance and can not be frittered away on any plea of State or political necessity. When peace prevails, and the authority of the Government is undisputed, there is no difficulty of preserving the safeguards of liberty, for the ordinary modes of trial are never neglected, and no one wishes it otherwise, but if society is disturbed by civil commotion—if the passions of men are aroused and the restraints of law weakened, if not disregarded—these safeguards need, and should receive, the watchful care of those intrusted with the guardianship of the Constitution and laws. In no other way can we transmit to posterity unimpaired the blessings of liberty, consecrated by the sacrifices of the Revolution.

It is claimed that martial law covers with its broad mantle the proceedings of this military commission. The proposition is this: That in a time of war the commander of an armed force (if in his opinion the exigencies of the country demand it, and of which he is to judge), has the power, within the lines of his military district, to suspend all civil rights and their remedies, and subject citizens as well as soldiers to the rule of his will; and in the exercise of his lawful authority can not be restrained, except by his superior officer or the President of the United States.

If this position is sound to the extent claimed, then when war exists, foreign or domestic, and the country is subdivided into military departments for mere convenience, the commander of one of them can, if he chooses, within his limits, on the plea of necessity, with the approval of the Executive substitute military force for and to the exclusion of the laws, and punish all persons, as he thinks right and proper, without fixed or certain rules.

The statement of this proposition shows its importance, for, if true, republican government is a failure, and there is an end of liberty regulated by law. Martial law established on such a basis destroys every guaranty of the Constitution and effectually renders the "military independent of and superior to the civil power"—the attempt to do which by the King of Great Britain was deemed by our fathers such an offense that they assigned it to the world as one of the causes which impelled them to declare their independence. Civil liberty and this kind of martial law can not endure together; the antagonism is irreconcilable; and, in the conflict, one or the other must perish.

This Nation, as experience has proved, can not always remain at peace, and has no right to expect that it will always have wise and humane rulers, sincerely attached to the principles of the Constitution. Wicked men, ambitious of power, with hatred of liberty and contempt of law, may fill the place once occupied by Washington and Lincoln; and if this right is conceded and the calamities of war again befall us, the dangers of human liberty are frightful to contemplate. If our fathers had failed to provide for just such a contingency, they would have been false to the trust reposed in them. They knew—the history of the world told them—the Nation they were founding, be its existence short or long, would be involved in war; how often or how long continued human foresight could not tell; and that unlimited power, wherever lodged at such a time, was especially hazardous to freemen. For this, and other equally weighty reasons, they secured the inheritance they had fought to maintain, by incorporating in a written Constitution the safeguards which time had proved were essential to its preservation. Not one of these safeguards can the President or Congress or the judiciary disturb, except the one concerning the writ of habeas corpus.

It is essential to the safety of every government that, in a great crisis like the one we have just passed through, there should be a power somewhere of suspending the writ of habeas corpus. In every

war there are men of previously good character wicked enough to counsel their fellow citizens to resist the measures deemed necessary by a good government to sustain its just authority and overthrow its enemies; and their influence may lead to dangerous combinations. In the emergency of the times an immediate public investigation according to law may not be possible; and yet the peril of the country may be too imminent to suffer such persons to go at large. Unquestionably there is then an exigency which demands that the Government, if it should see fit in the exercise of a proper discretion to make arrests, should not be required to produce the persons arrested in answer to a writ of habeas corpus. The Constitution goes no further. It does not say after a writ of habeas corpus is denied a citizen that he shall be tried otherwise than by the course of the common law; if it had intended this result, it was easy by the use of direct words to have accomplished it. The illustrious men who framed that instrument were guarding the foundations of civil liberty against the abuses of unlimited power; they were full of wisdom, and the lessons of history informed them that a trial by an established court, assisted by an impartial jury, was the only sure way of protecting the citizens against oppression and wrong. Knowing this, they limited the suspension to one great right and left the rest to remain forever inviolable. But it is insisted that the safety of the country in time of war demands that this broad claim for martial law shall be sustained. If this were true, it could be well said that a country, preserved at the sacrifice of all the cardinal principles of liberty, is not worth the cost of preservation. Happily it is not so.

It will be borne in mind that this is not a question of the power to proclaim martial law when war exists in a community and the courts and civil authorities are overthrown. Nor is it a question what rule a military commander, at the head of his army, can impose on States in rebellion to cripple their resources and quell the insurrection. The jurisdiction claimed is much more extensive. The necessities of the service during the late Rebellion required that the loyal States should be placed within the limits of certain military districts and commanders appointed in them; and it is urged that this, in a military sense, constituted them the theater of military operations; and, as in this case, Indiana had been and was again threatened with invasion by the enemy, the occasion was furnished to establish martial law. The conclusion does not follow from the premises. If armies were collected in Indiana, they were to be employed in another locality, where the laws were obstructed and the national authority disputed. On her soil there was no hostile foot; if once invaded, that invasion was at an end, and with it all pretext for martial law. Martial law can not arise from a threatened invasion. The necessity must be actual and present, the invasion real, such as effectually closes the courts and deposes the civil administration.

It is difficult to see how the safety of the country required martial law in Indiana. If any of her citizens were plotting treason, the power of arrest could secure them until the Government was prepared for their trial, when the courts were open and ready to try them. It was as easy to protect witnesses before a civil as a military tribunal; and as there could be no wish to convict, except on sufficient legal evidence, surely an ordained and established court was better able to judge of this than a military tribunal composed of gentlemen not trained to the profession of the law.

It follows, from what has been said on this subject, that there are occasions when martial rule can be properly applied. If, in foreign invasion or civil war, the courts are actually closed, and it is impossible to administer criminal justice according to law, then, on the theater of active military operations, where war really prevails, there is a necessity to furnish a substitute for the civil authority, thus overthrown, to preserve the safety of the army and society; and as no power is left but the military, it is allowed to govern by martial rule until the laws can have their free course. As necessity creates the rule, so it limits its duration; for, if this government is continued after the courts are reinstated, it is a gross usurpation of power. Martial rule can never exist where the courts are open, and in the proper and unobstructed exercise of their jurisdiction. It is also confined to the locality of actual war. Because during the late Rebellion it could have been enforced in Virginia where the national authority was overturned and the courts driven out, it does not follow that it should obtain in Indiana where that authority was never disputed and justice was always administered. And so in the case of a foreign invasion, martial rule may become a necessity in one State when in another it would be "mere lawless violence."

We are not without precedents in English and American history illustrating our views of this question, but it is hardly necessary to make particular reference to them.

From the first year of the reign of Edward the Third, when the Parliament of England reversed the attainder of the Earl of Lancaster because he could have been tried by the courts of the realm, and declared, "that in time of peace no man ought to be adjudged to death for treason or any other offense without being arraigned and held to answer, and that regularly when the king's courts are open it is a time of peace in judgment of law," down to the present day martial law, as claimed in this case, has been condemned by all respectable English jurists as contrary to the fundamental laws of the land and subversive of the liberty of the subject.

During the present century an instructive debate on this question occurred in Parliament, occasioned by the trial and conviction by court-martial at Demerara of the Rev. John Smith, a missionary to the negroes, on the alleged ground of aiding and abetting a formidable rebellion in that colony. Those eminent statesmen, Lord Brougham and Sir James Mackintosh, participated in that debate and denounced the trial as illegal, because it did not appear that the courts of law in Demerara could not try offenses, and that "when the laws can act every other mode of punishing supposed crimes is itself an enormous crime."

So sensitive were our revolutionary fathers on this subject, although Boston was almost in a state of siege, when Gen. Gage issued his proclamation of martial law they spoke of its as an "attempt to supersede the course of the common law, and instead thereof to publish and order the use of martial law." The Virginia Assembly also denounced a similar measure on the part of Gov. Dunmore "as an assumed power, which the king himself can not exercise, because it annuls the law of the land and introduces the most execrable of all systems, martial law."

In some parts of the country, during the war of 1812, our officers made arbitrary arrests and by military tribunals tried citizens who were not in the military service. These arrests and trials, when brought to the notice of the courts, were uniformly condemned as illegal. The cases of Smith *v.* Shaw and McConnell *v.* Hampden (reported in 12 Johnson. pp. 257 and 234), are illustrations which we cite not only for the principles they determine, but on account of the distinguished jurists concerned in the decisions, one of whom for many years occupied a seat on this bench.

It is contended that Luther *v.* Borden, decided by this court, is an authority for the claim of martial law advanced in this case. The decision is misapprehended. That case grew out of the attempt in Rhode Island to supersede the old colonial government by a revolutionary proceeding. Rhode Island, until that period, had no other form of local government than the charter granted by King Charles II in 1663, and as that limited the right of suffrage and did not provide for its own amendment, many citizens became dissatisfied because the legislature would not afford the relief in their power, and without the authority of law formed a new and independent constitution and proceeded to assert its authority by force of arms. The old government resisted this and as the rebellion was formidable called out the militia to subdue it and passed an act declaring martial law. Borden, in the military service of the old government, broke open the house of Luther, who supported the new, in order to arrest him. Luther brought suit against Borden, and the question was whether, under the constitution and laws of the State, Borden was justified. This court held that a State "may use its military power to put down an armed insurrection too strong to be controlled by the civil authority," and if the legislature of Rhode Island thought the peril so great as to require the use of its military forces and the declaration of martial law there was no ground on which this court could question its authority, and as Borden acted under military orders of the charter government, which had been recognized by the political power of the country and was upheld by the State judiciary, he was justified in breaking into and entering Luther's house. This is the extent of the decision. There was no question in issue about the power of declaring martial law under the Federal Constitution, and the court did not consider it necessary even to inquire "to what extent nor under what circumstances that power may be exercised by a State."

We do not deem it important to examine further the adjudged cases, and shall, therefore, conclude without any additional reference to authorities.

To the third question, then, on which the judges below were opposed in opinion, an answer in the negative must be returned.

It is proper to say, although Milligan's trial and conviction by a military commission was illegal, yet if guilty of the crimes imputed to him, and his guilt had been ascertained by an established court and impartial jury, he deserved severe punishment. Open resistance to the measures deemed necessary to subdue a great rebellion by those who enjoy the protction of government and have not the excuse even of prejudice of section to plead in their favor is wicked, but that resistance becomes an enormous crime when it assumes the form of a secret political organization armed to oppose the laws and seeks by stealthy means to introduce the enemies of the country into peaceful communities, there to light the torch of civil war and thus overthrow the power of the United States. Conspiracies like these at such a juncture are extremely perilous, and those concerned in them are dangerous enemies to their country and should receive the heaviest penalties of the law as an example to deter others from similar criminal conduct. It is said the severity of the laws caused them; but Congress was obliged to enact severe laws to meet the crisis, and as our highest civil duty is to serve our country when in danger, the late war has proved that rigorous laws when necessary will be cheerfully obeyed by a patriotic people struggling to preserve the rich blessings of a free government.

The two remaining questions in this case must be answered in the affirmative. The suspension of the privilege of the writ of habeas corpus does not suspend the writ itself. The writ issues as a matter of course, and on the return made to it the court decides whether the party applying is denied the right of proceeding any further with it.

If the military trial of Milligan was contrary to law, then he was entitled, on the facts stated in his petition, to be discharged from custody by the terms of the act of Congress of March 3, 1863. The provisions of this law having been considered in a previous part of this opinion, we will not restate the views there presented. Milligan avers he was a citizen of Indiana, not in the military or naval service, and was detained in close confinement, by order of the President, from the 5th day of October, 1864, until the 2d day of January, 1865, when the Circuit Court for the District of Indiana, with a grand jury, convened in session at Indianapolis; and afterwards, on the 27th day of the same month, adjourned without finding an indictment or presentment against him. If these averments were true (and their truth is conceded for the purposes of this case), the court was required to liberate him on taking certain oaths prescribed by the law, and entering into recognizance for his good behavior.

But it is insisted that Milligan was a prisoner of war, and, therefore, excluded from the privileges of the statute. It is not easy to see how he can be treated as a prisoner of war, when he lived in Indiana for the past 20 years, was arrested there, and had not been, during the late troubles, a resident of any of the States in rebellion. If in Indiana he conspired with bad men to assist the enemy, he is punishable for it in the courts of Indiana; but, when tried for the offense, he can not plead the rights of war, for he was not engaged in legal acts of hostility against the Government, and only such persons, when captured, are prisoners of war. If he can not enjoy the immunities attaching to the character of a prisoner of war, how can he be subject to their pains and penalties?

This case, as well as the kindred cases of Bowles and Horsey, were disposed of at the last term, and the proper orders were entered of record. There is, therefore, no additional entry required.

RECOMMISSIONING OF FORMER OFFICERS.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the bill (S. 2746) to authorize the recommissioning of former officers of the Regular Army, reported it with an amendment and submitted a report (No. 105) thereon.

RECENT DISTURBANCES IN EAST ST. LOUIS, ILL.

Mr. THOMPSON. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, with amendments, Senate concurrent resolution No. 10, submitted by the Senator from Illinois [Mr. SHERMAN] on July 14, authorizing the appointment of a joint committee to investigate the causes of the recent riots in East St. Louis. I desire to call the report to the attention of both Senators from Illinois, if they are present.

The PRESIDENT pro tempore. Does the Senator make any motion with respect to the resolution?

Mr. THOMPSON. I simply desire to make a favorable report on the resolution.

Mr. HARDWICK. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Georgia will state his parliamentary inquiry.

Mr. HARDWICK. The only thing in order now is to report the resolution, and, of course, it goes to the calendar until later. Is not that true? The Senator, I understand, merely makes a report from the committee.

The PRESIDENT pro tempore. The Chair inquired of the Senator from Kansas whether he desired to make any motion with respect to the resolution.

Mr. THOMPSON. I submitted the report and called the attention of the Senators from Illinois to it.

Mr. SHERMAN. I ask unanimous consent to consider the resolution at this time.

The PRESIDENT pro tempore. The Senator from Illinois asks unanimous consent for the present consideration of the resolution.

Mr. HARDWICK. Mr. President, I hope the Senator from Illinois will not press that request at present. I shall have no opposition to the request when presented appropriately, but during the morning hour and while morning business is being transacted I do not think we ought to go into anything else. Furthermore, I have a report from the Post Office Committee, for which I have been instructed by the committee to ask the consideration of the Senate and which, I think, ought to be considered this morning on its merits.

Mr. SHERMAN. I do not know of any time when we can take up the resolution and consider it unless it be in the morning hour. The revenue bill will occupy the other time of the Senate.

Mr. HARDWICK. I shall not object to the Senator's request if he desires to press it now, but does not the Senator think that it would probably be better to let us finish the morning business, at least, before he makes the request?

Mr. SHERMAN. I do not want to displace any of the morning business. I do not think, however, the resolution will occupy much time.

Mr. HARDWICK. I think the request of the Senator would be perfectly appropriate at any time during the morning hour after the conclusion of the routine morning business, but Senators who are waiting to introduce bills and present reports ought to have an opportunity to do so.

Mr. SHERMAN. I am willing to take up the resolution after the regular order of morning business has been concluded.

The PRESIDENT pro tempore. The resolution will go to the calendar.

Mr. McKELLAR subsequently said: Mr. President, I was out of the Chamber a moment ago when the Senator from Kansas [Mr. THOMPSON] reported a resolution in reference to the East St. Louis trouble. I desire to say that a minority of the committee——

Mr. HARDWICK. Mr. President, the resolution has gone to the calendar, if the Senator will pardon me, and discussion of it is not in order until the morning business has been concluded.

Mr. McKELLAR. If the Senator will permit me, I merely wanted to explain——

Mr. HARDWICK. I call for the regular order, Mr. President, if the Senator will pardon me.

Mr. McKELLAR. Mr. President, I am not quite sure, but I think the point of order of the Senator from Georgia is not well taken. I think I have the right to make a minority report at any time.

Mr. HARDWICK. I beg the Senator's pardon. I did not know that that was his purpose. I withdraw any objection.

Mr. McKELLAR. I desire to say that a minority of the committee disagreed with the views of the majority, and I desire a reasonable amount of time in which to file a minority report.

Mr. HARDWICK. I hope the Senator will pardon me for my observation. I misunderstood him.

The PRESIDENT pro tempore. The Senator from Tennessee requests consent to file a minority report on the resolution which has just gone to the calendar. Without objection, the request is granted.

AIRCRAFT BOARD.

Mr. SHEPPARD. From the Committee on Military Affairs I report back favorably with amendments the bill (S. 2705) to create the air board and provide for its maintenance, and I submit a report (No. 106) thereon.

I wish to say that it is hardly possible to overstate the importance of this measure or the necessity of its early passage. I ask, therefore, that the report be set out in the RECORD, in order that Senators may have an opportunity to see it. I wish to state further that at an early date I shall ask for the consideration and passage of the bill.

Mr. WEEKS. Mr. President, may I suggest to the Senator from Texas that in reading the title of the bill the words "air board" appear to be used?

Mr. SHEPPARD. The report suggests an amendment to the title.

Mr. WADSWORTH. Mr. President, may I inquire of the Senator from Texas, in view of the great importance of the bill which he has just reported from the Military Affairs Committee, whether it would not be feasible to secure an agreement for its early consideration? The revenue bill is the unfinished business, and may go on, as the Senator knows and as I know, for two weeks or three weeks. The aircraft board bill is of such exceeding importance that I was wondering if the Senator did not have a plan by which it could be brought up at an early date.

Mr. SHEPPARD. I have had in mind bringing it up during the morning hour on Monday or Tuesday, believing it could be passed, after Senators have had opportunity to see the report, without substantial loss of time. Such is my intention.

The PRESIDENT pro tempore. The bill will go to the calendar, and, without objection, the report will be printed in the RECORD.

The report submitted this day by Mr. SHEPPARD is as follows:

[S. Rept. No. 106, 65th Cong., 1st sess.]

Mr. SHEPPARD, from the Committee on Military Affairs, submitted the following report:

The Committee on Military Affairs, to whom was referred the bill (S. 2705) to create the Aircraft Board and provide for its maintenance, beg to report it back with amendments and to recommend that it be so amended and passed.

The airplane has become an indispensable and vital weapon in modern warfare. The developments of the present world conflict have demonstrated its overwhelming importance and necessity. In recognition of these facts Congress recently appropriated six hundred and forty millions of dollars for the construction of an air fleet of unparalleled proportions. It is proposed that this fleet shall be created within a year.

This is a task of appalling magnitude. Hitherto the manufacture of air planes in this country has been conducted on an extremely limited scale. The need of a board of experts in science and business to give especial attention to the production of the necessary machines, equipments, etc., is apparent. The object of the bill under consideration is the establishment of such a board. The bill has been carefully worked out and has the approval of the President, the Secretary of War, the Secretary of the Navy, and the chairman of the aircraft production committee of the Council of National Defense. It is the earnest hope of the Military Affairs Committee that the bill become a law at the earliest possible date. It will facilitate in marked degree the plans of the Government for the successful prosecution of the war.

The following letters will explain themselves:

"AUGUST 1, 1917.

"Hon. GEORGE E. CHAMBERLAIN,
"United States Senate, Washington, D. C.

"MY DEAR SENATOR: I am sending you herewith letters from the Secretary of War and the Secretary of the Navy relative to the attached proposed bill which it is desired to submit to the Senate Committee on Military Affairs for their approval. Let me give you the following points in relation to this draft:

"First. It does not create a new mechanism, but merely recognizes an existing organization and transfers its control from the Council of National Defense to the Secretaries of War and Navy direct.

"Second. The functions of the board are entirely industrial, having no relation whatever to the functions of the military and naval authorities controlling the questions of personnel, maintenance, service, and repair. The officers of the War and Navy Departments have complete knowledge of and are skilled in the service side of the aircraft development. They can not be expected to have intimate knowledge of the manufacture of such material or of the industrial organization necessary to secure the production of the same.

"Third. The board will be composed of the Chief Signal Officer of the Army, the Chief Constructor of the Navy, and such other regular officers as may be deemed essential, also civilians of unquestioned standing in the manufacturing and business world.

"Fourth. It will be the duty of this board to effect a coordination of the aircraft design and development between the governmental departments, to encourage and bring about cooperation in matters of standardization of design and specification of material, and provide for industrial source of supply of aircraft for the governmental services.

"Fifth. The aircraft program, to be made effective in bringing aid to the allied arms, must be accomplished in a minimum of time and with a maximum of efficiency in organization of engineering, business, and manufacturing resources. The general good of the service will be best served by the creation of this joint Army, Navy, and civilian board for industrial development. It may be pointed out that the load thrown upon the Signal Corps by the new appropriation bill multiplies by 50 any previous burden administered by the existing organization. The removal of the industrial and manufacturing part of the program will still leave the increased burden of military use 20 times over that handled by the existing organization. There is no question as to the successful accomplishment of the program contemplated, provided that sufficient care is exercised in creating the organization for its achievement.

"Sixth. Because of an absence of any great governmental demand for aircraft in the past, we now find at this critical time that we must nurse an infant industry. Practically the only market for aircraft has been the United States Government. As a preliminary step, therefore, in this program, not only must existing aircraft organizations be strengthened and extended but new sources of supply must be created. We have tremendous latent resources for the accomplishment of the plans laid down, but they must be organized and coordinated.

"Seventh. A separate department of aeronautics has been under consideration in committees of the Senate and House. The need for the coordination in the production of aircraft for the various departments

has been recognized. The creation of a separate department of aeronautics would seem ill advised at this time. That is, I believe, the view of both the Secretaries of War and Navy. The establishment of the 'air board' as a coordinating influence between the departments would seem the best means for meeting the imperative industrial necessities of the situation and will be supplemental to and work harmoniously with existing governmental machinery.

"I am giving you these reasons for the necessity for this bill. Should the committee desire additional information in this regard, I should be glad to appear before them at your suggestion.

"Very truly, yours,

"H. E. COFFIN,
"Chairman Aircraft Production Board."

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"JULY 31, 1917.

"Hon. GEORGE E. CHAMBERLAIN,
"United States Senate, Washington, D. C.

"MY DEAR SENATOR: I am sending you draft of a bill for the creation of the 'air board.' You will remember that it was desired to have an amendment creating this board incorporated in the aircraft bill, but upon consultation it was decided to make no amendments to this bill in the Senate.

"The work of the aircraft production board, to be continued through the establishment of the air board, will be of invaluable service to the War and Navy Departments in the consummation of the industrial developments incident to meeting the needs of the present emergency.

"I trust that this bill may have the favorable action of your committee.

"Cordially, yours, NEWTON D. BAKER,
"Secretary."

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"JULY 31, 1917.

"Hon. GEORGE E. CHAMBERLAIN,
"United States Senate, Washington, D. C.

"MY DEAR SENATOR: I understand that the Secretary of War has sent you a draft for a bill to continue the work of the aircraft production board through the creation of the 'air board.' Inasmuch as this board is to serve the Navy as well as the Army, I am writing to express my concurrence with the draft suggested by the Secretary of War.

"Sincerely, yours,

"JOSEPHUS DANIELS,
"Secretary."

The committee suggest the following amendments:

Change the title so as to read "To create the Aircraft Board and provide for its maintenance."

In line 7, page 1, strike out the word "Air" and insert "Aircraft."

In line 6, page 2, strike out the words "serve without" and insert the words "receive a."

In line 6, page 2, strike out the period after the word "compensation" and add the words "of $7,500 each per annum." The committee believe that it is the best policy to pay the civilian members of the board a salary in some degree commensurate with the importance of the work. As a matter of fact, most of the men in contemplation for membership on the board, men of recognized achievement and distinction in important lines of industry, either have accepted or are about to accept commissions as officers of the Army. Probably not more than one member, in addition to the chairman, will have a civilian status.

In lines 7, page 2, strike out the words "under the direction." Strike out lines 8 and 9, page 2. In line 10, page 2, strike out the words "the Departments of War and Navy." In line 11, page 2, strike out the words "respective departments" and insert the words "Departments of War and Navy, respectively." Strike out the proviso beginning in line 17, page 2, and ending in line 21.

The amendments suggested in the preceding paragraphs do not vitally change the section as it now reads, but leave the board under the supervision, direction, and approval of the Departments of War and Navy.

In line 1, page 3, strike out the words "the compensation thereof" and insert the words "their salaries. Such salaries shall conform to those usually paid by the Government for similar service: *Provided*, That by unanimous approval of the board higher compensation may be paid to technical experts and advisers."

This amendment is proposed as a matter of precaution and explains itself.

In line 3, page 3, add the word "office" between the words "necessary" and "equipment." In line 6, page 3, strike out the word "above" and insert the words "in this paragraph." In lines 12 and 13, page 3, strike out the words "the above purpose" and insert the words "these purposes."

These amendments make the meaning of the section clearer.

Amend further by numbering the sections of the bill properly and consecutively.

LEASE OF POTASH LANDS.

Mr. HUSTING. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Wisconsin will state it.

Mr. HUSTING. Before the morning business is concluded, I desire to make a motion for the reconsideration of a bill. I should like to ask the Chair whether it is in order at this time?

The PRESIDENT pro tempore. Not until the morning business is closed. If there be no further concurrent or other resolutions, the morning business is closed.

Mr. HUSTING subsequently said: I should like at this time to enter a motion to reconsider the vote whereby Senate bill 2156 was ordered to a third reading and passed, and also a motion to reconsider, if it is proper, the several amendments that were adopted when the bill was in the Committee of the Whole.

The PRESIDENT pro tempore. The motion will be entered.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. POINDEXTER:

A bill (S. 2775) fixing eight hours as the standard day's work for all lumber mills, logging camps, or other wood-working establishments whose products enter interstate commerce; to the Committee on Education and Labor.

By Mr. JONES of New Mexico:

A bill (S. 2776) providing for the classification of lands under the stock-grazing homestead act in certain States, and for other purposes; to the Committee on Public Lands.

By Mr. HOLLIS:

A bill (S. 2777) providing for the appointment of an additional circuit judge in the first judicial circuit; to the Committee on the Judiciary.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL.

Mr. JONES of Washington submitted an amendment proposing to appropriate $2,000,000 for continuing construction and enlargement of the irrigation and drainage system, increase the food supply of the country, and to make possible the utilization of the water supply provided for 40 acres of each Indian allotment on the Yakima Indian Reservation, Wash., etc., intended to be proposed by him to the urgent deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

WAR AND PEACE.

Mr. LA FOLLETTE. Mr. President, I present a concurrent resolution which I ask to have read. I request that it lie upon the table, to be called up later by me, when I shall submit some observations upon it.

The PRESIDENT pro tempore. Without objection, the Secretary will read the concurrent resolution.

The concurrent resolution (S. Con. Res. 11) was read, as follows:

Whereas the Provisional Government of Russia did, on the 10th day of May, 1917, declare in favor of "peace without annexation or indemnities on the basis of the rights of nations to decide their own destiny"; and

Whereas the Imperial Reichstag, representing the great majority of the German people, did on the 19th day of July, 1917, by a vote of 214 to 116, pass resolutions in favor of peace, "without forced acquisition of territory and without political, economic, and financial violations" and declaring for "a mutual understanding and lasting reconciliation among the nations and the creation of international juridical organizations"; and

Whereas the German chancellor, speaking for the Imperial German Government on the 17th day of May, 1917, made the following official declaration in the Reichstag:

"We did not go to war, and we are not fighting now against almost the whole world, in order to make conquests, but only to secure our existence, and firmly to establish the future of the nation"; and

Whereas on behalf of Great Britain on the 23d day of May, 1917, Lord Robert Cecil, as one of the ministers of the present Government, replying in the House of Commons, declared that—

"Our aims and aspirations are dictated solely by our determination to secure a peace founded on national liberty and international amity, and that all imperialistic aims based on force and conquest are completely absent from our program"; and

Whereas duly organized bodies of loyal citizens of Great Britain, representing millions of other citizens, many of whom are eminent in official life and exert a wide influence upon public opinion, have declared that—

"A stage in the war has been reached when the democracies of all the belligerent countries are beginning to work toward a peace based on the same general principles"; and

Whereas the above principles are those by which the respective warring Governments of Europe profess common willingness to be bound and are principles to which the United States subscribes; and

Whereas one and all of these declarations bespeak a willingness to adopt the doctrine of "a peace without victory," proclaimed by President Wilson on the 22d day of January, 1917, as the only possible peace that can be enduring; and

Whereas there has recently emanated from official and unofficial sources, both in this country and abroad, statements indicating that we are to continue in the war until a peace is obtained which gives to the entente allies, or some of them, punitive damages and territorial advantages as a result of the war; and

Whereas the people of this country do not know the terms of the secret treaties or agreements existing among the entente allies defining the advantages, if any, either in the way of indemnities or territorial acquisitions or commercial privileges, which each is expected to receive as a result of the war; and

Whereas there is naturally a widely expressed demand coming from the people of our own country for some declaration of the purpose and object for which the United States is expending, in the first year of the war, from thirteen to seventeen billions of money, and raising by draft and otherwise an army of 2,000,000 men ostensibly for service in foreign countries; and

Whereas the people have a right to know with certainty for what end their blood is to be shed and their treasure expended; and

Whereas in this free Government Congress, in whom the war-making power resides under the Constitution, is charged primarily with the responsibility of deciding upon the objects of the war at its commencement or at any time during its existence: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Constitution vests in the Congress as the accredited and lawful representatives of the people full authority to determine and to declare definitely the objects and purposes for which this Government shall continue to participate in the European war.

Resolved further, That the Congress hereby declares that this Government will not contribute to the efforts of any belligerent for the purpose of prolonging the war to annex new territory, either in Europe or outside of Europe, nor to enforce the payment of indemnities to recover the expenses of the war; but the Congress does hereby declare in favor of the creation of a common fund to be provided by all the belligerent nations to assist in the restoration of the portions of terri-

tory in any of the countries most seriously devastated by the war, and for the establishment of an international commission to decide the allotment of the common fund.

Resolved further, That Congress declares that there should be a public restatement of the allied peace terms, based on a disavowal of any advantages, either in the way of indemnities, territorial acquisitions, commercial privileges, or economic prerogatives, by means of which one nation shall strengthen its power abroad at the expense of another nation, as wholly incompatible with the establishment of a durable peace in the world.

The PRESIDENT pro tempore. The resolution will go over under the rule.

Mr. WILLIAMS. Mr. President, unless the motion already has been made, I move that the concurrent resolution be referred to the Committee on Foreign Relations.

The PRESIDENT pro tempore. The Senator from Wisconsin asked that the concurrent resolution lie on the table, to be called up by him at some future time.

Mr. WILLIAMS. Very well.

The PRESIDENT pro tempore. The resolution will lie on the table and be printed.

Mr. KING. I offer a resolution which I ask to have printed in the RECORD and lie on the table. I offer this resolution in view of the untimely talk of peace when Germany's conduct evinces a continuation of her ruthless warfare against our Nation as well as our allies, and I also offer it in view of the resolution submitted by the distinguished Senator from Wisconsin [Mr. LA FOLLETTE].

The PRESIDENT pro tempore. The resolution will lie on the table and be printed.

The resolution (S. Res. 114) is as follows:

Whereas the Imperial Government of Germany, in pursuit of a policy to extend its territorial domains and imperial power by use of military force, organized the German people into an army for aggressions and trespasses against other nations; and

Whereas in July, 1914, Germany, in alliance with Austria made an armed trespass upon the sovereignty and territory of Serbia; and

Whereas Germany, without cause and in perfidious violation of its treaties and in contravention of international law and the rights of nations forced an entrance by military violence into Belgium, and in aggravation of, and in pursuit of such trespass, made war upon Belgium and her unoffending inhabitants, murdered and enslaved noncombatant men women, and children, extorted fines and money, and has, with unexampled barbarity and cruelty, burned and destroyed villages churches, public edifices, homes, and property; and

Whereas Germany invaded France and extended to the cities within the zone of military occupation, the same cruelties, extortions, and atrocities which have been and are practiced in Belgium; and

Whereas Germany has occupied Poland, Serbia, Montenegro, Courland, and parts of Roumania by military force and without the consent of the nations severally inhabiting said countries, and has driven the civil population of said countries from their homes and possessions; and

Whereas Germany has provoked and prompted the extermination and massacre of the Christian population of Armenia and Asia Minor at the hands of the Turks; and

Whereas Germany has determined upon the wanton destruction of the world's shipping in order to reduce the maritime commerce of other nations, and in pursuit of this policy has ruthlessly murdered noncombatant men, women, and children in violation of the law of nations, the rights of neutrals, and the rules of war as acknowledged and practiced by enlightened and civilized States; and

Whereas Germany has without warrant of law placed mines in the public waters of the high seas and has constructed and commissioned submarines to destroy neutral and merchant shipping and has willfully taken the lives of innocent and noncombatant passengers upon hospital ships and upon neutral ships conveying food for the succor of the starving people in Belgium and in other countries under the unlawful military occupation of Germany; and

Whereas Germany has wantonly destroyed American ships and taken the lives of American citizens contrary to the law of nations and of treaties subsisting between the United States and the Imperial Government of Germany, as successor to the Kingdom of Prussia; and

Whereas Germany has abused the comity and dignity of the United States in time of peace by maintaining spies and depredatory agents who have intrigued and plotted against the peace and security of the country by planning to destroy industrial plants and factories and to promote sedition and insurrection; and

Whereas the German Government has intrigued and attempted to induce Mexico to make war against the United States and has intrigued and attempted to bring on a state of war between the United States and Japan; and

Whereas Germany has condemned the international policy of the United States, and particularly the Monroe doctrine, by which the United States has prevented the trespass of autocratic and imperial Governments against the free Republics of America; and

Whereas it is the policy of the German Government to extend its imperial system to America, and for this purpose to subvert by force the principles of liberty and to subject the free inhabitants of America to its imperial dominion in contravention and contempt of the rights of America and of the international policy of the United States; and

Whereas Germany has not acknowledged her belligerent trespasses against the United States and the property and lives of her citizens, but avows her intention to continue such trespasses and violations of the law of nations; and

Whereas Germany, by her national acts of murder, piracy, arson, and perfidy has made herself an outlaw among the nations and is unwilling to submit herself to the law of nations and to the humane principles and customs of enlightened States, but avows her intention to impose her will by force upon the world; and

Whereas Germany, in her international relations, considers solely her own ends and aggrandizement, without regard to the equal rights of other States, and is unwilling to be governed by the law which recognizes the equal dignity and rights of all States, but rather seeks to be a law unto herself; and

Whereas the German Imperial Government made war upon the United States without cause, justification, or excuse, and in violation of the law of nations and of the rights of the Government and the people of the United States and in contravention of and in violation of treaties subsisting between the United States and the Imperial Government of Germany; and

Whereas the belligerent acts of Germany have been and are directed against the vital interests and honor of the United States and the principles of humanity and liberty to which they are irrevocably committed: Now, therefore, be it

Resolved by the Senate of the United States, That the Government of the United States will not make peace until its purposes and principles as declared by the President in his address to Congress of the 2d of April shall have been acknowledged and accomplished; and that for this cause the Government of the United States will wage war and employ its military, moral, and economic resources until German trespasses against American rights have been suppressed and the honor and sovereignty of America shall have been vindicated, and until the German Government shall have acknowledged and expiated its crimes and shall seek the terms upon which it may be admitted to the community of the civilized and enlightened States, which have made common cause to vindicate the rights of nations and secure the blessings of justice and civilization, and for these purposes, to establish and maintain the peace of the world.

WAR WITH GERMANY.

Mr. MYERS. I offer a concurrent resolution and ask that it be referred to the Committee on Military Affairs.

The concurrent resolution (S. Con. Res. 12) was read and referred to the Committee on Military Affairs.

Senate concurrent resolution No. 12.

Whereas the people and the Government of the United States are now engaged in the greatest war of history, which, in its determination, is fraught with great results for good or evil, not only to the people of this country but to the people of the whole world, and which is the greatest undertaking upon which this country has ever embarked; and

Whereas this country is about to engage in preparing for war and will soon be sending abroad to the theater of war great numbers of our young men, there to take part in the sanguinary conflict and offer their lives in defense of their country's rights; and

Whereas it is in accordance with the customs and traditions of this country, as a Christian Nation, and has heretofore been the practice of this country upon engaging in war, to set aside a day by official proclamation for prayer for the aid of the Almighty: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be, and he is, requested by Congress to issue a proclamation designating a day of prayer and calling upon the people of this country on such day to assemble in their various places of worship and there offer prayer to Almighty God for the success of our armies and victory for our cause in this great conflict.

MOTOR-TRUCK DELIVERY.

Mr. HARDWICK. I ask that the Senate proceed to the consideration of Senate bill 2718, which I ask the Secretary to report to the Senate.

The PRESIDENT pro tempore. The Senator from Georgia asks unanimous consent that the Senate proceed to the consideration of a bill the title of which will be stated.

The SECRETARY. A bill (S. 2718) to authorize experiments in motor-truck delivery.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. HARDWICK. Mr. President, the bill which the Senate has just agreed to consider is one that I believe can and will and ought to be passed by the Senate without a dissenting vote. The bill provides:

That to promote the conservation of food products and to facilitate the collection and delivery thereof from producer to consumer the Postmaster General is hereby authorized to conduct experiments in the operation of motor-vehicle truck routes in the vicinity of such cities of the United States as he may select, and under such rules and regulations as he may prescribe, and the cost of such experiments may be paid by the Postmaster General out of any of the unexpended funds of the Postal Service; and the Postmaster General shall report the result of such experiments to Congress at the earliest practicable date.

The Senate will recall that when the Congress of the United States established the Rural Delivery Service it did so after experimentation in that service very much along the lines proposed here. The proposal will cost, so the department advises me, something like $100,000; but the funds of the Post Office Department are ample, and no special or particular appropriation is asked or is needed for that purpose.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Utah?

Mr. HARDWICK. Yes.

Mr. SMOOT. May I ask the Senator from what fund the $100,000 could be taken?

Mr. HARDWICK. The bill expressly provides that it may be taken from any of the unexpended funds of the Postal Service.

Mr. SMOOT. Yes; I noticed that, Mr. President. That is the provision in the bill. I will say to the Senator that that is a very unsatisfactory way of making an appropriation, and in the past it has always been objected to. Of course, in these days we are doing a great many things that we would not have done in the past. I should like to ask the Senator if he knows from what fund this money will be paid?

Mr. HARDWICK. It will be paid, of course, if the bill passes in this form, from any funds at the disposal of the Post Office Department, coming from any source. In other words, it is a general charge upon the postal funds. I want to say to the Senator that, of course, I realize the force of the objection he makes, and if he insists upon any amendment along that line I will gladly accede to it; but I do think that when we remember the tendency of all Postmasters General, and when we remember the tendency of the particular Postmaster General in office now, to try to make a good showing on the balance sheet, we need not be uneasy about his spending any more money than is required for this experiment out of his general funds.

Mr. SMOOT. I will say to the Senator that I would prefer to have a direct appropriation for this particular service. I recognize, of course, the fact that in that case it, perhaps, ought to originate in the House, although I do not think that is necessary.

Mr. HARDWICK. No; there is no reason in the law or in the Constitution why it should originate there.

Mr. SMOOT. As I say, I do not think it is necessary; but I will say to the Senator right now that I should very much prefer to appropriate $100,000 now for this purpose than to take it out of any of the unexpended balances.

Mr. HARDWICK. If the Senator will allow me, the way to do that is to fix the amount not to exceed that much as an amendment, and I will accept that if the Senator will present it at the proper time. The department assures me that it will have ample money from this source to do whatever is experimentally necessary. So to accomplish the purpose the Senator has in mind if he will say down in line 9, such experiments to cost not to exceed that amount, I think it will really accomplish the object. If the Senator on reflection wants to propose that amendment, I say to him in advance I shall be willing to accept it; but let us go on.

I want to get through with this measure. I earnestly hope no Senator will be opposed to it. It seems to me that whatever may be any Senator's view about governmental participation in business activities and whatever objection any Senator might have upon that ground and for that reason to a very large or very general parcel-post system throughout the country, no Senator of the United States ought to occupy that position in relation to a rural parcel-post service, because the mail facilities of the country already extend into the rural sections of the country, and no express service or other parcel-post service, other than the mail service or something connected with it and operated by the Post Office Department, can possibly afford people of the rural communities the facilities that people of the cities and towns have through the express companies.

It is my opinion, and it is the opinion of the Post Office Department, that one of the most important ways of reducing the cost of living in these great centers of population is to bring the country people who live within a radius, say, of 100 miles around these cities in more direct and in cheaper communication with the people in these great cities, who are suffering from the high prices. Personally I believe that such a movement as that, practical as it is, is more likely to accomplish something of real importance than anything you will likely get out of the so-called food-control bill.

Mr. JONES of Washington. Mr. President——

Mr. HARDWICK. I yield to the Senator from Washington.

Mr. JONES of Washington. Is it the idea that the experiment will be made in the nature of carrying produce from the farms under parcel-post rates?

Mr. HARDWICK. Exactly.

Mr. JONES of Washington. To consumers in the cities?

Mr. HARDWICK. I am coming to that right now, if the Senator pleases, and I will hurry, because other Senators have other business to bring before the Senate.

It is proposed that the Postmaster General shall be authorized to experiment around a number of cities in the establishment of these motor-truck deliveries, so as to bring the farmers and the people who are growing vegetables and produce for the city markets in direct and immediate communication with their customers in the cities and provide cheaper and more efficient means of communication between them. The Postmaster General would be authorized to experiment with this thing, to decide how long these routes ought to be, and exactly where, and in what manner they ought to operate and what the cost ought to be, experimentally, and he is required to report to Congress.

The department hopes to make its report at the beginning of the next session, or soon thereafter, so that some general system of this sort may be inaugurated around cities of any size in this country under rules and regulations prescribed by the Congress of the United States.

But, of course, we must begin experimentally if we are to establish this service. This matter was referred, when the bill was introduced, to the Post Office Department by the Senate Committee on Post Offices and Post Roads, and on August 6, 1917, the Postmaster General directed this letter to the chairman of the committee:

AUGUST 6, 1917.

HON. J. H. BANKHEAD,
Chairman Committee on Post Offices and Post Roads,
United States Senate.

MY DEAR SENATOR BANKHEAD: In answer to your inquiry of the 3d instant, requesting an expression of opinion regarding the merits of Senate bill 2718, to authorize experiments in motor-truck delivery, I beg to state that I am firmly in the belief that this proposed legislation, if enacted into law, would provide an important factor in the solution of the problem of reducing the cost of living, since it will supply the means of providing direct communication and conveyance between producers and consumers in localities where there is great need for improved transportation facilities.

It is of immediate importance that legislation, such as is proposed in the bill under discussion, be enacted for the relief of the numerous rural communities throughout the country where the population through the patriotic adoption of the measures advocated by the President increased food production and where a failure may result because of insufficient facilities for communication with or direct conveyance to the nearest available market.

The apparent purpose of this bill is to arrange for the coordination of the good roads which have been constructed throughout the country, the improved type of motor vehicle, and the parcel-post feature of the postal activity in such manner as will result in the maximum of advantage to the taxpayer.

There is no doubt that this legislation will increase the postal revenue and afford a wider field of utility of the parcel-post privilege, which up to this time had been used to a very limited extent by the postal patrons residing in rural territory. The records indicate that only about eight pieces per route per day—

Taking the United States as a whole, I interpolate—

are carried from the city to rural patrons, and about one piece per route per day is transported from the rural districts to the cities. When this legislation shall have been enacted, because of the direct communication and transportation facilities thereby provided between producer and consumer, any route that may be established under its provisions may reasonably be expected to transport at least 1,000 pounds each way per day, and at the present local-zone rate on parcel post this would produce a revenue of not less than $10, which would approximately meet the expenditure for the daily operation of a route 100 miles in length.

In my opinion this proposed legislation is highly meritorious, and I strongly urge its early and favorable consideration.

Sincerely, yours,

A. S. BURLESON,
Postmaster General.

Now, only one more word, and then I will be ready, as far as I am concerned, for the Senate to vote on this proposition, because I know it will understand its merits. It was inadvisable, in my judgment, although the proposition was first submitted to me by the department in that form, to connect this parcel-post matter with the rural mail going out of the city, because the suburban mails around all the cities of the country are heavy and are considerable in volume, and that mail, which is one of the utmost importance to business men residing in suburban districts in the vicinity of great cities, would be slowed down and the service would be ruined or badly impaired if this other service were connected with it. Therefore we have undertaken to entirely separate the two and to provide a parcel-post service in these matters entirely disconnected from and without any relation to the existing mail facilities of the cities, except that it is to be operated by the Post Office Department.

Mr. WEEKS. Mr. President——

Mr. HARDWICK. I yield to the Senator.

Mr. WEEKS. I wish to inquire of the Senator from Georgia if he understands that this service is only to be continued until a report is made to Congress next winter?

Mr. HARDWICK. That is all. This is a proposition to conduct an experiment. The Postmaster General will make a report to Congress at the earliest practicable moment.

If the Senator will pardon me a minute, at one time I thought I would require a report at the beginning of the session of Congress, but that is a very short time in which to make any experiment of any importance. So I put it at the earliest practicable date, but it is the clear understanding of the department that at the earliest practicable moment, as soon as they can intelligently present this information to the Congress, they are to do so, and they have every desire and every purpose to do so.

Mr. WEEKS. Let me ask the Senator if the report will be made during the session next winter?

Mr. HARDWICK. I know it will; that is to say, the department officials assured me that it was only a matter of a few months. I think they have been dealing absolutely candidly and openly with Congress about this matter, and they really want to try this experiment and are anxious to report the result of their labors to Congress at the earliest practicable moment when they proceed far enough to make an intelligent report.

Mr. FLETCHER. Mr. President——

Mr. HARDWICK. I yield to the Senator from Florida.

Mr. FLETCHER. May I ask the Senator a question? Over a year ago there was an amendment to the Post Office appropriation bill providing for certain experiments looking to the extension of the Parcel Post Service in order to permit direct dealing between producers and consumers.

Mr. HARDWICK. It was on very much the same line as the idea of this bill. It was offered by the Senator from Florida. I remember it. I think I was temporarily in charge of the Post Office appropriation bill, and I accepted it and retained it in conference.

Mr. FLETCHER. The Senator is correct about that. I wish to inquire what progress has been made in that examination?

Mr. HARDWICK. I will say to the Senator very frankly that I do not know. Some friction has arisen, as the Senator himself knows, between the Department of Agriculture and the Post Office Department about its operation. That is one of the very reasons why this proposition is advanced. I wish the Senator's proposition had been carried out. I was very much for it, as he knows.

Mr. FLETCHER. I think the experiment would have been very valuable.

Mr. JONES of Washington. In connection with this matter does not the Senator think it would be well if the experiment should be carried on really during the winter so as to get the experience not only of the summer and fall but also in winter?

Mr. HARDWICK. I think it ought to be conducted for some little period of time, and there is every disposition on the part of the department to lay before Congress the results of their investigation and to report fully on these matters as soon as they can.

Mr. JONES of Washington. I made that suggestion because my first impression was that we should have an early report, but I do not believe now that we ought.

Mr. HARDWICK. If we pass the bill, as we hope to, in the next few days in both Houses of Congress, the department can experiment at once in the fall weather and then to some extent in the winter weather in various sections of the country and get a good idea as to how the system will work.

Mr. JONES of Washington. I think it ought to be understood really that Congress desires that this experiment shall be carried on not only during the fall with the conditions then existing but also during the winter so that the department report may be based upon normal conditions at different seasons.

Mr. HARDWICK. I think that is the intention; and it must be done that way because the winter is rapidly approaching, as the Senator knows, although it does not feel like it now.

Mr. STERLING. Mr. President, I wish that I could at once agree with the Senator from Georgia in regard to the importance of the bill and in regard to the policy underlying the bill, because I think he is entirely sincere and earnest in the advocacy of the measure and the policy. But, Mr. President, there is a principle involved here to which I can not quite agree. It is a short bill—an innocent-looking bill—and on its face the design is a public good, a public benefit, and because of that I know it at first blush will appeal to many. It appealed to me in a way when the matter was before the Senate Committee on Post Offices and Post Roads. I said that I would not object to reporting the bill, although I could not then vote that it be reported favorably. But the bill proposes a questionable experiment. The experiment is this, that the Government shall go into the general business of transporting food products from the truck farms in the country districts to the cities. It has no relation, of course, although perhaps that system suggested it, to the rural mail delivery or to the parcel post. It is altogether a different system.

Mr. HARDWICK. If the Senator will pardon me, they are doing exactly the thing proposed on the rural routes, under the law now.

Mr. STERLING. I know, but it has no relation whatever to mail and the Parcel Post Service proper. The bill provides for the collection and delivery of these products from producers to consumers. I wonder if the activities of the Government will cease with that! The next step will be the carrying of the products and articles from the stores in the cities to the farmers, and the Government will be engaged in an exchange business between the producer on the truck farm and the merchant in the city. The proposed experiment resolves itself into this, and the very next demand will be, even if it is not involved in this measure, that the Government shall act as a huckster of merchandise.

In the old days out in the neighborhood of the farm in Illinois 20 miles from the county seat town there was the man who went through the country and gathered up a wagonload of eggs, poultry, and butter, and carried them to the town and then carried from the town the sugar, coffee, and other articles from the grocery and dry-goods stores and peddled them out among the farmers. He was called the huckster. That in effect is the system we shall establish if the principle of this bill is carried out to its logical consequences.

Mr. HARDWICK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Dakota yield to the Senator from Georgia?

Mr. STERLING. I yield to the Senator.

Mr. HARDWICK. Even if it be granted that that is true, did not the Senator vote for a bill a few days ago which provided for the sale of potatoes and other things by the Government?

Mr. STERLING. That bill involved a great many other things, I will say to the Senator from Georgia—a great many provisions I was in favor of, and because of those and not because of some objectionable features—and there were several of them—that I voted for the food-control bill. But this is a proposition standing alone and is not complicated with anything else at all.

Mr. President, the report of the Postmaster General may be said to be a report dealing in glittering generalities rather than in facts. He does not in this report point to any particular conditions existing anywhere in the country or in the neighborhood of great cities as they relate to transportation of truck food products. He says:

> I beg to state that I am firmly in the belief that this proposed legislation, if enacted into law, would provide an important factor in the solution of the problem of reducing the cost of living, since it will supply the means of providing direct communication and conveyance between producers and consumers in localities where there is great need for improved transportation facilities.

Mr. President, the Postmaster General assumes in a very general sort of a way that there is a lack of transportation facilities, either transportation facilities owned by the producer himself on his truck farm or transportation facilities afforded by regular and interurban railroads. I do not think there is good basis for such an assumption. There must now be an abundance of facilities either owned by the producer or otherwise ready for his use, and there is no need now that the Government should go into the business of furnishing these facilities in order that the truck farmer may get his produce to the market or in order that such farmer in turn may get from the merchant in the city what he needs in the way of supplies, groceries, or dry goods at reasonable cost.

Mr. President, we know there have been some hindrances in the matter of transportation; that there has been or was for a time a lack of adequate transportation facilities for coal, for corn, for wheat, and perhaps other products; but that was rather a lack of transportation facilities between the towns or cities of the interior and the great terminal markets, so far as food products are concerned. I think the Senator from Georgia has not heard—as I have not heard—of any lack of transportation facilities for the man engaged in raising truck and sending it to the city. The proposition is that the Government shall go out and take in a radius within a hundred miles of the city and haul the stuff to the market. Within a hundred miles, and in all directions, there will be hundreds of truck farms that have their own conveyances or means of transportation. Is it intended that they shall sell or dispose of these now that the Government is going into the business of transportation from the truck farm to the market? Within the 100-mile limit, of course, a large proportion will have easy access to the railroads, and I see no use of the Government going into this enterprise at the present time.

We have already gone a long way in this direction.

Mr. HARDWICK. Will the Senator yield to me for just one minute?

Mr. STERLING. Yes.

Mr. HARDWICK. I want to get the argument upon the proper basis. There are some expressions possibly in the report of the Postmaster General that may have led the Senator into one error. We are not discussing this system as a policy. The main purpose of the proposed legislation is to experiment. We want to see what it ought to be, and how it ought to be, and how it ought to operate; and even if the Senator entertains some of the views which he has expressed, there is no reason why this system can not be operated without impinging upon those views. This is a mere proposal to experiment along this line and ascertain how it ought to be done and how it can best be done.

Mr. STERLING. The view of the Senator from South Dakota is that there is no demand for the experiment being tried, and that we are proposing to undertake here something which involves a dangerous principle. The Senator from Georgia must know that the principle embodied in this bill is socialism.

Mr. HARDWICK. If the Senator will pardon me just a moment, I will say that it is not a bit more so than was the parcel-post proposition in its entirety.

Mr. STERLING. It is more so——

Mr. HARDWICK. The post office is a carrier for hire.

Mr. STERLING. Because the articles which are carried or which may be carried in the parcel post may be carried by the same conveyances and by the same means of transportation as the mail is carried. This is a different proposition. It involves the Government in altogether a new enterprise, for which it must provide the facilities.

I think, Mr. President, that this matter should be very carefully considered before the Senate acts upon it. I had hoped that the Senator from Georgia would give the Senate an opportunity to further study this bill, especially with reference to the principle involved, before bringing it up for action at this time.

Mr. JOHNSON of California. Mr. President, I listened very intently to the argument which was just made by the Senator from South Dakota [Mr. STERLING], and many of the arguments which he advanced against this measure presented added inducements to me in its favor. If this bill will hasten the day when the Government itself will direct and control transportation, I shall very gladly vote for it.

The bill, however, as I understand it, means only that experiments shall be undertaken to determine various routes and to lessen the cost of transportation between communities of production and communities of consumption. It was asked of the Senator from South Dakota if he had not just voted and spoken for a law most drastic in character and effect and actually doing those things the very suggestion of one of which in the pending measure causes him alarm. I heard the remark made by the Senator from Connecticut [Mr. BRANDEGEE], when the Senator from South Dakota was asked that question, that the particular measure, the food bill, was a war measure, adopted during the progress of the war and for the war alone; but permit me to suggest, Mr. President, that if it be found efficacious in time of war that a single man shall administer matters respecting food, if that administration shall be beneficent and if it shall succeed in bringing unto the people of this Nation food for less prices than they are now paying, if it solve at all the pressing question of high prices, you may rest assured that that kind of legislation and that sort of administration will be not only for the war but will be for peace, too, in our land. These excursions that have been made of late by us in centralization and absolutism, and particularly that which we have done in the last few weeks in our country and in our legislative branch of the Government, wherein finally we have concentrated in one man and in one power the right and the authority to deal with almost every human activity and almost everything in our lives and in our daily routine—if that sort of thing be found to be during time of war of benefit unto all the people of this Nation, if it cheapens food and enables the ordinary people to have coal and fuel, if it lightens the burden of the many and brings to them a little more of life's pleasures and a bit more of happiness, whether it be termed socialism or in any other fashion that Senators do not like, you may be certain, sir, that when war is concluded that sort of thing will be held to by our people because of the benefits it has conferred. We are upon new and untrod paths, and only the demonstration whether they bring us good or ill will determine what governmentally our course will be in the future.

That this may be, as designated by the Senator from South Dakota, an essay into socialism does not trouble me in the slightest degree. If the Post Office Department by an essay into socialism may bring producer and consumer more closely together, if it may in very small degree solve the problem that is now confronting our people, if it may lessen excessive prices and strike at extortion, if that which happens between producer and consumer, where we find necessities trafficked in and outrageous prices charged, may be even in small degree eliminated, let us go on with this sort of essay in socialism.

So I am very glad to vote for this particular measure, experimental as it is, and to make the effort that something may be done in the direction that it tends.

Mr. WEEKS. Mr. President, I am going to suggest an amendment to this bill that the experiment shall end with the end of the fiscal year 1918.

Mr. HARDWICK. If the Senator will yield to me, I will state to him that so far as I have power to do so I will accept such an amendment. It is not desired that the experiment shall run longer than that time. Such an amendment as the Senator suggests is all right.

Mr. WEEKS. I am not going to make serious objection to this legislation, although I hesitate about undertaking experimentation work of this kind which is not going to have some terminal. We are quite apt to undertake an experiment and then, through the pressure which comes, to continue that work after the days of experiment shall have been concluded. The arguments in behalf of this measure are not very remote in character from the arguments that were advanced when the Rural Delivery Service was established; and I refer particularly to the financial results. At the time we started the Rural Delivery Service it was based upon paying the carriers $450 a year, and we have gotten up to paying them $1,200 a year. Every condition that now surrounds that service is different from the condition which was held out to Congress when it was undertaken.

We have recently, within four or five years, established the Parcel Post System. One of the main arguments in favor of the establishment of that system was that advanced by the representatives of the farmers, to the effect that it would enable the farmers to get in direct communication with their customers in the urban communities. I am frank to say that while I did not have overoptimistic views upon that subject, yet the hope that it would do so was one of the principal incentives which led me to support that legislation. The result is what the Postmaster General has stated to-day, and what everybody knows, that the service for that purpose is almost entirely neglected, and it is neglected because it is not practicable.

I do not take the figures which the Postmaster General has sent us relative to the cost of this service seriously at all. Does anybody mean to imply that the Government, under the peculiar red-tape system which surrounds the Government, can go out into the surrounding territory of Maryland and compete with the farmer, who can be found every night coming into the city over the main channels bringing his produce to this market? Of course the Government can not do it. Anyone following any of these main roads out of Washington at this season of the year will meet 40 or 50 market wagons containing the farmers' products which they are bringing into the market. They are bringing it in at night because they want to be ready for the market the next morning. The Government in all probability is not going to carry these products at night. The cost of maintaining this service, $10 a day, which is held out by the Postmaster General for a hundred-mile route, is simply a snare and a delusion. It can not be done. That is a less cost than the conduct of the Rural Delivery Service to-day by horse or motorcycle. If we are proposing to pass this legislation based on any such figures as those, of course we are deceiving ourselves.

But if the amendment I have indicated is included in the bill I do not wish to be put in the position of opposing any experiment that will bring the product of the farmer to his customer at any increased speed or any reduced cost over what obtains to-day. Therefore with the proposal that this service shall end with the end of the next fiscal year, so that we may then stop and take breath and actually find out what it has cost and whether it ought to be continued, I shall not oppose further the consideration of the legislation.

Mr. SHERMAN. Mr. President, I am one of the inconsiderable number of Senators who voted against the food-control bill. I opposed, for reasons that were satisfactory to me, the entry of the Government upon that territory; but it has crossed the bridge; it is over in that territory. One hundred and fifty million dollars will presently be set aside as a revolving fund to facilitate the purchase of supplies not only for the Army and Navy, but any surplus that may remain for distribution among private consumers. However strenuously I may have opposed crossing the bridge into that territory, Congress has crossed it, and the President has approved the bill. The question now is not whether we will go; we have arrived; we have entered upon that domain of Government undertaking.

Whatever opposition I could have had to the entry upon that particular undertaking the time for that objection is now passed. If the use of motor trucks may make this revolving fund revolve any cheaper between producer and consumer, I am willing for the Postmaster General to make the experiment, and that is all this is. I think that it is in keeping with legislation already enacted. It is only a small undertaking to enable the Postmaster General to find out whether or not he can facilitate the operations of the food-control bill. That is what this measure is, and the Senator from Georgia has, I think, embodied the proper principle in the pending bill.

However much as a general proposition I might be opposed to the undertaking, yet, as I have said, we have undertaken it, and Senators who supported the food-control bill certainly now would stop short of the reasons that actuated them then if they refused to support this measure.

This, I repeat, is an inconsiderable matter, a very small undertaking, to say the least; and, having undertaken the larger thing, this, which is a mere incident to the main question, does not cause me to hesitate a particle. We have embarked on that undertaking, and now it seems to me that this proposition to facilitate the movement of commodities between producer and consumer is logical. It is an experiment; if it does not turn out well, we will have at best spent only a few hundred thousand dollars, and we are spending so much more than that in other directions that I am perfectly willing now to make any experi-

ment that may tend to further the object of legislation already enacted.

Ordinarily I am opposed to such legislation altogether, but, as long as Congress has crossed over into the territory and undertaken the larger task, I suggest that we let the incident be taken as a matter of fact. I shall support the bill.

Mr. SMOOT. Mr. President, I move to strike out after the word "and," in line 9, down to and including the word "Service," on line 11, and to insert in lieu thereof "there is hereby appropriated out of any money in the Treasury of the United States not otherwise appropriated the sum of $100,000"; so that it will read:

That to promote the conservation of food products and to facilitate the collection and delivery thereof from producer to consumer the Postmaster General is hereby authorized to conduct experiments in the operation of motor-vehicle truck routes in the vicinity of such cities of the United States as he may select, and under such rules and regulations as he may prescribe, and there is hereby appropriated out of any money in the Treasury not otherwise appropriated the sum of $100,000.

Mr. HARDWICK. The Senator had better add something to that. It is incomplete. The words "for the cost of such experiments," or language to that effect, should be employed in order to make it complete.

Mr. SMOOT. I will suggest that it read, "the sum of $100,000, for the cost of such experiments."

Mr. HARDWICK. That is all right. I do not object to the amendment. It amounts to the same thing as the present language of the bill.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Utah.

Mr. SMOOT. Mr. President, I desire to say a word. I am utterly opposed to Congress appropriating money for one purpose and then having that money used for another. That used to be a very common practice; but I think about five or six years ago it ceased. The Committee on Appropriations of both Houses of Congress took the position that no such legislation should be enacted if it could be prevented. We have adhered to that position strictly; and I think in this case, even though the amount involved is small, that we ought not to violate that principle of business which has now been established by Congress.

Mr. President, it used to be the practice of the heads of divisions and bureaus and departments to ask for more money than they actually required, with a view of using the money for some purpose other than that for which it was directly appropriated. It is for that reason that I offered this amendment, and I am glad the Senator from Georgia having the bill in charge will accept it.

Mr. VARDAMAN. Mr. President, may I ask that the amendment offered by the Senator from Utah be stated. I was absent from the Chamber when it was offered.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The SECRETARY. In lines 9, 10, and 11, after the word "and," it is proposed to strike out "the cost of such experiments may be paid by the Postmaster General out of any of the unexpended funds of the Postal Service"; and insert "there is hereby appropriated out of any money in the Treasury of the United States not otherwise appropriated the sum of $100,000 for the cost of such experiments."

Mr. HARDWICK. That is all right.

Mr. VARDAMAN. Mr. President, I simply desire to say that I approve the amendment very heartily and indorse the reasons assigned by the honorable Senator from Utah in support of it. I will say while I am on my feet that I am very much in favor of this bill. I think it would promote commercial intercourse between the countryman and the man in the town and facilitate transactions which will redound to the interest of both classes. I hope the bill will be passed.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. WEEKS. Mr. President, I move to amend by inserting, after the word "experiments," in line 6, the words "until the end of the fiscal year 1918."

Mr. HARDWICK. I accept that amendment.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Massachusetts [Mr. WEEKS].

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is still before the Senate in Committee of the Whole and open to amendment.

Mr. BRANDEGEE. Mr. President, I have not considered the food-control bill which has been passed by Congress as a great war emergency act, designed to consolidate the powers of government in the hands of the Executive for the purpose of carrying out the task which Congress imposed upon him when it passed the declaration of war, to wit, to carry the war to a successful conclusion, as at all a precedent for routine legislation in this country. Of course, if the food director shall make food cheaper for the consumers, if the conditions brought about shall be favorable also to production, and if it shall turn out that by such measures as he may adopt producers prosper and the consumers prosper also, it may be that the people will insist on having a permanent food director placed over them; but that thought had never seriously entered my head until the Senator from California [Mr. JOHNSON] optimistically suggested it this morning.

But be that as it may, the food-control bill is a sudden war emergency measure. This bill is for the purpose of appropriating a sum of money to conduct an experiment which, if shown to be possible or feasible or economical or beneficial in one or two localities selected as experiment grounds, is to be the basis for a general system to be established and continued as a permanent governmental policy in time of peace, and to that extent I think there is a clear difference between the two pieces of legislation.

It seems to me that this is a very peculiar measure. Even if I were in favor of Government ownership and operation of steam railroads, trunk lines of railroad, to do the general business of the country, I doubt if it would be possible as a general policy to have the Post Office Department buy and maintain and repair and operate enough motor trucks within a radius of 100 miles or of 15 miles, if you please, around all the cities of any size in this country to transport the products of the farms and of the country to the consumers in the cities. Why, Mr. President, it would be a Herculean task. Anybody who is at all familiar with a city like New York City, which must be approached, so far as the products of the farms are concerned, over ferryboats, can imagine the number of motor trucks and chauffeurs and garages and car cleaners that must be maintained to bring the food products daily required by the city of New York from a territory within a radius of 25 miles around New York City. Why, it is simply amazing. A thousand motor trucks operating continuously night and day would not begin to furnish the facilities for bringing into the city of New York the dairy products and the farm products required in that city daily. It would require a stupendous capital invested to equip the territory around the various cities of this country with motor trucks. They would have to be of the best make. They would be heavily loaded. They would be breaking down all the time. They would have to be of the most expensive type to stand that kind of work, and if they were not they would have to be renewed every year or two.

If this principle is correct—that it is the duty of the Government to act as middleman between the producers and the consumers and to see that every farmer has an automobile truck at his farm door when his butter and eggs and vegetables and perishable fruits are ready to ship to market—it is equally the duty of the Government to see that everybody in New York has his coal bin filled when he needs a ton of coal, and it is equally the duty of the Government to see that the various fuels are transported to the consumers in the city promptly and efficiently and at Government expense.

Mr. HARDWICK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Georgia?

Mr. BRANDEGEE. Certainly.

Mr. HARDWICK. What is the difference in principle between transporting goods for hire by the Government in this way and doing it in connection with the Parcel Post Service of the Government generally? What difference is there in principle, now—not in operation?

Mr. BRANDEGEE. I admit that the Senator's mind and my mind and I think the minds of most men who have been trying to keep track of the legislation we have been passing recently are somewhat confused on these subjects. I assume that the parcel post was drawn as a corollary, what might be one of the implied powers, from that clause of the Constitution which authorized Congress to establish mail routes and post offices and post roads. I assume so.

Mr. STERLING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from South Dakota?

Mr. BRANDEGEE. I shall be glad to yield.

Mr. STERLING. May I suggest to the Senator that there is at least this difference—that in the case of the parcel post the Government uses the private means of conveyance, the railroads, and so forth, exactly the same means that are used for the transportation of the mails; whereas in the proposed experiment the Government is to furnish the means of transportation, all the facilities of transportation, itself. There is that difference.

Mr. HARDWICK. If the Senator will pardon me, that does not make any difference so far as the governmental principle at stake is concerned.

Mr. BRANDEGEE. It may or may not. That is a question that I have thought of myself; and I seriously doubted the constitutional power of the Government to use the mail facilities for the purpose of delivering produce and freight to the people of the country.

Mr. HARDWICK. And yet we are doing it already up to the limit of 50 pounds, or 100 pounds, I believe.

Mr. BRANDEGEE. I have no doubt of it; and I am confidently expecting that some Senator, if not to-day, at no remote day will propose legislation extending the parcel post so as to carry coal and freight, and do it upon the ground that he thinks it will be for the benefit of all the people.

Mr. KING. Mr. President, will the Senator yield?

Mr. BRANDEGEE. Yes.

Mr. KING. I want to state to the Senator that already in some parts of the West they are utilizing the parcel post for hauling coal, sugar, flour, lumber, hay, and all sorts of commodities.

Mr. BRANDEGEE. I have no doubt of it. I am not discussing the constitutionality of the parcel post now, however. The Senator from Georgia asked me a question and I was endeavoring to answer it.

Mr. KING. If the Senator will pardon me, though, I want to express my disapproval of the prostitution of the Post Office Department for any such purpose as that.

Mr. BRANDEGEE. I am inclined to think I agree with the Senator's view about that; but, Mr. President, I am not attacking this bill as unconstitutional, although I have my doubts, or at least five years ago I would have had serious doubts as to its constitutionality. I am not attacking it at all. I am simply thinking aloud, so to speak, as I read this bill over, and stating to the Senate the impressions that it makes upon me.

If the Postmaster General or his representatives in one or two instances, by straining every nerve to make it economical, and choosing the best conditions, can make a favorable showing, and if that showing is to be the basis for extending this legislation as a permanent governmental policy all over the country, based upon the experiment of six months or a year in a favored locality, there is the danger that I apprehend from this legislation.

The Senator from Georgia [Mr. HARDWICK] looks at me inquiringly. I yield to him.

Mr. HARDWICK. I just want to say to the Senator that I had promised to lay this bill aside at 10 minutes to 2, in order to accommodate the Senator from Virginia [Mr. SWANSON].

Mr. BRANDEGEE. I wish the Senator would lay it aside forever.

Mr. HARDWICK. I am sorry the Senator feels that way, because no one is in greater sympathy with some of the views the Senator has expressed than I am; but this is a practical way to relieve the people in these great cities, and we had better try it.

Mr. BRANDEGEE. Mr. President, I think it may furnish some relief, but it will be at tremendous governmental expense; and it is one of those instances in which, if some people are to be relieved at governmental expense, and all the rest of the people who are not relieved are to be taxed for that purpose, it just means bankruptcy for the Government. This is an attempt to hoist yourself by your own bootstraps. It will benefit some people, and it will crush others.

Mr. President, in view of what the Senator says, I will yield the floor; but I want to make this suggestion to the Senator: Either now or in conference, if the House should pass this bill, I think there ought to be some provision inserted in it that in the conduct of experiments the department shall carry return cargoes in these motor trucks. This bill only contemplates the bringing into the cities of the products outside of the cities.

Mr. HARDWICK. Yes.

Mr. BRANDEGEE. It seems to me that to make the experiment in any way possible of success it should contemplate a return cargo for the motor trucks, so that they can carry back to the farms what the farms need in the production of the food.

Mr. HARDWICK. I think that is true. That would be true under the language here.

Mr. BRANDEGEE. I do not think so, because it only provides for bringing in the food products from the producer to the consumer and carrying back nothing. If these motor trucks could carry back coal——

Mr. HARDWICK. Upon an examination of the language, I agree with the Senator about that. I want to say to the Senator from Connecticut and to all other Senators who have those views that I share them to some extent. This is a mere experiment. I do not know how far I am going, but I believe there is a possibility of great relief, and I only want to try it experimentally.

Mr. BRANDEGEE. The trouble is, if you pass your bill without anything that will bring that subject to conference, the House will probably agree to it, and then you will not have an opportunity to have it inserted.

Mr. HARDWICK. I will do all I can, then, to try to meet the Senator's view.

Mr. BRANDEGEE. What I was going to suggest was something like this——

Mr. BRADY. If the Senator from Connecticut will suggest his amendment, I think it will be agreed to in a moment.

Mr. BRANDEGEE. I do not know that it is at all perfect. After the words "and delivery thereof from producer to consumer," in line 5, which only contemplates one direction, I would suggest inserting the words "and the delivery of articles necessary in the production of such food products to the producer"—something like that.

Mr. HARDWICK. All right. I will consent to that amendment, so far as I am concerned.

Mr. BRANDEGEE. It can be stricken out in conference if it is not deemed proper.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Connecticut.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDENT pro tempore. The question is, Shall the bill pass? [Putting the question.] By the sound, the "noes" seem to have it.

Mr. HARDWICK. I call for a division.

On a division, the bill was passed.

TREASURY DEPARTMENT BUILDING.

Mr. SWANSON. I move that the Senate proceed to the consideration of Senate bill 2477. That is the bill that we discussed here the other evening.

Mr. JONES of Washington. Mr. President, I want to say to the Senator, if he will permit me just a moment, that while I think I can vote for the Senator's bill, a Senator who was called out just a moment ago asked me to make the point of no quorum if that bill was brought up.

Mr. SWANSON. If the point of no quorum is made I will withdraw the request, because there is not a quorum here. I should like to know what Senator requested the Senator from Washington to make the point.

Mr. JONES of Washington. The Senator from Utah [Mr. SMOOT] suggested it to me. He said that the Senator from Nebraska [Mr. NORRIS] was interested in this bill and was away.

Mr. SWANSON. I talked with the Senator from Utah a short time ago, and I certainly did not have any idea from what he said to me that he would want to have this course taken. I do not want that point to be made, because I do not think there is a quorum here. We can send for the Senator from Utah.

The PRESIDENT pro tempore. The question is on proceeding to the consideration of the bill indicated by the Senator from Virginia.

Mr. JONES of Washington. I understand the Senator has sent for the Senator from Utah.

Mr. SWANSON. Yes.

Mr. JONES of Washington. I do not like to make this point, but the Senator spoke to me about it downstairs.

The PRESIDENT pro tempore. The yeas and nays have been ordered on the final passage of this bill.

Mr. BRANDEGEE. What bill is this?

The PRESIDENT pro tempore. It is the one for which consideration is now moved.

Mr. BRANDEGEE. I mean the title of it.

The PRESIDENT pro tempore. It is the bill authorizing the construction of an addition to the Treasury Department Building.

Mr. BRANDEGEE. Very well.

Mr. JONES of Washington. I will state to the Senator that if the yeas and nays have been ordered we will have to have a quorum in order to pass it. The question is whether the Senator wants to bring it up under those circumstances.

Mr. SWANSON. Mr. President, I withdraw my request. I had a talk with the Senator from Utah a short time ago and told him I was going to call it up.

Mr. JONES of Washington. I want to suggest to the Senator that the yeas and nays have already been ordered, and it will be necessary to have a quorum on that roll call.

Mr. SWANSON. The yeas and nays were ordered, but there has been an adjournment. Of course it comes up as a new proposition now, an adjournment having intervened.

Mr. BRANDEGEE. The yeas and nays were ordered, and on that roll call, five or six days ago, the fact was developed that there was no quorum present.

Mr. SWANSON. And there was an adjournment.

Mr. BRANDEGEE. Now I suppose the Secretary will call the roll on the vote just as he did before, and if a quorum is here——

Mr. SWANSON. I understand that it comes up as a new proposition for consideration again. I made the motion, and the yeas and nays are not ordered, after an adjournment, on the new motion to proceed with the consideration of the bill.

Mr. BRANGEGEE. The Chair rules that they are ordered, and if the Secretary calls the roll it will end the question, will it not?

The PRESIDENT pro tempore. What is the pleasure of the Senate?

Mr. SWANSON. I withdraw the motion.

The PRESIDENT pro tempore. The calendar under Rule VIII is in order.

WAR REVENUE.

Mr. SIMMONS. Mr. President, it is about 2 o'clock, and if there is no objection I ask that the unfinished business be laid before the Senate.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes.

Mr. SIMMONS. Mr. President, it is not my purpose in the statement I shall make to-day to go into a discussion of the details of this bill, or the amendments thereto proposed by the Finance Committee. I believe that the details can be better and more profitably discussed and debated as the amendments are reached.

Before entering upon a discussion of the amendments it is only proper that I should say, for the members of the Finance Committee, that the bill as amended reflects the best thought and judgment of the committee after the most laborious and painstaking investigation. The committee has considered all the factors which in their opinion should be taken into account in levying the taxes necessary to finance the war.

Your committee devoted more than eight weeks to the consideration of the bill, sitting long hours during nearly every day of that period. The House committee had held no hearings on the bill and because of that fact the Finance Committee, in response to a very general demand of the business interests throughout the country, devoted a full week to hearings. These hearings were attended by representative men of the industries of the country affected by the provisions of the bill as passed by the House. The oral statements and arguments of these business representatives, these representative taxpayers, were supplemented by briefs, and the arguments and briefs constitute a printed volume of about 620 pages.

Day by day after the hearings were closed the chairman of the committee and individual members of the committee held informal conferences with hundreds of these representatives.

I wish to say here, Mr. President, that I do not believe that in all of my experience there has been quite as much interest in congressional hearings as in those on this bill. Practically the entire membership of the committee attended the hearings every day and manifested the deepest interest. I am sure no member of the committee has refused to meet anyone who has come here to discuss these questions with him.

Among other sources of information, the committee in its investigations and study at all times had the benefit of experts assigned to it by the Treasury Department and by the Bureau of Internal Revenue. It also had the valuable assistance of the Tariff Commission, especially that of Dr. F. W. Taussig, the very able chairman of that commission. That commission voluntarily placed its entire force at the service of the committee in obtaining and compiling information desired by the committee and in making such investigations as the committee requested.

Mr. President, as a result, the amendments made by your committee, by elimination or by addition or modification, have been made advisedly and with deliberation. Nothing has been done in haste; nothing decided without full consideration. Every member of your committee at every stage has shown a keen sense of responsibility in imposing upon the people of this country the greatest burden of taxation ever put upon them. In its long and laborious investigations, deliberations, and discussions, I am gratified to be able to say to the Senate and to the country, there was at no time any partisan rancor or manifestation of sectionalism or any purpose or desire to selfishly protect local interests. But there was every indication of an earnest desire to frame a bill which would raise, with justice to everybody and to every interest, the necessary revenue to finance the great undertaking in which, with many other nations, we are now engaged.

As a result of these deliberations, your committee has made many fundamental, and some radical, changes in the House bill, and now submits the result of its labors without pride of opinion for such action as the Senate may see fit to take. But it presents this bill, as amended, with the confident expression of opinion that the changes made therein have greatly improved and strengthened it, and it is pleased to believe from the evidence which has come to it and its individual members that these changes will receive, when understood, the hearty approval of the country.

Mr. President, I regret very much to have to say to the Senate that neither this bill nor the report which comes to this body as the report of the committee has the unanimous approval of its members. While there were differences which resulted in three members of the committee refusing to give their assent to the report, it is gratifying to be able to state that these differences were not over the plan or method of taxation as written in the amended bill but chiefly over the source from which the money required should be obtained. Nor was there a disagreement in regard to granting the Government all the revenue it asked, nor as to the general proposition that the amount needed for the estimated expenses based upon appropriations already made, should be raised altogether by internal taxation. The line of cleavage was as to whether a part or the whole of the $2,000,000,000, sought to be obtained, should be raised from taxes upon incomes, war profits, and intoxicating beverages.

Mr. LA FOLLETTE. Mr. President——

Mr. SIMMONS. Let me finish the explanation. As I understood it, the minority members accepted the plan of taxation on incomes, war profits, and beverages, but insisted that the whole $2,000,000,000 should be raised from this source. The majority members did not agree to that proposition, and there, I understand, is the line of cleavage.

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Wisconsin?

Mr. SIMMONS. I do.

Mr. LA FOLLETTE. I wish to interpose at this time for a correction.

Mr. SIMMONS. I shall be glad to be corrected if I am in error or have misrepresented the attitude of the dissenting members of the committee.

Mr. LA FOLLETTE. In this regard. The Senator, as chairman of the committee, will remember that it is the position of the minority, *first*, that on principle a much larger proportion of the amount of the revenue required for the fiscal year shall be raised by taxation than is provided in the bill, to the end that an excessive bond issue will not be necessary for providing the needed revenue for the fiscal year; and, *second*, that all of the amount required to be raised by taxation for this fiscal year shall be raised from incomes, war profits, and alcoholic liquors and tobacco.

Mr. SIMMONS. Yes; undoubtedly that was the attitude of the dissenting minority, but that does not at all militate against the statement I have made.

Mr. LA FOLLETTE. No; except, if the Senator will pardon me, the statement was incomplete without that addition.

Mr. SIMMONS. Mr. President, this bill does not propose to raise the entire $2,000,000,000 called for by the Treasury Department from taxes on incomes, war profits, and alcoholic beverages. It does provide (according to the estimates) for $1,546,000,000, practically three-fourths of that amount from those three sources. It proposes to raise the remainder by taxes on a number of things; some of them consumption taxes, some of them subsidiary taxes in the nature of excise taxes; but taxes in practically every instance that in their nature and necessary application will be widely distributed among the great masses of the people. Practically everybody will contribute, through these taxes to some extent—small in some instances and not heavy in any instance—toward defraying the expenses of the cause for which we are about to call to the colors 2,000,000 young men.

Mr. President, just here let me say one word about our system of taxation and the necessity which the present situation requires for its further development. Before this war our total expenditures were very small, comparatively speaking. They seemed large then, but compared with the present requirements they seem small. Ordinarily, before the war, our expenditures were somewhere between $700,000,000 and $800,000,000 annually, excluding postal expenditures and the sinking-fund requirements. Several hundred million dollars of that amount we raised through customs duties. Because that system of taxation had been long in force in this country, covering nearly all of the things that the people consumed, we had developed a reasonably scientific tariff system, according to the theories of

the political party which happened to be in power at the time of the revision, but the remainder of the revenues were raised from internal taxes, imposed almost exclusively upon tobacco and spirits. Because of the simplicity of this and the small number of articles affected by that tax, there has been at no time the least effort to establish in this country a scientific or logical system of internal taxes. It has not been necessary. The conditions which obtain at the present time, and which will continue certainly during the war, and probably for many years after the war, have changed that situation altogether. It is now evident that the expenditures during this fiscal year will reach something like $10,000,000,000. It is expected that three billion three hundred and thirty-odd million dollars of that large amount will be raised by taxation; and of this latter amount, under the existing law and under this bill, it is proposed to raise $3.000,000,000—all except $330,000,000—by internal taxes, not only upon the two products which I have named but in such a way as to embrace practically all the products of the industries of the country.

In these conditions your committee was profoundly impressed with the expediency of broadening and developing our system of special taxation so as to present a scientific scheme logically constructed; so framed as to provide a superstructure sufficiently strong and flexible to meet not only the present war-revenue requirements, but the future needs of the Government; so proportioned and so adjusted as to distribute equitably the necessary burdens of taxation and safeguard the activities of the Nation by imposing no tax which would not leave the taxpayer a reasonably compensatory return from his investment, having also due regard to necessary growth and expansion.

The basis of the system proposed by your committee rests upon the income and war-profits taxes, internal-revenue taxes upon whisky and tobacco, and certain moderate subsidiary levies in the nature of excise taxes.

The system presented is in form much the same as that in the House bill, but it has, it is believed, been systematized, coordinated, and made more consistent. The income and war-profits taxes, the basic part of the system, have been better adjusted to each other, while the latter has been broadened and raised to a parity with the former in the machinery of the scheme and in its revenue-producing qualities.

In fixing the rates upon incomes and profits your committee kept constantly in mind the facts that the amount of money derived from these sources would depend upon the activity and prosperity of business, and that to impose taxes which would tend to discourage enterprise and check these activities would tend to defeat the legislative purpose by reducing the revenue expected from the tax. Moreover, we thought, if the rates upon incomes and profits were fixed in the beginning at the very highest possible level of revenue-producing results, little margin would be left for future increases, if needed. In carrying its views in this regard your committee sought to provide not only a safe and sound substructure but to regulate the rates so as not to exhaust the source of supply by the first draft, but to leave a reserve to be drawn upon in future if the needs of the Government shall make it necessary without injustice and without oppression.

Mr. VARDAMAN. Mr. President, would it interrupt the Senator for me to ask him questions as he proceeds? I wish the Senator would explain what per cent of what is known as war profits are taken under this bill for revenue purposes.

Mr. SIMMONS. It is a graduated rate, I will say to the Senator. It depends altogether upon the increase of the profits of the taxable year over the profits of the prewar period, which we have selected as the test.

Mr. VARDAMAN. That is what is known as the war profits tax?

Mr. SIMMONS. Yes; war profits tax.

Mr. VARDAMAN. I should like to have the Senator give the difference between the war profits and the prewar profits.

Mr. SIMMONS. Will the Senator permit me to do that a little further on? The prewar profits are the average profits of the years 1911, 1912, and 1913—the war profits are the profits of the taxable year in excess of the prewar profits.

Mr. VARDAMAN. I asked the Senator before interrupting if it would be agreeable for me to ask him a question at this time. I do not desire, of course, to break the continuity of the Senator's thought.

Mr. SIMMONS. I will say to the Senator this graduated scale begins at 12 per cent and then gradually rises until it reaches 50 per cent, according to the increase in the profits over those of the basic or test period.

Mr. VARDAMAN. I thought if it were succinctly stated it would be very much easier to comprehend by the lay mind such as my own.

Mr. SIMMONS. I shall be glad to go further into that a little later on.

Mr. President, in pursuing this program, your committee began its labors by eliminating from the bill as it passed the House certain provisions and, in some instances, whole titles, because it thought them either illogical, unjust, or fraught with dangers or disturbing interference with sound economic conditions.

I do not desire now or at any time during this statement to discuss all of the things of greater or lesser importance that we eliminated from the bill. I shall confine my statement to the more important ones.

For these reasons, among others, we struck from the bill what is known as the retroactive income tax provision. That provision imposed a tax of 33⅓ per cent upon the incomes of partnerships and corporations for the year 1916. We struck that section from the bill because we felt that, while such taxes might not be subject to the criticism of being unconstitutional, they would undoubtedly be subject to the criticism of being retroactive. Retroactive legislation has always been, even when constitutional, exceedingly unpopular in this country, because regarded as unfair.

In this instance it would have been an imposition upon incomes that have already been distributed and, in many instances, put back into productive business or spent or consumed in living; and in some instances it is not at all unlikely that the recipients of these incomes, if now called upon to pay the additional tax, would find it not only burdensome but extremely difficult to raise the money with which to pay it. It would, in a word, be one of those disturbing taxes which would alarm business and check industrial productivity, to which we must look as our chief source of taxation. It is very poor economy to take money in a way which will cause losses far outweighing the momentary gain. Moreover, it is to be remembered that if we admit the principle of retroactive taxation running back six months we also assert the right to carry it back for one year or 10 years, or for any length of time. To do this would hold out a threat of uncertainty in tax conditions. Uncertainty is almost the greatest foe of business, productivity and prosperity. For these reasons the committee had no doubt as to the wisdom of striking from the bill the retroactive tax on incomes. The Ways and Means Committee estimated that the revenue from this section of the bill would amount to $108,000,000. Prior returns indicate that this tax would have amounted to $117,000,000.

The provisions of the House bill imposing a tax of 5 per cent upon the gross sales of the products of certain industries seemed to your committee undesirable and as a general proposition unfair and unwarranted. A gross sales tax of 5 per cent is in itself a very severe tax, but, when you consider that a gross sales tax of 5 per cent is equivalent to a net income tax of from 25 to 50 per cent, it appears unreasonably high; especially when this tax is levied upon industries which under the bill are required to pay heavy income taxes upon incomes and profits derived from the sale of products so specially taxed.

It is a tax upon the very thing from which are derived these profits and income which have already been taxed. Moreover, Mr. President, in general terms a gross tax is an incitement to poorer quality and higher prices, while a net tax has not this destructive principle. I do not know whether it is accurate to say that such a levy is taxation in the third degree, but your committee certainly thought it unjustifiable and accordingly eliminated these taxes from the bill except in a few instances, entirely exceptional in character, where the tax was reduced from 5 to 2 per cent. We felt that only where the conditions are exceptional could such a tax be justifiable, and then only at a lesser rate. We thought that articles used in certain amusement games, such as tennis rackets, billiard and pool balls, billiard and pool tables, checker and chess boards, dice, etc., should bear a moderate tax of this character, and acting upon this principle we retained the gross-sales tax imposed by the House bill upon these and certain like articles, but reduced the rate of 5 per cent of the House bill to 2 per cent.

The same general considerations hold with reference to the gross-sales tax imposed by the House bill upon perfumes, cosmetics, patent medicines, and certain other similar articles. Most of these articles are sold under privately owned formulæ, and are more or less the subject of monopoly. Because of the character of the goods and the element of monopoly therein your committee thought that a moderate gross-sales tax to be paid by the manufacturer would be justified, and acting upon this principle, while retaining the gross-sales tax as provided in the House bill, we reduced the rate from 5 per cent to 2 per cent.

Your committee felt constrained to eliminate entirely the tariff section of the bill. This title imposes heavy additional

duties on imports, consisting not merely of further levies upon articles taxed by existing law, but a flat duty of 10 per cent ad valorem upon all articles now on the free list. The report of the Ways and Means Committee estimates that the Government would receive $200,000,000 from these duties. According to the theories of the party to which I belong—theories based upon facts and experience—while the Government might get $200,000,000 from this tax upon practically every article now embraced in the free and dutiable schedules, the cost to consumers would be multiplied many times. The three and four thousand articles in question constitute things that are consumed in every home in the land, embracing necessaries and luxuries, raw materials and finished products, lumber and lace (as the Senator from Oklahoma [Mr. GORE] says), silk and homespun. Such a tax would permit American producers to levy a tax of their own two or three times the amount that would go into the Public Treasury. Not only would it be the highest aggregate tariff ever enacted in this country, but it would be one of the most oppressive taxes on the masses of the people. No man, no woman, and no child in this country could escape it and live. It would pile up burdens upon the people such as they have never had to bear before.

Why do I say that, Mr. President? Because in the past, irrespective of the party in power, we have so written our tariff laws that one-half, or nearly one-half—say, between two-fifths and one-half—of all the importations into the country have been upon the free list. Before the repeal of the Payne-Aldrich law 50 per cent or probably a little more of the importations coming into this country were upon the free list. At present, and even before the European war, under the present tariff law considerably more than 50 per cent were free of duty. This free list had two purposes in view: First, to relieve the burden of the poor man, the average man, with respect to the necessaries of life; secondly, to allow the industries of the country, through importing free raw materials, to sell in the domestic and in the foreign markets at lower rates. This provision of the House bill takes no notice of either of these principles underlying tariff legislation previously enacted, but it goes to the very bottom, and imposes a flat tax of 10 per cent upon all importations of whatever kind or character, with probably 10 or 15 articles excepted from its operations.

Mr. President, there were other and special reasons why this should not be done, in addition to the general reasons I have given in the statement just made. It seemed obvious to your committee that so sweeping a change as that proposed in this section of the House bill would have brought about many undesirable consequences. Every duty levied in the existing tariff at a specific rate would at once have become a compound duty, partly specific and partly ad valorem, and thus would have become subject to all the administrative difficulties which result from the combination of specific and ad valorem duties. Many petty duties, or additions to duties, would have been levied, on which the cost of collection would not have been justified by the accruing revenue. Existing ad valorem duties would necessarily have been affected unequally. The disproportion in the relative changes of duty is obvious.

The relations between duties on raw materials and those on finished products would necessarily have been completely changed by the flat House 10 per cent ad valorem increase.

On a number of articles, both on the free and on the dutiable list, if any duties at all are to be imposed for revenue, they should be specific, not ad valorem. Such, for example, is the case with duties on coffee, tea, sugar, and some chemicals. On these specific duties are not only easier of administration, but do not cause such fluctuations in revenue and in business conditions as would result from ad valorem duties.

Again, there are a considerable number of commodities the supply of which is inadequate to the demand. As a striking example, the committee would refer to tin, of which only a few weeks' supply is at present available. Other articles on which the imposition of any duty at all seems objectionable under present conditions are manganese and manganiferous ore, of tremendous military importance in manufacturing steel, and obtained largely by importation. Nickel, also of vital importance for naval and military uses, is obtained almost exclusively by importation from Canada, and the supply should not be restricted.

For these and other reasons I will not stop to enumerate, your committee has stricken this taxation out of the bill.

The House bill imposed this tax of 10 per cent ad valorem, as I said, upon necessaries and luxuries alike. Together with everything else, it imposed this rate of tax upon the importations of sugar, coffee, tea, and cocoa. In striking out this title of the bill we decided to retain as subjects of taxation sugar, tea, coffee, and cocoa, and we have placed upon those articles a very light excise tax.

Mr. POMERENE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Ohio?

Mr. SIMMONS. I do.

Mr. POMERENE. Before the Senator goes to that subject, do I understand from the statement just made that this tax of 10 per cent ad valorem applied to all raw materials and finished products alike?

Mr. SIMMONS. Yes. Not one of these articles retained by your committee for taxation is subject to a tax much higher, or differing materially from the tax imposed upon it in the House bill. Nor can any one of the articles so taxed be regarded as an absolute necessity of life. They are spoken of as necessaries, but they are not really necessaries. They are regarded as legitimate subjects of excise tax in all countries of the world, I believe. Nearly all the nations at war are taxing them at a rate very much higher than the tax we propose. In addition to that, every dollar that will be collected from these articles under the tax we propose will go into the Treasury. Not one dollar of it will go, either directly or indirectly, to the producer or the manufacturer; and there is no way that I can see in which the domestic producer or manufacturer will be able to use this particular tax for the purpose of extorting from the people a higher price for his products.

Mr. President, I might say more with reference to this matter, but I think it unnecessary.

I should add that we also struck out the title of the bill with reference to inheritance and insurance taxes. Those are general questions involving broad questions of public policy, which I will not discuss now. When reached, they will be discussed fully by other members of the committee. What I am trying to do now is to get before the Senate those facts that probably can not be said to be of common knowledge with reference to the particular things in the bill which we have changed, eliminated, or added.

Another important provision of the House bill—important in its effects upon a class of our people and in the sense that it was estimated to yield a large revenue—is the provision imposing taxes upon the disbursements of the householder, the family, the home; monthly disbursements or quarterly disbursements, as the case may be, for light and heat and gas and electricity and household telephone service—5 per cent upon the amount paid by the householders in the cities and in the country from one end of the land to the other for light to dispel the darkness of the night, for heat in the dead of winter, for gas with which to cook, or electricity for the fan or iron, and for the household telephone.

I believe it was estimated under the House bill that $30,000,000 would be raised from this source; and yet, Mr. President, members of the committee that framed that bill and reported it have severely and unjustly, I think, gone to the newspapers and other public prints, and made the charge that your committee had favored the rich against the poor, not because we had placed a tax upon sugar, coffee, tea, and cocoa, but because we changed the provisions of their bill and retained these articles on the tax list. The House proposal for a tax upon these household bills (5 per cent upon the amount of each bill) would amount to nearly half as much as the total tax on sugar, coffee, tea, and cocoa.

Mr. President, we also struck out the zone system of taxation upon second-class mail matter, as developed in the House bill. Your committee was constrained to eliminate this section because we were convinced by the statements, oral and written, presented to us by representatives of a very large number of the periodicals, newspapers, and magazines of the country, large and small, that if this tax were imposed upon them in addition to the prices they are now forced to pay for their paper, it would in many cases mean absolute ruin. In nearly all instances it would impose a burden difficult to bear, with probable suspension of publication in some cases.

Mr. President, I do not believe there has ever been in the history of congressional hearings such a powerful presentation of facts as on this point, sustained and corroborated by statements from their ledgers, by men whose veracity could not be doubted. This evidence showed that disastrous consequences would result without materially increasing the revenues of the Government. However much the committee differed as to what tax should be imposed upon this class of business, I do not think, as I recall it—and if I am wrong, the members of the committee will correct me—that there was any difference of opinion about this matter. My colleague on the committee [Mr. SMOOT] tells me that one Senator was opposed to it. I

shall not now discuss the tax we have substituted for the zone system of taxation proposed by the House because one of my associates on the committee has advised me he will take up that phase of the bill.

I come now to the income tax. The bill, as originally reported to the Senate on July 7, accepted the House income rates, with the elimination of what is known as the Lenroot amendment. The last bracket in the schedule of that bill imposed a tax of 50 per cent on incomes in excess of $1,000,000. The Lenroot amendment imposed an additional tax of 25 per cent on incomes in excess of $40,000. Both the Lenroot amendment and the last bracket, the two things your committee struck out of this title of the bill, were added to the rates of the bill as reported by the Ways and Means Committee of the House, upon the floor of the House. In other words, neither of these two eliminated amendments was in the bill when the Ways and Means Committee reported it to the House. Taken together they made the total highest rate, including the surtax and normal taxes imposed by the present law and by the bill adopted by the House. It raised the rate to the high level of 62 per cent.

Mr. POMERENE. May I ask what incomes would have been subject to a tax of 62 per cent?

Mr. SIMMONS. Those over $2,000,000. In other words, the bill as originally reported to the Senate by the committee accepted all the rates of the bill as it was reported by the Ways and Means Committee to the House.

In view of these facts, Mr. President, I have been surprised to read a severe criticism of the Finance Committee's action in striking out the Lenroot amendment by one who not only voted against that amendment but fought it to a finish with his characteristic ability and zeal.

In the bill as finally reported to the Senate the Finance Committee added two additional amendments affecting the tax under this title of the bill. The first of these amendments increased the normal tax on individual incomes to an amount equivalent in revenue-producing possibilities to 1 per cent. But instead of imposing it by way of an increase upon the normal tax we have imposed it by increasing certain brackets in the graduated scale described in the bill. No one whose income does not exceed $15,000 will be affected by these increases. The increases only apply to the surtax, in other words, on incomes in excess of $15,000, running from 1 to 3 per cent on the brackets between $15,000 and the highest income. The rate upon the highest income remains the same as that in the original bill of the Ways and Means Committee.

The second of these amendments further increases the corporate income tax, generally spoken of as the corporate normal income tax, by adding 2 per cent to the House bill rate. Under the existing law the rate on corporations is 2 per cent. The House raised that to 4 per cent just as it did the normal tax on the individual. We increased it 2 per cent more, making it 6 per cent. The result is that corporations will pay a normal tax of 6 per cent while the individual will pay a normal tax of only 4 per cent. Heretofore the normal tax on both has been the same. In the bill as it came from the House both taxes were the same.

The reasons for these changes are twofold:

First. The necessity for increased revenue on account of the large deficiency estimates for the Army presented by the Secretary of the Treasury after the bill was recommitted, at my request, on account of the Smoot amendment to the food-control bill.

Second. Because of the necessity for a partial adjustment on account of an alleged and apparent discrimination against partnerships and individuals in favor of corporations in respect to surtaxes on incomes.

The able Senator from New Mexico [Mr. JONES], a member of the Finance Committee, early in our deliberations brought to our attention the fact that there appeared to be and was as a matter of fact a discrimination against copartnerships and in favor of corporations in the matter of surtaxes. When we decided to extend the war-profit tax to individuals that discrimination in favor of corporations was accentuated. I shall take a few minutes to explain to the Senate the situation out of which this discrimination grew. Of course an individual's income is automatically distributed. Under the law as it now exists and as provided in the bill as passed by the House the annual earnings of a copartnership are regarded as distributed whether actually distributed or not. For the purpose of income taxes it is assumed to come automatically into the hands of the individual members of the copartnership, although actually retained in the business and not distributed and thereby becomes subject to the surtax.

On the other hand, the incomes of corporations, under the present law and the House bill, do not become subject to surtax until actually distributed among shareholders.

The Senator from New Mexico urged strongly that this was a situation which should be met in some way. Your committee shared that view. The first suggestion was to apply to the corporation the rule that now applies to the partnership and to treat the surplus as distributed for the purpose of the income tax whether in fact distributed or not. But upon investigation it was found that this might be open to constitutional objections. Besides, it might work very great hardship, especially upon a minority shareholder, who would be required to pay a tax upon an income which he had not received and which he could not force the corporation, notwithstanding his property right, to declare. Finally we decided upon what we have spoken of since as a corporation surtax. We agreed upon a flat tax of 15 per cent upon undistributed corporate earnings, allowing an exemption of 20 per cent of the annual earnings.

That seemed to us, Mr. President, to be a partial solution that might work no great hardship. But we were not quite satisfied we had made a wise solution and as the result of further investigation and information became convinced that the plan should in justice and in good policy be modified. Your committee acted with the earnest desire to be absolutely just and fair in levying these taxes.

I wish to say here, Mr. President, that I have seen in this committee from the beginning to the end nothing but a desire to find out the facts and to do what was just and fair.

Your committee was at once beseiged, not by the representatives of the big corporations of the country, not by the little corporations of the country, nor the moderate corporations of the country, but from every part of the country. The corporate interests of the country without exception so far as I know protested and presented convincing facts to support their protest, that to require them at the present time either to distribute their surplus or to pay a tax of 15 per cent upon it if retained, would be several times the price of money in the open market; that it would under present conditions impose a serious handicap upon corporately conducted business.

They urged with much force that in the past it had been the almost universal rule of corporations to retain a large part of their annual earnings for maintenance, for betterments, for extensions, and replenishments; and that it was the experience of the business world from the beginning of corporate existence, both here and in other countries, that a corporation which made a practice of distributing all its annual earnings was on the road to bankruptcy. We had this situation investigated by the efficient and adequate force of the Tariff Commission and such was found to be the general practice of corporations in normal times and under normal conditions.

The suggestion had been made that the retention of earnings was for the purpose of escaping and avoiding the income surtaxes, but it was found that before incomes taxes were imposed by our laws, before there was any possible advantage to be gained from such practice, it was the universal custom and practice. It was pointed out to us that under present conditions, differing so materially from those of the past, it was not only absolutely necessary for them as heretofore to retain a portion of their surplus, but that if they did not do it to a very much larger extent than under ordinary conditions they would be utterly unable to meet the requirements of the present war and emergency situation. They said, and we found it to be true, that to meet the great demands now laid upon the industries of the country, to supply not only the enlarged demands both normal and due to the war at home and abroad, it has been necessary for them to extend their business, to greatly increase their capital, and to employ the capital to meet that demand it was necessary for them to retain as much of their annual earnings as possible.

It was urged before your committee that this situation was greatly complicated by the fact that the Government in the flotation of its bonds and securities to finance the war and to help our allies had to a large extent preempted the investment markets of the country. Taking all these matters into consideration, your committee decided that the equities of the situation would be best adjusted by imposing a surtax upon such portion of the retained surplus that is not necessary for the reasonable requirements of the business and by making the corporate tax 2 per cent in excess of the normal income tax.

By this change it is estimated the Government will derive $180,000,000 from the 2 per cent additional tax on corporations.

It is also provided that if any concern, under the pretext that a certain amount was necessary, retained more than the Secretary of the Treasury ultimately found necessary to meet the

reasonable requirements, it should pay a tax of 15 per cent instead of 10 per cent upon the amount so improperly retained.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER (Mr. McCUMBER in the chair). Does the Senator from North Carolina yield to the Senator from Minnesota?

Mr. SIMMONS. If the Senator will pardon me, it is going to take me much longer than I anticipated. Will the Senator wait until I have finished? These interruptions break the continuity of the statement and the argument, and I would prefer to have the Senator ask the question later, if it will answer his purpose as well.

Mr. KELLOGG. Certainly.

Mr. SIMMONS. The next amendment we have made to this income tax which is of special importance is the substitution of information at the source for collection at the source as provided in the present income-tax law. I am not going to discuss this at length. I shall ask to put in the RECORD as a part of my remarks extracts from the report of the Secretary of the Treasury strongly recommending to the Congress this substitution. The ground upon which the department has put its recommendation is that the information which the Government will get by this substitution will be of great advantage, especially in view of the fact that of the $360,000,000 income tax collected last year less than $9,000,000 was collected at the source. The expense of collection from the source is also very great, and the experience of the department has satisfied both the Secretary of the Treasury and the Commissioner of Internal Revenue and everybody concerned that it will be very much to the interest of the Government to make this substitution.

The Secretary says:

> I desire very earnestly to impress upon those charged with the enactment of income-tax legislation that it is the department's judgment, based upon a close observation and study of the practical workings of the "withholding" feature of the income-tax law, as well as the general requirements of administration, that "information at the source" is a foundation upon which the administrative structure must be built if the income-tax law is to be rendered most effective, and if due regard is to be paid to economy and simplicity of administration and to the imposition of no greater burden and expense upon taxpayers than is necessary for effective administration.
>
> A very large proportion of all claims for refunds under the income tax (approximately 80 per cent) arise out of excessive and erroneous withholding at the source. As the average cost of adjusting a claim for refund is $10, a very considerable economy will result from doing away with the expenses incident to withholding at the source.

The committee recommends the substitution, as thus proposed, of "information at the source" for "withholding at the source." This is a fundamental change in the bill; there is no question about that, but the only material, the only real objection we have heard to it has come from certain interests who have some connection in one way or another with contracts contained in certain corporation bonds, with reference to the payment under certain conditions of any Federal tax that might be imposed upon the income from those companies. They have been very active in opposition to the abolition of payment at the source. While payment at the source was required, the Government became an indirect agent to enforce these private contracts, with which it has nothing to do and which have nothing to do with the revenues of the Government. I might say in passing that we have put the seal of our condemnation upon the class of contracts out of which this controversy grows by providing that in the future they shall be unlawful.

There is one other amendment to the income-tax section which I wish briefly to call to the attention of the Senate.

Under the House bill page 10, lines 19–23, incomes derived by corporations from dividends in other corporations subject to the excess-profits tax are exempted to the extent of that tax.

The Senate committee amendments extend this provision so as to give like exemption to the tax on corporate incomes.

The effect of the House bill is that if a distributing corporation has paid the war excess profits tax, the receiving corporation does not pay it again, but under the House bill if the distributing corporation has paid the corporate income tax on dividends the receiving corporation also must pay it.

Under the Senate bill the receiving corporation will not have to pay the tax again in either case.

Under these circumstances, the criticism of the action of your committee in this regard made by certain members of the Ways and Means Committee is unwarranted.

But your committee had another reason for this amendment.

Under the present law and in the House bill an individual who receives dividends on stock in a corporation is allowed an exemption in his normal income tax of the tax paid by the corporation. The tax having been paid once he does not have to pay it again.

Why then should a corporation holding stock in another corporation not be entitled to the same exemption?

Your committee thought that there was no reason why individuals and corporations in this matter should not be treated alike, and that there was no reason why either should pay again a tax which has already been paid.

The Senate bill, however, differs from the House bill in this respect:

While the House bill allows each intermediate subsidiary corporation to make the deduction, the Senate bill allows only one deduction.

Your committee thinks in both respects the amendments it recommends are much fairer and more equitable than the House bill.

I now come to the war-profits tax.

Mr. President, I wish to ask the attention of the Senate while I discuss some phases of the war-profits tax as redrafted by your committee. Your committee acted upon the theory that the chief source of revenue to finance the war is incomes and war profits. These sources are chiefly relied upon by other nations, and they seem to us to afford the best source from which to draw the revenues to meet war expenses. Under the Senate amendment $1,340,000,000 of the total levy of $2,009,000,000 will be raised from those two sources.

Apparently the other House did not take the same view of this matter as did the Senate committee, especially with reference to war profits, either in the manner of levying the taxes or as to the amount levied, because the House bill, it is estimated, would raise only $200,000,000 from war profits.

In view of the fact, Mr. President, that the war profits of 1916 reached fully $3,000,000,000 and that the Government budget now requires $2,000,000,000, we thought $200,000,000 from war profits was entirely too small a sum—yea, an almost ridiculously small sum from the beneficiaries of these almost unbelievable profits. We felt the House bill was entirely too lenient to those who have reaped this rich harvest of gold through the high prices these war conditions have made possible. We have rewritten this section of the bill, changed the base and the rates. As a result of these changes it is estimated that the revenue from our bill for the year 1917 will be $562,000,000, instead of $200,000,000.

The Senate draft of this title of the bill differs very materially from the House draft as to the method of ascertaining the normal income of the taxpayer and as to the method of imposing the tax. The House bill proceeds upon the assumption that everybody, in whatever occupation or business engaged, was making identically the same per cent of profit before the war. It is a standard based upon a manifest fallacy; upon an assumption that our experience tells us does not conform to the facts. Everybody does not make, and everybody never did make, the same percentage of profits. If you are going to tax war profits you must ascertain in some just and equitable way the actual prewar profits of the individual taxpayer. The standard must reflect the facts of the individual case, and it must be equitable. It must be founded upon fact and upon truth and not upon assumption and fiction.

The bitter, intense opposition to the House measure, which was reflected in the hearings before the Finance Committee, which have been printed and are in the possession of Senators, shows that the objection was not to the amount of the tax—for that was so exceedingly low in view of the conditions that nobody could object to it—it was upon the ground that the base upon which the tax was made to rest was a fictitious base—one that did not reflect the facts.

We struck this arbitrary standard out and substituted a standard based upon the actual results of each man's business operations. We allow a deduction of the average profits actually made during the three years immediately preceding the outbreak of the war. We make provision for exceptional cases where, by reason of misfortune, or of circumstances, a man was not making a normal profit during that period but was making an abnormally low profit compared with the profits of like business. Under the bill now before you, if the Secretary of the Treasury shall find that a man's profit was abnormally low during the three last years, he must permit him to have an exemption equal to the average profits made by representative concerns in like business during those three prewar years.

We selected the three years named in the bill because, after a very thorough investigation on the part of the experts, comparing all the years between 1909 and 1915—1909 being the year in which we first began to get reports from corporations under the income-tax law—we were advised, taking the business of the whole country into account, that the years selected were the most favorable group for the average taxpayer; but it is charged, Mr. President, that our base is wrong and that the base of the House is correct.

I have looked up this matter with a view to ascertaining what base is used by European countries which have imposed war profits taxes. I find that all the countries engaged in war are imposing this kind of tax, as are practically all the neutral countries on the western coast of Europe. As the result of that investigation I find that the following countries fix their prewar profits for the purposes of this tax upon the same basis we do. Great Britain allows the average profits of two prewar years out of three; France three prewar years, exactly as ours; Italy two prewar years, 1913 and 1914; Russia two prewar years; Germany three of five prewar years, excluding the best and the worst; Austria three of five prewar years, excluding the best and the worst; Denmark two of the three, 1912, 1913, and 1914; Norway, two years; Sweden, two years; and Holland three years, just as ours. The only two countries out of the 14 countries, one at war and the other a neutral—one in Europe and the other on this continent—imposing a war-profits tax upon any other than the base provided in this bill, are Spain and Canada.

This species of tax is not a new thing in countries of the world. At the very outset of the war, European countries began to impose this tax. The base is the same to-day as it was in the beginning, except for some immaterial changes. This base has been adopted throughout Europe, with the exception of Spain. During all of these three trying war years the rising rate of taxation has made it more and more necessary that the base should be just, equitable, and sound.

But, Mr. President, it is claimed by some that not only our base is wrong but that the graduated scale we have substituted for the flat scale of the House is wrong. If it is the purpose of the Congress to make no distinction between the man who is making only a moderately increased profit out of war conditions and that numerous class of operators in this country whose war profits are now 100 per cent, 200 per cent, 300 per cent, or even 1,000 per cent greater than before the war, then we ought to adopt the House excess-profits scheme. That scheme is a profits tax differing in principle only slightly from the normal income tax. If Congress has in mind that kind of tax to raise the war funds, it can attain its purpose by simply raising the income rate sufficiently high to get the money. Your committee has not so interpreted the will of the people or the desire of Congress. It believes the people want those making these great war profits to be taxed at a rate in proportion to the increase in war profits. We have therefore sought to make this tax not a mere extension of our peace-time income tax but truly a war-profits tax. To accomplish this purpose we propose a scale of rates graduated as is our income surtax, so that the man making a large additional profit shall pay at a higher rate than the man making a small additional profit. It is the belief of your committee that this is the way these swollen profits can be adequately reached.

Prior to the war, when men were supposed to be making only normal profits, when the profits of one man were not supposed to be greatly out of proportion to the profits of another, and those of one industry not out of proportion to those of another, we wrote into the law imposing taxes upon the incomes of the people derived from their business activities what is known as the surtax, which is a graduated tax starting at a low base and going up and up by steps until it reaches the big income and imposing upon that income a tax, of course, altogether out of proportion to the surtax put upon the lower income. Mr. President, if we have, as a matter of equity and right, in taxing the incomes made in peace times, applied this differentiation, why should we refuse to apply it in taxing war profits?

It has been charged in the public prints by men in authority, Members of the Congress, by way of criticism and animadversion upon the Senate amendments to the bill, that through these amendments many of the great corporations of the country, the trusts and the monopolies, and the railroads will escape taxation. There is no foundation for these criticisms of the Senate amendments. Similar charges were brought against the House bill long before the Senate committee had changed a word or line in it.

Under the 8 per cent method of determining prewar profits of the House bill undoubtedly many of the great corporations and trusts of the country who are now making enormous war profits would, by reason of overcapitalization and watered stock, largely, if not altogether, escape the proposed tax.

This was made quite clear to your committee not merely by information and statistics obtained through the departments and other sources but from the statements of representative men, thoroughly familiar with corporate practices and organization, who appeared before us in vigorous protest against this part of the House bill.

These representatives of business interests attacked the House excess-profits proposal as discriminatory and unjust. They declared that some of the strongest and richest corporations in this country would not pay a dollar upon the 8 per cent basis of the House scheme because of overcapitalization. They charged that hundreds of big concerns with listed stock selling at high prices would pay nothing under this 8 per cent basis, while corporations organized upon a conservative basis would be hard hit. They charged that under the House 8 per cent capitalization scheme good will, trade-marks, trade names, and so forth, were given exemptions which were denied to equally valuable good will, trade-marks, and trade names, and so forth, built up by energy, ingenuity, and self-denial. Finally, they maintained that the provisions of the House bill would be avoided by the simple process of reorganization, matters being so arranged that the full present value of assets would be capitalized and a cash payment made for the value of good will.

The indictment which these men made against the House bill in these respects could not well have been stronger.

It is charged that the Senate war-profits scheme will exempt the railroads from taxation. That charge against the Senate scheme is unwarranted. It is true, however, that many of the railroads, in fact most of them, would escape taxation under the House scheme altogether, while only a few of them would pay any tax at all, and that but a very small tax.

Under the House scheme the railroads would be allowed an exemption of 8 per cent upon their capitalization as their prewar profits, while as a matter of fact their average earnings during the three or four years immediately preceding the war were less than 5 per cent. Thus, the House scheme would have allowed the railroads an exemption of nearly twice as much as they were earning during the prewar period. But few of these roads are earning more than 8 per cent upon their inflated capital now, so it is obvious that under the House scheme they would not be taxed.

Without taking up too much time of the Senate I wish to show by facts that can not be disputed that under the Senate scheme of ascertaining the prewar basis for exemptions and taxing by a graduated scale, neither the big corporations, nor the trusts, nor the railroads will escape. On the contrary, they will pay a very much larger tax than under the House scheme.

In the hearing the railroads did not appear to protest against the House bill, and we did not hear from them until we changed the House prewar standard of ascertaining normal profits. Then they came—presidents of the great railroads of the country with their lawyers. The hearings had been closed, but they asked the privilege of informal talks with members of the committee. They came in protest against the Senate bill, not because they could find any infirmity in the principle, but because they contended they would be heavily taxed under the Senate scheme. They made no attempt to conceal the fact that they would not be reached by the excess-profits provisions of the House bill. They brought with them a brief showing the large sums that the representative railroads of the country would have to pay as war-profits taxes under the Senate bill.

When that brief was presented to me by the chief attorney of the roads in Washington—I shall not call his name, but he is one of the most distinguished lawyers in the country, a man whose probity, honesty, ability, and uprightness nobody questions—when he presented that brief to me and called my attention to the fact that the railroads would be mulcted in heavy taxes, as shown in the tables in the brief, I said: "Why have you not included here tables to show how much tax the railroads would have to pay under the House bill?" His answer was prompt and unequivocal. He said, in substance: "To tell you the truth, we have nothing to say against the House bill, because the railroads will have to pay comparatively little tax under it."

Mr. President, I want to call the attention of the Senate to a very remarkable table showing the difference between the revenue-producing qualities of the bill as amended by the Senate committee and the House bill. It also answers conclusively the charge that the Senate bill lets out the big corporations; and, Mr. President, it does what is more important than that, it clinches the position of your committee, namely, that this tax will catch the man or the concern that should be caught, and catch him in a way in which he ought to be caught.

The table (see Table I) to which I call attention is one that does not come from an expert of the department. The data upon which it is based come from a source supposed to have knowledge of the affairs of the corporations with which it deals. The rates given in the table have been worked out or tested by official experts and they can be relied on.

TABLE I.—*Comparison of tax to be derived under the provisions of Title II of the House and the Senate committee bills.*

	Net income.					Excess profits 1916 over pre-war period.	Tax under Senate bill.
	1911	1912	1913	Average pre-war period.	1916		
U. S. Steel Corp.	$55,300,297	$54,240,049	$81,216,986	$63,585,777	$271,531,730	$207,945,953	$76,728,471
Bethlehem Steel Corp.	2,927,128	3,110,525	6,651,488	4,229,713	57,944,754	53,715,041	25,045,090
Lackawanna Steel Co.	82,803	1,008,812	3,023,084	1,371,556	12,218,235	10,846,669	4,835,627
General Electric Co.	10,562,806	12,578,736	13,057,879	12,066,473	18,589,528	6,523,055	1,136,038
Railway Steel Spring Co.	984,787	1,723,978	1,121,660	1,276,808	3,710,806	2,433,998	713,769
Pressed Steel Car Co.	892,836	970,343	2,194,816	1,352,665	3,051,153	1,698,488	420,654
New York Air Brake Co.	47,799	572,380	654,513	424,897	9,414,962	8,990,065	4,312,964
Ingersoll-Rand Co.	908,988	1,922,251	1,322,188	1,384,476	7,255,616	5,871,140	2,342,323
Scovill Manufacturing Co.	501,344	709,854	402,624	537,940	13,403,462	12,865,522	6,202,254
Anaconda Copper Mining Co.	$5,043,720	15,856,335	11,323,499	11,741,185	50,828,372	39,087,187	14,512,497
Utah Copper Co.	6,237,929	8,449,272	8,005,393	7,564,195	39,738,675	32,174,480	12,845,982
American Smelting & Refining Co.	11,471,713	11,754,244	9,756,540	10,994,165	22,152,249	11,158,084	2,492,579
U. S. Smelting, Refining & Mining Co.	2,840,074	4,232,965	3,585,586	3,552,875	8,898,464	5,345,589	1,415,226
Consolidation Coal Co.	1,383,835	2,503,357	2,459,729	2,115,640	4,075,555	1,959,915	421,897
Pittsburgh Coal Co.	1,391,937	2,025,483	2,726,269	2,047,896	3,143,926	1,096,030	190,044
Vacuum Oil Co.	2,436,016	4,159,006	4,832,930	3,809,317	9,221,937	5,412,620	1,404,920
Mexican Petroleum Co.	2,473,588	2,849,771	5,182,767	3,502,042	7,153,060	3,651,018	827,844
Associated Oil Co.	1,766,246	1,230,445	1,822,413	1,606,368	3,198,389	1,592,021	351,507
E. I. du Pont de Nemours & Co.	5,821,577	6,222,414	4,533,901	5,525,964	82,107,693	76,581,729	35,922,980
American Can Co.	4,916,339	6,539,046	5,032,917	5,496,101	9,462,982	3,966,881	766,341
United States Industrial Alcohol Co.	902,745	1,021,751	652,353	558,951	4,884,586	4,025,635	1,644,757
General Chemical Co.	2,341,830	2,608,582	2,809,442	2,586,635	12,286,826	9,700,191	3,741,723
Central Leather Co.	295,182	5,736,885	4,386,345	3,472,804	15,489,201	12,016,397	4,520,102
American Woolen Co.	3,225,916	3,722,988	677,685	2,090,406	8,210,761	6,120,355	2,164,438
Diamond Match Co.	1,874,013	1,720,103	1,375,816	1,656,644	3,080,512	1,423,868	297,114
Pittsburgh Plate Glass Co.	1,639,382	1,669,322	1,685,217	1,664,640	5,970,231	4,305,591	1,439,498
American Sugar Refining Co.	14,083,054	9,304,782	5,088,363	9,492,035	13,703,443	4,211,408	690,410
Studebaker Corporation.	2,050,061	2,681,349	1,998,186	2,243,198	8,642,123	6,398,925	2,238,253
Eastman Kodak Co.	11,649,263	13,999,047	14,162,436	13,270,249	17,289,206	4,018,957	591,467
Sears, Roebuck & Co.	6,984,967	8,322,611	9,027,670	8,111,749	6,076,406	7,964,657	1,752,625
F. W. Woolworth Co.	4,955,256	5,414,798	6,461,118	5,610,391	8,713,445	3,103,054	545,737
Western Union Telegraph Co.	5,371,987	4,003,555	3,126,230	4,167,267	13,561,829	9,394,562	2,962,788
New York Telephone Co.	12,827,194	14,361,325	14,287,584	13,825,368	17,265,341	3,439,973	488,182
Pennsylvania R. R. Co.	37,531,403	42,153,964	41,920,833	40,535,400	62,276,504	11,741,104	1,699,654
Delaware & Hudson Co.	5,237,631	5,506,089	6,174,736	5,639,502	4,158,372	(1)	
Delaware, Lackawanna & Western R. R. Co.	9,794,185	10,126,312	10,255,209	10,058,569	16,200,148	6,141,579	1,122,817
Cleveland, Cincinnati, Chicago & St. Louis Ry. Co.	1,801,616	2,344,352	2,697,545	2,281,171	8,124,908	5,843,737	1,938,508
Michigan Central R. R. Co.	2,116,361	2,726,333	1,283,160	2,041,952	6,837,436	4,795,484	1,538,235
Republic Iron & Steel Co.	(2)	(2)	3,101,300	3,101,300	14,780,163	11,687,863	4,515,074
Baldwin Locomotive Co.	(2)	3,698,571	4,017,800	3,858,136	5,182,517	1,324,381	293,143
E. W. Bliss Co.	(2)	(2)	(3)	4,639,321	10,565,321	5,926,000	1,442,953
Standard Oil Co. of New York	(2)	(2)	16,212,985	16,212,985	36,638,495	20,425,510	5,065,547
Corn Products Refining Co.	(2)	(2)	2,284,855	2,284,855	6,083,747	3,798,892	1,030,010
International Paper Co.	(2)	1,197,678	993,865	1,095,771	5,120,727	4,024,956	1,542,940
Yale & Towne Mfg. Co.	(2)	672,547	522,689	597,618	2,723,847	2,126,229	807,039
U. S. Rubber Co.	[4] 4,736,643	[4] 5,300,989	7,544,217	5,860,616	10,398,195	4,537,579	901,214
B. F. Goodrich Co.	(2)	4,503,111	2,599,747	3,551,429	9,447,299	5,895,870	1,635,633
Montgomery Ward & Co.	(2)	2,347,605	1,653,481	2,000,543	4,550,791	2,550,248	637,517
Total.					964,807,604	659,858,490	240,050,461

	Capital.	8 per cent on capital.	Excess of 1916 profits over 8 per cent on capital.	16 per cent on excess profits.	Tax on basis of 1916 under the provision of—			
					House bill.	Senate committee bill.		
						Amount.	Increase, amount.	Per cent.
U. S. Steel Corp.	$1,700,000,000	$136,000,000	$135,531,730	$21,685,077	$21,685,000	$76,728,000	$55,041,000	254
Bethlehem Steel Corp.	167,700,000	13,416,000	44,528,754	7,124,601	7,125,000	25,045,000	17,920,000	252
Lackawanna Steel Co.	84,300,000	6,744,000	5,474,215	875,878				
General Electric Co.	147,700,000	11,816,000	6,773,523	1,083,764				
Railway Steel Spring Co.	39,000,000	3,120,000	590,806	94,529				
Pressed Steel Car Co.	25,200,000	2,016,000	1,035,153	165,624				
New York Air Brake Co.	21,000,000	1,680,000	7,734,962	1,237,594				
Ingersoll-Rand Co.	19,400,000	1,552,000	5,703,616	912,579				
Scovill Manufacturing Co.	21,000,000	1,680,000	11,723,462	1,875,754	1,876,000	6,202,000	4,326,000	231
Anaconda Copper Mining Co.	180,900,000	14,472,000	36,356,372	5,817,020	5,817,000	14,512,000	8,695,000	149
Utah Copper Co.	67,700,000	5,416,000	34,322,675	5,491,628	5,495,000	12,846,000	7,351,000	134
American Smelting & Refining Co.	180,900,000	14,472,000	7,680,249	1,228,840				
U. S. Smelting, Refining & Mining Co.	69,400,000	5,552,000	3,346,464	535,434	535,000	1,415,000	880,000	164
Consolidation Coal Co.	89,500,000	7,160,000	(1)			422,000	422,000	
Pittsburgh Coal Co.	90,000,000	7,680,000	(1)					
Vacuum Oil Co.	47,000,000	3,760,000	5,461,937	873,910	874,000	1,405,000	531,000	61
Mexican Petroleum Co.	72,500,000	5,800,000	1,353,080	216,490	216,000	828,000	612,000	283
Associated Oil Co.	59,000,000	4,720,000	(1)			352,000	352,000	
E. I. du Pont de Nemours & Co.	148,200,000	11,856,600	70,251,693	11,240,271	11,240,000	35,923,000	24,683,000	220
American Can Co.	106,000,000	8,480,000	982,982	157,277				
United States Industrial Alcohol Co.	31,600,000	2,528,000	2,356,586	377,054	377,000	1,645,000	1,268,000	335
General Chemical Co.	39,700,000	3,176,000	9,110,826	1,457,732	1,458,000	3,742,000	2,284,000	157
Central Leather Co.	125,700,000	10,056,000	5,433,201	869,312	869,000	4,520,000	3,651,000	420
American Woolen Co.	71,300,000	5,704,000	2,506,761	401,082	270,000	2,164,000	1,894,000	700
Diamond Match Co.	17,400,000	1,392,000	1,688,512	270,162				
Pittsburgh Plate Glass Co.	32,700,000	2,616,000	3,354,231	536,677				
American Sugar Refining Co.	108,300,000	8,664,000	5,039,443	806,311				
Studebaker Corporation.	58,200,000	4,656,000	3,986,123	637,780	638,000	2,238,000	1,600,000	251
Eastman Kodak Co.	44,300,000	3,544,000	13,745,206	2,199,233	2,199,000	[5] 1,608,000	[5] 272	
Sears, Roebuck & Co.	89,400,000	7,152,000	8,924,406	1,427,905	1,428,000	1,753,000	675,000	47
F. W. Woolworth Co.	79,200,000	6,336,000	2,377,445	380,391				
Western Union Telegraph Co.	158,200,000	12,656,000	905,829	144,933				
New York Telephone Co.	206,800,000	16,544,000	721,341	115,415				
Pennsylvania R. R. Co.	930,400,000	74,432,000	(1)			1,699,000	1,699,000	
Delaware & Hudson Co.	132,800,000	10,624,000	(1)					
Delaware, Lackawanna & Western R. R. Co.	109,900,000	8,792,000	7,408,148	1,185,304	1,185,000	1,122,000	[5] 62,000	[5] 5

[1] Deficiency. [2] June 30. [3] Not published. [4] Change in fiscal year. [5] Decrease.

TABLE I.—*Comparison of tax to be derived under the provisions of Title II of the House and the Senate committee bills*—Continued.

	Capital.	8 per cent on capital.	Excess of 1916 profits over 8 per cent on capital.	16 per cent on excess profits.	Tax on basis of 1916 under the provision of—			
					House bill.	Senate committee bill.		
						Amount.	Increase, amount.	Per cent.
Cleveland, Cincinnati, Chicago & St. Louis Ry. Co.	$160,200,000	$13,536,000	(1)			$1,938,000	$1,938,000	
Michigan Central R. R. Co.	95,900,000	7,672,000	(1)			1,538,000	1,538,000	
Republic Iron & Steel Co.	87,200,000	6,976,000	$7,813,163	$1,250,106	$1,250,000	4,515,000	3,265,000	261
Baldwin Locomotive Co.	58,900,000	4,712,000	470,517	75,283				
E. W. Bliss Co.								
Standard Oil Co. of New York	143,600,000	11,488,000	25,150,495	4,024,079				
Corn Products Refining Co.	100,200,000	8,016,000	(1)					
International Paper Co.	70,500,000	5,640,000	(1)					
Yale & Towne Mfg. Co.	12,000,000	960,000	1,763,847	282,215				
U. S. Rubber Co.	205,600,000	16,448,000	(1)					
B. F. Goodrich Co.	102,200,000	8,176,000	1,271,299	203,408	203,000	1,636,000	1,433,000	706
Montgomery Ward & Co.	19,700,000	1,576,000	2,974,791	475,967	476,000	638,000	162,000	34
Total	6,643,300,000	531,464,000	485,853,878	77,736,619				

[1] Deficiency.

The table includes over 40 corporations. Some of them are big railroads. Some of them are copper smelting and refining companies. Some of them are steel and iron and chemical companies, representing all sorts of big interests. Let me state the aggregate amount of excess profits, according to the Senate bill, upon the basis of the incomes of 1916. The table gives earnings for 1911–12, and 1913 and 1916. It does not give earnings for 1917, but assumes that the profits will be the same this year as they were in 1916, although, of course, we know they will be very much larger.

There are worked out here the profits for 1911, 1912, and 1913, the basic years, with the profits of 1916, and the total average excess war profits over the average for 1911 to 1913, of these forty-odd corporations. The total amount of excess profits in 1916 made by those corporations is $659,858,490. The aggregate amount of tax they will pay to the Government on such excess war profits under the Senate bill is $240,050,461. Under the House bill the total amount would be $77,736,619.

Now, Mr. President, I wish to call attention to just one or two of these companies.

The first is the United States Steel Corporation. I have seen the statement in the papers of my State for several days, coming from high sources, that this corporation will not pay any taxes at all under the Senate bill.

As shown in the above table, the profits of the United States Steel Corporation in 1911 were over $55,000,000; in 1912, over $54,000,000; in 1913, over $81,000,000; in 1916, about $272,000,000. The tax of this corporation under the Senate bill would be $76,726,471; under the House bill, $21,685,000.

The Bethlehem Steel Co. under the House bill would be taxed $7,125,000; under the Senate bill, $25,045,000.

Mr. POMERENE. Mr. President, the Senator has had in his hand one table during part of his discussion, and another table during the second part.

Mr. SIMMONS. This is the first table, enlarged at my suggestion.

Mr. POMERENE. It is the same table?

Mr. SIMMONS. The same table, just enlarged so as to show the difference between the House rate and the Senate rate. I have inserted this table as enlarged, Mr. President. I first had it in the small form, and then had it enlarged.

Mr. POMERENE. I should be very glad to have a copy of it.

Mr. SIMMONS. The table, as I said, assumes that the incomes of these corporations for 1917 will be the same as in 1916. I have here some data which throw light upon the vast difference between the earnings of these big corporations this year and last year. I do not wish to take the time of the Senate to read all of these statements. They are taken from the Wall Street Journal. They are the deductions of that paper, based upon the earnings of these corporations for the first two quarters of the present calendar year.

Mr. GORE. What is the date of the paper?

Mr. SIMMONS. August 1 is the date of one extract, and August 7 the other.

August 7, from the Wall Street Journal:

Bethlehem Steel may have to pay out around 40 per cent of its profits in war taxes this year, on account of the fact that its earnings in 1911 and 1912 and 1913 were comparatively small. In the first half of this year's estimates of profits for Bethlehem Steel after payment of all charges, including preferred-stock dividends, ranged between $90 and $100 a share on class B and class A common stock.

Central Leather: The pronounced strength in Central Leather is a belated recognition of the extraordinary profits this company will realize in 1917. In the six months to June 30 Central Leather earned $24.40 per share on its $39,700,000 common stock, and this $25 per share will be after deduction of the company's estimates for its excess profits tax.

Mr. POMERENE. What is the par value of the shares?

Mr. SIMMONS. I do not know; this article does not state; $100, I assume.

I will read further:

Good authorities believe that during 1917 Central Leather will earn for its common stock, free and clear of all taxes, a balance of $50.

Midvale Steel: Midvale Steel has followed the example of the big steel corporations, and set up a reserve for the excess profits tax of $4,169,000, at the rate of $18,400,000 per annum. Midvale in its half year has earned for interest, after taxes, depreciation, and estimated Federal excess profits tax allowances, $24,250,000.

The next is Industrial Alcohol, which fares about as well. Wall Street Journal, August 3:

The company has set aside out of the earnings for the first half of 1917 the sum of $1,500,000 as a reserve to cover Federal corporation taxes. Current earnings greatly in excess of those of 1916, when, after increasing property account $13,000,000, there was earned $38 a share on common stock. Surplus, as of December, 1916, was $10,000,000.

American Steel Foundries:

Net earnings for six months June 30—

1914	$242,000
1916	1,374,226
1917	3,948,197

Studebaker: Net profits of corporation for first six months of the year amounted to $2,966,198, after deducting for existing corporation income taxes, but without provision for excess profit tax.

American Tobacco Co., August 9 (including subsidiaries): Sales of American Tobacco Co. for five months ending May 31 were $52,000,000, compared with $42,000,000 for the first five months of 1916. Earnings are showing a gain proportionate with the increase in sales. The company should easily show better than $26 a share for its common this year, compared with $22 in 1916 and $20 in 1915. (This shows heavy increased profits.)

Excerpt from letter addressed to me August 2, 1917, by one of the prominent officials of the American Tobacco Co.:

It has been suggested that I write you frankly and definitely the amount of tax that the American Tobacco Co. will pay as excess profits tax under the scheme shown by the Senate Finance Committee; it has been said that the representation was being made that the American Tobacco Co. would, under the plan of excess profits tax proposed by the Senate Finance Committee, pay nothing in such taxes.

* * * * * *

I have gone over the figures as best I can. Without attempting to go into detail, I can say to you that the American Tobacco Co. will have to pay taxes under the excess profits tax law reported by the Senate Finance Committee, if such becomes a law, including its direct payment and its proportion of payments by subsidiary companies more than $500,000. I think the figures will much more nearly approximate $750,000.

Mercantile Marine, July 31: It was estimated Mercantile Marine would show net profits of $26,299,000 for 1916 after all war taxes, after interest, and after allowing $4,169,000 for depreciation of steamers.

Corn Products Refining Co., for six months ending June 30.

Profits:

1917	$9,344,000
1916	3,130,000
1915	2,061,000
1914	1,703,000

Saturday, August 11, 1917.

Mr. SIMMONS. Mr. President, when my remarks upon this bill were suspended yesterday, by the suggestion of adjournment, I was discussing the phenomenal war profits disclosed in the quarterly returns of certain great corporations in this country for the first and second quarters of the present calendar year, as compared with 1916. The figures I then presented showed that though the war profits of these concerns for 1916 were astonishingly large, those for 1917 would so far eclipse them, as forecasted by the returns for the first two quarters, that they would seem small by comparison.

I had shown that the corporations included in the table before referred to made in 1916 war profits on the basis of the Senate committee amendments, of about $660,000,000, and would pay a war tax, under these amendments, of about $240,000,000 in round figures, as against $77,736,000 under the bill as it passed the House.

The net profits of the United States Steel Corporation shown by its statement for 1916 amounted to $271,000,000, and its war tax for that year under the Senate committee bill would be $76,000,000, or about as much as would be paid by all the forty-odd companies to which I have referred, under the House plan for that year.

That is to say, Mr. President, according to the table I have presented to the Senate, the United States Steel Corporation's taxes under the Senate committee bill would be within a million dollars as much as the combined taxes of all the 48 corporations named in the table, including the Steel Corporation, under the House plan.

I wish now to supplement that statement by reading to the Senate a part of an article from the Wall Street Journal of August 2 on the operation of the United States Steel Corporation for the first and second quarters of this year. I do this for the purpose of showing that while the war profits of 1916 were startlingly great they were nothing like what we may expect during future war years. Let me read to the Senate.

I am quoting from the Wall Street Journal of August 2, 1917:

> The allowance of $53,918,872 for war income and excess profits taxes made by United States Steel in the second quarter is much larger than recent Wall Street estimates, but this is due largely to the fact that earnings, not deducting taxes, in the second quarter were at the rate of nearly $578,000,000 annually and earnings to which the tax is applicable were at the rate of over $490,000,000 annually.

Their earnings for 1916 subject to the tax were, as I now recall, $207,945,953. According to the Wall Street Journal, based upon the returns of the second quarter, the earnings of this corporation in 1917 subject to the tax will be $490,000,000.

The Wall Street Journal further says:

> United States Steel in the second quarter deducted at the rate of $215,675,488 annually for war taxes. The tax of $53,918,872 for the second quarter is at the rate of approximately 44 per cent on a balance of $122,792,408, after all deductions before dividends and before deducting the excess profits tax. The $122,792,408 in the second quarter is the balance to which the excess profits tax applies.
>
> After preferred dividends United States Steel reported a balance in the second quarter of $62,568,617 available for the common stock, equal to about $12.50 a share. This is at the rate of $49.20 a share annually, and is a remarkably good showing when it is considered that the corporation in the second quarter deducted for war taxes a total equal to an annual rate of over $42 a share on the common stock.

So that after paying dividends upon the preferred stock and all the taxes for that quarter there will be left for a dividend to the common stockholder for that quarter $12.50, equal to an annual dividend of $50 a share, after the payment of everything.

Mr. HOLLIS. Before the Senator leaves that——

Mr. SIMMONS. I have not finished reading.

Mr. HOLLIS. I wish to make a remark before the Senator leaves the United States Steel Corporation.

Mr. SIMMONS. Very well. I read further from the same article. I am not reading it all because of its length:

> In the first half of the current year the United States Steel Corporation deducted from earnings in connection with war and excess-profit taxes nearly $100,000,000. This is at the rate of close to $200,000,000 a year, or approximately 15 per cent of the total amount the Government expected to raise annually on a basis of the revenue bill as it now stands.
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> * * * * * * *
>
> The original statement of the United States Steel Corporation for the first quarter did not give the amount of the war tax deducted, but it was probably based upon the tax then proposed of 16 per cent in excess of 8 per cent.
>
> * * * * * * *
>
> This was based upon the rate and plan of the House bill.
>
> This would mean that there was deducted from earnings, as per the original first quarterly report, close to $10,000,000.

In other words, the amount they estimated at the time for the first quarter as necessary to meet the war profits tax was $10,000,000, calculated on the basis of the House bill. The article proceeds:

> This, added to the additional allowance of $33,865,000 for war taxes in the first quarter, makes total war taxes in the first quarter $43,865,000.

That is to say, when they revised their original deduction from the earnings on the first quarter, for this tax, they added to the $10,000,000 originally taken out to meet the requirements of the House bill $33,000,000 more, as made necessary by the higher rate, and the plan, of the Senate committee bill. I read again:

> This, added to the additional allowance of $33,865,000 for war taxes in the first quarter, makes total war taxes in the first quarter $43,865,000, compared with $53,918,872 in the second quarter, a total for the first half of the year of $97,783,872.

This shows, Mr. President, that as against $271,000,000 war profits in 1916 it is estimated that the war profits of this great corporation for 1917 will reach $490,000,000, or nearly double that for 1916. It also shows that in the first quarter of 1917 this company set aside about $10,000,000 for war taxes on the basis of the House bill, but subsequently added $33,000,000 because of the changed basis of the Senate committee amendments.

But more important still, this shows that in the first of the two quarters of 1917, after paying dividends on preferred stock and war taxes, there will remain a balance sufficient to pay dividends on the common stock for the quarter of $12.50 per share, or an annual dividend of $50 a share.

Mr. President, I have taken the time of the Senate to present these facts with reference to this great corporation in full, because it establishes beyond controversy that the bill as applied to this corporation and to those in its class—and there are a great many in its class with reference to profit, though none in its class with reference to size of capitalization and business—will do exactly what the Senate committee contends that it will do, exactly what in the framing of the bill they believed and intended it would do. It will so reach them as to require them to pay in proportion to the increase in their profits resulting from the war and to continue paying according as their profits increase. This, we thought, was very desirable. Clearly such is the case here. As indicated, the profits of this corporation last year were abnormally high, phenomenally high—unlike anything before experienced in this country. However, high as their profits were and large as their net earnings were, they would only have had to pay, under our bill on the basis of 1916 earnings, a tax of $76,000,000. This year it is certain their profits will have almost doubled, and so their taxes will be approximately twice this amount.

But it shows another thing, Mr. President, which is equally important. A system levying high taxes for the purpose of getting revenue and taking no account of the effect of those taxes upon the industries from which they are to be withdrawn, would be very unjust. But the facts in this case illustrate that under these conditions the heavy tax can be paid and yet leave to the taxpayer a profit which neither the owners of that great industry, nor the most optimistic financiers in this country have heretofore thought possible. After they have paid this Government tax, all other taxes—all other obligations, including the dividends upon preferred stock, according to the figures taken from this representative financial publication—there will be left to the stockholder of the common stock of this corporation $12.50 quarterly, or at the rate of $50 per share for the year.

Mr. STERLING. Of $100.

Mr. SIMMONS. On $100 par value.

Mr. HOLLIS. And a large part watered.

Mr. SIMMONS. And, as the Senator from New Hampshire [Mr. HOLLIS] very properly says, it is a fact well known to everybody that a large part of the stock of this particular corporation is not represented by actually invested capital, but is watered. Who can successfully attack the wisdom or the equity of a bill, certainly as applied to this class of corporations, which while it brings to the Government a tax of 44 per cent upon the profits, leaves to the common stockholders—and they are the owners of the property—after all expenses and all taxes have been paid, a net return of $50 a share upon stock that represents probably much less than $50 of actual investment?

Mr. HOLLIS. Mr. President——

The PRESIDING OFFICER (Mr. CURTIS in the chair). Does the Senator from North Carolina yield to the Senator from New Hampshire?

Mr. SIMMONS. I yield to the Senator.

Mr. HOLLIS. Would it trouble the Senator if I reminded him that the net earnings of the United States Steel Corporation for 1916, which were, as the Senator has already stated, $271,000,000, were in excess of the total amount that the

corporation paid to everyone to work for it, including the laborers, office force, salaried officers, and managers?

Mr. SIMMONS. I thank the Senator.

Mr. President. I have not singled out this corporation for any invidious reason. I have simply singled it out as one of a class of at least 20 of the great corporations named in the schedule in this table, and with a view to further answering an argument that is sometimes made: First, that this tax will not adequately reach these big corporations; and another, per contra, that the bill will severely and unjustly cripple them and make the levy excessive as against them.

Mr. PAGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Vermont?

Mr. SIMMONS. I yield to the Senator.

Mr. PAGE. Just one question. Has the Senator any data showing whether the stock of the United States Steel is largely held by capitalists, or is it very generally distributed among the public?

Mr. SIMMONS. I am unable to answer that question. I have not looked into that phase of the subject.

Mr. President, as appropriate to this argument I desire to direct attention to the following excerpt from a letter written by the manager of one of the important cotton mills in North Carolina to the manager of another North Carolina cotton mill in reply to a letter protesting the Senate scheme and rates. It says:

The strongest argument confronting us is the enormous amount of money the Senate bill will get out of the munition factories and kindred industries. This makes the law popular, and when we consider the great profits being made by those companies directly out of the war, we are forced to conclude that there is some justification for the popularity. For illustrative purposes I give you the following:

Company.	Net profits.	Tax due.	Per cent of profits.
United States Steel	$430,000,000	$148,068,000	35
Bethlehem Steel	48,000,000	17,036,000	35
Lackawanna Steel	25,000,000	8,786,000	35
American Locomotive	7,250,000	432,000	6
Baldwin Locomotive	6,400,000	334,000	5

These figures were taken from the Wall Street Journal, and the detailed calculations are printed. In addition to this the profits of the Du Pont, Hercules, and Atlas Powder Cos. are estimated at $101,612,000. Their total excess profits tax amounts to $38,000,000, or 37 per cent of their net profits. To this must be further added the amounts to be received from the independent powder companies, including the American Powder Mills, the shell, ammunition, and small-arms manufacturers, such as Winchester Repeating Arms Co., Remington U. M. C. Co., Peters Cartridge Co., Western Cartridge Co., United States Cartridge Co., etc. It is estimated that 33⅓ per cent of the entire revenue collected under the Senate bill will be derived from what we understand as munition industries. Under the House bill they will pay, after adding 12½ per cent now specifically imposed, about one-half as much as under the Senate bill. As above stated the United States Steel Co. will pay under the Senate bill $148,000,000. It is a fact that eight munition plants alone will raise as much under the Senate bill as the entire House bill will raise. From this it would appear that the rates imposed under the House bill can only be temporary, and would necessarily have to be raised as additional funds are required. With reference to the flat-rate tax a very careful investigation has been made and it is estimated that it will require in the neighborhood of 25 per cent of the net earnings of all the corporations in this country to raise as much revenue as the Senate bill.

I stated yesterday, Mr. President, that my understanding was that under the bill as passed by the House practically all the railroads of the country would escape the operation of this tax. I stated that I had that information directly from one of the leading representatives of these corporations here at Washington. In fact, I believe the gentleman I referred to is the Washington representative of all the railroads.

I have here a statement from the Interstate Commerce Commission which has been furnished me and which contains certain data explaining why the railroads would escape this tax under the bill as passed by the House. According to these figures, based upon the annual earnings of all the railroads in this country, where their earnings were in excess of $1,000,000 prior to the war, the average net earnings were between 4 and 5 per cent. During one period the average was about 4 per cent; in the other period about 5 per cent. That was prior to the war.

Mr. LA FOLLETTE. Will the Senator please state what years comprise these periods?

Mr. SIMMONS. This is an analysis of operating incomes of railways in the United States from July 1, 1890, to June 30, 1915, published by the Interstate Commerce Commission. It gives a comparison of such incomes per mile of road together with the book cost per mile.

For the years 1911, 1912, 1913, 1914, and 1915 the average was 4.56 per cent. That was for the last five years, from 1911 to 1915, inclusive. Four and fifty-six one-hundredths per cent was the total amount of the profits of the railroads of the country, as ascertained by the Interstate Commerce Commission and as stated in its report. The House bill under its 8 per cent exemption provision permits the railroads of the country, therefore, before any of their income becomes subject to a tax at all to have an exemption almost twice as great as their actual earnings; in other words, it attempts arbitrarily to raise, and does in fact arbitrarily raise the earnings for the purpose of this tax of the railroads of this country from about 4½ per cent to 8 per cent for the purposes of this exemption. Although the roads are making very considerably more now—though not realizing the benefit of war conditions, as are the industrial corporations, because they are not permitted to fix their prices as are industrial corporations—their profits have increased solely by reason of the increase in the volume of the business of this country. Before they became subject to any tax under the House bill they would have to earn, in the taxable year, about 100 per cent more than they earned during the prewar period.

I presented yesterday, Mr. President, data which show that of the eleven European nations which have adopted a war-profits tax, all of them except one, namely, Spain, have adopted the same plan now proposed with reference to selecting certain test years for ascertaining actual prewar profits. Of course they differ as to the number of years; some of them taking three years, as we do, some of them two out of three years, and some of them three out of five years; but all except one adopt the same method that we do. I intended also to bring to the attention of the Senate the fact that of the nations of Europe adopting a war-profits tax a majority not only practically adopted the same prewar test period as we, but they also adopted a graduated scheme of levying these taxes as against a flat-rate scheme. Three leading countries of Europe have adopted the flat rate—Great Britain, France, and, I think, also Germany; but it is evident that at the outset, not to say anything of later increases, the rate of tax imposed by at least two of these three countries was so high that there was no margin left for graduating the tax. France at first had a graduated tax, but increased all the lower rates of that tax to a flat rate of 50 per cent.

I will insert at this point fuller data regarding the practice of foreign countries in this connection.

The countries that have a percentage basis for computing excess profits are Spain and Canada.

Those that have as a basis for excess profits the excess over the average of certain prewar years are:

Great Britain, 2 of the 3 prewar years.
France, the 3 prewar years.
Italy, 2 years, 1913–14.
Russia, the 2 prewar years.
Germany, 3 of 5 prewar years excluding best and worst years.
Austria (business), 3 of 5 prewar years excluding best and worst year.
Austria (individual), year 1913 or years 1911, 1912, and 1913.
Denmark, 2 of 3 years, 1912–13, 1913–14, and 1914–15.
Norway, 2 years, 1912–13 and 1913–14.
Sweden, 2 years, 1913 and 1914.
Holland, 3 years, 1911, 1912, and 1913.

The countries having a graduated excess profits tax law are:

Italy, 10 to 30 per cent of excess profits.
Russia, 20 to 40 per cent of excess profits.
Canada, 25 to 75 per cent of excess profits.
Austria (business), 10 to 40 per cent of excess profits.
Austria (individual), 5 to 45 per cent of excess profits.
Denmark, 1 to 25 per cent of taxable income.
Norway, 5 to 20 per cent of taxable income.
Sweden, 12 to 18 per cent of taxable income.
Spain, 25 to 40 per cent of income in excess of fixed percentages of capital invested.

Countries that provide for subnormal business:

Great Britain, 6 and 7 per cent of capital invested.
France, 6 per cent on capital invested.
Italy, 8 per cent on capital invested.
Russia, 8 per cent on capital invested.
Germany, 5 per cent on capital invested.
Austria, 6 per cent on capital invested.
Denmark, 5 per cent on capital invested.
Sweden, 5 per cent on capital invested.
Holland, 5 per cent on capital invested.
Canada, 7 and 10 per cent of capital invested.
Spain, 7 per cent on capital invested.

Practically every one of these nations has adopted a scheme to take care of the subnormal profits during the test years; not always the same scheme that we have adopted, but one that recognized the principle of taking care of the concern with subnormal profits during that period. Generally where profits were subnormal they have allowed a flat exemption of from 5 to 7 per cent. I think the average will probably run about 6 per cent. They have not in any case, as is contended by some of the adversaries of the Senate committee plan, provided for what may be called a supernormal profit; that is to say, where the industry prior to the war was making not a low profit but a high profit as compared with other industries, they have not denied that fortunate individual or concern the benefit, for the purpose of exemption, of the actual profits.

There is a vast difference, I wish to say, between extending grace to a man who has been unfortunate in business, and who has not been able to make the average rate of profits obtaining in his line of industry and the case of the man who has enjoyed an excess. No injustice is done by this act of leniency on the part of the Government to anybody; but if, on the other hand, we say to the man "in estimating your war profits, which we propose to tax heavily, you shall be required to surrender for the purposes of your exemption a part of your actual profits, because they happen to be a little higher than your neighbor's profits, because they happen to be a little higher than the average profits of those in your industry"; if we so treated him, we should be denying him a right growing out of the very principle of the tax, for it can not be a war tax unless it is based upon the excess of the war profits over those of peace times, or upon normal experience. We have adopted here the rule of actual earnings during the test period. The point I am making is that without injustice to anybody you may raise to the level of representative concerns the peace profits of the man who was unfortunate and who made a subnormal profit; you do no wrong; you violate no principle of morals or of equity; but if you undertake to prescribe the same principle to the prewar supernormal profits and deny the taxpayer the benefit of his actual prewar earnings, you do an act that is not only wrong but, it seems to me, one which is utterly in violation of the fundamental principles of this bill.

Mr. STERLING. Mr. President, will the Senator from North Carolina yield to me merely for a question?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from South Dakota?

Mr. SIMMONS. Yes.

Mr. STERLING. I should like to hear a little further from the Senator from North Carolina relative to the flat rate upon the excess war profits, and why the committee decided upon this graduated rate or scale of taxation on this excess.

I want to say to the Senator that the flat rate for excess war profits has appealed to me as a just rate. It is really the basis of all taxation. Either there is by law a fixed rate of taxation upon the property of everybody or a rate ascertained by dividing the assessed valuation into the amount of taxes to be raised under all systems.

Mr. SIMMONS. If the Senator will pardon me, I went into that yesterday, I think, pretty fully. I would not like to go over that ground again; but I can say to the Senator in a sentence what I think governed. We adopted a graduated rate because a flat rate would have imposed the same per cent of taxation upon a profit of 500 per cent as it would upon a profit of 10 per cent in excess of the normal, and besides you consider the question of the relative ability to pay without working hardship. We thought you should consider in the levying of this war tax, first, the amount of the profit increase and then levy your tax in proportion to such increase. A flat rate rests much heavier upon concerns making small war profits and much lighter upon those making large war profits than does the graduated tax.

Mr. STERLING. Yes; but——

Mr. SIMMONS. By the graduated plan we get from the man who makes very large profits a larger proportionate amount than you get from the man who makes a very small profit.

Mr. STERLING. And yet I can see no difference in principle between a tax on excess war profits and a tax upon property or upon income. It is all according to a fixed, flat rate, as the Senator terms it.

Now, if the Senator will pardon me, I was very much attracted to an article—and I suppose the Senator has read that article, as other Senators have—in the Review of Reviews, entitled "War Profits to Pay for the War."

Mr. SIMMONS. I wish the Senator would put it in the RECORD and not consume my time.

Mr. STERLING. I did not desire to put the entire article in the RECORD. It may have been put in the RECORD two or three times already, and hence I have been a little diffident about presenting it.

Mr. SIMMONS. The Senator can put any part of it in the RECORD in my remarks if he so desires.

Mr. STERLING. Very well, I will ask at this point that an extract from the article referred to be placed in the RECORD.

The PRESIDING OFFICER. Without objection, the extract from the article will be printed in the RECORD.

The extract referred to is as follows:

[Extract from reprint from July, 1917, Review of Reviews.]

WAR PROFITS TO PAY FOR THE WAR.

Mr. Otto Kahn, of Kuhn, Loeb & Co., one of those farsighted leaders of "big business," who are asking that the Government should come to them and take the money which ought to pay for the war—assumes that for the year 1917 there will be war-stimulated profits in excess of the average profits of the three years preceding our entry into the conflict amounting to $2,000,000,000.

He advocates a 40 per cent tax on this excess. The resulting $800,000,000 can be taken without one-hundredth part of the hardship that would be caused by a typical device for raising one-fortieth of that sum in the bill passed by the House of Representatives.

Heads of the other very largest groups of business and financial interests admit the righteousness, expediency, and effectiveness of such a tax and advocate it. A representative of very large interests suggests a rate of 40 per cent the first year, 60 per cent the second, and 80 per cent the third year, if the war should last so long.

Mr. SIMMONS. I do not think the Senator ought, under these circumstances, to expect me to stop and listen to the reading of an article that has been published in the RECORD several times. I am perfectly willing that it should go in, however.

Mr. President, there are certain other objections which have been made to the war-profits tax to which I wish to advert for a few minutes. Very strenuous objection has been made from some sources to the action of the Senate which includes individuals within the scope of this tax. There were quite a number of reasons that moved the committee to take this action. In the first place, your committee wanted to make this war tax as all embracing as possible. It felt that this was the one tax that would have to be paid only in proportion to the extent to which the taxpayer had been benefited by the war. We thought that anybody who out of this great disaster was so fortunate as to reap some special financial benefit ought to be willing to contribute some portion of that benefit to help a burdened people to defray its expenses. Therefore, we thought that, after the House had included partnerships, it was but right and proper that the individual should also be included. The individual frequently is engaged in the same character of business as the corporation or the copartnership. In many instances his profits are the same as those of the copartnership and those of the average corporation as the result of the war. Very frequently the individual and the partnership are doing the same kind of business, with the same amount of capital, subject to the same business conditions, and making like profits out of this war. We could not see why the copartnership should be required to pay on its war profits under these conditions and the individual should not.

In addition to that, Mr. President, under the present income-tax law as it has existed since 1913, as it was written in the tariff act of that year and as it has been brought forward through various amendments in the revenue bills which we have passed since then—in all of this scheme of taxation imposing taxes upon the normal incomes of the people, the individual is included as well as the corporation. If the individual is required, along with the corporation, to pay a profits tax in times of peace based upon his normal earnings, upon what ground should he be exempt in times of war from paying a tax upon his special war profits, just as the corporation and the copartnership are required to do?

Of course, if it could be shown that there was a differentiation in the profits which the individual made and the profits made by the average corporation and copartnership, that might have some effect; but, Mr. President, it is a well-recognized fact that while there is a class of corporations reaping infinitely greater profits out of this condition than others, the whole people engaged in business, irrespective of the character of that business, speaking broadly and generally, are to a greater or less extent participating in the benefit of the enlarged profits accruing from war conditions.

By including individuals we have greatly broadened the system of excess profits taxation. We have brought it up to and put it upon a parity with our great system of income taxes. We have extended it so as to embrace in its all-sweeping provisions all the war profits made by the skill, the energy, and the industry of all the people in this country who are making war profits. We have made it as broad and as comprehensive as the activities of the country. We have not only required that every man who makes war profits shall contribute a part of them to the Government to pay the burdens of the war, but we have given everybody who is making excessive profits out of the misfortunes of his country an opportunity to contribute to the carrying of the burdens which have been imposed upon his fellow man as the result of the thing out of which he is reaping his harvest of gold.

But objection has come from some quarters that we ought not to include the individual because, forsooth, it will take in the farmers of the country, and, for some mysterious reason, there seems to be on the part of some an idea that the farmer should not be treated as other individuals. Mr. President, I am a farmer; practically all that I own is invested in farms; I am a son of a farmer; all of my ancestors on both sides have been farmers as far back as memory takes us. No man has greater sympathy with the farmers of this country than I have, and yet, Mr. President, I know that the farmers of this country

are reaping as a result of these conditions a rich harvest of gold. I know they are making profits such as they never thought of in their most optimistic dreams. Why should not the farmer be included? Is the farmer exempt from our income tax?

We have been taxing our people for the last four or five years at a pretty lively rate upon their incomes. Nobody has suggested up to this time that the farmers of the country shall be exempt from these income taxes based upon their peace-time profits. Nobody is asking now that the farmer be exempt from those income taxes. If the farmer should be required to pay a tax upon his earnings in peace times, why should he be exempt from the requirement that all should pay a tax upon special war profits? If he ought to pay taxes upon his peace-time profits, the stronger the reason why he should pay a tax upon his war-time profits.

To say that some countries of Europe, small in a territorial sense, have exempted the farmers is beside the question when you consider the difference between the conditions which obtained there at the beginning of the war, when these exemptions were made, and the conditions which obtain here. England is not an agricultural country. The farmers of that country contribute but a mite to supplying the people of those islands with food. A condition was brought about there that required that every possible stimulation should be given to the little agriculture that existed. For the purpose of that stimulation they allowed them an exemption. But in this broad land of ours we not only make all agricultural products we need for our own consumption, but enough to feed a goodly portion of the remainder of the world. The splendid prices that now obtain for agricultural products in this country are sufficient stimulation, and if they continue at the present rate there is no question about the ability and purpose of the American farmer to supply our wants and those of our allies.

But, Mr. President, this demand for the exclusion of the farmer, I am glad to say, has not come to me from the farmer. I do not think he is asking for any such exemption. Neither do I believe that the individual, as disinguished from the corporation and the partnership, is asking for any exemption from this tax.

Mr. GRONNA. Mr. President——

Mr. SIMMONS. I do not know whether the Senator from North Dakota thinks that the farmer ought to be exempted or not.

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from North Dakota?

Mr. SIMMONS. Yes; for a question.

Mr. GRONNA. I do not think the farmers ought to be exempted, and I do not know of any instance where the farmers were exempt; but that was not the question I wanted to ask. The Senator has dwelt at some considerable length upon the phase of this question that the farmers are willing to pay their share of the taxes, and I believe he is right; but has the Senator taken into consideration this phase of the matter—that we have recently passed legislation which to a certain extent will control the farmer's profits?

Mr. SIMMONS. Does the Senator ask if I have taken that into consideration?

Mr. GRONNA. Yes; or if the committee has taken it into consideration?

Mr. SIMMONS. That legislation has been passed since the committee acted, but I think the committee anticipated it. I wish to say to the Senator that while, of course, if farm prices in this country or any other prices go to a point where the average man can not buy the necessaries of life, I think they will be controlled and ought to be controlled. I have no idea that there is any purpose on the part of the Government to cut down farm prices so low that there will not be an enormous war profit as compared with the peace profit of the farmer. I think that probably is also true with reference to wheat.

Mr. GRONNA. Of course, the Senator knows that it would be necessary to classify the farmers. I do not think the Senator could, upon the broad statement and by simply mentioning the farmers, regulate the profits according to the laws which have recently been passed. For instance, the cotton farmers have not been restricted. I am just mentioning this because it is a fact.

Mr. SIMMONS. I wish to say to the Senator that in the committee neither I nor any other member of the committee was trying to get an advantage for any product of our States.

Mr. GRONNA. No; I believe that, but I am simply stating facts. In the food bill which was passed a few days ago the cotton farmer was eliminated from the restrictions in the bill.

Mr. SIMMONS. It would not have been a bad thing for the cotton farmer if he had been taken in and given a minimum in proportion to that given to the wheat farmer, but I do not think it would have been good or wise legislation for the country.

Mr. GRONNA. But the Senator knows that the people of the South almost unanimously protested against being included in the bill. We had resolutions here by the hundreds.

Mr. SIMMONS. I do not think they ought to have been included. I think the only things that ought to have been included were included.

Mr. GRONNA. I will say to the Senator that I know of no grain farmer asking to be included, either.

Mr. SIMMONS. I do not desire to enter into that discussion with the Senator. I know that he always rallies to the defense when he thinks that anything is done that might affect the profits of the producers of certain products.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Ohio?

Mr. SIMMONS. I do.

Mr. POMERENE. If I may say just a word in that connection, I recognize the fact that there is always a disposition in certain localities and by certain men to get certain advantages for those localities. I gave some figures here the other day with respect to wheat raisers. I am just as much interested in the farmer and his rights and his privileges and his duties as any other man. The Congress, in its wisdom, fixed the minimum price of wheat at $2 per bushel. That is a guaranty to every farmer of $2 wheat as a minimum, and every farmer ought to be satisfied with that. In my own State, where data were gathered by the president of the agricultural board, I showed here that the average minimum price which they asked was $1.49, and the average maximum price which they asked was $2.10½. Now, it does seem to me that the farmers generally are very well satisfied—I know they are—as far as the wheat proposition is concerned.

Mr. SIMMONS. I thank the Senator for his very clear statement.

Mr. PAGE. Has it ever been urged that the farmer was not a good enough bookkeeper to be able to arrive at the necessary figures?

Mr. SIMMONS. Oh, I have heard that argument. That is a mere matter of administration, and I do not think there is enough in that to determine the question. That is a mere matter of convenience, a mere matter of a little expense of keeping accounts. I do not think there is enough in it to affect the broad principle that is involved in the bill.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from North Dakota?

Mr. SIMMONS. I do.

Mr. McCUMBER. If the Senator will allow me just a moment, so that the farmers of the country may not be misled in the idea that they have a guarantee that their next year's crop will bring a minimum of $2 per bushel. There is no obligation in the bill upon the President or upon anyone else to guarantee that they will receive that sum, as I recall the provisions of the bill. The bill, for the purpose of encouraging the production of grain, provides that the President may—not that he must, but if the conditions warrant, he may—for the purpose of securing the sowing of a proper proportion of wheat, make a guarantee; and in case he does so guarantee, the price shall not be less than $2 a bushel.

I want to say further, in reference to that, because there has been some contrary statement made on the subject, that I think the provisions of the bill are most fair and generous to the wheat-raising farmers of the Northwest. It is a minimum price, and not a maximum price that has been fixed in this bill.

If the conditions of supply and demand warrant a greater price, they will receive it. If the conditions do not warrant even that price, and the President sees fit to make this guarantee, he will make it under certain conditions which the farmer must agree to follow, and they will at least receive that amount per bushel. That was one of the reasons that governed me in voting for the food bill—that the people of my State were well protected under the bill.

Mr. SIMMONS. Mr. President, I wish to add in connection with that subject only the statement that under the present income-tax law an exemption is permitted the individual. Under the present law the exemption is $4,000 for a married man and $3,000 for a man not married nor the head of a family. In the bill as reported, the income-tax exemptions for individuals are still retained, though the amounts are reduced. That is a discrimination which the present law makes in favor of the individual with reference to income tax. Your committee, in proposing to include the individual in the war excess profit tax, extended to him a like exemption, but more in amount. That is, we allowed the individual a flat exemption of $5,000. The farmer or any other individual who is engaged in business,

before he will have to pay any tax at all under this provision of the law, will be allowed first to deduct an amount equal to his average earnings during the years 1911, 1912, and 1913, and in addition to that he will be permitted, before he is required to pay any tax at all, to deduct $5,000 from his war profits.

Mr. BRADY. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. SIMMONS. I do.

Mr. BRADY. If the Senator will permit an interruption which I think will be beneficial here, I fear I misunderstood the Senator from North Dakota [Mr. McCUMBER]. Did I understand him to say that there was no definite guarantee of $2 a bushel for the wheat produced in 1918?

Mr. McCUMBER. There is not, Mr. President.

Mr. BRADY. On page 10 of the bill that I have before me, it speaks of the regulations under the bill, and then it says:

> In such regulations the President shall prescribe the terms and conditions upon which any such producer shall be entitled to the benefits of such guaranty. The guaranteed prices for the several standard grades of wheat for the crop of 1918 shall be based upon No. 1 Northern Spring or its equivalent at not less than $2 per bushel at the principal interior primary markets. This guaranty shall not be dependent upon the action of the President under the first part of this section, but is hereby made absolute and shall be binding until May 1, 1919.

Mr. McCUMBER. Yes; but I do not understand, Mr. President, that that changes the right of the President to determine whether or not he will give that encouragement. He may do this for the purpose of encouraging the production of wheat, and if he does do that for the purpose of encouraging the production the price which is fixed shall not be less than $2. That is my understanding of the bill, taking it altogether.

Mr. BRADY. My understanding, and I am inclined to think it is the understanding of the farmers of this country, is that we have given a definite guaranty of $2 a bushel for the production of wheat in 1918.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Oklahoma?

Mr. SIMMONS. Mr. President, I yield to the Senator from Oklahoma.

Mr. GORE. Just one sentence. I will say that it was the intention of the Senate, I am certain, and the intention of the committee—the question was raised in the conference committee—that this guaranty of $2 a bushel for the crop of 1918 should be absolute, the guaranty of a minimum price not to be less than $2 per bushel. It is not contingent on anybody's will or on anybody's action. The President could fix a higher minimum price than $2, but he could not fix a less price than that, and that price is fixed without any action whatever on the part of the President. That was the purpose of the committee.

Mr. BRADY. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. SIMMONS. Yes; I yield.

Mr. BRADY. With the permission of the chairman I will say that I am very glad indeed to hear the statement made by the chairman of the committee. I attended every meeting of the committee, and we discussed the matter very thoroughly, and my understanding was then and is now that we gave to the farmers of this country an absolute unqualified guaranty of $2 a bushel for the wheat that they raise in 1918. If we have not done so we have not carried out the purpose of the committee.

Mr. SIMMONS. Mr. President, I wish briefly to state to the Senate the changes made by the committee in the title of the bill relating to intoxicating beverages. In the bill as first reported to the Senate your committee accepted practically all of the House rates imposed in the title. The changes now made in the bill are largely due to changed conditions since the bill was first reported.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Florida?

Mr. SIMMONS. I do.

Mr. FLETCHER. May I ask the Senator, before he passes from this question of the exemption of $5,000, whether that applies to individuals other than farmers or is limited to farmers?

Mr. SIMMONS. It applies to all individuals who are subject to the war-profits tax.

Mr. FLETCHER. First you deduct an average—

Mr. SIMMONS. His average earnings during the three years before the war, the three test years.

Mr. FLETCHER. Precisely; and then you add to that $5,000?

Mr. SIMMONS. Yes.

Mr. FLETCHER. And that is exempt. It applies not only to farmers, but to other individuals as well?

Mr. SIMMONS. Yes; and under another provision of this bill, if any individual or corporation, or copartnership, made during those test years a profit that was low as compared with the profits in like business, and the Secretary of the Treasury, upon complaint, should find that to be a fact, this bill will permit that unfortunate individual, whether a farmer or a merchant or a manufacturer, to have an exemption equal practically to the average profits during those years of representative concerns engaged in the same line of business.

Mr. FLETCHER. I see. That is intended to cover any case of accident or misfortune that may have happened during those years?

Mr. SIMMONS. Yes; so that the Senator will readily see that the man who made a subnormal profit while his neighbor was making a normal profit during these prewar years, through the operations and application of this provision of the bill, will be enabled, in the average that he will be allowed, to get the benefit of the standard earnings of others engaged in like business. I thank the Senator for interrupting me, because it has enabled me to make a statement with reference to the section of the bill relating to subnormal profits that I had omitted to make, and which I think ought to have been made.

Mr. President, the changes made in the rates with reference to intoxicating drinks, after the bill was recommitted, from the original rates proposed as the bill was first reported to the Senate, resulted first from the passage of the food-control bill, containing, as everybody knows, certain provisions affecting both the business of manufacturing liquor and the business of brewing beer. Secondly, we made the changes because of the necessity of raising a larger amount of money through taxation—a necessity that seemed to be created by a situation that was brought to the attention of the committee after the bill had been recommitted and which was not fully known to the committee when it acted in the first instance. Undoubtedly, Mr. President, the prohibition of the manufacture of spirits for beverage purposes, and the commandeering powers of the President given in the food-control bill, will give to the owners of distilled spirits now in bond and in stock a practical monopoly of the market, and as a result the prices of such spirits will be greatly increased. This, together with the revenue needs of the Government, your committee thinks, justifies the additional $1 tax that it is proposed to impose upon this product. I do not feel that subject requires any elaboration. I think the statement is sufficient.

With the limitations of the stock of distilled spirits it is believed by your committee that there would be a greatly enlarged demand both for beer and for wine and that a higher tax should be levied upon these products.

The food-control bill does not permit the further manufacture of grape spirits or brandy except for the purpose of fortifying wines. A part of the wines of this country is now of necessity fortified with grape brandy. Another part is fortified with distilled grain spirits or alcohol. The law permits the fortification of wines to the extent of 24 per cent alcohol. That is to say, if they contain more than 24 per cent alcohol they are not taxed as wines; they are then taxed as spirits.

Under the present law grape brandy, used in the fortification of sweet wines—the only kind that requires fortification—is practically exempt from taxation. Up to the time of the passage of the present tariff act this material was taxed at only 3 cents a proof gallon. Under the present law it is taxed at only 10 cents a proof gallon. Under the bill as it came from the House it is proposed to increase this tax only by doubling it, making it 20 cents a gallon.

There are two classes of sweet wines made in this country. One, it is claimed, cannot, without injury to its flavor, be fortified with this grape brandy. It is necessary to use in the fortification of this wine distilled grain spirits, taxed under the present law at $1.10 a gallon and $2.20 total tax under the bill as passed by the House. It is proposed in the Senate committee amendment to add $1 to that, making the total tax $3.20 a proof gallon.

Mr. President, if grape brandy is to remain taxed as provided in the bill as passed by the House at 20 cents, and if the tax in the House bill on distilled spirits is to remain, it is evident that that class of wine makers who use grape brandy in fortifying their wine—the California wine makers use it altogether—will have a very great advantage over the wine maker who has to use highly taxed distilled spirits.

In view of the restriction imposed upon the manufacture of liquor as a beverage, which limits the entire consumption in this country from now to the close of the war to the present stock on hand, thereby greatly increasing the demand for beers and wines, especially wines containing a large amount—as much

as 24 per cent—of alcohol, with consequent increase of price, your committee believed that it would be no hardship to add to the tax imposed upon the product constituting the chief material used in the fortification of probably over 75 per cent of all the sweet wines used in this country.

But when we came to deal with that class of wines which are produced principally from partially fermented grape juice containing, naturally, a small per cent of alcohol, probably not over 6 per cent, and which requires the addition of grape brandy for the purpose of preserving the sugar and for fortification—the law allowing the addition of enough of this brandy to bring its alcoholic contents to 24 per cent, and still retain its character as wine—the committee concluded, because of the fact that such wine is an alcoholic drink, that it contains four, yea, six times as much alcohol as beer, and, because of its high alcoholic content, will become a popular drink when stronger drinks are unobtainable, that this wine was a legitimate subject for the higher tax imposed upon distilled spirits.

Your committee decided, therefore, to change the method of taxing this wine by substituting an additional tax of $1.10 per proof gallon. The present tax is 10 cents per gallon on wines containing not more than 21 per cent of alcohol, and 25 cents per gallon on wine containing 21 per cent and not more than 24 per cent of alcohol.

There is another class of wines made from grapes grown east of the Rocky Mountains. The juice of these grapes, low in sugar, after complete fermentation and the addition of cane sugar, is fortified with grain spirits. The spirits so used will pay a tax of $3.20 per proof gallon under our bill. We have doubled the existing tax upon this wine, making it 20 cents and 50 cents per gallon, depending upon its alcoholic strength.

We feel fully justified in placing the high taxes on sweet wines fortified with grape brandy, as, lacking distilled spirits, they will be used in substitution.

I insert here Table II, showing the present and the proposed taxes under this schedule.

The table referred to is as follows:

TABLE II.—*Tax under wine schedule.*

Article.	Present law.	Proposed.	Total.
Still wines:			
Containing less than 14 per cent alcohol.	4 cents per gallon..	4 cents per gallon.	8 cents per gallon.
Containing more than 14 per cent alcohol—			
Fortified with grape brandy—			
Containing not more than 21 per cent alcohol.	10 cents per gallon.	$1.10 per proof gallon.	10 cents per wine gallon plus $1.10 per proof gallon.
Containing more than 21 per cent and not more than 24 per cent alcohol.	25 cents per gallon.	$1.10 per proof gallon.	25 cents per wine gallon plus $1.10 per proof gallon.
Not fortified with grape brandy—			
Containing not more than 21 per cent alcohol.	10 cents per gallon.	10 cents per gallon.	20 cents per gallon.
Containing more than 21 per cent and not more than 24 per cent alcohol.	25 cents per gallon.	25 cents per gallon.	50 cents per gallon.
Champagne and other sparkling wines.	3 cents per ½ pint..	6 cents per ½ pint..	9 cents per ½ pint.
Wines artificially carbonated.	1½ cents per ½ pint.	3 cents per ½ pint..	4½ cents per ½ pint.
Liqueurs, cordials, etc.:			
Containing products fortified with grape brandy.	1½ cents per ½ pint.	$1.10 per proof gallon.	1½ cents per ½ pint plus $1.10 per proof gallon.
Not containing products fortified with grape brandy.	1½ cents per ½ pint.	1½ cents per ½ pint.	3 cents per ½ pint.
Grape brandy used in fortifying sweet wines.	10 cents per proof gallon.	$1 per proof gallon.	$1.10 per proof gallon.

We made some other changes in the schedule with reference to champagne and other sparkling wines and things of that sort, doubling the House rates, but I do not think it is necessary for me to take up the time of the Senate in discussing them.

Mr. President, just a word with reference to our changes in the tobacco schedule. The Senate committee has only slightly changed that schedule. It has somewhat reduced the rates and changed the classifications in the bill as passed by the House. These changes do not reduce the revenues, but slightly increase them. The tax imposed in the House, except upon cigars, just doubled the present tax. The rates imposed by the Senate committee increases the present rates on an average about 60 per cent. The department, through its experts and other sources of communication, was strongly of the opinion that this tax as imposed by the House was too high for revenue purposes—that more revenue would be secured from this source by a less tax than by the high rate levied in the bill as passed by the House.

I have here the original estimates, made by the department and sent to the Finance Committee, and also to the Ways and Means Committee, of the amount of revenue the Government would receive by doubling the tax on tobacco products.

According to this statement the receipts from cigars, cigarettes, and tobacco for the last fiscal year were $94,000,000, and it is estimated if the tax were doubled the additional receipts from these sources would only be $53,000,000.

It will be seen from this statement that the department estimates that doubling the tax on tobacco and its products will increase the present revenue by only 50 per cent. That can mean but one thing, namely, that the Government maintains that this would result in the increase falling off in tobacco consumption, and that is the explanation given to your committee. In other words, the department held that the House rate is not a good revenue rate.

If it be true that doubling the tax will result in reducing consumption without yielding more revenue than the rate proposed in the Senate amendments and approved by the department, namely, 60 per cent, it is manifest that the higher rate would not benefit the Government because there would be no increased revenue, while it would injuriously affect the manufacturer by curtailing consumption and reducing the amount of his sales. It would likewise be hurtful to the tobacco farmer by curtailing the market for his product. The sum of the whole matter would be that nobody would be benefited and that the consumer of tobacco would have to pay a higher price for his tobacco without benefit to anyone.

According to the estimate of the department sent to the Finance Committee we shall receive about $1,000,000 more from this source under the 60 per cent increase than we should have received under the rate imposed by the House that doubled all these taxes.

There are other sections of the bill I had intended to comment upon, but it must be evident to the Senate that I am too wearied to longer continue this discussion.

With some few general observations I shall conclude.

If I were against this war, if I were out of sympathy with its objects so far as we are concerned, if I thought it were an unholy war, if I did not feel that it involved the broad question of liberty and humanity here and everywhere, if I thought the situation involved no danger to my country in the present or the future, I might feel differently about these taxes and the great burdens they will necessarily impose upon the people. I might feel differently about certain suggested exemptions, to which I have referred, if proposed under other circumstances; but I believe we are engaged in a righteous war, a war of defense forced upon us by acts of outrage and aggression to which we could not tamely submit.

I believe by every consideration of national honor and safety we are called upon to meet this condition by war. I know money is as essential to the successful prosecution of this war as soldiers are, for with money we must equip and feed our armies and navies and assist our allies. I believe as a matter of duty and patriotism all our people should support the war according to their varying abilities. I believe that every man who loves his country will willingly, yea gladly, contribute to its support.

I know, Mr. President, that there are some, not many I hope, who will wish and seek to escape their just contribution. These few are the men—

> With souls so dead,
> Who never to themselves hath said,
> This is my own, my native land!

They are the few to whom home and native land have but little meaning. They are the few to whom this war means nothing more than a golden opportunity to profiteer on the necessities of a burdened people, to pile up riches and satisfy their greed, or to minister to their thirst for indulgence or for power.

We are told that we must not include individuals in the war-profit tax—that at any rate the farmer should be exempt from these taxes.

I do not believe those who make these statements are authorized to speak for the individual or the farmer. I do not believe that the farmer or the individual whatever may be his calling in this country is asking for any exemption. Have they said to us "Out of our war prosperity we are unwilling to contribute to feed, to clothe, and to pay the meager salaries of the brave boys who have joined the colors, and who must soon leave home and friends and go to a foreign land to live in the trenches or the dugouts, imperiling their health and their lives in defense of their country?" Have they said that they were unwilling to contribute anything to care for these men when sick or wounded, or to pay the expense of bringing their mortal remains back to their native land if they shall die from exposure, disease, or wounds, or if they are killed upon the field of battle?

Mr. President, no such protests have come to me, and I do not expect any such protests to come.

One personal reference and I am through. I have been told that the war-profits tax the Senate amendments impose is heavy, and that my part in imposing this tax will count against my political future. I have been told that certain industries or the representatives of certain industries in my State object to these higher rates imposed in the bill of the committee of which I am chairman, and I have been advised to beware. I have been told that the farmers of my State will resent their inclusion by the Senate committee in the war taxes and will hold me, as chairman of that committee, responsible to them.

Mr. President, I do not believe a word of that. I do not believe that the people of my State or of this country are made of any such stuff. Their past history shows nothing of this kind. On the contrary, the records show that they are brave, and just, and patriotic. They may be temporarily misled and they may misunderstand, but they will be eventually undeceived, and understanding will approve. I have no misgiving and no fear.

But however that may be, the confidence reposed in me by my constituents in my election to this body on three different occasions, as well as the compliment paid me by my colleagues of this body in making me chairman of this great committee, has devolved upon me a responsibility to my country which I dare not shirk nor attempt to evade. As chairman of this great committee which has brought in this bill—the greatest of all budgets—my duty is to the whole country and to all the people. I dare not subordinate that duty to local, sectional, or party interests or considerations. I dare not subordinate that duty to any other consideration than that of obligation to my country in the high and responsible position to which my countrymen have elevated me in connection with the great undertaking in which we are now engaged. I believe that what has been done has been done in response to the urgent needs of the Government to win this war, upon the successful prosecution of which depends the future weal or woe, yea, the very liberties, Mr. President, and independence of a hundred million people. Upon the successful prosecution of this war depend not only the fortunes of those who live here in this day and generation, but the fortunes and the future of those who shall come after us; for I believe from the bottom of my heart—as I believe in my God—that if this war shall be lost by us and our allies, the time will speedily come when, singlehanded, we shall have to meet the greatest military power and military machine in all the tides of time, backed by 10,000,000 soldiers in arms, flushed with victory, with their adequate and efficient navy supplemented by the navies of their vanquished foes, and that we shall either have to submit and pay possibly an indemnity equal to all the expense that our enemy may be forced to incur or else take our chances in a doubtful struggle.

Mr. President, the boys who have gone to the front, the 2,000,000 that we are now calling to the colors, who possibly soon will have to go across the waters to live in the trenches and to imperil their lives in defense of the country—these brave boys are risking their lives for their country. Why, then, should you or I hesitate in this crisis to discharge our duty to our country as we see it, to discharge the duty of this hour and of this high forum, because, forsooth, it may imperil our political fortunes? Are the political lives of members of the Senate and of the other House, charged with this great and sacred duty to their country, of more consequence to them than are the physical lives of the 2,000,000 boys whom we have by legislation called into the service of our country?

Mr. PAGE. Mr. President, I desire to speak for only a moment. I deem it very important that no misinformation shall go out to the country this afternoon with reference to the minimum guaranty on the price of wheat. When the Senator from North Dakota [Mr. McCUMBER] remarked that there was no absolute guaranty of that price, I confess that I was shocked, for I thought I fully understood the bill relative to that matter, and I was certain that there was such a provision; but I took up the bill and turned to section 14, and I there found this language:

SEC. 14. That whenever the President shall find that an emergency exists requiring stimulation of the production of wheat and that it is essential that the producers of wheat, produced within the United States, shall have the benefits of the guaranty provided for in this section, he is authorized, from time to time, seasonably and as far in advance of seeding time as practicable, to determine and fix and to give public notice of what, under specified conditions, is a reasonable guaranteed price for wheat, in order to assure such producers a reasonable profit.

I confess I could hardly understand how this provision could have been incorporated in the bill without having impressed itself upon my mind. I felt so certain that we had provided an absolute guaranty of $2 per bushel for wheat that I could hardly believe my eyes on reading this language; but in turning forward to about the middle of the section, I find that the original provision in the beginning of the section was modified so that my first understanding of the bill was fully substantiated. That part of the section reads:

The guaranteed prices for the several standard grades of wheat for the crop of 1918 shall be based upon No. 1 northern spring or its equivalent at not less than $2 per bushel at the principal interior primary markets.

Now here is the essence of the whole section:

This guaranty shall not be dependent upon the action of the President under the first part of this section, but is hereby made absolute and shall be binding until May 1, 1919.

So really it is unquestionably true that there is an absolute guaranty to the farmer of $2 a bushel on wheat; and, as I remarked in the opening, I do not want any misinformation to go out in regard to this matter, because it might cause a good deal of trouble throughout the country.

Mr. McCUMBER. Mr. President, a short time ago in this discussion, and not having a copy of the food-control bill before me, I gave it as my opinion that under the provisions of the bill the guaranty was still dependent upon the President first finding that an emergency existed requiring the stimulation of food production, and that the guaranty of $2 per bushel contained in the middle of the section and the guaranty following related more to the value and not to the fact of there being a guaranty. However, a second more careful reading of the bill convinced me that I was in error and that the guaranty which reads, "This guaranty shall not be dependent upon the action of the President under the first part of this section, but is hereby made absolute and shall be binding until May 1, 1919," does assure the guaranty to cover the 1918 crop and all that shall be marketed prior to the 1st day of May, 1919.

I am pleased to state upon the RECORD that my first conclusion was erroneous and that every farmer in this country may depend, no matter whether or not the President first finds that an emergency exists, on receiving for his wheat the equivalent of $2 at the principal interior markets for the crop of 1918, but not longer than that under the guaranty.

Mr. BRADY obtained the floor.

Mr. GRONNA. Mr. President, I simply want to ask my colleague a question.

The PRESIDING OFFICER (Mr. CURTIS in the chair). Does the Senator from Idaho yield to the Senator from North Dakota?

Mr. BRADY. I yield to the Senator from North Dakota.

Mr. GRONNA. I want to ask my colleague if he understands that the guaranty which he has read applies to the crop of 1917?

Mr. McCUMBER. Oh, no; I do not think it does. It applies only to a crop that is to be raised in the future.

Mr. GRONNA. Yes.

Mr. McCUMBER. It does not apply to the crop of 1917, as I understand it, but it applies only to the crop of 1918.

Mr. BRADY. Mr. President, there is no guaranty of price for the crop which will be raised in 1917, but there is a positive guaranty of $2 per bushel for the crop that will be harvested in 1918.

Mr. President, in these strenuous times it is impossible for any Senator to keep in touch with the details of each and every bill, and when the Senator from North Dakota [Mr. McCUMBER] made the statement that he was of the opinion that the price of $2 per bushel for wheat was not completely guaranteed for any year, I felt satisfied that by calling his attention to the matter he would correct his statement, for he has at all times and on all occasions been interested in and worked for the benefit of the farmer and the producing classes of this country. I hope the Senator will understand that it was only for that reason that I called his attention to the fact that we have a positive guaranty

as to the price of wheat for 1918; and I am very glad to have the RECORD properly corrected, so that a wrong impression relative to that matter will not go out to the country.

Mr. NEWLANDS. Mr. President, I have learned for the first time that this is a positive guaranty of the price of wheat for the year 1918. I will ask the Senator from Idaho if we have provided a guaranty that the farmer shall have double the normal price for his product, how we can expect to oppose a doubling of the price of everything else in the near future, including iron, steel, aluminum, copper, and coal; and how we can expect to resist an increase in wages amounting to double the present wage? If that guaranty has been made—and I presume from the debate it has been made—my attention has been called to it for the first time; and it seems to me the most unwise action that could have been devised and that we shall have a reckoning regarding it with all vocations and industries.

I desire to add further that if we are going to raise the price level of everything we will find that the wage level will also be raised; that the wage earners will look at the price level always in order to ascertain what their daily wage will buy, and they will maintain the purchasing power of that wage level.

Mr. BRADY obtained the floor.

Mr. McCUMBER. Mr. President, will the Senator from Idaho allow me to suggest——

The PRESIDING OFFICER. The Senator from Idaho has the floor. Does he yield to the Senator from North Dakota?

Mr. BRADY. I yield to the Senator from North Dakota.

Mr. McCUMBER. I merely desire to suggest to the Senator from Nevada that wheat at $2 per bushel does not measure up with the wage standard of to-day throughout the United States.

Mr. BRADY. Mr. President, I, of course, will not attempt to go at any length into the discussion of a bill which has already been enacted into law, but I can not at all agree with the position taken by the Senator from Nevada relative to the guaranty of $2 a bushel for the wheat crop of 1918.

The reason for guaranteeing $2 a bushel for the wheat crop to be harvested and sold in 1918 was in order to increase the production of wheat. In the absence of such a guaranty, there would probably be a greater shortage in the wheat crop of that year, the very year when we will need the supply most, than we have had for many years.

I happen to be engaged in the farming business at the present time. For the same labor that before war was declared could be secured for $2 a day, I am to-day paying in some instances $4 a day and to quite a large number of men working on the farm $3 a day and board. I am paying to men employed in connection with irrigating my land $110 a month and board, to whom I used to pay not to exceed two-thirds that amount. Two dollars a bushel according to the price that the farmer has to pay to-day for labor and for the supplies that he must necessarily use is no greater price than one-half that price before war was declared.

It seems to me that it is useless for us to discuss the question of the doubling of prices generally. Referring to steel, before the war the price of steel was from $20 to $28 a ton, while to-day it is from $85 to $120 and $160 a ton. Similar increases have been brought about in almost every other industry. There is not a single article the farmer has to buy for which he does not have to pay from 50 per cent to 150 per cent more than he did in normal times.

For that reason I think that it is very evident that this guaranty is justified, and that it is a just and equitable provision of law. More than that, it does not necessarily mean that the price of flour will be doubled. We paid recently $15 a barrel for flour. With $2 wheat flour can be produced and manufactured for less than $9 a barrel. Therefore we not only protect the farmer by giving him a guaranteed price but we protect the consumer by giving him a food-control bill that will prevent the speculator from doubling the price, and at the same time we are allowing the farmer a reasonable profit for the work which he performs.

Mr. NEWLANDS. Mr. President, I have to say with reference to the statement of the Senator from Idaho that, while it is true that skyrocket prices have been prevailing for some time with reference to all commodities, an effort has been made and is being made to prevent and to limit skyrocket prices. We know that is being done with reference to iron and steel and coal, and I presume the efforts will be continued in that direction.

All that I wish to call attention to is this, that just to the extent that we sanction a doubling of the price of any one commodity we must yield to the reasoning that will demand a doubling of the price of other commodities, for they all have a certain relationship to each other; and that, if we double the price of commodities, we necessarily open up an era in which there will be a doubling in the price of labor, because every wage-earner will endeavor to maintain the purchasing power of his daily wage; and if he finds that that daily wage will only buy one-half the flour and one-half the amount of other commodities that it would a year ago, he will insist upon doubling his wage. The result will be that as the price level rises, we will have the wage level constantly rising in order to maintain a proper relation between the two. What will be the result at the end of the war? The result will be that the prices of commodities will be lifted to an abnormal level; that the cost of wages will be lifted to an abnormal level; that the price of commodities will probably tumble when the world commences production again under normal conditions; and that the wage-earners will endeavor to maintain their wage level; for, whilst it is difficult to raise the wage level, it is much more difficult to lower the wage level than it is the price level. So at the end of this war we will have a most serious condition, involving strikes and disorder, with a view to preventing any reduction in the wage level.

It is with reference to this view that I deplore that we have guaranteed an abnormal price for anything. If we guarantee an abnormal price for wheat, $2 a bushel, when it has been $1, why can not the claim be made that we should guarantee abnormal prices for steel, doubling the price of a year ago, or for copper or for other commodities? So we will be moving in a vicious circle, both the wage level and the price level constantly rising, with no advantage to anybody. I do not know what solution there is for this problem, but I regret exceedingly that we have taken upon ourselves the fixing of an abnormal price for anything.

The PRESIDING OFFICER. The Secretary will state the first amendment reported by the committee.

Mr. SWANSON. Mr. President, unless some Senator desires now to speak on the pending bill, I will ask that it be laid temporarily aside in order that I may move to take up another bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia temporarily to lay aside the unfinished business? The Chair hears none, and the unfinished business is temporarily laid aside.

TREASURY DEPARTMENT BUILDING.

Mr. SWANSON. I ask unanimous consent that the Senate proceed to the consideration of the bill (S. 2477) to authorize the construction of a building for the use of the Treasury Department.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia?

There being no objection, the Senate resumed the consideration of the bill (S. 2477) to authorize the construction of a building for the use of the Treasury Department.

The PRESIDING OFFICER. The question is on the passage of the bill. The Secretary will call the roll.

Mr. SWANSON. I should like, Mr. President, to say that the Senate took an adjournment at the time this bill was the unfinished business and a roll call had been had on the question of its passage, the roll call disclosing the absence of a quorum. The bill has been displaced as the unfinished business, and comes up as a new matter on a motion for consideration. If it were the unfinished business and the Senate had taken a recess, of course the calling of the roll would be in order.

The PRESIDING OFFICER. The Chair will have to hold that the bill has only lost its position as the unfinished business. When the bill was last under consideration, the question being on its passage, the roll was called but developed the lack of a quorum, whereupon the Senate adjourned. The Chair rules that the question is the calling of the roll on the passage of the bill.

Mr. SWANSON. I should like to say a few words in regard to that matter. If that is true, it certainly is contrary to what has been universally held, as I understand. The Senate having taken an adjournment and the measure having been displaced as the unfinished business, when it comes up again it comes up as new matter. I think the rule has been that where a measure has been displaced as the unfinished business and an adjournment takes place, when it comes up again it comes up as new matter.

The PRESIDING OFFICER. The present occupant of the Chair will hold that it comes before the Senate with the yeas and nays ordered on the question of its passage, and that the roll must be called.

Mr. SMOOT. That is right.

Mr. SWANSON. If that is true, I withdraw the request, because we probably have not a quorum present.

The PRESIDING OFFICER. Without objection, the request of the Senator from Virginia for the consideration of the bill is withdrawn.

ALLEN M. SUMNER.

Mr. GERRY. Mr. President, I ask unanimous consent for the immediate consideration of the bill (S. 2117) to appoint Allen M. Sumner captain on the active list of the United States Marine Corps. This bill has been favorably reported by the Committee on Naval Affairs. It is designed to reinstate on the active list of the Marine Corps a former officer who had an excellent record in the service. I hope there will be no objection to the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2117) to appoint Allen M. Sumner a captain on the active list of the United States Marine Corps, which had been reported from the Committee on Naval Affairs with an amendment, on page 2, line 5, after the word "kind," to insert:

Provided further, That the said Allen M. Sumner shall be carried as an additional number in the grade to which he may be appointed under the provisions of this act, and in any higher grade to which he may hereafter be promoted: *And provided further*, That the said Allen M. Sumner be credited with his service as an officer in the Marine Corps Reserve from April 7, 1917, the date of his assignment to active service upon mobilization.

So as to make the bill read:

Be it enacted, etc., That the President be, and he is hereby, authorized, by and with the advice and consent of the Senate, to appoint Allen M. Sumner a captain on the active list of the United States Marine Corps in the place on the list of captains to which he would be entitled by reason of the length of his previous commissioned service in the Marine Corps in comparison with the prior commissioned service of the captains on the active list of the Marine Corps at the date of approval of this act: *Provided*, That the said Allen M. Sumner shall establish to the satisfaction of the Secretary of the Navy his physical, mental, moral, and professional fitness for such appointment: *Provided further*, That the said Allen M. Sumner shall not by the passage of this act be entitled to back pay or emoluments of any kind: *Provided further*, That the said Allen M. Sumner shall be carried as an additional number in the grade to which he may be appointed under the provisions of this act, and in any higher grade to which he may hereafter be promoted: *And provided further*, That the said Allen M. Sumner be credited with his service as an officer in the Marine Corps Reserve from April 7, 1917, the date of his assignment, to active service upon mobilization.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION.

Mr. MARTIN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 35 minutes p. m.) the Senate adjourned until Monday, August 13, 1917, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate August 11, 1917.

UNITED STATES DISTRICT JUDGE.

Beverly D. Evans, of Sandersville, Ga., to be United States district judge for the southern district of Georgia, vice William Wallace Lambdin, deceased.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 11, 1917.

RECEIVER OF PUBLIC MONEYS.

Thomas Corbally to be receiver of public moneys at Great Falls, Mont.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

MARINE CORPS.

The following-named probationary second lieutenants to be probationary first lieutenants in the Marine Corps:

Robert S. Hunter,
Glenn D. Miller,
Burwell H. Clarke,
Walter G. Sheard,
Charles A. Wynn,
Thomas E. Watson,
Roger W. Peard,
Herbert Rosenzweig,
Paul Brown,
Edward S. Chandler,
Charles A. Howell,
Charles P. Gilchrist,
Lloyd L. Leech,
George C. Hamner,
James M. Bain,
Harold S. Fassett,
Karl I. Buse,
John R. Martin,
Gustav Karow,
Jesse H. Fugate, jr.,
Samuel A. Woods, jr.,
Raphael Griffin,
Horace C. Cooper,
Peter C. Geyer, jr.,
James E. Davis,
James T. Moore,
William C. Byrd,
George B. Reynolds,
David H. Owen,
Joseph E. Brewster,
Nimmo Old, jr.,
Benjamin T. Cripps,
Louis W. Whaley,
John M. Arthur,
James F. Jeffords,
Jacob M. Pearce, jr.,
Gordon Watt,
Thomas P. Cheatham,
Thomas E. Bourke,
William C. James,
Daniel E. Campbell,
William B. Black,
Maurice G. Holmes,
Charles C. Gill,
James E. Betts,
Norman S. Hinman,
George Faunce Adams,
Wethered Woodworth,
James W. Webb,
John M. Tildsley,
Le Roy P. Hunt,
Louis E. Woods,
Edward R. Rhodes,
Harry K. Cochran,
Donald R. Fox,
William McN. Marshall,
George H. Scott,
Alexander Galt,
Paul R. Cowley,
Allen W. Harrington, jr.,
Bailey M. Coffenberg,
Eugene F. C. Collier,
Evans O. Ames,
Stanley M. Muckleston,
William H. Davis,
Richard N. Platt,
William E. Williams,
William W. Scott, jr.,
Franklin A. Hart,
George Franklin Adams,
George W. Spotts,
Bruce J. Millner,
Emmett W. Skinner,
Jesse J. Burks,
William LaF. Crabbe,
Harlan E. Major, and
Frank L. Morris.

The following-named second lieutenants in the Marine Corps to be first lieutenants in the Marine Corps:

John D. Nevin and
William P. Richards.

Quartermaster Clerk Robert W. Maxwell to be a second lieutenant in the Marine Corps.

The following-named noncommissioned officers to be second lieutenants in the Marine Corps:

Sergt. Maj. Clarence N. McClure,
Sergt. Maj. Michael Kearney,
Sergt. Maj. Bror G. Brodstrom,
Sergt. Maj. Angus Wilson,
Sergt. Maj. Fred Lueders,
Quartermaster Sergt. Abel E. LeBlanc,
First Sergt. John F. Duffy,
First Sergt. Harry H. Couvrette,
First Sergt. Frank Patterson,
First Sergt. Charles G. Knoechel,
First Sergt. Charles F. Merkel,
First Sergt. Charles F. Finger,

First Sergt. William S. Robinson,
First Sergt. John Kearns,
First Sergt. James E. Snow,
First Sergt. Harry L. Jones,
Gunnery Sergt. John W. Hingle,
Gunnery Sergt. Earl C. Nicholas,
Sergt. Joseph Reardon,
Sergt. William L. Erdman,
Sergt. Frank N. Gilmore, and
Sergt. George L. Littlefield.

The following-named citizens to be second lieutenants in the Marine Corps:

Mark A. Smith,
Timothy J. Holland,
Vincent E. Healy,
Charles D. Sniffen,
Walter A. Powers,
William H. Abrams,
Edmund G. Chamberlain,
Clarence E. Nelson,
Herman R. Holljes,
George H. Martin, jr.,
Benjamin DeW. Knapp,
Robert J. Archibald, and
Gilder D. Jackson, jr.

COAST AND GEODETIC SURVEY.

Junior hydrographic and geodetic engineers to be hydrographic and geodetic engineers.

Harry A. Seran.
Clem Leinster Garner.
John Henry Peters.
Jean Hodgkins Hawley.
Eoline Richmond Hand.
Paul McGeorge Trueblood.
Frederick Bernhard Theodore Siems.
Alfred Modesto Sobieralski.
Richard Russell Lukens.

Aids to be junior hydrographic and geodetic engineers.

Arthur Sidney Hallberg.
Maurice Eli Levy.
Robert James Auld.
William Harold Clark.
Jack Senior.
Sylvanus Davis Winship.
Raymond Pugh Eyman.
Leo Cuthbert Dyke.
Chester Howard Ober.
Conrad Turner Bussell.
William Henry Kearns.
Leonard Harold Zeman.
George Clay Jones.
Charles Shaw.
Carl Alexander Egner.
Gardiner Luce.
Oliver Scott Reading.
Bert Clinton Freeman.
Lyman Davis Graham.
Douglas Karr.

Deck officer to be junior hydrographic and geodetic engineer.

Leroy Preston Raynor.

Deck officers to be aids.

Charles Keith Green.
George Henry Durgin.
Paul Vaux Lane.
Roland Drew Horne.
Robert J. Hole.
Frederick Estell Joekel.
Harold Warren Pease.
Benjamin Galos.
John William Cox.
George Lawrence Bean.
George Russell Hartley.
Fritz Charles Nyland.
Aaron Louis Shalowitz.
Wilmer Otis Hinkley.

POSTMASTER.

ALASKA.

John W. Stedman, Wrangell.

SENATE.

MONDAY, *August 13, 1917.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, Thou hast given to us this good land for our heritage. We pray for Thy grace that we may ever prove ourselves a people mindful of the Divine favor. Prevent us from every evil thing, and prosper us in our effort to liberate the spiritual forces of this and every other land. Establish a larger life upon the basis of the revealed will of God in Christ Jesus our Lord. We ask it for His name's sake. Amen.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hardwick	McKellar	Sherman
Beckham	Husting	McNary	Simmons
Brady	Johnson, Cal.	Myers	Smoot
Brandegee	Jones, N. Mex.	New	Sterling
Culberson	Jones, Wash.	Overman	Sutherland
Curtis	Kellogg	Owen	Trammell
Dillingham	Kendrick	Page	Vardaman
Fletcher	King	Pittman	Wadsworth
France	Kirby	Poindexter	Weeks
Gerry	La Follette	Saulsbury	Williams
Gore	Lodge	Shafroth	
Gronna	McCumber	Sheppard	

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness. I will state that he is paired with the senior Senator from North Dakota [Mr. MCCUMBER]. This announcement may stand for the day.

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent on account of illness in his family. He is paired with the Senator from New Jersey [Mr. FRELINGHUYSEN]. I will let this announcement stand for the day.

Mr. MCNARY. I desire to announce the unavoidable absence of my colleague [Mr. CHAMBERLAIN].

Mr. KIRBY. I wish to announce the unavoidable absence of my colleague [Mr. ROBINSON]. I will let this announcement stand for the day.

Mr. KING. I desire to announce the unavoidable absence of the junior Senator from Illinois [Mr. LEWIS] on account of important business.

Mr. SUTHERLAND. I wish to announce the unavoidable absence of my colleague, the senior Senator from West Virginia [Mr. GOFF], on account of illness. I will let this announcement stand for the day.

The PRESIDENT pro tempore. Forty-six Senators have answered to their names. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. HARDING, Mr. POMERENE, Mr. STONE, Mr. SWANSON, and Mr. THOMPSON answered to their names.

Mr. MARTIN, Mr. PENROSE, and Mr. BANKHEAD entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Fifty-four Senators have answered to their names. There is a quorum present. The Journal of the proceedings of the last legislative day will be read.

The Secretary proceeded to read the Journal of the proceedings of Saturday last, when, on request of Mr. FLETCHER and by unanimous consent, the further reading was dispensed with and the Journal was approved.

PETITIONS AND MEMORIALS.

Mr. SHEPPARD presented a petition of the Binah M. West Review of the Woman's Benefit Association of the Maccabees, of Forth Worth, Tex., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which was referred to the Committee on Woman Suffrage.

He also presented petitions of sundry citizens of Pilot Point, of the Woman's Methodist Missionary Society of Mount Vernon, of the Woman's Missionary Society of Wharton, of the Woman's Missionary Society of Irene, of the Woman's Missionary Society of Hale Center, of the Woman's Missionary Society of Paris, of the Missionary Society of Pittsburgh, and of the Woman's Missionary Society of Stephenville, all in the State of Texas, praying for national prohibition as a war measure, which were ordered to lie on the table.

Mr. WADSWORTH presented petitions of sundry citizens of the State of New York, praying for the enactment of legislation

to permit an exchange of censored mails between the United States and Hungary, which were referred to the Committee on Foreign Relations.

Mr. JONES of Washington. I have a telegram from the West Coast Lumbermen's Association in reference to the industrial condition there. I will not take the time of the Senate to have it read, but I ask that it may be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SEATTLE, WASH., *August 12, 1917.*

Hon. WESLEY JONES,
United States Senate, Washington, D. C.:

Please say to Congress that the lumber industry of the Pacific Northwest is not opposed to a national eight-hour day within the lumber industry, but can not grant a regional eight-hour day, as urged by the Secretary of War in telegrams of August 10, without wrecking the industry, which employs 60 per cent of all wage earners in this State, and upon which practically all other business and industry here is largely dependent. This convulsion of the lumber industry, if forced to grant a regional 8-hour day on 10 hours' pay, would come through an immediate increase of 25 per cent in the cost of manufacturing Pacific Northwest lumber, which now is unable to successfully compete east of the Mississippi River with lumber from the Lake States and the South, which lumber reaches the principal consuming markets of the country on shorter freight hauls and lower freight rates. The Pacific Northwest lumber industry is now paying common labor the highest wages paid in the lumber industry of this or any other country. Common labor in Washington and Oregon is receiving from $3 to $3.50 a day as compared with from $1.75 to $2 for similar labor at mills of the South, at which mills the Government is not now seeking to enforce an eight-hour day. Please make it plain also that our industry is not delaying the Nation's great war aircraft program. It has not yet received an order for a stick of lumber for that purpose. The industry has pledged the Secretary of War that when orders and specifications do come it will furnish material as fast as required. In the meantime the season for most efficiently getting out this material is fast slipping away and our mills are refusing commercial contracts in order that every available resource and manufacturing capacity may be available for Government requirements. In this war there is just as much patriotism in industry as there is in individuals, and there is just as much patriotism in the State of Washington, outside the striking Industrial Workers of the World, as there is in the city of Washington. Lumber prices from the Pacific Northwest for cantonments and ships are lower than from any other region and the service has been such that the men at the front will not have to pay the price of delays, so far as this industry is concerned. Consult Forest Service Report No. 114 and Federal Trade Commission in substantiation of statement that we on an 8-hour day at 10-hour pay can not compete with other producing regions unless 8-hour day is made national within the industry. The strike here is primarily Industrial Workers of the World, who announce that when eight-hour day is won they will proceed to shorten the working day in this industry to six hours. Concerning our industrial conditions and already restricted markets, please consult Dr. Wilson Compton, who recently investigated this industry for the Federal Trade Commission.

WEST COAST LUMBERMEN'S ASSOCIATION,
ROBERT B. ALLEN, *Secretary.*

Mr. VARDAMAN. I present a petition signed by a large number of citizens of Oktibbeha County, Miss., respectfully urging upon Congress the immediate passage of the bill H. R. 5181, the purpose of which is to prohibit the sending of conscripted or drafted men outside of the territorial limits without their consent. The petition consists of only about four lines, and I ask that it be printed in the RECORD.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

We, the undersigned citizens of Oktibbeha County, Miss., respectfully urge upon Congress the immediate passage of H. R. 5181, introduced June 25, 1917, by Hon. WILLIAM E. MASON, of Illinois.

P. W. FULGHAM
(And 62 others).

Mr. ASHURST. I present resolutions adopted at the annual meeting of the Coconino Cattle Growers' Association, which I ask to have printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

FLAGSTAFF, ARIZ., *August 8, 1917.*

Hon. HENRY ASHURST,
Washington, D. C.

DEAR SIR: At the regular annual meeting of our association on August 1 the following resolution was unanimously adopted:

"Whereas a bill has been introduced in the Senate of the United States by Senator GORE prohibiting the interstate transportation of cows and calves for slaughter; and

"Whereas in the judgment of the Coconino Cattle Growers' Association it will not serve the purpose of increasing the production of meat-food animals, because the grasses on our ranges are limited and we can better subserve the purpose of fattening and slaughtering the old cows and retaining the young stock upon the ranges; and

"Whereas it is the experience of the stockmen that old cows left on the range will perish during the winters, after eating a lot of grass, causing the younger cattle to suffer loss of flesh, if not death; and

"Whereas the most economic use of old cows and their calves can be put to is by fattening and slaughter: Therefore be it

"Resolved by the Coconino Cattle Growers' Association in annual meeting assembled this 1st day of August, 1917, That you be requested to do all in your power to see that said bill does not pass."

And the secretary instructed to present this matter to you.

Since this matter is of vital importance to the stock-raising industry of our State, we most earnestly request your assistance against this bill.

Very truly, yours,

THE COCONINO CATTLE GROWERS' ASSOCIATION,
By T. E. MCCULLOUGH, *Secretary-Treasurer.*

Mr. ASHURST. I present a resolution adopted by the Chamber of Commerce of Phoenix, Ariz., which I ask to have printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the United States is now at war; and

Whereas to successfully prosecute the war and afford the best protection for the lives of those who will carry the arms of the country to the front, the utmost diligence must be exercised in all industries, and every citizen must do the work for which he is especially fitted; and

Whereas large numbers of people are reported to be in idleness, while at the same time certain industries suffer for lack of help; Now, therefore be it

Resolved, That the Chamber of Commerce of Phoenix, Ariz., urge upon the Arizona delegation in Congress the need of a census of labor, and recommend that an industrial drafting service be devised to be in operation during the war; and be it further

Resolved, That we recommend legislation be enacted which will prohibit in every form advocation of crime, sabotage, violence, and any unlawful methods of securing industrial or political reforms.

Dated at Phoenix, Ariz., this 3d day of August, 1917.

H. J. MCCLUNG, *President.*
HARRY WELCH, *Secretary.*

LOYALTY LEAGUE OF AMERICA.

Mr. ASHURST. I have a copy of the constitution of the Loyalty League of America, which I ask to have printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

CONSTITUTION OF THE LOYALTY LEAGUE OF AMERICA.

PREAMBLE.

To loyally stand for our country in the pending world crisis; to promote a patriotic and militant spirit among our people; to exterminate the Industrial Workers of the World; to curb the treacherous alien; to fight disloyalty, anarchy, and treason; to preserve order; to protect life, liberty, and property and to see to it that every law-abiding inhabitant of the community is unmolested by threat, epithet, taunt, or espionage in the enjoyment of his right to pursue his own lawful course.

That the members of the Loyalty League of America do hereby ordain and adopt the following constitution:

ARTICLE I.

SECTION 1. The name of this organization shall be the Loyalty League of America.

SEC. 2. Its affairs shall be conducted by an executive committee composed of one delegate from each subordinate local league, or other organization affiliated herewith.

SEC. 3. The officers thereof shall be the president, one vice president, secretary, and treasurer, who shall serve for a period of one year and until their successors are elected and qualified.

The president may appoint such subcommittees as may be deemed necessary.

ARTICLE II.

SECTION 1. The membership of all Loyalty Leagues and affiliated organizations shall be limited to loyal male American citizens and such aliens as have declared their intentions to become citizens of the United States: *Provided*, That no one shall become a member of the Loyalty League who shall not be acceptable to a majority of the membership of the league for which application is made.

SEC. 2. The executive committee may adopt by-laws consistent with this constitution, which, when promulgated, shall be obligatory upon all subordinate organizations.

SEC. 3. The central organization shall be maintained by an assessment of $1 per year upon each member of each local organization, to be collected by each local organization and transmitted to the treasurer of the central organization.

SEC. 4. Upon this constitution being read and approved by a majority vote of the local organization, application for a charter from the executive committee shall be requested. Upon receipt of such request the executive committee shall issue charter.

SEC. 5. Oath: I solemnly swear as a member of the Loyalty League of America not to commit any acts during the term of the war now being waged by the United States against Germany that will in any way interfere with or embarrass the United States Government in its prosecution of the war, particularly that would curtail the production of any commodity. I will not lend any aid or encouragement to any enemy of the country within or without, and I promise to use my best efforts to discourage the use of unpatriotic language and to assist in bringing persons guilty of treason to justice, and to assist in the conservation of foodstuffs and otherwise cooperate to reduce the cost of living.

ARTICLE III.

SECTION 1. The constitution may be altered or amended at any annual meeting by a vote of two-thirds of the members present, provided notice of the proposed change shall have been presented at the previous meeting or given in the call for the meeting at least 30 days before the meeting. Any alteration or amendments to the constitution shall take effect 90 days from the date of adoption: *Provided*, That the league by a three-fourths vote may make any alterations or amendments to the constitution effective at once.

Signed and adopted at Phoenix by the members of the convention this 6th day of August, 1917.

William Merrill, president; S. P. Applewhite, secretary; Charles M. McKean, M. L. Moran, William Gunn, B. F. Baker, J. J. Cain, George F. Stoneman, H. E. Conlon, F. E. Calkins, George R. Hill, A. E. Hinton, W. H. Archdeacon, W. S. Schlotzhauer, N. C. Bledsoe, J. B. Cook, Joseph H. Kibbey.

RIVER AND HARBOR APPROPRIATIONS.

Mr. FLETCHER. Mr. President, I ask to have printed in the RECORD this condensed statement from the Atlantic Deeper Waterways Association, entitled "Why not tell the truth about the river and harbor bill?"

I may add to that statement the further fact that of the sum which will be required to complete the projects adopted in this bill nearly one-half will go to the harbors of New York. I ask that the statement may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WHY NOT TELL THE TRUTH ABOUT THE RIVER AND HARBOR BILL?

[A statement from the Atlantic Deeper Waterways Association.]

"That the river and harbor bill of 1917, drawn in accordance with the estimates of the Chief of Engineers and approved in advance by the Secretary of War and the President, is a wise and practical measure is evident upon a study of its schedules.

"The criticisms of the bill that have been going the rounds of the press have been due mainly, in our judgment, to the fact that representatives of the press have not analyzed the text of the bill nor considered the reasons for the various items so abundantly stated in the committee report. They have found it more convenient, under pressure of other work, to use ready-made statements emanating from a small, self-righteous, and peculiarly reckless minority. 'Waste and extravagance' is the catchword; 'no practical need for the work, millions going into little creeks, rivers that ought to be paved, streams that should be stood up on edge.' And where sectionalism still appeals, 'the most is intended for distribution in the South.'

"We deny all these statements and challenge Members of Congress and representatives of the press to cite facts in support of them. They are not true.

"The river and harbor bill as it finally passed Congress carried a total of $27,826,150. Of this, 51.5 per cent, or $14,344,250, is for maintenance and improvement of ocean harbors on the Atlantic, Gulf, and Pacific coasts, Alaska, Hawaii, and Porto Rico; 8.1 per cent., or $2,261,100, is for maintenance and improvement of inland lake harbors and channels; 31.3 per cent, or $8,725,000, is for maintenance and improvement of five leading inland rivers, under projects previously adopted by Congress; 1.2 per cent, or $325,000, is for examinations, surveys, and a commission; and there remains only 7.9 per cent, or $2,170,800, to cover all other projects in all parts of the country; maintenance and improvements of river, harbors, canals, waterways, and removal of obstructions. Where are the 'millions for creeks' and the 'chunks of pork' for favored sections? Where are the 'items tacked on by individual Members'? Every item refers to a War Department report and estimate, and the total allowed by Congress is less than the War Department requests.

"That is the truth about the river and harbor bill of 1917. The rest is ignorance, prejudice, and misinformation.

"In support whereof a classified summary compiled from the official bill is subjoined. Let the pork hunters point out the pork!

Portland, Me	$300,000
New London, Conn	160,000
New York N. Y	2,150,500
Philadelphia, Pa	2,170,000
Wilmington, Del	50,000
Baltimore, Md	354,000
Washington, D. C	30,000
Norfolk, Va	900,000
Richmond, Va	72,000
Wilmington, N. C	120,000
Charleston, S. C	120,000
Savannah, Ga	880,000
Brunswick, Ga	33,250
Jacksonville, Fla	335,000
Miami, Fla	160,000
Tampa, Fla	366,500
Mobile, Ala	115,000
Pascagoula, Miss	113,000
Gulfport, Miss	80,000
New Orleans, La	1,825,000
Port Arthur, Tex	410,000
Galveston, Tex	480,000
Port Aransas, Tex	100,000
Freeport, Tex	216,000
San Diego, Cal	174,000
Los Angeles, Cal	75,000
San Francisco, Cal., and neighboring harbors	287,500
Oakland, Cal	92,000
Richmond, Cal	100,000
Humboldt, Cal	190,500
San Pablo and Mare Island, Cal	330,000
Coos Bay, Oreg	70,000
Portland, Oreg	310,000
Grays Harbor, Wash	85,000
Puget Sound, Wash	230,000
Nome Harbor and Yukon River mouth, Alaska	150,000
Honolulu, Kahului, and Hilo, Hawaii	210,000
San Juan, Porto Rico	410,000
40 principal ocean harbors (51.5 per cent of total)	14,344,250
Lake Champlain, harbors and narrows	386,500
Lake Ontario, 8 harbors	33,500
Lake Erie, 10 harbors	216,650
Lake Superior, 10 harbors	185,000
Lake Michigan, 17 projects	140,750
Lake Huron, 10 projects	$603,500
Ship channel	185,000
Lake Michigan, Chicago, and neighboring harbors	510,200
Inland lake harbors and channels (8.1 per cent of total)	2,261,100
Ohio River	5,000,000
Missouri River	1,085,000
Mississippi River (above Ohio River)	1,602,000
Cumberland River	637,000
Tennessee River	401,000
5 principal inland rivers (31.3 per cent of total)	8,725,000
All other projects, rivers, harbors, canals, and waterways in all parts of the United States (7.9 per cent of total)	2,170,800
Examinations, surveys, and waterways commission (1.2 per cent of total)	325,000
Total of bill	27,826,150

TREATY OF THE HOLY ALLIANCE.

Mr. OWEN. I ask to have printed in the RECORD the treaty of the holy alliance with the amendment of 1822, known as the secret treaty of Verona, with a memorandum in relation thereto.

The PRESIDENT pro tempore. Is there objection?

Mr. SMOOT. I could not hear what the request was.

Mr. OWEN. I ask to have printed in the RECORD the treaty of the holy alliance, of about four or five clauses, and the treaty of Verona, attached as an amendment to it, declaring a world war on democracy by the organized sovereignties of Europe.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

TREATY BETWEEN AUSTRIA, PRUSSIA, AND RUSSIA, SIGNED AT PARIS SEPTEMBER 18–26, 1815.

[Translation.]

"In the name of the most holy and indivisible Trinity.

"Holy alliance of sovereigns of Austria, Prussia, and Russia.

"Their Majesties the Emperor of Austria, the King of Prussia, and the Emperor of Russia, having, in consequence of the great events which have marked the course of the three last years in Europe, and especially of the blessings which it has pleased Divine Providence to shower down upon those States which place their confidence and their hope on it alone, acquired the intimate conviction of the necessity of settling the steps to be observed by the powers, in the reciprocal relations, upon the sublime truths which the holy religion of our Savior teaches.

"GOVERNMENT AND POLITICAL RELATIONS.

"They solemnly declare that the present act has no other object than to publish, in the face of the whole world, their fixed resolution, both in the administration of their respective States and in their political relations with every other Government, to take for their sole guide the precepts of that holy religion, namely, the precepts of justice, Christian charity, and peace, which, far from being applicable only to private concerns, must have an immediate influence on the councils of princes and guide all their steps as being the only means of consolidating human institutions and remedying their imperfections. In consequence, their majesties have agreed on the following articles:

"PRINCIPLES OF THE CHRISTIAN RELIGION.

"ARTICLE I. Conformably to the words of the Holy Scriptures, which command all men to consider each other as brethren, the three contracting monarchs will remain united by the bonds of a true and indissoluble fraternity, and, considering each other as fellow countrymen, they will on all occasions and in all places lend each other aid and assistance; and regarding themselves toward their subjects and armies as fathers of families, they will lead them, in the same spirit of fraternity with which they are animated, to protect religion, peace, and justice.

"FRATERNITY AND AFFECTION.

"ART. II. In consequence, the sole principle of force, whether between the said governments or between their subjects, shall be that of doing each other reciprocal service and of testifying by unalterable good will the mutual affection with which they ought to be animated, to consider themselves all as members of one and the same Christian nation, the three allied princes looking on themselves as merely delegated by Providence to govern three branches of the one family, namely, Austria, Prussia, and Russia, thus confessing that the Christian world, of which they and their people form a part, has in reality no other sovereign than Him to whom alone power really belongs, because in Him alone are found all the treasures of love, science, and infinite wisdom; that is to say, God, our Divine Savior, the Word of the Most High, the Word of Life. Their majesties consequently recommend to their people, with the most tender

solicitude, as the sole means of enjoying that peace which arises from a good conscience and which alone is durable, to strengthen themselves every day more and more in the principles and exercise of the duties which the Divine Savior has taught to mankind.

"ACCESSION OF FOREIGN POWERS.

"ART. III. All the powers who shall choose solemnly to avow the sacred principles which have dictated the present act and shall acknowledge how important it is for the happiness of nations, too long agitated, that these truths should henceforth exercise over the destinies of mankind all the influence which belongs to them, will be received with equal ardor and affection in this 'holy alliance.'

"Done in triplicate and signed at Paris, the year of grace 1815, 14/26 September.

"FRANCIS. [L. S.]
"FREDERICK WILLIAM. [L. S.]
"ALEXANDER. [L. S.]"

—

"On the 26th of September, 1815, Francis, Frederick William, and Alexander addressed the following letter to the prince regent of Great Britain to accede to the treaty of the holy alliance, as follows:

"'The sovereigns of Austria, Prussia, and Russia to the prince regent of Great Britain.

"'PARIS, *September 26, 1815.*

"'SIR OUR BROTHER AND COUSIN: The events which have afflicted the world for more than 20 years have convinced us that the only means of putting an end to them is to be found in the most free and most intimate union between the sovereigns whom divine providence has placed over the heads of the peoples of Europe.

"'The history of the three memorable years which are about to pass away bear witness to the beneficial effects of which this union has been for the good of mankind; but in order to assure to this bond the soiidity which the grandeur and the purity of the aim to which it tends imperiously demands we have thought it should be founded on the sacred principles of the Christian religion.

"'Deeply convinced of this important truth, we have concluded and signed the act which we now submit to the consideration of your royal highness. Your royal highness may be assured that its object is to strengthen the relations which unite us, in forming of all the nations of Christendom in one single family and assuring them by this, under the protection of the Almighty, happiness, security, the benefits of peace, and the bonds of fraternity forever indissoluble. We deeply regretted that your royal highness was not united with us at the important moment when we concluded this transaction. We invite you, as our first and most intimate ally, to agree with it and to complete a work singularly consecrated to the good of mankind and which we ought to consider the best reward for our efforts.

"'FRANCIS.
"'FREDERICK WILLIAM.
"'ALEXANDER.

"'OUR BROTHER AND COUSIN,
"'*The Prince Regent of Great Britain.*'

"To which the prince regent replied as follows:

"'2. The prince regent of Great Britain to the sovereigns of Austria, Prussia, and Russia, respectively.

"'CARLTON HOUSE, *October 6, 1815.*

"'SIR MY BROTHER AND COUSIN: I have had the honor of receiving your imperial majesty's letter, together with the copy of the treaty signed by your majesty and your august allies at Paris on the 26th of September.

"'As the forms of the British Constitution, which I am called upon to administer in the name and on behalf of the King, my father, preclude me from acceding formally to this treaty in the shape in which it has been presented to me, I adopt this course of conveying to the august sovereigns who have signed it my entire concurrence in the principles they have laid down and in the declaration which they have set forth of making the divine precepts of the Christian religion the invariable rule of their conduct in all their relations, social and political, and of cementing the union which ought ever to subsist between all Christian nations; and it will be always my earnest endeavor to regulate my conduct in the station in which Divine Providence has vouchsafed to place me by these sacred maxims and to cooperate with my august allies in all measures which may be likely to contribute to the peace and happiness of mankind.

"'With the most invariable sentiments of friendship and affection, I am,

"'Sir, my brother and cousin,

"'Your imperial majesty's good brother and cousin,

"'GEORGE, P. R.

"'HIS IMPERIAL MAJESTY THE EMPEROR OF AUSTRIA,
"'(Prussia and Russia, respectively.)'"

—

MEMO.

"It will be observed that this treaty of the holy alliance was signed by the sovereigns themselves, and not through their representatives.

"This treaty was drawn at the instance of Alexander I. The King of Prussia signed the paper from motives of friendship for the Czar.

"Metternich, the prime minister of Austria, observed with regard to this treaty:

"'C'est du verbiage'—that is, 'merely a matter of words.'

"Its only significance was an appeal to the religious sentiment of the people of Russia, Prussia, and Austria, and never exercised the slightest restraint upon their rulers. The holy alliance made Christianity the cloak under which the kings of Europe tried to perpetuate the helotage of their subjects. Metternich was the ablest, the most skillful spider in all the chancelleries of Europe, working for autocracy.

"Alexander I had really humane impulses and a democratic spirit, but Metternich surrounded him with spies, who constantly whispered to Alexander suspicions of the people, making Alexander believe that he was in deadly danger of assassination from the people, until he was persuaded that only the iron hand of absolute monarchy could safeguard his throne and his own life.

"Metternich observed the tendency of the people of Europe toward democracy and laid the plans for its complete destruction and overthrow. The cruelty and corruption of the Bourbons had led to the French Revolution and the establishment of the French Republic. The people of France, unlearned in self-government, advocating the doctrines of liberty, equity, and fraternity. They had no experience in organized democracies, and Napoleon used their inexperience to make himself Emperor and to overrun Europe, resulting in the overthrow of Napoleon and placing Louis XVIII, the Bourbon prince, on the throne of France as an absolute monarch.

"Under Metternich's crafty intrigue, the secret treaty of Verona was drawn up by the representatives of Francis of Austria, in the person of Metternich; the representative of Louis XVIII, in the person of Chateaubriand; the representative of Frederick William of Prussia, Bernstet, and by the representative of Alexander I of Russia, Nesselrode, November 22, 1822, as follows:

"[American Diplomatic Code, 1778–1884, vol. 2; Elliott, p. 179.]

SECRET TREATY OF VERONA.

"The undersigned, specially authorized to make some additions to the treaty of the Holy Alliance, after having exchanged their respective credentials, have agreed as follows:

"ARTICLE 1. The high contracting powers being convinced that the system of representative government is equally as incompatible with the monarchial principles as the maximum of the sovereignty of the people with the divine right, engage mutually, in the most solemn manner, to use all their efforts to put an end to the system of representative governments, in whatever country it may exist in Europe, and to prevent its being introduced in those countries where it is not yet known.

"ART. 2. As it can not be doubted that the liberty of the press is the most powerful means used by the pretended supporters of the rights of nations to the detriment of those of princes, the high contracting parties promise reciprocally to adopt all proper measures to suppress it, not only in their own States but also in the rest of Europe.

"ART. 3. Convinced that the principles of religion contribute most powerfully to keep nations in the state of passive obedience which they owe to their princes, the high contracting parties declare it to be their intention to sustain in their respective States those measures which the clergy may adopt with the aim of ameliorating their own interests, so intimately connected with the preservation of the authority of the princes; and the contracting powers join in offering their thanks to the Pope for what he has already done for them, and solicit his constant cooperation in their views of submitting the nations.

"ART. 4. The situation of Spain and Portugal unite unhappily all the circumstances to which this treaty has particular reference. The high contracting parties, in confiding to France the care of putting an end to them, engaged to assist her in the

manner which may the least compromit them with their own people and the people of France by means of a subsidy on the part of the two empires of 20,000,000 of francs every year from the date of the signature of this treaty to the end of the war.

"ART. 5. In order to establish in the Peninsula the order of things which existed before the revolution of Cadiz, and to insure the entire execution of the articles of the present treaty, the high contracting parties give to each other the reciprocal assurance that as long as their views are not fulfilled, rejecting all other ideas of utility or other measure to be taken, they will address themselves with the shortest possible delay to all the authorities existing in their States and to all their agents in foreign countries, with the view to establish connections tending toward the accomplishment of the objects proposed by this treaty.

"ART. 6. This treaty shall be renewed with such changes as new circumstances may give occasion for, either at a new congress or at the court of one of the contracting parties, as soon as the war with Spain shall be terminated.

"ART. 7. The present treaty shall be ratified and the ratifications exchanged at Paris within the space of six months.

"Made at Verona the 22d November, 1822.

"For Austria:

"METTERNICH.

"For France:

"CHATEAUBRIAND.

"For Prussia:

"BERNSTET.

"For Russia:

"NESSELRODE."

—

MEMO.

"[It is here observed that the representatives of four military autocracies solemnly engaged to put an end to representative government in Europe, as well as 'in those countries where it is not yet known.'

"That they solemnly engaged to suppress the liberty of the press as a means of suppressing representative government of the people throughout Europe by suppressing knowledge and reason and understanding.

"That they intended to use the principles of religion as a means of keeping the people 'in the state of passive obedience which they owe to their princes.'

"That they definitely arranged with Louis XVIII, the autocratic Bourbon King of France, to put an end to the constitutional government in Spain and Portugal, and to do this secretly 'in the manner which may the least compromise them with their own people,' by a subsidy of 20,000,000 francs per annum until the limited monarchy of Spain and Portugal were converted into absolute monarchies.

"It was further provided by this infamous conspiracy of the 'holy alliance' against the right of the people to govern themselves 'that the high contracting parties give to each other the reciprocal assurance that as long as their views are not fulfilled, rejecting all other ideas of utility or other measure to be taken, they will address themselves, with the shortest possible delay, to all the authorities existing in their States and to all other agents in foreign countries, with the view to establish connections tending toward the accomplishment of the objects proposed by this treaty.'

"That is, the accomplishment of the absolute overthrow of representative government anywhere on earth—the destruction of all democracies.]"

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MEMO.

"[When the secret treaty of Verona was signed in 1822 the autocracies of Prussia and Austria, France and Russia proposed to send their armies and navies to reduce the revolting colonies of Spain and Portugal on the Western Hemisphere—that is, to destroy every democracy on the Western Hemisphere except the United States.

"Prime Minister Canning, of Great Britain, immediately entered a vigorous protest and advised the holy alliance that Great Britain would not approve such action.

"Thereupon President Monroe, under this organized threat against the democracies of the New World, notified the holy alliance, in his famous message of December, 1823, that the United States would regard it as an unfriendly act for the powers of Europe to attempt to establish their system of government on the Western Hemisphere.]"

ARTICLE BY CHARLES W. ELIOT.

Mr. WILLIAMS. Mr. President, I hold in my hand an article entitled "Democracy's big strides forward during the war," written by Charles W. Eliot, president emeritus of Harvard, and which appeared in the New York Times of August 5. It is an article so replete in wisdom that I desire that every Senator and Member of the House and the people at large may have an opportunity to read it. I therefore ask unanimous consent that it be printed in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sunday, Aug. 5, 1917.]

DEMOCRACY'S BIG STRIDES FORWARD DURING THE WAR—PRESIDENT EMERITUS OF HARVARD REVIEWS THE SITUATION IN THE WARRING NATIONS AND POINTS OUT THE PRINCIPAL LESSONS WHICH THE CONFLICT HAS TAUGHT MANKIND.

In a few weeks or months the American people will begin to sacrifice their sons by the thousand in the most savage and cruel war that has ever been waged. They have already begun to expend the savings of generations on preparations for fighting and destruction, and they have stopped innumerable forms of expenditure which contributed to their welfare and that of their descendants. Under these circumstances it is fitting that the voters and their political leaders review the war situation as it stands to-day and take account of the gains for human liberty and the democratic form of government which have already been secured.

The principal features of the war situation are as follows:

(1) The two principal contestants—the central monarchies and the entente allies—have demonstrated that each can hold the other in trench warfare; so that no considerable, well-defended areas can be conquered by either party. In open country where the means of communication are scanty or difficult each can successfully come back against the other after defeat or withdrawal, and neither side when ocupying new territory has thus far been able to disarm or extinguish the opposing army. The Belgian, Serbian, and Roumanian armies are still on foot in large numbers, and no considerable body of German or Austro-Hungarian troops has thus far been forced to surrender. In three years neither side has won a military victory in the old sense. There has been no Austerlitz or Waterloo or Sedan or Yorktown, and there is not likely to be. In this sense President Wilson was right when he used the ambiguous phrase "peace without victory." It has been a war without victory on land and without any victory on sea of the Nelson sort.

(2) Industrial and financial strength having been proved necessary to the acquisition and maintenance of great military power, it appears that the manufacturing nations are the only ones that can endure long wars; because they alone can create and maintain inexhaustible supplies of munitions and of the modern means of rapid transportation on land and water for both men and supplies. An agricultural or pastoral people engaged in serious war will require the aid of a manufacturing people. Hence, ultimate success in war will go to the side which has been made wealthiest and strongest by successful commerce, agriculture, mining, and manufacturing; provided that this wealth and these industrial achievements have not impaired the public morality and energy.

(3) The success of Great Britain and France in developing under the most trying circumstances a greater efficiency than that of Germany in the manufactures indispensable to modern war has settled the question whether despotically ruled peoples have an advantage over free peoples in warfare in which every resource of modern science is utilized, and settled it in favor of the freer.

(4) The war has also proved already that violations of treaties on the ground of military necessity and oppressive exactions on the population remaining in conquered territory do not profit the conqueror in the present state of the civilized world, except as he appropriates for immediate use machinery, fuel, foods, and raw material, but on the contrary are disastrous to him and his cause. In other words, the war has proved that the moral and physical forces which can be rallied to the side of international justice are sufficient to make acts of international injustice inexpedient and unprofitable.

(5) It clearly appears that all the nations of Europe now recognized as such can command the services in proper proportion to their population of soldiers who are robust, brave, and patriotic, and that there is no nation in Europe so degenerate morally or physically that a strong and healthy nation may rightfully seize it and govern it for its own good. Both sides exhibit full capacity for acquiring the skill needed to use artillery, airplanes, telephones, photographs, and motor trucks; and all are capable of hand-to-hand fighting with bayonets, swords, knives, and hand grenades. The primitive savage with all his hunting and fighting instincts reappears to-day in civilized white men as well as in Turks, Turcos, and Gurkhas.

(6) As the war has gone on the conviction has gradually penetrated all the Governments and peoples concerned that the redressing of three great international wrongdoings must be included in any terms of settlement which are to have a fair chance of leading to durable peace. These wrongs are the partition of Poland (1772), the wresting of Alsace-Lorraine from France by Germany (1871), accompanied by an attempt to "bleed France white," and the Treaty of Berlin (1878), which outraged Russia and planted seeds of fierce discord among the Balkan peoples. All thinking people have come to understand that no permanent peace for Europe or any relief from competitive armaments can be obtained without disinfecting these festering sores. And yet this disinfection can not but prove a very difficult task.

(7) The war has greatly strengthened the conviction, held by most publicists who have had occasion to consider the causes of grave international disputes, that the peace of the world would be much more secure if nations which possess few ports or none could obtain, under firm international conventions, free access to the seas and oceans through the territories and ports of other nations. An interior country, like Serbia, or a great interior subarctic region like the Russian Empire or Canada needs for its own free life and growth access to the seas and oceans through the ports of other countries, if it has few or none of its own. For the full enjoyment of such rights durable peace is necessary. Remove from the European world, or the whole world, the apprehension of war, and the dread that an insular population or a population confined within an interior area naturally feels lest it be deprived of an adequate supply of foods or raw materials, and a principal cause of war would be removed. The Germans' dream of such compression and such deprivation, coupled with an extraordinary belief in the superiority of German civilization to every other civlization, seems to have been the underlyng cause of the present war.

(8) Although the strength and endurance of the belligerents are by no means exhausted, there is a new disposition to speculate and talk about peace ever since President Wilson requested the central monarchies on the one side and the entente allies on the other to state the terms on which they would consent to make peace. Although the two parties are still wide apart in regard to the preliminary terms or conditions on which negotiations for peace might be opened, and although the present condition of Russia has raised new hopes in the minds of the German oligarchy, the disposition of the several Governments to talk about terms of pence is an important feature of the present situation. It is supported, if not induced, by the state of mind among the soldiers of all the nations at war. It will be a dire calamity for the human race if peace negotiations are opened before the central monarchies publicly repent of the invasion of Serbia, the violation of the neutrality treaties on behalf of Belgium, the sinking of the *Lusitania*, and the Prussian-Turkish treatment of noncombatants.

Two new implements of warfare have been developed during the war—the airplane and the submarine; but the capacities of neither for destruction have been fully revealed. Both violate in practice—by necessity—most of the rules which international law has tried to establish for the protection of noncombatants and the mitigation of the horrors of war. Those who use them require singular skill, courage, and endurance; but neither mercy nor chivalry can often influence their deeds. Those, too, whose duty is to destroy either airplanes or submarines must do so without the least regard to their human occupants. The submarine forces on everybody, assailant or defendant, the policy of killing at sight. Drown or choke your adversary without giving any chance of escape. Take no prisoners. These policies or methods are not yet publicly and avowedly adopted on land. The airplane involves single combat or combat in small groups under very dangerous conditions for both parties and with little chance to surrender for either side. It is kill or be killed. "Bombing" by airplanes means miscellaneous destruction of life and property without taking good aim. This kind of warfare is peculiarly revolting, in spite of the extraordinary bravery and fortitude of the men who engage in it. The use made of submarines by Germany proves that during war à l'outrance between great powers neutrals have no protection against being sunk while passing between neutral ports. This is a new barbarity in war. All nations with exterior trade are interested in determining now, if possible, the future of the submarine.

Such is the formidable scene in which the American people are about to become one of the principal actors. As they enter on this fearful task they can reasonably draw inspiration and hope from the great gains for liberty and democracy which have been already achieved through the war.

The war has brought about extraordinary progress for democracy in Europe, especially in Great Britain and Russia. In Great Britain the gains of democracy within three years have been much more considerable than in all the hundred years previous. They have taken effect chiefly in the executive branch of the Government, including the army and navy, but also in the legislative; and the gains seem likely to be permanent. Three years ago no one familiar with the conditions of public life in Great Britain would have believed that three men with the antecedents of Kitchener, Bonar Law, and Lloyd George could exercise supreme powers in the civil government during the greatest crisis in British history, or that a democratic, extemporized British Army could succeed to the former aristocratic regular army, and fight better. After 10 days' discussion the House of Commons lately adopted by a vote of 8 to 1 a large measure of suffrage reform under the title of "Representation of the people bill." In Russia, the coup d'état was a sudden act and premature, but long foretold in the growing strength and capacity for local government of the provincial and municipal councils, and in the increasing activity in large business of the cooperative societies. It is as yet impossible to tell whether the inexperienced Russian democracy will or will not prove itself capable of establishing at this first effort a firm and efficient government in a democratic form, but the revolution has already accomplished much preliminary work toward that end, and it is almost impossible to believe that Czardom, or anything like it, can be reproduced in Russia, or that the landed nobility and the permanent official class, both military and civil, can regain the power they have lost.

It is equally difficult to believe that the professional, commercial, and manufacturing classes which have now assumed political leadership with strong support from large portions of the agricultural class will be compelled to resign it to labor agitators, socialistic extremists, or disciples of Tolstoy. The United States, believing that Russia will no more return to a Romanoff Czar than France to a Bourbon King, is cooperating with the provisional government in every possible way—with its money, supplies, and engineering experience, and with its practice in political and religious liberty and its hearty sympathy. Such cooperation between two huge democracies augurs well for the future safety of democracy throughout the world. The unexampled experiment which the mission to Russia from the United States has had in hand is one of extraordinary interest; for it is an effort on the part of a people long accustomed to public liberty to help a multitudinous people with no experience of political freedom and but lately escaped from serfdom to establish in war time a firm and effective republican government.

It is an immense permanent gain for democracy that the democratic Governments of Great Britain and France have proved themselves capable of great efficiency in time of war. Comparative study of democratic and autocratic governments during the last 130 years has revealed the fact that in times of peace democratic governments are not so effective as autocratic governments can sometimes be in promoting the physical welfare of the people governed. Germany had cleaner and better ordered cities, more effective vocational schools, and better sanitary and medical supervision than any democratic government in Europe or America could show; so that many people doubted whether a democratic government could develop as much efficiency in war as an autocratic government. But both Great Britain and France have already exhibited, and the United States is about to exhibit, a greater efficiency in war and in the industries that support war than Germany or any other autocratic government has ever attained.

The war has also proved that free peoples, in which financial and industrial corporate management has been largely developed, and many citizens possess a high degree of personal initiative and energy in their daily work, can outdo in industrial productiveness any peoples that are autocratically governed. The free peoples may start far in the rear when war breaks out, but in a year or two they will catch up with and surpass their autocratically governed opponents. This is a demonstration of high importance to the democracies of the future, as well as of great significance in regard to the outcome of the present war, for these methods of democratic society, which are quite independent of Government processes, are prime sources of democratic efficiency.

It has also been proved that democratic armies fight better than armies aristocratically organized and autocratically governed; or, in other words, that the armies of nations in which the mass of the people determine legislation, elect their public servants, and settle questions of peace and war, fight better than the armies of an autocrat who rules by right of birth and by commission from the Almighty. The obedient, submissive soldier who always acts under orders without personal initiative or intelligent comprehension of his immediate task is out-

classed by the independent soldier who possesses personal initiative and is capable of understanding both the ultimate purpose of the fighting and the immediate object of the movement in which he is to take part. The soldier who is to take effective part in trench warfare must be capable of fighting intelligently and persistently without seeing or hearing an officer or even a noncommissioned officer during the actual charge. The great war has developed in the democratic countries a new and more effective kind of private soldier and a new and more effective kind of officer, and in producing these better kinds of soldier and officer a democracy has a great and permanent advantage over an autocracy.

The war and Germany's elaborate preparation for it have proved beyond all doubt that no reliance for the peace of the world can be placed on any of the Utopian schemes which for centuries have been from time to time announced as sure methods of preventing war and leaving mankind free to advance, unafraid and at ease, on peaceful paths of gradual political, industrial, and social development. Discussions of world parliaments, world public opinion, world courts, vast leagues to prevent war, societies of nations, and schemes to reform the world through improved methods of education and improved international law were never so rife as in the 20 years before the present war broke out. No one of these schemes has even approached fulfillment, or, indeed, definite formulation; but the two Hague Conferences, although they were in many respects disappointing, had persuaded some people inclined to political and philanthropic speculation that the time was near when international law and international organization could prevent international war without the use of force.

All these plans and hopes were completely defeated by the outbreak of the present war; and they will remain defeated and powerless so long as a single strong nation in Europe adheres to the principles and practices of autocratic government allied with a large class of professional soldiers. The same may be said of the official religions which prevail among the various belligerents to-day. No one of the national churches or religious institutions concerned—Buddhist, Greek, Roman, Mohammedan, or Protestant—has shown the least capacity to obstruct or condemn the long and elaborate preparation for war by Germany or to oppose the un-Christian philosophy concerning the state which justified that preparation, or to prevent the outbreak of the war, or to mitigate its unexampled ferocity. It is a large gain for humanity to have learned, once for all, that no inchoate international organization and no instituted religion or established church can be depended on to secure to the civilized world of to-day an enduring peace and to all nations a rightful liberty. Peace, liberty, and justice must be secured by practicable measures of obvious immediate serviceableness. The world in agony is in no mood for remote goals or vast and hazy imaginings; it will take the one step which seems feasible and be satisfied with that. It will be a martial step, but its goal will be human brotherhood.

The war has also demonstrated that the progress of mankind in knowledge of nature and its laws and in skill in utilizing those laws and the material resources of the earth to human advantage will not prevent war, and do not necessarily tend to the preservation of peace. The chemical and physical inventions of the last hundred and fifty years have made the present war infinitely more destructive and horrible than any earlier war, and, indeed, seem to be partly accountable for the extreme ferocity with which war has been conducted in Europe and the near East for three years. The world has learned that the same scientific discoveries and industrial inventions which make the average lot of mankind freer and happier in peace times are capable of making that lot supremely wretched in war times because they increase frightfully the destructiveness of war. The nations therefore must not depend on any Utopian theories or any ecclesiastical institutions or any progress in literature, science, and the arts to defend them in the future from catastrophes and miseries such as the civilized world is now enduring. The means of securing peace hereafter will be simple and practicable, because based on experience in the present war, and efficacious, because supported by an overwhelming peace-preserving international force.

The war has brought into high relief the accumulated wealth of Great Britain, and the extraordinary variety and multiplicity of its financial, industrial, and commercial resources. One legitimate inference from this marvelous strength of Great Britain is that free trade, which has been for many years the policy of Great Britain, and of Great Britain alone in all the world, is the policy most likely to make a manufacturing and commercial nation rich and powerful; partly because free trade best develops international commerce and so supports in the best way national banking and manufacturing, but also because free trade stimulates enterprise, invention, and resourcefulness in the individual business man, encourages him to send his sons all over the world in search of trade or a salary, and prevents him from seeking in his own business an enfeebling protection and furtherance from his Government. The war has also demonstrated to both labor and capital in the United States that eager foreign markets are highly desirable in addition to the home market, because they make all business broader, larger, and steadier. It will be a great gain if it teaches all the manufacturing nations of the world not to build about their own people tariff walls, but to trust for success within each nation to its own industrial genius and peculiar resources, and to freedom of trade.

The experience of the British Government during the last two years in increasing the production of many of the national industries, especially of shipbuilding, mining, and the manufacture of munitions and other army and navy supplies, and in applying all possible means of transportation by land and sea and in the air to the uses of war, has taught several important lessons concerning the promotion of national productiveness and general industrial efficiency, which are going to be quite as significant when peace comes as they have been during the active warfare. The best of these lessons are:

1. Adequate production in manufacturing industries can not be brought about or maintained without the abandonment of the doctrine of limited output, a doctrine long carried into practice by some important labor organizations.

2. Production can be greatly increased by using the machinery of industrial plants continuously, with three shifts of workers per day.

3. No considerable or durable enlargement of production can be brought about by lengthening the hours of daily employment for the individual workman beyond the limit of eight or nine hours to which he is habituated.

4. A large increase of production for the same expenditure on labor can be brought about by giving the skilled workmen abundant assistance from semiskilled and unskilled men and women. The war has brought about great changes in this respect in many British industries—widespread changes, grouped under the name of "dilution of labor." The rules of British trade unions which are inconsistent with this dilution of labor have been in the main abandoned for the time being.

5. The fact that large numbers of women have successfully replaced men in numerous British employments since the war began has had an immediate effect in inducing employers, whether governmental or private, to pay more attention than ever before to the conservation of human bodily energy through the avoidance of accidents, fatigue, and sickness; and this greater attention to good conditions of labor has proved to be a measure of sound economy.

These five lessons are of high and enduring value to civilized society. They promise increased productiveness the world over in times of peace, which in turn promises greater freedom and comfort for the human race through larger earning by the lower-paid laborers and steadier work for all, with lower prices for both necessaries and luxuries. These enduring gains for civilization have been achieved under the incitements of a savage war waged on an unprecedented scale.

Again, the cordial and intimate cooperation of Great Britain, France, and the United States which the war has brought about is an immense and permanent gain for civilization. In the war against Germany, Great Britain, France, and the United States have common objects which are fundamental. President Wilson has expressed with utmost clearness one of these common objects: "The world must be made safe for democracy." That safety can be promptly secured in only one way—through the effective action of a league of nations which are accustomed to political liberty, and have become competent through recent experience to act together faithfully and persistently in the use of their combined resources and forces for common objects. As President Wilson has more than once said, the peace of the world must rest on the sure foundations of political liberty, well organized in experienced national governments. Great Britain and the United States are experienced and stable democracies, and France, though comparatively inexperienced in party government, has fairly earned that title through 47 years of orderly control by a National Assembly, the last three years having been years of highly successful, defensive war under the most formidable conditions.

All three of these nations are fighting now in order that the world "under God shall have a new birth of freedom, and that government of the people, by the people, for the people shall not perish from the earth," and all three peoples accept this definition of righteous government, which Lincoln gave incidentally in the last sentence of his Gettysburg Address. No one of these three nations entertains Utopian schemes of government or social

structure, or aims at theoretical perfections. All three know that progress in liberty must be step by step, by discussing and meeting every year, so far as is possible, the community's new needs and desires, by increasing every year public reliance on publicity and free discussion, and always proceeding by the method of compromise and gradual adjustment of old conditions to new aspirations. The war has produced in all three countries some sudden changes in political practices and national industries; but underneath remain as solid foundations the practical experience and the confirmed habits of real democracies. Among these precious habits are submission to the will of the majority, and loyalty to leaders chosen without regard to birth or inherited privilege of any sort, who demonstrate their competency by deeds. In none of these countries has anything resembling a dictatorship appeared. All their constitutional practices persist.

The three nations have been gradually developing a common opinion about the means of enforcing in the world a durable peace, and it is already clear that an effective alliance to enforce peace can be securely founded only on a sound public opinion made effective in and by these three democracies. As President Wilson has admirably expressed it, "A steady concert for peace can never be maintained except by a partnership of democratic nations."

The American League to Enforce Peace imagined at the start a general cooperation of all the Governments, large or small, democratic or autocratic, to enforce peace, and proposed to do nothing toward the formation of such a league until the close of the present war, and the early opinions which were expressed in England in favor of such a league imagined the inclusion of the central monarchies in the league. The progress of events during the last two years has brought almost all advocates of a league to enforce peace to the conclusion that the autocratic governments should not be admitted to the league, and that the most promising league for the purpose would be the entente allies with the addition of the United States. The real reason for the exclusion of the autocratic governments of Europe from such a league is that they could not be trusted to keep faith. They have repeatedly broken their solemnly plighted word within recent years, and there is no reason to believe that they would be trustworthy in the future. Only nations in which constitutional government is in force could be trusted in such a league. The entente allies and the United States would be its best constituents, because they have had some experience in working together in military and naval operations, and in using military and naval forces effectively under the direction of a central authoritative council. In other words, they are the nations best prepared to enforce peace in the world at large. The assistance of other nations would be acceptable, provided that their government could be properly described as free, and that they could contribute something substantial to the forces of the alliance. Out of such an alliance there might naturally develop a representative international council, an executive commission, and a competent international force.

The great war has developed in Great Britain and France, and will soon be developing in the United States, a new and better kind of soldier—private or officer—than the world has previously seen. The prime requisites in soldiers to-day, in addition to health and strength, are intelligence and personal initiative. In the future, therefore, democracies, if they would possess effective armies, must look after the education of all the children, particularly after their physical training, and must maintain citizens' armies recruited annually by young men who obey readily a law of their country, based on the obligation of all able-bodied men to serve the country in time of war, and therefore to prepare in times of peace for that service. The French Army has always been, since 1789, a democratic army based on universal military service. The English Army to-day is a democratic army, officered chiefly by men who have no idea of making war their profession. The American Army does not as yet conform to this standard, but as soon as the American people realize that every able-bodied young man owes service to his Government as the defender of his own liberties and the world's the American Army will become an unpaid citizens' army, and no other kind of army will be needed by the Republic. One of the best outcomes of the great war will probably be the abandonment by the European democracies of the paid professional military class and the gradual substitution by every other nation of a citizens' army for the present military establishment. So one may hope will disappear, even from the central monarchies, that dangerous class of professional soldiers to which may fairly be ascribed the present woes of Europe. The Swiss military constitution shows the way to this beneficent result.

Great Britain, France, and the United States are at war with Germany and her allies with the same object in view. All three peoples are fighting for what President Wilson has said the American people are fighting for—"For democracy; for the right of those who submit to authority to have a voice in their own government; for the rights and liberties of small nations; for a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world itself at last free." One can imagine that such a consummation would be worth all the war has cost in the misery of the present generation, in the destruction of property, and the loss of precious lines.

Two other great gains for the world are clearly in prospect—first, the substitution of limited or constitutional monarchies for autocratic monarchies, and, secondly, the abolition of standing or regular armies.

The German Reichstag is already hearing of slight reductions in the autocratic power of the Emperor and a large improvement in the Prussian suffrage; but the changes now proposed will have no influence on the conduct of the war or its duration. Significant political changes in the central monarchies await the future action of the peoples themselves. The governments to be set up for the newly constructed or reconstructed nations—like Poland and Serbia—will undoubtedly be of the constitutional type.

In all countries standing or regular armies have heretofore been officered by men who have no occupation or business except war and preparation for war, and are not engaged in civilian pursuits even during long periods of peace. In the present British Army, far the largest and most effective which Great Britain has ever possessed, there is only a small proportion of officers who have ever been, or mean to be, professional soldiers. In the Swiss Army, of about 500,000 men, there are only two or three thousand permanent officers who are employed the year round as instructors of the successive annual levies, together with a few scientists, all of whose time is devoted to the study of the fresh applications of modern science to war. In the new legislation by the Congress of the United States no permanent army is provided for; and, indeed, when war ceases between the United States and Germany there will remain in the service of the United States only a very small force, hardly sufficient to maintain garrisons in the Panama Zone and the Philippines. The hundreds of thousands of emergency officers and privates will return thankfully to civil life, just as the soldiers of the Civil War did. All enlistments since April 1, 1917, have been for the war only, or for the "emergency." The abolition of paid armies and a professional military class in every nation would be a great safeguard against the recurrence of war and a widespread gain for the arts and industries of peace.

The entente allies will undoubtedly form at the close of the war, or before, an alliance to enforce peace against all comers; but before the United States can enter that alliance a new agreement or understanding will be very desirable, if not indispensable, covering the future policy of the members of the league concerning territorial enlargement or trade development by force of arms. The United States is now fully committed to the policy of no extension of territory by force, and no intervention by force of arms in defense of American citizens who have gone into business in foreign countries of their own accord and for the promotion of their own private interests. Britain, France, Italy, Russia, and Japan are probably not yet committed to that policy of nonintervention; and in times past they, like the United States, have pursued the opposite policy. The policy of nonintervention, if adopted by the entente allies and the American Republics, would put the Monroe doctrine into practice for the whole world—a most desirable consummation in the interest of lasting peace. If such an alliance, including the United States, is to be made, its functions will be more easily exercised if the colonies which Germany has lost during the war are not restored to her. The international navy would have to be potentially present on every sea and ocean, and be provided with coal and oil stations and dockyards all over the world. It would manifestly increase the labors of the international navy if it had to watch a considerable number of stations possessed by Germany, widely distributed and kept well supplied.

This alliance to enforce peace will have the great task of creating the first international legislature, executive, and army and navy. All its work will contribute to the ultimate formation of the comprehensive international parliament and the international court which publicists in many parts of the world have long been urging; but in its early years its membership should be strictly limited, and its functions should be restricted to an effective prevention of war. The formation and maintenance of this alliance will be one of the best results of the war. The sooner this organization is effected the sooner the war will stop and the rehabilitation of the civilized world will begin.

Must, then, gentle and reasonable men and women give over their sons to the National Government to be trained for the devilish work of war? Must civilized society continue to fight

war with war? Is not that process a complete failure? Shall we not henceforth contend against evil doing by good doing, against brutality by gentleness, against vice in others solely by virtue in ourselves? There are many sound answers to these insistent queries. One is the policeman, usually a protective and adjusting force, but armed and trained to hurt and kill in defense of society against criminals and lunatics. Another is the mother who blazes into violence, with all her little might, in defense of her child. Even the little birds do that. Another is the instinctive forcible resistance of any natural man to insult or injury committed or threatened against his mother, wife, or daughter. The lions and tigers do as much. A moving answer of a different sort is found in words written by Mme. le Verrier to the parents of Victor Chapman on her return from his funeral in the American Church in Paris:

It * * * has brought home to me the beauty of heroic death and the meaning of life.

The answer from history is that primitive governments were despotic, and in barbarous societies might makes right; but that liberty under law has been wrung from authority and might by strenuous resistance, physical as well as moral, and not by yielding to injustice or practicing nonresistance. The Dutch Republic, the British Commonwealth, the French Republic, the Italian and Scandinavian constitutional monarchies, and the American Republics have all been developed by generations of men ready to fight and fighting. So long as there are wolves sheep can not form a safe community. The precious liberties which a few more fortunate or more vigorous nations have won by fighting for them generation after generation, those nations will have to preserve by keeping ready to fight in their defense. The only complete answer to these arguments in favor of using force in defense of liberty is that liberty is not worth the cost. In free countries to-day very few persons hold that opinion.

CHARLES W. ELIOT.

WOMAN SUFFRAGE IN HAWAII.

Mr. SHAFROTH, from the Committee on Pacific Islands and Porto Rico, to which was referred the bill (S. 2380) granting to the Legislature of the Territory of Hawaii additional powers relative to elections and qualification of electors, reported it without amendment and submitted a report (No. 108) thereon.

ARKANSAS RIVER BRIDGE.

Mr. SHEPPARD. From the Committee on Commerce I report back favorably without amendment the bill (S. 2710) granting the consent of Congress to Webbers Falls Railroad Co., a corporation, its successors and assigns, to construct a bridge across the Arkansas River, between the towns of Webbers Falls and Gore, in the State of Oklahoma, and I submit a report (No. 107) thereon. I ask for the immediate consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PENROSE:

A bill (S. 2778) granting an increase of pension to Laura V. Brooke;

A bill (S. 2779) granting a pension to Elise Seabel; and

A bill (S. 2780) granting an increase of pension to Seymour A. Stearns; to the Committee on Pensions.

By Mr. KING:

A bill (S. 2781) to prohibit publications of comments respecting the policy of the Government in German or other foreign language; and

A bill (S. 2782) to provide for the cancellation of papers of naturalization procured by fraud and for the deportation of aliens whose papers have been canceled in pursuance of this act; to the Committee on the Judiciary.

By Mr. OVERMAN:

A bill (S. 2783) providing for temporary relief to defendants in civil suits and proceedings who are actively engaged in the military service of the United States; to the Committee on the Judiciary.

By Mr. SHEPPARD:

A joint resolution (S. J. Res. 91) to authorize the Secretary of the Interior to expend funds in New Mexico and Texas for drainage purposes; to the Committee on Appropriations.

AMENDMENTS TO WAR-REVENUE BILL.

Mr. WEEKS submitted an amendment intended to be proposed by him to the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes, which was ordered to lie on the table and be printed.

Mr. HOLLIS submitted an amendment intended to be proposed by him to the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes, which was ordered to lie on the table and be printed.

WAR TAXATION.

Mr. WADSWORTH. Mr. President, I have here a pamphlet entitled "War Taxation," by Mr. Otto H. Kahn, of New York. I make the request that the pamphlet be published as a Senate document. In making the request I assume that the pamphlet will have to be referred to the Committee on Printing for report.

The PRESIDENT pro tempore. Without objection, the pamphlet will be referred to the Committee on Printing for report.

DISPOSITION OF POTASH LANDS.

The PRESIDENT pro tempore. The morning business is closed.

Mr. HUSTING. On Saturday last I moved to reconsider the vote by which the Senate passed the bill (S. 2156) to authorize exploration for and disposition of potassium and adopted the several amendments to it. The bill was reported out by the Committee on Public Lands, of which I am a member. I was not present when the bill was presented as far as I can recollect, at least I was not present when it was ordered reported out. Last Friday in the morning hour the bill was taken up. I was not aware that the bill was to be taken up, and only appeared in the Senate as the bill was about to be finally passed. I say this by way of explanation of my motion to reconsider. I did not know that any amendment had been adopted when I entered the Chamber. Neither was I able to give any particular attention to the text of the bill. I now find upon looking at the bill that its entire theory has been changed—at least I think so, and so maintain—by the amendment of the Senator from Utah [Mr. SMOOT].

As is well known, some years ago it became the policy of this Government no longer to issue patents to land except in very small subdivisions, and it was decided that valuable mineral lands should be leased, not patented. There has been a great deal of discussion on this question and a great deal of contention about it. This bill was reported by the committee, I understand, on the theory—and I think the text of the bill will bear out my statement—that prospecting permits were to be issued to cover four sections of land not known to contain potash deposits; that upon discovery a patent might issue for a section of land as a reward for that discovery; that all known deposits were to be leased, and when the Government saw fit the work was to be operated by the Government. The amendment of the Senator from Utah entirely changes that rule and goes back to the old policy of giving patents to land known to contain valuable ore deposits. These words were stricken out by the amendment of the Senator from Utah:

not known to contain valuable deposits of the kinds above described.

The bill as reported by the committee provided as follows:

That the Secretary of the Interior is hereby authorized and directed, under such rules and regulations as he may prescribe, to grant to any applicant who is a citizen of the United States, an association of such citizens, or a corporation organized under the laws of any State or Territory thereof, a prospecting permit which shall give the exclusive right to prospect for chlorides, sulphates, carbonates, borates, silicates, or nitrates of potassium * * * on lands of the United States not known to contain valuable deposits of the kinds above described for a period of not exceeding two years.

The language to which I have referred was stricken out, so that the bill authorizes the Secretary of the Interior to grant—

A prospecting permit which shall give the exclusive right to prospect for chlorides, sulphates, carbonates—

And so forth—

except lands in San Bernardino County, Cal.

So, while the permit purports to be a prospecting permit, it may be nothing of the kind, because without any prospecting a patent may be acquired on lands known to contain potash and other minerals. Mr. President, that entirely wipes out the idea of rewarding with a patent the discoverer of mineral deposits; it entirely wipes out the justification of the proposed change in our policy by which we were to encourage prospecting, and goes right straight back to the old idea of parceling out valuable deposits of potash and other minerals and giving a patent to land where it is known that potash does exist.

Mr. SHAFROTH. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Colorado?

Mr. HUSTING. I yield.

Mr. SHAFROTH. Does not the Senator realize that if there are any known deposits of potassium they have been located and consequently would be acquired under the laws as they

now exist? Was it not proven before the committee that the known deposits as to which the committee was supposed to legislate were at Searles Lake, Cal.?

Mr. HUSTING. If this bill referred only to Searles Lake, Cal., there would not be any question about it, but it relates to all potash deposits at Searles Lake and all other localities. I will ask the Senator if it does not?

Mr. SHAFROTH. Certainly, it relates to prospecting for such deposits. We do not want the lands of the United States which might be explored for the purpose of ascertaining whether or not they contained potassium, locked up, as has been the condition heretofore.

Mr. HUSTING. I ask the Senator from Colorado why the words "not known to contain valuable deposits" were stricken out?

Mr. SHAFROTH. I will tell the Senator why that was done. That language would have been confusing to the prospector. "Not known" to whom? To whom is that fact supposed to be known? Is the prospector going upon the public domain and attempt to ascertain the fact and then have somebody say, "I knew that; I live in this community, and I knew that there was potassium there"? There would be nothing upon which the prospector could rely if those words were left in the bill. As a matter of fact, he could not tell what land to prospect. If he goes to the Government, is it going to be so that the Government shall say, "Some clerk in the Government knew that it was potassium land," or "Some person in the neighborhood knew that it was"? The language is indefinite. That is the reason it was stricken out. There would not be any exploration or any development of these resources if those words were retained in the bill.

Mr. HUSTING. Searles Lake is one of the places which are known to contain such deposits.

Mr. PITTMAN. But that is excepted from this provision.

Mr. HUSTING. Then that shows that these potash deposits are known and may be known. The Senator from Utah pointed out the other day that valuable deposits of potash are known to exist in the State of Utah.

Mr. SHAFROTH. I warrant that if the Senator from Wisconsin will ask the Senator from Utah he will say that all those deposits have been taken up under the mining laws, and consequently would not come within the permit system which is being imposed by this bill.

Mr. HUSTING. Mr. President, this is a great, vast country, and I do not think any man is in a position to say that all the known areas of potash have been taken up; but if they have been taken up, what difference would it make to leave in the words "not known to contain valuable deposits of potash"?

The long and short of it is that this amendment simply wipes out the policy of conserving for the people of the United States the known mining fields by giving them out only one lease, and goes back to the old discredited policy that scandalized the country a few years ago of permitting men to seize and receive a patent for valuable deposits.

Not only that, but such lands going to patent would not be governed by the restrictions which one Senator desired only to apply to Searles Lake, namely, as to the question of price and the question of disposition. We have a provision in this bill that the Government may fix the price and control the disposition of the potash mines of this country if, in the judgment of the President, it is necessary for our own domestic use.

Under this bill discoverers of potash other than in the Searles Lake region will be permitted to own in fee the potash deposits, to mine and to sell it to the public for whatever they can get, and to export it without any power of control on the part of the Government.

I desire to call the attention of the Senate to this matter, and to say that on last Friday the Senate went on record in favor of an amendment which gives the President the right to control the price and the disposition of potash deposits. I consider that a very vital thing, Mr. President. There are other bills which are going to come in here relating to oil, relating to the leasing of lands generally, and this is the entering wedge. I considered it my duty to point out these facts, to object to the measure as amended, and not to permit it to pass the Senate without objection on my part as a member of the Committee on Public Lands.

There is another matter to which I desire to call attention in regard to this bill, which I think is important, and to remedy which an amendment ought to be passed. The bill gives a broad permit for prospecting on four sections of land, as I understand—and if I am wrong I want to be corrected—and while it is claimed to be a potash-prospecting bill, yet under its terms if any other mineral is discovered aside from potash the fee to the land is turned over to the prospector, so that all of the mineral deposits in the section patented would also be included in the fee. Thus the prospector would be in a position to patent oil discoveries or coal discoveries, without any of the restrictions which might be imposed upon these minerals under other laws.

This bill, for instance, imposes a royalty on potash produced, to run for a period of 50 years; but if the prospector discovers coal or oil on the land, I find nothing in this bill that would make him pay any royalty on the coal or oil so discovered; in fact, the coal or oil would become the property of the patentee, freed of all restrictions which the Government has seen fit to impose upon discoveries of oil elsewhere, and this even though the discovery of oil or coal might be incidental.

There is another feature to which I desire to call attention. Under color of this bill, in order to relieve himself of any obligation, I believe it would be very easy for any man to pretend to prospect for potash or take out a potash permit and then discover coal or oil which he might know was there. Then he would be under no obligation to the Government under the potash provision of the bill; but under the cloak of a potash permit he could get the fee to all the coal and oil underlying the land. That is a very nice little game if anybody wants to play it in that way. That some will play it in that way, or may do so, I do not think the Government has any reason to doubt. I understand it has been done in the past.

I know there are some cases now pending where claim is made to oil deposits where the prospecting was done under a permit to search for some entirely different mineral, and now an oil claim is maintained under a permit to seek a pretended deposit of another substance. Millions of dollars' worth of property is now claimed under permits which, at least on their face, never authorized discovery of oil at all.

There is no need of our being deceived in this matter. If Congress wants to go back to the old scandals and the old method of throwing away the birthright of the people, they can do so; but let them do so frankly and openly and not under the cloak of pretending to pass a leasing bill. I think that this bill in its present form is the worst bill that has been proposed to Congress on this particular subject, at least since I have been a Member of the Senate.

Does anyone know any good reason why any man should be given a section of land, almost for the asking, when the discovery of a potash deposit has already been made? Senators inquire, Who knows where there are any deposits? I do not know; I do not suppose that any of the Senators do; but I have no doubt that many citizens do know, and that they are waiting for the passage of this bill to get a patent to potash lands which are just waiting to be picked up, and these parties know where to pick them up.

The Senator from Utah stated that there were a great many potash deposits in the State of Utah. I have no doubt that many citizens of Utah know where to find them, and will be quick to take out patents as soon as this bill is passed.

We are importing potash in great quantities. There is a scarcity of potash in the world. Our potash supply comes and can only come now from Chile. We are building boats to try to carry necessary commodities to Europe. Every boat that we can spare is being used in the trans-Atlantic trade; and yet, while we are in such dire need of potash, we are going to make it possible for anyone to pick up potash on public lands and either sell it to the people of the United States at from $400 to $500 a ton, which is, I think, something like ten times its former value, or to sell it to our enemies, or at least to foreign countries, so that the mining of these deposits will not inure to the benefit of this country, but will inure only to the benefit of the gentlemen who get the patents.

Something has been said here about considering the feelings or the interests of the prospector. I want again to emphasize the fact that I do not believe the known minerals in the ground, such as we term our natural resources, like coal, oil, potash, and minerals of that character, were created for the benefit of the prospector or put into the ground by Providence solely in the interest of the prospector. I believe that they are the common property of the people of the United States and that the prospector or whoever is going to mine potash or other minerals is merely a public agent to get it from the ground and deliver it to the people of this country for their use and for the fertilization of their soil.

If that is not what it is there for, then I do not know what it is there for.

It is very easy to give these things away without any restrictions. It is very nice to be pleasant to people and to turn over to them things that they think they have a better right to have than anybody else; but for myself I want to say that I would not feel justified, as a trustee of a great trust, to so dissipate the funds of my cestui que trust.

I was asked a question here the other day, when this matter was up, about how I would feel if I were a prospector. I want to reply again to that question and say that it is not the question as to how I would feel if I were a prospector. The question that interests me is. How do I feel as a trustee of something that has been put into my hands, in common with others, for the purpose of conserving that trust?

The cestui que trust is the United States and the people of the United States. This trust is here to be executed by the trustee, according to the way he interprets his oath of office, according to what he considers his duty. That is the plain question.

Would any Senator in this Chamber, as a trustee for any estate, take that estate and give it over to a man upon his own terms, regardless of the interests of the estate, without due regard to the interests of the owners of the trust estate? I say he can not do it, and you can not justify it, in my judgment. Now, with known potash deposits lying in the ground for anybody to come in and take and sell, when we need the potash in this country, is it not our duty in permitting some State or Federal agent to take it out, whether it is a corporation or whether it is an individual, to give it to him under such terms that we can fulfill the trust?

I can not see two sides to that proposition. I say that we are not justified in turning over these potash deposits without any restrictions whatever.

We need the potash here. It is ours. We can do what we please with it. We can let those who develop it make all the money out of it that they ought to make for the service that they render. After it gets out of our hands it is too late, but now we are in a position to dictate the terms. Why should we not now, as a matter of fairness to the people, as a matter that greatly concerns the welfare of this country, put in those leases a stipulation that the people who take up potash lands shall earn a reasonable amount on their investment, and that when in the judgment of the President it is necessary to keep that potash here for the purpose of fertilizing our own soil it shall be sold within the boundaries of the United States?

We see what the old system is doing now. I do not want to go over the same ground twice, but I can point to the coal situation as a most admirable example of what sometimes happens in case of emergency when the Government divests itself of an authority of which it never should have divested itself.

To-day we have a coal shortage in the Northwest that threatens to result in people freezing to death. I have in my possession figures which go to show that since the opening of shipping on the Great Lakes millions of tons of shipping have gone up the Great Lakes empty—light, as it is called. These boats bring down loads of ore from Superior to Lake Erie ports, and then go back empty. What is the result in regard to the coal supply? In the State of Wisconsin to-day there is not, I venture to say, 10 per cent of the coal supply necessary to keep our people from freezing to death, in the coal docks or in the local warehouses. I do not know how it is in the two Dakotas, but I understand they are in the same condition, and that northern Iowa and Minnesota face a serious coal shortage, too.

Mr. GRONNA. Mr. President, will the Senator yield?

Mr. HUSTING. I yield to the Senator from North Dakota.

Mr. GRONNA. I am very much interested in the Senator's argument; but I want to say, for his information, that one of the railroad and warehouse commissioners of the State of Minnesota was here the other day, and he said to me that for the purpose of making the investigation he took a trip by water from Duluth across the Lakes. He said he met some 30 boats empty, but he said it was not due to the fact that there was no coal but the fact was that the coal went in other directions, because they received a bigger profit. That was his statement—that there was plenty of coal.

Mr. POMERENE. Mr. President, if I may be permitted, I want the RECORD to show also that some of these coal operators have been insisting all the time that they could not get boats in which to ship their coal up the Lakes. I think the information of the Senator from North Dakota is correct.

Mr. GRONNA. Yes; it is correct. The statement was made to me by Mr. Jacobson, from St. Paul, Minn., who has made the investigation.

Mr. HUSTING. It may be that the coal was diverted elsewhere. I am not just at this moment trying to fix the blame; but the vitally important thing is that there is no coal in Wisconsin. I do not know the exact situation in the Senator's State, but there is no coal in Wisconsin. I am informed that outside of Milwaukee, where they have 70 per cent of the normal supply, the amount of coal in the State is negligible; only 10 or 15 per cent of the winter's needs, with the winter only a little over a month away.

Mr. GRONNA. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin further yield to the Senator from North Dakota?

Mr. HUSTING. I do.

Mr. GRONNA. I want to say to the Senator that we are very short of coal in my State. In fact, the little flouring mills are complaining bitterly, not so much because the prices are high but because they can not get it. I have taken up the question with the governor of our State, asking him to instruct the people of that State to begin the mining of lignite coal and not to depend upon the eastern supply.

Mr. HUSTING. The point I am making now is that notwithstanding millions of tons of shipping have gone up the Lakes empty since the opening of navigation, we have only 10 or 15 per cent of the coal supply necessary to keep our people from freezing to death in Wisconsin. Now we are running around to find out who is to blame. You go to the coal operators and they say that the railroads will not furnish cars either to take the coal West or to Lake Erie ports. You go to the railroads and they say the operators will not furnish them the coal. Here we have one public utility, and another industry that ought to be a public utility, which we ought to be able to get together in one place and say, "We want the coal, because we have got to have it or we will freeze to death." Yet we are in this impotent situation where we can not help ourselves. The coal is mined; the shipping is there, ready to take it, going up the Lakes empty. The railroads are there, and yet, notwithstanding the fact that we have the coal, we have the railroads, and we have the shipping and the dock facilities, we have not got any coal. It does not interest the people very much to know just who is to blame, because when people freeze to death it will not interest them very much after they are dead as to who caused their death. But it is a matter of vital concern to be able to say to somebody, "Do this, do that, and give us the coal."

I have some figures that I am going to ask permission to put in the RECORD at some future time, showing that in order to supply the Northwest with the coal necessary to keep the people from freezing to death we have got to ship by boat, in addition to what the railroads would carry, three million three hundred and seventy-seven thousand and odd tons a month between now and the close of navigation next December. Here we are in the middle of August, with cold weather coming on in Wisconsin in September or the beginning of October, with nothing being accomplished, no coal moving, and we are at the mercy of the men that have these things that ought to be within our control.

Mr. SHAFROTH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Colorado?

Mr. HUSTING. I do

Mr. SHAFROTH. Does not the Senator think it would relieve the coal situation if the billions and billions of tons of coal that exist in the Rocky Mountain region were permitted to be mined?

Mr. HUSTING. Not at all, I will say to the Senator, when there are millions and millions of tons lying right here ready to be moved that are not moved. It is not a question of coal; it is a question of getting it to the furnaces to heat our houses. The coal is mined There is not any scarcity of coal. There is plenty of it. It is lying there ready to be shipped, and yet it is not being shipped. They are debating between themselves who is going to carry the coal, how much coal they are going to get, and how much they are going to charge for the coal.

Mr. SHAFROTH. I will state to the Senator that so far as my State and the other Western States are concerned, in our country those who have patented lands to coal have the monopoly by reason of the fact that the other lands are not permitted to be entered. That creates a monopoly and permits them to charge a higher price and hold up the people. It is that condition that we are trying to relieve in connection with the coal situation and the situation as to potassium.

Mr. POINDEXTER. Mr. President——

Mr. HUSTING. I yield to the Senator from Washington.

Mr. POINDEXTER. As I understand the Senator from Wisconsin, the very point he is making is that in the future we should so guard the granting of title to the mineral lands and the coal lands and the other public resources of the country that the condition which the Senator from Colorado admits exists in his State can not recur. The Senator from Colorado admits that the people who have acquired the coal lands, who have fee-simple titles to them and are beyond the control of the Government, are establishing a monopoly of the coal and charging people extortionate prices for it; and yet the Senator, as I understand, advocates a continuance of that policy.

Now, in the eastern part of the country, in the coal regions, practically all the coal lands have already passed into private

hands—just the condition that the Senator says he wants to see established in the West——

Mr. SHAFROTH. No; Mr. President——

Mr. POINDEXTER. Just let me finish the sentence and then I will yield to the Senator—and yet in the East, with what is claimed to be a sufficient natural supply of coal in the ground, and all of it owned by private individuals, there is still a coal monopoly, a coal famine, and extortionate prices.

Mr. SHAFROTH. Mr. President, I should like to say a word in reply to the Senator from Washington.

The PRESIDENT pro tempore. The Senator from Wisconsin has the floor. Does he yield to the Senator from Colorado?

Mr. HUSTING. I should like to answer the Senator. However, I yield to him, and after that I should like to say a few words.

Mr. SHAFROTH. I should like to say just a word with relation to the policy to which the Senator has referred.

I am a believer in the theory that competition will bring down the price of coal. It has done so in the past, and except in this war period we have had in the history of the United States the lowest-priced coal production of any country in the world. When coal sells at the mouth of the mine in West Virginia at 90 cents a ton, and in Pennsylvania at $1.06 a ton, you can readily see that it is not in the operation of the mine that any monopoly exists. It is this competition between the mines of the various States that has brought about that low price of coal, and ships from all over the world try to get into Hampton Roads for the purpose of getting the low-priced coal which has existed there. Now there is a war, and conditions have arisen that have made the price higher; but, notwithstanding that, under ordinary conditions, conditions that have existed in this country for 50 years, that competition has brought down the price of the coal to a point lower than in any other country in the world.

Mr. POINDEXTER. Mr. President, I hope the Senator from Wisconsin will pardon me just one word.

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Washington?

Mr. HUSTING. I yield to the Senator.

Mr. POINDEXTER. As I understand the Senator, he argues that competition will take care of the situation. That is the old argument, and yet it seems to me, if the Senator is entirely consistent in claiming that competition is all that is necessary, it is quite strange that he has been voting here for the last two or three years for bills to restrain unfair competition, to put in the hands of the Government the power to fix prices, to create a food and fuel commission, to establish a Federal Trade Commission, the passage of the Clayton Antitrust Act, in addition to all the provisions of the Sherman Antitrust Act, and so forth. If the Senator thinks that these natural laws of competition are all that is necessary, and they are now in operation, why is it that we hear this outcry throughout the length and breadth of the land for fuel at reasonable prices?

Mr. SHAFROTH. Mr. President——

Mr. HUSTING. Now, Mr. President——

The PRESIDENT pro tempore. The Senator from Wisconsin has the floor.

Mr. SHAFROTH. The Senator from Washington has asked me a question, and I want to answer it.

Mr. HUSTING. I am afraid the Senator will have to answer it in his own time.

Mr. SHAFROTH. I will take only a moment.

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Colorado?

Mr. HUSTING. I shall have to refuse to yield to the Senator at present.

The PRESIDENT pro tempore. The Senator declines to yield. The Senator from Wisconsin will proceed.

Mr. HUSTING. The Senator says that coal is cheap. We have not got any coal. What difference does it make to us in Wisconsin if they sell coal at $1 a ton in West Virginia, if it is not mined and transported to a point where we can buy it? The fact that the people of Europe come into Hampton Roads and get coal out of this country and ship the coal back to Europe does not interest the people in Wisconsin very much, when Wisconsin can not get the coal necessary to keep the people of that State warm in the winter. We have got to have coal when our temperature goes down sometimes to 20° and even 30° below zero. The people have got to have coal there to live.

The Senator's suggestion about the West may or may not be in accord with my views of the matter, but I am talking now of this concrete situation.

I say as a general principle that to go now and lease or patent new mining areas where coal exists, where there will be competition, where the owners can sell the coal cheap if they want to, where they can produce an abundance of coal, what good will it do the people of the West if those who mine the coal say, "This is my property, and I will not sell it"; or, "I will not sell it unless you pay four times what it is worth"? What good will this coal do the people if the railroads say, "We will not transport it if we do not choose to transport it." That does not get the coal to the market. We are in a situation where we are rich in coal supply, in coal deposits, but the people are poor in coal for their own use.

Now, what is the trouble? The trouble is that it is somebody's property; at least, they claim it is. I hold that the theory is wrong, and I believe that a bill can be enacted which will hold water, that will bring coal operations and coal mining into the public-utility class, as a matter of necessity to the people, and as a matter affecting the public interest. I believe we can, under such a law, constitutionally regulate the production, the price, and the disposition of coal. I am going to introduce a bill of that kind as soon as I can get it drawn up. But we are helpless now.

I say we have the coal and we have given it away. We stimulated private enterprise. We have not gone into the socialistic idea of providing ourselves with the means to get coal. We have simply just given it away to be prospected by men who are developing the country, the men whose enterprise is so necessary for the welfare of the country. What is the result? We have not got any coal. That is the result. And we have not got any means to enforce the obtaining of coal, or we did not have until a few days ago. I do not know how we are going to enforce it now.

There is a way now to bring about relief if we can do it, and that is to tell the railroads to furnish cars to the coal operators, and then to tell the coal operators to fill those cars, and then tell the railroad companies to take those cars to the Erie ports, put them on boats, and bring them up the Lakes, and distribute them around the docks where the coal may be available to the people.

I have digressed from this bill. But here it appears we are going to do the same thing over again. When deposits of potash will be developed, when our farmers will be crying for potash as they are crying now, what will they get? They will get nothing. The potash will also go down to Hampton Roads and to some other country, where it will be used for the fertilization of soil. We may be rich in potash deposits and potash supplies, and will be poor in the supply of potash available for our use, or potash will only be available at such a price as will make it worthless for the purpose for which it is wanted.

Are we going to repeat mistakes of that kind over again? Are we going with our eyes open voluntarily to divest ourselves of all control as to the production, price, and disposition of the coal or the potash or the oil or the other things that people are going to need? To me it seems absolutely unbelievable that we, the people of the United States, having it in our possession, in our hands as trustees not only for ourselves but for posterity, but primarily, at least, for ourselves, that we shall repeat the blunders, the crimes that have been committed in letting these things pass out of our hands so that we are absolutely at the mercy of selfish men?

I want the Government to maintain jurisdiction over a thing so vitally necessary to the life and welfare of our citizens, whether it is coal, or oil, or potash, or anything else we need. Is that asking anything unreasonable? Will any Senator here in this Chamber or any Member of the other House say that if we had these things in our hands and owed a duty to those who had entrusted us with these things he would be justified in consulting the pleasure of the men who are exploiting our riches and after exploiting our riches exploit our people with our riches? I say, in my judgment, you can not justify it.

Now, here we are in the potash business. I think the bill before it passes ought to be amended so as to stimulate potash development, and when I say potash development I do not mean to permit men under the cloak of looking for potash to get into the oil fields or to get into the coal fields and seize our oil and seize our coal, which they may do under this bill, for not only does the bill divest us of all control but it meets none of the terms imposed by other laws on other minerals.

I hope the bill will be reconsidered so that if a potash bill is to pass it will be a people's potash bill, not a prospector's bill; a people's potash bill, not a speculator's potash bill; a potash bill that will give the United State potash at a reasonable price in reasonable quantities at seasonable times when it is needed.

Mr. PITTMAN. Mr. President, I intend to take only about three minutes. The Senator from Wisconsin has charged the coal operators with having held back the coal when the country is starving for coal, while they discussed where the coal should go. I think I have observed the same characteristics in this body on several occasions. For three years we have been try-

ing to get a potash bill passed. During most of that time the Senator from Wisconsin has been upon the Public Lands Committee and assisted in framing it. Some of the objections he now makes to this bill should have been made in committee by him.

When this bill was finally ready for passage there were certain amendments suggested by Senators. Those amendments were indorsed by the Secretary of the Interior and then the bill was reported out.

I realize that if the Senator had been in the committee after the amendments came back from the Department of the Interior he would probably have insisted upon the committee permitting him to redraft the bill and present it to the Senate, and I have no doubt that in his wisdom he could have redrafted it far better than all the rest of the committee; at least there would have been no suspicion attached to the bill if he had drawn it and presented it himself. Now it labors under the suspicion which he has referred to.

The chief objection of the Senator from Wisconsin is that the Government retains no control over the potash. I have heard him say that a dozen times. As a matter of fact, the only real supply of potash in the country, as testified to by the Department of the Interior, and by all the experts in the department, is Searles Lake. Congress appropriated nearly $300,000 to prospect for potash in this country. The experts spent nearly three years prospecting for potash, and they did not find any potash that amounted to anything. I have the testimony here in the hearing. Mr. Pennock, who is the chief chemical expert of the advisory committee, testified as follows:

> But as far as I have gone in accumulating this data, in getting this information, I find that there is but a very small amount of potash available outside of Searles Lake—Searles Lake, San Bernardino County, Cal.

As a matter of fact, there is not any of commercial importance outside of it.

Now, the situation is here. We have two functions to perform by this bill. One of them is to work the known deposits, and the other is to stimulate real prospectors to find other deposits. You have never heard of a mining expert discovering deposits. They do not do it. It is the prospectors who discover them. You have spent $300,000 of the people's money seeking potash deposits outside of Searles Lake, and where are they? If you will encourage the prospectors to go out and look for potash, they will find it.

This bill takes care of the known potash. It is the opinion of the Secretary of the Interior and Mr. Pennock that the bill offers encouragement which it is hoped will induce prospectors to find more potash.

Now, what does it do as to Searles Lake? Searles Lake contains 20,000,000 tons of potash, enough to last this country at least 10 or 15 years' time, while we are finding more potash. As to that deposit, this bill says that the Government may operate it itself or it may let a lease and reserve in that lease the right to fix the price of the potash; that it may reserve in that lease the right to fix the disposition of the potash.

Now, then, this bill does give the Government absolute control of the known potash in this country; and I want to say this, and it will occur immediately to any common-sense man as a fact, that if the Government has control of 20,000,000 tons of potash it will make no difference how much potash some one else owns in this country; the price of it will have to come down to the level that the Government fixes on the 20,000,000 tons. The consumption of potash in this country is only 520,000 tons a year. It is a limited amount, and with the Government having 20,000,000 in its hands it can control the market at any price it sees fit. It will control the price of all the outside product, and everyone knows it.

There is absolutely nothing in the contention the Senator from Wisconsin has made. That is not what we regret. We came in here last week on Thursday, took this bill, and debated it the whole morning hour, and the distinguished Senator from Wisconsin took his part in it. He enlightened the Senate then as he does now. Then when we took up the bill again on Saturday he came in during the latter part of the debate, after every amendment was passed, and asked unanimous consent that we open up the proceedings so that he could offer an amendment. As the Senator having charge of the bill, I joined in that request for unanimous consent, and it was granted. He offered his amendment, his amendment was adopted, and then he sat silently in his sent and saw this bill passed. Now he comes in with a motion to reconsider. It is apparent that if the bill is reconsidered it will be discussed eternally and will finally die in this body as it has died before. If he were deeply interested in the welfare of the farmers of this country, instead of standing here and talking the bill to death he would be going to the other House and going before the committee that will have it under consideration and urge upon them the amendment he thinks essential.

I certainly hope that after the bill has been unanimously indorsed by practically a full committee, after it has been indorsed by the Secretary of the Interior and indorsed by the Council of National Defense, this body will not bring it back here to be discussed for weeks and weeks, to interfere with the existing business, and to die on this floor. I sincerely ask that we be allowed to retain the legislation.

Mr. HUSTING. Mr. President, I do not suppose it will interest the Senate very much to know just what happened in the committee, but as long as we are talking about it I should like to state why I was not better informed on this bill. It is true the bill had been up in one shape or another for a year, not three years. I have only been here a little over a year. I opposed this kind of a bill on the same ground that I am opposing it now. I have not made any secret about it. But the last I knew about the status in the committee of the general land-leasing bill, which contained provisions for the mining of potash was when my clerk was told by the clerk of the Committee on Public Lands that the hearings on the bill were indefinitely postponed. I knew nothing to the contrary; I supposed the matter was going over for the session. I had offered a substitute and asked to have it printed. When I returned I found a meeting of the committee had been called that morning and the committee had not considered, or at least there is no record of its having considered, the substitute that I had put in the hands of the committee, and I found that this bill had been reported in the morning I arrived here from Wisconsin. I was gone only 10 days. I do not think it would have been any great stretch of courtesy to have waited a day longer for the consideration of the general land-leasing bill and this particular bill. I do not feel that it would have been a stretch of courtesy, inasmuch as I had a substitute for the general land-leasing bill, to have given me an opportunity to present the substitute.

Mr. SHAFROTH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Colorado?

Mr. HUSTING. I yield.

Mr. SHAFROTH. I wish to say that the Senator is under a misapprehension concerning the matter of consideration by the committee. The Senator from Montana [Mr. WALSH] was here. It was the desire of some of the members of the committee that the bill should go over. Such was my desire, and I requested that it should go over. But the Senator from Montana said that he could not return that it had to be done that day or he could not be present. Inasmuch as the Senator from Montana had given this subject consideration for the last four years and he thought it ought to be done immediately, the committee did consider the bill then.

Mr. HUSTING. When I was present the Senator from Montana [Mr. WALSH] was absent. When it was stated that the Senator from Montana wanted to be present at the last meeting I attended and he was absent because of illness in his family, I readily acquiesced in the postponement so that the Senator from Montana could be present. Now, of course, when I was absent and the Senator from Montana was present I can not see any better reason, inasmuch as I have offered a minority bill, why, under the circumstances, the bill could not have been put over just 24 hours to enable me to appear before the committee and present my substitute and discuss the matter. Not only that, but why should this particular matter have been brought up in the Senate at a time when I was not aware that it was going to be called up?

Mr. MYERS Mr. President——

Mr. HUSTING. I do not know that I was entitled to any notice, but at the same time I do feel that it would not have been entirely out of order to have intimated at least to me that the bill was coming up.

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Montana?

Mr. HUSTING. I yield.

Mr. MYERS. I wish to say in regard to the proceedings of the committee that I was not only requested but urged by a number of the members of the committee to call a committee meeting for the day on which the meeting was to be, and in accordance with my custom whenever a number of members of the committee have asked me to have a meeting I always granted it. The day was the regular day of the committee meeting, Wednesday, when the committee is always supposed to meet unless the meeting is dispensed with for some purpose. The committee meeting was called in the regular way on a regular meeting day, and there was a quorum present, more than a quorum. A majority of those present saw fit to go ahead

and transact business, which of course it was in their power to do.

I may say, personally, as far as I am concerned, I did not know that the Senator from Wisconsin was especially anxious to be present. I supposed he had gotten his notice through the mail the same as any other member. Of course, he was not here to receive it, but I did not even know that he was absent from the city on that day, and I did not know that he was especially anxious to be present at all or else I would have endeavored to use every means to give him every courtesy and consideration at my hands.

The Senator from Wisconsin never spoke to me about desiring to be present. He refers to some meeting of the committee when he was present, and my colleague [Mr. WALSH], who is interested in this legislation, being the author of a bill on the subject, was not present, and that the bill went over on that account. I have no knowledge of that. I think at that meeting I was surely not present, and that the meeting must have been presided over by some other member of the committee.

I assure the Senator there was no intentional discourtesy whatever, or desire to deny him any consideration. The bill was ordered to be reported by the Senator from Nevada [Mr. PITTMAN]; he being the author of the bill, the privilege of reporting it was naturally given to him. Further than that I know nothing about it.

Mr. HUSTING. Mr. President, I will say to the Senator from Montana that he is entirely correct in his statement; he was not present, and the Senator from Nevada was the presiding officer at the time I mention. It is natural that my absence should be unnoticed, and I would not think that I was entitled to any notice and do not think so now, except for the fact that I had gone to the trouble of preparing a substitute for the general land-leasing bill and had asked to have it printed. It was neither printed at the time nor considered.

Mr. MYERS. Mr. President, just one word further. I did not say that the Senator's absence was unnoticed. I did notice it; I was aware of his absence; but a number of other members of the committee were also absent. It is never the case that every one of the 17 members of the committee is present. There were quite a number of other absentees on that day; but there being more than a quorum present, of course, the matter was in the hands of the committee to do as it might see fit.

Mr. HUSTING. I would not mention this at all, for I do not think it interests the Senate very much, and it is taking up the time of the Senate, except for the statement made by the Senator from Nevada, that I only now come in and object, when the fact of the matter is that I never had a real opportunity to object at the time the bill was printed, passed upon by the committee, and reported to the Senate, and only accidentally happened to come on the floor at the time the bill was being considered, expecting that the revenue measure was going to be taken up.

So far as my showing any interest in this bill is concerned, I think the Senator will bear me out that it was the Senator from Minnesota and myself who offered these particular amendments pertaining to the price and disposition of potash.

Now, coming down to the statement of the Senator that there are no potash deposits in the United States, I should like to quote the Senator from Utah [Mr. SMOOT]. Last Friday he made this statement in response to the Senator from Nevada, who had just made the statement that there are no other such deposits:

> Mr. SMOOT. Just a moment, Senator. My opinion is that if we adopt that amendment and leave it entirely with the President at all times hereafter to regulate the price, the further prospecting for potash in this country will be limited indeed.
>
> I wish to say to the Senator just another word. I have not the least doubt but what within the State of Utah there will be hundreds of thousands of tons of potash produced from lands that are now known to contain potash, discovered a very short time ago. I know of a number of cement plants in the West that are now putting in machinery for the purpose of extracting the potash that is found in the cinders, that are ultimately ground up, from which cement is made. I have seen a statement from one company in which it is claimed tests have been made and found to contain 1 per cent, and in many cases more, of potash, and the company has already ordered the machinery and is going to put it in operation in connection with the cement plant, and is going to produce thousands and thousands of tons of potash from that source.

I think that effectually disposes of that contention, because not only is that fact known, but they have already ordered the machinery and are ready to take out of the ground potash which does not belong to them and are ready to take it out of land which they are, no doubt, going to patent under this bill. These are known potash lands. They are getting the machinery on the ground and have got the ground located and are only waiting for this bill to pass so that they can get a fee-simple title to the potash land and obtain it without restriction as to price or distribution.

Mr. PITTMAN. Mr. President, may I interrupt the Senator from Wisconsin?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Nevada?

Mr. HUSTING. I yield to the Senator.

Mr. PITTMAN. Does not the Senator know that this land is withdrawn?

Mr. HUSTING. Answering that, I will say that the Senator from Utah said this further:

> I hope the Senator from Wisconsin will not insist upon his amendment, because if it is adopted I feel quite sure the prospecting will be retarded and will be limited to almost nothing in the future.

In other words, if this amendment passes the activity that he has been talking about will cease. That is the inference which I draw from the remark.

Mr. PITTMAN. The Senator from Nevada does not draw any such inference, because these are located mining claims, and located mining claims can not be on reserved land. These men by their discovery already own that land without any further legislation.

Mr. HUSTING. The Senator from Utah has not said so, though it may be true; I do not know; but the Senator from Nevada made the statement that there was only one potash deposit in this country that was worth talking about and that was the Searles Lake potash deposit.

Mr. PITTMAN. Mr. President——

Mr. HUSTING. And I merely cite the statement of the Senator from Utah to prove that there are hundreds of thousands of tons of potash ready to be taken out of the ground by machinery which is already ordered and which is to be put on the ground.

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield further to the Senator from Nevada?

Mr. HUSTING. I do.

Mr. PITTMAN. The Senator from Nevada did not say that on his own authority; the Senator from Wisconsin may say something on his own authority, but with regard to these matters I quoted from the hearings and from the report containing a letter of the Secretary of the Interior, wherein it is stated that the only deposit of any importance whatever is that at Searles Lake.

Mr. HUSTING. Mr. President I may have misunderstood the Senator, but a few moments ago the Senator made the argument here that it is useless to discuss this question, because it could only relate to the Searles Lake area, and that the quantity of potash in this country was negligible.

Mr. PITTMAN. And that is true.

Mr. HUSTING. And that this bill could practically affect only one deposit. I simply call the attention now of the Senate to the fact that the Senator from Utah stated that there were lands in Utah where thousands and thousands of tons of potash are going to be taken out of the ground.

I do not admit that if the Senator from Wisconsin had had the drafting of this bill it would be perfect, but I do say that the bill as drafted by those who did draft it is not perfect. The Senator says something about suspicion that has been directed against this bill. I have been speaking of what I conceive to be facts, and the Senator has not denied them. I say that under the cloak of this potash bill, under its terms, men can go in and prospect for coal and oil and other minerals, and if they receive a patent, as they will be entitled to, and get the land in fee, they then will own whatever coal and oil may be found in the land.

Mr. PITTMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield further to the Senator from Nevada?

Mr. HUSTING. I do.

Mr. PITTMAN. I never attempted to answer that question at all, because that matter was twice considered by the Public Lands Committee of the other House and twice considered by the Public Lands Committee of the Senate, and the same language on that subject has been adopted in bills which have twice passed the House. Therefore the committee did not attempt to change it. The language provides that the discovery must be satisfactory to the Secretary of the Interior. The Secretary of the Interior passes upon the discovery.

Mr. HUSTING. Mr. President, I want to ask the Senator from Nevada whether it is not a fact, under the provisions of this bill, that anyone getting a prospecting permit to mine potash, in the event that he got a fee, would be entitled to all coal and oil which might be found on the premises? I do not suggest that as a matter of suspicion; I say that under the terms of the bill I think they can do that. I should like to ask the Senator from Nevada whether or not that is true?

Mr. PITTMAN. Mr. President, the history of mining does not disclose the fact that potash is found in connection with oil or with coal or with gas, except possibly in this body. It is an entirely separate proposition. If a man is a bona fide prospector for potash, he will go into that geological formation where potash is supposed to be and will engage in that character of mining. If he discovers potash under conditions satisfactory to the Department of the Interior, he will get a patent; but there is not one case, I will venture to say, in a thousand where there would be either oil or coal in lands being prospected for potash.

As I have said, those matters were discussed before the Public Lands Committee of the House and of the Senate time and time again in connection with the general leasing bill. This language was adopted for the very reason I have stated, namely, that the committee did not believe that it could be utilized for the purpose of obtaining other minerals. That was the reason of it, and because, if the discoverer were not given a fee, prospecting for these minerals would be interfered with by men who were pretending to mine for other kinds of minerals.

The great trouble is to get men to prospect. We know what to do with our known deposits, and we are doing it. This bill proposes to let the Government work them if it desires to do so, or to lease them if it so desires, as it sees fit. As to the vast field of speculative potash, we are trying to get somebody to prospect for it.

Mr. HUSTING. The Senator did not answer the question that I asked. I do not know whether he cares to do so; but my question was, in the event coal or oil were to be found, whether under this bill they would not become the absolute property of the patentee free of all restrictions.

Mr. PITTMAN. I stated that that was entirely with the Secretary of the Interior under the bill, as he has the absolute arbitrary determination of the question of the discovery of potash.

Mr. HUSTING. I desire to repeat that, according to my interpretation—and nothing the Senator has said controverts it, as I understand—under the terms of this bill any man once getting a patent to land owns all the minerals underlying that land, no matter what they are, whether oil, coal, or much more valuable minerals than potash itself. He not only gets the potash but he gets the coal and oil free of all the restrictions and terms imposed ordinarily upon discoverers of oil and coal.

The Senator from Nevada says that there is a leasing provision in this bill. The leasing provision at first was intended to apply to known potash lands, and when the bill was framed known potash lands under the terms of the bill were not to be subject to patent at all. The known potash deposits were all to be leased by the Government, and not an acre of them sold or put under patent. Now, however, by the changes made in the bill all lands known or unknown which contain potash are patentable.

Mr. PITTMAN. Except——

Mr. HUSTING. All are patentable in the last analysis under this bill; and who from the Senator's State or from any other State will lease a property when he can get it in fee upon about as good terms and perhaps better—I do not know but upon better terms?

Mr. PITTMAN. The Senator certainly does not mean to state that.

Mr. HUSTING. Yes; I mean to state that.

Mr. PITTMAN. The Senator does not mean to say that under the bill all known potash lands are open to location?

Mr. HUSTING. Yes; Mr. President, the bill——

Mr. PITTMAN. Does not the bill say "except lands in San Bernardino County, Cal."?

Mr. HUSTING. Yes; I beg the Senators' pardon.

Mr. PITTMAN. I did not want the Senator to make that error.

Mr. HUSTING. The bill provides "except lands in San Bernardino County, Cal." There is one county in the United States——

Mr. PITTMAN. Where all the potash is.

Mr. HUSTING. To which this bill does not apply. When I said all known and unknown potash lands I meant all except those in San Bernardino County, Cal. But who is going to be a tenant when he can be a landlord? We might just as well strike out the leasing provision from this bill, because no one is going to lease lands when he can get them as his own sole and separate property.

I submit to the Senate that this bill should be reconsidered. If we are going to patent any potash lands let us patent the unknown potash lands, so that, as under the first theory of the bill, men will have to discover the deposit before they can get patent and so that men can not get machinery on the ground ready to mine the potash known to them to be there before they get a patent; and, if we should give a patent, let us at least make the patent subject to the same terms as the leasehold.

For a moment consider the leasing provisions of this bill, which are, of course, inoperative; they do not mean anything, because nobody will take out a lease, except in San Bernardino County, Cal., under which the Government will have the right to fix the cost and control the disposition. We give the Government that power when the land is only leased, but when a patent is given we give the land to the patentee freed from all restrictions of that kind; in other words, the consideration for the lease is much greater to the Government than the consideration for the patent. When we lease a man potash lands we impose very harsh terms for the leasehold, at least we impose terms to safeguard the interests of the people of the United States; but when we give him a patent, then we give the land away without any restriction whatever. Is that logical? Is that wise statesmanship? Is that going to take care of the interests of the people of the country? I submit that it will not. If we are going to patent these lands, at least let us control the price and control the disposition of the products. I do not care to go over matters which have already been discussed; but I submit that this bill should be reconsidered by the Senate.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Wisconsin to reconsider the vote whereby the bill was ordered to a third reading and passed.

Mr. SMOOT. Mr. President, this question was very thoroughly discussed in the Senate on Friday last, and I think Senators are fully aware of what the bill contains. I think also that the Senate has reached the conclusion that anything that will encourage prospecting for potash in the United States and its development ought to be done. The Senator from Wisconsin seems to have the idea that men are perfectly willing to give their time and spend all the money they have on earth and all they can borrow from their friends to dig in the ground to find potash or other minerals, and that when found the minerals ought to be taken from them. Mr. President, that has not been the policy that has built up the great mining industry of the country in the past; it has not been the policy that has put into the arteries of trade in the United States billions of dollars of gold and silver and precious metals.

I am not going to discuss this question any further to-day, but I hope the Senate will vote against the motion to reconsider the vote whereby on Friday last the bill was passed almost by unanimous consent.

Mr. WEEKS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Harding	McNary	Sheppard
Beckham	Hollis	Martin	Sherman
Brady	Husting	Myers	Simmons
Brandegee	Johnson, Cal.	New	Smoot
Broussard	Jones, N. Mex.	Overman	Sutherland
Curtis	Jones, Wash.	Page	Swanson
Dillingham	Kellogg	Penrose	Thompson
Fletcher	Kendrick	Pittman	Trammell
France	King	Poindexter	Weeks
Gerry	Kirby	Reed	Williams
Gore	McCumber	Saulsbury	
Gronna	McKellar	Shafroth	

Mr. KING. I desire to announce the unavoidable absence of the senior Senator from Illinois [Mr. LEWIS] on very important business. I desire the announcement to stand for the day.

I also wish to announce that the senior Senator from Arkansas [Mr. ROBINSON] and the senior Senator from California [Mr. PHELAN] are detained on public business.

The PRESIDENT pro tempore. Forty-six Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. SHIELDS and Mr. VARDAMAN answered to their names when called.

Mr. LA FOLLETTE and Mr. STERLING entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Fifty Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from Wisconsin to reconsider the vote by which the so-called potash bill was ordered to a third reading and passed.

Mr. POINDEXTER. Mr. President, I want to say just a word about the motion of the Senator from Wisconsin.

In the first place, I should like to say that I agree with the principle stated by the Senator from Utah [Mr. SMOOT], that a real prospector is entitled to the rewards of his enterprise, and for the kind of work that prospectors have to do, as every man

who lives in the West knows. I do not understand, though, how the Senator from Utah can put in that class men who merely go upon land which is already known to contain the minerals desired and get an exclusive permit for that land, so far as prospecting for those minerals is concerned, followed by a right to obtain a fee-simple patent to it, to be followed, if desired, by their associates, who can obtain similar permits to all that is left of the land. The fact that it is known to contain minerals does not make any difference, so far as this act is concerned. They obtain patents to a certain portion of it. It is chiefly for that reason, and because the bill has that effect, rather than the effect which the Senator describes of rewarding diligent prospectors for their efforts, that I think the motion of the Senator from Wisconsin ought to prevail, and the bill ought to come back here for more mature and deliberate consideration.

What is the situation in regard to potash? Why, without taking up the time of the Senate to describe it at length, in just a word, if we accept the report of the majority of the committee, it is more eloquent in the figures it gives than any description which the imagination could possibly picture. It says, on page 2, that the normal price of potash is $40 a ton, while at the present time it is about $475 a ton. That is all that it is necessary to say to indicate the need for potash, and to indicate further the insufficient supply, and to indicate further the absolute control of the owners of that insufficient supply over the price, so that they can command from the Government or from the farmers who must have it, as is dwelt upon at length in this report, instead of the normal price of $40 a ton, $475 a ton.

What further is there as to the potash supply in the public lands of the United States? As I recollect, the Senator from Colorado [Mr. SHAFROTH] stated a moment ago that there were no potash deposits known in the United States outside, I believe he said, of Searles Lake.

Mr. SHAFROTH. I said that no deposits containing any large percentage of potassium were well known except a little in Utah. There is none in Colorado that I have ever heard of. At least, that was the testimony before the committee.

Mr. POINDEXTER. On that point, also, I will read just a line from the report of the committee. The report of the committee cites a letter of the Secretary of the Interior, which I take as authoritative, because it is based on information from men whose sole business is to be informed about the public lands of the United States. I do not think it can be denied. It can not be said that the reports of the Secretary of the Interior are imaginative or irresponsible when they purport to give data as to the mineral resources of particular lands.

The Secretary in a letter dated May 11, 1917, addressed to the Senator from Montana [Mr. MYERS], the chairman of the Committee on Public Lands, makes this statement:

> Phosphate rock is present in large and valuable quantities in the public lands of Idaho, Wyoming, Utah, Montana, and Florida, and approximately 2,400,000 acres containing such deposits are at present withdrawn. This mineral also is an exceedingly valuable element of fertilization of farm lands and the supply at reasonable prices would greatly stimulate our agricultural production.

I think the bill as it was reported by the committee was much better than in its present form, as amended after it left the committee. With the general purpose of it I am in entire sympathy, especially with the amendment which was adopted giving to the President of the United States the reserve power, to be used in case of necessity, to regulate the disposal of the potash—that is to say, whether it shall be shipped abroad or kept for use in this country—and to guarantee the consumers against extortionate prices. But as to the other amendments which were adopted by the Senate after the bill left the committee, which would enable a number of men, merely upon making an application to the Secretary of the Interior, to take this 2,400,000 acres of land and to obtain patents for it, without any reservation as to regulation of the disposal of the potash or as to guaranteeing against extortionate prices, I think it is a mistake. In view of the potash situation of the country, there is a sufficient reason for favorable action upon the request of the Senator from Wisconsin that the Senate should have this bill returned and consider those phases of the matter with more care.

Now, a man wants potash lands, or a number of them want potash lands. He has here the statement of the Secretary of the Interior, as embodied in this report, that there are several million acres of phosphate rock lands, containing valuable potash elements, in certain States which are named. What has he to do in order to get that? It is not left to the discretion of the Secretary of the Interior to grant him a permit or to withhold it; but if this man makes application under this bill as it is now amended the Secretary of the Interior is directed to give him a permit, and an exclusive permit, and to shut out anybody else.

Mr. SHAFROTH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Colorado?

Mr. POINDEXTER. In just a moment I will yield. This is the language of the bill:

> That the Secretary of the Interior is hereby authorized—

It does not stop there—

> and directed, under such rules and regulations as he may prescribe, to grant to any applicant who is a citizen of the United States, an association of such citizens, or a corporation organized under the laws of any State or Territory thereof, a prospecting permit which shall give the exclusive right to prospect for chlorides, sulphates, carbonates, borates, silicates, or nitrates of potassium—

On the public lands of the United States; and deliberately, upon the amendment of the Senator from Utah, the bill has been so framed that the public lands of the United States, as there expressed, will include the 2,400,000 acres spoken of in the letter of the Secretary of the Interior which are already known to contain these minerals.

Mr. SHAFROTH. Mr. President, I should like to call the attention of the Senator to the fact that he is talking about phosphate rock and not about potassium. This bill relates to potassium, while that statement of the Secretary's relates to 2,400,000 acres of phosphate land. That is not potassium land at all.

Mr. POINDEXTER. It is included in the language of this bill—"chlorides, sulphates, carbonates, borates, silicates, or nitrates of potassium." Phosphate rocks include and contain carbonates and nitrates of potassium, and would be subject to entry under this bill.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Wisconsin to reconsider the vote by which the potassium bill was ordered to a third reading and passed.

Mr. HUSTING. On that I ask for the yeas and nays.

The yeas and nays were not ordered.

On a division, the motion to reconsider was rejected.

CONSERVATION OF FOOD.

The PRESIDENT pro tempore. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes.

Mr. REED. Mr. President——

Mr. PENROSE. Does the Senator from Missouri intend to address himself to the revenue bill?

Mr. REED. The bill has been laid before the Senate.

Mr. PENROSE. I had hoped to speak on the bill. That is the reason why I asked.

Mr. REED. I expect to be very brief.

Mr. PENROSE. All right. The Senator always is.

Mr. REED. I ask to have inserted without reading an article setting forth Mr. Hoover's first official act. The article is printed in the New York American, but also appeared in the other leading papers of the United States.

The PRESIDING OFFICER (Mr. JONES of New Mexico in the chair. Without objection, it is so ordered.

Mr. REED. Mr. President, on August 8 at about 4 p. m. Congress created a food dictator. On Sunday, August 12, at about 10 p. m. the dictator issued to the people of the United States his first decree.

So important a document deserves the serious attention of the Senate and of the country. It ought to be remembered historically, because it is the first time a single man has undertaken to control the markets of a free people.

Let it be observed that the moment Mr. Hoover was vested with dictatorial power he assumed the complete exercise of his autocratic prerogatives.

It ought to be an axiom in the philosophy of government that no man seeks power who does not intend to employ it; but yet, sir, when certain members of the Senate insisted that the powers granted by the food-control bill were dangerous they were constantly met with the assertion that the powers would never be employed.

For a few minutes let us consider Mr. Hoover's decree. We shall discover that he employs all the vast powers granted; nay, more, that he is prepared to abuse those powers.

First, let me direct your thought to the fact that Mr. Hoover endeavors to pave the way and to excuse the exercise of dictatorial power by claiming that there exists certain conditions which have deprived the farmer of his market, and that therefore it is necessary for Mr. Hoover to do the things outlined in his proclamation.

Mr. Hoover states:

> The allied Governments have placed the whole purchase of their supplies in the hands of one buyer. Also the European neutrals are now buying their wheat through single Government agents instead of in the

normal course of commerce. Therefore, the export price of wheat and flour, and thus the real price, if not controlled, will be subject to almost a single will of the foreign purchaser.

Mr. President, the statement I have just read plainly implies that the country finds itself in an unfortunate condition against which Mr. Hoover now seeks to defend us, and that one of his means of defense is to ask control of the American market.

In connection with that statement I call attention to the fact that Mr. Hoover himself created or at least advised, consented, and abetted the creation of the very conditions he now employs as his excuse for seizing the grain markets of the United States.

I read from his testimony given before the Agricultural Committee, part 1, page 41:

Senator REED. And you do say you desire the power now to have the purchases for the allies made through one common agency, in order to stop that great element of speculation?

Mr. HOOVER. Yes, sir.

Senator REED. And you think that is very necessary and very essential?

Mr. HOOVER. I do.

Senator REED. Would you include in that the sale of all wheat and other grains that you propose to control that go to neutral countries?

Mr. HOOVER. I think it will be necessary to control neutral buying.

Senator REED. Then your proposition is to put into the hands of this agency all export business?

Mr. HOOVER. In wheat, at least.

At other places in his testimony Mr. Hoover repeatedly declared in substance and effect that he desired to create a single foreign purchasing agency for the very purpose of controlling our foreign market. I want the American farmer and the American people to understand that Mr. Hoover helped to set up and create this monopoly over the foreign market, and that therefore he can not masquerade as one who seeks to rescue us from the evils he helped create.

I next challenge attention to paragraph 4 of Mr. Hoover's statement, which is as follows:

4. There are large stocks of wheat which can not be drawn upon by the allies during the war, but in the event of peace or defeat of the submarines these would be available and might seriously demoralize the demand for American wheat.

Thus he undertakes to place himself before the American farmer in the attitude of one who proposes to protect the farmer against the demoralization of prices which might occur were the war to suddenly end. The reply is, first, there are no known stocks of wheat to more than supply the world's demand. There has not been an actual surplus of world's wheat produced within the last 15 or 20 years, and no such stock exists to-day. On the contrary, there is probably a very great world shortage to-day. If the war were to end suddenly, the people who are now eating wheat substitutes would simply begin to eat wheat, as they have for the last hundred years. If the war were to end to-day, it would be months before transportation facilities could be sufficient to carry to Europe all the food she demands. Remember, when peace comes starving Germany will cry for food. This will in itself create a great demand.

There is no reasonable possibility of the war ending suddenly. If there be such probability, the destruction of our usual methods of commerce and the seizure of the farmer's wheat is so much the more unjustifiable.

What right have we to interfere with all the business of the United States if we have reasonable ground to apprehend a sudden cessation of hostilities and the making of a world peace?

I call attention to paragraph 5 of Mr. Hoover's statement. It is:

5. It must be clearly understood that the guaranteed minimum price of $2 per bushel for wheat, set out in the food bill, does not apply to the 1917 harvest, but only to the 1918 harvest, and then under conditions which must be elaborated. There is therefore no determined price for the 1917 harvest.

The result of this situation is that the normal price-making machinery is broken down, unless some efficient Government action is brought into play. Either:

(A) The American producer may face a slump in wheat, possibly below his production cost;

(B) The export price of wheat which ultimately determines the real price is at the will of a single agency; or

(C) Some one must buy the surplus wheat at any given moment, and if the surplus passes into speculative hands, it will be held for higher prices later in the year.

Mr. President, let us examine that a minute. Mr. Hoover comes before the American farmer and gives as one of his reasons for seizing the grain markets the fact that Congress failed to fix a legislative price for this year's wheat crop.

It will be remembered that when the bill left the Senate it contained a guaranty of $2 per bushel for the 1917 wheat crop. That provision was changed to a guaranty for the 1918 crop; the guaranty for the present crop being withdrawn.

I charge that Mr. Hoover's satellites and influences were thrown in favor of depriving the farmer of his legislative guaranty for the crop of 1917. Yet we are presented with the spectacle of Hoover now coming forward offering as a reason why he may seize the American market the fact that the farmer is deprived of any legislative price guaranty for this year's wheat crop.

I stated when the bill was under discussion that the price of the farmer's wheat for the present year would be absolutely subject to Mr. Hoover's will. The assertion was regarded as almost unbelievable and scarcely worth serious consideration.

Senators insisted that the farmer's prices for this year were absolutely secure. That the condition of the market was a sufficient guarantee of prices. They insisted that the bill gave Mr. Hoover no power to take away from the farmer the advantage of high prices for the present year. They further insisted that if Mr. Hoover did possess the power he would not exercise it. And yet, sir, Hoover's decree plainly asserts that he has the power to fix the price of every bushel of wheat in the United States and that he proposes to fix the price.

He says:

That in substitution for a broken-down market machinery the food administration proposes to open agencies and to take over the whole harvest. * * * It will resell the wheat for export in such quantities as we can afford to part with in protection of our own people, on the one hand, and to sell, on the other, to the millers for domestic consumption. * * * The food administrator, under these arrangements, would have a large influence in affecting the price of wheat.

He neglects to say that it was his action and his policies that broke down the market machinery. He does say that "he proposes to take the entire wheat crop." He does say "that the organization of a single purchasing agency for the allies has denied the farmer any European market except the one which is controlled." He does say "that the conditions have been made which completely controls the farmer's market," and, of course, control of the market controls the price.

But Mr. Hoover goes further and expressly declares the purpose to fix the price. He says:

With a view to determining a fair price the President has approved the appointment of a commission to be selected from representatives of the producing sections and consuming element in the community—

And so forth. And then to make it doubly clear that the farmer is completely at his mercy he states:

It should thus be clear that it will not be to the advantage of any producer to hold back his grain in anticipation of a further advance, for he will do so only at his own cost of storage and interest.

It is too plain for argument or dispute that this bill has to a large extent placed the destiny and fortunes of 45,000,000 people engaged in agriculture in the United States in the hands of one man. When the Congress gave that power it committed a crime against liberty.

What do you gentlemen who said Mr. Hoover would never exercise these powers have to say in the face of this decree? The bill was passed by the argument that its extensive powers were asked merely for their moral effect, but that they were never, in fact, to be exercised. Mr. Hoover in substance said that in his testimony when he was before the Agricultural Committee.

Mr. Hoover states:

This country need never approach a food dictatorship. Our conception of the problem in the United States is that we should assemble a voluntary effort of the people * * *. That we should in effect undertake with their cooperation the regulation of the distributing machinery of the country in such a way that we may restore its functions to as nearly as may be a prewar basis and thus eliminate, so far as may be, the evils and failures which have sprung up, and at the same time we propose to mobilize the spirit of self-denial and self-sacrifice in this country in order that we may reduce our national waste and our national expenditure.

If democracy is worth anything, we can do these things by cooperation, by stimulation, by self-sacrifice, by the patriotic mobilization of the brains of this country. If it can not be done in this manner, it is better that we accept German domination and confess the failure of our political ideals, acquiesce in the superiority of the German conception, and send for the Germans to instruct us in its use. At the same time, while we may rest with assurance upon the volunteer support which we shall receive and which we are receiving from hundreds of trades throughout the country, there is no population so perfect, so filled with idealism, that there is not some residue who will refuse to cooperate and thereby nullify every endeavor of the majority. Therefore it is necessary to have considerable powers for the regulation of trade in order that we may give support to those patriotic men who are willing to bend their energies to the national necessity and force the minority to follow their leadership.

See hearings, part 1, page 12.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Oklahoma?

Mr. REED. I yield.

Mr. GORE. I should like to say in this connection when the bill was under consideration in the committee I asked one Senator if he thought we ought to confer such extraordinary powers as the bill conveyed on any one man. The Senator answered that no sane man would ever undertake to exercise such powers. I then inquired if he thought that we as sane men, charged with some sort of responsibility ought to confer powers upon anybody that no one but an insane man would undertake to exercise. I

thought that might illuminate that point to some extent. Even his confidence does not seem to be justified.

Mr. REED. But Mr. Hoover also stated, when he was interrogated with reference to the great powers that were being asked, he expected to accomplish nearly everything by moral suasion and by agreement, and that he only desired these powers to bring in the recalcitrants and the unreasonable men. I have already quoted his language to that effect.

Mr. President, what are Mr. Hoover's remedies?

First, he proposes to compel every elevator and mill of more than 100 barrels daily capacity to take out a license conditioned (a) "That only customary charges will be made." That will give us no relief. We have never complained that the charges of the mill or elevator were extraordinary at this time. The customary charges which have always obtained still exist and are not extortionate.

But Mr. Hoover adds that "no wheat shall be stored for more than 30 days without the approval of the Food Commissioner." That provision, Mr. President, to state it mildly, is destructive and evinces Mr. Hoover's ignorance of the wheat business in America which is truly appalling. How is the wheat of this country cared for? A very large percentage of it is carried to the elevators by farmers for the express purpose of having it stored and kept until suitable market conditions exist. Other large quantities are purchased by millers for use in the ordinary course of their business and stored in the elevators. If no man is permitted to keep wheat in the elevators for a longer period of time than 30 days, vast quantities of it must be dumped on the market as soon as harvested. Neither the elevators nor the railroads nor the mills can handle the grain of the country if it is thus thrust upon the market. Hence the very purpose of storing; hence the very utility of elevators. But this man, who has lived in England all his grown-up life, who, I assert again and yet again, is utterly unacquainted with the magnitude of the American Nation or of the task he has assumed, proposes to say that no man shall keep his grain in an elevator more than 30 days without his gracious permission.

The next proposition Mr. Hoover makes is "that the grain exchanges have been commanded to suspend all dealings and quotations in future wheat." There are two kinds of dealings in futures, as has been explained a hundred times.

A purchase of wheat for future delivery may be a gambling operation, but it is ordinarily a perfectly legitimate and useful transaction. Let me outline a series of common business deals.

A baker may desire to contract his flour for, let us say, 90 days in advance. This is necessary in order that he may make his ordinary business plans. Accordingly he asks the wholesale flour dealer to quote him prices. The wholesaler can not quote prices until he knows what the miller will charge him for flour. Accordingly he asks the miller to quote prices, but the miller can not safely quote prices 90 days ahead unless he knows what his wheat will cost him. He thereupon asks a man engaged in the business of buying grain to quote him prices for delivery in 30, 60, and 90 days. The grain buyer then contracts with farmers or perhaps farm elevators or small independent dealers to furnish him grain to fill his orders.

Now, if the grain dealer is denied the privilege of transacting business in this usual way he can give no assurance to the miller, neither can the miller contract with the wholesale dealer or the wholesale dealer contract with the baker. All this chain of business is broken up. At the same time the farmer's market is destroyed. You can not work this destruction of ordinary business methods without its evil results fall also in part upon the consumer.

Mr. President, Mr. Hoover proposes to license every mill in the country. That great business so essential to the farmer is to come under the control of Mr. Hoover. That business which has been conducted by experts is to be taken from its owners and turned over to Hoover's control and dictation.

When this bill passed we were told on every hand that the power would never be exercised unless the millers of the country did something to rob the people of a fair market, did something to oppress the people, did something that was wicked and wrong. Accordingly we found in the bill as it originally came to us from the House a provision for taking over the management and control of business when the fact was established that evil practices were being indulged in.

Now, the mills are taken over at once, or their control taken over, under the licensing provision, and they are also to be deprived of the privilege of going into the markets and buying grain in the usual way.

The extent of Mr. Hoover's ambition is measured by this clause in his statement. After he has declared that he intends to take over or control by license all elevators of the capacity of more than 100 barrels per day he adds:

> While farmers' cooperative elevators are excepted by the food bill, this, however, only applies to mutual concerns and not to stock companies, and in any event under the advantages of joining the plan none is likely to stand out.

Mr. President, when we passed the bill we thought we had excepted the farmers' elevators. We thought we had arranged a plan by which those elevators that are really the property of farmers in which they put their wheat aside and hold it through winter months and conserve it and care for until the time shall come when they desire to market it—we thought we had excepted them from Mr. Hoover. But you will observe that Mr. Hoover proposes to lay his hands upon every one of them which happens to be organized in the form of a corporation, although the stock is held by the farmers. Even as to these he utters the implied threat that conditions will be created that will bring all of them into line. Of course, those conditions can be created, for if Mr. Hoover can license every mill in the country and can control the foreign market he can easily choke the farmers' elevators into submission, because he will control the only market its owners have for their wheat. The plain truth must be faced that Mr. Hoover is absolute and sole dictator over the farmers, so far as his wheat is concerned.

That is not all, Mr. President. Mr. Hoover serves notice that he has the consumer in his grasp. He serves notice that the consumer will get but little benefit. Let me read you what he says. Now, mark you, he tells us "he is going to stabilize prices." That is the purpose he claims for his action. Then he states this, and I read his exact words. It is paragraph (d) of section 5 of the decree:

> (d) With stabilized prices, extra hazards are introduced into all distribution links, which must be paid for by the consumer.

He adds:

> It must be evident that the United States Government can more justly deal with the situation than any of the agencies mentioned.

The very method of stabilizing prices, according to Mr. Hoover, is to take possession of the market, to take possession of the mill, to take possession of the means of distribution. Now, Mr. Hoover tells us that this method of stabilizing prices, which consist in taking possession of the instrumentalities that move the wheat from the producer to the consumer, is bound to increase the cost. We shall all know that before the bill has been in operation many days we shall find that it will act injuriously for both producer and consumer.

Mr. Hoover makes the statement that—

> In substitution of the broken-down marketing machinery the food administration proposes to open agencies for the purchase of all wheat at the principal terminals, carrying on its transactions with the usual dealers and is prepared to take the whole harvest if necessary.

Who broke down this market, pray? Did we not have a market until Mr. Hoover came and interfered? Did that market not consist of an export market? Did it not further consist of a great domestic market? Who has broken up that market except Mr. Hoover?

But Mr. Hoover was prepared to seize this market in advance; he intended in advance to break up and destroy this market, for he had his organization already effected, his men already picked, his agents already planted for the purpose of taking possession of the primary wheat markets of the United States. In face of that he tells the country that he is doing these things because "the market has been broken up and destroyed."

Mr. President, I have called your attention to the fact that the allies have but one purchasing agent, and as no one can sell abroad except through the agency thus established, the foreign market is thus so monopolized that the American farmer can no longer have the benefit of it; second, Mr. Hoover states plainly that he intends to take possession of the American market and to fix the price for wheat. A board is already being organized to fix the price of every bushel of wheat raised by all the farmers of the United States. There is, therefore, left to the farmer no market whatsoever for his wheat. But what is the condition of the consumer? The American consumer is also at Mr. Hoover's mercy. The only wheat he can get he must get from Mr. Hoover and upon Mr. Hoover's terms. That means that Mr. Hoover will send out of this country, as he says in his statement he intends to do, such proportion of the wheat as he wants to send abroad. He states—and I quote his words—that the Government—

> will resell wheat for export in such quantities as we can afford to part with in protection of our own people on one hand and to sell on the other to the millers for domestic consumption.

Let us just read that now as it will be executed, "Mr. Hoover will resell wheat for export in such quantities as he thinks he desires and will sell to millers for domestic consumption in such

quantities as he desires to sell." That means the wheat of America, which is raised in a territory 3,000 miles long and 1,500 miles wide, is by this foolish and arbitrary and undemocratic legislation placed in the hands of one man.

That means 104,000,000 people can only have as much wheat to eat as Mr. Hoover sees fit to give them. That means Mr. Hoover can send out of this country so much of the wheat that there will not be enough left to feed the American people. That means Mr. Hoover can compel the American people to eat substitutes for wheat if he sees fit so to do; that means he can compel the American consumer to put upon his table a limited amount of wheat bread; that means that the licensed miller can be compelled, if Mr. Hoover so commands, to make nothing but adulterated flour.

The only reason Mr. Hoover had for seeking this great power was that he might employ it. Now that he has received it, he immediately takes steps to control all American grain.

Nor is that all. Whoever controls American grain thereby indirectly controls many other farm products. If you will examine the terms of this bill, you will find that we have practically placed the control of everything within the hands of this man.

I now make a statement that I believe to be true, and upon which I am willing to hazard whatever reputation I have for sound judgment, that a food dictator who lived in England all of his grown-up life, whose house and whose home are in England, whose business affiliations are in England, whose business associates are Englishmen will employ his powers in the interest of England. I ask the Members of the Senate, many of whom I find have not even read this decree, to read it. Read it because it is the decree of your master; the master you have placed over your people. Read it and observe how your master employs his almost omnipotent power.

WAR REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes.

Mr. PENROSE obtained the floor.

Mr. REED. May I ask the Senator from Pennsylvania a question?

Mr. PENROSE. Yes.

Mr. REED. Had the Senator from Pennsylvania announced that he was going to speak? If he did so, it escaped me, and if I had known it I should not have trespassed upon the Senator's time.

Mr. PENROSE. Mr. President, the chairman of the Committee on Finance understood that I was to speak, but the Senator from Missouri has been so unusually brief that I do not complain.

Mr. REED. Very well.

Mr. PENROSE. Mr. President, after the comprehensive explanation of the chairman of the Finance Committee concerning the details of the revenue bill, I feel that it is not necessary for me at this time to go into any lengthy presentation of the subject. I know that it is desired by everyone to expedite the passage of this bill, and while the fullest discussion is desirable for the information of the Senate and of the people, yet it is agreed that unnecessary discussion should be avoided. For one reason or another the bill comes up for consideration several weeks later than had been originally contemplated, and its prompt passage is, therefore, all the more urgently required.

Moreover, Mr. President, I think that the members of the committee can best conserve their forces to discuss the measure in detail as the various titles and paragraphs of the bill come up for discussion.

I desire, however, to state briefly some of my views as a member of the minority party. As a matter of fact, I cordially concur in the statement of the chairman of the committee that partisanship was absent from the deliberations of the committee. We all agreed that it was necessary to raise money for the war to the full extent of the requirements of the estimates. The committee is composed of Senators from widely separated sections of the country and with differing environments and affiliations, but I take pleasure here in testifying to the fact that the discussions were temperate and illuminating and had the single purpose in view. The committee had the bill under consideration for over two months, holding continuous daily sessions, and during that period the members were in receipt of several thousand letters from all over the country expressing the views, suggestions, and objections of taxpayers. The committee had the advantage of the information derived from open hearings, in which the different business interests were represented by the ablest men in the Nation, and in addition to these open hearings some informal hearings were held after the regular hearings had been closed. As a further source of information, the members of the committee were every day visited by a very large number of people from all over the country, who personally and to the fullest extent expressed their views.

I want to express here my appreciation of the patriotism, without a single exception and without regard to party politics, of those who appeared before the committee or called individually on the members of the committee. Everyone was entirely willing to bear his share, to the fullest extent, of the expenses of the war. There was no dissenting voice in this respect. The only question presented was that of distributing the taxes so that they would bear equitably upon the different classes of taxpayers. The same spirit that prompted the taxpayers also inspired the committee. The committee patiently considered every criticism and every suggestion with the single view of rendering the framework of the tax bill logical, equitable, and at the same time effective in furnishing the means of raising the necessary revenue. No one asked any favors, and none were granted, and I am particularly glad to be able to say that in addition to the absence of partisanship any spirit of sectionalism was entirely absent, a situation which indicated a harmonious, patriotic purpose to provide for all the financial requirements of the war.

It is needless for me to say, Mr. President, that since the advent of the present administration I have voted against the several revenue bills enacted into law by the party in power, I refer to the bills passed in 1913, 1914, 1916, and 1917, first revising the tariff and then later inaugurating the radical departure in the fiscal policy of the United States of largely abandoning the customhouse as the source of revenue and resorting to direct taxation to meet the requirements of the Treasury.

I shall not at this time more than refer to my views concerning the policy of direct taxation in time of peace in the United States, because I fully went into this subject last summer in several speeches which I made on the bill to increase the revenue and for other purposes. I am one of those who believe that in time of peace it was evidently the intention of the framers of our Government—and that intention is distinctly set forth in the several paragraphs of the Constitution—that the revenues of the Government necessary to pay the debts and provide for the common defense and general welfare of the United States should be provided by duties, excises, and imposts. Moreover, the larger part of the revenues of the Government has actually been collected from such imposts and duties throughout the history of our country, together with an excise tax upon certain articles of luxury and consumption; and the great and rapidly growing sovereign States of the Union have been left largely undisturbed in the power of levying direct taxes for their expanding needs. Income taxes and direct taxes, in my opinion, Mr. President, should only be invoked when the customs duties are inadequate. The revenue bill of last summer contained a striking instance of the ill-advised and unfair encroachment of the Federal Government in levying direct taxes upon an object upon which it has been the established practice of many of the States of the Union to rely for a considerable part of their revenues. Nearly all the States have laws imposing direct inheritance or other taxes both upon direct and collateral heirs. The Federal Government came in and attempted to collect its share of tribute by a Federal tax upon inheritance. Since the enactment of the bill of last summer into law, California and many States in the East have, through legislative resolution or executive expression, protested against this tax; and it is a commendable feature of the present bill as it is reported from the Finance Committee that the committee has stricken from the bill a further proposed tax upon inheritances as being unfair to the States.

I do not intend at this time—because the occasion would not be proper—to go into an argument in favor of a protective tariff. In my opinion the time will come, sooner or later with the close of the war, when a protective tariff will be more than ever necessary to the people of the United States. With the close of the military war the international industrial contest will be resumed. Attention was called by the Senator from Missouri, myself, and other Senators in the debate last August to the meeting of the council of the Chamber of Commerce of London, held on January 13, 1916, when a number of important recommendations were adopted on the subject of trade during and after the war. They were in the main for preferential reciprocal trading relations between all parts of the British Empire, for reciprocal trading relations between the British Empire and the allied countries, for the favorable treatment of neutral countries, for regulating, by tariffs and otherwise, trade relations with all enemy countries so as to render im-

possible a return to prewar conditions, and for stimulating the development of home manufactures and the consequent increased employment of native labor.

Attention was called in these proceedings to what is termed the "new opportunity." It was declared that the war now waged against the alliance, by stopping the great imports of German and Austrian manufactures, affords a unique opportunity for recuperating lost trade and industry. But it was urged that immediate action was imperative, so that English manufactures might be in a position to supply the demand that must arise as soon as the war is ended. It will be impossible, however, it was said, for the English manufacturers to lay down the plant necessary to regain lost ground unless they have some guaranty that their struggling industries will not be crushed by unlimited foreign imports. The nation must, therefore, it was further declared, adopt a distinct and decided policy, which should embrace the following points—I quote them, and many of them almost read as if they were taken from the speech of some American protectionist, except that they go much further:

1. To secure employment and good wages for our workers.

2. To draw our revenue from foreign nations instead of taxing our own subjects.

3. To open an enormous market in our colonies and dependencies that will render us independent of foreign trade and furnish us with supplies at moderate prices.

4. To levy the following duties:

From German and Austrian and other hostile nations, heavy duties on all goods.

From favored nations, moderate duties on manufactured goods and light duties on raw materials that can not be produced in our country, such as cotton, jute, tea, coffee, cocoa, etc.

From our colonies and dependencies, light duties on manufactured goods and admission duty free of raw materials that can not be produced at home.

5. To enter into agreements with our colonies and dependencies for reciprocity and preferential treatment on the abovementioned principles.

It was urged, Mr. President, by the same chamber of commerce that immediate action was imperative; that it would be the height of folly to postpone preparation until the war is over; that even after the adoption of tariff reforms, as above described, it would be very difficult to stem the inrush of German and other foreign goods at the close of the war.

Hardly more than a year ago, while the debate on the revenue bill of last summer was progressing in this body, we were informed of the ecomonic conference in Paris, to which frequent attention was called in this Chamber last year, in which the allied Governments of England, France, Italy, and Russia were represented by members of their respective cabinets. The conference agreed upon sweeping measures of tariff restriction to be put in force during and after the war. According to the cable dispatches during the war citizens of the allied nations are forbidden to engage in any commerce with enemy subjects. All merchandising from enemy countries is likewise forbidden. Commercial houses having enemy connections are sequestered. During the reconstruction period the allies declared their purpose to carry on joint action in restoring their industries, agriculture, and merchant fleets. It was even urged that there should be adopted subventions and advances to encourage enterprises and research, scientific and technical. Besides subventions and advances to certain industries, the allies were to consider tariff changes and prohibitions, temporary or permanent. These recommendations go very far beyond anything advocated by any American statesman, even of the protectionist school.

I am not informed as to whether the recommendations of the Paris conference have been followed up to any extent since the conference occurred. It is sufficient to call attention to the fact that they have been proposed, and, while I do not mean in any way to suggest that there is any intimation of hostile intent toward the United States in these proposals, I do say that after the war I hope there will be guaranties of a long peace, and that then the civilized nations of the world can enter into the honorable rivalries of trade and commerce and the development of the arts and sciences; and each nation will fairly be entitled to adopt such trade and tariff regulations as may best suit the conditions and the standards of its people; and, in my opinion, it will be inevitable that the United States above all other nations will require a protective tariff to maintain its industrial prosperity and the high standards of its people.

But I only refer to this condition in passing, in response to many communications received by me, and doubtless by others of the minority party on the committee, urging that as much of the revenue required by the war as possible may be raised from a protective tariff tax.

After careful consideration, Mr. President, the committee quite generally came to the conclusion, regardless of whether the members of the committee happened to favor high or low tariff duties, that it would be impossible to impose tariff duties at this time, with the whole world upset, without enormously disturbing business. The industry and the commerce of the world are out of their normal currents. Among the belligerent nations in Europe a long list of articles, ordinarily prominent in international trade, have been, in numerous proclamations issued by the Governments of the several countries, declared to be contraband of war. Governments have taken control, by a series of decrees and orders, of practically all the articles in the lists of conditional contraband, so that they are now available for Government use. Embargoes have been established, licenses to export have been authorized, efforts are being made to control prices, setting aside the laws of supply and demand; the railroads of foreign countries have been completely nationalized for all purposes and are in charge of the Government; and here the tendency is rapidly growing in the same direction. While the statistics show that there is considerable importation of foreign goods and merchandise into the United States, yet the fact remains that the war, with the accompanying depredations of the submarine, has practically taken the foreign trade of the United States out of all normal conditions and largely acts as a protective barrier from the invasion of cheaper commodities, if there are now any such, from abroad. The conditions of labor for the time being have also been revolutionized all over the world. The young and the vigorous men are on the firing line, and women have taken the place of men in industrial establishments. Many of these establishments abroad have been taken over by the Government with guaranties of a certain profit to the owners. Under these circumstances it would seem evident to anyone that the data are not at hand to furnish any information concerning a stable, consistent, and logical tariff system.

Again, the duties as imposed in the House bill consisted of a general ad valorem increase of 10 per cent on all imports. A very great number of articles which always had been on the free list under a protection as well as a free trade régime were put upon the dutiable list with an ad valorem duty of 10 per cent. The raw materials which had always been on the free list carrying this ad valorem duty would have ramified in scores of directions to embarrass production at a time when all productive activities are surrounded by abnormal and changing conditions. And it was generally conceded that the ad valorem rates would lead to the usual difficulties of undervaluation and of price ascertainment, and that even if it should have been deemed wise to impose tariff duties they should be specific.

Of course, in the case of many of these tariff duties, such as the duty on wool, the imposition of a duty would have opened up the whole question of the wool schedule, one of the most complicated and difficult in the whole tariff framework, and would have prolonged the hearings, the consideration, and the discussion of this revenue measure, so urgently needed, for an indefinite length of time. What few articles remained, after those had been eliminated upon which an imposition of a duty at this time seemed unwise, were so few in number and so insignificant in the revenue which would accrue, that it did not seem worth while to mar the logical system of the bill by singling them out and opening up the tariff question. In this view of the committee I cheerfully concurred, and I believe the manufacturers of the United States concur. Not that the protective policy will not be a stronger issue than ever before when the time arrives, but because it is evident that it is impossible in the short time allowed for the consideration of this bill, and with the upset condition of the world, to take up this phase of the question now.

Nevertheless, sooner or later—and perhaps the war may be over sooner than expected—we will be confronted with the question, and it should be the first duty of the administration, and especially of the tariff board, to consider the situation carefully and investigate, so far as the ascertainment of any data is possible just now, with a view of having made some progress toward industrial preparedness after the maintenance of military preparedness required by a state of war has passed away.

I opposed the measures enacted since 1913 because they constituted a distinct effort in favor of which an agitation had been going on over the country for a considerable period to abandon as far as possible the collection of revenue at the customhouse and to impose direct taxes on the people. It is not pertinent or necessary to discuss these measures now, except to say that in my opinion they frequently exhibited a tendency toward sectionalism and class opposition; but now the situation is different. We are at war. Revenues must be provided; the American Government has never hesitated to

raise revenue by direct taxes and loans when required during a war, and the people will pay them cheerfully so long as they are uniform, equitable, and logical.

There is another feature about this bill which distinguishes it entirely from ordinary fiscal legislation. The bill is temporary in its operation—in fact, it will expire after the war—and the taxpayer must not overlook this fact when he awakes with surprise to the burden of his taxes. When the war is over the whole tax system of the country will, of course, be revised. The several emergency laws will have to be repealed and the good that is in all of them retained, with such additions as experience has demonstrated are required. When that time comes my hope is that a fiscal system will be enacted providing for the requirements of the Government by duties on imports based on adequate protective lines, the usual revenue from excise taxes, and such moderate direct taxes as the Government may require to carry on the many heavy burdens which will be ours for a considerable period after peace is declared.

I have referred to the fidelity with which the members of the committee attended to their task, and the extent of the work ought not to be underrated. This is the largest tax bill in the history of our Government, and American public men up until recently have had no familiarity with and little knowledge of the principles on which direct taxes should be based. As the chairman of the committee stated in his opening remarks, the prewar expenses of our Government, or down to the war during all our history, which now seem insignificant compared to the colossal amounts we have been dealing with in the last few months in the way of expenditures, no matter which party was in power or what economic policy prevailed, largely were provided for through customs duties and excise taxes; and even the direct tax bills to which I have referred, passed since 1913, had in view the raising of such a comparatively small amount of revenue that the task was trifling compared with the present one. Inequalities or inequities, oversights, and inconsistencies existing in the act of 1916 and the previous laws could be borne and tolerated by the business community, because the tax was slight compared to those proposed to be imposed; but such inequalities and inequities became glaring and unendurable with this vast increase in the tax burden. Therefore many of the principles and provisions of existing laws had to be carefully revised and corrected. I refer, by way of illustration, to the complaints of double taxation in connection with the holding companies and their subsidiaries. This double taxation was tolerated, perhaps, under previous laws, but under the heavy taxes now contemplated the imposition of this double taxation would have imposed crushing burdens upon business and caused wholesale reorganization and reconstruction of corporations, in order to avoid the tax or render it more endurable. Hence, the Finance Committee, very properly in my mind, struck this feature from the bill and made up whatever loss of revenue might have occurred by reason of the elimination of this double taxation by increases and additions in other directions.

There were, of course, few, if any, precedents in American history to guide the Ways and Means Committee or the Finance Committee in framing this great measure. Nor was it always possible to get the fullest information as to the experience of other nations; and after all, Mr. President, there is no more deceptive or fallacious comparison than that made between a country like the United States, covering a continental domain with every climatic and racial variety and with such extraordinary rapidity of growth and development, with the older nations of Europe, with smaller populations, much less productive capacity, and industrial conditions long established and stable. Moreover, the conditions prevailing in these European nations at the outbreak of the war and during its continuance are entirely different from those which have confronted us or are likely to confront us. Three years ago almost everybody thought that the war would be over in a short time. It has continued for now over three years. The greater part of the vigorous manhood of these countries is on the firing line; many of their industries have been abandoned, and they have come over here to get munitions and equipment of war. In this country, of course, an entirely different condition exists in the financial and industrial world and in the condition of labor. And I can not find, after as careful an investigation as I have been able to make, from a study of history and the experience of nations in the present war, that there is much to be learned by precedent or comparison, or that there is any sound economic theory which will give any suggestion or information as to what fixed percentage should be agreed on as to the relation between the amount to be raised by taxes and the amount to be raised by loan. This relation must be governed by the particular conditions in each country, by the length of the war or the contemplated length of the war, and by the financial status of the country. It is estimated that the bill as passed by the House will raise $1,867,000,000, and as amended by the Senate committee $2,009,670,000. The bill as reported to the Senate will raise an amount slightly in excess of the estimate furnished to the committee by the Treasury Department on July 2, 1917. The bill as passed by the House, together with the existing law, will raise by taxation 56 per cent of the estimated expenditures already appropriated for, exclusive of postal revenue and the sinking fund requirements. As amended by the Senate committee, such per cent will be increased to 58 per cent of the total expenditures raised by taxation for this year.

Some had a strong opinion in the beginning of the consideration of the bill that if $1,000,000,000 was raised for this year the rest could easily and properly be left to a loan. Gradually, however, the opinion developed that perhaps $1,500,000,000 ought to be raised by direct taxes. Further investigation, however, brought about the general conclusion that Congress ought to provide for the full estimates furnished by the Treasury Department to the committee on July 7, 1917, which, after allowing for the estimated receipts and the loan, showed additional revenue necessary to be raised by taxation or a further bond issue of $1,943,458,000. Hence the amendments to the bill adopted by the committee, which raises the amount estimated to be collected under the bill somewhat in excess of the estimated requirements. The committee had in mind the large amount to be raised and the enormous war profits amounting to nearly $3,000,000,000, shown by the income tax returns of corporations for 1916, which amount will undoubtedly be increased for the year 1917, due in the main to war and war conditions; and the conclusion was reached that $562,000,000 was not an unreasonable additional amount to ask from the industries whose earnings have been so greatly augmented by the conditions which made necessary the call for this additional revenue.

The war-profits tax, Mr. President, is preeminently a logical and just one at the present time, and here I want to say that it is not claimed for the war-revenue measure that it embodies the logical principles of taxation that ought to apply in normal times of peace. It is distinctly an emergency war measure, of temporary duration—a month, six months, or a year—based on an abnormal and extraordinary condition in the industrial and financial world, and taxes and scales of taxes higher than would be justified in times of peace are logical and proper under such war conditions, when entirely different principles would have to be applied in a revised tax system to meet peace conditions. Then, it must be borne in mind by the taxpayer that these conditions are temporary and the principles applied are justified by the temporary and abnormal conditions. The tax on personal incomes and on war profits, swollen by the war conditions, furnish primarily the justifiable, legitimate, and logical taxes to defray the expenses of the war. It is estimated that about two-thirds of the additional revenue and about one-half of the total revenue from taxation for the fiscal year 1918 will come from the income and the war-profits taxes. With 58 per cent of the estimated expenditures defrayed by direct taxation, I am of the opinion that it would be unwise to increase these direct taxes under any of the titles in the bill. I am willing to concede, for the sake of argument, that the income tax and the war-profits tax are perhaps too high. I know that it will lead to considerable embarrassment among manufacturing concerns which have undergone enormous expansion since the prewar period to meet war requirements on borrowed capital or the application of all the surplus and capital to the development of the business. Doubtless the concerns will have difficulty in getting the money for the tax where their profits have been large, and it is a question, should the war suddenly terminate, as to how some of them will come out. But, on the other hand, we have staring us in the face the enormous profits and the great prices charged, particularly to the Government, and the graduated taxes charged on war profits will go a long way toward controlling extortionate profits. I believe that, while these taxes are heavy and perhaps should be lower, they can be borne, particularly in view of the fact that they are temporary, and I am confident that any reasonable student of the economic situation ought to feel satisfied that the committee has gone as far as it safely can go in the imposition of direct taxation just now. To go further would begin to cripple the industrial development which constitutes our chief strength and our chief contribution to the war.

It was testified before the Finance Committee, and I think the illustration was a most impressive one, that even as it is the War Department has been compelled to advance the money to enlarge some half dozen quite large and more or less promi-

nent iron and steel concerns in different parts of the country engaged in making munitions, because these establishments did not have the capital and could not borrow it to make these additions. It is true the Government will own these additional buildings after the war, with their machinery, but in almost every case they will be of no use to the Government except as junk, and in some cases of not any great use to the particular concerns to which they are adjacent, because it is clear that their productive activities will be curtailed with the consummation of peace. I only cite this particular case, which I think, Mr. President, shows that it is distinctly to the interest of the Government to keep these industrial concerns in a financial condition so that they can expand on their own capital or be in a position to borrow it to meet the requirements of the United States and of the allies as speedily as possible. It is evident from the illustration that I have given that it is not to the interest of the Government to impose taxes upon them so heavy that they will not be able to expand themselves, and the Government will have to go into the losing investment of furnishing the money for them. In the long run it will be cheaper for the Government to let private capital take the risks and accomplish the results rather than by crippling them to have to do it with Government money, which will be almost entirely a loss after the requirements of the war have ceased.

The question of taxation—and this phase of the situation impresses me very greatly, Mr. President—is further complicated by the apparent failure of those purchasing for the Government to come to any decision as to prices. It is evidently important at this time to keep every productive establishment in the country in the fullest operation. If prices are reduced to below a certain point it is inevitable, and it hardly requires the statement, that the larger and wealthier concerns will be able, perhaps, to go on, because they produce at a less cost and a greater profit, while smaller and less favored establishments which have been brought into productive operation by the requirements of the war will be closed up as soon as the price curve strikes the limit at which they can produce at a profit. Hence, production will be curtailed and monopoly will be fostered by indiscreet price tampering.

The revenue from this bill has had introduced into it an element of uncertainty by reason of the price controversy. It seems to me that speed and prompt delivery is the essence of the emergency. One hundred million dollars are being spent, it is said, each day by the allies, or $1,000,000,000 every 10 days, and it is estimated that 10,000 men are being killed each day on the side of the allies. In this tremendous crisis speedy delivery constitutes the most imperatively essential element. Every 10 days occurs this enormous expenditure of men and money, which no saving on prices will ever balance on the other side of the ledger. It has been suggested by many sagacious men constituting the highest types of our business community and with disinterested patriotism, that the tax on war profits could be very well so graduated as to enforce a penalty upon those who insist upon charging excessive prices to the Government for their material during this war period, and in this way relieve the situation so that price adjustment will not be so necessary and business will be permitted to take its natural course. Thus prices will be largely controlled by the competitive market and will settle down to the minimum prices at which maximum production can be reached.

If we are going to fight this war with a success it will be necessary to have maximum production from every industry in the country. The falling off of labor due to conscription enlistment will be felt in the near future, and the more inducement to labor will be required to maintain our present status as manufacturers. If I had my way, Mr. President—and I consider the subject of very great importance—I would urge an amendment to this bill that purchases should be handled by a committee of three, whose duty it will be to determine prices, decide upon priority, as well as to advise the various purchasing agents now employed by the Government so as to protect them against criticism. The delay in settling the steel question, the delay in settling the food problem, the delay in settling the lumber question, the shoe business, the coal business, and other lines of production, is delaying the determined and relentless prosecution of the war in a way that is appalling when we come to realize it.

But I shall not pursue this subject further. Already legislation has been passed attempting to solve the problem, but not, in my opinion, meeting it on sound economic lines. The purpose of those in authority seems to proceed upon a different principle, and while this whole matter will doubtless come up for discussion later on, I merely refer to it now because it touches at the fundamentals of a logical war-tax system.

There are numerous amendments made by the committee which, in my opinion, greatly improve the bill as it came to the Senate from the House. The House bill provided for an imposition of an additional tax of 33⅓ per cent on incomes for the calendar year 1916. The committee recommends that this section 5 be stricken out. This tax seemed to the committee economically unsound, because the incomes of the past calendar year have paid their taxes and the balance has either been spent upon subsistence and the expense of living, or it has been saved and added to capital. To quote from the report of the committee:

> To tax this tax-paid income again is not only double taxation of a peculiarly obnoxious kind, but would possibly compel the taxpayer to impair his capital by paying this second tax and thus diminish the Government's source of taxation.

It was estimated in the House that $108,000,000 would be raised from this section. While eliminating the provisions from the bill, the Senate committee has, of course, made up this amount in other ways.

I am afraid that the tax on beverages is too high, because in many cases it will be above the collection point and will invite violation of the internal-revenue laws. However, it is generally conceded that these articles of consumption can very well afford to bear a heavy tax, and the committee has therefore raised the rates over those which obtained in the House bill. I shall only refer in passing to the taxes on facilities furnished by public utilities, and the war-excise taxes, the war tax on admissions and dues, and the war-stamp taxes. These taxes will bring in considerable revenue, and they are justified on the theory that these war taxes ought to be widely distributed and not bear on any particular class or element, personal or corporate. The war taxes on coffee and tea and sugar were carried in the House bill as a 10 per centum ad valorem duty. In eliminating the tariff feature from the bill the committee has proposed excise taxes on these four articles which are so moderate that they can not possibly be felt by the consumer and particularly in the case of tea and coffee will not in the long run affect the price to any appreciable extent.

Perhaps the two features of the revenue bill which gave the committee most trouble and led to the most widespread criticism were the various suggestions as to base lines for the computation of the war-profits tax and the proposed tax on undistributed surplus.

The House bill followed the present law, which provides a flat rate of 8 per cent upon the profits of corporations and copartnerships in excess of the sum of 8 per cent of their capital actually invested, plus $5,000, and imposes an additional tax of 8 per cent upon such profits. The excess-profits tax in the old law never had any logical foundation. The term "excess profits" has no particular meaning that I have ever been able to discover. What are excess profits and when does a profit become excessive, if that is the implication of the term based upon a minimum percentage? Certainly, we have not reached a condition tending toward socialism when we shall put a limit upon what a man or a corporation can earn legitimately and legally.

I have never been able to discover on what basis any definition of excess profits could be framed. I have never learned of any standard in the United States which defines when profits become excessive, nor can a definition, in my opinion, be framed that would be logical and responsive to business development. At least we would have to take a long average of years to arrive at some definition of excess profits, because the extraordinary profits of one year might be followed by a number of lean years and eventual bankruptcy. I am rather inclined to think that the term originated as the result of a long agitation, which argued that the rich were escaping their due share of taxation and that a protective tariff was oppressing the poor; and hence when the radical departure was made in the last few years in which customs duties were largely abandoned purposely and a deliberate attempt was made to levy direct taxes on what was called a "class," the term "excess profits" was invented to designate and justify the proceeding. A tax on incomes and a tax on profits is, of course, logical and justifiable when required, but a tax on excess profits is meaningless, unequal, and inequitable. Moreover, the excess-profits tax involves us in questions concerning what is "capital." In the vast number of corporations of every kind and variety in the United States it is almost impossible to establish a standard of the amount of capital invested. It may be that in the case of many of the railroads which for a number of years have had their accounts kept under rules laid down by the Interstate Commerce Commission, the securities of which are fully ascertained and determinable, the question of capital invested is capable generally of computation. But even in the case of railroads the variation in the relation between the amount of bond issue and the amount of stock securities is widely varying. For instance, the New York Central Railroad and the Pennsylvania Railroad have about the same mileage and the same aggregate investment; yet in the case of

the New York Central the bond issue is two-thirds and the stock issue one-third of the total amount, while the reverse is the case with the Pennsylvania Railroad.

All definitions of what constitutes capital are capable of evasion. Payments for good will and other intangible assets can easily be made to appear on the books to have been made in cash. The general designation of "good will" is comprehensive enough to cover any kind of inflation in capital. On the other hand, many concerns of long-established standing have patents, trademarks, brands, and other intangible assets substantially valuable, developed over a period of years, for which no payment of cash appears upon the books.

This 8 per cent excess profits tax, with all the difficulties of administration, might have been tolerated while the rate of taxation was small, but now that these very heavy burdens are about to be imposed it becomes essential to entirely eliminate these inequalities in the tax and these difficulties of administration.

The only really logical basis for these heavy taxes on profits in this temporary war measure is the tax on war profits, and the Finance Committee has followed the logical and practical course in abandoning the whole idea of the excess profits tax, and providing for a war-profits tax upon a basis similar to that followed by European countries, in which this system has been successful. The difficulty with the war-profits tax is to define the base upon which the tax shall be computed. In the European countries a period of years has been taken, and after very careful consideration of the subject the time finally adopted as a prewar basic period is the years 1911, 1912, and 1913. This period was taken by the committee because, according to the recommendation of the Treasury experts and in the opinion of the committee the period was evidently the most favorable to the general mass of the taxpayers of the country. It is true that other basic periods and base lines have been suggested, but none of them have commanded general support in the business world, in the committee or with the Treasury Department. It is impossible to find any period that will bear with absolute equality on everyone. But the committee has made every effort to relieve any condition of hardship which this prewar period did not seem to deal fairly with; in other words, to afford a landing place for every business which claimed it would be in a condition of hardship under this arrangement.

Mr. POMERENE. Perhaps the Senator does not care to be interrupted.

Mr. PENROSE. I do not mind being interrupted.

Mr. POMERENE. The Senator from Pennsylvania is discussing a subject which has interested me very much, and has given me a great deal of trouble considering the limited time I have had to devote to the consideration of this measure. He has just referred to the fact that they have used the profits for the years 1911, 1912, and 1913 as the basic years from which to determine what would be normal profits. As I understand the operation of the bill it would be this: They take the profits for the years 1911, 1912, and 1913, average them, and this average would constitute the normal profit, and any earnings of a corporation or an individual or a copartnership over and above this normal profit thus determined would be subject to the tax.

Mr. PENROSE. Yes; that is earnings during the taxable year.

Mr. POMERENE. Yes. That would leave this situation, as I understand it. Assume for the sake of argument that a given corporation makes during each of the years 1911, 1912, and 1913 an average profit of 50 per cent upon its capital stock. Then if during the current year it makes a profit of only 50 per cent upon its capital stock it would pay no war tax.

Mr. PENROSE. No; it would not.

Mr. POMERENE. If it made 55 per cent——

Mr. PENROSE. I did not want to interrupt the Senator, but I am going to make a suggestion to which the Senator from North Dakota [Mr. MCCUMBER] has called my attention. They would pay no war-profits tax but, of course, they would pay the 6 per cent normal tax and all the other taxes, but no war-profits tax because there were no war profits.

Mr. POMERENE. I so understood that.

Mr. PENROSE. And the surplus tax.

Mr. POMERENE. If it earned 55 per cent on its capital stock then the war tax would be on 5 per cent.

Mr. PENROSE. Yes.

Mr. POMERENE. Now, let us take another illustration. Suppose, for the sake of argument, that we have a corporation which during the year 1911 made 2 per cent on its capital stock; during the year 1912, 4 per cent; and during the year 1913, 6 per cent, the average for the three years would be 4 per cent.

Mr. PENROSE. Yes.

Mr. POMERENE. Assume that during the current year its net earnings would be 6 per cent. Then the difference between the 4 per cent and the 2 per cent would be subject to this war tax, would it not?

Mr. PENROSE. No; those earnings would be considered subnormal, and the taxpayer would have the right to appeal to the Secretary of the Treasury for an adjustment of his tax, and the Secretary of the Treasury would be permitted to average up the earnings of all the concerns in a similar business; that is, if it was a hosiery mill, he would take the earnings of the 20,000 or 30,000 hosiery mills in the country and average them up—a very simple proposition—and deduct that.

Mr. POMERENE. What does the Senator regard, under the provisions of the bill, as the subnormal earnings?

Mr. PENROSE. Anything is subnormal that is substantially lower than the average earnings in that business.

Mr. POMERENE. The average earnings of that corporation might all be——

Mr. PENROSE. No; in that business or in similar businesses. Suppose it was a hosiery mill and it has been making only 2 or 3 per cent. They apply to the Secretary of the Treasury for an adjustment of the tax, declare that their earnings are subnormal; and to ascertain whether they are subnormal or not he averages the earnings of representative hosiery mills in the country, or on such a basis of selection as he may adopt, and that would be the marginal lines between.

Mr. POMERENE. Then, as I understand the Senator, if the profit thus ascertained would be 10 per cent——

Mr. PENROSE. He would take 10 per cent.

Mr. POMERENE. Then anything above 10 per cent would be taxable?

Mr. PENROSE. Yes.

Mr. POMERENE. So if it earned 15 per cent, 5 per cent would be taxable?

Mr. PENROSE. Yes.

Mr. POMERENE. In the illustration I first used, the corporation might earn 50 per cent and none of it be taxable.

Mr. PENROSE. That is right; not on war profits, because there would be no war profits.

Mr. POMERENE. I realize that distinction, but allow me to say it has seemed to me that it will operate as a very great injustice. I confess that it has troubled me a good deal. I can not see the justice of having any man or any partnership or any corporation escape a tax of that large amount.

Mr. PENROSE. They do not escape the tax. They pay all the other taxes but pay no war-profits tax, because there are no war profits.

Mr. POMERENE. I realize that.

Mr. PENROSE. It is very unfortunate for them that they have no war profits, I suppose.

Mr. POMERENE. Well, I will not interrupt the Senator further.

Mr. PENROSE. I do not mind a bit the interruption.

Mr. POMERENE. I realize the difficulties that must have confronted the Finance Committee in trying to work out some rule here, but I have been impressed with what seemed to me the injustice of having one corporation escape a war tax when its earnings are 50 per cent and another corporation be subject to the tax when it is perhaps earning only 20 per cent. It does seem to me all ought to contribute according to their profits as a general proposition.

Mr. PENROSE. Of course, the reply would be that there were no war profits, and if there had been war profits I have no doubt the taxpayer would be only too glad to have paid the tax.

This is a proposition to levy over $500,000,000 from the $3,000,000,000 of war profits which the tax returns of the Treasury Department indicate were the profits last year. It is a certified fund, and in view of the many thousands of taxpayers upon whom this tax is to be imposed, I can not see any inequality in it. Even if there are inequalities, it would be a physical impossibility to prevent some inequality in a nation as diverse and large as the United States, but I confess I do not see that there is an inequality.

Just the antithesis of the Senator's case is one the Senator from Connecticut [Mr. BRANDEGEE] presented the other day of a concern that is making only ordinarily it may be subnormal profits and as a result of the war is now making 300 per cent. He was complaining because there was 50 per cent taken away under the bill here. That is a complaint on the other extreme. But the committee has made every effort to furnish a remedy to the taxpayer.

I will not repeat what I have said in my answer to the Senator from Ohio about the provision made for subnormal profits. Originally the suggestion was made that 6 per cent or 7 or 8

per cent should be made the minimum profit and anything below that should be subnormal. Universal complaint arose all over the country that 6 per cent was too low, and that even 8 per cent was too low, and so to extend still further relief and to get still further away from the idea of any necessity of computing capital the committee at the last moment adopted this idea of the average earnings in similar business, so that if a man is running a little hosiery establishment in Ohio or Pennsylvania with subnormal earnings during the prewar basic period he can go to the Treasury Department and by a very simple calculation get the average earnings of the business. Certainly no proposition could be fairer than that. It will even give him some advantage of a whole lot of people in the hosiery business whose incomes may be below the average line and yet are not subnormal. I am not prepared to say that there might not be modifications still added in this connection to the bill as it comes to the Senate, although I want to support the bill as nearly as I can as it is. It has been suggested that the taxpayers be allowed to select the best two out of the three years, the constant desire being to raise the base and further relieve the taxpayer. I would be prepared to vote for that, although the committee declined to put in their recommendation. As I have already stated, numerous other bases have been suggested, but none have commanded any general support.

Now, in relation to what the Senator from Ohio [Mr. POMERENE] said about these concerns which make subnormal profits in a further effort to extend every relief possible to the taxpayer, the committee has made careful provisions for the cases where the capital used in the business is different for the taxable year from the average capital for the prewar period; where the average net income of the concern for the prewar period was below a normal return upon its investment; and where the concern was not in existence for a full calendar year during the prewar period. Special provision is made for these classes as follows:

First. Where the capital has been increased or decreased for the taxable year above or below the average of the prewar period, the average net income for the prewar period, for the purpose of ascertaining the war profits, is assumed to be increased or decreased in this same proportion.

Second. Where the Secretary of the Treasury finds either, first, that the net returns of a trade or business for the prewar period was low as compared with the net returns during such period of representative concerns engaged in a like or similar business, or, second, that during such period, the ratio between the net and gross income from such trade or business was substantially less than the like ratio in the case of representative trades or businesses, then the war profits of such trade or business shall be determined as in the case of a new concern.

Third. Where the concern was not in existence for one calendar year during the prewar period, or had no net income for the prewar period, the amount of the war profits shall be the same proportion of the net income for the taxable year which the war profits for the same calendar year of representative concerns engaged in a like or similar business, and whose war profits are computed in accordance with a general plan, bears to the net income for that year.

Under this amendment recommended by the committee the consideration of capital is entirely eliminated, and there is no necessity of adopting an arbitrary standard of a minimum percentage such as was originally suggested in the bill as it was first reported to the Senate by the committee, when 6 per cent was constituted as the minimum deduction in computing the tax.

The principle of the flat tax was also abandoned, and a graduated tax, beginning with a rate of 12 per cent of war profits not in excess of 15 per cent of the prewar profits, and reaching at its highest a rate of 50 per cent of the amount by which such profits exceed 250 per cent of the prewar profits as being more equitable than a flat tax, as being analogous to the graduated surtax on incomes, which is certainly far more equitable than would be a flat tax on incomes, and as being on the whole favorable to the smaller businesses of the country. There have been a comparatively few number of criticisms to this part of the bill as it stands at present. I think in many cases the objections are due to the fact that many of the taxpayers do not fully understand just what the final recommendation has been and are not familiar with the details of the bill in its present shape, and others are undergoing an awakening as to the fact that war taxes in the greatest war in history assume unexpectedly large proportions.

One strong argument in favor of the graduated war-profits taxes, in my opinion, is that it tends to correct and compensate in the case of high prices charged the consumer, whether it be the individual or the Government. It would be possible to frame a tax system of war profits, as I have already suggested, under which the Government could go into the open market, purchase the munitions and commodities required at fair prices, regulating evident cases of extortion or speculation or conspiracy, but getting the materials at once in a dreadful crisis where speedy delivery is the essence of the transaction and where delay in bargaining and haggling eventually results in tremendous losses in expenditures and in life, which can never be compensated in any way by the comparatively small sum saved. The Government would get back unduly high profits by high surtaxes. In this way the Government would get the results immediately and economic conditions would not be disturbed from the foundation up, and the maximum of production would be assured. But it seems impossible to obtain the necessary cooperation between the executive and the legislative branches of the Government in a coordinated policy of this kind in administration and in legislation; and I can only say that the graduated tax adopted by the committee will tend in the direction of regulating prices.

Mr. WADSWORTH. Will the Senator yield for a question at that point?

Mr. PENROSE. I shall be very glad to yield.

Mr. WADSWORTH. The Senator has stated, and I think the report of the committee states, that it is expected that a certain sum will be derived from the imposition of the so-called war-profits tax. I assume that estimate is based, roughly at least, upon the prices which are now being charged or received by many of our greatest industries for the things which they produce and sell upon the open market.

Mr. PENROSE. I know what the Senator is leading to, and I shall be glad to hear him go on in that line.

Mr. WADSWORTH. I am not criticizing the tax at all.

Mr. PENROSE. I understand.

Mr. WADSWORTH. I think the committee has reached a most excellent conclusion. I was going to ask the Senator from Pennsylvania if it is not probable that the estimate as to the amount of money which the Treasury may receive from the war-profits tax may be vastly overstated if it turns out that the Government, through other powers conferred upon it, either directly or indirectly, compels the sale of large amounts of supplies at lower prices and therefore reduces the so-called war profits?

Mr. PENROSE. I think the Senator is entirely right. All calculations of tax returns are upset, in my opinion, if they go too far with these prices.

Mr. POMERENE. If I may interrupt the Senator——

The PRESIDING OFFICER (Mr. KELLOGG in the chair). Does the Senator from Pennsylvania yield to the Senator from Ohio?

Mr. PENROSE. With pleasure.

Mr. POMERENE. The Senator, of course, has made a suggestion which would very materially affect the amount of profit which these particular concerns would earn; but, on the other hand, the concerns that were buying, for instance, from the iron and steel mills their iron and steel products at a lower rate would be able to increase their earnings. To illustrate, I have in mind now a manufacturer of hardware specialties in my own State, who wrote me the other day that up to perhaps two years ago he paid, as I now recall the figures, $35 a ton for the steel which he used in making these specialties, and at the time of his writing the price for the same steel was $130 a ton. Of course, if he could get his steel for substantially less than $130 a ton, necessarily he could increase his profits. So I do not know how we could determine it with any degree of exactness.

Mr. WADSWORTH. Will the Senator from Pennsylvania let me comment upon that illustration?

Mr. PENROSE. I wish the Senator would.

Mr. WADSWORTH. It is perfectly true, as the Senator says, that the hardware specialty manufacturer will make heavier profits if he can obtain steel at a lower price. By such operation the Steel Corporation will not have a large war-profit tax, and it will be assumed that the hardware specialty company will have a larger war-profit tax than would otherwise be the case. But that, in turn, is based upon the assumption that the hardware specialty company will not reduce the price of its products to the public.

Mr. PENROSE. I think the Senator from New York has struck at the jugular vein of the proposition. The theory that I have referred to is that the Government could wisely create a purchasing board and let them go into the open market, as they did in the Civil War, and invite bids and make purchases at fair prices, and then levy a surtax, I do not care if you make it 80 per cent, that will bring the money back to the Government. You are not interfering with the current of trade, and you are not striking at the very fundamentals of economics. I know it is not possible, because of the fact that the executive and legislative branches of the

Government are not sufficiently coordinated at this time to do anything like that. I understand there are a long series of orders of the most important munitions which have been held up for two months haggling over prices, asking the Federal Trade Commission to investigate the cost of production, a thing that would take them until long after the war was over and most of us were tottering old men. In the meanwhile every 10 days a billion dollars is spent and 10,000 men are killed every day. Prices are the least important feature of the whole transaction. Delivery is what you want, and unless something is done in that direction I for one look with horror at the result. I have read that at the outbreak of the Civil War we practically had no Navy; the South had none at all; and within a year the coast line and the rivers and the lakes were covered with flotillas and fleets of effective battleships. Under the present method of procedure it would take 20 years.

I am nearly through, Mr. President. The other proposition to which I have referred as having given the committee many perplexing questions to consider, and as having invited a widespread criticism, is the amendment providing for originally a 15 per cent tax on the surplus or undistributed earnings of corporations. The proposition as was originally reported by the Finance Committee to the Senate was widely criticized all over the country as being a very serious blow to the solvency and the ability for development of corporations at a time when the greatest expansion was required. I shall not go into these details now. It is sufficient to say that, in my opinion, the objections were well founded, although the object in view—to reach incomes which apparently in the case of corporations were escaping taxation and was supposed in some cases to be an abuse—was ably presented and the purpose was, of course, laudable.

The committee therefore came to the conclusion that it has been the custom of corporations for well recognized and sound economic reasons to retain in the business a considerable proportion of their annual earnings, and that more especially the present situation calls for unusual outlays for purposes of extension and development to meet the demands and requirements of the situation and the increased difficulty in borrowing money on satisfactory terms and conditions caused by the large demand of the Government upon the investing public to float its securities; and therefore the further amendment was adopted making the tax on surplus and undistributed profits 10 per cent, including that part of such surplus not employed in the business, but not taxing that part of the surplus retained to be expended in the business or held for the reasonable requirements of the business, subject to the direction of the Secretary of the Treasury; in other words, this particular provision as it now stands will reach surplus invested or retained in ways not connected with the business, but will exempt all surplus expended or held for reasonable requirements.

I am not in sympathy with that part of the committee's recommendation in favor of the repeal of the drawback provisions of existing law in relation to sugar.

Mr. President, I shall not go any further at the present time in the discussion of the details of the measure. I rose to speak in a general way upon some of the features in the bill to which attention has been particularly called in a very large correspondence and in the discussions in the committee, and more especially to define my own attitude when I expressed my intention to vote for the bill so long as it remains approximately in its present shape.

No bill of this kind can be framed to meet the views of everyone. The measure, in its way, is an encyclopedia. It touches the very arteries of our economic system. It must be passed as speedily as possible. It will raise the revenue, and it constitutes a framework founded on a logical basis for temporary war legislation. I shall, during the consideration of the measure and as occasion arises, take opportunity to explain and debate at greater length some of the details of the bill. I have only desired now to present some general observations as to some of the leading features of the measure.

Mr. McCUMBER obtained the floor.

Mr. SIMMONS. Mr. President, I make the point of——

Mr. McCUMBER. Mr. President, the Senator from North Carolina was about to make a point of no quorum, but while I should prefer to go on to-morrow with the discussion, it being now rather late in the evening, I shall try to make my remarks as brief as possible and cover some of the questions involved in the pending measure.

Mr. President, the chairman of the Committee on Finance has spoken in explanation and justification of the particular items and sources from which it is proposed to derive war revenues for this fiscal year; but it seems to me that in connection with this presentation something should be said concerning the fundamental policy which the majority of the committee propose to follow in financing this war, the reasons for this policy, the probable burdens which will be imposed on the country, and how such burdens should be distributed. It is to these questions I wish to direct my remarks. But before proceeding I feel I would be derelict in duty did I not first express to the chairman of the committee my appreciation of his patience and painstaking efforts throughout the more than two months of arduous effort required to perfect the measure now before the Senate. No one not a member of that committee can fully comprehend the scope of the investigation required or the complexity of all the intricate details which had to be tested as to their effect upon every business of the country before acceptance by the committee.

It will not be claimed by anyone that this war-tax bill operates with exact and equal justice toward all persons or all industries. I feel safe in saying, however, that the whole effort of the committee has been to make the bill as free from the criticism of inequality and injustice as possible. It is very easy to point out inequalities in the measure. It is very difficult, however, to propose a remedy or substitute which will give us the required revenue without creating far greater inequalities.

The chairman of the committee in his report and in his speech has explained and elucidated each item of the bill. I shall not at this time enter into the field of detail. I shall content myself with placing upon the record my own conviction and the views, at least, of some others of the committee on what should be the fundamental policy of this Government in raising the revenue necessary to carry on this war from now to its final conclusion, whether it be for 1 year or 5 years or 10 years.

The very first question that naturally arises in the consideration of a war-revenue bill is, What proportion of the war burden shall be imposed upon this generation and what upon the coming generations? Inseparably connected with this question are the further ones: What is the great objective sought by this war? Who will be the beneficiaries of the blessings which this war, if victorious, will assure? Who will be best able to shoulder the vast expenses in money which this war must necessarily entail? If one generation gives the lifeblood of its manhood that the succeeding generation may enjoy the blessings of peace, unhampered by the crushing load of armaments, or unfrightened by the demon of war, what is the least that may be expected of the latter, as a partial equivalent for this mighty sacrifice by the former?

There are many who propose that this generation should bear the whole burden of this war; that we should issue no bonds for future generations to pay; that posterity should be relieved of the burden which we have incurred by reason of our entering into this conflict; that the generation which incurred the debt should pay the debt. A more unjust doctrine could scarcely be imagined. There is no element of justice in such a crucifixion of one generation for the tranquillity of another.

Mr. President, we can not, we must not, emerge from this conflict until the great nations of the earth have entered into a binding and solemn international obligation signed and sealed by each and every one of them defining and proclaiming the inherent and inalienable rights of every nation, great and small—the right of each to live and work out its own destiny, free from the shadow of impending war or the danger of annihilation by some mighty military neighbor—an obligation requiring every nation of the world to follow that code of morals in its international relations which each nation imposes upon its own people in their individual relations—that no nation shall rob a weaker nation of its territory; that it shall not murder its people; that it shall not deprive another of its independence or infringe upon its sovereign rights—an international obligation that, subject to these inherent and inalienable rights of individual nations, shall provide for a court in which every international dispute must be settled, and obligating this world family of nations to jointly enforce the decrees of such court and thereby forever prevent the recurrence of such a holocaust of blood as now incarmines all Europe.

Unless this war is fought to such a finish, then this conflict will have been worse than in vain. Unless we are prepared to fight it to this finish, we have committed a grievous crime against humanity and our own people in ever entering into it. Unless we are so prepared we should withdraw now, shameful as that course would be. That we can not and will not do. We will battle for the liberty and happiness not so much for ourselves as for future generations. We will give the blood and treasure of this generation to our full capabilities. This generation will die that the next may remain free. This generation will suffer that the next may live under the reign of peace and justice. Why, in Heaven's name, then, should not the next generation shoulder its share of the financial burden for the immeasurable blessings by this generation bequeathed?

If we succeed in bringing about such a world peace as I have mentioned, if we relieve future generations from the onerous load of taxation for armaments, even though the entire financial cost of this war is charged to them, they still should call us blessed. This view accords not only with justice but also with all history.

Suppose we had fought the War of the Revolution with the idea that that generation must take care of the burden of that war by a present taxation. In such case, Mr. President, there would have been no United States of America. Suppose in the great Civil War we had determined that that generation, which was pouring out its blood in lavish streams, should by taxation raise all the revenue required to bring about a reunion of the States. There would have been no reunion. The attempt to shoulder all the burden upon the generation of that day would have been worse than a failure. As it was, the bonds bearing 6 and 7 per cent interest, issued during the Civil War, and often heavily discounted, were carried over to the days of peace, and the succeeding generations have borne the burden and paid off the debt without the slightest hardship and without any diminution in their rapid strides toward prosperity and wealth.

So the generations which shall succeed us, whose numbers will be vastly augmented, and whose energies, relieved from the heavy draft which world conditions up to this date have imposed upon its people to defend themselves against each other, energies which can and will be expended in the field of productive industries, will be able to lightly bear the burden of this war debt, no matter how colossal its figures may be.

Nor must we forget, Mr. President, this very important fact: The dollars of the future which will pay these war bonds will be very much cheaper and therefore very much more easily earned than the present dollars which these bonds represent. These bonds will be paid in standard gold dollars of present weight and fineness. Within the last quarter of a century new and scientific methods of gold mining and extraction have so increased the output as to reduce the gold dollar nearly one-half. These methods will continue with ever-increasing efficiency, so that in all probability the last bonds will be paid in dollars that will measure in purchasing value less than one-half the value of the present dollars.

And so, Mr. President, exclusive of that moral debt of deepest gratitude which a peace-assured future will owe to the warring present, the portion of the debt passed to the future will be paid by numbers increasing to probably three times the present population of the country, and paid in dollars decreasing to probably less than one-half the value of the present dollar.

Mr. President, unless an exhausted Europe brings about peace before we actually get into this war, we may need to put into the field and maintain an army of at least 5,000,000 men, and we shall, in addition, tax ourselves very heavily to support and maintain this force. This should be the limit of our donation, the extent of our sacrifice. The war debt should be borne by our emancipated children, who will be a hundredfold better able to liquidate it.

The next important question which presents itself in the consideration of a war-revenue measure is to determine with a reasonable degree of accuracy the full amount of the tax which will be imposed upon the Nation and the probable duration of the conflict. Any committee upon which is imposed the duty of formulating a revenue bill to meet a great situation which fails to measure the importance and possibilities of such a situation, its duration, the extent of the burdens which it will impose upon the people, and the ability of the people to respond to its demands has poorly performed its duty.

Let us, therefore, first take a general, comprehensive view of the colossal task which we have undertaken. Mr. President, the people of this country have never realized, and do not realize to-day, the power, the resources in territory and population, and the many other advantages which the central nations of Europe and their allies have over the entente allies or the vulnerability and dangers which threaten our most important ally in this war.

I want to do what I can to make the people realize the immensity and more than seriousness of the task which this Government has assumed in this world war. And, Mr. President, I am not deviating from the consideration of this revenue bill in now placing the realities of the task before us on the record, because we can only take accurate measurement of the requirements of this bill by a comprehensive view of the war situation which the bill is designed to meet.

Mr. President, I have never joined in the optimistic view expressed in the Senate and in the American press everywhere concerning the immediate success of the Russian revolution or the reentry of Russia as a valuable or aggressive force into this war. Considering her vast population, Russia has never been in this war as a real and effective force. I am doubtful if she has not, by her entering the war, been an actual help to the central powers. I am reasonably certain that if she had remained neutral and had simply declined to furnish the German Government with supplies, she would have been of far greater assistance to the allies. Even before her revolution, and I want Senators to bear this in mind, through the incapacity of her officers she had furnished Germany with more than 2,000,000 strong, able-bodied prisoners, who cultivated her fields and supplied her labor demands while the German troops were at the front. To-day she is out of the war entirely. In my candid opinion she will not get into the war as an effective power before its close. She must pass through the crucible of fire and blood which other peoples have had to endure in like cases before she will learn the lesson that liberty and law must ever walk hand in hand, that somewhere there must be lodged a power whose law is supreme, a power which all must obey. Before she will ever be able to unite her vast energies she must solidify her character. The lesson of obedience to law must be burned into her brain by fire and written upon her breast in blood. I therefore eliminate Russia in computing the resources and powers of the battling nations.

Viewing the European territory on whose soil this conflict is raging, we can not but be impressed with the territorial magnitude of the central nations and their allies as compared with that of their opponents. Here is the great central section of Europe, the richest section of that continent in all that makes for twentieth century necessities and requirements of life, reaching from the Baltic on the north to the Mediterranean, the Black, and the Ægean Seas on the south. Here is Germany, with an area of 208,780 square miles of territory; Austria-Hungary, including Bosnia and Herzegovina, with an area of 260,034 square miles; Bulgaria, with 43,000 square miles; Turkey, with 710,224 square miles, or a total of 1,222,038 square miles. In addition to this, the central powers are in actual possession of and are utilizing all the resources of Belgium, with her 11,302 square miles; Serbia, with her 34,000 square miles. She occupies nearly all of Roumania, or substantially 39,000 square miles. She is in possession of 109,391 square miles of Russia, 7,595 square miles of France, 5,530 square miles of Montenegro, 7,800 square miles of Albania, making a total of enemy country in her possession of 214,618 square miles, or a grand total of 1,436,656 square miles of territory in Europe of unequaled richness that is giving its substance in this war against our allies.

Mr. President, from the very beginning of this war the press of this country, allowing its sympathies to sway its judgment, permitting the wish to father the thought, has misled the people concerning the ability of the central powers to sustain themselves and their armies during a long military contest.

The press, and through the press the American people, have assumed, from the moment the British fleet had driven German commerce from the ocean, that cut off from their foreign supplies of food and other necessary products, the central powers would begin to weaken, and that with a rigid blockade there would be nothing for the entente powers to do except to check further advance of the central hosts on land and calmly await their certain exhaustion through lack of supplies.

I want Senators to look at the map of Europe on the wall for a moment and to observe the vast proportion of that continent which is to-day yielding its wealth of agricultural and mineral products to sustain the central armies. The blue lines inclose the original territories of those powers, together with the adjacent enemy territory now held by them and supplying their demands. Compare that vast territory with the territory of Great Britain, France, and Italy. Then just recall what we have read of the natural resources of central Europe. Bulgaria has always raised a surplus of agricultural products, and with intensified farming and a reasonable conservation of food supplies, that great section of central Europe can produce sufficient food to supply its people and its armies for an indefinite number of years.

If Senators will observe on the map the blue line running from the Gulf of Riga, in the eastern portion of the Baltic Sea, in a southeasterly direction to the Black Sea, cutting off a portion only of Roumania which joins Russia; thence along the Black Sea and around Turkey, and again cutting across the peninsula, the southern extremity of which is Greece; thence following up the Adriatic Sea, again cutting inland on the northern line of Switzerland; and thence in a northwesterly direction taking in a portion of France, they will observe the immensity of the territory in one compact body whose resources to-day are supplying the great central powers.

So, Mr. President, peace will not come through the lack of physical resources of the enemy powers. I am morally certain that this war can only be ended in one of three ways. First,

by the warring people themselves, becoming tired of a slaughter which so far has led to no definite results, forcing a peace. This prospect at present is not very bright. Second, by conquering the submarine. If that menace could be met the hope of the central powers to crush France and starve Great Britain would soon fade. Those powers are relying with implicit faith on our inability to cope with their submarines, and to-day, Mr. President, their faith seems to be well founded. The prospect of the submarine gradually destroying the shipping, upon which Great Britain is so dependent, seems just as certain to-day as it did during the earlier months of unrestricted submarine warfare. It may be that Germany will have to postpone for a few months the completion of the program outlined by her involving the destruction of a sufficient amount of the tonnage of the world to starve out England, but at the present time she is certainly destroying tonnage to an amount more than two and a half times greater than can be supplied by the world in the same length of time. Third, and what appears to me to be the only certain means of bringing victory to our arms, is by raising and putting into the line of battle 5,000,000 men and sustaining and equipping them. The forces of Petain and Haig must be augmented until they can by irresistible force regain Belgium, Serbia, Roumania, and the enemy-occupied French territory. That is the colossal task on which we must fix our gaze. That is the task to finance which we must shape our revenue legislation.

Compared with that mighty territory we have in Europe, Great Britain and Ireland, with 121,331 square miles of territory; France, with 207,054 square miles; Italy, with 110,623 square miles; or a total of 439,008 square miles. In Europe, therefore, the territorial domain of the entente powers compared with that of the central powers is about one to three and one-fourth, the one scattered and disconnected, the three and one-fourth contiguous and compact. It must also be remembered that vast stretches of the island of Great Britain are mountainous and unproductive. Let us also recall, Mr. President, that German armies to-day occupy foreign territory, and are utilizing the resources of that enemy territory in a number of square miles greater than all of Germany, Germany being about 208,000 square miles in extent, and the adjacent territory which she now occupies and holds and uses about 214,000 square miles.

Considering the populations from which the soldiery is drawn, we find Germany with a population of 66,715,000; Austria-Hungary, with 50,000,000; Bulgaria, 4,755,000; Turkey, with 21,274,000; or a total population of 142,744,000. Against this we have France, with a population of 39,601,509; Great Britain and Ireland, with 45,264,245; Italy, with 35,598,000; or a total population of 120,463,754. In man resources the power of the entente allies as compared with that of their opponents is greatly inferior. If we should take into consideration Canada, with her 8,000,000 population, and Australia, with about 3,000,000, still the central powers would outnumber the entente powers in population. I am not considering India or Japan, as the forces taken from India are very meager and possibly no greater than are supplied to that country and other adjacent territory for the preservation of order; and Japan, though called a belligerent, is now occupying a position of negation only. And, Mr. President, we must also deduct from the entente population that portion inhabiting the territory in possession of the central powers and add that same number to the central powers population.

At this time not a foot of German territory is in possession of the enemy, while she governs and controls and utilizes an enemy territory greater in area than her own. All the ravages, all of the destruction, all of the sufferings of this devastating war are outside the German borders. Her resources have not been touched by enemy hands. Her prisoners, mostly from Russia, cultivate her fields and produce the food for her soldiers.

Nor is this the only advantage which is held by the central powers. For nearly half a century the German powers have expended all their surplus energies and all their genius in the preparation for a world war. Every railway, every road, every canal has been built or dug with the dominating idea of its usefulness in war. Every foot of adjacent foreign territory has been mapped out by her war officers and photographed by her spies. She has studied out where to strike and how to strike her enemy and constructed her railways to the point of attack. She has planned so that in event of war she could seize, before a force could be accumulated to stand the shock of her arms, the richest portion of France, Belgium, and Russia—could seize and hold the coal, the iron, and the agricultural provinces of her neighbors and utilize their resources. From her borders to Berlin she is surrounded and protected by forts after forts, defenses after defenses. She can move her guns or her vast armies from one line of battle to another, from one border to the opposite border, in a few hours. She can accomplish in these hours what the allies would require weeks to perform.

Mr. Gerard, our ambassador to Germany, up to the time of our declaration of war, brings this information to the American people concerning the war power of this great nation. In an article written only a few days ago he says:

> I want to tell them that the military and naval power of the German Empire is unbroken; that of the 12,000,000 men whom the Kaiser has called to the colors but 1,500,000 have been killed, 500,000 permanently disabled, not more than 500,000 are prisoners of war, and about 500,000 constitute the number of wounded or on the sick list each day, leaving at all times about 9,000,000 effective under arms. I state these figures because Americans do not grasp either the magnitude or the importance of this war. Perhaps the statement that more than 5,000,000 prisoners of war are held in the various countries will bring home to Americans the enormous mass of men engaged. There have been no great losses in the German Navy, and any losses of ships have been compensated for by the building of new ones. The 9,000,000 men and more—for at least 400,000 come of military age in Germany every year—because of their experience in two and a half years of war, are better and more efficient soldiers than at the time they were called to the colors.

On the other hand, Great Britain, the country which to-day is furnishing the strongest sinews of this war and bearing the brunt in the destruction of her merchant vessels, had prior to this war given practically no consideration to her military prowess. Realizing her precarious situation in case her enemies should be able to cut off her avenues of ocean trade she has developed and maintained an enormous navy, only to find that in the days of her direst needs her vast dreadnaughts are impotent to shield her ocean commerce, on which her very life depends, against the deadly and, so far, invincible submarine.

So, too, while Germany has been studying the science of war as no other nation in the world and perfecting her officers in that science, Great Britain, like the United States, has done little or nothing. Great Britain had at the beginning of the war no strong generals capable of comprehending the vastness of the situation. She had to develop her officers at an enormous sacrifice. She has suffered as no other nation for this inefficiency, both on land and sea, at Gallipoli and at the Dardanelles. Like ourselves, she seems to have been dreaming during the earlier months of the war while the central powers were building submarines in sufficient numbers to pounce upon and annihilate the commerce of the world.

Nor are these the only advantages which Germany and her allies possess. That vast central Europe is one single, compact body. With a degree of economy and intensified farming that territory can produce practically all that is necessary to support the armies and civil population. Great Britain, on the other hand, must draw her livelihood from every section of the earth. She must guard her merchant marine all over the face of the earth in order to secure food for her people and raw products for her industries. Her sea isolation is an element of weakness at all times, and since the advent of the submarine has become a most serious weakness—a crisis involving the very life of the nation itself. Had either of these nations—Great Britain or the United States—relied less upon rutted opinion of naval experts and more upon the unfettered genius of the two countries, had they fully realized what every thoughtful layman realized, the possibilities of submarine warfare; had they given even at a later date, when the danger was too manifest to be longer ignored, proper thought to the subject of protection of merchant shipping against torpedoes, rather than concentrating all their thought upon the question of the destruction of the submarine, I feel satisfied that we would to-day have had vessels plying between the United States and Great Britain and France which would have been practically immune from destruction by torpedo. Even in the midst of this fearful devastation we are not giving that subject due and proper consideration.

The United States is now called into this war. We have the population, we have the wealth, we have the resources, but we are from three to four thousand miles from the scene of conflict, separated by an ocean infested by the submarine menace, which will involve enormous losses and enormous expense if we are able to keep open a channel of communication for our troops and their munitions, food, and clothing.

So, Mr. President, in looking at the matter from a comprehensive viewpoint, we can discern some contingencies with certainty. The first is that unless we succeed in meeting the submarine menace our allies will be defeated before we can get into this war. Germany relies upon this with a growing confidence. All of her statesmen have declared that all she needs to do is to act on the defensive along the western line, holding the enemy at bay while her submarines accomplish the annihilation of the world's shipping; second, if we shall be able to meet those ravages, if we can hold the submarine in such bounds as to keep afloat sufficient vessels to supply our own armies and our allies, we shall still have before us a war that will last for years before any victory can be achieved. If we allow this war

to close, leaving the situation just as it was before the war, then we can rest assured that the same causes will bring about the same result, and that our children must meet that which we have been unable, through inability or lack of courage, to settle. That we must not do.

Therefore, in framing a revenue bill we must contemplate a war of several years' duration, each year requiring an ever greater outlay in treasure. That treasure must be collected from the American people. It must be collected from a people who have sufficient prosperity to enable them to meet its demands.

Mr. President, I have thus far tried to present the magnitude of the task before us that we might begin to realize the vast expense which we shall be called upon to meet, and so apportion that expense as not to exhaust the country before the final victory is achieved. We all learn quite early in life how to conserve our energies to meet exacting tasks. If we were required to drive a team of horses 60 miles in the shortest possible time without serious injury to those faithful servants of man, we would first take account of their capacity for endurance and then we would exercise especial care to hold them in check for at least one-half or two-thirds of the distance to be covered, conserving their energies for the last lap, in which we would not only give free rein but, by the use of the lash, force exertion to the limit. That rule of reason is just as applicable in dealing with the taxes we must extort from the business of this country to carry this war to its final goal. There is a limit to our capacity, our endurance. We must conserve the capital energy of the country, that it may meet the onerous demands of the last year of the conflict. The nation which strikes the last blow, Mr. President, is the nation that will win, rather than the nation that is able to strike the first blow. We might raise this year by taxation all that would be expended this year, but if we did so we should surely exhaust ourselves before the second year.

My judgment was that we should not have attempted to raise more than one billion additional by taxation this year. I should have favored issuing serial bonds which would have covered a period of 30 years for the far greater portion of the expenses of the war. But the committee in its wisdom has thought it best to raise by taxation this year a sum considerably in excess of what I deemed advisable and has brought in a bill to raise $2,000,000,000 for the year ending June 30, 1918, in addition to about $1,000,000,000 which the present law will provide. We shall need to levy more the next year. And, Mr. President, as the business of this country is the only source from which we can draw this revenue, so we should guard with the greatest care every legitimate American industry. We should cripple none. To do so would be a suicidal policy. We should be careful that we do not use the taxing ax at the root of the tree of business, whose fruits in increasing quantity we must annually gather.

I have not sought by my vote in the committee to confiscate by taxation all of the earnings of the people above what is reasonable and necessary. I have not been overfearful that some might make more money than they might need in their business. The money remains in the country. The savings of one year usually become the capital for the next year. And if those savings go into additional active capital, we have just what we shall need—a broader line of business, a more extensive field from which to draw each succeeding year, and this we must have because each succeeding year will require heavier and heavier tax burdens. Each year we must sell more bonds. The money that goes into bonds must be that which has been earned in addition to that which is paid out in taxes. The same earnings can not go into both taxes and bonds. There should, therefore, be a liberal leeway between earnings and taxation.

Let it therefore be well understood that the committee in presenting this revenue bill has presented only the first installment of the tax legislation it has in mind. The whole tax scheme has in contemplation a period that will cover several years. During that period, unless the war comes to a sudden and unexpected end, in my judgment we shall need to expend not less than $40,000,000,000. The principal portion of this expense must be raised by the sale of bonds, the balance by tax levies. As the cash to meet both, however, must be derived from the same source—business profits—it goes without saying that the tax levies and bond sales must be so adjusted as not to conflict with or destroy each other.

It has been suggested by some who form their judgment on first impulses that we should begin by confiscating all excessive incomes, as for example, all incomes above 8 per cent. At first glance that would seem to be both feasible and just, but let us see to what end this course would lead us. It must be apparent to anyone that if you threaten to cripple or unduly hamper the business of the country, upon whose profits we must depend for our revenues, you drive capital out of business, and to that extent you decrease the source of supply and thereby diminish not only the revenue from taxation but also the amount available for bond purchases.

Mr. President, there is a large element of risk in all lines of productive business. The greater the risk the greater must be the inducement of alluring dividends to tempt capital to invest in such undertakings. If, through the taxing power, you limit the profits to a fairly low basis, with no corresponding guaranty of the capital itself against loss, capital will not take the risk. Deprived, then, of the revenue which this capital ought to produce through a tax on its profits, the Government would be compelled to issue additional bonds to secure the necessary funds to prosecute the war.

But here again the bonds must seek the same field to find their purchasers and will suffer the same from a diminished income, due to unemployed or unprofitably employed capital. The Government would then be compelled to increase the rate of interest on its bonds to secure the necessary war money, and this increased interest rate, together with the nontaxable character of the bonds, would draw upon the capital of the country itself, rather than the income from capital. This capital would then cease to be active capital producing a tax-paying income for the Government and become a dead capital, drawing yearly interest from the Government. That condition, Mr. President, must be avoided. How can it be avoided? It can only be avoided by giving assurance to the business of the country that it will be allowed a return upon its investment, after paying its governmental taxes, very considerably in excess of nontaxable interest received from Government bonds.

Mr. President, under existing law we shall raise by taxation for the fiscal year approximately $1,000,000,000. Of the $2,006,970,000 additional which is proposed to be raised by a tax levy, $1,339,700,000 is to be raised by additional tax on incomes and war profits, and $667,270,000 from other sources. The amount to be raised from incomes is so graded that the burden falls most lightly on the small incomes and most heavily on the larger ones, the gradations running from 1 per cent on the small to 49.89 per cent on the larger ones.

I believe, Mr. President, that this is as heavy a levy as we can safely make without guiding our course into a field where disastrous results would follow. Do you stop to contemplate what is most liable to occur when you take 50 per cent of any income for taxes? Let us suppose that the average business pays 7 per cent net. Here stands the Government, then, offering its own bonds bearing 3½ per cent interest, which are not subject to any taxation whatever, and at the same time taking 50 per cent or one-half of the very great incomes. Can you not see that it would be more profitable for those persons having these large incomes to invest their capital in Government bonds bearing 3½ per cent interest rather than in an enterprise that would yield them 7 per cent net, one-half of which would go to the Government? Do you not observe that their net income would be the same, and by investing their capital in Government bonds they would, in addition, escape all the chance and responsibility of business, and all further taxes?

What I want to see, and I am certain what we all want, is that the small concerns of the country, the poorer class, and those of moderate means, shall make sufficient profits to enable them to purchase and hold most of the Government bonds, and that the money of the great capitalists may continue in business and respond in taxes for the support of the Government in the future rather than in the form of an investment in Government bonds which draw interest from the Government. I am certain, Mr. President, that 50 per cent is as high as we can afford to tax even the large incomes without forcing a vast amount of the capital of the country, now engaged in productive business, into the purchase of Government bonds.

It may be that industrial or financial conditions in Great Britain and other countries are such that the Government can safely levy a greater income tax. I do not believe, for the reasons given, that we can safely do so.

But it is pressed upon us that in some lines of business capital will reap enormous profits during this war. If they do from now on, Mr. President, it will be because the Government—the administration—has failed to do its duty. We have during this session enacted laws and put into the hands of the President ample power to compel every manufacturer and producer in the country, whether of war munitions and equipment or of foods and clothing, to conduct his business for a fair and reasonable profit. The President asked these powers for the protection of the Government and of the people, and Congress responded to the request unstintingly. The President having asked these powers for a definite purpose, and Congress having granted the powers for that very purpose—the prevention of unreasonable charges—are we not compelled to assume that

the President will not fail to exercise the powers given? I am free to say I believe the power will be used and that unconscionable profits will not hereafter be allowed to the American manufacturers and producers.

I believe that we will get the revenue that has been estimated by the department for the year ending June 30, 1918, because these enormous profits have already continued from the last fiscal year up to the present time, and undoubtedly they will continue for some months before the power of the Government is felt, reducing them to a reasonable basis.

The President has already notified munitions and arms factories that they must furnish their products to the allies at the same price that is paid by our own Government. These great profits which have been made during the last three years by taking advantage of the necessities of the warring powers must and ought to cease now that we have entered into that war. I assume they will cease, because I believe the laws will be enforced.

I have more fear that the Government will be imposed upon,as I believe it has already been grossly imposed upon, by contractors and subcontractors in constructive work and various other lines in which Government appropriations will be expended.

But if any concern should escape the watchful eye of the administration and earn excessive profits, it can not escape this revenue dragnet, which, with its taxes and surtaxes, its normal taxes and its excess taxes, its double and treble taxes. will in some form or other draw such profits into the war chest.

Mr. President, in what I have already said I have fulfilled my purpose—that of presenting the broader aspects of the situation which this revenue bill is intended to meet, and especially to call to the attention of the people of the country the mighty task they have undertaken in this war, the many billions of dollars which will of necessity be expended before the object of the war shall have been accomplished, and above all the necessity, the paramount necessity, of maintaining an industrial and a commercial prosperity throughout the country upon which we can rely for the sinews of this war until through victory we may assure to the world a just and lasting peace.

Probably no single member of the committee agrees with every provision in this bill. In its final form, however, the divers views of the members have been coalesced as much as possible. It is but the first great step in raising revenue for an unprecedented war. It will have to be extended to cover other fields, and undoubtedly will have to be modified as experience may suggest. It answers the present purpose, and, in my opinion, should be speedily enacted into law that every line of business may know its scope and limitation and adjust itself to its requirements.

For the benefit of those who may read the RECORD and to bring before them in a concrete and understandable form just what revenue is expected to be raised by this bill, in addition to the revenue which will be collected under existing law, through what sources the additional sums are to be secured and the amount estimated from each source, together with the total income tax on incomes ranging from $1,200 to $100,000,000 and other important items, I ask permission to append to these remarks certain explanatory tables.

The PRESIDING OFFICER (Mr. BRADY in the chair). Without objection, it is so ordered.

The tables referred to are as follows:

Table showing income tax that would be collected upon specified net incomes of married persons at the new proposed rates.

Income of—	Present law.		Additional war tax.		Total tax.	
	Total tax.	Per cent.	Total tax.	Per cent.	Amount.	Per cent.
$1,200	0	0	0	0	0	0
$1,500	0	0	0	0	0	0
$2,000	0	0	0	0	0	0
$4,000	0	0	$40	1.00	$40	1.00
$5,000	$20	0.40	60	1.20	80	1.60
$7,000	60	.86	120	1.71	180	2.57
$10,000	120	1.20	235	2.35	355	3.55
$12,000	160	1.33	335	2.79	495	4.12
$15,000	220	1.47	510	3.40	730	4.87
$20,000	320	1.60	910	4.55	1,230	6.15
$30,000	620	2.07	1,910	6.37	2,530	8.43
$60,000	1,320	2.64	5,310	8.85	6,630	11.05
$75,000	2,470	3.29	7,410	9.88	9,880	13.18
$100,000	3,920	3.92	11,710	11.71	15,630	15.63
$150,000	7,420	4.95	22,710	15.14	30,130	20.09
$200,000	11,420	5.71	35,210	17.60	46,630	23.31
$250,000	15,920	6.37	49,210	19.68	65,130	26.05
$300,000	20,920	6.97	64,710	21.57	85,630	28.54
$400,000	31,920	7.98	97,710	24.43	129,630	32.41
$500,000	42,920	8.58	130,710	26.14	173,630	34.73
$600,000	54,920	9.15	165,710	27.62	220,630	36.77
$700,000	66,920	9.56	200,710	28.67	267,630	38.23
$800,000	78,920	9.86	235,710	29.46	314,630	39.33
$900,000	90,920	10.10	270,710	30.08	361,630	40.18
$1,000,000	102,920	10.29	305,710	30.57	408,630	40.86
$10,000,000	1,437,920	14.38	3,455,710	34.55	4,893,630	48.94
$30,000,000	4,437,920	14.79	10,455,710	34.85	14,893,630	49.64
$100,000,000	14,937,920	14.94	34,955,710	34.96	49,893,630	49.89

Table showing the individual income-tax rates of the present law as compared with the rates adopted by the House and the rates as recommended by the Finance Committee and the total rates as carried by the House and the committee bills.

	Present law.	House bill.		Committee bill.	
Exemption:					
Heads of family	$4,000	$2,000		$2,000	
Other persons	3,000	1,000		1,000	
For each minor dependent child	0	0		200	
		House bill.	Total.	Committee bill.	Total.
	Per ct.	Per ct.	Per ct.	Per ct.	Per ct.
Normal rate	2	2	4	2	4
Additional tax rate on the amount of income in excess of—					
$5,000 and not of $7,500	0	1	1	1	1
$7,500 and not of $10,000	0	2	2	2	2
$10,000 and not of $12,500	0	3	3	3	3
$12,500 and not of $15,000	0	4	4	4	4
$15,000 and not of $20,000	0	5	5	6	6
$20,000 and not of $40,000	1	6	7	8	9
$40,000 and not of $60,000	2	10	12	10	12
$60,000 and not of $80,000	3	13.75	16.75	12	15
$80,000 and not of $100,000	4	17.5	21.5	16	20
$100,000 and not of $150,000	5	20.25	25.25	20	25
$150,000 and not of $200,000	6	25	31	23	29
$200,000 and not of $250,000	7	30	37	26	33
$250,000 and not of $300,000	8	33.75	41.75	29	37
$300,000 and not of $500,000	9	37.5	46.5	31	40
$500,000 and not of $1,000,000	10	41.25	51.25	33	43
$1,000,000 and not of $1,500,000	11	45	56	33	44
$1,500,000 and not of $2,000,000	12	45	57	33	45
$2,000,000	13	45	58	33	46

Estimated additional revenue to be derived under the proposed bill.

[Estimated revenue for a 12-month period.]

Title I:	
Income tax—	
New war tax	$777,700,000
Title II:	
War profits	562,000,000
Title III:	
Distilled spirits	135,000,000
Rectified spirits	5,000,000
Fermented liquors	46,000,000
Wines, etc	21,000,000
Soft drinks, sirups, etc	11,000,000
Title IV:	
Cigars	10,000,000
Cigarettes	20,000,000
Tobacco	25,000,000
Snuff	1,500,000
Cigarette papers and tubes	100,000
Title V:	
Transportation—	
Freight	77,500,000
Express and parcel post	18,000,000
Passenger	37,500,000
Pipe lines	4,500,000
Seats and berths	2,250,000
Telegraph and telephone messages	7,000,000
Title VI:	
Automobiles	40,000,000
Sporting goods	800,000
Pleasure boats	500,000
Perfumes and cosmetics	1,900,000
Proprietary medicines	3,400,000
Cameras	500,000
Title VII:	
Admissions	23,000,000
Title VIII:	
Schedule A, including playing cards	32,000,000
Title IX:	
War excise tax on coffee, tea, cocoa, and sugar	86,000,000
Title X:	
Virgin Island products	20,000
Title XI:	
First-class mail matter	50,000,000
Second-class mail matter	3,000,000
Profits tax on second-class mail matter	7,500,000
Total	2,006,970,000

Mr. SIMMONS. Mr. President, I am going to move a recess, but before doing so I wish to say to Senators that there is every indication now that general debate on this bill will not be very much prolonged. I trust that we shall finish the general debate either to-morrow or the next day. As soon as we have finished the general speeches I shall ask the Senate to take up the committee amendments. So I feel compelled to object to the interjection of any measure except a conference report until we have finished the pending bill.

Mr. CURTIS. May I ask the Senator if he expects to reach a vote on the amendments to-morrow?

Mr. SIMMONS. I do not know. I will say to the Senator——

Mr. CURTIS. There are a number of Senators absent.

Mr. SIMMONS. I know of but two Senators who are ready to speak. It may be possible that there are others, but I do

not know. If there are no other general speeches to be made to-morrow, I shall ask the Senate to take up the amendments to-morrow.

Mr. CURTIS. A number of Senators are absent who will be here day after to-morrow, and they are very anxious to be here when the amendments are considered. I should like to have time to notify them, as they expected the debate to run until about Friday, I think.

Mr. PENROSE. If the Senator from North Carolina will permit me, I do not think there are many Senators on the minority side, anyhow, neither do I believe there are many on the majority side, who intend to make general speeches. There are doubtless a number of Senators who will take advantage of some title or schedule of the bill to make general remarks. I think we can proceed with the details of the measure certainly by Wednesday.

Mr. SIMMONS. I anticipate that we shall probably reach amendments by Wednesday, but if there is no one ready to go on to-morrow I would not be disposed to waste the day, and I should insist upon beginning with the amendments to-morrow.

Mr. GORE. We could take up unobjected amendments and proceed with those.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until 11 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until to-morrow, Tuesday, August 14, 1917, at 11 o'clock a. m.

SENATE.

TUESDAY, *August 14, 1917.*

(Legislative day of Monday, August 13, 1917.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	McNary	Sheppard
Brady	Husting	Myers	Sherman
Chamberlain	Johnson, Cal.	New	Simmons
Culberson	Jones, Wash.	Page	Smoot
Curtis	Kellogg	Penrose	Trammell
Dillingham	Kendrick	Pittman	Underwood
Gerry	Kirby	Poindexter	Vardaman
Gronna	La Follette	Saulsbury	Weeks
Hardwick	Lodge	Shafroth	Williams

Mr. CURTIS. I desire to announce the absence of the senior Senator from New Mexico [Mr. FALL] on account of illness in his family. I will allow this announcement to stand for the present.

I wish also to announce the absence of the senior Senator from New Hampshire [Mr. GALLINGER] on account of illness. I will allow this announcement to stand for the present.

Mr. JONES of Washington. I wish to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. This announcement may stand for the day.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness and to state that he is paired with the senior Senator from North Dakota [Mr. MCCUMBER]. This announcement may stand for the day.

Mr. KIRBY. I wish to announce the unavoidable absence of my colleague [Mr. ROBINSON] and to let the announcement stand for the day.

The PRESIDENT pro tempore. Thirty-six Senators have answered to their names. A quorum is not present. The Secretary will call the roll of absent Senators.

The Secretary called the names of the absent Senators, and Mr. KING, Mr. MCKELLAR, Mr. NELSON, Mr. POMERENE, Mr. RANSDELL, Mr. STERLING, and Mr. THOMPSON answered to their names when called.

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent on account of illness in his family. He has a general pair with the Senator from New Jersey [Mr. FRELINGHUYSEN]. I will let this announcement stand for the day.

Mr. OVERMAN, Mr. BECKHAM, Mr. CALDER, and Mr. FRANCE entered the Chamber and answered to their names.

Mr. KING. I desire to announce that the Senator from Maryland [Mr. SMITH], the Senator from California [Mr. PHELAN], the Senator from Illinois [Mr. LEWIS], and the Senator from Florida [Mr. FLETCHER] are detained from the Senate on official business.

The PRESIDENT pro tempore. Forty-seven Senators have answered to their names. There is not a quorum present.

Mr. SIMMONS. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

Mr. REED and Mr. STONE entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Forty-nine Senators have answered to their names. There is a quorum present.

EXPORTS OF COTTON.

Mr. LODGE. Mr. President, if the Senator in charge of the pending bill will permit me, I ask leave to have printed in the RECORD, without reading, a statement of the National Association of Cotton Manufacturers containing certain statistics relative to exports of cotton, which I think will be found to be of great interest.

The PRESIDENT pro tempore. Without objection, that order will be made. The Statement referred to is as follows:

STATEMENT OF THE NATIONAL ASSOCIATION OF COTTON MANUFACTURERS.

"We quote from the President's appeal to business men, as follows:

"'Patriotism leaves profits out of the question. In these days of our supreme trial, when we are sending hundreds of thousands of our young men across the seas to serve a great cause, no true man who stays behind to work for them and sustain them by his labor will ask himself what he is personally going to make out of that labor. No true patriot will permit himself to take toll of their heroism in money or seek to grow rich by the shedding of their blood. He will give as freely and with as unstinted self-sacrifice as they. When they are giving their lives, will he not give at least his money?'

"If the administration expects every man to do his duty, the administration must not fail on its part to protect the country. It is generally conceded that the business men of the country have not failed in their duty since the first of April, when the President broke off diplomatic relations with Germany. Many of the business men have given up practically their whole time to the service of the Government without pay. No one who is at all familiar with the situation has questioned for a moment the patriotism of the business men throughout the country. Some of them are wondering, however, why the administration is apparently failing on their part to carry on this war as a business man would carry it on. So far nothing whatever has been done to control the exports of cotton, which is the basis of explosives, and which has been leaking into Germany through several sources. It would be a deplorable condition to find out several months hence that our own cotton is being used to manufacture explosives in Germany with which to fight our own Army, when we had the power from the start to see that this did not happen.

"The following startling figures have been submitted to the members of the Defense Council and its advisory board, to show that Germany has obtained tremendous quantities of this commodity from neutral countries. For instance, it has been shown that in 1914 Sweden alone sent into Germany approximately 9,800,000 pounds of cotton. These are the last figures available in regard to the exports of that country into Germany. Between 90,000,000 and 100,000,000 pounds of cotton from this country above what is believed to be the normal requirements of the neutrals of Europe is believed to have been taken by them since the war began. That statement is based on official figures which have been submitted to the Government. Spain, Denmark, Holland, Sweden, and Norway have imported vastly in excess of their need. In the year 1913–14, just before the war, they received about 335,000 bales; in 1914 they received 1,998,000 bales, an amount which finds no precedent in the export history of America; and in 1915–16 they received 525,000 bales.

	Holland.	Norway.	Sweden.	Denmark.	Spain.
	Bales.	*Bales.*	*Bales.*	*Bales.*	*Bales.*
1913–14	35,000	2,000	28,000	.....	270,000
1914–15	520,000	48,000	750,444	35,000	470,000
1915–16	100,000	16,000	65,000	.....	530,000

"Besides the figures given above we are attaching four sets of statistics along the same line, which are most illuminating.

"The cotton textile interests of the country in a spirit of pure patriotism have offered their services to the Government to control these exports that none may reach Germany. What is the Government doing toward this control which is so vital to the successful prosecution of this war?

"Under date of July 17, the resignation of Dr. Edward E. Pratt, Chief of the Commerce Department Bureau of Foreign and Domestic Commerce, was forwarded to President Wilson at the request of Secretary Redfield. The cotton textile manufacturers of this country consider the question of the export control of cotton so vital a factor in the conduct of the war that they have passed several resolutions requesting an export control not only of cotton but of anything manufactured from cotton. As chief of the bureau, Dr. Pratt was in active charge of the Government's control of exports and several manufacturers have consulted him as to the best method to pursue in the handling of this control. These same manufacturers are now wondering what the administration intends to do about the control of cotton exports.

"At a joint meeting of the foreign trade committee of the National Association of Cotton Manufacturers and the foreign trade committee of the American Cotton Manufacturers' Association held in Washington June 22, 1917, the following resolution was unanimously recommended to the National Council of American Cotton Manufacturers for adoption:

"*Resolved*, That the chairman of the National Council of American Cotton Manufacturers be empowered and is hereby directed to appoint a committee of seven representing the manufacturing, importing, and exporting of raw cotton and finished goods, which, as the representative of the National Council of American Cotton Manufacturers shall cooperate with the Department of Commerce and through the Textile Alliance, or other means, aid in regulating the exportation and importation of cotton, cotton waste, and manufactures of cotton and the preservation of our increasing export trade in cotton goods.

"After a brief discussion, the chairman, Edward Farnham Greene, appointed the following on the committee: D. Y. Cooper, Henderson, N. C.; F. E. Callaway, La Grange, Ga.; C. B. Bryant, Charlotte, N. C.; John S. Lawrence, Boston, Mass.; Albert Greene Duncan, Boston, Mass.; Randall N. Durfee, Fall River, Mass. This committee met the same afternoon and adopted the following resolution:

"*Resolved*, That this committee, created this 22d day of June, 1917, by the National Council of American Cotton Manufacturers, and in cooperation with the Textile Alliance (Inc.), of which the National Association of Cotton Manufacturers and the American Cotton Manufacturers' Association are members, hereby tenders its services to the Bureau of Foreign and Domestic Commerce of the Department of Commerce, in connection with the control of the exportation and importation of cotton, cotton waste, and manufactures of cotton, and the preservation of our increasing export trade in cotton goods.

"This committee has held two meetings since, one in New York, June 29; one in Washington, July 10. At this last meeting, which was made by appointment with Dr. Pratt for the committee, there were informal discussions as to the need of control and the methods to be employed should the Government decide to exercise any control. A suggested plan was presented to Dr. Pratt, who agreed to lay it before the administration board of the export council for investigation, and subsequent recommendation to the council if the circumstances appeared to warrant it. The committee at this meeting also met Mr. C. A. Richards, who is at the head of the division of export licenses, Dr. Young, and Mr. E. R. Sartwell, the latter connected with the publicity department of the Bureau of Foreign and Domestic Commerce, who kindly consented to undertake a proper publicity campaign.

"This committee have already made arrangements, if the Government should call upon them, to put the plan submitted to Dr. Pratt in operation within three days' time. They can arrange a competent working force to handle the shipments when they arrive in foreign ports within two weeks, or practically when the ships reach their destination. The committee is now waiting to hear from Washington as to what their plans are and whether they can be of service.

"Every member of the northern or southern association present at the general or special meetings held in Washington was in favor of so controlling exports that no raw cotton or the products of cotton should reach Germany. It was distinctly agreed by everyone that whatever effect on price such control might have was not to be considered, as the country could not afford to aid the enemy in any way, no matter what the cost might be.

"Cotton is one of the most necessary, if not the most necessary, factor in the conduct of war on account of its general use as an explosive. It has been estimated that the total amount of cotton used by the allies for powder amounts to 3,000,000 bales a year, while the Teutonic needs amount to 2,500,000 bales. The above figures show what power this country has if it furnishes the allies and keeps cotton from Germany. Notwithstanding the leakages of cotton into Germany that country is beginning to feel the need of cotton. It is now making part of its explosives from wood pulp, as is evidenced by the decreased effectiveness of the artillery fire as well as by the recent purchase of 200,000 tons of wood pulp from Sweden. This is a war of artillery; give to one army explosives made from wood pulp and to the other explosives made from cotton, and the one with the cotton will win as surely as an army with guns that outrange those of the enemy will win. Unless Germany finds a way of procuring cotton, Germany will be defeated by cotton.

"Some weeks ago the Boston Transcript published an editorial urging the immediate control of cotton exports on account of the use of cotton as the basis of explosives. Commenting on this editorial, among others, a Providence father who has two sons wearing Uncle Sam's uniform writes, 'Why should our sons go forth to fight in foreign lands, many never to return again, if our Government makes no attempt to keep cotton from reaching Germany through neutral and allied countries?' A Braintree mother with three sons of military age, one already wearing the uniform, writes, 'To put it plainly, we are sending them to be killed and providing the material to kill them with.' Surely the mothers of our soldiers have the right not to ask but to demand that cotton exports shall be controlled.

"One reason which has been advanced against the control of cotton exports is that it may tend to lower prices. It seems incredible that anyone should advance such an argument when, as Senator BORAH says, America is fighting now for the preservation of her own democracy, and this fact must be unmistakably impressed upon all Americans. America must throw the whole force of her power into the conflict.

"Meetings of the farmers' union have been held in parts of Texas recently at which resolutions were passed to send telegrams to the Texas Senators at Washington demanding that cotton be taken out of the food-control bill. Cotton was taken from this bill, and the reason why these resolutions were sent to Washington was simply to keep up the price of cotton, as it was thought that the control of cotton exports meant lower prices.

"Manufacturers are asked to content themselves with a 10 per cent profit. Cotton costs not over 10 cents to raise; it sells to-day for 26 cents. If no cotton reaches Germany the price will not be affected; if cotton does reach Germany can these Texas gentlemen refuse to be satisfied with a slightly smaller profit than they now receive? We commend the following extract from the President's message to these objectors:

"The case needs no arguing. I assume that I am only expressing your own thoughts—what must be in the minds of every true man when he faces the tragedy and the solemn glory of the present war for the emancipation of mankind. I summon you to a great duty, a great privilege, a shining dignity and distinction. I shall expect every man who is not a slacker to be at my side throughout this great enterprise. In it no man can win honor who thinks of himself.

"These men, however, do not represent the general sentiment of the southern cotton planters. Every southerner with whom the writer has recently talked on this subject has stated in no equivocal terms that cotton control should be put in force at once. There are so many reasons for control any one of which seems so convincing that one can not understand why control should not have been in force long ago.

"We must know where our cotton goes and to what uses it is put. We can only know if we control its export. It is not the purpose in any way to restrict exports to our allies, but only to see that none reaches our enemies. Why should Germany be permitted to get American cotton for her war explosives and her soldiers' clothes? Apparently hundreds of millions of pounds have gone to Germany by way of neutral countries. There are exceedingly good grounds for belief that in recent months cotton has reached Germany through Italian ports. In 1914, according to the International Cotton Federation, Germany operated 11,404,944 spindles; figures recently published by the Textile Recorder, of England, show only 865,074 spindles running, or 12 out of every 13 spindles idle. If this is the case the most of Germany's cotton imports are made into explosives, as the number of spindles running would require but a small part of the amount she is credited with receiving.

"The Government must use its economic forces to assist its allies and to weaken its enemies. Cotton has always been used as the basis of powerful explosives, and if Germany is prevented from obtaining cotton it means the shortening of hostilities and the saving of untold lives.

"Cotton should be controlled by the Government so that it only goes to our friends, and our enemies should not be able to use American cotton in making the explosives that sink our ships or kill our soldiers on the field. The products of our soil must not give aid and comfort to the enemy.

"In this matter we should also consider the needs of our allies. Certainly England and France should be given the benefit of our supplies, especially as they are willing to pay the price asked. In no way can they be assured of these supplies except by export control. Both these countries are in great need of cotton. The present stock in Liverpool is only 183,000 bales. Owing to the exceedingly high prices and smallness of stock the Liverpool Exchange is practically closed. The closing of the Havre Cotton Exchange has resulted in a demand for the State control of cotton and the suppression of speculation. In July, 1914, the price of 110 pounds of cotton at Havre was approximately $16, and at Liverpool a few cents lower. In May, 1917, it was $44 at Havre, while it was $29 at Liverpool. England was thus able to undersell in France the French manufacturers despite the duty. Such conditions are not healthy; they can be very much ameliorated by a proper export control.

"The greatest cause for uneasiness as to the leakage into Germany is the size of the shipments into Italy. These shipments have been very much larger than required to operate the 4,600,000 spindles in that country. Owing to the lack of steam coal it is reported that the industries of Italy are scarcely running 50 per cent of their normal production. Cotton is shipped to Genoa and through Switzerland into Germany; these shipments are ostensibly for Swiss consumption. As Switzerland has only 1,500,000 spindles, and as the need for fuel is probably more acute in Switzerland than in any other country, it is safe to assume the spindles are not running in full. There seems reasonable grounds for presuming that private commercial agreements are in that way still in force through Swiss mediums, so that Germany is receiving considerable quantities.

"Outside of these routes a gentleman very high in the American diplomatic service in Austria has reported that he has seen quantities of American cotton in Austria. These shipments have probably not gone direct from this side. England can not blockade Italian shipping as she can the neutral countries. Italy must attend to this herself. The United States is in a position to ration cotton so that Italy only receives her own requirements and no more. In this way the leakage through Switzerland could be absolutely stopped.

"Our advance army is now in France; 500,000 men have just been drafted; 500,000 more are to be drafted in the fall. This means that everything pertaining to an army of a million men will have to be transported to France, and ships must be continually taking this army supplies. The shipping situation is already acute, and the constant destruction by the U-boats will make this situation more and more acute. It will require very good calculation to see that tonnage necessary for their subsistence is furnished. For this reason also all our exports should be controlled so that the most effective use possible be made of shipping.

"All exports will sooner or later be put into three classes; these will be known as vital, essential, and nonessential. Cotton will be considered in the essential, if not vital, class if it is for the requirements of our allies. It will be considered in the nonessential class if for neutrals, and it will be considered vital that none reaches Germany.

"If we do not control our own exports of cotton, it is quite possible that our exports may be controlled for us. Sweden, Norway, Denmark, and Holland have only 1,345,000 spindles. Compare the tables of exports to these countries for 1914, 1915, 1916, and 1917 with their requirements. None of these countries will guarantee that no supplies reach Germany. Some of them insist that it is the right of neutrals to buy where they please and to sell where they can find a profitable market. Sweden has just sold 200,000 tons of wood pulp for cellulose. This is to be used to fight us; England has interfered with the trade of these neutral countries with her blockade. If we refused clearances to these neutrals without guaranties, there would be no need for the blockade; as an ally it is our duty to give the English Navy this relief.

"A foreign control of our exports would be most unfortunate. It might happen that such a method would restrict trade; this we wish to avoid. Export control will not only keep cotton from the enemy but will really keep trade routes open. This will mean a broader market and better trade, which will mean higher prices than might otherwise prevail.

"While it is not the purpose in this article to take up the price of cotton, sight must not be lost of the present exceedingly high price, which works great hardship in many ways. The situation has so developed in the cotton-goods market that consumers have to pay twice the value of cotton measured by any fair standard. This question does not have to do with export control, but is a question as to the control of the cotton exchanges, which are solely responsible for speculative fluctuations.

"No man is a true American who in any way assists in exporting any article which he has reasonable grounds to think may be of service to the enemy; any man who knowingly attempts to export any such commodity which is destined for the enemy is a traitor to his country. This man may have subscribed large amounts to the liberty loan and have given liberally to the Red Cross, but he, nevertheless, stands in the same class as Benedict Arnold, and under present conditions should be treated as such.

"We are in this war because our manhood demanded it; we are fighting to make the world safe for generations to come; we must therefore use every means at our disposal to win a victory which shall be lasting and which we hope will put an end to world wars. The control of cotton exports means life or death to many of our American soldiers whom we are sending to fight our battles in Europe. Can we afford longer delay in this matter? The control can not be put in force too soon; it can not be made too stringent.

"At a recent hearing held at the statehouse in Boston before Gov. McCall a well-known woman in Massachusetts said she would freely offer her only son as a sacrifice if it were necessary. If he never came back, she would accept the sacrifice; if he came back maimed for life, she would be content, but she would never forgive the Commonwealth if that son was not protected while he was fighting for his country and came back with a poisoned body. It seems that every mother would be entitled to take the same stand if the United States Government did not at least try to control these cotton exports so that they would not reach Germany, there to be made into explosives to kill American boys. She would have reason not to forgive the country which did not protect her son.

Exports of cotton, by fiscal years (bales), including linters.

UNITED STATES.

Destination.	Year ending June 30—					
	1912	1913	1914	1915	1916	1917
Denmark	1,750	120	100	37,000	12,000	7,800
Holland	35,000	14,000	34,600	519,000	99,000	169,000
Italy	612,000	479,000	517,000	1,079,000	814,000	666,000
Switzerland	50	75	.....	.....	15,000	23,000
Total	648,800	493,195	551,700	1,635,000	940,000	865,800

Destination.	Recent months.			
	March.	April.	May.	June.
Denmark	100	.....	.....	7,300
Holland	.....	.....	1,300	.....
Italy	29,000	17,000	64,000	29,000
Switzerland	.....	1,000	1,300	800
Total	29,100	18,000	66,600	37,100

Cotton trade by calendar years, in quintals (=220.4 pounds).

ITALY.

Imports from—	1912	1913	1914	1915	1916
United States	1,724,000	1,480,000	1,261,000	2,148,000	1,852,000
British India	302,000	352,000	415,000	601,000	545,000
Egypt	87,000	104,000	100,000	155,000	130,000
Asiatic Turkey	16,000	61,000	44,000	7,500	[1] 10,000
Others	12,000	18,000	6,000	500	800
	2,141,000	2,015,000	1,826,000	2,912,000	2,537,800

[1] Estimated.

SWITZERLAND.

United States	153,000	156,000	88,000	174,000	[1] 127,000
Egypt	102,000	104,000	117,000	135,000	[1] 84,000
India and others	8,000	13,000	15,000	8,000	[1] 6,000
	263,000	273,000	220,000	317,000	217,000

[1] First 9 months of 1916.

Note that Switzerland exports small amounts of cotton waste to Germany and Austria.

"Exports of raw cotton from Switzerland, if the Swiss figures are reliable, are very small.

"The total value of such exports in 1915 was about 4,000,000 francs ($800,000).

"Recorded exports of waste to Germany and Austria-Hungary are as follows (in quintals) for first nine months of the year:

Germany, 1916	3,000
Austria-Hungary, 1916	5,000
All countries:	
1915	64,000
1916	8,000

WHY CONTROL OF COTTON EXPORTS IS NEEDED.

"Official Government statistics of the exports of raw cotton to Italy and central European countries contiguous to Germany afford strong circumstantial evidence that this country has been Germany's source of cotton supply since the war started, and that substantial quantities of the fiber, as well as of waste and soft cotton yarns, are still being received by our enemy from the United States. These statistics are sufficient evidence of the need of strict Government control of cotton exports.

Exports of cotton to Norway, Sweden, Denmark, the Netherlands, and Italy for the fiscal years 1914, 1915, 1916, and the 8 months ending February, 1917.

	Pounds.	Value.
Denmark:		
1914	52,049	$6,636
1915	19,415,451	1,615,550
1916	5,979,970	637,242
8 months ending February, 1917	.....	.....
Netherlands:		
1914	17,526,364	1,679,042
1915	261,868,065	22,843,162
1916	51,043,560	5,604,737
8 months ending February, 1917	30,393,604	4,832,376
Norway:		
1914	1,877,670	24,388
1915	29,947,098	2,537,251
1916	8,291,625	1,036,608
8 months ending February, 1917	4,900,300	825,584
Italy:		
1914	268,678,515	34,248,922
1915	563,700,142	47,771,622
1916	418,457,552	50,109,124
8 months ending February, 1917	271,198,261	45,472,854
Sweden:		
1914	25,835,256	3,392,854
1915	391,520,343	31,879,918
1916	30,254,928	3,941,327
8 months ending February, 1917	43,244,124	7,400,997

Shipments to Genoa (including Naples).

Week ending—	Bales.
Aug. 4, 1916	4,926
Aug. 11, 1916	27,312
(Including 1,400 bales sent to Naples.)	
Aug. 18, 1916	27,045
Aug. 25, 1916	8,754
Sept. 1, 1916	29,897
(Including 900 bales sent to Naples.)	
Sept. 8, 1916	14,267
Sept. 15, 1916	16,869
(Including 800 bales sent to Naples.)	
Sept. 22, 1916	1,300
Sept. 29, 1916	31,089
Oct. 6, 1916	34,211
Oct. 13, 1916	22,955
(Including 1,800 bales sent to Naples.)	
Oct. 20, 1916	11,049
Oct. 27, 1916	27,603
(Including 600 bales sent to Naples.)	
Nov. 3, 1916	8,137
(Including 898 bales sent to Naples.)	
Nov. 10, 1916	30,039
Nov. 17, 1916	20,235
Nov. 24, 1916	24,761
Dec. 1, 1916	10,825
Dec. 8, 1916	24,525
(Including 600 bales sent to Naples.)	
Dec. 15, 1916	12,371
Dec. 22, 1916	48,278
(Including 1,899 bales sent to Naples.)	
Dec. 29, 1916	5,115
Jan. 5, 1917	8,685
Jan. 12, 1917	8,310
Jan. 19, 1917	749
(Including 400 bales sent to Naples.)	
Jan. 26, 1917	9,314
Feb. 2, 1917	21,989
Feb. 9, 1917	8,894
(Including 1,779 bales sent to Naples.)	
Feb. 16, 1917	.....
Feb. 23, 1917	.....
Mar. 2, 1917	2,958
Total, 31 weeks	502,462

Cotton imports and manufactures into Italy.

	1911-12	1912-13	1913-14	1914-15	1915-16	1916-17
Imports of raw cotton:						
1. From United States (bales of 500 pounds each)	620,000	496,000	503,000	1,101,000	802,000	.....
2. From Egypt (bales of 752 pounds each)	46,793	63,576	62,856	167,701	52,516	.....
3. From India (bales of 400 pounds each)	.....	168,717	321,330	354,007	339,330	[1] 131,312
	1911	1912	1913	1914	1915	1916
4. From Great Britain (in pounds)	3,514,400	1,930,300	1,638,300	2,682,700	2,820,100	.....
5. From China (bales of 133 pounds each)	6,190	3,310	6,383	6,051	8,938	.....
Equivalent to bales of 500 pounds each	699,073	731,472	859,575	1,643,483	1,205,450	107,412
	1911-12	1912-13	1913-14	1914-15	1915-16	1916-17
Consumption of Italy (in bales of 500 pounds each)	970,000	1,030,000	800,000	.....	.....	930,000
Cotton spindles of Italy	4,582,000	4,580,000	4,600,000	4,600,000	4,600,000	5,000,000

[1] September to February.

"Authority:

"1. Cotton Facts, published by Shepperson Publishing Co.

"2. Cotton Facts, published by Shepperson Publishing Co.

"3. Confidential.

"4. Information furnished by British consulate general, New York.

"5. Information furnished by Chinese consulate, New York.

"We are advised by Shepperson Publishing Co. that it is impossible to obtain statistics of the consumption of cotton in Italy during the years 1914–15 and 1915–16.

"Peru—very little—and all goes to the United Kingdom.

"Chile—no statistics—amount grown there negligible."

LANDS IN OREGON.

Mr. McNARY. I introduce a bill and ask that it be referred to the Committee on Public Lands.

The bill (S. 2784) to authorize the purchase by the city of McMinnville, Oreg., of certain lands formerly embraced in the grant to the Oregon & California Railroad Co. and revested in the United States by the act approved June 9, 1916, was read twice by its title and referred to the Committee on Public Lands.

Mr. McNARY. In connection with the bill I present certain letters, which I ask may be printed in the RECORD and referred to the Committee on Public Lands.

There being no objection, the papers were referred to the Committee on Public Lands and ordered to be printed in the RECORD, as follows:

McMINNVILLE, OREG., *July 25, 1917.*

Hon. C. L. McNARY,
Washington, D. C.

DEAR SIR: The city of McMinnville, Oreg., acting through its water and light commission, has filed upon the waters of the South Fork of the North Yamhill River, known locally as Haskins Creek, for the purpose of supplying water for domestic purposes to its inhabitants.

Plans for a gravity water system and samples of water from the proposed supply have been submitted to the State board of health for approval, as provided by the Oregon law, and the State board of health has approved the project and has authorized the city of McMinnville to proceed with construction of the system at once, with the express understanding, however, that the city will immediately take steps to acquire as a reserve the land which forms the watershed of Haskins Creek above the point of diversion. Pursuant to this authority, the city has let a contract for the construction of the system. The cost of the system complete will be from $90,000 to $100,000.

Approximately fifteen hundred acres of this land is privately owned, and action will be taken at once to acquire this—by purchase if possible, by condemnation proceedings if necessary. Seventeen hundred and sixty acres is included in the Oregon & California land grant, which has now reverted to the United States.

The land situated in the Oregon & California grant is described as follows:

The north half of section 13 township 3 south, range 6 west.

The north half of the southeast quarter of section 13, township 3 south, range 6 west.

The north half of the southwest quarter of section 13, township 3 south, range 6 west.

The north half of section 14, township 3 south, range 6 west.

The southeast quarter of section 11, township 3 south, range 6 west.

The southeast quarter of the southwest quarter of section 11, township 3 south, range 6 west.
The north half of the northeast quarter of section 11, township 3 south, range 6 west.
The northwest quarter of section 11, township 3 south, range 6 west.
The northeast quarter of section 10, township 3 south, range 6 west.
The north half of the southeast quarter of section 10, township 3 south, range 6 west.
The southeast quarter of the southeast quarter of section 3, township 3 south, range 6 west.
The northwest quarter of the southeast quarter of section 3, township 3 south, range 6 west.
The north half of the southwest quarter of section 3, township 3 south, range 6 west.
The southwest quarter of the southwest quarter of section 3, township 3 south, range 6, west.
The southwest quarter of the northwest quarter of section 3, township 3 south, range 6 west.

It is desired by the citizens of McMinnville that a special act of Congress be passed granting this tract of land to the city of McMinnville as a reserve to protect its water supply.

The grant lands herein referred to are bare of merchantable timber and are practically valueless for agricultural purposes.

Immediate action with respect to these grant lands is desirable, because they will soon be thrown open to settlement, when there is sure to follow much delay and great expense before the city can acquire title.

The citizens of McMinnville ask that the Government set aside these lands as a reserve because the present water supply is inadequate and dangerous; because the Haskins Creek supply is the only adequate and safe supply available; because the Haskins Creek supply will also become dangerous if settlers are permitted to establish homesteads in the watershed; and for the further reason that the lands are of little or no value either for the timber upon them or for agricultural purposes.

We earnestly appeal to you and to the other members of the Oregon delegation in Congress to give this matter immediate consideration, and we assure you that your efforts in their behalf will be fully appreciated by all the people of this city.

Very respectfully,

J. G. BAKER,
Acting Mayor.
GEO. S. SARDAM,
G. F. BELL,
J. H. GIBSON,
G. A. GOELDNER,
City Council of the City of McMinnville, Oreg.
GEO. G. SHIRLEY,
A. M. PERRY,
WM. F. DIELSCHNEIDER,
W. S. LINK,
Water and Light Commission of the City of McMinnville, Oreg.

MCMINNVILLE, OREG., *July 27, 1917.*

Hon. CHARLES L. MCNARY,
Washington, D. C.

DEAR SIR: the light and water commission of McMinnville has directed a communication to yourself, also to the other members of the Oregon delegation in Congress, in regard to a reserve which we would like for the Government to set aside for the benefit of the city of McMinnville's new water system. We have filed our plans with the State board of health for approval, and while they gave us authority to go ahead with the work, with the strict understanding on the part of the commission that we control the watershed above our intake on Haskins Creek, we propose to buy as much of it as possible and take the balance by condemnation, being about 1,500 acres privately owned.

What we are mostly interested in is the land included in the O. & C. land grant, now reverted back to the Government and soon to be opened to entry. There is no doubt that this land will be filed on by a certain class of people for a speculative purpose. Each member of the Oregon delegation will be furnished with a list of the Government land in this Haskins Creek watershed. We are very anxious that a special act of Congress be passed granting this tract of 1,760 acres of land to the city of McMinnville as a reserve to protect this water supply which is of the most vital importance to the city.

We will have over $90,000 invested in this new system, and as the work of construction is in progress and the contracts call for the completion of this system by December 1, 1917, immediate action is desired. I would greatly appreciate your cooperation with the light and water commission in behalf of the city of McMinnville in this matter.

Yours, very truly,

G. G. SHIRLEY.

MCMINNVILLE, OREG., *July 27, 1917.*

Hon. CHARLES L. MCNARY,
Washington, D. C.

DEAR SIR: I have just read communication which the water and light commission of this city has addressed to the Oregon Senators and Representatives in Congress, and beg to add that I have full and complete information regarding the matter therein referred to, and assure you that this city is in great need of acquiring the land referred to in their communication as a reserve to protect the water system which they are installing. I sincerely trust that yourself and associates will be able to formulate a bill and pass it through Congress at once so that no delay will be occasioned this city in properly safeguarding their future water supply.

I assure you your efforts in this direction will be appreciated by the residents of this city and vicinity.

Yours, very truly,

E. C. APPERSON.

MCMINNVILLE, OREG., *July 26, 1917.*

Hon. CHARLES L. MCNARY,
United States Senate, Washington, D. C.

DEAR SENATOR: With reference to the request of the city of McMinnville to have set apart as a reserve for the protection of the watershed from which the city is now securing a supply of water for its use, will say I am familiar with the needs of the city as to such water supply, also with conditions outlined in the application made in behalf of the city for such reserve, and it is highly important to the city of McMinnville that such reserve be created, as this is the only source within the reach of the city of McMinnville from which its citizens and inhabitants can procure a sufficient supply of good, wholesome water, and I sincerely trust you will do what you can to assist the citizens of McMinnville in securing the desired reserve from the lands of the Oregon & California Railroad grant which has been restored to the Government, in order that this water supply may be protected for the purposes herein mentioned.

Assuring you that your efforts along this line will be highly appreciated by the citizens of McMinnville and hoping you will meet with success in securing the passage of such proposed legislation, I am,

Very respectfully,

R. L. CONNER.

MCMINNVILLE, OREG., *July 26, 1917.*

HON. CHARLES L. MCNARY,
Washington, D. C.

DEAR SIR AND FRIEND: On your trips to McMinnville while attending to your duties before the circuit court, no doubt you have been told of McMinnville's serious handicap with its water supply. The situation is this: Our present water supply is inadequate and unwholesome. The municipality through its water commission is installing an additional system which will appropriate the Haskens Creek as a supply source. The State board of health has approved the system, but makes it contingent upon us to acquire a certain acreage or reserve to keep the water from contamination.

This will require a larger amount of money than is available from the bond issue.

The water situation in McMinnville is critical. It has always been a big problem. Several attempts were made to sink deep wells, but the water was found unwholesome and unfit to drink.

The Haskens Creek supply is the only one left available to us.

I wish to say, Senator, that not an iota of selfishness is actuating the council or the commission in presenting this matter for a special act of Congress to you.

I hope that you will give the proposition the attention it deserves. To us living in McMinnville it means a great deal, for the growth of the town has been handicapped because of our inadequate water supply. At present in the summertime we must resort to pump Yamhill River water to meet the needs of the population.

May I not count on you in taking up this matter at your earliest convenience? Many of your friends and admirers are deeply interested and will be grateful for your assistance in this important matter.

Yours, very sincerely,

EDGAR MERESSE.

WAR REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes.

Mr. SHAFROTH. I offer an amendment to the pending bill and ask that it lie on the table and be printed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SMOOT. Mr. President, I have no intention of detaining the Senate in the discussion of the pending bill for any considerable length of time to-day. I feel, however, that if Senators will take the desk copy of the bill and follow what I have to say, the information which I shall give, and which I think the Senate ought to be in possession of, it will hasten the passage of the bill and prevent hundreds of questions being asked when the amendments to the bill come up for discussion and consideration.

It is my intention at this time to take up the bill by titles and to call the attention of the Senate to the amount of revenue which is expected to be raised under each title, and also under each bracket or paragraph or section of each of the titles of the bill. This will not occupy much of the time of Senators who are present. I shall begin with Title I, and call attention to the amount of every assessment in the bill and the amount which will be raised therefrom under the bill, based upon the war profits of 1916.

Mr. BRADY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. I yield to the Senator.

Mr. BRADY. I am very anxious to follow the statement of the Senator from Utah as closely as possible, but I have two forms of the pending bill before me. In following the Senator in his discussion of the matter, which form would he suggest that Senators use—the regular form of the bill which is before the Senate?

Mr. SMOOT. I suggested, as the Senator from Idaho will recall, that Senators take the desk copy of the bill; that is, the regular bill form, which is Calendar No. 106.

I know it is doubted by some that the profits for the year 1917 will amount to as much as did the profits of 1916, but from all the information which the committee could secure, not only from the business interests of the country themselves but from the department, they were led to believe that the profits for 1917 will be greater than were the profits for 1916. If they are greater, Mr. President, the figures that I shall give the Senate at this time will be increased according to the percentage of the increase in those profits over those of 1916; if the profits for

the year 1917 are less than those for the year 1916, whatever decreased percentage there may be must of necessity deduct from the amount of the revenue which I shall present to the Senate the same pro rata decrease. I can only express my opinion that the profits for 1917 will be greater than those for 1916, although it may be that, as a result of enforcing some of the powers which have been granted to the President, and through their administration, the profits of individuals, partnerships, and corporations in this country for the latter part of the year 1917 may be diminished. I believe, however, that the profits for 1917 will be greater than those represented by the revenues which I shall report as being based thereon.

Mr. President, taking the bill, we will begin with "Title I, war income tax." In section 1 the first tax imposed is the normal tax on individuals. You will find on line 9, page 1, that the normal tax on individuals is 2 per cent upon the income of every individual and citizen or resident of the United States which is received in the calendar year 1917 and every calendar year thereafter. That 2 per cent tax will raise a revenue amounting to $89,135,000.

Mr. KELLOGG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Minnesota?

Mr. SMOOT. I do.

Mr. KELLOGG. Are we to understand the Senator from Utah as he goes along to include also taxes raised under prior laws?

Mr. SMOOT. No; the amounts that I shall state are in addition to the amounts already derived under existing law. Section 2 of Title I, Mr. President, imposes an additional tax upon the incomes of every individual received in the calendar year 1917 and every calendar year thereafter over and above the tax imposed under prior income-tax laws.

Beginning with the first bracket of that section, there is imposed an additional tax of 1 per cent per annum upon the amount by which the total net income exceeds $5,000 and does not exceed $7,500. From that there will be raised $4,368,440.

In passing, Mr. President, I desire to say that the present law, with the increase as provided in this paragraph, levies a rate of 3 per cent upon incomes which exceed $5,000 and do not exceed $7,500.

Mr. JONES of Washington. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Washington?

Mr. SMOOT. I do.

Mr. JONES of Washington. That is, this bill levies 3 per cent, and the total will be 4 per cent?

Mr. SMOOT. No; the total will be 3 per cent.

Mr. JONES of Washington. One per cent being the normal tax under the law as it is now, and 2 per cent under the first section of this bill, and 1 per cent additional, make 4 per cent?

Mr. SMOOT. I am speaking of the present 2 per cent normal tax and the 1 per cent additional surtax under this bill.

Mr. JONES of Washington. So I understand.

Mr. SMOOT. Under the present law there is a normal tax of 2 per cent and 1 per cent in the first bracket of this bill.

Mr. JONES of Washington. Let me see if I understand the Senator. As I understand, a person having an income of $7,500 will pay after this proposed law is passed what is equivalent to 4 per cent?

Mr. SMOOT. No; 3 per cent.

Mr. JONES of Washington. Well, he pays 1 per cent under the law as it is now?

Mr. SMOOT. He will pay 1 per cent surtax under this bill, and under the present law he pays a normal tax of 2 per cent.

Mr. JONES of Washington. Then, he now pays 2 per cent, and he will pay 2 per cent more under section 1 of this bill. That makes 4 per cent.

Mr. SMOOT. No.

Mr. JONES of Washington. What I am trying to get at is the total amount of the tax that a person will pay, whether it be called a normal or subnormal or war tax.

Mr. SMOOT. I will make the statement so that all Senators may follow it. The normal tax, as I stated, is 2 per cent, and this bill imposes an additional tax of 1 per cent, which will make the entire tax 3 per cent.

Mr. JONES of New Mexico. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from New Mexico?

Mr. SMOOT. Yes; I yield.

Mr. JONES of New Mexico. I desire to suggest to the Senator from the State of Washington that in the report of the committee, on page 3, is a table giving the present tax and the additional tax figured out according to various incomes of individuals.

Mr. SMOOT. That is the amount of the tax.

Mr. JONES of New Mexico. The amount of the tax, as well as the per cent.

Mr. JONES of Washington. This is what I want to get at——

Mr. SMOOT. I think the figures referred to by the Senator from New Mexico relate to the total of the title, not the revenue from each individual bracket.

Mr. JONES of New Mexico. It is upon various amounts of income figured out.

Mr. JONES of Washington. What I wanted to get at was the total amount of the tax under this bracket and under existing law that a man with an income of $7,500 would have to pay. Under existing law, how much does he have to pay?

Mr. SMOOT. Under existing law he pays 2 per cent.

Mr. JONES of Washington. And under section 1 of this bill he pays 2 per cent more; that makes 4 per cent.

Mr. SMOOT. Under the present law, however, I will say, he does not pay any surtax on account of an exemption on all incomes under $20,000.

Mr. JONES of Washington. I will leave out the question of exemption.

Mr. SMOOT. That is why I say his tax would only be 3 per cent a year. Under the pending bill all that he would pay would be 3 per cent, as I have said, because of the fact that he is exempted from a surtax under the present law.

Mr. JONES of Washington. Let us leave out the question of exemption. I want to get at the rate.

Mr. SMOOT. Three per cent will be the rate.

Mr. JONES of Washington. Three per cent is the rate now?

Mr. SMOOT. No; the present rate is but 2 per cent.

Mr. JONES of Washington. Two per cent under the first bracket imposing an increased tax on graduated incomes. He would have to pay 2 per cent additional under section 1, would he not?

Mr. SMOOT. Yes.

Mr. JONES of Washington. That makes 4 per cent.

Mr. SMOOT. It does not make 4 per cent, because he has an exemption under present law of the normal tax of 2 per cent.

Mr. JONES of Washington. The Senator does not understand what I am trying to get at, and I will not bother him any further.

Mr. SMOOT. No bother. I have told the Senator that under the present law and the pending bill, if it becomes a law, a person receiving an income of $5,000 to $7,500 will pay a tax of 3 per cent.

Mr. BRADY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. I yield to the Senator.

Mr. BRADY. The Senator from Utah is so familiar with these figures that I am quite sure he is able to make it very clear to anyone exactly what the tax will be under this bill. In speaking of the normal tax I suggest that the Senator state exactly what the normal tax is. As I understand, it is 4 per cent. While this matter seems very easy to the Senator from Utah and to other Senators who have been in touch with it, the question has been asked me by at least a dozen different people exactly in the same form as asked by the Senator from Washington. If we place the minimum normal tax at 4 per cent, as it is under the pending bill, it will clarify the whole situation and perhaps tend to make more understandable the able argument of the Senator from Utah.

Mr. SMOOT. What I desire to call to the attention of the Senate is the percentage of increase under each one of these brackets over the present law and the revenue which each will yield. Under the second bracket, levying a tax of "2 per cent per annum upon the amount by which the total net income exceeds $7,500 and does not exceed $10,000," the amount of revenue will yield $5,683,440 and the increase of the tax over the present law will be 4 per cent. Under the next bracket, levying a tax of "3 per cent per annum upon the amount by which the total net income exceeds $10,000 and does not exceed $12,500," the revenue derived will be $5,987,420. Under the next bracket, levying a tax of "4 per cent per annum upon the amount by which the total net income exceeds $12,500 and does not exceed $15,000," the revenue derived will be $6,253,170. Under the bracket levying a tax of "6 per cent per annum upon the amount by which the total net income exceeds $15,000 and does not exceed $20,000" there will be derived in revenue $13,944,740. Under the next bracket, levying a tax of "8 per cent per annum upon the amount by which the total net income exceeds $20,000 and does not exceed $40,000," there will be derived $34,352,640. Under the bracket levying a tax of "10 per cent per annum upon the amount by which the total net income exceeds $40,000 and does not exceed $60,000" there will be derived $20,334,300. Under the bracket levying a tax of "12

per cent per annum upon the amount by which the total net income exceeds $6,000 and does not exceed $80,000" there will be derived $15,205,680. Under the bracket levying a tax of "16 per cent per annum upon the amount by which the total net income exceeds $80,000 and does not exceed $100,000" there will be derived $13,896,290 of revenue. Under the bracket levying a tax of "20 per cent upon the amount per annum by which the total net income exceeds $100,000 and does not exceed $150,000" there will be derived in revenue $28,856,100. Under the bracket levying a tax of "23 per cent per annum upon the amount by which the total net income exceeds $150,000 and does not exceed $200,000" there will be derived $18,404,710. The bracket levying a tax of "26 per cent upon the amount by which the total net income exceeds $200,000 and does not exceed $250,000" will yield $14,152,320. The bracket levying a tax of "29 per cent upon the amount by which the total net income exceeds $250,000 and does not exceed $300,000" will yield a revenue of $12,049,070. The bracket levying a tax of "31 per cent per annum upon the amount by which the total net income exceeds $300,000 and does not exceed $500,000" will yield a revenue of $28,761,180. The bracket levying a tax of "33 per cent upon the amount by which the total net income exceeds $500,000" will yield $106,379,450.

Mr. President, perhaps it would be well enough at this time to summarize the amounts to be collected under the title. It is as follows—and this is in addition to the present law: The normal 2 per cent tax will yield $89,134,500, the surtax $328,629,000, and the corporation 4 per cent tax, as found in section 4 of the bill, $360,000,000 making a total under Title I of $770,763,500.

The next title, Title II, has reference to the war-profits tax.

Mr. STERLING. Mr. President, will the Senator give the last figures again—the total?

Mr. SMOOT. Seven hundred and seventy-seven million seven hundred and sixty-three thousand five hundred dollars.

Title II relates to the war-profits tax. Senators will notice that it is based upon the prewar years of 1911, 1912, and 1913, and there is a graduated tax upon the percentage of profits over and above the profit of the prewar years.

On page 12, the first bracket is:

> Twelve per cent of the amount of such war profits not in excess of 15 per cent of the deduction allowed by section 203, section 204, or section 205, as the case may be, * * * being the difference between the net income and the war profits as there determined.

The amount of revenue received from that bracket will be $88,000,000.

Under the 16 per cent bracket there will be collected $38,000,000.

Under the 20 per cent bracket there will be collected $83,000,000.

Under the 25 per cent bracket, $71,000,000.

Under the 30 per cent bracket, $55,000,000.

Under the 35 per cent bracket, $85,000,000.

Under the 40 per cent bracket, $66,000,000.

Under the 45 per cent bracket, $48,000,000.

Under the 50 per cent bracket, $254,000,000.

The amounts I have just named, however, include the tax imposed under the existing law. The total of the amounts that I have just named is $788,000,000. Deducting from that the amount collected under the present law of $226,000,000, it leaves an additional tax under Title II of the bill of $562,000,000.

Perhaps I had better return now to Title I and tell the Senate what the House bill under that title would have raised by way of revenue.

Mr. HOLLIS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. SMOOT. I do.

Mr. HOLLIS. Will the Senator state whether the estimates he has just given are based on the returns for last year?

Mr. SMOOT. The returns for 1916; yes.

Mr. HOLLIS. Without attempting to prophesy how the returns this year will compare with those?

Mr. SMOOT. The Senator is right. I made that statement in my opening remarks.

The revenue under the House bill under Title I, income tax, for the year 1917, would be $596,700,000. The House bill also provided for a retroactive income tax for 1916 amounting to $108,000,000, or a total with the retroactive tax of $704,700,000, as against $777,763,500 under the Senate bill.

Under Title II, the war-profits tax, the Senate bill will yield a revenue of $562,000,000. Under the House bill it would have yielded but $200,000,000.

I am not going to discuss the details of each of these titles at this time, and the reasons for making the changes in the House bill. I shall do that at some later date.

Title III is the war tax on beverages.

Section 300. Tax on distilled spirits in bond will amount to $135,000,000.

The tax imposed in section 304—

> upon all distilled spirits produced in or imported into the United States upon which the tax now imposed by law has been paid, and which, on the day this act is enacted, are held by a retailer in a quantity in excess of 50 gallons in the aggregate, or by any other person, corporation, partnership, or association in any quantity—

will amount to $54,500,000.

Section 305 is what is commonly known as the rectifiers' tax. From it we will receive $5,000,000. I call attention to the fact that there is quite a reduction in the rectifiers' tax in the Senate bill as compared with the House bill, because the Senate has stricken out the word "wine" and inserted the word "proof," and only imposes the tax upon the proof-gallon instead of the wine-gallon.

Mr. HOLLIS. Will the Senator state what the difference is?

Mr. SMOOT. Generally there are 2½ wine-gallons made out of 1 proof-gallon; or in other words, instead of 15 cents, as provided for in the House bill, it is virtually a 6-cent tax. That is the substance of the Senate amendment.

On page 32, in section 308, a tax is imposed upon fermented liquors and beers, ales, porters, and so forth. From that section we will receive a revenue of $46,000,000.

In section 310, a tax is imposed upon still wines, including vermuth, liqueurs, cordials, and so forth. The revenue upon sweet wines will be $4,600,000, and upon liqueurs and cordials, about $200,000.

On page 35, beginning with subdivision "(a)," referring to dry wines, under that subdivision the revenue will be $1,600,000.

Under subsection "(c)," the tax upon champagnes, sparkling wines, and artificially carbonated wines, the revenues will be $9,600,000.

Under section 312 a tax is imposed upon all grape brandy or wine spirits withdrawn by a producer of wines from any fruit distillery or special bonded warehouse under subdivision (c) of section 402 of the act of September 8, 1916. The revenue produced by that section will be $5,000,000.

Under section 313, at the bottom of page 36, there will be collected $1,000,000.

Under section 314, subdivision "(a)," on page 37, the revenue will be $3,000,000; and under subsection "(b)," at the bottom of the page, $2,000,000.

From all natural mineral waters or table waters sold by the producer, bottler, and so forth, under subsection "(c)," page 38, the revenue will be $1,000,000.

Under section 316, at the bottom of page 38, on all carbonic-acid gas in drums or other containers, the revenue will be $5,000,000.

Under Title III, under the Senate bill there will be collected in revenue $218,000,000. Under the House bill under the same title there would have been collected $171,000,000.

Title IV has reference to the war tax on cigars, tobacco, and manufactures thereof, beginning on page 39 of the bill.

Mr. BRADY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. Yes; I yield.

Mr. BRADY. Before leaving the section the Senator is discussing at this time, I wish to make some inquiry about an amendment that the Senator from Utah offered relative to the taking over of distilled liquors during the consideration of the food-control bill in the Senate. I voted for an amendment offered by the Senator from Utah on that subject. That was not given consideration in the present measure, was it?

Mr. SMOOT. No; I will say to the Senator that it is not in this bill. The Senate virtually passed upon that question when the food bill was before the Senate; and as far as I was personally concerned, as a member of the Finance Committee, I did not desire to press a matter that had just been passed upon by the Senate in a bill that had just been signed by the President covering the same subject matter. When we reach this title for amendment, I shall have something to say about the details of the title.

Mr. BRADY. I was very heartily in favor of the Senator's amendment, and I thought I would find out what the history of it was.

Mr. KING. Mr. President, will my colleague yield?

The PRESIDENT pro tempore. Does the Senator from Utah yield to his colleague?

Mr. SMOOT. I yield.

Mr. KING. In view of the fact that a number of the States have recently passed under prohibitory statutes, and in view of the uncertainty as to the operation of those statutes and the amount of intoxicating liquors which will be consumed during

the calendar year 1917, was it possible for the committee and is it possible for my colleague to reach any definite conclusions as to what revenue will be raised under the title to which he has just referred?

Mr. SMOOT. I thank my colleague for calling my attention to the matter. I will state that in all of these estimated revenues there has been taken into consideration the decreased consumption that will follow the imposition of a greater tax, and also the fact that a number of the States have gone dry, many of them "bone dry," since last year. I will say that if the estimate had been based upon the amount that was consumed for the year 1916 at the rates imposed, the estimates would have been a great deal higher than those I have just given.

Mr. KING. Then the bill assumes that we will drink less intoxicating liquors this year than we did last year?

Mr. SMOOT. Yes; the estimated revenues, as given, assume that.

Continuing, Mr. President, Title IV refers to the war tax on cigars, tobacco, and manufactures thereof.

Section 400, the first section of that title, has reference to cigars. The revenue collected will be $10,000,000 on cigars and $20,000,000 on cigarettes, making $30,000,000 for the section.

Under section 401 there will be collected upon tobacco $25,000,000, and upon snuff $1,500,000.

Under section 403, page 42, commonly known as the floor-tax section, from tobacco and snuff there will be collected $750,000; from cigars, $200,000; and from cigarettes, $150,000. From cigarette papers, under section 404, there will be collected $100,000.

Under that title, as a whole, the Senate bill provides for a revenue of $56,600,000. The House bill under the same title was estimated to yield $68,200,000.

Title V is the war tax on facilities furnished by public utilities.

Section 500, at the bottom of page 43, provides a tax of 3 per cent on the amount paid for the transportation by rail or water or by any form of mechanical motor power when in competition with carriers by rail or water, which will yield a revenue of $77,500,000.

On page 44 there is a tax of 1 cent for each 25 cents, or fraction thereof, paid to any person, corporation, partnership, or association engaged in the business of transporting parcels or packages by express, which will yield $9,000,000.

I call attention here, Mr. President, to the fact that the Senate has imposed a tax upon all parcels sent by parcels post. It is provided for in the bill on page 71, and I will refer to it hereafter.

Under the tax of 5 per cent on the amount paid for the transportation of persons by rail or water the revenue will be $37,500,000; and under the same section, with relation to season tickets, at the bottom of the page, a revenue will be received of $2,250,000.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to his colleague?

Mr. SMOOT. I do.

Mr. KING. In view of the fact that the railroad corporations of the United States are making serious complaint because of the fact that their incomes are not sufficient to permit the improvements required, because they are not able to meet the demands for increased transportation, and in view of the fact that they are constantly making appeals, possibly with some justice, for increased freight rates, I will ask the Senator whether the committee felt that it was wise, in view of the enormous demands that are now being made upon the transportation companies, to impose upon them, in addition to the profits tax, a tax for carrying freight?

Mr. SMOOT. This is not a tax upon railroads. It falls upon the shippers and upon persons traveling upon the railroads. The committee sympathizes with the position just stated by my colleague. I think the committee will be criticized before the bill passes for making an exception in one or two cases for the railroads. I think we will hear a good deal from some Senators as to how we have yielded to that wonderful monopolistic power. However, there is no question, Mr. President, but that the railroads are at the present time put to their wits' end to meet the present situation, and there is no question but that every encouragement should be given to them in order that they may provide transportation facilities to handle the business of the country. To-day it is impossible for them to do it, and, as far as I am concerned, I would not add an unnecessary burden to them. In this connection——

Mr. LODGE. May I interrupt the Senator?

Mr. SMOOT. Certainly.

Mr. LODGE. I do not think the Senator has pointed out, in reply to the inquiry of his colleague, that we changed it from a 6 per cent tax on gross sales and reduced the amount.

Mr. SMOOT. Yes; I thank the Senator for calling my attention to that. I was going to mention it. Perhaps it will be just as well for me at this point to call the attention of the Senate to the fact that the taxes imposed by this bill as reported to the Senate will yield $2,010,000,000 in revenue, and from four sources there will be collected $1,614,363,500. Those sources are incomes, war profits, liquors, and tobacco, leaving less than $400,000,000 that will be a direct tax upon what we commonly call the consumer.

Mr. CURTIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Kansas?

Mr. SMOOT. I yield.

Mr. CURTIS. I desire to ask the Senator if the amount given by him to be raised by this measure on four articles is in addition to taxes which are already raised on the same articles under existing law?

Mr. SMOOT. It is in addition to taxes already imposed. These will be additional taxes, and I might say that the $2,010,000,000 is all additional tax over and above the present law.

Mr. LODGE. If the Senator will allow me, he no doubt has the amount that will be raised by the present law and the additional taxes from those four sources?

Mr. SMOOT. Yes.

Mr. LODGE. It is, in round numbers, $2,582,000,000 from those four sources; that is, out of the total tax of $3,300,000,000.

Mr. SMOOT. Yes.

Now, Mr. President, on page 45 there is imposed 5 per cent upon the amount paid for transportation of oil by pipe line. The revenue from that source will be $4,500,000.

On the same page there is a tax imposed of 5 cents upon each telegram, telephone, or radio dispatch. The revenue will amount to $7,000,000.

Mr. POMERENE. Mr. President——

Mr. SMOOT. I yield to the Senator from Ohio.

Mr. POMERENE. The Senator has just referred to the tax which is placed upon the transportation of oil by pipe line. May I ask whether the committee went into the question of the transportation of natural gas by pipe line, and if so, what revenue might be raised in that behalf?

Mr. SMOOT. I will say to the Senator that there was no discussion of the matter before the committee.

Mr. POMERENE. Does not the Senator think attention should have been given to the natural gas in the West Virginia fields and in the Ohio fields?

Mr. SMOOT. I will ask the Senator if they are not largely local and within the State, or do they enter into interstate commerce to any extent?

Mr. POMERENE. The gas from the West Virginia fields goes into Ohio very largely, and the gas companies seek to keep it out of interstate commerce by delivering it to the middle line of the Ohio River by one company and selling it to another company incorporated in Ohio. Ohio gas goes up into Michigan.

Mr. SMOOT. There is nothing in the bill covering that.

Mr. POMERENE. With all due respect, I think the Senate committee might have found a little revenue there.

Mr. SMOOT. In justification of the committee I wish to say that this bill is just the beginning of taxation, and the American people might just as well know it now as later. The Finance Committee thought at this time the best thing to do was to confine it to as few sources as possible. I have no doubt but that the gas pipe line will be taxed, as nearly nearly everything else in this country must be taxed before we can pay what is absolutely necessary to carry on the world war now in progress.

Mr. POMERENE. I may say to the Senator, if I may be permitted, that nearly all these natural-gas companies doing business in West Virginia and Ohio are subsidiary companies of the Standard Oil Co.

Mr. SMOOT. Under Title V, from the tax on facilities furnished by public utilities under the Senate committee bill there will be collected $137,750,000. On page 71 of the bill there is $9,000,000 to be collected from parcel post. That should come under this title, making for this title $146,750,000 under the Senate committee bill. Under the House bill there was an estimated revenue of $214,750,000. When the bill is up for discussion in detail I shall call the attention of the Senate to the items that the Senate committee has stricken out, making the revenue less under the Senate committee bill than that provided for in the House, and I do not believe there is a Senator who will not agree that the action taken by the committee was absolutely right and just.

Under Title VI, war excise taxes, page 51, is the tax imposed upon automobiles, and from the tax as provided for in the Senate committee bill there will be a revenue of $40,000,000.

Under subsection (b), page 53, there is a tax upon pleasure boats, power boats, and sailing boats, and the revenue is $500,000.

In section 601, at the bottom of page 53, there is imposed a tax on tennis rackets, golf clubs, baseball bats, pool tables, and so forth, from which a revenue will be received of $800,000.

On page 54 there is a tax of 2 per cent upon perfumes, essences, extracts, toilet waters, cosmetics, and so forth, yielding a revenue of $1,900,000.

On page 55, 2 per cent upon what I may call all proprietary medicines will yield a revenue of $3,400,000, and upon all cameras sold by the manufacturers a revenue of $500,000.

Under the Senate committee bill, from Title VI there will be a revenue of $47,100,000. Under the House bill the revenue yielded would be $117,700,000, considerably more under the House bill than under the Senate committee bill.

In Title VII, "war tax on admissions," page 57, there is a tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any place, including admission by season tickets or subscriptions, the revenue from which will amount to $21,000,000.

Under subsection (c) on the same page a tax of 1 cent for each 10 cents or fraction thereof paid for admission to any public performance for profit at any cabaret or other similar entertainment will yield a revenue of $1,000,000.

Under subsection (d) at the bottom of the page, on theater tickets $1,000,000.

The total collected under the Senate committee bill in Title VII on war tax on admissions will amount to $23,000,000; under the House bill to $62,500,000.

The next is Title VIII, "war-stamp taxes." If you turn to page 70, under Schedule A, you will find the first tax imposed under that title is upon bonds, debentures, or certificates of indebtedness issued on or before the first day the Senate may decide after the bill becomes a law. The revenue will be $4,000,000.

On page 71, parcel-post packages, that I have referred to before, the revenue is $9,000,000.

Upon the issue of capital stock there is a tax imposed of 5 cents on each $100 of face value or fraction thereof, which will yield a revenue of $3,000,000.

On page 72, upon sales of stock or upon transfers of stock, the revenue will amount to $5,000,000.

Mr. STERLING. May I ask the Senator how does the revenue under Schedule A in the first item, for example, compare with the present law?

Mr. SMOOT. This is a stamp tax, and there is no law to-day on the subject. I will say to the Senator that all the stamp taxes were repealed.

Mr. STERLING. Exactly.

Mr. SMOOT. On page 74 the tax upon the sale of produce on exchanges will yield a revenue of $2,300,000.

On page 76 there is a tax imposed upon drafts or checks payable otherwise than at sight or on demand, promissory notes, except bank notes issued for circulation, a rate of 2 cents on every hundred dollars, which will yield $600,000.

Then, following that, is a tax imposed upon bank checks, drafts, or certificates of deposit not drawing interest of 1 cent upon each check or draft, as the case may be, which will yield a revenue of $10,000,000.

Next, upon conveyances, such as deeds, instruments, or writing whereby any lands, tenements, and so forth, are transferred, the revenue will be $5,000,000.

Upon the entry of goods, wares, and merchandise at any of our customhouses, 25 cents on each $100 in value, the revenue will be $150,000.

Each entry for withdrawal of any goods or merchandise from customs, bonded warehouse, page 77, the revenue will be $150,000.

On passage tickets, $100,000.

On proxies, $100,000.

On powers of attorney, $100,000.

On playing cards, $1,500,000.

The total collected under Title VIII under the Senate committee bill will be $32,000,000; under the House bill it was estimated at $33,000,000.

Title IX of the House bill refers to the war estate tax. The Senate committee in its judgment thought it was very unwise to impose further additional taxes upon inheritances, and therefore struck that section out of the bill. Of course, I am not going to take the time now to state the reasons why, but I have no doubt the Senate will agree, when the reasons are pointed out, that the action of the Committee on Finance was the proper one to take.

Mr. GRONNA. Will the Senator state the amount proposed to be raised under the House bill by that tax?

Mr. SMOOT. Under the House provision the estate tax would be $6,000,000, and under the House's unscientific imposition of a tariff duty the revenue would have been $200,000,000.

Mr. McKELLAR. Will the Senator state how much is derived from the estate tax now, or about how much?

Mr. SMOOT. I am not positive, and I do not want to make a statement unless I know. The figures have slipped my mind.

Under Title IX of the Senate committee bill, as the bill is reported to the Senate, on page 85 it refers to the war excise tax on coffee, tea, cocoa, and sugar. Upon coffee or substitutes therefor there is a tax imposed of 2 cents a pound, which will yield a revenue of $20,000,000. Upon all tea produced or imported there is a tax imposed of 5 cents a pound, the revenue from which will be $5,000,000. Upon all crude cocoa produced or imported the revenue will be $7,000,000. Upon all refined sugar, domestic or imported, the revenue will be $52,000,000. Upon all saccharine or similar products the revenue will be $500,000; upon glucose, $1,500,000; and upon molasses, $500,000.

On page 87 a floor tax upon these items is imposed. I will say that it was the intention of the committee when they first considered the bill not to impose a floor tax upon these items, but it developed that in particular cases, especially that of coffee, it had been distributed to the retailers all over the United States, and in many cases in quantities so great that the stock they were carrying would be all that they would require for longer than the next 12 months. The only way we could tax that stock was by the imposition of a floor tax, and that we have followed as in imposing it upon all other classes of merchandise. This floor tax would amount on coffee and substitutes therefor to $5,000,000, on tea $1,000,000, on sugar $5,000,000, on glucose $250,000, on molasses and sirups $450,000, and on cocoa $1,000,000.

Under the Senate bill Title IX will yield a revenue of $86,000,000; under the House bill on these articles there was no tax imposed, but there was a tax of 10 per cent, a horizontal increase, upon all goods imported into the United States, whether free or dutiable. That would have been a tax upon coffee, upon tea, upon sugar, upon glucose, upon saccharine—upon all the items under this title.

Mr. President, on page 88, section 902, the Senate Finance Committee voted to repeal what is commonly called the drawback provision as affecting sugar. I think it was a most unfortunate action to take. As I have stated, I am not going into the discussion of that at this time, but I think I shall be able to show to the Senate that the action of the committee in adopting this amendment and reporting it to the Senate has already produced an increase of over one-half a cent a pound in the price of the world's sugar, which has affected every table in the United States. I shall, however, leave that matter to further discussion when this section of the bill is reached.

Mr. HOLLIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. SMOOT. I do.

Mr. HOLLIS. I wish to make sure as to this and to get it into concrete form. Does the Senator believe that the drawback on sugar should not be further permitted?

Mr. SMOOT. I believe, Mr. President, that it ought to be permitted. It has been the policy of this Government for over a hundred years, and the effect of the repeal of the drawback provision of the present law will be that a large part of the sugar now refined in this country, I may say in transit—because that is exactly what it is—will be refined in other countries, and every ounce of it would be refined by them if they had the refining plants with which to do the work. England and Canada and France, since the action of the Senate committee, are providing as fast as is possible to prepare for the refining of sugar which during the last year and the year before has been refined by the refineries in our own country; and the refining of 700,000 tons of sugar for export has cheapened the refining cost of sugar to the United States, and whatever result has come from that has gone directly to the benefit of the consumers of sugar in the United States.

Mr. POMERENE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. I yield to the Senator.

Mr. POMERENE. Was not the purpose of the drawback originally to encourage the exportation of sugar?

Mr. SMOOT. The idea of the drawback not only as to sugar but as to all other articles was this: Under the tariff laws of our country we were compelled to pay duties upon the articles which go into the manufacture of goods in the United States. It was

impossible for us to compete with foreign countries if we were compelled to pay that tariff. So the drawback provision was adopted, providing that the articles which were required for manufacturing purposes in the United States should have the privilege of coming in, the duty being paid, and when they were exported all of the duty should be refunded to the manufacturer less 1 per cent.

Mr. POMERENE. I understand that, if the Senator please, but the drawback was provided, as the Senator says, for the express purpose of enabling our manufacturers to compete with the foreign manufacturers. To that extent it must encourage the export of articles manufactured in our country; but now we come to a peculiar condition here as affecting sugar. Foreign countries are looking to this country for their refined sugar; but if the effect before was to encourage and increase sales abroad, if we should take off that drawback during the period of the war, it must follow that it would, to a certain extent, discourage the exportation of sugar; and why would not that increase to a corresponding extent the supply for domestic consumption and thereby reduce the price to our American people?

Mr. SMOOT. Mr. President, the world requires all the sugar which is now produced. It is quite a problem to produce enough sugar in the world to furnish the demands of the world. I might as well say to the Senator here that in the last year there was refined in the United States for England and France and other foreign countries 700,000 tons of sugar. This year it was expected we would refine a million tons of sugar. England and France do not ultimately pay the American duty upon the sugar, because it is first paid and then refunded; but with the drawback repealed, every pound of sugar that comes into the United States will have to pay the present duty of 1 cent a pound. If England and our other allies are forced to have their sugar refined in the United States on account of the lack of facilities on their part for refining sugar—and in the past they have been buying beet sugar from Germany, Russia, Austria, and France, and now all the sugar that they get they have to get from Java and other sources, all of which is cane sugar and, therefore, must be refined—if this bill becomes a law, and the drawback provision of the present law is repealed, every pound of sugar refined in America and exported will not only cost our allies the 1 cent tax which is paid to the Government of the United States upon its entry, but it will also cost them a half-cent consumption tax provided for in the bill.

Mr. HOLLIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. SMOOT. I do.

Mr. HOLLIS. It seems to me the Senator from Utah has raised a very interesting point. As I understand, all articles brought into this country and then exported are permitted a drawback of 99 per cent of the duty which they pay?

Mr. SMOOT. That is true.

Mr. HOLLIS. That is to encourage manufacturing in this country. Since none of the goods that are exported remain in the country, there is no reason why the tax should not be refunded less the administration cost?

Mr. SMOOT. That is true.

Mr. HOLLIS. Now, has anyone suggested any reason why sugar should be treated differently from anything else, for instance, say, silk brought into this country, or anything of that sort? Is there any real reason why there should be any difference?

Mr. SMOOT. I will say to the Senator that a reason has been suggested, and those making the suggestion are very frank in saying that so long as England and France are in the position where they are compelled to have a part of their sugar refined in America we might just as well make them pay the extra cent and a half per pound imposed by our present tariff and consumption provided for in the bill.

Not only that, but there is a further reason, I wish to say to the Senator from New Hampshire, and it is that if we repeal the drawback provision and by so doing advance the price of the sugar of the world half a cent a pound, the Louisiana sugar planter will get a half cent more per pound for his sugar. There is no doubt about that.

Mr. HOLLIS. Why will not the growers of beet sugar also receive that advance?

Mr. SMOOT. They will receive it; but, as a representative of a State which produces much of the beet sugar of this country, I desire to say that I do not approve of such a course, and I do not want to impose such an unjust burden upon our allies at this time when they are struggling with all the force they have to raise the money with which to fight this war.

Mr. HOLLIS. It seems to me the argument of the Senator from Utah is irresistible; and I want to inquire if he is at liberty to oppose the majority report of the committee on this point?

Mr. SMOOT. I reserved that right. Not only that, but I am going to say to the Senator that there was only one vote majority for this proposition.

Mr. HOLLIS. I am very glad to know that.

Mr. HARDWICK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Georgia?

Mr. SMOOT. I yield.

Mr. HARDWICK. I am very much interested in what the Senator has stated, and I have some knowledge of the subject matter myself, obtained, as the Senator knows, after a long investigation.

Mr. SMOOT. Yes; I know the Senator is very familiar with the subject.

Mr. HARDWICK. I desire to express my hearty concurrence with what the Senator is saying. There can not but one of two things happen: Either the Senator is right, and the sugar will be continued to be refined in this country, and England, France, and the other countries engaged with us in the common undertaking of fighting Germany will be held up—that is the effect of it—or the manufacture of the sugar will be quickly sent somewhere else. Under either contingency it is absolutely wrong, in my judgment.

Mr. SMOOT. Mr. President, nobody can answer the argument. I desire to say that last year—and I have just received the figures this morning—up to the 1st day of July England had purchased from Cuba 718,073 tons of sugar—I am speaking now of the calendar year—while up to July 1 of this year she has purchased 934,383 tons. This provision in this bill had not become public five days until Canada began the extra purchase of Cuban sugar, and all of her refineries will be put upon longer working hours. She has built and is just putting in operation one of the largest refineries in the world.

Mr. HOLLIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. SMOOT. I yield.

Mr. HOLLIS. Will the Senator state whether there is anything peculiar to the refining of sugar which renders the United States better able to refine it than England or France? Why are we able to do it more cheaply now than they can?

Mr. SMOOT. Mr. President, when England was in the market before the war, her policy had always been to buy sugar just as cheaply as she could wherever it could be found in the world. She used to buy a great deal of German sugar and Russian sugar and sugar from France and Austria.

Mr. HOLLIS. All of that was beet sugar, was it not?

Mr. SMOOT. All of that was beet sugar. So when the war came on she found herself cut off from her sugar market, and she found herself without a sufficient refining capacity to take care of the quantity of sugar she required for reasons I have stated. Of course, immediately she had to turn to some place where sugar could be refined for her, and America had one-third more refining capacity than required to refine the sugar consumed by her own people; in fact, there are sugar refineries running to-day which have been out of commission and have not refined a pound of sugar for the last 10 years, until the war broke out.

Mr. LODGE. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. SMOOT. Yes; I yield.

Mr. LODGE. I do not think the Senator has covered one phase of the question. Of course, if England can not get sugar refined in Canada or at home or elsewhere, she will buy, will she not, washed sugar?

Mr. SMOOT. Yes; I was just coming to that. I do not know to what extent that will be the case; but this I know that the direct purchases which England is making to-day indicate without a question of doubt that she either has found some way to refine her sugar or she is going to use washed sugar.

Mr. HARDWICK. Mr. President, let me suggest to the Senator and to the Senate one other troublesome phase of this question. A considerable supply of England's cane sugar before the war, as the Senator knows, came from Java. Now the freight rates are so high and shipping is so scarce that they can get hardly any sugar from Java, and sugar in Java to-day is not worth one-fourth what it is here or in England, because they can not get that sugar to the markets of the world.

Mr. SMOOT. Transportation is practically impossible.

Mr. HARDWICK. Transportation is practically impossible.

Mr. SMOOT. That is the situation.

Mr. HOLLIS. Mr. President, if the Senator will pardon me once more, I do not think the subject could be handled at any better time than right now, and I am very much interested in it. As I understand the Senator, he did not conclude, I think, what he started to say. The fact is we have large facilities in this country which they have not in England and France, and it takes some time to prepare them.

Mr. HARDWICK. That is it.

Mr. HOLLIS. Therefore we are in the field ready to refine the sugar, while it would be a large expense to England and France to erect sugar refineries to do the work.

Mr. SMOOT. That is absolutely correct; and not only that, but I desire to say to the Senator that if a cent and a half a pound additional charge is imposed upon England and our allies they can well afford to erect just as quickly as possible refineries sufficient to handle all the sugar their people require, and they are going to do it if this provision is adopted.

Mr. President, I am going now to leave this branch of the subject, but before doing so I desire to say that I hope with all my heart that the Senate of the United States will not agree to the amendment reported by the committee. I have no love for the sugar refiners. I remember in the year 1911, when there was a shortage of sugar in all the world and when the beet sugar of this country was all consumed and off the market, the refiners raised the price of sugar to $7.75 and held it there until the beet sugar entered the American market, and just as soon as it did, of course, the price of sugar fell about 2 cents a pound.

So I am not pleading for the sugar refiners; I am pleading for a wise principle that has been adopted and practiced by the United States for over a century.

Referring again to the bill, Mr. President, under Title X, "Administrative provisions," only $20,000 will be collected by way of revenue, and that has reference to the products of the Virgin Islands. The House had no provision like it in the bill passed by it.

On page 94 is found Title XI, which relates to postal rates and a war tax upon the profits of publication. In section 1100 there is imposed 1 cent for each ounce or fraction thereof in addition to the rate under the present law on first-class mail matter. This is estimated to yield a revenue of $50,000,000. Postal cards are excepted from the operation of the section.

On page 96, in section 1101, there is provided an increase of a quarter of a cent per pound or fraction thereof on second-class mail matter. This will yield a revenue of $3,000,000.

Mr. McKELLAR and Mr. POMERENE addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. I yield first to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I understand the tax under section 1100 will produce an additional revenue of $50,000,000. I understand that the Government now obtains from that source at least $100,000,000.

Mr. SMOOT. About $100,000,000.

Mr. McKELLAR. It is well known, of course, that this service pays for itself. The carrying of letters through the mails first-class is a very profitable business as it is, and now it is proposed to secure $50,000,000 more from that source. Will the Senator point out how this compares with the next section, which provides for a very small increase in the tax on second-class matter? As I understand, second-class matter now costs the Government something like $80,000,000, and will cost the Government something like $77,000,000 after the increase in the rate of one-fourth of 1 cent, as provided in this bill. Does not the Senator think that we ought to raise more revenue out of the second-class matter and less revenue out of the first-class matter?

Mr. SMOOT. Mr. President, the statement made by the Senator is absolutely correct so far as the revenues under the present law are concerned not only upon the first-class but upon the second-class mail matter. I recognize the fact that this title is going to cause, perhaps, days of discussion, and at this time I am going to ask the Senator to excuse me from going into the discussion.

Mr. McKELLAR. Surely.

Mr. SMOOT. I will admit, however, that there is room for discussion and there is room for difference of opinion as to the best way of handling this question of postal rates. I expect to speak at length upon this question when we reach this title.

Mr. POMERENE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. I do.

Mr. POMERENE. I want to make this suggestion to the Senator: I have heard him state that he was not going to go fully into the discussion of this particular subject now, but it interests me a good deal.

Recently I was waited upon by the general manager of one of these newspaper associations, who suggested to me that the Government of the United States ought to deal with the publishers on a purely business basis, and that, if they were dealt with on that basis, the Government must distinguish between advertising and news and pay them for all the advertising of the sale of liberty bonds. Naturally it occurred to me to suggest to him that if the Government was to look at the subject upon a business basis it might be well for the publishers to take a view of the other side of the proposition, and if this were done the publishers ought to pay a substantial portion of what it costs the Government to carry the newspapers and the magazines.

It costs the Government in the neighborhood of $70,000,000 more than the Government receives to carry the newspapers and magazines. We are now carrying this printed matter at 1 cent a pound, and we add a quarter of a cent to it in this bill. It costs the Government about 8 cents per pound.

I notice on the last page of the report of the committee on this revenue bill that they expect to get by the excise tax on coffee, tea, cocoa, and sugar $86,000,000. In other words, we give to the publishers nearly the entire amount of the tax that we raise from sugar, tea, coffee, and cocoa.

I confess that I do not see any justice in it. I would infinitely rather that we charge these publications the full cost of the service we give them and then direct the Secretary of the Treasury each year to give them a check for the amount that we are now giving to them by the present indirect method of charging the publishers about one-eighth of what it costs the Government for the postal service they enjoy. It would at least have the merit of doing our business upon a business basis.

Mr. SMOOT. I wish to say to the Senator that I am fully aware that there is a propaganda, and a well-organized one and a very active one, working with a view of securing from the Government payment for advertisements and all matter referring to Government affairs outside of the editorial columns. I do not know how far that will get, but I do not think it will have any effect upon this bill, and I do not think we are going to make any appropriations at this session of Congress to meet that extra expense.

Mr. McKELLAR. Mr. President, if the Senator will yield to me to make this statement, I think it is fair to say that there is quite a difference in the cost of carrying newspapers through the mail and the cost of carrying other second-class mail matter. The cost of carrying newspapers is very largely borne by the newspapers under the present law.

I think it is fair to make that statement.

Mr. SMOOT. I want to say to the Senator that this is a very serious question; and without a Senator having gone into it very fully, and listened to all sides of the question, it would be almost impossible for him to arrive at a conclusion that could be called a just one. For years and years the Government has followed a policy of encouraging the distribution of information. Second-class mail matter never has paid its way. We have discussed it on the floor of the Senate for the last 15 years, to my knowledge. Suggestions have been made of changes in the law, but it never has been changed; and I now state without question of doubt in my mind, and I know it to be a fact, that if we even double the present rate on second-class mail matter there are classes of publications in the United States that will be absolutely destroyed and driven out of business. Let me tell the Senator what class of publications I refer to. When I speak upon this subject I am going to bring the statements of some of the leading papers—statements sworn to—taken from their annual reports to their stockholders, showing that the imposition of an additional cent upon second-class mail matter would not only take all of their profits but would place them in a position of bankruptcy. The classes of publications to which I have reference are particularly the farm and religious papers of the country. We have encouraged their circulation in the past, and I think if we are going to change the imposition of taxes on second-class mail matter we ought to take it up in a bill by itself and give the publishers notice in advance that the present law and practice is to be changed. I have come to the conclusion that the only way in which it can be changed is by a gradual change, and not one so severe that it would ruin the business of the above classes of publications.

Mr. POMERENE. I do not know that anybody has suggested ruining their business.

Mr. SMOOT. No; the Senator misunderstood me. I am simply saying what the effect of the increase would be, and I know it to be a fact.

Mr. POMERENE. I know that there are some publishers in this country who are patriotic enough to insist that they shall

be compelled to pay at least a fair portion of this expense. They want it done, and, as patriots, they are not able to justify the present law.

Now, I want to take exception to one thing the Senator has said on this subject. The Senator has suggested that due notice ought to be served upon these people, and they ought to be given an opportunity to present their side of the matter. Why, I have a very clear recollection of the discussions that have taken place in the Senate during the more than six years I have been here. There has been hardly a year when this matter has not been fully debated, and each year these pensioners on the Government's bounty have insisted that there should be another hearing. That is always the way with any class of men who are receiving a bounty from the Government. Before it is taken away they want a discussion. They know that in that way, if they can defer it, they will continue to enjoy their bounty for a longer time.

Mr. SMOOT. What the Senator says is absolutely true and has reference to the publishers themselves. My suggestion had reference to the action of the Senate, not what the publishers wanted. The publishers so far have been successful in defeating an increase in rates on second-class mail matter. They have asked for hearings and they have been granted time and time again. I do not know what it has cost the Government to make the investigations in the past, but the reports have been made, and I doubt very much whether they have ever been read by one-tenth of the Senators, and I doubt very much whether the country knows what they contain. My suggestion now is that Congress take action and that Congress give notice and that Congress state that there shall be time given, and notify the publishers in advance as to what the Congress intends to do upon this most important question.

Mr. POMERENE. Mr. President, I am quite sure I am not mistaken in this statement: I am not a member of the Committee on Post Offices and Post Roads, but I am quite sure that they have had this very matter up before that committee time and time again, and I remember some very full discussions on that subject on the floor of the Senate; and my belief is that if there is any one subject connected with taxation in this country with which the Senate generally is familiar it is this one very question of postal rates.

Mr. SMOOT. And yet the Senator must admit that we have not acted.

Mr. POMERENE. Oh, I realize that; and I think we all know why.

Mr. SMOOT. I could guess, I think.

Mr. POMERENE. Yes; and I think the Senator and I would agree.

Mr. SMOOT. Mr. President, under Title XI of the Senate bill the revenue amounts to $60,500,000. Under the House bill for that same title the revenue would be $89,000,000.

To summarize the amounts to be collected as I have stated, I will state that the total collections under the Senate bill will be $2,009,733,500. Under the House bill it would be $1,866,870,000.

Mr. President, I rose to occupy about a half hour and I have now been on the floor nearly two hours. I did intend to refer briefly to the eliminations that had been made by the Senate committee and to state briefly what they were. It will take but a moment of time, as I am not going into the details as to what amount of revenue would come from them or why the Committee on Finance eliminated them from the bill.

The first was section 5, the retroactive tax, which imposed an income tax, as provided in the House bill, upon incomes received for the year 1916. A retroactive tax in any form, Mr. President, is distasteful, and not only is it distasteful but it is contrary to all business principles; it is contrary to good morals; and I do not believe that the American people would sanction such a course. It would be far better to impose additional taxes on the revenue that is yet to be made for this year than on that which has already been made, taxed, and perhaps spent.

Then the Senate committee excluded the inheritance tax, the insurance tax, the gross-sales provision—which is the most unfair tax that can be conceived of imposing upon the business of this country—and the unscientific plan of the imposition of a 10 per cent tariff tax upon all importations, whether they are now entering this country free or dutiable.

Then there is the tax upon the light, the heat, and the gas that is used in the home of every person, at least those living in cities, and now in almost all parts of the United States the people are using electric light. To impose upon every household in the United States a 5 per cent tax on the little amount of gas that it may use for cooking or light, for electric light, or the amount it pays by way of telephone charges, it seemed to your committee was altogether too small business. We did not think we should begin so early imposing special taxes for war purposes.

Mr. President, this bill is not as I would have prepared it, and I shall develop that thought later in discussing the amendments that I am in favor of and those to which I am opposed; but the committee did what in its judgment it thought was best for the business interests of this country and for the people in general. There was no partisanship shown in the committee. There was no sectionalism developed there in the consideration of the taxes to be imposed. Since my service in this body I have passed through the preparation of two tariff bills. Of course they have always been prepared in a partisan sense, but in this bill there was not a single Senator on the Finance Committee who objected to a tax imposed upon the products of his State, if such a tax was necessary and was justifiable. The one thought was to raise the necessary revenue consistent with the prosperity of the business interests and the people of our country.

The committee labored for eight long weeks in the consideration of the bill. We gave hearings, which the House committee refused, and not only hearings in the open that were recorded but hearings to any representative from any part of the country, representatives of any industry or business of the country. I do not believe there will appear very much criticism among the people of the United States upon the provisions of the bill as reported to the Senate when the people understand where the taxes are laid.

As I stated a while ago, this is only the beginning of direct taxation. I said that, Mr. President, because it must be evident to every Senator and every business man of the country that if the war continues one year we will be compelled to raise either by taxation or by bonds an amount far exceeding the twenty-five billion mark. I do not know how much we shall have to raise to advance to our allies. I know they have got to receive help financially; I know they are all looking to the United States for their assistance, and I know the American people want one thing, and one only, no matter what it costs them, and that is to win the war and win it quickly.

There is no question but the Senate committee bill is a great improvement over the House bill both in the sources from which the taxes are to be raised and the rate of taxation imposed. The business of the country is called upon to pay the greater part of the money raised by the pending revenue bill, but before long other sources from which revenue can be obtained will be resorted to. The charge that the changes made by the Finance Committee of the Senate impose taxes upon the poor people of the country and relieve the business of the country from the imposition of taxes commensurate with what they ought to pay I say is not true.

There is only one way to raise this vast sum of money and that is by taxation, and the American people might as well understand it now as later, as I said before. Under the circumstances we find ourselves in there is only one thing for us to do and that is to make up our minds that there will not be imposed upon the people of this country or the business of the country a greater taxation than is absolutely necessary. If we fail in this war, there will be no peace or liberty for us or for the world.

As far as I am concerned, I am going to give this administration all the money it requests, all the power it demands, all the men it calls for, and the responsibility of winning the war must rest with it. I am not worrying about what is going to happen to me politically for any votes that I have cast. I admit freely and frankly that if it were not for the conditions existing to-day I never would think of voting for legislation that has been passed at this session of Congress. Much of it is next to revolutionary. The administration later will have to account to the people for the expenditure of the vast sums appropriated, the use of powers granted, and as to our armies and navies in bringing the war to a successful conclusion.

Mr. President, I shall not take any further time of the Senate to-day, but when the bill is before the Senate for amendment then I hope to take some little time in giving my reasons why I either support or why I oppose certain amendments in the bill.

Mr. HOLLIS. I wish to ask the Senator a question before he takes his seat. I direct the attention of the Senate to page 57 of the bill, subsection (b), which provides for a tax of 5 cents for each admission of each person admitted free to any place for admission to which a charge is made, to be paid by the person admitted.

There is all over the country a practice of the street railroads to maintain what are called amusement parks. They maintain them, as the Senator knows, because in the evening the railroad equipment is not so busily engaged. In the morning and forenoon the cars are taking people to work and to business, and in the afternoon they are taking them back. So the railroads, to induce people to ride in the evening, maintain amusement parks, and the practice is merely to charge the car fare

to the park and then they are admitted free. It is a very good practice, not only for the railroads but for people who have not automobiles. A great many people on warm evenings will take advantage of the practice to ride on the electric cars 5 or 10 miles into the country and sit in a cool place, and then go home. I should like to ask the Senator whether the committee considered the effect this would have on street railroads? It would be a very severe tax, and I am of the opinion that an exception should be made.

Mr. SMOOT. I will say to the Senator that I do not believe that there is a provision in the bill that was called to the attention of the committee as many times as this one provision that he refers to. I do not remember, however, that the case referred to by the Senator was ever called to the attention of the committee. The Senator will notice that we have made an exception in case of bona fide employees and children under 12 years of age and municipal officers on official business. We thought by that exemption we had covered nearly all the real meritorious cases. It is a new case, I will say to the Senator, that he presents, and I would be very glad to have him bring it up later when that particular part of the bill is reached.

Mr. HOLLIS. I merely wanted to find out whether the committee had acted, because I think if the matter were fully discussed and acted upon it would be apt to be reopened. As it is a fresh matter I may be able to get some attention to it. I thank the Senator.

AN UNSHACKLED POSTAL SAVINGS BANK AS A MEASURE OF PREPAREDNESS.

Mr. SHEPPARD. No step could be more vital to the successful conduct of the war than the conservation of the financial resources of the Nation. The nations engaged in the present world conflict are straining every energy to obtain funds with which to continue the struggle. The most powerful aid yet rendered by the United States to its allies has been in the way of enormous loans.

As a part of its war program the United States Government recently called on its people for a loan of $2,000,000,000 at 3½ per cent. Another loan is to follow and still another as the war goes on. To-day no one may see the end. Congress has already authorized the Government to negotiate loans to the extent of $7,000,000,000. In addition, taxes are being imposed which reach into the billions and these are to be followed by others as the necessities of the most stupendous war of history develop. Furthermore, the cost of living has soared to appalling heights.

Any method, therefore, by which the financial resources of the American people or the American Government may be husbanded and multiplied will be of infinite value. In fact, it will be one of the determining weapons of the war. Men say that the aeroplanes will win the day, but behind the aeroplane must be money. Men say we must have modern guns and an ample supply of munitions and other equipment of the latest and most effective type. Behind all these must be money. Men say, and say properly, that our soldiers must be carefully equipped and properly fed; but before this can be done money must be had and in quantities never before realized by the human mind in this connection. Hand and hand with man power goes dollar power. In fact, at every stage in the prosecution of the war a supply of funds is an essential prerequisite.

Now, it is a well-recognized fact that the principal form of money to-day, both in war and peace, consists in paper evidences of credit, based on the confidence of ultimate payment in metallic money—mainly gold. The existing banking system, in mobilizing metallic money and in erecting thereon a tremendous structure of credit, has made modern civilization and development possible and is rendering a service to the world as indispensable as it is valuable. Efficient as it is, however, the present banking system in the United States had mobilized only about half the actual money in the United States at the opening of the present war. Since the war began about $1,000,000,000 in gold has been driven to the United States to aid in financing the enormous purchases made here by other countries. Most of this billion dollars will be attracted back to these countries after the close of the war by the higher premiums which they will pay for the means of reconstruction. This makes it all the more necessary that we should mobilize all the actual money in the United States, or as much of it as possible, in order to be the better prepared to meet the strain on our credit system which will undoubtedly follow the disappearance of this foreign gold. Since it came here our credit system has expanded in the usual proportion. That proportion is about 7 cents of gold to every dollar of credit. When it goes part of our credit structure will lose, and perhaps suddenly lose, its foundation. Therein lies danger.

In permitting about two billions of actual money to remain outside the banks, outside the channels of credit, we are allowing a Niagara of power to be wasted every day and every night.

How may that money be drawn from the hiding places and made to serve the country by enormously increasing its credit facilities and its financial power? The banks have failed to get it, although our American bankers and financiers are among the earth's ablest and best. Evidently some other form of banking must be tried, in addition to, and in connection with, that we already have. Banking in one sense is the manufacturing of credit, and credit in the modern, practical sense means a promise to pay, based on metallic money, chiefly gold.

The answer is, let the United States become a permanent banker for the American people. Unshackle the postal savings bank. Let the people's bank serve the people.

Recently the United States asked the people to lend it $2,000,000,000 at 3½ per cent. The response was immediate and inspiring. The people deposited that amount at once with the Government, because of absolute confidence in the safety of the transaction. Why not keep the Government depositary open permanently to the people? Instead of paying 3½ per cent interest on multiplied billions at stated periods, why not give all the people, so desiring, an opportunity to redeposit the interest due them, and thus to a great extent stop a drain on the Treasury and on taxation that promises to be tremendous? Most of the subscribers to the war loan will redeposit the interest in some bank, anyway.

Do you say that this is putting the Government into the banking business? The Government has already entered the banking business. Since we established the postal savings bank only a few years ago, 700,000 depositors have placed therein $125,000,000. And this has been done in spite of the fact that these depositors get only 2 per cent interest, while the ordinary private savings bank pays 3 per cent, and sometimes more—in spite of the fact that a number of restrictions are thrown around the postal deposit which the private banks do not impose at all—in spite of the fact that the Government redeposits these $125,000,000 in the commercial banks at 2½ per cent, the banks lending it to the people at anywhere from 6 to 12 per cent, and at times more.

The Government practices an enormous injustice on its 700,000 depositors. It pays them only 2 per cent for what is worth at least twice that much, keeping in mind the average interest rate on money. But the Government has demonstrated two facts of lasting significance. It has shown that the cost of mobilizing money through the postal bank is not more than one-fourth of 1 per cent, and it has earned in this way over $2,000,000 of profit on the limited business already done.

Nearly half of the population of the State of Victoria, Australia, is represented by depositors in the Government savings bank of that State. Over half of the people of the State of Connecticut is represented by depositors in the savings banks of that State. It is not unreasonable to suppose that the same or a greater ratio would be maintained as to depositors in a United States postal savings bank offering 3½ to 4½ per cent interest. This means that the unshackled postal savings bank of the United States would have from forty-five to fifty-five million depositors, and with the same ratio of deposits as is maintained by the savings banks of New York City to its population, the United States postal savings bank would have deposits of anywhere from twenty-seven to forty billions of dollars. Incidentally let it be remarked here that with deposits of forty billions the United States postal bank could have financed the entire $7,000,000,000 bond issue recently authorized by Congress by an investment of less than one-fifth of its depositors, an operation that would have been considered entirely safe and conservative under the strictest standards. At the same time the Government would be earning the interest due the people with the money they had deposited, and would be paying them a higher return than they must now pay by onerous taxation. What kind of business judgment is it that prevents us from taking a step so simple, so just, so logical as that of unshackling the present postal bank?

Savings banks in the United States easily earn 3, 3½, and 4 per cent for depositors. Their loans are made in accordance with laws specifying the nature of the security with such minuteness that the duty of making the loans is almost a purely ministerial one—simply that of tracking the law. Shall it be said that similar laws could not be enacted for the United States postal banks?

Are not the 700,000 depositors of $25,000,000 in the postal savings bank entitled to what this money will earn on security recognized and defined by law—security recognized as of the safest sort—such security as every savings bank gets for loans, earning an interest rate twice as high and more than that now paid the depositors in the postal bank?

At this point let us summarize what has gone before:

1. The response to the call for the recent liberty loan shows the readiness with which the people will deposit funds with the United States. It is also an encouragement of the savings habit

that will be worth as much to the people as the amount of the loan.

2. Why not make the opportunity of depositing with the United States permanent and unlimited? The people would then have a depositary which could never fail, which would hold their absolute and lasting confidence. A perpetual encouragement of thrift and saving among the people would then be offered—the most powerful that could be imagined.

3. Existing banks have gathered for use in the development of the country only about half the actual money in the United States. Allow deposits to any amount in the United States postal savings bank, and the remaining billions of money now scattered throughout the land in private and secret places would be assembled and would form the basis of a mightier credit structure than has yet been dreamed. The resulting impetus to business, to economic advancement, and to general prosperity could not be estimated.

4. Let the deposits thus assembled be loaned under laws defining the security, as is now so successfully done in the mutual savings institutions of the various States. Let the interest thus earned be returned to depositors, less expense of management, which expense has already been shown to be not more than one-fourth of 1 per cent.

5. Money at 3½, 4, and 4½ per cent would then be comparatively plentiful, where first-class security could be furnished. Interest rates throughout the country on funds for necessary and legitimate processes of production and growth would fall. Rural-credit systems would be made possible. A new reservoir of mobilized money would be added to that already established by existing banks, and the financial resources of the country would be developed to the highest point. Existing banks may utilize this reservoir by making loans of a portion of the funds comprising it, which loans they guarantee, receiving a small commission on the interest, and by acting as agents for receipt of deposits.

6. The Nation would be prepared not only for financing the war, for financing the people on the lowest possible terms, for securing to them an adequate and safe return on their savings, but for the problems that will follow the war, for the shock which the withdrawal of immense quantities of basic money will produce.

7. Why should not a citizen receive for his savings all that such savings will earn when loaned on the best security? Why should not a citizen, possessing proper security, have ready and fair access to the assembled savings of the people for the essential processes of home building and production of life's necessities? These processes, properly safeguarded, afford in themselves the best security known to men.

With these preliminary observations, I now direct attention to the bill I have introduced for the unshackling of the postal savings bank, S. 2161, a bill to increase the utility of the postal savings bank, to encourage savings among the people, and to secure the largest returns for such savings consistent with adequate security.

The bill begins as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the short title of this act shall be "The industrial savings act."

This is the first section and gives the short title of the act, namely, "The industrial savings act."

SEC. 2. That a board of trustees is hereby created for the administration of this act, consisting of the Secretary of the Treasury, the Postmaster General, the Secretary of the Interior, the Secretary of Agriculture, the Attorney General, the Secretary of Commerce, and the Secretary of Labor, all acting ex officio, to be known as the industrial savings board.

This section broadens and strengthens the present board of the postal savings bank by increasing the number from three to seven. At present the board consists of the Postmaster General, the Secretary of the Treasury, and the Attorney General. These officials are retained by the above section, and the following added: The Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of Labor. These officials represent the basic elements of the country. They are appointed by the President and confirmed by the Senate. They guide and shape the policy of the bank established by this bill, within the very definite limits which it provides. They will not have time for the work in detail, but they will fashion general policies, choose and supervise competent heads and principal employees, who will do the work, under the safe, businesslike rules of the Civil Service Commission.

SEC. 3. That for the proper and efficient organization and conduct of the business of the industrial savings board it shall appoint, under the rules of the Civil Service Commission, a first chief, a second chief, and a third chief, having such powers and duties as the board may designate; also such other assistants, attorneys, and other employees as the board may consider necessary. The compensation of the persons so appointed and other expenses of operation under this act shall be such as the industrial-savings board may authorize, and shall be paid from the profits of the postal savings bank.

This section takes the postal savings bank out of politics, and provides that expense of operation shall be paid from the profits of the bank by depositors and borrowers, instead of being taken from the pockets of taxpayers by appropriations from the Treasury. The wisdom and fairness of this section can not be questioned.

SEC. 4. That the industrial savings board shall, as soon as possible, take over the control of the existing postal savings bank, the details of its administration to continue in connection with the post offices throughout the country, under the direct supervision of the Postmaster General acting for the board.

SEC. 5. That as soon as arrangements can be made therefor every post office, postmaster, and all letter carriers and other post-office employees shall hereafter be made to serve the people through the postal savings bank as they now serve them for letters, money orders, registered letters, and parcel post, without limitation as to amount of deposits, as letters and parcels are without limitation, the manner of such service being as in this act provided, and all limitations on the amount of deposits in the postal savings bank are hereby removed.

SEC. 6. That postmasters and other employees in the service of the postal savings bank at the time of the transfer of said bank to the industrial savings board shall continue in office until it is found from experience that any one of them is inefficient, when such employee may be removed according to rules and regulations which the board shall establish, with the approval of the Civil Service Commission, and the successors of those who may be removed shall be appointed under the rules of the Civil Service Commission.

The Post Office Department is already one of the most enormous, best organized, best equipped, and best conducted business plants in the world. In connection with the enlarged postal savings bank it is proposed almost to double, or more than double, its utility at an increase of expense remarkably small when results are considered. This act will establish within the Post Office Department the largest, strongest, and most useful financial institution in the world.

Observe that there is to be no limitation as to the amount anyone may deposit. At present no one may deposit more than $1,000 and receive interest thereon, but may deposit an additional $1,000 provided no interest is to be paid. Note that carriers, rural and city, must accept deposits for the postal savings bank, and deliver receipts as they must accept and deliver letters, money orders, parcels, and so forth. Also they may, if desired, take checks to the bank, cash them, and return the proceeds to the owner. They are agents both of the bank and the people. What a service this will be to the masses of the people, who need not leave their homes or other places of business in order to deposit their savings or draw funds as they may need them! The Government thus maintains a perpetual open door to thrift and economy, the only permanent foundation of general prosperity. See section 16.

SEC. 7. That of the funds which are now or may hereafter be deposited in the postal savings bank, not to exceed 25 per cent of the balance in hand at any time, may, in the discretion of the industrial savings board, be invested in the bonds of the United States, bought in the open market at the lowest obtainable price or bought at such price from the Treasurer of the United States. Any portion of said bonds may, in the discretion of the board, be sold in the open market at the highest obtainable price or sold to the United States Treasury at such price.

This section affords financial preparedness for the Nation on a scale hitherto unparalleled. The investment in United States bonds is an opportunity, not a requirement. The postal savings bank will naturally tend to absorb all available United States bonds on the market, and will thus reduce the interest rate the United States will have to pay for loans. If the unshackled savings bank were in operation to-day, there would be no talk of a higher interest rate for the next liberty loan. The right to sell any portion of the bank's United States bonds in case of need provides a liquid reserve power that is not excelled, if indeed it is equalled, in the financial world, since the bonds of the United States have a world market well-nigh without limit.

SEC. 8. That no other investment of the funds deposited shall be made, but, with the exception of a working reserve, the amount of which shall be determined by the industrial savings board, the balance of the funds shall be loaned at the highest obtainable rate of interest not exceeding 5 per cent per annum on what, in the discretion of the industrial savings board, is considered as adequate security, in manner as follows and as in this act further provided:

(a) Preference shall be given—

(1) To small loans over large loans.

(2) To short-time loans over long-time loans.

(3) Loans adequately secured by readily marketable collateral over loans on real estate or other less-readily marketable security.

(b) In accordance with the above the board shall, from time to time, fix the rate of interest to be charged according to the supply of the demand of loanable funds, the profit and security of the depositors being the basis of decision, the maximum rate not to exceed 5 per cent per annum.

(c) The borrower shall always be required to protect the market value of his collateral, as is customary with other banks making similar loans, either reducing the loan or providing additional security in case of falling market.

SEC. 9. That the industrial savings board shall give clear and ample publicity to its rulings as to character of securities required for loans and the terms of such loans under the following limitations:

(a) Loans not to exceed 95 per cent of the market value of United States bonds or the bonds of States.

(b) Not to exceed 90 per cent of the market value of such other securities as are now admissible investments under the existing laws of New York or Massachusetts for savings banks or as are estimated by the industrial savings board as of equivalent good standing.

(c) Not to exceed 85 per cent of the market value of wheat, cotton, or other nonperishable products, so called, in safe, adequately insured public storage, under regulations as the board may prescribe.

These sections contain conservative and practical provisions insuring the safe and proper conduct of the bank. The borrower must protect the market value of his collateral, and no collateral is accepted at its full market value. All borrowers are on an equal footing—the banker, the merchant, the farmer, the millionaire, the man of limited means. If any preference is shown at all, it is to the small loan over the large one. The farmer is enabled to borrow money at not more than 5 per cent on nonperishable products, properly stored, to the extent of 85 per cent of their value.

The laws of New York and Massachusetts are referred to above merely as examples of laws defining security. All the provisions of these laws may not be found applicable to the postal savings bank, especially those relating to local railroad bonds. The savings bank laws of all the States and of foreign countries should be studied and their best features adopted.

SEC. 10. That not to exceed 50 per cent of the deposits in hand at any time may be loaned, to an amount not exceeding one-half the appraised value, on unencumbered real estate in States and Territories where laws for the protection of creditors are by the industrial savings board deemed adequate and fair, in manner as folows:

(a) Through any national bank or other incorporated bank or corporation whose business is dealing in or guaranteeing real estate mortgages and which is subject to the examination and control of the United States Treasury or of the banking department of any State which in the estimation of the industrial savings board adequately protects depositors, loans may be made to an amount at one time outstanding not to exceed ten times the capital and surplus of the bank or corporation, which shall be required to guarantee the prompt payment of the principal and interest of the loans made through said bank or corporation.

(b) The bank or corporation shall be entitled to a commission of 5 per cent of the interest paid on such loan by the borrower (or such less per cent as the board may prescribe), who shall not be subject to any other charge except the necessary expense of examination of title and drawing papers, which charge may be fixed by rules of the industrial savings board, all terms and commissions to be uniform throughout the United States.

Note that loans on real estate are to be made through banks and other financial institutions of established standing which guarantee principal and interest for a small commission on the interest paid. The borrower pays the expense of examining title, drawing papers, and so forth. Savings banks generally lend more than 50 per cent of their deposits on real estate, while building and loan associations invest in this way nearer 100 per cent of their funds. The banks through which real estate loans may be made have established machinery and facilities for making loans. They have the necessary knowledge of local conditions and personalities. Self-interest will prevent them from making excessive or risky loans, and they can probably do this business at less expense than that with which the postal bank could itself organize and conduct a safe loan board. If they are compelled to foreclose, they will be entitled to such costs and fees as the courts allow.

The commission in the great cities allowed agents for collecting rents is from 1 to 5 per cent of the rent—commonly 2 per cent for large buildings. The monthly collection of rents is certainly more onerous and expensive than the collection of interest on mortgages once or twice a year. Interest is the rent of money. The commission runs during the life of the loan and is payable annually.

Let us illustrate. A bank with $100,000 of capital will first loan its own funds to such extent as it pleases under legal limits; then it may loan for the postal bank to any amount not exceeding $1,000,000. Interest on loans of $1,000,000 at 5 per cent is $50,000 a year; 5 per cent commission on such interest is $2,500 a year. Thus its loans for the postal bank produce a perpetual income of $2,500 a year, with trifling, if any, additional rent or clerk hire. How many times, under present conditions, are the banks compelled to quit lending because of lack of loanable funds?

Note further that this commission of 5 per cent is double that allowed for dealings in the New York Stock Exchange, and still further that it is annually renewed during the life of the loan, instead of being paid but once, as on the New York Stock Exchange.

SEC. 11. That personal loans without requirement of collateral security by the postal savings bank may be made in manner as follows:

(a) The borrower to make written statement showing his assets and liabilities; the amount of loan not to exceed $1,000; the length of time, which shall not exceed one year; the purpose for which the loan is to be used, which shall be in accordance with the stated purpose of this act; which statement shall be attached to the borrower's negotiable note.

(b) The principal and interest of the loan to be guaranteed prompt payment by a bank or corporation, as in section 10 of this act, which shall be entitled to a commission of 5 per cent of the interest paid thereon, or less, as the board may direct the borrower being subject to no other charge, and the total of such loans at one time outstanding not to exceed five times the capital and surplus of the guarantor.

(c) The limit of the loans specified in (a) of this section, if after two years' trial is deemed too small for the best results, may be extended by the board from time to time to larger specified sums, the terms to be uniform throughout the United States.

Personal loans are made without collateral through the banks, other financial institutions, and so forth, which guarantee principal and interest for an annual commission of 5 per cent on the interest. The bank through which the loan is made may exact what security it pleases.

Here is the possibility of $1,250 additional income a year for the bank with $100,000 capital. Remember that the bank has the opportunity first to utilize its own capital on the "pick" of the loans. So we have an annual profit for the bank in question of $3,750 for handling the funds of the postal bank, the borrower getting his funds at 5 per cent or less. Now observe further, that this profit may be approximately doubled by the commission received by the bank on the deposits it receives and maintains for the postal bank under section 18.

SEC. 12. That to induce the largest possible savings and serve the greatest possible convenience, security, and economy of use to depositors and to the postal savings bank, the industrial savings board shall cause to be prepared and issued certificates of deposit of the size and form, but different in color and appearance, of customary bank currency, the said certificates being of the following tenor and in manner indicated.

(a) The United States Postal Savings Bank has received from (here the depositor will write his own signature and address in ink, thus identifying his signature on the back when he passes the same) $10 (or other specified sum), and will pay the same after three months from date of issue at its office in Washington, D. C., together with all net interest earned hereon, the interest compounded semiannually, on surrender hereof properly indorsed.

(b) This certificate to be duly executed, dated, and recorded where issued, as done in case of money orders.

(c) Certificates in this form shall be issued in denominations of $10, $50, $100, $1,000, and larger, as the industrial savings board may order.

(d) Certificates similar, but payable to bearer on demand at the office of the postal savings bank at Washington, D. C., and bearing no interest shall be issued in denominations of $1, $2, and $5.

(e) To encourage the beginning of deposits, and also serve the convenience of those who desire them in preference to coin money, certificates payable to bearer, without interest, shall be provided in denominations of 5 cents, 10 cents, 25 cents, and 50 cents, of size and form similar to United States fractional currency issued in 1862 and later.

(f) Simple printed instructions for their use may appear on the front or back of each of the various certificates.

(g) These certificates shall not be legal tender nor in any way indicated as "money" but may pass from hand to hand by mutual agreement as is done in the case of "certified" or other bank checks.

Two kinds of certificates are created by this section: (1) Those in denominations of $10 or more, which bear interest and are payable to order; (2) those in denominations of $1, $2, and $5, and of fractional parts of $1, which carry no interest and are payable to bearer. These certificates being easily negotiable will practically supplant actual money. They will do away with the cumbersome check system, the elaborate bookkeeping it entails, as well as the present expensive exchange system. They are good anywhere in the United States, just as gold certificates are good, though the gold is in the United States Treasury vaults. These certificates are not money any more than national-bank notes.

This plan to mobilize money will bring into the postal and other existing banks the more than $2,000,000,000 of so-called "real money" not now in any bank, thus nearly doubling the foundation resources of banks, which money, being loaned, redeposited, and loaned again, as money always has been since banks were invented, will grow to many billions of dollars.

The present gold basis of all money is in no way altered. Of course, actual gold will be called for only as limited commercial exigencies compel its use, because gold in possession earns no interest, while certificates of deposit in possession earn compound interest.

You gave the postal bank $10 in gold, or what will get the gold, and you prefer this to gold because this earns compound interest for you while you hold it, for the next man when you pay it over. Printed tables tell you its value, at 5 per cent or other interest, for any number of days, months, or years. The bank has loaned your gold, "on call," on security of municipal bonds, at 4 per cent; or on wheat or cotton for a month or a year, at 5 per cent; or on farm mortgage, 5 years, at 5 per cent, to the highest bidder in each case. Whoever got the gold of course deposited it again in the postal bank and took the certificate like yours, and the bank of course loaned the gold again, and so on, perhaps ten times over, so that $10 gold is earning, possibly, 50 per cent per annum, and the postal bank still has that gold to loan to the next man. This shows how banks have got rich in the past; how depositors will get rich hereafter.

Nobody wants to keep that gold any more than you want the man's yardstick when you buy 10 yards of muslin. If you get $1, $2, or $5 certificates, they are payable "to bearer" and draw no interest on their face, but the bank loans the gold all the same and so earns increased interest on your $10, $100, and $1,000 certificates.

This automatic mobilizer does away with all necessity for the clumsy, antiquated "individual accounts" bookkeeping methods and would reduce bank expenses in that respect to one-fourth or one-tenth of present cost and be far more convenient for depositors and just as safe as now.

SEC. 13. That at the county seat of every county in the United States, or similar civil divisions otherwise called, and in such other cities as the industrial savings board may select, post offices shall be designated by the industrial savings board as postal savings banks of issue and redemption.

(a) Such banks of issue and redemption shall issue and record as required by the industrial savings board certificates of deposit as described in section 12 hereof, in exchange for bankable funds as per regulations made by said board, and may redeem the same, whether issued by itself or by other similar banks of issue and redemption, either in money or in new certificates of deposit, as the applicant may desire.

(b) Each depositor in said banks shall record his signature and address in duplicate with the bank on a record provided, as is customary in commercial banks, so that indorsements of signatures on backs of certificates may be verified when desired.

SEC. 14. That the industrial savings board shall designate 12 or more districts covering the United States, in a central city of each of which it shall cause to be organized a district bank which shall act as clearing and reserve bank for all the banks of issue and redemption within the district, in accordance with rules and regulations of the industrial savings board.

SEC. 15. That the industrial savings board shall further cause to be organized in the city of Washington, D. C., in the Post Office Department, a national central postal savings bank, which shall act as clearing and reserve bank for the 12 district banks, and may have direct dealings with and oversight of all the county banks of issue and redemption as the industrial savings board shall order.

SEC. 16. That every smaller post office and every letter carrier may, in accordance with regulations made by the industrial savings board, adequate bonds for safety being required as convenient, keep in hand limited amounts of certificates of deposit, secured from the local county banks of issue and redemption, to be given to known applicants in exchange for bankable funds to be forwarded to the county bank of issue and redemption, and may also redeem small certificates of deposit as they can conveniently. Such post offices and letter carriers shall also give proper receipts to any applicant for bankable funds or for certificates of deposit, to be sent to the county bank of issue and redemption to be exchanged for money or other certificates of deposit, and deliver the same to said applicant in exchange for their own receipt originally given to the applicant.

SEC. 17. That each county bank of issue and redemption and each district bank shall keep in hand such working balance as the industrial savings board shall direct, the county bank forwarding any surplus to its district bank, and the district bank any surplus to the national central bank, and each of said banks shall make loans as authorized by the industrial savings board, the county bank drawing for funds when deemed necessary on its district bank and the district bank drawing on the national central bank, as the industrial savings board may direct.

Briefly, these sections provide that postal banks shall be established in every county seat, other post offices in the county to be branches of the county-seat bank, under regulations of the board. The United States is to be divided into 12 or more districts, with a central postal bank for each district, which shall act as a clearing and reserve bank. A national central postal savings bank to be established at Washington, which shall act as a clearing and reserve bank for the district banks and which may have supervision over the county banks.

SEC. 18. That existing savings and other banks in the United States, which desire and will submit to satisfactory examination and supervision of the industrial savings board and are found of standing satisfactory to the board, may be made agents of the postal savings bank, to receive deposits and pay certificates in accordance with regulations made by the board, and shall be allowed as compensation for such service a commission to be authorized by the board and not to exceed 5 per cent of the net earnings of the deposits, as estimated by the industrial savings board, which said existing bank secures through its agency, such commissions to be uniform throughout the United States.

The provisions of this and other sections permitting any bank in the United States in good standing to become a deposit and loan agent of the postal bank would tend to strengthen rather than to injure by competition any and every such bank. Their depositors would not leave them for the postal, because they can supply the postal certificates when preferred to their own. As private enterprise and initiative have certain advantages over public institutions of this kind, due to more accurate knowledge of local conditions and opportunities and better means of keeping in touch with them, the agents by offering slight additional interest inducement may secure enlarged deposits for themselves. To applicants for loans the agent may always loan his own funds instead of loaning the postal funds if he desires.

Note the profit to existing banks in this connection, illustrated in note under section 11.

SEC. 19. That in lieu of the principle of amortization (which may be applied when the borrower desires) loans secured by real estate or other collateral may be made as follows:

The mortgage or other paper shall be drawn to secure any sum due from the borrower not exceeding the amount named therein for any time not longer than the longest time therein specified, the borrower thus being permitted to adjust the amount of his loan from time to time according to his needs and opportunities.

Under this plan, while the borrower would naturally make application for the largest loan which the pledged property would be sufficient to secure, his certificate, being passed, he would actually borrow not the most but the least sum that would serve him, and only as it was actually needed, and would repay it as fast as he could, so as to stop interest, knowing that he could at any time borrow again if he should have need or find profitable use for the money. This elasticity of loans would be of almost incalculable value to the borrowers, to the bank, and to the community, stimulating enterprise, thrift, economy, providence, and would certainly be more desirable than iron-clad, unalterable amortization loans.

SEC. 20. The industrial savings board shall test the safety and practicability of making small and short-time loans to farmers and other producers in manner as follows, and in accordance with such other regulations as may be specified by the board:

(a) After the total balance of deposits in the postal savings bank shall have reached the sum of not less than $1,000,000,000.

(b) The board shall select not to exceed 10 counties in various parts of the United States to make trial for a period of not less than one year, after which time, if in the opinion of the board the plan is successful, the method may be extended to many or all other counties.

(c) All persons desiring to borrow, without collateral security, any sum not to exceed $500 for a time not to exceed one year, each shall make a statement showing the amount of his assets and liabilities with their nature, in form and manner specified by the board, the amount of the loan desired, its length of time, and the purpose for which it is to be used, in accordance with this act, which statement shall be attached to the applicant's negotiable note.

(d) These applications shall be referred for approval or rejection to a committee of three persons elected by the applicants within the county and also to a committee of three persons elected by the depositors in the postal savings bank within the county, in manner provided here following: Loans to be allowed must be approved by not less than two-thirds of the weight of vote of each committee and also approved by one or more experts appointed by the board.

(e) The two said committees to be elected in manner, as follows: The postmaster to prepare printed ballots and send the same with return envelope to himself and send to each applicant and to each depositor in the county bank of issue and redemption having then, and three months previously, outstanding deposits at the time of $50 or more. Each such elector, applicant, or depositor shall be entitled to three votes, which he may cast for three, two, or one person of his choice. The persons so chosen, each having weight of vote according to the number of votes by which he is chosen, shall upon notice of the postmaster meet and choose three of their number to act as the committee, such electors balloting repeatedly as may be necessary to reduce the number to three. The committee thus elected, each shall have weight of vote according to the cumulative number of votes by which he is chosen.

(f) The members of the committee chosen shall have compensation for services in passing on loans at the rate of 20 cents an hour, the time to be approved by the county seat postmaster.

(g) Applicants whose loans are accepted shall give the bank their negotiable notes for the amounts and time approved, the same to be discounted by the bank at double the rate of interest current in postal savings bank for loans secured by collateral, the applicant being given the proceeds less his pro rata of all expense of passing on the loans. After the end of one year when all of the loans shall have matured, any profits to the bank on the total of the loans in excess of the current rate of interest for secured loans shall be paid as provided by the board in rebate to those whose loans were promptly and fully paid, so that the net cost of the loan to the borrower may possibly be reduced to approximately the same as the interest rate on secured loans.

(h) If after ample test such method of loaning is found safe and profitable the amount to be loaned to each applicant may be increased beyond $500, the increase to be uniform throughout the United States and not to exceed $1,000. If some counties prove to be habitually unprofitable while other counties prove habitually profitable, the board may withhold, temporarily, or longer, permission to make such loans from the unprofitable counties.

This section, as it specifies, is intended to be tentative and experimental. It is believed that generally throughout the United States practically all deserving wants of borrowers will be amply taken care of under sections 10 and 11. But the possibility of use being made of this section will have a healthy influence on banks acting as loan agents under said sections, and this plan of passing on loans, the depositors approving or rejecting, the borrowers assuming limited mutual responsibility, may in time be extended to real estate and other secured loans.

SEC. 21. That commercial and savings banks may make deposits in and draw upon county banks of issue and redemption to such extent as said county banks may be able conveniently to serve them, but may, without limitation, deal direct with the district banks and national central bank as per regulations of Industrial Savings Board, and certificates of deposit in the postal savings bank may be counted as part of the legal reserve of all national banks.

If any bank should prefer to keep gold or other form of so-called money as a reserve, it can do so; if such other form of reserve than certificates of the postal bank makes it any stronger, then it will have what advantage there may be in the increased strength. Certificates of deposit in the postal bank

are not legal tender but each is a certified check, certified by the United States Government, and is good anywhere. Certified checks of banks are not legal tender, but do they not serve amply every commercial want except in rare technical legal quibbles? If what is offered is good—as gold is recognized as good even when not coined—it does not need to be legal tender. If it is not good—accepted by custom—it is at best a promise and commonly in some measure a deception, and in the end the man who labors is the man who loses most by the fraud. Of course, the law of the inviolability of contract will continue, and the debtor must always make good according to his contract, whether it is formal or by implication. Postal-bank deposits will always be good while the United States Government is good. This is perfect guaranty of deposits.

SEC. 22. That the board shall cause to be prepared and printed for the general public simple tables showing the value of $10 or larger sums at compounded interest for days, months, and years at various rates of interest, such as will be useful to depositors.

This will be a matter so simple that any intelligent person can know the value of the certificates he owns. What are the net earnings of the postal bank will quickly be known, will be steadily the same, or only slightly or gradually varying from month to month, and will be published daily in papers and periodicals.

Of course, it will be the smaller certificates, $5 and less, which do not on their face bear interest and are always worth par which will mainly pass from hand to hand. Larger interest-bearing certificates will pass principally in the same manner as the ownership of United States bonds passes, the market value of which is known every day.

SEC. 23. That needless expensive records and statistics shall be avoided, but the board shall provide for such as may materially serve the interest of depositors and enable the board to annually report to Congress such information and recommendations as may be of service to Congress.

SEC. 24. That to the extent that the mails shall be used in facilitating the business of the postal savings bank, either by the bank itself or by its patrons, the board shall provide special stamps for free use of the mails, keeping records so that approximately the actual cost of such postal service shall be paid by the postal savings bank to the Post Office Department.

SEC. 25. The sum of $1,000,000 is hereby appropriated for any necessary expense, in the discretion of the board, in the rapid development of the postal-savings bank, the sum used to be considered only as an advance and to be repaid to the Treasury, with interest thereon at 3 per cent per annum from the profits of the postal-savings bank, which is to be made self-sustaining without subsidy or other charge against taxpayers.

These provisions are matters of simple sense and justice, and encourage the most liberal use of the postal bank. Such use will be principally local, or within the county, and the actual cost of service for each transaction nearly infinitesimal; but whatever the cost is it will be paid by the bank at the expense of the beneficiaries, the depositors, and borrowers, and not of the taxpayers in general. This principle is maintained throughout the measure.

SEC. 26. That all provisions of an act to establish postal savings, etc., approved June 25, 1910, and of amendments thereto not inconsistent with this present act, shall continue in force, and all other provisions are hereby modified or repealed, as are all other acts of Congress inconsistent herewith.

This section explains itself. It continues the present postal-savings law, except as changed by this act.

SEC. 27. That to the extent that certificates of deposit in postal-savings banks crowd out of use forms of paper money now in use, causing the depreciation of the market price of bonds of the United States used to secure their circulation below par, the Treasurer of the United States shall purchase or redeem such bonds at par issuing, so far as may be necessary to do so, other bonds of the United States bearing higher rate of interest and marketable at or above par.

This provision also is a matter of simple justice to bankers who have invested in such bonds because of the currency advantages they gave. The United States received par for the bonds and the consideration for their use having in part terminated, the Government should pay par for them.

Never have justice, patriotism, necessity, and business sense united more emphatically than in this measure. It establishes a new and immense reservoir of capital on which all people and all institutions possessing requisite security may draw on terms of exact equality—a reservoir from which fresh streams of credit will issue to expand and multiply the channels of production, manufacture, and distribution. The element of personal rivalry will not be known. A man, although he may offer perfect security, will not be told at the postal bank that he can not be accommodated, because he has not been depositing there or does not belong to a certain business clique. The fact that this tremendous volume of credit is loanable at not more than 5 per cent will bring down and regulate interest charges everywhere. It will mean the economic independence of the American masses. The American people possess the means of creating this beneficent institution. They should demand its immediate erection.

Unshackle the postal-savings bank. Let the people's bank serve the people. Mobilize the dollar as well as the man.

Mr. LEWIS. Mr. President, I should like to make the suggestion of the absence of a quorum at this time.

The PRESIDING OFFICER (Mr. KING in the chair). The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones, Wash.	Page	Smoot
Bankhead	Kendrick	Penrose	Sterling
Brady	King	Poindexter	Sutherland
Chamberlain	La Follette	Pomerene	Swanson
Curtis	Lewis	Ransdell	Thompson
France	Lodge	Reed	Trammell
Gronna	McKellar	Saulsbury	Underwood
Hardwick	McNary	Shafroth	Weeks
Hollis	Martin	Sheppard	Williams
Husting	New	Shields	
Jones, N. Mex.	Overman	Simmons	

Mr. SUTHERLAND. I desire to announce the absence of my colleague, the senior Senator from West Virginia [Mr. GOFF] on account of illness, and will let that announcement stand for the day.

The PRESIDING OFFICER. Forty-two Senators have answered to their names. A quorum is not present.

Mr. LEWIS. Mr. President, I ask that the names of the absentees be called.

The PRESIDING OFFICER. The Secretary will call the names of absent Senators.

The Secretary called the names of absent Senators, and Mr. KELLOGG, Mr. NEWLANDS, and Mr. WADSWORTH answered to their names when called.

Mr. BRANDEGEE, Mr. CALDER, Mr. JOHNSON of California, and Mr. SHERMAN entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-nine Senators having answered to their names, the Chair announces that a quorum is present.

Mr. BANKHEAD. Mr. President, I give notice that on Wednesday, the 15th, I will address the Senate on the pending bill, when the bill is laid before the Senate. I will confine my remarks to the so-called excess-profits provision of the bill. I will undertake to show that the provision of the bill relating to excess profits is wholly bad; that it is grossly discriminatory; that it favors big business and penalizes little business because it is little.

Mr. JONES of New Mexico. Mr. President, I had not intended to address the Senate in a general way upon the provisions of this bill, but in the circumstances I think it is not inadvisable for me to do so.

I am mindful of the condition in which our country finds itself to-day. We have not anticipated for long any such condition as we now find. During the last campaign it was my pleasure to say to the people with whom I talked that we were fortunate in being at peace with the world. The expression, "The President has kept us out of war," has been heard from one end of this country to the other. It has been appreciated by every citizen. Even last spring and in the late winter there were but few who did not hope that this great catastrophe, so far as this country was concerned, might be averted; but, Mr. President, conditions changed; patience ceased to be a virtue; the time came when this Nation had to assert itself or hide its head in shame; when it could no longer remain at peace with the world with honor to itself.

My first recorded vote in this body upon a matter of legislation was for the declaration of war. At that time I realized the responsibility that I, together with the other Members of this body, was taking. I tried to realize the great burden which was being brought upon us; I tried to picture in my mind the horrors of war as well as the great financial burden of the war. I felt then and I feel now that our civilization is in the balance. I believed then as I believe now that every resource which this country can command must be mobilized and brought into this great maelstrom of conflict. I felt then, as I feel now, that every citizen of this country, regardless of age or physical condition, should be ready and willing to put upon the altar of his country his being, his life, and certainly all the financial strength which he can command. I think that will be necessary before the war ends, for our every interest is at stake; and I believe that the people of this Nation are willing to meet the burdens, that they are willing to make the sacrifices which will be necessary.

However, Mr. President, there is one thing that I believe is in the minds of the people of this Nation. They feel that this is a great democracy, and that in a democracy the burdens of government should rest as nearly equally as it is possible to

provide. The principle underlying the law which we recently passed providing for the selection of men to shoulder the guns illustrates, to my mind, the principle which the people of this country want to invoke in the framing of all legislation.

From the four corners of this country, with scarce an exception, you may hear the approval of the people of this country for that law, which tries to impose the actual and the immediate burden of the war upon those who can best bear it and make the least sacrifice. The men between the ages of 21 and 31 were selected. That was not done from any haphazard reason, but it was done because it was realized that men of that age could perform the strenuous service of war with less sacrifice than could men of any other age. So they were selected.

Not only that, Mr. President, but under its application, and in its administration, provision has been made whereby those even within the ages mentioned in the selective-draft law may be searched out to determine to whom the greatest sacrifice will come; to ascertain who can do this thing with the least burden and do it most effectually.

So, Mr. President, with regard to the financial burdens, when your Finance Committee went into its council room to consider the question of raising the necessary revenue to carry on this great war, I believe that every member of the committee was actuated by the same high purpose. It is not possible for me to express a full appreciation of the work of the members of that committee, and especially of the chairman of the committee. For more than six weeks we have labored in the committee room almost incessantly, and when out of the committee room we met the people whose interests were being affected by this legislation, to get the point of view from the different sections of the country. In that committee room there was at no time any semblance of partisanship. Democrats and Republicans alike met around that council table and discussed with most earnestness these great questions of government. The bill which is brought into this Chamber and submitted to the Senate for its consideration brings with it the honest convictions of a majority of that committee.

I presume that there was scarcely an item in the bill which was not criticized or objected to by some members of the committee, but, all in all, the bill which is brought here represents the best judgment, founded upon honest consideration and exhaustive research, so far as practicable, and the committee presents it to the Senate under these circumstances. It is my belief and my hope that as to matters of detail, as to matters of little consequence, the Senate will give to this measure the presumption to which it is entitled.

When the committee met, one of the first questions which presented itself was as to the amount of revenue which the Government would need, the amount to be raised by taxation, and the amount to be raised by a bond issue. The various phases of that question were discussed at length and in great detail. We realized the immense expenditures necessary to be made; we realized that the armed forces of this country should not be stinted in their supplies; we realized that it is better to fight this war out in one or two years than to fight it out in three or four years; that every resource that could be utilized should be utilized now, so as to save to the future not only in treasure but in the manhood of the country. It was realized, however, that this war was not being waged for the benefit only of the present citizenship of the country. We felt that the fundamental causes underlying this war will affect not only this generation but all generations to come. We felt further, however, that the people of this day and of this generation, those who are older than those who will go into battle, should shoulder as much of the burden as it is possible for us to bear, so that when our boys come home maimed, perhaps, and broken in health, the burden upon them should be made as light as possible. So we want to raise as much money by taxation for immediate use as the conditions in the country will justify without serious injury.

The question arose as to how the money should be raised, and the objects or the subjects to be taxed. Some were of the mind that all the burden of immediate taxation should be placed upon incomes and war profits and intoxicating beverages. There is much to be said in favor of that position; but, Mr. President, the majority of your committee felt that this was not a war of the rich; it felt that it was a war affecting the liberty and the future prosperity of every citizen of this land, and of the very Government which permits us to enjoy the blessings of life; and we felt that, while we might impose this burden upon the wealthy class of the country, every citizen of the land, perhaps, would enjoy the privilege of contributing something to the purpose of this war. We felt that the humblest in the land would not want to feel that he was wholly exempt from the privilege of rising to the support of our country in its time of stress. So, Mr. President, as the final result, the committee has undertaken to put this burden upon those who can bear it best and where the sacrifice will be the least, but at the same time giving to every citizen the right to participate, at least to some extent.

This bill proposes to raise something more than $2,000,000,000. Over $1,557,000,000 of that sum is expected to be raised from incomes, war profits, and taxes on intoxicating liquors, pretty nearly meeting the views of those who thought that those three subjects should bear the entire burden. Upon them we have put more than three-fourths of the burden.

The income tax has been recognized for several years as a proper means of raising revenue for the support of the Government even in times of peace. We have gradually increased the income tax; but in that there is the same fundamental principle that he shall bear the burden who can bear it best and with the least sacrifice. The income tax is not made uniform; there is no flat rate upon incomes. We have allowed an exemption from any income tax for those who receive small incomes. We have tried to raise even the normal tax other than from those whose whole means are required or necessary for the support of a family, and then the income tax is gradually increased.

Under the first income-tax law the tax was graduated from 1 per cent to 6 per cent; in the succeeding law the surtax was graduated from 1 per cent to 13 per cent; and in this bill we propose to increase that tax so that the total graduated income tax shall range from 1 per cent to 50 per cent. It is recognized that the man who has a very large income can afford to sacrifice a larger percentage of it than the man with the small income. You take a man with an income of $10,000 and tax him 25 per cent, and you leave him $7,500. You take the man with an income of $100,000 and tax him 25 per cent, and he still has left $75,000 as against the $7,500 of the other man.

So, Mr. President, we expect to raise from the additional income tax under this bill over $777,000,000—more than one-third of all the tax sought to be raised by the bill. Is it not important, then, that this avenue for the raising of revenue should be so paved that all may travel it alike, that the burden carried shall weigh as nearly equal as practicable upon the shoulders of those who are to bear it? While I invoke all the presumptions which Senators can give to the report of a committee in favor of this report, there are some things in this bill to which all the committee could not agree.

I believe that, generally speaking, the minority of the committee—I mean the minority in opinion—should accept the views of the majority, but where the committee is almost equally divided and where the subject is important it seems to me that it is the duty of members of the committee to bring before the Senate any important question of that character. I purpose to bring before the Senate for its consideration one proposition to which a majority of the committee did not finally agree. I shall only refer to it now as an excuse for not discussing it more at length.

The experience of the Government regarding the income tax presents some very interesting conditions. There has been from the beginning of the income-tax law a normal tax of 1 per cent upon both individuals and corporations. Last year that was raised to 2 per cent. The normal tax was the only income tax imposed upon corporations. The surtaxes were levied only upon individuals, and a most interesting situation is found. I will only take a moment to call to the attention of the Senate a few facts in that connection.

Up to June 30, 1916, under the old law, where the normal tax was 1 per cent upon corporations and individuals, and where there was a surtax upon individual incomes ranging from 1 per cent on the incomes between twenty and forty thousand dollars up to 6 per cent on the higher incomes, we find this remarkable situation: The tax paid by corporations was $56,653,000; the tax paid by individuals was $67,000,000. In other words, there was a payment by individuals of $11,000,000 more than the tax paid upon corporate incomes, and this in the face of the fact that the corporate incomes amounted to $5,665,000,000, while the individual incomes amounted only to $2,399,000,000. Of this, only $23,995,000 was the normal tax of individuals. The same normal rate was paid upon corporate incomes, but there were surtaxes levied upon individual incomes which yielded almost $45,000,000. And so for the fiscal year ending June 30, 1917, while the corporate incomes were nearly $9,000,000,000 and the individual incomes only about $3,000,000,000, yet the income tax derived from individual incomes was within $123,000 of the total income tax derived from corporations. Under this bill, notwithstanding the fact that it is now proposed to make an addition of 2 per cent to the normal tax upon corporate incomes, making 6 per cent altogether upon corporate incomes, and to leave the normal tax upon individual

incomes only 4 per cent—notwithstanding that, the amount of money estimated by the experts to be raised in this bill from individual incomes is $417,763,000 and that from corporations only $360,000,000, taking from individual incomes over $57,763,000 in excess of the amount taken from corporate incomes; and this in the face of the further estimate that the total incomes of individuals for this year will be less than four and a half billion dollars, while the total incomes of corporations will be over $9,000,000,000.

To my mind that is one of the inequities of this bill, and to rectify what I think is a gross error I intend later, during the pendency of this measure, to submit some amendments to the bill placing a surtax upon corporate incomes which are undistributed. But, aside from that provision, I know of no great harm which can come from the operation of this bill, and I believe I know of no great injustice.

Mr. CURTIS. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from Kansas.

Mr. CURTIS. I want to ask the Senator whether the figures he gave a minute ago in regard to the incomes of individuals and corporations were the gross incomes or the net incomes?

Mr. JONES of New Mexico. They were the net incomes.

Mr. PAGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Vermont?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. PAGE. I am sorry to say that I did not listen to the early part of the Senator's speech. What have been the fundamental errors in computing these taxes to produce such a result as that to which he has called attention?

Mr. JONES of New Mexico. There has been no error in computing the taxes. The error has been in the law. The error is in the existing income-tax law and not merely in the proposed law. It is my purpose later on to suggest a revision of the present income-tax law in that regard.

Mr. PAGE. Is there any other tax upon corporations that in some way equalizes this seeming inequality?

Mr. JONES of New Mexico. Not at all. There is a small excise tax, but it is so insignificant that no one contends that it at all should operate or be considered as in any manner compensating for the inequity which I have just pointed out.

Mr. PAGE. I did not quite state what I meant. I spoke of the fundamental error. I meant more particularly the fundamental inequality or wrong. I did not quite see how it worked out, as the Senator has explained, that individuals were called upon to pay so much more than they ought to pay as compared with corporations.

Mr. JONES of New Mexico. I beg the Senator's pardon. I supposed he was present when I tried to explain the cause for that.

Mr. PAGE. No.

Mr. JONES of New Mexico. In a word, I think I can put the Senator right.

Mr. PAGE. If the Senator has already given it at length, I do not want to have him repeat his statement; but if he can state it in just a word, I should be glad to have him do so.

Mr. JONES of New Mexico. I shall not repeat at length, and it is not necessary to be lengthy in stating the proposition. There is no surtax upon corporate incomes and there is a surtax upon individual incomes.

Mr. PAGE. I see.

Mr. JONES of New Mexico. That explains the reason for this discrepancy.

Mr. PAGE. Can the Senator explain why that difference has been permitted to be made in framing the law?

Mr. JONES of New Mexico. Mr. President, to my mind that is quite a lengthy story, and as I have just announced it to be my purpose to bring up the subject at a later date, when I expect to discuss at some length just the point the Senator now makes, I believe I will ask him to excuse me from answering at this time. I do not care at this particular time to consume so much of the time of the Senate as I should like to consume when I discuss the question.

Mr. President, the next method of raising revenue under this bill was the imposition of what we have chosen to call a war-profits tax. In the House bill which came over to the Senate it was called an excess profits tax, and the difference in terminology almost suggests the reason for the changes which we have made. Under the bill as it came from the House every line of business was permitted to retain, exempt from this tax, 8 per cent upon all of the capital engaged in the enterprise. As the bill came from the House it then levied a flat tax of 16 per cent upon all incomes in excess of 8 per cent on the capital employed. The House bill failed to take into consideration a thing which is known to every observer, that not all lines of business are expected or hope to make the same income. You take the banks. They do not expect to make the same income as the manufacturer. You take the railroads. They do not expect to make the same income as other lines of industry, and the reason of it is that the risk involved in the business varies. You take the concern which goes into the oil business. It may spend several years before it makes any profit. When the profit does come, often it comes in great abundance; and shall you tax that concern upon the same basis as the concern which has been going along for years making a comparatively even profit?

Moreover, the tax which was levied bore equally by percentage upon all incomes above 8 per cent. The country has recognized the advisability of graduation in levying an income tax, and no reason has been suggested why the tax upon excess profits or upon war profits should not be graduated in the same manner as the income tax.

Again, Mr. President, the House provision gave an exemption of 8 per cent upon the capital employed. How can you ascertain the amount of capital employed except by a valuation of the assets of all the corporations of the country? I believe you will agree that this is quite impracticable; so the committee thought we would get at the matter in a more practical way, and that we would base this tax not upon excess profits in the strict sense but upon the war profits, the profits which are being made and accruing out of this war. So we provided, according to the system adopted in other countries, that we would take the three years before the European war and we would let every business get the average income of those three years. If it had been making 6, 8, 10, or 12 per cent during those years, that was to be accepted as the prewar income, and the war profits over and above that were to be taxed.

A provision was made for those who were earning during those years subnormal amounts.

The suggestion was made that something should be done with reference to those concerns that had supernormal incomes prior to the war, and much can be said for inserting in this bill some provision which would reduce the exempted amount of those concerns which were making a supernormal income before the war. But that matter was discussed by the committee. It was a thing not easily understood. The committee finally acted upon it, and presented the plan which appears in this bill. Much can be said for some modification; but on the whole it seems to me that no great harm can come if the Senate adopts it as presented by the committee.

Mr. President, the next title of this bill relates to the taxes upon intoxicating beverages. The amount of the taxes has been largely increased. Nobody can say whether the increase should have been what it is in the bill—whether it should have been a little more or whether it should have been less. There were no means by which you could demonstrate as a mathematical problem how much tax should have been imposed upon intoxicating liquors, so the committee has tried to use its best judgment. We have adopted these rates, and we submit to the Senate the result of our deliberations. That the tax should be increased upon intoxicating liquors, I do not believe anyone will question. Certainly no member of the committee did. It was simply a question of how much the tax should be. The same thing was done in regard to wines and brandy and beer; and some tax was put upon even the soft drinks. We felt that that was an industry which could bear a small share of this burden without any great harm, and so a very small tax was provided to be raised from the consumption of so-called soft drinks.

The next subject was that of tobacco, cigars, and cigarettes. While it was considered by the committee that the use of tobacco in a great measure is a luxury and ought to bear a fair share of the burden of raising revenue, yet at the same time it was felt that the use of tobacco was a luxury of the man of moderate means, and that so extensive had the habit become that it would be a distinct burden if a large tax were imposed. So you will find that the taxes upon tobacco are not increased to any very great extent, and you will find also that the tax, such as it is, is graduated so that the cheaper tobaccos and the cheaper cigars shall bear a less rate of tax than the more expensive kinds.

Mr. President, the next title of the bill presents some items of questionable advisability; for instance, a tax of 3 per cent upon the freight charges of the railroads. I can see how somebody may object to that. I can see how a good deal can be said against it. Yet the money to be derived from that source will be widely distributed. It will be put upon those who are doing the most active business. It is a tax which in large measure, if not entirely, will be paid by the consumer of the freight.

So we thought that could not do much harm and would be the means of raising considerable revenue.

In the express charges we made a change in the bill as it came from the House. The House fixed a charge of 6 per cent upon all express packages. You can readily see how impracticable it would be to collect such a charge as that in the case of small packages and the intermediate packages. The committee further considered the fact that the express business of the country is in direct competition with the Parcel Post System. The committee felt that inasmuch as the express business of the country had adjusted itself to the Parcel Post System that that relationship should not be disturbed. So we put a tax of 1 cent on a package where the express was 25 cents and less, and 1 cent for each additional 25 cents, and made the same change later in the Parcel Post System, so as to compensate the one for the other.

The next item in the bill as it came from the House was a tax upon insurance—life insurance, marine insurance, fire insurance, casualty insurance. Your committee felt that that was not a proper subject of taxation in these times, and so has eliminated that item from the bill.

The next general item in the bill as it came from the House is a tax on manufactures. That includes a large number of items. It is a tax upon gross sales of manufacturers. We objected to the principle of a tax upon gross sales, and we found that in order to collect that tax as it appeared in the House bill thousands of concerns in the country would have faced bankruptcy. Almost entirely we eliminated the tax upon gross sales and only retained the tax in those instances where it would not in our opinion injure the business.

In this connection it may be said that the House bill proposed a tax upon the output of automobiles, motor trucks, all cars or vehicles operated by motor power. We realized, of course, that that would be a tax carried on to the purchaser. We felt that the business of the country should be interfered with as little as possible. We put no tax upon the motor trucks, upon the motor wagons, and we thought that the tax upon the automobile itself should be paid directly by him who used the machine rather than tax the manufacturer and have him pass it on to the user. At any rate, that is the way the committee handled the problem. From that source we expect to raise $40,000,000 of revenue, and, to my mind, $40,000,000 raised in this manner will not seriously burden any citizen of the country.

We declined to put a tax upon the sales of musical instruments for reasons which are apparent to almost every Senator. They are educational instruments, not only the pianos but the mechanical instruments, the graphophone, the talking machine. They furnish amusement and entertainment for nearly every household in the land. They furnish amusement and entertainment for the humble homes of the land which could not be had for the same amount of money in any other way, and of which those humble homes would be absolutely deprived.

The same thing may be said of films for moving-picture shows. We found that the business would be destroyed if the tax imposed under the House bill were levied upon that industry.

Instead of levying a tax upon the manufacture of yachts, we propose to levy a tax upon the use of the yacht, varying in accordance with the size of the yacht, making the burden as light as possible.

We reduced the tax as it appears in the bill from the House from 5 per cent to 2 per cent upon perfumes, cosmetics, proprietary medicines, the various things which you purchase in the drug store. From chewing gum we removed the tax entirely because the articles which enter into the manufacture of chewing gum are heavily taxed under other provisions of the bill.

We inserted a tax of 2 per cent on cameras.

I have mentioned these things for the purpose of showing the underlying principle which actuated the committee throughout in the framing of the bill. We tried to put the load where it could be easiest borne, where everybody would bear a part, but where the strongest should shoulder the heavier burdens.

Such may be said also of the title dealing with the tax on admissions to theaters. We could not see any reason why the people who have the money to spend to pay 50 cents or $1 or $1.50 or $5 or $10 for theater tickets should not also contribute a little to the conduct of this war. But the committee considered that it was not wise to put a burden upon every kind of theater entertainment.

Some suggestion was made that the moving-picture shows ought to be taxed out of existence, but after that matter was discussed, instead of taxing them out of existence, the committee almost unanimously decided that there should be no tax upon moving-picture admissions except where the charge was above 25 cents. They furnish a means of education. I venture to say that every night there are thousands and thousands of men in this country who spend the evening with their families at the moving-picture show who doubtless otherwise would be found upon the street corner or in the saloons.

The committee took up the question of the stamp taxes. Very little change was made. There is no great principle involved in the matter of taxing by the sale of stamps. It is simply a question whether the particular article or the purchaser of the particular article can afford to pay or not. The question of how much is simply a matter of judgment or of opinion. So all the committee could do was to look into these questions and ascertain whether or not any particular industry or any particular class of people was to be unduly discriminated against or bear an unusual or a heavy burden. The committee exercised its judgment. These rates were put in the bill and I know of no serious objection to the rates which have been imposed.

The committee inserted one item, that of a stamp upon checks. During the Spanish War the Government imposed a tax of 2 cents upon bank checks. The majority of the committee at least felt that it created no great burden upon the public or upon the people who made particular use of bank checks. I do not recall that it was particularly complained about. It was a tax which it soon became convenient to pay through lithographing the stamp upon the check, and I could not see, and the majority of the committee could not see, why a reasonable revenue should not again be raised from the stamp upon bank checks.

We also put stamps upon conveyances and deeds, making very little change if any in the bill as passed by the House, and various other things.

The next most important item which was dealt with in the bill was the inheritance tax. The bill as it came from the House imposed a large tax upon inheritances. Your committee in considering that question felt that the present law upon inheritances would raise all the money that the Federal Government ought to raise from that source; that that has become a subject of almost universal taxation in the various States; and that there should be some source of revenue left to the States not materially affected by the laws of the Federal Government. Whether this was wise or unwise no man can tell. We must use our best judgment. This is the best judgment of the committee, and unless some very cogent reason can be suggested it seems to me that the suggestion from the committee is worthy of your support.

Now, Mr. President, we come to a topic which caused, perhaps, as much discussion in the committee as any other. The bill as it came from the House levied an import duty of 10 per cent upon all imports. Where there was already an import duty, the bill increased it by 10 per cent. If the article came in free of duty, a duty of 10 per cent was levied upon it. But, Mr. President, while upon the face of it it looked as if that would be an equitable thing to do in view of the exigencies of war, the provision would simply increase a burden which the importers had been bearing before. But when we looked into the question we found that the raw material which had been coming in untaxed was necessary to the man who used it, who manufactured it, and put it into the commerce of the country. We realized that to have imposed that horizontal tax would have disarranged and set awry nearly every schedule of the present tariff law and that to go into that question at this time was unwise. We felt that if the tariff should be revised it ought to wait until conditions are more settled than now. So we decided that that was an unwise thing to do, and we have sought to raise the same amount of money, and more, from other sources.

Mr. PAGE. May I ask the Senator if the committee were entirely unanimous in their opinion that that course should be taken?

Mr. JONES of New Mexico. Yes, sir; my recollection is that the opinion of the committee was unanimous upon that subject.

But, Mr. President, there is another tax imposed, one upon sugar, tea, and coffee. There was much debate in the committee as to whether a tax upon those commodities should be imposed or not. An appealing argument can be made that we should not levy a tax upon the breakfast tables of the country. But, Mr. President, a majority of the committee, at least, felt that every mother in the land, every widow in the land would feel proud to know that in the cup of coffee, the cup of tea she is contributing a mite to the support of her country in this great war.

Moreover, it was felt by a number that the prices of these commodities are so manipulated that it would not increase the cost to the consumer; that the dealers would charge as much per pound for coffee and tea and sugar as they could charge anyhow, and a majority of the committee concluded to give that thought, at least, the benefit of the doubt.

Reference was made this afternoon to the provision in the bill repealing the provision of the present law in regard to the drawback upon sugar. Under the existing law, which imposes a

tax of 1 cent per pound upon imported sugar, if the same sugar is exported, there is a refund to the exporter of 99 per cent of the duty. That provision is all right in times of peace. If the business of the world were normal the effect of that sort of a law would simply be that the refiners of this country would bring here the Cuban and Porto Rican sugar, refine it, and export it, getting in the meantime the benefit of performing this service, employing American labor, reaping a reasonable profit for American enterprise, and do no harm to the country.

I listened to the colloquy to-day between the Senator from Utah [Mr. SMOOT], the Senator from Georgia [Mr. HARDWICK], and others. The principle developed in that colloquy is absolutely sound for times of peace, but conditions in these times are entirely different. America is the great sugar market of the world. Prior to the war it was Hamburg, Germany, but to-day the city of New York is the great sugar market of the world. In that market come our allies and come the neutral nations of the world to buy sugar. Under the law as it is to-day, in the market of New York there is an inducement to the extent of 1 cent per pound to sell the sugar of this country to our allies and to neutral countries rather than to sell it to our own citizen consumers. So, during the war, when we are inviting our allies to become purchasers of our material, and when, if the recent report in the papers is true, we are going to see to it that our allies can purchase our commodities upon the same terms as our own Government, are we going to say that they shall have this additional privilege and that we are going to give them a bonus of 1 cent per pound for taking sugar from our own people?

These are war times. We have got to deal with conditions as we find them. America is going to remain the sugar market of the world during the war. This provision inserted in the bill is simply a part of this great war program.

Mr. President, I do not want to refer at length to the tariff question, but it was urged, upon me at least, that instead of levying this excise tax, this tax upon sugar consumed and sold in the market, we should levy it only upon the importation of sugar. This was urged upon me by a man representing the great beet-sugar refining interests of this country. He thought it ought to be done to protect and to encourage the beet-sugar industry of my section of the country.

I do hope, Mr. President, that my State will ultimately be one of the greatest producers of beet sugar. All of the conditions necessary are there found. That will result beyond question in the near future.

But, Mr. President, when I asked him who was to be encouraged by putting a tax upon the importation of sugar rather than upon the use of sugar, he undertook to say that it was the beet grower of the West. I reminded him that before the war, notwithstanding the tariff we had upon sugar, the beet growers of Germany, producing sugar in competition with the world, received more for their beets than did the growers of Colorado or Utah. He said this had been somewhat changed, that they had increased the price to the beet grower. I asked him how much. He said they had increased the price to about $8 a ton. I asked him if he fixed the flat rate of $8 per ton. No, he said; he did not; but for sugar beets, where the sugar content was 15 per cent, they would give the grower one bag of sugar, or 100 pounds. Beets with 15 per cent content of sugar produce three bags of sugar to the ton, or 300 pounds. So he proposed to give to the grower one bag out of three for producing the beets, a thing just as necessary as the refining plant itself.

Mr. President, it is well known throughout the West that in some instances the refiners, with sugar at a less price than it is to-day, have made in a single year enough profit to pay for the whole plant. Yet the citizens of Colorado and the West, where the beets are grown, pay for the sugar which they consume the price of sugar in New York plus the freight from New York to Colorado.

Mr. President, the next title in the bill is that relating to postal rates. This has been one of the most confusing and perplexing questions found in the bill. The committee in its report says that it does not know whether it solved the question right or not. I do not either; but we have done the best we could. Later on, when we come to the item, I shall try to explain why we could not very well have done otherwise. The zone system for second-class mail matter as it came from the House to at least a majority, if not to all the members of the committee, appeared to be unwise. They felt it would be destructive to a large number of the business interests of the country. But more than that and beyond that we saw a much broader question. We did not want to provincialize this country. We felt that the people in the Middle West, and in the West, and on the Pacific coast ought to have accessible precisely the same information, the same literature, that is found upon the Atlantic coast.

We felt that in this country, embracing so many different types of people, the tendency should be to unify the country, to disseminate equal information, and to forward the great development of the intellectual citizenship of the country.

There are other matters to which I should like to call attention—amendments to the present law—but these are matters of detail which will be discussed when the particular items are reached.

As I stated previously, on some later day—and I hope within the next two or three days—I shall present to the Senate some suggestions regarding a surtax upon undistributed incomes of corporations. I believe that that is the one question which it is my duty to bring before the Senate. I believe that the committee has done not only an unwise thing in its dealing with the subject, but I believe that it is a subject of such stupendous importance that my duty as a Senator is to bring the matter before you and to submit it to your judgment.

As I stated in the beginning, much can be said and much will be said, in favor of the proposition to raise this revenue from a less number of subjects, but the bill is the result of the committee's work. That it has been conscientiously considered there is no doubt. I do not believe that ever in the history of Congress men assembled for the purpose of performing a duty have performed that duty more conscientiously than did the members of your Finance Committee. This bill is the result of their labors. It is for you, however, to acquaint yourselves with what the committee has done, and then to exercise your judgment, so far as you are able; but in the absence of some deep conviction, it seems to me that the action of your committee is worthy of your support. So, Mr. President, I will leave the question with this body. The report of your committee is here, and I know that you will give earnest consideration to the provisions of the bill.

I merely want to add a word, and that is that under the miscellaneous provisions of the bill, other than income taxes and war-profit taxes, the revenue which is expected to be raised will amount to over $55,000,000 per month. So every day that this bill shall remain under discussion there will be a loss to the Treasury of over a million and a half dollars. I, therefore, believe that every Senator should take up this bill, understand it as soon as and as thoroughly as possible, and finally act upon the sound judgment and in accordance with the wisdom of the Members of this body.

Mr. STERLING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. NEW in the chair). The Senator from South Dakota suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones, N. Mex.	Martin	Shafroth
Brady	Jones, Wash.	Myers	Sheppard
Brandegee	Kellogg	New	Simmons
Curtis	Kendrick	Overman	Smoot
Fletcher	King	Page	Sterling
France	Kirby	Pittman	Sutherland
Gore	La Follette	Poindexter	Swanson
Hollis	Lewis	Pomerene	Trammell
Husting	Lodge	Ransdell	Vardaman
Johnson, Cal.	McNary	Saulsbury	Wadsworth

Mr. CURTIS. I desire to announce the absence of the senior Senator from Idaho [Mr. BORAH] on account of illness, and will let this announcement stand for the present.

Mr. LEWIS. Mr. President, permit me to announce the absence of the Senator from Oregon [Mr. CHAMBERLAIN], who has been called from the Chamber on official business.

The PRESIDENT pro tempore. Forty Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absentees.

The Secretary called the names of absent Senators, and Mr. MCKELLAR, Mr. REED, Mr. SHIELDS, and Mr. UNDERWOOD answered to their names when called.

Mr. HARDWICK, Mr. BANKHEAD, Mr. MCCUMBER, Mr. DILLINGHAM, Mr. THOMPSON, and Mr. BECKHAM entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Fifty Senators have answered to their names. There is a quorum present.

Mr. SIMMONS. Mr. President, if no Senator desires to address the Senate upon the bill, I ask that we begin the consideration of committee amendments. I ask that we pass over, for the present, the first two titles, one relating to income taxes and the other relating to war-profits taxes. I do this at the suggestion and request of the Senator from Wisconsin [Mr. LA FOLLETTE], who is a member of the Committee on Finance.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The Secretary will state the next amendment reported by the Committee on Finance.

The next amendment of the Committee on Finance was, under the head of "Title III.—War tax on beverages," in section 300, on page 24, line 2, after the words "after the," to strike out "passage" and insert "enactment"; and in line 7, after the words "three hundred and," to strike out "one" and insert "four," so as to read:

Title III.—War tax on beverages.

SEC. 300. That on and after the enactment of this act there shall be levied and collected on all distilled spirits in bond at that time or that have been or that may be then or thereafter produced in or imported into the United States, except such distilled spirits as are subject to the tax provided in section 304.

The amendment was agreed to.

The next amendment was, in the same section, on page 24, line 8, after the numerals "$1.10," to insert "(or, if withdrawn for beverage purposes, a tax of $2.10)," so as to read: "in addition to the tax now imposed by law, a tax of $1.10 (or, if withdrawn for beverage purposes, a tax of $2.10) on each proof gallon, or wine gallon when below proof."

Mr. JONES of Washington. Mr. President, I did not know that this title would come up to-day. I am not going to take very much time on it—possibly only three or four minutes—but I should like for the title to go over.

Mr. SIMMONS. Mr. President, I beg the Senator's pardon. I do not understand what he desires to have go over.

Mr. JONES of Washington. I desire that Title III, which has just been reached, go over. I have not examined it very carefully, and I did not apprehend that it would come up so soon. I ask that the sections of this title providing an increase of taxes go over—sections 300, 301, 302, 303, 304, and 305.

Mr. SIMMONS. Does the Senator desire——

Mr. JONES of Washington. I will say that I shall not delay the consideration of these sections any when they come up, but I desire to make a brief statement. I am not prepared to do so now, because I did not expect this matter to come up. I will say that my asking for it to go over now will not delay it very many minutes when it comes up.

Mr. SIMMONS. Does the Senator desire that it shall go over for the day only?

Mr. JONES of Washington. Well, I think probably I shall be ready by to-morrow to say whatever I want to say with reference to the matter.

Mr. SIMMONS. The Senator's request applies to section 300 down to section 305, inclusive?

Mr. JONES of Washington. I think so. I will repeat to the Senator that I have not examined all of these different sections. I find on page 32 that there seems to be an increase in the tax. I refer to the sections that relate to an increase in the tax. Those are the sections which I desire to have go over.

Mr. SIMMONS. I shall not object to the sections, beginning with 300 and going down to 305, going over, if the Senator insists upon it, but I do not see any reason why we can not proceed with the consideration of the amendments, beginning with section 306.

The PRESIDENT pro tempore. Is there objection to passing over the sections indicated?

Mr. PENROSE. Mr. President, I did not understand what the chairman of the committee is willing to do in this matter.

Mr. SIMMONS. The Senator from Washington [Mr. JONES] asks that sections 300 to 305 go over until to-morrow, and I stated that I would not oppose his request.

Mr. PENROSE. Well, Mr. President, I have a desire at all times to oblige the Senator from Washington, but I hope the chairman of the committee will not be too good-natured in granting requests of this kind or we will be postponing one title of the bill after another and make no progress. I understand the Senator from Washington only wants to make a brief statement concerning this title and has no particular hope or intention of changing its provisions.

Mr. JONES of Washington. That is right; but the Senator will appreciate the fact that we have already passed over twenty-odd pages of the bill, embracing two very important titles.

Mr. PENROSE. We have passed over two titles, which are, of course, half of the bill, in substance, and I deprecate that; but this is only increasing the grievance that I am beginning to accumulate.

Mr. JONES of Washington. The Senator will appreciate the fact that I had no intimation that the first two titles were going over, so I was not prepared to have the succeeding title taken up.

Mr. PENROSE. As I have said, I rose with the desire on my part to facilitate the work of the Senator from Washington, but I also want to file a gentle protest and express the sincere hope that the chairman of the committee will not consent to many of these postponements.

Mr. SIMMONS. Mr. President, I want to say that I am rather moved this afternoon to be a little bit lenient, because of the fact that we have reached the amendments much earlier, I think, than anybody had any reason to expect, and I can understand why Senators probably are not this afternoon prepared to go on. What has happened this evening, however, will be notice to the Senate, and to-morrow I think we can establish and maintain probably a much stricter rule.

Mr. PENROSE. There is another phase of the matter, Mr. President. Many of us have been closely confined here in Washington for a long while, and it is hardly fair to those Members of the Senate who may want to go home or elsewhere for two or three days to have them kept waiting here on account of the postponement of the consideration of various portions of the bill. As I have said, I recognize this title has come up unexpectedly this afternoon, but I hope that hereafter we will proceed in the regular orderly way.

Mr. SIMMONS. I merely consented to pass over these five sections until to-morrow. I ask that the Secretary now proceed with the reading.

Mr. JONES of Washington. Mr. President, I merely want to say to the Senator from Pennsylvania that I shall not delay this bill; I shall take very little time; and if I had had any idea whatever that this title was coming up this afternoon I would have been ready to make the statement which I desire to make with reference to these items. I will say also that, as the Senator has intimated, I do not expect to make any particular contest with reference to this matter, nor do I expect to change the bill, but I do want to make a very brief statement with reference to it.

The PRESIDENT pro tempore. Without objection, the reading will be continued, beginning with section 306, on page 31.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, at the top of page 31, to insert a new section, as follows:

SEC. 306. That hereafter collectors of internal revenue shall not furnish wholesale liquor dealer's stamps in lieu of and in exchange for stamps for rectified spirits unless the package covered by stamp for rectified spirits is to be broken into smaller packages.

The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to discontinue the use of the following stamps whenever in his judgment the interests of the Government will be subserved thereby:

Distillery warehouse, special bonded warehouse, special bonded rewarehouse, general bonded warehouse, general bonded retransfer, transfer grapes, export tobacco, export cigars, export oleomargarine, and export fermented liquor stamps.

The amendment was agreed to.

The next amendment was, on page 31, after line 15, to insert:

SEC. 307. That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby authorized to require at distilleries, breweries, rectifying houses, and wherever else in his judgment such action may be deemed advisable, the installation of meters, tanks, pipes, or any other apparatus for the purpose of protecting the revenue, and such meters, tanks, and pipes and all necessary labor incident thereto shall be at the expense of the person, corporation, partnership, or association on whose premises the installation is required. Any such person, corporation, partnership, or association refusing or neglecting to install such apparatus when so required by the commissioner shall not be permitted to conduct business on such premises.

The amendment was agreed to.

Mr. JONES of Washington. Mr. President, we might save time if I make a suggestion now regarding this portion of the bill. I notice that most of the remaining sections of this title have to do with the increase of the tax, and I should like to have them go over until tomorrow. I suggest that the remainder of the title go over, and we can probably make time on some of these titles.

Mr. LODGE. I will say to the Senator that section 308, a new section, does increase the tax.

Mr. JONES of Washington. Yes.

Mr. LODGE. But section 309 covers simply administrative provisions and does not affect the tax at all. We might get the administrative provisions out of the way.

Mr. JONES of Washington. That is all right.

Mr. LODGE. Then we can pass over section 308 and go to section 309.

The PRESIDING OFFICER (Mr. KING in the chair). Without objection, section 308 will be passed over for consideration later.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 32, after line 15, to insert a new section, as follows:

SEC. 309. That from and after the enactment of this act taxable fermented liquors may be conveyed without payment of tax from the brewery premises where produced to a contiguous industrial distillery of either class established under the act of October 3, 1913, to be used

as distilling material, and the residue from such distillation, containing not to exceed one-half of 1 per cent of alcohol by volume, which is to be used in making beverages, may be manipulated by cooling, flavoring, carbonating, settling, and filtering on the distillery premises or elsewhere.

The removal of the taxable fermented liquor from the brewery to the distillery and the operation of the distillery and removal of the residue therefrom shall be under the supervision of such officer or officers as the Commissioner of Internal Revenue shall deem proper, and the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby authorized to make such regulations from time to time as may be necessary to give force and effect to this section and to safeguard the revenue.

The amendment was agreed to.

The next amendment was, on page 33, after line 11, to strike out:

SEC. 304. That upon all still wines, including vermuth, and upon all champagne and other sparkling wines, liqueurs, cordials, artificial or imitation wines or compounds sold as wine, except wines containing not more than 14 per cent of absolute alcohol, hereafter produced in or imported into the United States, and removed from the customhouse, place of manufacture, or from bonded premises for sale or consumption, there shall be levied and collected, in addition to the tax now imposed by law upon such articles, a tax equal to such tax, to be levied, collected, and paid under the provisions of existing law. Upon wines containing not more than 14 per cent of absolute alcohol there shall be levied and collected, in addition to the tax now imposed by law upon such wines, a tax equal to one-half such tax, to be levied, collected, and paid under the provisions of existing law, and the tax imposed by existing law and the additional tax herein imposed shall apply to all domestic or imported liqueurs, cordials, or similar compounds by whatever name sold or offered for sale and without reference to the kind of spirits or wines used in the manufacture thereof.

The amendment was agreed to.

Mr. JONES of Washington. Mr. President, I should like to have section 310 go over.

The PRESIDING OFFICER. Without objection, section 310 will be passed over for further consideration later.

The reading of the bill was resumed.

The next amendment was, on page 36, line 5, to change the number of the section from "305" to "311"; in line 6, after the words "three hundred and," to strike out "four" and insert "ten"; in line 8, after the words "act is," to strike out "passed" and insert "enacted"; and in line 10, after the words "to the," to strike out "tax now imposed by law" and insert "tax imposed by such section," so as to make the section read:

SEC. 311. That upon all articles specified in section 310 upon which the tax now imposed by law has been paid and which are on the day this act is enacted held in excess of 25 gallons in the aggregate of such articles and intended for sale, there shall be levied, collected, and paid a tax equal to the tax imposed by such section.

The amendment was agreed to.

Mr. JONES of Washington. Mr. President, I ask that sections 312 and 313 may be passed over.

The PRESIDING OFFICER. Without objection, the two sections mentioned by the Senator from Washington will be passed over.

The reading of the bill was resumed.

The next amendment was, on page 37, line 6, to change the number of the section from "308" to "314"; in line 12, after the word "thereof," to strike out "a tax equivalent to 10 per cent of the price for which so sold" and insert "if so sold for not more than $1.25 per gallon, a tax of 3 cents per gallon; if so sold for more than $1.25 and not more than $2 per gallon, a tax of 4 cents per gallon; if so sold for more than $2 and not more than $3 per gallon, a tax of 6 cents per gallon; if so sold for more than $3 and not more than $4 per gallon, a tax of 8 cents per gallon; and if so sold for more than $4 per gallon, a tax of 12 cents per gallon," so as to make the clause read:

SEC. 314. That there shall be levied, assessed, collected, and paid—

(a) Upon all prepared sirups or extracts (intended for use in the manufacture or production of beverages, commonly known as soft drinks, by soda fountains, bottling establishments, and other similar places) sold by the manufacturer, producer, or importer thereof, if so sold for not more than $1.25 per gallon, a tax of 3 cents per gallon; if so sold for more than $1.25 and not more than $2 per gallon, a tax of 4 cents per gallon; if so sold for more than $2 and not more than $3 per gallon, a tax of 6 cents per gallon; if so sold for more than $3 and not more than $4 per gallon, a tax of 8 cents per gallon; and if so sold for more than $4 per gallon, a tax of 12 cents per gallon; and

Mr. HARDWICK. Mr. President, I should like to have the attention of the chairman of the committee for a moment.

It seems that the House of Representatives put what amounted to a 10 per cent tax on all the sirups used in these soft drinks, and the Senate has substituted a specific tax. Can the Senator from North Carolina tell me how much less this tax is than the other one would be, or why this change was made?

Mr. SIMMONS. Under the House bill, the tax imposed on these sirups and extracts was a gross-sales tax; that is, 10 per cent of the price for which they were sold—not exactly a gross-sales tax, but a tax upon the price at which the sirup was sold, equivalent to a gross-sales tax of 10 per cent, without any reference to the profits that might be made. In the first place, the committee thought that was rather a dangerous method of taxation. A gross-sales tax of 10 per cent would be equal to a very heavy net-profits tax. The committee thought, however, that there ought to be a tax upon these sirups and these extracts, and after hearing the representatives of the various companies manufacturing these extracts and sirups we reached the conclusion that the best way of reaching it was by this method. I will state to the Senator that I do not think it would be anything like as heavy as the tax imposed by the House. I have not worked out the exact proportion between the tax we imposed and the tax the House imposed.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). Does the Senator from North Carolina yield to the Senator from Utah?

Mr. HARDWICK. I think I have the floor for the present. I am yielding to the Senator from North Carolina first.

Mr. SMOOT. I was just going to say to the Senator that instead of 10 per cent this would average a little less than 3 per cent; or, in other words, about 70 per cent less than the House provided for in the bill that came over to the Senate.

Mr. HARDWICK. I thank the Senator for that explanation, and I want to make this observation——

Mr. SIMMONS. The Senator means 3 per cent upon the gross sales.

Mr. SMOOT. Upon the gross sales.

Mr. SIMMONS. Yes. I think that is a very high gross-sales tax.

Mr. HARDWICK. I think myself that even that is pretty high.

What directed my attention particularly to this matter is that there are some manufacturers of Chero-cola and such like drinks who reside in my State and do business there. They are men of limited capital, who are doing rather a large volume of business on a relatively small capital. Their gross receipts and gross sales amount to a very large sum of money, but their profits, they tell me, are small; and a tax of any considerable per cent on gross sales, all the money that goes through their hands in a business way, on everything they sell, would ruin any one of them.

Mr. SIMMONS. If the Senator will pardon me, I have not the hearings here, and I do not carry in my mind the exact statements; but my recollection is that several of the representatives of these extract and sirup houses stated that the tax would be far in excess of their total profits.

Mr. HARDWICK. Yes; that is undoubtedly true. I remember that one of them, a very capable young business man from my State, who is now a member of the Legislature of Georgia, told me that he would rather that Congress would pass a law taking half or two-thirds of his income, or all of it, than to pass a law that imposed a tax on his gross sales; that it amounted not only to taking all of his income, but to a confiscation of his business. I was naturally very much opposed to that, as I think any Senator would have been, and I promised him to do all in my power to present the matter to the Senate so that that would not be done; and what I am particularly anxious to do at the present moment is to see whether this specific tax which the committee has imposed will only require these people to pay a reasonable and ordinary tax on their business, and they ought to be required to do no more.

Mr. SMOOT. Mr. President——

Mr. HARDWICK. I yield to the Senator from Utah.

Mr. SMOOT. If the Senator had time to look over the testimony that was given before the committee, he would find out that the tax imposed here will not embarrass the business. The tax imposed here is upon each gallon sold. The most of it is sold at $1.25 to $2 per gallon, and the tax of 3 cents per gallon that we impose here is only a small percentage of the profits of the concern upon each gallon of sirup sold; so we are not destroying the business. But I want to say to the Senator that I do believe that if the House provision had remained as a tax of 10 per cent on the gross sales there is but one sirup manufacturer in the United States that could withstand the tax, and that is the Coca-Cola people. The business of every other manufacturer in the United States would be utterly wiped out under that provision. But I am quite sure, I will say to the Senator, that in the case of the tax imposed by the Senate all of these companies can stand it; and the way it is imposed it is very easy, indeed, to pass it on to the purchaser of the sirup. I will say, further, that when you pay 3 cents upon a gallon that goes to a soda-water fountain it is such a small and infinitesimal amount upon a glass of soda water that it will never reach the consumer; or, in other words, this will be absorbed between the sirup manufacturer and the consumer.

Mr. HARDWICK. I suppose the Senator is right about that, and I want to congratulate the committee on this change. It

did look to me like a monstrous proposition to take these young men who are struggling in business, and who are willing to give up any percentage of their income that the Congress wanted to take for the purposes of the Government, and practically not only take all their income but confiscate their property. I am glad to see that this provision will avert that trouble, and I have no objection to the amendment if that is the effect of it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES of Washington. Mr. President, I think section 301 was adopted before my attention was called to the fact that we were on these items. That covers the same thing that these other sections cover.

The PRESIDING OFFICER. The Chair is informed that section 301 was not adopted.

Mr. JONES of Washington. It was not? Very well.

The PRESIDING OFFICER. It was not even read.

The reading of the bill was resumed.

The next amendment was, on page 37, line 24, after the word "importer," to strike out "thereof" and insert "thereof" with a comma; and, on page 38, line 3, after the words "tax of," to strike out "2 cents" and insert "1 cent," so as to make the clause read:

(b) Upon all unfermented grape juice, soft drinks or artificial mineral waters (not carbonated), and fermented liquors containing less than one-half per cent of alcohol, sold by the manufacturer, producer, or importer thereof in bottles or other closed containers, and upon all ginger ale, root beer, sarsaparilla, pop, and other carbonated waters or beverages, manufactured and sold by the manufacturer, producer, or importer of the carbonic acid gas used in carbonating the same, a tax of 1 cent per gallon; and

The amendment was agreed to.

The next amendment was, on page 38, line 8, after the words "1 cent per," to strike out "gallon; and" and insert "gallon," so as to make the clause read:

(c) Upon all natural mineral waters or table waters, sold by the producer, bottler, or importer thereof, in bottles or other closed containers, at over 10 cents per gallon, a tax of 1 cent per gallon.

The amendment was agreed to.

The next amendment was, on page 38, after line 8, to strike out:

(d) Upon all carbonic acid gas in drums or other containers (intended for use in the manufacture or production of carbonated water or other drinks) sold by the manufacturer, producer, or importer thereof, a tax of 8 cents per pound.

The amendment was agreed to.

The next amendment was, on page 38, line 13, to change the number of the section from "309" to "315."

The amendment was agreed to.

The next amendment was, on page 38, after line 20, to insert:

SEC. 316. That upon all carbonic acid gas in drums or other containers (intended for use in the manufacture or production of carbonated water or other drinks) sold by the manufacturer, producer, or importer thereof, there shall be levied, assessed, collected, and paid a tax of 5 cents per pound. Such tax shall be paid by the purchaser to the vendor thereof and shall be collected, returned, and paid to the United States by such vendor in the same manner as provided in section 503.

Mr. BRADY. Mr. President, I should like to ask the chairman of the committee relative to the words "intended for use in the manufacture or production of carbonated water or other drinks." How is that intended to benefit the bill? How are we to know or decide what the intended use is?

Mr. SIMMONS. The purpose of this section is to impose this tax only upon the carbonic acid intended for use in the manufacture or production of carbonated water or other drinks.

Mr. BRADY. How are we to determine what the intent is?

Mr. SIMMONS. The tax is paid only by the purchaser who buys for the purpose of using it in the manufacture of these waters.

Mr. BRADY. I suppose the intended use would be governed in some way by a statement from the purchaser of what it is his intention to do with the carbonic acid.

Mr. SIMMONS. The purchaser has to pay this tax, and the vendors of these several drinks will have to pay this tax, and they are the only ones who will have to pay this tax. However, of course, I take it the department will require from them a statement of the amount of this carbonic acid that they had purchased every month or every quarter, as the case might be.

Mr. BRADY. That was the point upon which I desired information. The use for which they intend it will be governed by some regulation of the department?

Mr. SIMMONS. Yes. The Senator will understand that we are imposing this 5 per cent tax upon carbonic acid simply for the purpose of reaching the soda water sold at the fountains and in the bottling establishments, instead of imposing a tax directly upon the glass of soda water.

Mr. BRADY. I understand the intent of the bill, but I was just bothered in my mind as to how we should determine when that tax should be paid. Will that be determined by the man selling it, or by the man purchasing it?

Mr. SIMMONS. That will be under the regulation of the department, as to the method of ascertaining whether it was purchased with the intent to be used in this way, so as to subject it to the tax.

Mr. BRADY. It is the intent of the committee, then, that the purchasers shall be governed by some regulation of the department?

Mr. SIMMONS. Oh, yes.

Mr. BRADY. Determining what the article is to be used for?

Mr. SIMMONS. The bill provides for regulation in the administrative section.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, under the head of "Title IV.—War tax on cigars, tobacco, and manufactures thereof," in section 400, page 39, line 10, after the word "thereof," to insert "(a)"; in line 13, before the word "on," to insert "(b)"; in line 15, after the words "retail at," to strike out "not more than"; in line 16, before the word "each," to insert "or more"; in the same line, after the word "each," to strike out "50 cents per thousand; if manufactured or imported to retail at more than 4 cents"; in line 18, before the word "cents," to strike out "6" and insert "7"; in the same line, before the word "if," to insert "(c)"; in line 19, before the word "cents," to strike out "6" and insert "7"; in the same line, after the word "cents," to insert "each"; in line 20, before the word "cents," to strike out "10" and insert "15"; in the same line, before the words "per thousand," to strike out "$2" and insert "$3"; in the same line, before the word "if," to insert "(d)"; in line 21, before the word "cents," to strike out "10" and insert "15"; in the same line, after the word "cents," to insert "each"; in line 22, before the word "cents," to strike out "15" and insert "20"; in the same line, before the words "per thousand," to strike out "$4" and insert "$5"; in the same line, before the word "if," to insert "(e)"; in line 23, after the words "more than," to strike out "15 cents and not more than"; in line 24, before the words "per thousand," to strike out "$5" and insert "$7"; in the same line, after the word "thousand," to strike out "if manufactured or imported to retail at more than 20 cents and not more than 25 cents each, $7 per thousand; if manufactured or imported to retail at more than 25 cents each, $10 per thousand"; on page 40, line 5, after the word "manufacturer," to insert "or importer"; in line 6, after the word "indicating," to strike out "the maximum retail price of each cigar" and insert "by letter the clause of this section under which the cigars therein contained have been tax paid"; in line 10, before the word "on," to insert "(f)"; in line 13, before the words "per thousand," to strike out "$1.25" and insert "75 cents"; and in the same line, after the words "per thousand," to insert "weighing more than 3 pounds per thousand, $1.20 per thousand," so as to make the section read:

SEC. 400. That upon cigars and cigarettes, which shall be manufactured and sold, or removed for consumption or sale, there shall be levied and collected, in addition to the taxes now imposed by existing law, the following taxes, to be paid by the manufacturer or importer thereof: (*a*) On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, 25 cents per thousand; (*b*) on cigars made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, if manufactured or imported to retail at 4 cents or more each, and not more than 7 cents each, $1 per thousand; (*c*) if manufactured or imported to retail at more than 7 cents each and not more than 15 cents each, $3 per thousand; (*d*) if manufactured or imported to retail at more than 15 cents each and not more than 20 cents each, $5 per thousand; (*e*) if manufactured or imported to retail at more than 20 cents each, $7 per thousand: *Provided*, That the word "retail" as used in this section shall mean the ordinary retail price of a single cigar, and that the Commissioner of Internal Revenue may, by regulation, require the manufacturer or importer to affix to each box or container a conspicuous label indicating by letter the clause of this section under which the cigars therein contained have been tax paid, which must correspond with the tax-paid stamp on said box or container; (*f*) on cigarettes made of tobacco, or any substitute therefor, made in or imported into the United States, and weighing not more than 3 pounds per thousand, 75 cents per thousand; weighing more than 3 pounds per thousand, $1.20 per thousand.

The amendment was agreed to.

The next amendment was, on page 40, after line 14, to strike out:

The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall provide the dies and stamps for cigars and cigarettes necessary under the taxes in effect, and the sizes of packages authorized, after the provisions of this title take effect.

The amendment was agreed to.

The next amendment was, on page 40, line 25, before the word "eight," to strike out "seven"; in the same line, before the word "ten," to strike out "nine"; in the same line, after the word "ten," to strike out "fourteen" and insert "twelve"; in the same line, before the word "sixteen," to strike out "fourteen" and insert "fifteen"; in line 26, before the word "twenty," to strike out "eighteen, nineteen," and in the same line, before the word "forty," to insert "twenty-four"; so as to make the clause read:

Every manufacturer of cigarettes (including small cigars weighing not more than 3 pounds per 1,000) shall put up all the cigarettes and such small cigars that he manufactures or has manufactured for him, and sells or removes for consumption or use, in packages or parcels containing 5, 8, 10, 12, 15, 16, 20, 24, 40, 50, 80, or 100 cigarettes each, and shall securely affix to each of said packages or parcels a suitable stamp denoting the tax thereon and shall properly cancel the same prior to such sale or removal for consumption or use under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe; and all cigarettes imported from a foreign country shall be packed, stamped, and the stamps canceled in a like manner, in addition to the import stamp indicating inspection of the customhouse before they are withdrawn therefrom.

The amendment was agreed to.

The next amendment was, in section 401, page 41, line 14, after the word "tax," to strike out "equal to such tax" and insert "of 4 cents per pound," so as to make the section read:

SEC. 401. That upon all tobacco and snuff hereafter manufactured and sold, or removed for consumption or use, there shall be levied and collected, in addition to the tax now imposed by law upon such articles, a tax of 4 cents per pound, to be levied, collected, and paid under the provisions of existing law.

The amendment was agreed to.

The next amendment was, in section 402, page 42, line 1, before the word "days," to strike out "30" and insert "10"; in the same line, after the words "after the," to strike out "passage" and insert "enactment"; in line 6, before the word "days," to strike out "90" and insert "10"; in the same line, after the words "after the," to strike out "passage" and insert "enactment"; and, in line 7, after the word "act," to strike out: "*Provided*, That after the passage of this act and before the expiration of the aforesaid 90 days, cigarettes may be put up in the packages now provided for by law or in the packages provided for in section 400," so as to make the section read:

SEC. 402. That so much of section 400 as imposes a tax upon cigars, and the whole of section 401, shall take effect 10 days after the enactment of this act. That section 404 and so much of section 400 as imposes a tax upon cigarettes and as relates to packages or parcels in which cigarettes may be put up shall take effect 10 days after the enactment of this act.

The amendment was agreed to.

The next amendment was, in section 403, page 42, line 11, after the words "also be," to strike out "assessed" and insert "levied"; in line 13, before the word "pounds," to strike out "thousand" and insert "hundred"; in the same line, after the word "pounds," to insert "at any one place of business"; in line 14, before the word "upon," to strike out "or" and insert "and"; in the same line, after the word "cigars," to insert "in excess of 500 at any one place of business"; in line 15, before the word "cigarettes," to strike out "or" and insert "and upon"; in line 16, before the word "thousand," to strike out "twenty" and insert "one"; in the same line, after the word "thousand," to insert "at any one place of business"; in line 17, before the word "prior," to strike out "customshouse" and insert "customhouse"; in the same line, after the words "prior to the," to strike out "passage" and insert "enactment"; in line 21, after the words "act is," to strike out "passed" and insert "enacted"; in line 24, after the words "factory or," to strike out "customshouse" and insert "customhouse"; and in the same line, after the words "after the," to strike out "passage" and insert "enactment," so as to make the section read:

SEC. 403. That there shall also be levied and collected upon all manufactured tobacco and snuff in excess of 100 pounds at any one place of business and upon cigars in excess of 500 at any one place of business and upon cigarettes in excess of 1,000 at any one place of business which were manufactured or imported and removed from factory or customhouse prior to the enactment of this act, bearing tax-paid stamps affixed to such articles for the payment of the taxes thereon, and which are, on the day this act is enacted, held and intended for sale by any person, corporation, partnership, or association, and upon all manufactured tobacco, snuff, cigars, or cigarettes removed from factory or customhouse after the enactment of this act but prior to the time when the tax imposed by section 400 or section 401 upon such articles takes effect, an additional tax equal to one-half the tax imposed by such sections upon such articles.

The amendment was agreed to.

The next amendment was, in section 404, page 43, line 3, after the words "shall be," to strike out "levied," and insert "levied, assessed"; in line 7, after the word "set," to strike out "containing not more than 25 papers, one-fourth of 1 cent"; and in line 14, after the word "thereof," to strike out "Such tax shall be paid by stamps affixed by the person, corporation, partnership, or association making up or importing such package, book, set, or tube," so as to make the section read:

SEC. 404. That there shall be levied, assessed, and collected upon cigarette paper made up into packages, books, sets, or tubes, made up in or imported into the United States and intended for use by the smoker in making cigarettes the following taxes: On each package, book, or set containing more than 25 but not more than 50 papers one-half of 1 cent; containing more than 50 but not more than 100 papers, 1 cent; containing more than 100 papers, 1 cent for each 100 papers or fractional part thereof; and upon tubes 2 cents for each 100 tubes or fractional part thereof.

The amendment was agreed to.

The next amendment was under the head of Title V.—War Tax on Facilities Furnished by Public Utilities, and Insurance, on page 42, line 6, after the word "Utilities," to strike out "and Insurance."

The amendment was agreed to.

The next amendment was in section 500, page 43, line 20, after the words "day of," to strike out "June"; in line 24, after the word "water," to insert "or by any form of mechanical motor power when in competition with carriers by rail or water," so as to read:

SEC. 500. That from and after the first day of ———, 1917, there shall be levied, assessed, collected, and paid (a) a tax equivalent to 3 per cent of the amount paid for the transportation by rail or water or by any form of mechanical motor power when in competition with carriers by rail or water of property by freight consigned from one point in the United States to another.

The amendment was agreed to.

The next amendment was, on page 44, line 1, after the words "another; (b)," to strike out "a tax equivalent to 6 per cent of the amount paid for the transportation of property by express companies consigned from one point in the United States to another" and insert "a tax of 1 cent for each 25 cents, or fraction thereof, paid to any person, corporation, partnership, or association, engaged in the business of transporting parcels or packages by express over regular routes between fixed terminals, for the transportation of any package, parcel, or shipment by express from one point in the United States to another."

Mr. HARDWICK. Mr. President, this is a tax imposed upon the express companies, as I understand it. The Senator who reported the bill has put against that, in order to equalize the matter, a provision on page 71, beginning in line 9, for a stamp tax on all parcel-post matter that is handled by the Government of the United States. The two propositions of course, I take it, are linked together by the committee. If so, I ask that this amendment be passed over for the present at least, because I am opposed to the provision on page 71 and will move to strike it out. I think even the Senator from North Carolina will probably be in favor of striking it out when he understands exactly what it means and what the Post Office Department thinks about it and the way they construe it. I do not object to the adoption of this section just read if the Senator wants it to be adopted, if it stands alone, but if it depends on the retention of the matter on page 71 in relation to parcel-post business of the Government I think we had better pass it over and consider the two together.

Mr. SIMMONS. Mr. President, I do not think the one depends necessarily upon the other. So far as I am personally concerned, and I think the committee had the same view, I should be in favor of the tax upon the express companies, even if the tax on the parcel-post matter is not levied.

Mr. HARDWICK. Then when we come to the provision on page 71 the Senator is going to urge as against the motion to strike out the proposition that it is necessary to retain it in order to be fair and just to the express companies, I take it.

Mr. SIMMONS. That would be a matter of argument.

Mr. HARDWICK. If the Senator is going to take that position we had just as well have the arguments now before we adopt either one of them.

Mr. SMOOT. I ask the Senator having the bill in charge to let the amendment go over at this time.

Mr. SIMMONS. I have no objection in the world to its going over.

Mr. SMOOT. I was going to say either that or else let us discuss it now, because to me the action of the Senate on the pending amendment will make a difference as to how I shall vote upon the parcel-post provision.

Mr. HARDWICK. I take it that will be the case with many Senators. I do not believe the Senator from North Carolina is going to be able to retain the section on page 71.

The PRESIDING OFFICER. Without objection, the amendment will be passed over. Does the Senator from Georgia want just the amendment passed over or the whole section?

Mr. HARDWICK. Just the particular amendment I designate about the express tax.

The PRESIDING OFFICER. Without objection, it will be passed over.

The next amendment was, on page 44, in line 15, before the words "per centum," to strike out "ten" and insert "five"; in line 18, after the word "water," to insert "or by any form of mechanical motor power when in competition with carriers by rail or water"; in line 7, after the word "water," to strike out "within the United States" and insert "from one point in the United States to another or to any point in Canada or Mexico, where the ticket therefor is sold or issued in the United States"; in line 22, before the word "miles," to strike out "thirty" and insert "forty"; in line 23, before the word "cents," to strike out "25" and insert "35"; in line 24, before the words "per centum," to strike out "ten" and insert "five"; in line 26, before the word "mileage," to strike out "ticket or"; on page 45, line 4, before the word "mileage," to strike out "ticket or"; in line 9, after the word "may," to strike out "prescribe" and insert "prescribe; if a ticket (other than a mileage book) is bought and partially used before this section goes into effect it shall not be taxed, but if bought but not so used before this section takes effect, it shall not be valid for passage until the tax has been paid and such payment evidenced on the ticket in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe"; in line 18, after the words "pipe line," to strike out "(e) a tax equivalent to 5 per cent of the amount paid for electric power for domestic uses, and of the amount paid for light or heat service, and a tax equivalent to 5 per cent of the amount paid for telephone service by subscribers, exclusive of the amounts paid for toll or long-distance calls; (f)"; in line 23, before the words "a tax," to insert "(e)"; in the same line, after the word "each," to insert "telegraph, telephone, or radio"; in line 25, after the word "originated," to strike out "at any office, station, or exchange"; in line 26, after the words "United States," to strike out "of any telegraph or telephone line, which is transmitted over such lines"; on page 46, line 1, after the word "for," to insert "the transmission of"; and in line 4, after the word "lines," to insert "or stations," so as to read:

Provided, That nothing herein contained shall be construed to require the carrier paying such tax to list separately in any bill of lading, freight receipt, or other similar document the amount of the tax herein levied, if the total amount of the freight and tax be therein stated; (c) a tax equivalent to 5 per cent of the amount paid for the transportation of persons by rail or water, or by any form of mechanical motor power when in competition with carriers by rail or water, from one point in the United States to another or to any point in Canada or Mexico, where the ticket therefor is sold or issued in the United States, not including the amount paid for commutation or season tickets for trips less than 40 miles, or for transportation the fare for which does not exceed 35 cents, and a tax equivalent to 5 per cent of the amount paid for seats, berths, and staterooms in parlor cars, sleeping cars, or on vessels. If a ticket or mileage book used for such transportation or accommodation has been purchased before this section takes effect, or if cash fare be paid, the tax imposed by this section shall be collected from the person presenting the ticket or mileage book, or paying the cash fare, by the conductor or other agent, when presented for such transportation or accommodation, and the amount so collected shall be paid to the United States in such manner and at such times as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, but this tax shall not apply to tickets, other than mileage books, bought and partially used before this section goes into effect; (d) a tax equivalent to 5 per cent of the amount paid for the transportation of oil by pipe line; (e) a tax of 5 cents upon each telegraph, telephone, or radio dispatch, message, or conversation which originates within the United States and for the transmission of which a charge of 15 cents or more is imposed: *Provided*, That only one payment of such tax shall be required, notwithstanding the lines or stations of one or more persons, corporations, partnerships, or associations shall be used for the transmission of such dispatch, message, or conversation.

The amendment was agreed to.

The next amendment was, in section 501, page 46, line 11, after the word "case," to strike out "a" and insert "the"; in the same line, after the word "carrier," to strike out "by rail, water, or pipe line"; in line 23, after the word "this," to insert "or the preceding"; in line 24, after the word "tax," to insert "(a)"; and on page 47, line 1, after the words "so used," to insert "or has been so used; or (b) upon the transportation of company material transported by one carrier which constitutes a part of a railroad system for another carrier which is also a part of the same system; or (c) upon movements by railroad companies of the outfit, property, and persons of any amusement company which, in the conduct of its business, owns and provides its rolling stock and equipment and which is not engaged in the transportation of commodities for sale or exchange; or (d) upon the amount paid for special mileage books issued under transportation contract to such amusement companies and used for the transportation of its bona fide employees and agents," so as to make the section read:

SEC. 501. That the taxes imposed by section 500 shall be paid by the person, corporation, partnership, or association paying for the services or facilities rendered.

In case the carrier does not, because of its ownership of the commodity transported, or for any other reason, receive the amount which as a carrier it would otherwise charge, such carrier shall pay a tax equivalent to the tax which would be imposed upon the transportation of such commodity if the carrier received payment for such transportation: *Provided*, That in case of a carrier which on May 1, 1917, had no rates or tariffs on file with the proper Federal or State authority, the tax shall be computed on the basis of the rates or tariffs of other carriers for like services as ascertained and determined by the Commissioner of Internal Revenue: *Provided further*, That nothing in this or the preceding section shall be construed as imposing a tax (a) upon the transportation of any commodity which is necessary for the use of the carrier in the conduct of its business as such and is intended to be so used or has been so used; or (b) upon the transportation of company material transported by one carrier, which constitutes a part of a railroad system, for another carrier which is also a part of the same system; or (c) upon movements by railroad companies of the outfit, property, and persons of any amusement company, which, in the conduct of its business, owns and provides its rolling stock and equipment and which is not engaged in the transportation of commodities for sale or exchange; or (d) upon the amount paid for special mileage books issued under transportation contract to such amusement companies and used for the transportation of its bona fide employees and agents.

The amendment was agreed to.

The next amendment was, in section 502, page 47, line 15, after the words "rendered to," to strike out "officers or employees of the United States, or of any State or political subdivision thereof, in the course of their official business" and insert "the United States, or any State, Territory, or the District of Columbia. The right to exemption under this section shall be evidenced in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe," so as to make the section read:

SEC. 502. That no tax shall be imposed under section 500 upon any payment received for services rendered to the United States, or any State, Territory, or the District of Columbia. The right to exemption under this section shall be evidenced in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

The amendment was agreed to.

The next amendment was, on page 48, after line 8, to strike out:

SEC. 504. That from and after the 1st day of June, 1917, there shall be levied, assessed, collected, and paid the following taxes on the issuance of insurance policies:

(a) Life insurance: A tax equivalent to 8 cents on each $100 or fractional part thereof of the amount for which any life is insured under any policy of insurance, or other instrument, by whatever name the same is called: *Provided*, That on all policies for life insurance only by which a life is insured not in excess of $500, issued on the industrial or weekly payment plan of insurance, the tax shall be 40 per cent of the amount of the first weekly premium: *Provided further*, That policies of reinsurance shall be exempt from the tax imposed by this subdivision;

(b) Marine, inland, and fire insurance: A tax equivalent to 1 cent on each dollar or fractional part thereof of the premium charged under each policy of insurance or other instrument by whatever name the same is called whereby insurance is made or renewed upon property of any description (including rents or profits), whether against peril by sea or inland waters, or by fire or lightning, or other peril: *Provided*, That policies of reinsurance shall be exempt from the tax imposed by this subdivision;

(c) Casualty insurance: A tax equivalent to 1 cent on each dollar or fractional part thereof of the premium charged under each policy of insurance or obligation of the nature of indemnity for loss, damage, or liability (except bonds taxable under subdivision 2 of schedule A of Title VIII) issued or executed or renewed by any person, corporation, partnership, or association, transacting the business of employer's liability, workmen's compensation, accident, health, tornado, plate glass, steam boiler, elevator, burglary, automatic sprinkler, automobile, or other branch of insurance (except life insurance, and insurance described and taxed in the preceding subdivision): *Provided*, That policies of reinsurance shall be exempt from the tax imposed by this subdivision;

(d) Policies issued by any person, corporation, partnership, or association, whose income is exempt from taxation under Title I of the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916, shall be exempt from the taxes imposed by this section.

The amendment was agreed to.

The next amendment was, at the top of page 50, to strike out:

SEC. 505. That every person, corporation, partnership, or association issuing policies of insurance upon the issuance of which a tax is imposed by section 504 shall, within the first 15 days of each month, make a return under oath, in duplicate, and pay such tax to the collector of internal revenue of the district in which the principal office or place of business of such person, corporation, partnership, or association is located. Such returns shall contain such information and be made in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

The amendment was agreed to.

The next amendment was, on page 50, line 12, in the headline, after the word "War," to strike out "Tax on manufactures" and insert "Excise taxes," so as to read:

Title VI.—War excise taxes.

The amendment was agreed to.

The next amendment was, in section 600, line 14, after "SEC. 600," to strike out "That there shall be levied, assessed, collected, and paid—

"(a) Upon all automobiles, automobile trucks, automobile wagons, and motorcycles, and automobile, motorcycle, or bicycle

tires (including inner tubes) sold by the manufacturer, producer, or importer a tax equivalent to 5 per cent of the price for which so sold: *Provided*, That from the tax which otherwise would be imposed upon a manufacturer, producer, or importer of automobiles, automobile trucks, automobile wagons, or motorcycles there shall be deducted an amount equivalent to 5 per cent of the amount paid for the tires, including inner tubes, on such vehicles by such manufacturer, producer, or importer; and," and insert "(a) That on the day this act takes effect, and thereafter on July 1 in each year, and also at the time of the original purchase of a new automobile or motorcycle by a user, if on any other date than July 1, there shall be levied, assessed, collected, and paid, upon the use of automobiles and motorcycles not used exclusively for business, an excise tax at basic rates as follows: Motorcycles, $2.50; automobiles the original listed retail price of which is not over $500, $5; original listed retail price over $500 and not over $750, $7.50; original listed retail price over $750 and not over $1,000, $10; and for each further increase of $500 or fractional part thereof of original listed retail price an additional tax of $5.

"In the case of a tax imposed at the time of the original purchase of a new automobile or motorcycle on any other date than July 1, the amount to be paid shall be the same number of twelfths of the amount of the tax as the number of calendar months, including the month of sale, remaining prior to the following July 1.

"The tax payable in any year shall be reduced by 10 per cent of its basic amount for each 12 months elapsed since the original sale of the automobile or motorcycle by the manufacturer or importer, but in no case shall it be reduced to less than 50 per cent of such basic amount."

Mr. BRADY. Mr. President, I should like to ask the chairman of the committee how they arrived at the determination of the retail price of $500 for an automobile. The information I desire for this reason: A large number of cars in the past have been selling for from $450 to $500 that are now selling and will sell during this war for at least $600. If we are trying to favor the class of people who use the cheap car for their necessary purposes, it seems to me the committee has placed that first price $100 too low. The other prices, I think, are entirely correct all the way through. As an illustration, some standard cars on June 1 of this year were selling for $500, and the same car is selling for over $600 now. There are a great many cars on which upon August 1 the price was put up $100. I know a party who attempted to buy a car in June, and July 1 the price had risen $100.

Mr. SIMMONS. Does the Senator mean the manufacturer's price?

Mr. BRADY. The manufacturer's price. It has been absolutely necessary to raise the price on account of the higher cost of material and labor. A minimum a year ago of $500 would mean a minimum at the present day of $600.

Mr. SIMMONS. I think the Senator is laboring under a misapprehension as to the meaning of the language employed. "Automobiles the original listed retail price of which is not over $500." I take it that means the listed price at the time of the purchase of the machine, the price which the owner had to pay the manufacturer.

Mr. BRADY. That is quite true.

Mr. SIMMONS. If the price of automobiles has gone up since he bought it, that would not affect the tax he would have to pay, nor would it probably affect it if the price had gone down.

Mr. BRADY. But it would affect the purchaser of the automobile at the time this law goes into effect. People are going to keep on buying automobiles, and the law specifically contemplates that, for the reason that in the section you provide that the purchaser shall pay the tax for one-twelfth of a year for one month. I think it would be well for the Senate to give the matter serious consideration before adopting this section, for the price of $500 at the time the committee commenced the consideration of the bill is $600 to-day.

Mr SIMMONS. I do not conceive that that would make any difference at all. What the individual taxpayer will have to pay will depend upon the listed price at the time he bought his machine. It will not be affected the slightest by any change in that price after he bought his machine. If the listed price is over $500 and not over $750 at the time he buys the machine, then he pays $7.50. If it is not over $500, he pays $5.

Mr. BRADY. I do not think the Senator gets my viewpoint. There are a great many people in the country who are buying automobiles for family use and for general purposes, and they are buying just about a $500 machine.

Such automobiles have gone up in price to $600, and it is hardly fair for us to penalize that class of people and make them pay a tax of $7.50 when they have to pay $100 more for the automobile. I believe it would be fair and equitable to raise the minimum price—that is, the first price provided for in the bill, which is $500—to $600.

Mr. SIMMONS. The Senator realizes that the purchaser of an automobile ranging in price anywhere between $500 and $750 has to pay identically the same tax, whether that car is a $600 or a $650 car.

Mr. BRADY. He would under the pending bill.

Mr. SIMMONS. He would under this bill, and that is the purpose of the provision. It is just like every other case where there is a graduated scale. A man if he just gets above the rate has to pay as much as if he is just below the next higher rate.

Mr. BRADY. I understand that, and I thoroughly agree with the Senator from North Carolina; but I think we have placed the minimum too low. There are thousands of people in the United States who buy automobiles the price of which in the past has been reckoned at $500, which, owing to the high cost of labor and material, is now $600; and yet it is proposed to impose on them a proportionally higher tax.

Mr. SIMMONS. What amendment or change would the Senator suggest?

Mr. BRADY. I suggest merely that where the original retail price is not over $600 the tax be $5.

Mr. SIMMONS. I can not see that any good would result by making that change.

Mr. BRADY. If that were done, we would simply provide that those who buy what heretofore have been $500 automobiles, but which are now selling for $100 more, shall be taxed just the same as if they could purchase the cars for $500. I am perfectly willing that the tax shall be taken off of that character of automobile, if it is a question of revenue, and that it shall be placed on the higher-priced automobiles; but there are thousands of people who use that class of automobiles in their family and for business purposes. The average price of such cars in the past has been $500, but the price has been raised.

Mr. SIMMONS. To what automobile does the Senator refer—to the Ford?

Mr. BRADY. No; it is only certain classes of the Ford machine that would come under this category. There is a great number and great variety of trucks and automobiles of that kind which are now selling for $500, and though their price has not yet been raised, I understand it will be raised to $600. There is the Maxwell machine; I can not recall all the names at the moment, but if the Senator from North Carolina will investigate the matter he will find that there is a statement in last Sunday's newspaper in regard to it. I think it was stated that there were 48 different makes of cars the price of which has been increased since January 1 last.

I do not care anything about the tax which is imposed on high-priced cars. All I am asking is that the minimum for low-priced cars shall be so fixed that a high tax shall not be imposed on those who use them for business and pleasure purposes, on families, for instance, who can not afford to pay a high price.

I suggest that we amend the provision so that the lowest rate will apply to $600 cars; and if, after investigation, the committee finds that is not sound policy, they can lower the amount. I do not suggest a change as to any other tax in the section.

Mr. SIMMONS. Mr. President, I am not willing to agree to the suggestion of the Senator, for this measure was worked out with considerable care and after very extensive investigation; and I am inclined to think that it is correct.

Mr. BRADY. Does not the chairman of the committee feel that it would be wise to have the section passed over and himself to investigate the matter and see if he does not agree to my suggestion?

Mr. SIMMONS. I will state to the Senator that the committee tried to investigate the matter very thoroughly. If, however, the Senator makes a personal request to have the section go over, I shall not feel disposed to resist it, because I have yielded to such requests from other Senators this evening on account of the peculiar and exceptional conditions under which we have taken up the bill for the consideration of committee amendments.

Mr. BRADY. I certainly do not desire in the least to delay the passage of the bill, and unless the Senator is entirely agreeable to the request, I shall not ask to have the section passed over. I believe, however, that it would be wise to have it passed over, at least until to-morrow, and if the chairman of the committee himself at that time thinks that it is not proper to increase the minimum limit of price, I shall be perfectly satisfied to let the tax apply to $500 machines.

Mr. SIMMONS. I shall not resist the Senator's request.

Mr. KIRBY. Mr. President, I desire to ask, relative to this section, why it would not be better to have the automobile manufacturer pay this tax than to put it on the purchasers of the automobiles? I understand the automobile manufacturing business is one of the most highly profitable businesses in the United States; that nothing excels it in the production of profit except the munition plants.

The very fact that has been mentioned by the Senator from Idaho [Mr. BRADY] is apparent to everybody in America, that the automobile manufacturers have very recently increased prices on their cars from $50 to $100, $250, and $500. If that is done, why should they not be required to pay this tax, if the tax is necessary? They are raising the price of their machines without regard to whether or not the tax is imposed upon them. It seems to me that the House provision to tax them would be more fair, and certainly the revenue would be more easily collected from the manufacturer than it would be from the individual owner, who has already paid an enormous profit, according to the facts and statistics so far as the manufacture of automobiles is concerned. The point I want to understand is why the House provision has been changed, and why it should not be left in the bill as it was?

Mr. SIMMONS. Mr. President, I have no disposition to go into a discussion of this matter this afternoon. The Senator from Arkansas asks me the question why we have not retained the House rates upon automobiles.

Mr. KIRBY. Not so much the rates but the scheme.

Mr. SIMMONS. I incidentally discussed that in the statement which I made to the Senate last week. The House imposed a gross-sales tax of 5 per cent upon automobile manufacturers; that is, 5 per cent upon the sale price of automobiles. The tax upon one automobile would amount in the case of a $500 machine to $25; in the case of a $1,000 machine, to $50. As I said in my general statement made to the Senate, the committee decided that gross-sales taxes were not an economically sound way of raising revenue, because they are so many times more than the net-profits tax. Such taxes are levied without any reference to the profit that may be made on the sale. It is easy to see that in very many instances the tax would exceed the actual profits arising out of the sale. So, for those general reasons we struck out practically all the gross-sales taxes which were imposed by the other House and substituted some other method of taxation.

In the case of the automobile, of course, the Senator from Arkansas understands that if we impose a tax of $25 or of $50 or of $100 on an automobile the manufacturer is going to pass that on, if he can, to the purchaser, especially when the tax is made high. A gross-sales tax is no more paid by the manufacturer than a liquor tax is paid by the man who manufactures the liquor. When you impose a gross-sales tax as high as $50 you must have that in mind. It is not a tax which the manufacturer would pay, but is a tax which the purchaser would pay—which the owner of the machine would pay. Your committee thought that a tax of $25 on a Ford machine was rather too much for the purchaser of such a machine to pay. We thought that a better solution of the matter would be to impose a small tax upon the owners of automobiles, feeling absolutely certain that if it were possible—and I presume it would be possible—the manufacturer would pass the tax on, and in the case of automobiles it would be generally five times as high as the tax proposed in this bill.

Mr. SHAFROTH. Mr. President, if the Senator will yield, is this not a yearly tax imposed by this section?

Mr. SIMMONS. Yes.

Mr. SHAFROTH. So that it could not be imposed very well upon the manufacturers without requiring the outlay of a very large lump sum to begin with, whereas if imposed upon individuals who use the machines year by year it would naturally fall upon the persons who use the machines and use the roads?

Mr. SIMMONS. The Senator is correct about that.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. The Senator from Georgia.

Mr. HARDWICK. I desire to suggest to the Senator from North Carolina that this bill has been taken up for the consideration of amendments rather unexpectedly. The attendance in the Senate Chamber is hardly sufficient to warrant a continuation of its consideration. It is almost 5 o'clock now, and it is desired to have an executive session. I suggest to the Senator, therefore, that the bill be laid aside now, and after the executive session that the Senate adjourn until to-morrow.

Mr. SIMMONS. Is it desired to have an executive session?

Mr. HARDWICK. Yes. Then, we will convene at any hour the Senator says, and we will all know in advance that we are expected to be here and will have our memoranda and papers and be prepared to go on with the discussion.

Mr. SIMMONS. Mr. President, I did not know it was contemplated to hold an executive session. The Senator from Georgia says that is the purpose, and, in view of that statement and the fact that we have not very much of an attendance this afternoon—which I attribute in part to the fact that Senators did not know the bill would be taken up for the consideration of amendments this evening—I shall ask that this bill be laid aside for the present.

Mr. SHAFROTH. Mr. President, I should like to ask the Senator from North Carolina, the chairman of the committee, whether he expects soon to make a request for unanimous consent to take a vote on the bill at some time in the not distant future?

Mr. SIMMONS. I will say to the Senator that it is my purpose to make such a request at an opportune time.

Mr. SHAFROTH. When does the Senator think he will make the request?

Mr. SIMMONS. Well, I can not now say definitely when I will make it, but as soon as an opportune time has come, and I think that will be in a few days.

Mr. SHAFROTH. I think the general impression is that the debate will not continue long on the amendments, and I hope that we will agree upon a time, not unreasonably short, but say within 10 days or two weeks.

Mr. HARDWICK. Mr. President, if the Senator will yield to me, as I understand he has the floor, we have had no real debate on this bill yet. The real debate is coming, and coming, of course, at considerable length on the amendments.

Mr. SHAFROTH. I did not suppose there would be much discussion on the amendments.

Mr. HARDWICK. There will be a good deal of discussion, and I think we will get along a little better if we do not try to hasten matters too much. I do not think any Senator wants to delay the measure; we are all tired of this session and want to get home, but we can not make an agreement yet.

Mr. SIMMONS. I think, Mr. President, after we have considered the bill a little while longer the Senate will probably be in a frame of mind which will make it possible for us to come to some unanimous-consent agreement. I question whether that time has yet arrived. As soon as I feel that it has, I assure the Senator that I shall make the request and do what I can to get an agreement that will place a limitation upon the debate.

Mr. SHAFROTH. I hope the Senator will do so, for I am certain that Senators generally want to get away, and they want to close this matter within a reasonable time.

The PRESIDING OFFICER (Mr. KING in the chair). Without objection, on the request of the Senator from North Carolina, the pending bill will be temporarily laid aside.

SHIPPING CORPORATION.

Mr. PHELAN. Mr. President, I have in my hand an interesting document which I have just received and read, being a statement of the former president of the Shipping Board concerning the affairs of the Emergency Shipping Corporation, which I consider of very great value to Congress and to those who have succeeded in the administration of that important work and those engaged in similar war-time investments on behalf of the Government. The gentleman who makes the statement, Mr. William Denman, is a fellow townsman of mine, and I am familiar with his high character and eminent public service. At a time of great official corruption in my city he was one of the men who redeemed the community. I feel, apart from the value of the document to those who have succeeded in the work, that he is personally entitled to make this statement; and, to give it publicity, I ask unanimous consent that it be printed in the RECORD.

Mr. SMOOT. Mr. President, I object.

The PRESIDING OFFICER. Objection is made.

Mr. PHELAN. Mr. President, I will ask the Senator will he not withdraw his objection?

Mr. SMOOT. No, Mr. President; I think if we undertake now to fill the RECORD with statements made by the contending officials of the Shipping Board there will be no end to such an undertaking. The President has acted; the country has accepted his action; the case is closed; and, so far as I am concerned, I want it to remain closed, at least as affecting the CONGRESSIONAL RECORD and publication in public documents in any way.

I desire to say to the Senator from California that if a friend of Gen. Goethals had come here and made a similar request to publish and send broadcast a statement defending his position as a member of the board I would have objected just as

strongly as I do now. I think the Senator from California, if he will stop to consider this question, will ultimately agree with me that my position is right.

Mr. PHELAN. Mr. President, I am very glad to hear from the Senator the reasons of his objection; but I can not conceive the circumstance under which I would agree with the Senator in his contention. I have stated that this document is valuable to those who are carrying on this public work and who have concurred in much that has been done by the outgoing commission. Apart from that, however, I desire to inform the Senate that, as a matter of justice to an individual, which always appeals to me very strongly when he is overborne by superior authority and power, who has saved the Government of the United States by his vigilance and his intelligence millions of dollars, it should be published. It was he who drove down the price of steel which was being imposed upon this Government from $95 a ton to $56 a ton, and it was he who prevented the construction of fabricating plants on leased lands by an auxiliary of the Steel Corporation wherein the only option given was given to the men who projected it and who would have enormously profited in the construction of ships. These things should be known. The Senate of all other bodies should know these things. I think they are well understood. I believe in the mind of well-informed public men that this gentleman is already vindicated in his stand; but I think his own statement, his own words, written in the most moderate style, making an attack on nobody, respecting the confidence of the President, expressing the greatest appreciation of the ability of Gen. Goethals, should be published in our RECORD; and, if the Senator does not see fit to withdraw his objection, it will be incumbent upon me to read the statement myself.

Mr. SMOOT. Mr. President, I have no objection to the Senator reading the statement if he wants to take that course, but I want to say this to the Senator: He says that he wants this matter printed in the RECORD for the information of the members of the board. Why, Mr. President, there are only five members of the board, and I will guarantee the Senator now that every member of it has a copy of that statement in his hands to-day. That is not the object of the request of the Senator. The object is to open up this discussion between two officials of the board——

Mr. MARTIN. Mr. President——

The PRESIDING OFFICER. Does the Senator yield?

Mr. MARTIN. I move that the Senate proceed to the consideration of executive business.

Mr. PHELAN. Mr. President, I have the floor.

Mr. MARTIN. I was recognized by the Chair, and I have submitted a motion.

Mr. PHELAN. I yielded simply to an interruption of the Senator from Utah.

Mr. MARTIN. I did not ask the Senator to yield to me.

Mr. PHELAN. I ask a ruling of the Chair as to whether I have possession of the floor or not.

Mr. SMOOT. Mr. President, I did not ask the Senator to yield. I thought the Senator had concluded his remarks.

Mr. PHELAN. I had announced that I was about to read a statement, and the Senator from Utah stated that if I desired to read a statement I was perfectly at liberty to do so. I was proceeding to do it when I yielded, out of courtesy, to the interruption of the Senator from Utah.

Mr. SMOOT. Mr. President, I did not understand the Senator to say that he was going to read the statement now.

Mr. PHELAN. I was going to read the statement now.

Mr. SMOOT. If I had so understood, of course I would have asked permission to interrupt the Senator. I understood from the way the Senator moved from his desk that, of course, he intended to read it at some future time.

Mr. PHELAN. Certainly not. There is an especial reason why it should be read to-day.

Mr. SMOOT. I will say that under the rules of the Senate the Senator can take the time of the Senate to read that into the RECORD, but it never will go into the RECORD without his reading it if I can prevent it.

The PRESIDING OFFICER. The Chair is compelled to state that he recognized the Senator from California; and the Chair understood that the Senator from Utah, by the consent of the Senator from California, was yielded to for the purpose of propounding an interrogation. The Chair did not recognize the Senator from Virginia.

Mr. PHELAN. Mr. President——

Mr. MARTIN. Mr. President——

Mr. PHELAN. In the form of an advertisement——

Mr. MARTIN. I suggest the absence of a quorum.

Mr. PHELAN. I appeal to the Senator from Virginia that matters reflecting upon the standing and sincerity of the former president of the Shipping Board were published as an advertisement by interests, presumably the steel interests, in two Washington papers and in other papers.

Mr. MARTIN. Well, Mr. President——

Mr. PHELAN. And this is publicity that I seek to counteract, the paid advertisements of the Steel Corporation in the local papers, because the gentleman in whose behalf I speak has not the means nor inclination, by paid advertisements, of defending himself in that manner.

Mr. LODGE. Mr. President, if the Senator will withhold his point of no quorum for one moment——

Mr. MARTIN. I withhold it for a moment.

Mr. LODGE (continuing). I wish to say to the Senator from California that if this question is forced upon the Senate there will be a good many more things said than appeared in the papers.

Mr. PHELAN. Let them be said.

Mr. LODGE. I have no desire to enter on the debate, but there will be a full debate.

Mr. MARTIN. Mr. President, if the Senator will pardon me, I should like to have an executive session; but as the Senator will not make that possible I am compelled to move that the Senate adjourn.

Mr. PHELAN. I am holding the floor, Mr. President.

Mr. MARTIN. The Senator can not hold the floor against a motion to adjourn.

The PRESIDING OFFICER. The Chair thinks he is compelled to put the motion to adjourn.

Mr. LODGE. I make the point of no quorum, Mr. President.

Mr. MARTIN. I insist on my motion to adjourn.

The PRESIDING OFFICER. The Senator from Virginia moves that the Senate adjourn. [Putting the question.] By the sound the ayes seem to have it. The ayes have it, and the Senate adjourns.

Thereupon (at 4 o'clock and 45 minutes p. m., Tuesday, August 14, 1917) the Senate adjourned until to-morrow, Wednesday, August 15, 1917, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

TUESDAY, *August 14, 1917.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, with all the fervor of soul, we pray for an universal peace, an honorable peace, which shall secure liberty, justice, and equal rights for every man, woman, and child, for upon no other basis in the nature of things can we hope for a lasting peace.

Quicken our faith in Thee, in human nature, and in the eternal verities. Unite us as a people with all who are struggling for the glorious consummation, that Thy name may be hallowed, Thy kingdom come, and Thy will be done in earth as in heaven.

When the anchors that faith has cast
Are dragging in the gale,
I am quietly holding fast
To the things that can not fail.

I know that right is right;
That it is not good to lie;
That love is better than spite,
And a neighbor than a spy.

* * * * *

In the darkest night of the year,
When the stars have all gone out,
That courage is better than fear;
That faith is truer than doubt.

And fierce tho' the fiends may fight,
And long tho' the angels hide,
I know that truth and right
Have the universe on their side.

Amen.

The Journal of the proceedings of Friday, August 10, 1917, was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed the following bills, in which the concurrence of the House was requested:

S. 2156. An act to authorize exploration for and disposition of potassium;

S. 2117. An act to appoint Allen M. Sumner a captain on the active list of the United States Marine Corps;

S. 2710. An act granting the consent of Congress to Webbers Falls Railroad Co., a corporation, its successors and assigns, to

construct a bridge across the Arkansas River between the towns of Webbers Falls and Gore, in the State of Oklahoma; and

S. 2718. An act to authorize experiments in motor-truck delivery.

The message also announced that the President had approved the following Senate bills:

S. 2695. An act to authorize the construction, maintenance, and operation of a bridge across Little River, at or near the foot of the gar hole, about one-half mile south of the Jonesboro, Lake City & Eastern Railway bridge across Little River, Ark.;

S. 1816. An act to amend the act to regulate commerce, as amended, and for other purposes; and

S. 2356. An act to amend the act to regulate commerce, as amended, and for other purposes.

ENROLLED BILLS PRESENTED TO THE PRESIDENT.

Mr. LAZARO, from the Committee on Enrolled bills, reported that on August 10 they presented to the President of the United States, for his approval, the following bills:

H. R. 4188. An act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products; and

H. R. 4961. An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, the following bills were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 2117. An act to appoint Allen M. Sumner a captain on the active list of the United States Marine Corps; to the Committee on Military Affairs.

S. 2718. An act to authorize experiments in motor-truck delivery; to the Committee on the Post Office and Post Roads.

S. 2710. An act granting the consent of Congress to Webbers Falls Railroad Co., a corporation, its successors and assigns, to construct a bridge across the Arkansas River between the towns of Webbers Falls and Gore, in the State of Oklahoma; to the Committee on Interstate and Foreign Commerce.

LEAVE OF ABSENCE.

The SPEAKER. Representative HASKELL, of New York, wrote me a letter, which I have not here, asking for indefinite leave of absence. I think he is going into one of these training camps. Without objection, it will be so ordered.

There was no objection.

ADJOURNMENT.

Mr. GARNER. Mr. Speaker, I move that the House do now adjourn.

Mr. HARDY. Mr. Speaker, will the gentleman suspend for a moment? I would like to ask leave to extend my remarks on the shipbuilding plan.

The SPEAKER. It is against the agreement.

Mr. GARNER. Under the agreement nothing can be done.

The SPEAKER. The gentleman from Texas [Mr. GARNER] moves that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 7 minutes p. m.) the House, under its previous order, adjourned until Friday, August 17, 1917, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Hereford Inlet, Cape May County, N. J. (H. Doc. No. 331); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

2. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of San Joaquin River, Cal., with a view to its improvement up to a point at or near Herndon by means of locks or dams or otherwise (H. Doc. No. 332); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

3. A letter from the Acting Secretary of the Treasury, transmitting copy of communication of the Secretary of War submitting an estimate of appropriation required by the War Department for the fiscal year ending June 30, 1918 (H. Doc. No. 262, part 2); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Savannah River at North Augusta, Ga., with a view to ascertaining what, if any, revetment work is necessary in the interest of navigation (H. Doc. No. 333); to the Committee on Rivers and Harbors and ordered to be printed.

5. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Frank S. Bowker *v.* The United States (H. Doc. No. 334); to the Committee on Claims and ordered to be printed.

6. A letter from the Secretary of the Navy, transmitting tentative draft of provision of legislation removing the limitation on travel and subsistence expenses during the continuance of the war (H. Doc. No. 335); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. DECKER, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 5649) extending the time for the construction of a bridge across the Arkansas River between the cities of Little Rock and Argenta, Ark., reported the same with amendments, accompanied by a report (No. 129), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. GRIFFIN: A bill (H. R. 5775) fixing the compensation of United States customs inspectors; to the Committee on Ways and Means.

By Mr. HULBERT: A bill (H. R. 5776) for the organization and maintenance of reclamation camps, and to provide funds to defray the expenses thereof; to the Committee on Military Affairs.

By Mr. ZIHLMAN: A bill (H. R. 5777) to refund to the corporate authorities of Frederick City, Md., the sum of $200,000, exacted of them by the Confederate Army under Gen. Jubal Early, July 9, 1864, under penalty of burning said city; to the Committee on War Claims.

By Miss RANKIN: Joint resolution (H. J. Res. 142) to authorize the President to take over and operate metalliferous mines in certain cases; to the Committee on Mines and Mining.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CRAGO: A bill (H. R. 5778) granting a pension to George J. Beam; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5779) granting an increase of pension to John L. B. Breighner; to the Committee on Invalid Pensions.

By Mr. DOWELL: A bill (H. R. 5780) granting an increase of pension to Fred Babcock; to the Committee on Invalid Pensions.

By Mr. GOOD: A bill (H. R. 5781) granting an increase of pension to John C. Shields; to the Committee on Invalid Pensions.

By Mr. HULBERT: A bill (H. R. 5782) granting a pension to Sarah V. Sweet; to the Committee on Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 5783) granting an increase of pension to Roston C. Welch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5784) granting an increase of pension to Jacob H. Olmsted; to the Committee on Invalid Pensions.

By Mr. ZIHLMAN: A bill (H. R. 5785) granting a pension to John E. Root; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BLACK: Petition of the Missionary Society of Pittsburg, Tex., favoring the prohibition of the liquor business; to the Committee on the Judiciary.

By Mr. BROWNING: Memorial of Virginia Dare Council, No. 45, Sons and Daughters of Liberty, Camden, N. J., favoring by unanimous resolution on August 8, 1917, the enactment into law of Senate joint resolution 84, authorizing drafting of aliens, except alien enemies, into the military service of the United States; to the Committee on Military Affairs.

By Mr. DALE of New York: Petition of W. T. Dowd, of Amsterdam, N. Y., favoring the bill providing for the selection of

osteopathic physicians for service in the Army and Navy; to the Committee on Military Affairs.

Also, petition of the Interstate Sportsmen's Protective Association headquarters, Kansas City, Mo., opposing the pending migratory-bird treaty act; to the Committee on Foreign Affairs.

By Mr. GORDON: Petition of Kurt Schultz and 32 other citizens of Cleveland, Ohio, protesting against the passage of the Sheppard prohibition resolution; to the Committee on the Judiciary.

By Mr. RAKER: Petition of E. H. Cleveland, Long Beach; Miss Irma L. Cahen, Sacramento; Long Beach Chamber of Commerce, Long Beach; and James H. Garlick, Sacramento, all in the State of California, favoring the passage of the purple-cross bill; to the Committee on Military Affairs.

By Mr. ROWLAND: Petition of Tribe No. 224, Improved Order of Red Men, Berwindale; Tribe No. 349, Improved Order of Red Men, Clarence; and Tribe No. 509, Improved Order of Red Men, Westover, all in the State of Pennsylvania, favoring Senate joint resolution No. 84; to the Committee on Military Affairs.

By Mr. SHERLEY: Petition of the members and friends of the Jefferson County campaign committee of the Socialist Party, Louisville, Ky., urging the passage of the Susan B. Anthony amendment; to the Committee on the Judiciary.

By Mr. TEMPLETON: Petition of Heights Council, No. 861, Junior Order of United American Mechanics, Wilkes-Barre, and the Col. H. B. Wright Council, No. 896, Junior Order of United American Mechanics, Slocum, all in the State of Pennsylvania, favoring immigration restriction; to the Committee on Immigration and Naturalization.

Also, petition of Forty Fort Council, No. 190, Sons and Daughters of Liberty, Kingston; Kiowas Tribe, No. 120, Improved Order of Red Men, Hazleton; and Mahantongo Tribe, No. 156, Improved Order of Red Men, Nanticoke, all in the State of Pennsylvania, favoring Senate joint resolution No. 84; to the Committee on Military Affairs.

SENATE.

WEDNESDAY, *August 15, 1917.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we seek Thy guidance and blessing every day in the task that has been committed to our hands. We try to unite our hearts with the hearts of millions who are seeking Thy guidance and blessing upon our Nation in this critical time. We pray that here in this Senate we may be found in accord with the highest spiritual interests, and with souls that are ever in communion with God that we may be united not only in our efforts but in our prayers and in our personal relations to God and in our desire to exalt the name of our God in the midst of the people. Hear us in our prayer this morning. Guide us in the deliberations of this day. For Christ's sake. Amen.

The Journal of the proceedings of the legislative day of Monday, August 13, 1917, was read and approved.

PETITIONS.

Mr. KNOX presented petitions of sundry organizations, all in the State of Pennsylvania, praying for the enactment of legislation authorizing the drafting of aliens, except alien enemies, into the military service of the United States, which were ordered to lie on the table.

Mr. NELSON presented a petition of sundry citizens of the State of Minnesota, praying for the enactment of legislation to render possible the return of the bodies of our soldier dead to their home burial grounds in a sanitary and recognizable condition, which was referred to the Committee on Military Affairs.

Mr. PHELAN presented a telegram in the nature of a petition from the directors of the farm-loan bureau of Merced County, Cal., indorsing the report of Herbert C. Hoover to President Wilson relative to food control, which was ordered to lie on the table.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RANSDELL:

A bill (S. 2785) to authorize and empower the Southwest Louisiana Waterways Association, of the State of Louisiana, to construct a lock and dam in Mermentau River, in the State of Louisiana; to the Committee on Commerce.

A bill (S. 2786) to authorize the President of the United States to appoint Andrew W. Jackman first lieutenant of Coast Artillery; and

A bill (S. 2787) for the relief of First Lieut. Sydney Smith, retired; to the Committee on Military Affairs.

By Mr. PHELAN:

A bill (S. 2788) for the relief of Edward W. Terry; to the Committee on Military Affairs.

By Mr. MYERS:

A bill (S. 2789) for the better safety and welfare of the United States, and the Government thereof, in time of war; to the Committee on the Judiciary.

By Mr. KNOX:

A bill (S. 2790) granting an increase of pension to Lillian V. Manger (with accompanying papers); to the Committee on Pensions.

By Mr. CALDER:

A bill (S. 2791) for the relief of John M. Francis; to the Committee on Claims.

By Mr. SHIELDS:

A bill (S. 2792) to declare Nonconnah Creek, Shelby County, Tenn., navigable; to the Committee on Commerce.

By Mr. NELSON:

A bill (S. 2793) granting an increase of pension to W. H. Nichols; to the Committee on Pensions.

By Mr. STONE:

A bill (S. 2794) granting a pension to Matilda J. Wilson; and

A bill (S. 2795) granting a pension to Mrs. Thomas Kelly; to the Committee on Pensions.

By Mr. LODGE:

A bill (S. 2796) to permit American citizens to wear medals or decorations received from certain foreign countries on entering the military or naval service of the United States; to the Committee on Military Affairs.

PEACE BASES.

Mr. SHERMAN. Mr. President, I offer the following resolution and ask that it be printed and go over under the rule.

The resolution (S. Res. 115) was read, as follows:

Senate resolution 115.

Resolved, as an expression of the Senate, that the following purposes are the policy of the people of the United States of America, to be attained by the war and embodied in any treaty of peace concluded:

First. Terms of peace agreeable to the United States which would be the basis of a permanent world peace are set forth by the President in his messages and public documents from time to time preceding the declaration of war, which terms and principles declared by the same have been formally ratified and approved by Congress.

Second. The Senate of the United States declares it to be its belief that the solemn purposes of the American people in declaring war is not to attempt the conquest or dismemberment of any enemy nation nor the annexation of its territory, or exacting indemnities, or interference with such form of government as it may see proper to continue, establish, or maintain, or to readjust or change the boundaries of any European nation or other powers which may be either directly or indirectly involved in or affected by the war—all such questions are not considered cause or causes to continue to wage war by the American people if the guaranties and principles herein declared shall be acknowledged and established.

Third. The independence and integrity territorially and politically of all nations at war shall be recognized and secured in any treaty of peace concluded; no smaller State shall be despoiled of territory nor oppressed in such terms of peace, but shall be jointly guaranteed the right of separate existence and development peaceably to pursue without interference its own course.

Fourth. The high seas of the world beyond marginal or territorial waters of nations are declared to be of common right and open to all civilized powers without exclusive right or authority claimed or exercised and without any restrictions in their free navigation except such as shall be imposed and applied by the laws of civilized power and such as are incident to proper search, seizure, and capture consistent with the laws of humanity heretofore announced by the President.

Fifth. Blockades of and creation of war zones on the high seas to the exclusion of neutrals as practiced by Germany shall be abandoned and not resumed nor insisted on by any of the nations concluding peace, and the principle shall be announced and adhered to by such nations that the high seas are not subject to blockade or similar interferences by any nation or nations.

Sixth. Submarine warfare as now conducted shall be declared piracy and be abandoned and prohibited for the future except within the territorial or marginal waters of the respective nations of the world.

Seventh. The nations concluding peace shall bind themselves in the event of future wars that vessels shall not be sunk on surrender or capture if the persons so captured submit, unless provision be made for the safety of passengers and crew and all who shall surrender and be made or shall themselves offer to be made prisoners of war shall be deemed such; nor shall any such persons taken at sea be denied such safety or be abandoned to perish by the elements.

Eighth. War shall not be waged against civilian, noncombatant population, not being in fortified or military posts, nor shall hospital agencies on land or sea be subject to attack or injury.

Ninth. Water courses, food, and medical supplies shall not be poisoned, nor shall poisonous instruments, implements, or means be employed in waging war.

Tenth. An enemy on land or sea who in good faith ceases all further combat and yields to his captor shall be deemed a prisoner of war and thereafter guaranteed safety and humane care and treatment.

Eleventh. Restoration and surrender shall be made of territory taken and occupied by military or naval force; the rehabilitation of Belgium and other like devastated territory shall be guaranteed and had at the joint expense of the nations concluding peace, the terms thereof to be settled by negotiations.

Twelfth. It is hereby declared not to be the purpose of the American people to wage war, either severally nor jointly, for conquest or subjugation; nor is it their purpose to seize or annex the territory of any enemy nation, nor to enforce the payment of indemnities therefrom, nor to wage war merely to enable other nations so to do, nor is it the purpose of the American people to make themselves or any other nation the dominating or controlling force in Europe or elsewhere.

Thirteenth. It is declared that the American people are now waging war solely for the purpose of establishing hereafter a permanent peace, freedom of the seas, and the recognition of such humane principles as are announced by the President, and to prevent in the future the aggression by stronger nations upon weaker ones or the conquest, dismemberment, or destruction of such weaker nations.

Fourteenth. The conclusion of a treaty of peace shall provide reasonable and just limitations upon armaments and for the joint action of the signatory nations and the employment of such limited armament only in the necessary defense of such united nations against the aggression of any nation or nations. All treaties made by such signatory nations shall be public to such nations, and no secret negotiations, understanding, or treaty shall be entered into by or between such signatory nations nor with any other nations, and all such treaties so concluded shall be obligatory and binding upon such nations until the same shall be changed, modified, or abrogated by the joint consent of the nations so entering into such treaty or treaties.

Fifteenth. Such powers as have now pledged themselves to free any people or peoples who were formerly an independent nation or nations and recognize or create independent governments therefrom shall perform their pledge and the rehabilitation of smaller states or nations on the basis of independence and sovereignty within their own territories shall be made and guaranteed by peaceable negotiations and their safety provided for in any treaty of peace concluded.

Sixteenth. That the President be, and he is hereby, authorized to confer with the official representatives of the European nations called the "Allied Nations" to ascertain whether the principles herein enunciated meet with the approbation of said powers with a view to the issuance of a joint statement in more definite terms as to the aims of the allied nations in prosecuting the war with the end in view that peace agreements may be reached and to communicate to the Senate the reply of said allied nations.

Seventeenth. For the establishment and maintenance of the foregoing principles the United States of America is willing to and is waging war and will continue to do so in the most effective way with all its resources and powers until a just peace shall be established in accordance with these declarations.

The PRESIDENT pro tempore. The resolution will go over under the rule.

WAR AND PEACE.

Mr. LEWIS. Mr. President, I tender a resolution, which I ask may be read and lie on the table after being read.

The Secretary read the resolution (S. Res. 116), as follows:

Whereas the United States is at war with the Imperial German Government, caused by acts of aggression upon the United States by the said Imperial German Government; and

Whereas by the Constitution of the United States and the laws thereunder the President of the United States is the Commander in Chief of the Army and Navy and during war is made the Director in Chief of all movements of war or peace; and

Whereas it must be presumed that by virtue of the position of the President of the United States and of his privileges and opportunities he has all reliable information upon which any practicable course for war or peace could be undertaken when the time for such move was appropriate and profitable: Therefore be it

Resolved, That the American people are assured by the Senate of the United States that so soon as reliable conditions make possible for peace between the warring nations which the United States could direct or suggest consistent with the just purposes for which America entered upon the war the President of the United States can be depended on to take action, and at such occasion, wherever arising, will duly inform the American people, as well as communicate with the Congress of the United States upon the subject.

Resolved further, That until such occasion so exists as hereby recited, all action taken by Congress or any Members thereof, preceding the suggestion of the President of the United States, works confusion in the discipline of the naval and military forces of the United States and embarrasses the Executive in the due performance of the duty of conducting the war with unity of action and vigor of purpose, as now devolves upon him.

Mr. LEWIS. This resolution is tendered as a substitute for resolutions on a similar subject.

The PRESIDENT pro tempore. The resolution will lie on the table and be printed.

ADDRESS BY SENATOR GEORGE E. CHAMBERLAIN (S. DOC. NO. 78).

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed as a public document an address delivered by the senior Senator from Oregon [Mr. CHAMBERLAIN] before the Florida State Bar Association at Jacksonville, Fla., August 11, 1917, at a convention to which the public were invited.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

MEMORIAL ON JOSEPH BENSON FORAKER.

Mr. HARDING. Mr. President, I have here, forwarded to me by Hon. Judson Harmon, formerly Attorney General of the United States and a former governor of Ohio, a very fitting and beautiful memorial, prepared by a very distinguished committee, and read a few weeks ago before the Bar Association of Cincinnati, as a tribute to the memory of the late Senator Joseph Benson Foraker, who was for 12 years a very capable and courageous and helpful and honored Member of this body and one of the very distinguished statesmen of his time.

I should like permission to embody this very appropriate memorial in the RECORD as a mark of the Senate's approval, and thereby preserve the tribute paid to one who gave such notable service as a Member of this body.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The memorial referred to is as follows:

MEMORIAL.

Joseph Benson Foraker was born on a farm in Highland County, Ohio, July 5, 1846. His militant patriotism took him, at the age of 16, to the battle fields of the Civil War as a private soldier. His rise to the rank of captain at the age of 20 was wholly due to a personality which must even then have been unusual.

There can be no doubt that if the call to arms had not come when it did his active spirit, animating high natural abilities, would have pushed him early to distinction, but it is difficult to say what direction his career would have taken if he had entered upon it through the ordinary portals of peaceful times.

As it was, he first put on the gown of the college student when he put off his uniform, graduating at Cornell University in 1869, after taking the earlier part of his course at the Ohio Wesleyan.

He studied law with Judge James Sloan at Hillsboro, Ohio, and commenced practice in Cincinnati in 1869 as partner of Judge P. J. Donham, who was soon succeeded by L. C. Black.

The eagerness of the people to show gratitude to the defenders of the Union made certain the early entry into public life of one with the glamor of heroism about him, who had for that life both rare qualifications and strong inclinations. So we find him nominated for governor of Ohio when he was only 37 years old and commencing the first of his two successive terms in that office when he was only 39.

Five years after their expiration he was elected to the Senate of the United States, where he served two full terms.

He took a leading part in the State and National conventions of his party for almost 30 years. And always, in or out of office, he was active in the study and discussion of public affairs.

The result was a national reputation as a public man, which came early and endured throughout his life. This naturally outgrew and overshadowed his ability and standing as a lawyer, though these played no small part in winning and maintaining his high rank among the statesmen of his time.

His work and fame in these broader fields belong to the history of Ohio and the Nation. It is for the bench and bar to express and record their appreciation of his professional qualities and their esteem for his traits as a comrade in a calling which, more than any other, thoroughly tests and fully reveals the abilities and character of those who follow it.

Like that of many who came to the bar soon after the Civil War, his preparation was scanty, judged by present standards. He was conscious of this lack and worked diligently to supply it. He grasped legal principles quickly and wielded them with skill and precision. He had unusual ability to seize essential facts and make them dominant. His conclusions were reached by clear and comprehensive reasoning and always found forcible, orderly, lucid, and persuasive expression. He was eminent in all the qualities of the advocate, including firm belief in the justice of the cause he espoused.

He was by nature impetuous and high-spirited. He had the true warrior temperament. He seemed to delight in the conflicts of the forum, as he had done in battle, doubtless because he realized, consciously or unconsciously, that there he shone most brightly. Yet he was never unfair or discourteous, and his thrusts, even under provocation, did not break the rules of honorable combat.

After nine years of general practice, which took him well along the road to eminence at a bar which then ranked unusually high among the lawyers of the entire country, he was elected judge of the Superior Court of Cincinnati when only 32 years old. His associates were Judges Force and Harmon. He displayed judicial qualities which led to general regret when his service ended. But his active temperament did not take kindly to the confinement of the bench and his health became impaired, seriously as was then feared. So he resigned at the end of two years.

After his recovery and several months spent in travel and recuperation, he resumed practice with L. C. Black.

A few months later, on the recommendation of the bar, the governor tendered him an appointment as judge of the supreme court. This he felt compelled to decline.

His firm soon had a large and successful practice, which was rapidly growing when he was elected governor in 1885. After four years in that office he formed a partnership with L. C. Black and Nathaniel Rockhold, the latter being succeeded by C. A. Bosworth. He practiced alone, however, for several years, with great success, until he took his seat in the Senate, March 4, 1897.

The 12 years he served in that body were crowded with public business of the greatest importance. This related, among other things, to finance, war, regulation of industry and commerce, the acquisition and government of distant islands with inhabitants strange in race, language, and ideas, and the joining of the Atlantic and Pacific Oceans by a great canal. In discussion and legislation upon all these subjects he bore an active and useful part, bringing to bear, with his shining abilities, the outcome of deep study and broad research.

In 1909 he returned to his home and practice in Cincinnati. His partners at various times were Miller Outcalt, Walter L. Granger, Charles E. Prior, and his brother, James R Foraker. His firm had an extensive business, much of it of an important character. But after several years he again practiced alone, gradually reducing his activity until of late failing health led to almost complete retirement.

He died at his home May 10, 1917.

But for these long and frequent interruptions of his professional career his industry and abilities would beyond doubt have placed him among the very few whose fame has extended beyond the ranks of the profession in which it was won. He, nevertheless, achieved a very high reputation as a lawyer.

His friendships were true and lasting, and forensic encounters, however keen, bred with him no personal animosities. To those who knew him in professional and private life he will always remain in memory a brilliant but gracious and wholesome figure, generous, sympathetic, considerate, courteous, and loyal.

Judson Harmon, L. C. Black, Miller Outcalt, M. L. Buchwalter, Charles B. Wilby, Ferdinand Jelke, David Davis, Sherman T. McPherson, Ellis B. Kinkead, George H. Warrington, Lawrence Maxwell, George Hoadly, committee.

BIBLE READING.

Mr. VARDAMAN. Mr. President, I noticed in the morning paper the following letter from the President of the United States, and will ask the indulgence of the Senate while I read it into the RECORD:

THE WHITE HOUSE,
WASHINGTON.

The Bible is the word of life. I beg that you will read it and find this out for yourselves—read, not little snatches here and there, but long passages that will really be the road to the heart of it. You will find it full of real men and women not only but also of things you have wondered about and been troubled about all your life, as men have been always; and the more you read the more it will become plain to you what things are worth while and what are not, what things make men happy—loyalty, right dealings, speaking the truth, readiness to give everything for what they think their duty, and, most of all, the wish that they may have the real approval of the Christ, who gave everything for them—and the things that are guaranteed to make men unhappy—selfishness, cowardice, greed, and everything that is low and mean. When you have read the Bible you will know that it is the Word of God, because you will have found it the key to your own heart, your own happiness, and your own duty.

WOODROW WILSON.

This, Mr. President, is a message which the President of the United States sends to the soldiers and sailors of the Army and Navy of the United States. I want to commend with all my heart these wise words of advice. I trust that the soldiers and sailors may follow the advice of the President—read the Bible with minds open and hearts ready to receive the Spirit of Christ, and that they may become imbued with the altruism of brotherly love, which characterized His holy life.

Not only would I commend this message which the President of the United States sends to these men, who are to give their lives in defense of the Nation's flag, but I trust that it may be also conveyed to the rulers of the world. The present unfortunate period of the world's history marks an epoch in the history of the Governments of the earth in which all Governments, with the possible exception of Switzerland, are controlled by rulers other than the people, whose toil produces the wealth of the country, maintains its commerce in time of peace, and sacrifice their lives in time of war. The people have not been consulted about this world war—they were not consulted when the war began, and I am afraid that their wishes will not be heeded as to the time that this war shall come to an end. But if the hearts of the rulers of the world shall be thoroughly imbued with the Spirit of Christ, this fearful war, which is an impeachment of our civilization and gives the lie to our pretended faith in the Prince of Peace, will come to an end.

May the spirit of love which illuminated and glorified the life of the Man of Galilee hasten the day when peace and good fellowship shall exist throughout the nations of the earth.

TREASURY DEPARTMENT BUILDING.

The PRESIDENT pro tempore. The morning business is closed.

Mr. SWANSON and Mr. SIMMONS addressed the Chair.

The PRESIDENT pro tempore. The Senator from Virginia.

Mr. SWANSON. I move that the Senate proceed to the consideration of the bill (S. 2477) to authorize the construction of a building for the use of the Treasury Department. This is the bill which the Senate discussed one whole day and on the passage of which the yeas and nays were ordered and taken. It will require only a roll call; there will be no discussion.

Mr. SIMMONS. Is the Senator from Virginia satisfied that the bill will not be discussed?

Mr. SWANSON. There can not be any discussion on the bill.

Mr. SIMMONS. If that is the case, I shall not object.

Mr. SWANSON. A roll call is all that is required on it.

The PRESIDENT pro tempore. The Senator from Virginia moves to proceed to the consideration of Senate bill 2477.

Mr. POMERENE. What is the calendar number of the bill, Mr. President?

The PRESIDENT pro tempore. It is calendar No. 81.

Mr. SMOOT. Mr. President, as I understand the parliamentary situation of the bill, as soon as it is before the Senate all the Senate will be called upon to do will be to vote upon the passage of the bill.

The PRESIDENT pro tempore. To vote on the passage of the bill.

Mr. SMOOT. The yeas and nays having been ordered and once taken developed the lack of a quorum.

The PRESIDENT pro tempore. The yeas and nays have been ordered.

Mr. POMERENE. Mr. President, before we vote upon the bill I want to move to strike out section 2.

Mr. SWANSON. It is impossible to do that, because the bill has been read the third time, and the question is on its passage.

Mr. POMERENE. I was temporarily called out of the Chamber, and had intended to make that motion before that stage was reached.

Mr. HARDWICK. A parliamentary inquiry, Mr. President.

The PRESIDENT pro tempore. The Senator from Georgia will state it.

Mr. HARDWICK. Is it not true, under the rules of the Senate, that although a demand has been made and sustained for the yeas and nays until the roll call actually begins discussion is in order, if Senators desire to discuss the bill?

The PRESIDENT pro tempore. The Chair will state that the condition of the bill is this: The yeas and nays had been ordered and the roll was called and developed the lack of a quorum. The bill had been ordered to be engrossed for a third reading and read the third time, and the question was on the passage of the bill. The bill is therefore not now subject to amendment.

Mr. HARDWICK. Mr. President, I think the Chair probably does not realize what is the effect of the adjournment without the passage of the bill on the parliamentary situation. The Senate adjourned without passing the bill. The Senator from Virginia [Mr. SWANSON] has again to move to take it up. When he does that, it can not return to any such parliamentary situation as claimed. I am for the bill and will support it, but I do not want any such precedent as that established.

Mr. SWANSON. I suggested that question and tried to have that contention adopted last Saturday, but the Chair decided that when the bill is taken up it is taken up exactly in the status in which it was left when last considered by the Senate.

Mr. HARDWICK. I do not think that any such ruling as that should stand as the judgment of the Senate, because it is not in accordance with the rules of the Senate, in my opinion.

The PRESIDENT pro tempore. The Chair understands that such a ruling was made when the motion was made to take the bill up, and will therefore hold in accordance with that ruling.

Mr. HARDWICK. If that is made as a ruling, I expect to enter an appeal, because it is not, in my opinion, the rule of the Senate and it is not the rule of any parliamentary body on earth, and I do not want any such precedent as that established in this body until the Senate understands it. If a majority think that way, they think differently from what I do.

Mr. SMOOT. Mr. President, I want to say to the Senator from Georgia that that has been the universal practice of the Senate ever since I have been a Member of this body.

Mr. HARDWICK. Then it has been done simply as a matter of consent.

Mr. SMOOT. No; I remember a number of cases similar to the present one where a situation developed exactly as in this case. The yeas and nays were ordered, the roll was called, and it developed that there was no quorum present; an adjournment was taken, and it was ruled at that time that after the roll call, having been begun upon the passage of a bill, there could be no amendment offered to the bill and no discussion upon the bill; and I think that ruling was right. There is nothing for the Senate to do under the rules but to vote on the bill.

Mr. HARDWICK. No.

Mr. SMOOT. Mr. President, an adjournment of the Senate can never change the legislative position of a bill.

Mr. HARDWICK. Let me ask the Senator this question: If that is true, why does not the bill come up automatically? Suppose the motion of the Senator from Virginia were defeated this morning?

Mr. SMOOT. The bill, under the rules, can not come up automatically, Mr. President.

Mr. HARDWICK. Therefore it has not any status.

Mr. SMOOT. It comes up in its regular order the same as all other bills will do or by vote of the Senate as this bill did.

Mr. HARDWICK. Mr. President, if this motion prevails, if the Senator will pardon me; when it prevails, and not till then. That is the reason why the Senator is wrong, as a matter of logic. For the one instance which the Senator thinks he remembers, I think I could recite a hundred instances in the parliamentary history of this country where the exact opposite has been held, if I had the time to get them up.

Mr. SMOOT. This has been the universal practice of the Senate, and I think an examination of the precedents will sustain my statement.

Mr. HARDWICK. I do not want to see any such practice as that established, not with my consent, at least.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Virginia [Mr. SWANSON].

Mr. POMERENE. Do I understand that this matter is open for discussion?

The PRESIDENT pro tempore. The Chair is informed that the universal ruling of this body has been that it is not. This motion, however, is not debatable until 2 o'clock. The motion before the Senate is that of the Senator from Virginia to take up the bill for consideration. The question is on that motion.

The motion was agreed to, and the Senate resumed the consideration of the bill (S. 2477) to authorize the construction of a building for the use of the Treasury Department.

Mr. POMERENE. I move to amend the bill by striking out section 2.

Mr. SMOOT. Mr. President, I should like to vote for the Senator's amendment, but I do not believe that in the present parliamentary position of this bill a motion of that kind can be entertained by the Chair.

Mr. CURTIS. I make the point of order that no discussion or amendment is in order on the bill and that the only thing in order is to call the roll.

The PRESIDENT pro tempore. In accordance with the precedents of this body the Chair sustains the point of order. The Secretary will call the roll.

Mr. HARDWICK. From that decision of the Chair I desire to enter an appeal.

The PRESIDENT pro tempore. The Senator from Georgia appeals from the decision of the Chair.

Mr. HARDWICK. And on that appeal I wish to address the Senate.

Mr. President, it must be perfectly obvious to every Senator present that as a matter of logic, as a matter of reason, and as a matter of common sense, no such parliamentary status as has been claimed for this bill can exist in this or any other body. I challenge any Senator to point to an instance where such a procedure has been followed if the point was made and urged. I should be glad to see it. Of course, by common consent we might do that; and I want to say that, so far as this bill is concerned, I would not object to it; I have no desire to discuss it; but I am unwilling to see the Senate, unless it wants to do so after it understands the question, take any such stand as this, adopt any such precedent as this, or put itself in any such position as this.

Now, what is the contention? That some days ago during the morning hour the Senator from Virginia was in charge of this bill——

Mr. SWANSON. Mr. President, the Senator is mistaken. The bill was made the unfinished business and it obtained a certain status as the unfinished business, its consideration having been moved after 2 o'clock. As the unfinished business it had been amended, ordered to be engrossed for a third reading, and read a third time. The question then was on its passage, and the yeas and nays had been ordered.

Mr. HARDWICK. Now, let me submit this to the Senator: Was it ever displaced as the unfinished business?

Mr. SWANSON. It was displaced when the Senator from North Carolina [Mr. SIMMONS] moved that the Senate proceed to the consideration of the revenue bill.

Mr. HARDWICK. That makes no difference. Of course, I would concede, because I think it would be right, if it had remained the unfinished business until this moment that there might be some merit in the contention; but the proposal that a bill, even if it is the unfinished business, can be brought up in this body during the morning hour and the roll can be called on it, and because the roll call discloses the absence of a quorum, and it is necessary to adjourn without passing the bill——

Mr. SMOOT. Mr. President, I rise to make a point of order.

The PRESIDENT pro tempore. The Senator will state his point of order.

Mr. SMOOT. Rule XX, under the heading "Questions of order," states:

> When an appeal is taken, any subsequent question of order which may arise before the decision of such appeal shall be decided by the Presiding Officer without debate; and every appeal therefrom shall be decided at once, and without debate.

Mr. HARDWICK. That does not refer to this question, Mr. President.

Mr. SMOOT. I think so.

Mr. HARDWICK. No.

Mr. SMOOT. In other words, Mr. President, an appeal from a decision of the Chair is to be decided by the Senate without debate.

Mr. HARDWICK. The rule authorizes debatable an appeal from the decision of the Chair, Mr. President, and is a novel proposition to assert in any parliamentary body that an appeal from a decision of the Chair can not be debated. The Rules of the Senate expressly provide otherwise.

Mr. SMOOT. I refer to Rule XX, I will say to the Senator.

Mr. HARDWICK. Very well. Even that rule provides otherwise when it is carefully read.

Mr. LODGE. Mr. President——

The PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. LODGE. I make the point of order that no debate on the appeal or anything else is now in order. The only thing in order is the continuance of the call of the roll, which has once been begun, as I understand.

The PRESIDENT pro tempore. The Chair has so decided.

Mr. LODGE. I so understand; but if appeals can be taken and debated the ruling is worthless.

Mr. HARDWICK. The Rules of the Senate provide that appeals from decisions of the Chair may be debated. Senators will not gain anything as to any bill by any such course as they are undertaking to pursue.

Mr. SMOOT. I am only endeavoring to observe the rules.

Mr. HARDWICK. I want to observe the rules; but certainly the Senate has a right to decide whether or not a decision is correct, and Senators have a right, as old as this body itself, to be heard on that question. The rule is clear, and the practice of the Senate has been uniform with respect to that matter.

The PRESIDENT pro tempore. The Chair thinks that as another point of order has been made, that had better be disposed of, so that we may proceed in regular order.

Mr. HARDWICK. The point of order pending now is whether or not the appeal is debatable.

The PRESIDENT pro tempore. The Senator from Utah made a point of order which the Chair can not sustain, and overrules. As to the point of order made by the Senator from Georgia, so far as Rule XXVIII is concerned, the appeal is certainly debatable in the judgment of the Chair.

Mr. HARDWICK. I thought so; and I did not think anybody thought otherwise, except the Senator from Utah and possibly the Senator from Massachusetts; and the opinion of either one of them is of little concern to me on this question.

This is the proposition: The Senate had this bill under consideration. It is true at that time it was the unfinished business of the Senate, but since then it has been displaced as the unfinished business, and whatever privilege or special status it had as such has been lost and destroyed. The roll is called;

the roll call discloses the absence of a quorum, and the Senate adjourns without acting on the proposition one way or the other; it is left up in the air; it can only be taken up again and given renewed vitality by other and affirmative action of the Senate. Yet Senators are here insisting that the Senate when it takes that action gives life to a thing that is dead and renews a thing that it has destroyed for the moment and can only take it on condition that the question is not open to debate and not open to amendment. I challenge any Senator of the United States to cite any precedent that sustains such a monstrous proposition as that. On principle it seems to me utterly absurd.

Are we to vote for or against a motion proposed by the Senator from Virginia with the foreknowledge that all we can do if we adopt his motion is either to pass or defeat his bill, with every "i" dotted just as it is and with every "t" crossed just as it is? Is the Senate to be bound and gagged, without either the right of discussion or amendment? I think not. It is utterly unreasonable; it is utterly unsound; and, with all deference to some of my friends who think they remember, out of the plenitude of long service in this body, precedents otherwise, I should like to see those precedents produced and let us see just what they are, and what they held, and where they are, because such a contention is so utterly contrary to reason; it is so utterly contrary to practice in the other House of Congress; it is so utterly contrary to all parliamentary theories that it seems to me to be a manifest absurdity. If that were true, all a Senator would have to do who did not care to risk having his bill amended in the Senate would be to get it up some time when there was a slim attendance and get a roll call on it, and then have an adjournment and force the bill, without the possibility of either amendment or discussion in the Senate, to be taken up and adopted either as it is or not at all. That is not the object of the Senate; it is not the object of parliamentary procedure; and we ought not to adopt any such rule or any such practice or to put ourselves in any such position as that.

Mr. SWANSON. Mr. President, the Senator from Georgia uses rather strong language and speaks of the absurdity of the present parliamentary situation; but it seems to me the absurdity is on the side of his contention. Let me state this case. The Senate considered this bill for nearly a day; it considered it, as in Committee of the Whole, as the unfinished business. While being considered as in Committee of the Whole amendments were offered and discussed and voted upon. After the bill had been considered as in Committee of the Whole it was reported to the Senate, where it was again discussed under the rules of the Senate, and, after voting on amendments, it was then ordered to be engrossed for a third reading, read the third time, and the question came on its passage. These stages had been gone through by the Senate after nearly a day's discussion and argument. All that had been done, and the rule is clear that after a bill has been ordered to be engrossed for a third reading and read the third time it can not afterwards be amended, unless that action is reconsidered. That status has been reached in the consideration of this bill; that was the action of the Senate. There must be some conclusion of action in every parliamentary body, or else it never would conclude anything. After the Senate has acted there is but one way its action can be nullified, and that is by a reconsideration.

Mr. HARDWICK. Mr. President, will the Senator yield to me for a moment?

Mr. SWANSON. I yield.

Mr. HARDWICK. How could the Senate act with less than a quorum present and with that point appearing of record?

Mr. SWANSON. If the Senator will permit me, there was a quorum during the consideration of the amendments; there was a quorum which voted to report the bill from the Committee of the Whole to the Senate; there had to be a quorum on the vote to have the bill engrossed for a third reading and read the third time; and the record shows that on several votes a quorum was present. Now the Senator comes in here and says, after the Senate has acted, after it has discussed a measure, after it has been reported out of the Committee of the Whole to the Senate, after it has been ordered engrossed for a third reading and read the third time, that that amounts to nothing. The rule is clear——

Mr. FLETCHER. May I interrupt the Senator to refer to a precedent?

Mr. SWANSON. Yes.

Mr. FLETCHER. The precedent seems to sustain the contention of the Senator from Virginia and the ruling of the Chair up to this time. On page 28 of Gilfry's Precedents, paragraph 18, there appears the following:

On motion by Mr. Hale,

The Senate proceeded to consider, as in Committee of the Whole, the bill (S. 2263) to require the employment of vessels of the United States for public purposes; and the reported amendment having been agreed to, and the bill further amended on the motion of Mr. McCUMBER, and the motion of Mr. Allison.

A further amendment having been proposed by Mr. Daniel,

After debate, on motion by Mr. Carmack to recommit the bill to the Committee on Commerce, the yeas were 12 and the nays were 30.

On motion by Mr. Teller,

The yeas and nays being desired by one-fifth of the Senators present,

* * * * * * *

The number of Senators voting not constituting a quorum, the Presiding Officer (Mr. GALLINGER in the chair), directed the roll to be called, when 48 Senators answered to their names.

A quorum being present, on motion by Mr. Hale,

Ordered, That the bill as amended be reprinted.

On motion by Mr. Hale, at 4 o'clock and 17 minutes p. m. the Senate adjourned.

On the following day February 27, on motion by Mr. Hale, the Senate resumed, as in Committee of the Whole, the consideration of the bill S. 2263.

The question being on the motion of Mr. Carmack to recommit the bill to the Committee on Commerce, the President pro tempore (Mr. Frye) held that the roll call should be immediately resumed without debate or other intervening business.

The roll was called, and the question was determined.

Mr. LODGE. Mr. President——

Mr. SWANSON. Mr. President, if the Senator will permit me, the Constitution provides that when one-fifth of the Members request a yea-and-nay vote on a question it must be had. One-fifth of the Members of the Senate ordered a yea-and-nay vote at the stage when this bill was on its passage some days ago. I thought possibly I could get rid of that situation by securing unanimous consent, and I wanted to ask unanimous consent to dispense with the yea-and-nay vote on the measure; but after looking into the question and consulting others, it became apparent that it was impossible, even by unanimous consent, to get rid of the constitutional provision requiring the roll to be called after it had once been ordered.

There is another rule——

Mr. LODGE. Mr. President——

Mr. SWANSON. I will yield in a minute. There is another rule which says that when the first name on the roll has been called and answer made, nothing else can be done but to continue the calling of the roll. On the question of the passage of this bill the roll had been called.

Mr. HARDWICK. The requirement as to calling the roll does not extend from day to day.

Mr. SWANSON. That is the requirement whenever the question comes up for consideration. I brought this question up on last Saturday, when the Senator from Kansas [Mr. CURTIS] was in the chair, and he ruled as I have indicated. I knew at that time there was no quorum present, and I was very anxious to get the measure in such a position that it could be discussed and argued and amendments offered; but what is the reason of the ruling? It is because when a bill comes up for consideration it is in exactly the status that the Senate has put it. The Senate put this bill in the status of being out of the Committee of the Whole, in the Senate, engrossed and read a third time, and ordered the yeas and nays on it; and, as I understand, when it again comes up for consideration, if it is ever considered again, it comes up precisely in the status that the Senate had decided it should occupy.

Mr. LODGE. Mr. President——

Mr. SWANSON. I yield to the Senator from Massachusetts.

Mr. LODGE. I hesitate to express any opinion after the severity with which the Senator from Georgia [Mr. HARDWICK] has spoken of my opinion on parliamentary law. We can not take up a bill at any other stage except that at which we left it. Nothing is better settled than that; and if you take it up at the stage where the roll was being called, in my judgment—and precedents in the House and Senate will be found to sustain it—nothing can interfere with the calling of the roll when that has once been begun, no matter whether a day or a month has intervened. There is a precedent of the House, which the Senator from Kansas [Mr. CURTIS] has, where there was an interval of months.

Mr. CURTIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Kansas?

Mr. SWANSON. I do.

Mr. CURTIS. Mr. President, the Senator from Georgia [Mr. HARDWICK] claims that there has been no precedent for this decision. It has been the universal practice in the Senate to hold as the Chair held the other day and as the Chair has held to-day; and I find, in looking over the precedents of the House, two decisions in point on this question. They are very short, and I should like to read them, if I may.

When a yea-and-nay vote on a bill fails for lack of a quorum, the order for the yeas and nays remains effective whenever the bill again comes before the House. On May 10, 1886, a District of Columbia day, the House was considering the bill (H. R. 7083) to incorporate the trustees of the Young Women's Christian Home, in Washington, D. C., and on the passage, the yeas and nays having been ordered, there were 145 yeas, 1 nay; no quorum.

The House then adjourned.

On June 14, 1886, District of Columbia business being again in order, Mr. John S. Barbour, of Virginia, called the bill up again, and a proposition for debate was made.

The Speaker said:

The yeas and nays were ordered on the passage of the bill, and they were taken, but no quorum appeared. If the yeas and nays are dispensed with, it must be by unanimous consent.

Again:

On August 28, 1890, the Speaker stated the pending question to be on the appeal of Mr. WILLIAM E. MASON, of Illinois, from the decision of the Chair, made on the 26th instant, that the bill of the House (H. R. 11568) defining lard, also imposing a tax upon and regulating the manufacture and sale, importation, and exportation of compound lard, was the pending business before the House, on which appeal the yeas and nays had been ordered, and on which no quorum voted.

Mr. Benjamin A. Enloe, of Tennessee, made the point of order that this day having been assigned to the Committee on Labor, the bill named should go over as unfinished business until to-morrow or Monday, or such subsequent time as unfinished business might be properly considered.

The Speaker declined to entertain the point of order on the ground that the question raised was the one pending—

And ordered the roll to be called.

I hope the ruling of the Chair will be sustained.

Mr. POMERENE. Mr. President——

The PRESIDENT pro tempore. The Senator from Ohio.

Mr. POMERENE. I want to say a word, perhaps not so much either for or against the point of order that has been raised as on the merits of this particular bill.

Mr. SWANSON. Mr. President, I make the point of order that debate is out of order. I should like to reply, but unless there is to be general discussion I must insist upon the point of order.

Mr. POMERENE. Very well. I am going to find out whether the usual latitude of debate is going to be allowed here or not.

Mr. LODGE. Not at this stage.

Mr. SWANSON. I should like to reply to the Senator, but I insist that the rule says that when the yeas and nays are ordered nothing else is in order. I insist that the roll shall be called.

Mr. POMERENE. Mr. President, I have been perfectly frank in stating my position about this matter, and I do not, by means of any subterfuge, pretend to discuss a point of order when I have something else in mind. I want that distinctly understood; but I know what latitude has been given to debate in these particular matters, and I propose to discuss the merits of this bill for about one minute, if I may be permitted to do so. If not, I will submit to any ruling the Chair may make; but that is what I intend to do.

Mr. SWANSON. I raise the point of order that discussion on the merits of the bill is not in order. Unless I can have the same privilege, I make the point of order.

The PRESIDENT pro tempore. The point of order, being raised, must be decided without debate.

The Chair decides that debate on the bill generally is not now in order. The Chair can not, however, control the action of any Senator in making statements in regard to anything. If a question which is debatable is before the Senate, the Chair can not be responsible for what a Senator says.

Mr. BRANDEGEE. Mr. President, a parliamentary inquiry. I understood that the Senator from Massachusetts [Mr. LODGE] made the point of order that no appeal could be taken from the ruling of the Chair, and that nothing was in order pending the roll call, but proceeding with the roll call. I did not hear when there was any ruling.

The PRESIDENT pro tempore. That point of order the Chair overruled.

Mr. POMERENE. Mr. President, I will yield the floor in view of what the President has stated; but immediately after this vote is taken I shall have an observation to make with regard to the employment of extra architects when they are not necessary. I do not believe we are in a position where we want to go to that extraordinary expense at this particular time.

Mr. HARDWICK. Mr. President, just a moment.

A few seconds ago I felt just a little hurt at some of the points of order that were being made, and used some language that I rather regret. I have the utmost respect for the opinions of both the Senator from Massachusetts and the Senator from Utah, not only on questions of parliamentary law but on all questions, and I exceedingly regret the use of any language that indicated anything to the contrary. Those Senators, of course, understand that. It was in the heat of debate; and yet I do think it is going a good way for Senators of the experience and standing of these two Senators to insist that I did not have the right to debate this appeal when the express rule of the Senate, as uniformly construed by the Senate, is exactly to the contrary.

That is neither here nor there, however. I am willing to admit whatever I think is the truth about a matter, and I do think that the Senators have done something I did not believe was possible. They have submitted some precedents to show that the ruling of the Chair is correct. I do not believe it is sound in principle, for the reasons I gave the Senate. I will venture to say that for the two precedents cited by the Senator from Kansas [Mr. CURTIS] as to the House practice, I can cite twenty times that many on the other side of the question. I know the House rulings have not always been uniform. I say that with some hesitancy, though, because I did not think the Senator could find one precedent that way in all the parliamentary history of this country.

As far as the opinion of Senator Hale was concerned, it is true that it was acquiesced in by the Senate; but, as I said a moment ago, I think that was done as a matter of common consent more than anything else, and without any argument of the real merits of the question. Still, until I can fortify my position with authority that I can not find on the spur of the moment, I have no hope of sustaining the appeal; and as I am not willing to have it expressly decided by the Senate, after a contest, until I am prepared to submit authorities in support of the position, I think I shall withdraw it.

The PRESIDENT pro tempore. The appeal from the decision of the Chair is withdrawn. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. GALLINGER], who is absent. I transfer that pair to the Senator from New Jersey [Mr. HUGHES] and vote "yea."

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Colorado [Mr. THOMAS]. I transfer that pair to the junior Senator from Iowa [Mr. KENYON] and vote "nay."

Mr. MYERS (when his name was called). I have a pair with the junior Senator from Connecticut [Mr. McLEAN], who is absent. I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

The PRESIDENT pro tempore (when Mr. SAULSBURY's name was called). I transfer my general pair with the senior Senator from Rhode Island [Mr. COLT] to the junior Senator from Arizona [Mr. SMITH] and vote "yea."

Mr. STERLING (when his name was called). I have a pair with the junior Senator from South Carolina [Mr. SMITH]. I transfer that pair to the junior Senator from Nebraska [Mr. NORRIS] and vote "nay."

Mr. MYERS (when Mr. WALSH's name was called). My colleague [Mr. WALSH] is necessarily absent on account of illness in his family. He is paired with the Senator from New Jersey [Mr. FRELINGHUYSEN]. I will let this announcement stand for the day.

Mr. WEEKS (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. JAMES], which I transfer to the junior Senator from Maine [Mr. HALE] and vote "yea."

The roll call was concluded.

Mr. DILLINGHAM (after having voted in the affirmative). I observe that the senior Senator from Maryland [Mr. SMITH], with whom I have a general pair, has not voted; but as I am informed that if present he would vote as I have done I will let my vote stand.

Mr. KENDRICK. I have a pair with the senior Senator from New Mexico [Mr. FALL]. I do not know how he would vote on this question. I transfer my pair with him to the senior Senator from Nevada [Mr. NEWLANDS] and vote "yea."

Mr. SUTHERLAND. I desire to announce the absence of my colleague, the senior Senator from West Virginia [Mr. GOFF], on account of illness. He has a general pair with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. KIRBY. I announce the unavoidable absence of my colleague [Mr. ROBINSON] and ask that this announcement may stand for the day.

Mr. KING. I desire to announce that the senior Senator from Maryland [Mr. SMITH] is detained on official business.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED];

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Wyoming [Mr. WARREN] with the Senator from North Carolina [Mr. OVERMAN];

The Senator from Indiana [Mr. WATSON] with the Senator from Delaware [Mr. WOLCOTT]; and

The Senator from Maine [Mr. FERNALD] with the Senator from South Dakota [Mr. JOHNSON].

The result was announced—yeas 45, nays 16, as follows:

YEAS—45.

Ashurst	Hollis	Nelson	Sherman
Bankhead	Husting	Overman	Shields
Beckham	Jones, N. Mex.	Owen	Simmons
Brady	Jones, Wash.	Page	Sutherland
Brandegee	Kendrick	Penrose	Swanson
Chamberlain	King	Phelan	Thompson
Curtis	Knox	Pittman	Trammell
Dillingham	Lewis	Poindexter	Underwood
Fletcher	Lodge	Ransdell	Weeks
France	McKellar	Saulsbury	
Gerry	Martin	Shafroth	
Hardwick	Myers	Sheppard	

NAYS—16.

Borah	Harding	McCumber	Smoot
Calder	Kellogg	McNary	Sterling
Gore	Kirby	New	Vardaman
Gronna	La Follette	Pomerene	Wadsworth

NOT VOTING—35.

Broussard	Hale	Norris	Thomas
Colt	Hitchcock	Reed	Tillman
Culberson	Hughes	Robinson	Townsend
Cummins	James	Smith, Ariz.	Walsh
Fall	Johnson, Cal.	Smith, Ga.	Warren
Fernald	Johnson, S. Dak.	Smith, Md.	Watson
Frelinghuysen	Kenyon	Smith, Mich.	Williams
Gallinger	McLean	Smith, S. C.	Wolcott
Goff	Newlands	Stone	

So the bill was passed.

Mr. POMERENE. Mr. President, I desire to explain my vote on the bill just passed.

When this matter was up before I had indicated to a number of Senators my intention to move to amend the bill by striking out the second section, which provides for the employment of special architects to have charge of this work. The Senator from Nebraska [Mr. NORRIS] at the time was occupying the floor. It was thought that the debate would continue for some time, and I momentarily stepped out of the Chamber. Meanwhile he yielded the floor and the bill was passed from the Committee of the Whole and reported to the Senate, and when I returned a vote was being taken on the final passage of the bill.

I voted against the bill because I think it very unwise at this time when the Government has a Supervising Architect and a corps of assistants whose time could be devoted to structures of this kind, to allow them to devote themselves to the building perhaps of small post offices throughout the land when their time could be devoted just as well to this particular structure. I think it was very unwise to provide for the employment of special architects on this work, and I beg to indulge the hope that when the bill comes before the other House they will strike out section 2, which authorizes their employment.

WAR REVENUE.

Mr. SIMMONS. I move that the Senate proceed to the consideration of the unfinished business, House bill 4280.

The motion was agreed to, and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes.

Mr. WEEKS. I submit two amendments to the pending bill. I ask that they be printed and lie on the table.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BANKHEAD. Mr. President, I send to the desk an amendment which I intend to propose to the pending bill. I shall not ask to have the amendment read now, but I desire that it shall be printed, and printed in the RECORD, and also that it lie upon the table after having been printed in order that I may call it up at the proper time.

The PRESIDENT pro tempore. If there be no objection, it is so ordered.

The amendment is as follows:

Amend by striking out all of the last paragraph of section 200, from line 1 to line 8, inclusive, on page 12; also strike out sections 201, 202, 203, 204, 205, and 206 and insert in lieu thereof:

"SEC. 201. That in addition to the taxes under existing laws there shall be levied, assessed, collected, and paid for each taxable year upon the net income of every corporation and partnership organized, authorized, or existing under the laws of the United States, or any State, Territory, or District thereof, no matter how created or organized, excepting income derived from the business of life, health, and accident insurance combined in one policy issued on the weekly premium payment plan, a tax on the amount by which such net income exceeds the sum of (a) $5,000 and (b) 8 per cent of the actual capital invested, as follows:

"Not in excess of $25,000, 10 per cent.
"In excess of $25,000 and not in excess of $50,000, 11 per cent.
"In excess of $50,000 and not in excess of $75,000, 12 per cent.
"In excess of $75,000 and not in excess of $100,000, 13 per cent.
"In excess of $100,000 and not in excess of $125,000, 14 per cent.
"In excess of $125,000 and not in excess of $150,000, 15 per cent.
"In excess of $150,000 and not in excess of $175,000, 16 per cent.
"In excess of $175,000 and not in excess of $200,000, 17 per cent.
"In excess of $200,000 and not in excess of $250,000, 18 per cent.
"In excess of $250,000 and not in excess of $275,000, 19 per cent.
"In excess of $275,000 and not in excess of $300,000, 20 per cent.
"In excess of $300,000 and not in excess of $400,000, 21 per cent.
"In excess of $400,000 and not in excess of $500,000, 22 per cent.
"In excess of $500,000 and not in excess of $600,000, 23 per cent.
"In excess of $600,000 and not in excess of $700,000, 24 per cent.
"In excess of $700,000 and not in excess of $800,000, 25 per cent.
"In excess of $800,000 and not in excess of $900,000, 26 per cent.
"In excess of $900,000 and not in excess of $1,000,000, 27 per cent.
"In excess of $1,000,000 and not in excess of $1,250,000, 28 per cent.
"In excess of $1,250,000 and not in excess of $1,500,000, 29 per cent.
"In excess of $1,500,000 and not in excess of $1,750,000, 30 per cent.
"In excess of $1,750,000 and not in excess of $2,000,000, 31 per cent.
"In excess of $2,000,000 and not in excess of $3,000,000, 33 per cent.
"In excess of $3,000,000 and not in excess of $4,000,000, 35 per cent.
"In excess of $4,000,000 and not in excess of $5,000,000, 37 per cent.
"In excess of $5,000,000 and not in excess of $6,000,000, 39 per cent.
"In excess of $6,000,000 and not in excess of $7,000,000, 41 per cent.
"In excess of $7,000,000 and not in excess of $8,000,000, 43 per cent.
"In excess of $8,000,000 and not in excess of $9,000,000, 45 per cent.
"In excess of $9,000,000 and not in excess of $10,000,000, 47 per cent.
"In excess of $10,000,000, 50 per cent.

"Every foreign corporation and partnership, including corporations and partnerships of the Philippine Islands and Porto Rico, shall pay for each taxable year a like tax upon the amount by which its net income received from all sources within the United States exceeds the sum of (a) 8 per cent of the actual capital invested and used or employed in the business in the United States, and (b) that proportion of $5,000 which the entire actual capital invested and used or employed in the business in the United States bears to the entire actual capital invested; and in case no such capital is used or employed in the business in the United States the tax shall be imposed upon that portion of such net income which is in excess of the sum of (a) 8 per cent of that proportion of the entire actual capital invested and used or employed in the business which the net income from sources within the United States bears to the entire net income and (b) that proportion of $5,000 which the net income from sources within the United States bears to the entire net income.

"SEC. 202. That for the purpose of this title, actual capital invested means (1) actual cash paid in, (2) the actual cash value, at the time of payment, of assets other than cash paid in, and (3) paid in or earned surplus and undivided profits used or employed in the business; but does not include money or other property borrowed by the corporation or partnership.

"SEC. 203. That the tax herein imposed upon corporations and partnerships shall be computed upon the basis of the net income shown by their income tax returns under Title I of the act entitled 'An act to increase the revenue, and for other purposes,' approved September 8, 1916, or under this title, and shall be assessed and collected at the same time and in the same manner as the income tax due under Title I of such act of September 8, 1916: *Provided*, That for the purpose of this title a partnership shall have the same privilege with reference to fixing its fiscal year as is accorded corporations under section 13 (a) of Title I of such act of September 8, 1916: *And provided further*, That where a corporation or partnership makes return prior to March 1, 1918, covering its own fiscal year and includes therein any income received during the calendar year ending December 31, 1916, the tax herein imposed shall be that proportion of the tax based upon such full fiscal year which the time from January 1, 1917, to the end of such fiscal year bears to the full fiscal year.

"SEC. 204. That corporations exempt from tax under the provisions of section 11 of Title I of the act approved September 8, 1916, and partnerships carrying on or doing the same business shall be exempt from the provisions of this title, and the tax imposed by this title shall not attach to incomes of partnerships derived from agriculture or from personal services.

"SEC. 205. That every corporation having a net income of $5,000 or more for the taxable year making a return under Title I of such act of September 8, 1916, shall for the purposes of this title include in such return a detailed statement of the actual capital invested.

"Every partnership having a net income of $5,000 or more for the taxable year shall render a correct return of the income of the partnership for the taxable year, setting forth specifically the actual capital invested and the gross income for such year and the deductions hereinafter allowed. Such returns shall be rendered at the same time and in the same manner and form as is prescribed for income-tax returns under Title I of such act of September 8, 1916. In computing net income of a partnership for the purposes of this title there shall be allowed like deductions as are allowed to individuals in sections 5 (a) and 6 (a) of such act of September 8, 1916.

"SEC. 206. That all administrative, special, and general provisions of law, including the laws in relation to the assessment, remission, collection, and refund of internal-revenue taxes not heretofore specifically repealed and not inconsistent with the provisions of this title are hereby extended and made applicable to all the provisions of this title and to the tax herein imposed, and all provisions of Title I of such act of September 8, 1916, relating to returns and payment of the tax therein imposed, including penalties, are hereby made applicable to the tax required by this title.

"SEC. 207. That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make all necessary regulations for carrying out the provisions of this title, and may require any corporation or partnership subject to the provisions of this title to furnish him with such facts, data, and information as in his judgment are necessary to collect the tax provided for in this title."

Mr. BANKHEAD addressed the Senate. After having spoken for some time, he said:

Mr. President, I have not concluded what I intended to say. At a later time I shall resume the remarks that I intend to make before this question is disposed of.

Mr. GERRY. Mr. President, I do not think there is any more important work that Congress has to deal with at this session than the revenue bill. The successful termination of this great war is bound to depend largely on the countries that have the greatest financial resources. How we meet the present situation—how we are able to manage our financial resources and our policy of taxation and raising revenue—is going to be very material in the ultimate result. This is proven by all history.

It really was the economic conditions at the end of the Napoleonic wars that caused the defeat of France. It was Napoleon's continental system that finally was overcome by the English blockade and which defeated him.

The Committee on Finance has thoroughly realized this condition. For 10 weeks we have been at work on the bill. We have considered it from all angles, and we have brought in a bill that we believe is sound and just, and one that will raise the proper revenue on the most advantageous principles.

Mr. President, the theory upon which this bill is based has been more or less of a new departure in taxation. We have imposed the bulk of the taxation on incomes and on excess profits. We have done that because we believe that they were best able to pay. We have considered that the man who was best able to pay the tax and feel it least was the man that should properly bear the burden; and on this theory we have placed more than three-fifths of the total taxes on incomes and excess profits. The income tax, it is estimated, will amount to $777,700,000; the war-profits tax will amount to $562,000,000, making a total of taxes on excess profits and incomes of something over $1,300,000,000. If you add to that the taxes on spirits, fermented liquors, and wines, amounting to $207,000,000, and the $11,000,000 tax on soft drinks, you will find that a very small proportion of the revenue is derived from general taxation.

Mr. President, I believe that that is a sound principle. I believe that it is a principle that is going to be followed in the future, and one that has been followed by our allies across the seas. The question to be considered is so to place our taxation that we will not only raise a great amount of revenue but that we will not hamper business, but, rather, allow it to go on and improve, and then we shall get more and more revenue. In doing that we will aid workingmen, industry, and at the same time assist the Government as well as our allies, for to-day America is practically the banker of the allied world, the country to which all the other powers are now coming, after three years of terrific warfare and financial strain. We have vast resources, greatly augmented by the last three years of prosperity, and these great resources are now going to be used to carry on the war.

The history of other countries shows that the great expenditures caused by the war will necessarily increase the volume of business. There is bound to be a vast amount of capital put into business so as to increase it; and as that business increases, under the plan that we now have on hand our taxes will increase. There is going to be a heavy demand in this country for money. It will be necessary to sell a large quantity of bonds. It is impossible to finance a war of this magnitude on taxes alone. We are compelled to raise a large proportion of the money by a bond issue, just as in big private enterprises one has to borrow money in order to float them.

Naturally this demand is likely to create a stringency in the money market. It is likely to make the rates of interest go up unless we deal with it wisely. If we put our war-profits tax too high the corporations and the individuals who are engaged in business will not have proper opportunity of increasing that business. They will have to borrow more money, and the probabilities are that business will not go forward the way it should; and while we may get more revenue the first year of the tax, we will get less in the end.

Mr. President, in putting our tax on the incomes of individuals we have tried to put it on those that are best able to pay. The able Senator from Utah [Mr. SMOOT] showed yesterday that over $106,000,000 would be raised on incomes of over $500,000. We have put the high surtaxes on incomes above $15,000. From there up a cursory examination of the bill shows that the taxes are continually increased on a greater and greater scale, until finally we reach 33 per cent surtax in addition to the 4 per cent normal tax.

Mr. President, I think the provisions of the income tax are well understood. That question has been thrashed out in Congress ever since 1913, when the first income-tax law was passed. I think the men of wealth are willing to pay their share. In fact, I think they are acting in a patriotic manner. I know that in my State, which is a large industrial State with much wealth, I have not received one protest against the income tax. Every right-minded citizen feels that he has to do his share and is only too willing to give his money when so many men will have to give their lives.

The next item of the bill which will raise an enormous revenue and which is open to much more discussion because of its novelty is the war excess profits tax. I find from my constituents who write to me that many do not understand the provisions of the bill as it is now before the Senate. This excess profits tax is estimated to yield the Government $562,000,000 in revenue. It is based on the theory that the corporation, the copartnership, or the individual that has received largely increased profits because of the war should pay a higher proportion of the tax than the corporation, individual, or copartnership that has not so benefited. Of course this is a fundamental proposition. Whether you believe in that theory or not is another question.

The House proposed last year, and it is now the law, that a tax of 8 per cent should be imposed on profits over 8 per cent; and then this year they amended that statute by doubling the tax, making it 16 per cent. Of course that would impose a tax on all corporations, irrespective of any advantage they have received from this war, and it also imposes a flat-rate tax. In other words, the corporation that receives 9 per cent pays 16 per cent, and the corporation that is making 25 per cent pays 16 per cent.

This does not conform to the surtax theory of the income tax, and I do not believe that it is sound taxation.

But even leaving that question aside, there is a greater difficulty to be met in the House measure, and that is the impracticability of its enforcement. Under the House proviso they have tried to define what was capital. They have tried to eliminate certain values that are very often used in an endeavor to water stock. They have stricken out trade-marks, good will, and other things of that sort.

But, Mr. President, I do not believe that you can define, even according to the proviso of the House bill, what the capital of all the corporations in the United States is, and that is what is attempted to be done. It may be said that this is the law now. It is, and possibly workable to a certain extent when the tax is not greater than 8 per cent, but as soon as you increase that tax, as soon as you begin to double up your tax, there is an added greater and greater incentive for evasion through improper capitalization.

It is a well-known fact that after the bill passed the House a great many large corporations throughout the country immediately took under consideration the question of recapitalization. That would be a very simple matter to do, especially if a corporation was a successful one. Stock that possibly had been originally selling at par which had increased eight times, so it was now selling at eight hundred, could easily be turned back to the corporation and new stock given out to replace it, and in that way an actual increase of the capitalization of the corporation be made. That is only one example of what could be done and, in my opinion, of what would be done.

The result would be, Mr. President, that under the House bill there would be continual evasions. There would be all sorts of bookkeeping schemes by people who were not patriotic but led on by self-interest, and there would also be, in many cases, an honest difference of opinion as to what should be considered as capital and what not. It would seem to me under the House provision there would be endless delay in collecting the tax, endless causes of action, endless disruption of business conditions, and really a falling down in the Government plan of taxation.

Now, your committee, in considering this matter, decided that it was not good business policy to rely on such a principle of taxation, and that the only practical thing to do was to try and arrive at a basis where the excess profits could be collected without having to determine the capital stock of practically every corporation in the United States. They took the income return of corporations that have been made to the Treasury since 1909, and then determined that the prewar period should be the years 1911, 1912, and 1913, in other words, the years just before the war. We could not go very much further back of that time because the Treasury Department has no record of corporation returns before 1909, when the first corporation-tax act was passed.

With that as the basis, we say that where a corporation has been making a certain average during those three years it can deduct that from what it makes in the year 1917, and the remainder shall be taxed on a graded principle—12 per cent

on the first, 15 per cent, then 16 per sent, and so on, to the scale of 50 per cent where the profit exceeds 250 per cent.

Mr. LEWIS. Will it interrupt the Senator from Rhode Island for me, knowing as I do the amount of industry the Senator has given to this bill in its preparation, as he is a member of the committee, and particularly as to him has been committed much of the labor in connection with the excess profits tax and the income tax—much of the bill shows his work in that respect—I wish to ask the Senator, can the Senator tell me, without taking too much time away and diverting him from his interesting argument, what difference there is, or the difference, between the House bill and the Senate committee bill as to what we call franchises and good will, as to how far franchise and good will are treated as capital for the purpose of reaching the calculation of profit?

Mr. GERRY. Yes; I will do so.

Mr. LEWIS. I should be very glad to have the Senator's view. It will interest me very much.

Mr. GERRY. I will say to the Senator from Illinois that under the House bill they define actual capital invested as follows:

SEC. 202. That for the purpose of this title, actual capital invested means (1) actual cash paid in, (2) the actual cash value of property paid in other than cash, for stock or shares in such corporation or partnership, at the time of such payment, and (3) paid in or earned surplus and undivided profits used or employed in the business: *Provided*, That the good will, including trade-marks and trade brands, or the franchise of a corporation or partnership, is not to be included in the actual capital invested, unless the corporation or partnership made payment therefor specifically as such in cash or tangible property, the value of such good will, trade-marks, trade brands, or franchise, not to exceed the actual cash or actual value of the tangible property paid therefor at the time of such payment.

I will say to the Senator from Illinois that the House tried to define, as I just said before, what capital is, and refuses to allow franchises and good will as capital unless it was paid for in actual cash or tangible property. We have not defined what is capital in the Senate committee bill. We have tried as much as possible to get away from that. There are one or two cases of which I will speak afterwards where we have to use the word "capital," but we have not defined it at all. We have based our tax on the difference of the income of the corporation in the prewar period and the taxable year, and we get that income from the returns made to the Treasury Department. Just to avoid this difficulty is one reason why the Committee on Finance adopted the program we are now pursuing.

Now, Mr. President, while the excess profits of normal corporations are determined as every other private interest. There are certain corporations that it was necessary to make exceptions for, where the capital used in the business is different from the average capital of the prewar period. In other words, if a corporation has increased or decreased the amount of its capital since the prewar period, then the average net income of the prewar period for the purpose of ascertaining the excess profits is assumed to be increased or decreased in the same proportion. In that case we have to consider capital, but we can accept the corporations' statement as to their capital before the war, and on that basis consider the average of the increase or the decrease. We would not have to go into a very detailed consideration of what the capital of the corporation was.

Where the average of the net income of a concern for the prewar period was below a normal return upon its investment the Secretary of the Treasury has the right to find, if such is the case, and if he does find that the ratio between the net and the gross income is such that the business was substantially less than the like ratio in the case of representative trades or business, the war profits of such trades or business shall be determined as in the case of a new corporation.

A new corporation or an individual who was not in the business during the prewar period is allowed to take the same average as similar trades or business. In other words, if other corporations engaged in similar trades or business have been earning a stated average it is allowed to deduct that from the amount of its earnings for the taxable year, and if it is also found that it has not earned 6 per cent in the taxable year then it is exempt from the tax.

Mr. President, the practical working out of this tax shows that corporations like United States Steel, which would pay only $21,685,000 under the House bill, will pay $76,726,471 under the Senate committee bill; that the Bethlehem Steel Corporation would pay under the House bill $7,125,000 and under this bill $25,045,090; that the Anaconda Copper Mining Co. would pay under the House proviso $5,817,000 and under the Senate committee bill $14,512,497. The B. F. Goodrich Co. would pay $203,000 under the House bill and $1,635,633 under the Senate committee bill. The Pennsylvania Railroad would pay no tax under the House bill and would pay $1,699,654 under this measure. The E. I. Du Pont de Nemours Co. would pay $11,240,000 under the House bill and $35,922,989 under the Senate Finance Committee bill. Under the House provision a very small proportion of the railroads would pay a tax. Under the Senate bill they will pay a fair proportion of the taxes of the country.

I forgot to state that there is a further exemption. A corporation having made less than $5,000 would pay no tax; neither would partnerships nor individuals.

The very learned and able Senator from New Mexico [Mr. JONES] called the committee's attention to the fact that while copartnerships and individuals had to pay on their surplus, whether employed in their business or not, corporations did not. He raised the question of the inequality of this and showed that a great amount of surplus was going untaxed. The committee realized the justice of the Senator's claim and tried in some way to remedy the inequality. But it was a very difficult thing to do, because in the case of the individual you tax him whether or not he keeps his surplus; but in the case of the corporation, it is only practical to tax the surplus if it is not expended. That raised the question as to whether it was sound business policy to put a punitive tax on the retention of a surplus.

The committee finally decided that they would try and remedy this inequality by raising the corporation tax so that the corporations will pay a normal tax of 6 per cent and the individual pay a normal tax of 4 per cent. So the corporation has a disadvantage of 2 per cent as against the individual, and in this way there is some slight equalization. This additional 2 per cent corporation tax brings in, I think, something like $150,000,000 to the Treasury of the United States.

The committee, though, realizing that great surpluses might be retained in order to avoid taxation in the future, retained with the idea that when these war taxes were repealed their surplus could be distributed, and feeling also that here was a source of additional revenue, placed a tax of 10 per cent on all surplus that was not retained to be used in the business or could not reasonably be held on the basis of sound business policy for future contingencies.

It also gave the Secretary of the Treasury power to investigate any corporation that retained a very great surplus and to determine whether the amount retained was greater than allowed by these exemptions, and if he determined that this surplus was improperly held, then a tax of 15 per cent was placed upon that surplus.

Mr. President, probably those great corporations would be able to pay a tax of 10 per cent on surplus whether they retained it for their business or not, and it undoubtedly would bring in revenue to the Government, but I doubt if that would be sound business policy for smaller corporations in which there are a few stockholders, whose main income comes from such corporations and who would be tempted to distribute their surplus unless they had a definite object in view for it. They would be liable to run their business on too close a margin, and I believe that would impair the industrial activity of the country, for it has always been observed in the past, even before these war taxes were considered, that sound business corporations retain a fairly large surplus. The corporation that neglected to do this was on the downward path and was liable to failure.

If it is said that we are not taxing enough the corporations that were receiving large income during the prewar period, it will be perfectly simple in the future to raise the normal tax, if that is considered wise.

There is no question in my mind but that as the war goes on and greater and greater demands are made on the Government, we shall have to increase our war-profits tax. England started with an excess profits tax, the maximum of which was 50 per cent, and has now gone to 80 per cent. Our maximum war-profits tax is 50 per cent, and I believe that by starting at that amount we will allow the corporations to expand their business, to comply with the demands that will be continually made upon them, and that as they expand their business they will naturally increase their profits, and, as I said before, we shall receive greater and greater revenue, and the working people of our country will be enjoying more and more prosperity. By waiting now we will be able to obtain a very much larger total amount than we would if we placed the excess-profit tax at, say, 80 per cent at once.

Mr. BROUSSARD. I wish to ask the Senator a question.

Mr. GERRY. I yield to the Senator from Louisiana.

Mr. BROUSSARD. The Senator informs the Senate that the British war tax started with a maximum of 50 per cent and has been increased to 80 per cent. I should like to know what was the basis of the tax and in what way the excess war profits were calculated in that country upon which the tax was imposed?

Mr. SIMMONS. Mr. President——

Mr. GERRY. I yield to the Senator from North Carolina.

Mr. SIMMONS. If I understand the inquiry of the Senator from Louisiana, it is, What is the basis upon which the English ascertained the normal profits for the purpose of exemption?

Mr. BROUSSARD. Yes, sir.

Mr. SIMMONS. It was upon the basis of three years—the average profits of three years—the taxpayer being permitted to select any two of those three years.

Mr. BROUSSARD. I understood that there was a system of selection.

Mr. SIMMONS. That is the German system. They make the earnings of five years the basis, but they require that the highest year and the lowest year——

Mr. McCUMBER. Mr. President, I rise to a point of order, and that is that none of us on this side of the Chamber can hear what is going on in this colloquy. But assuming that it is very interesting, I think we ought to have a few more Senators to listen to it. I therefore suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JONES of New Mexico in the chair). The Senator from North Dakota suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Harding	McKellar	Sheppard
Borah	Hardwick	McNary	Simmons
Brady	Husting	Nelson	Smoot
Brandegee	Jones, N. Mex.	New	Sterling
Broussard	Jones, Wash.	Overman	Sutherland
Calder	Kellogg	Page	Thompson
Culberson	Kendrick	Phelan	Trammell
Curtis	King	Pittman	Underwood
Dillingham	Kirby	Poindexter	Vardaman
France	Knox	Pomerene	Wadsworth
Gerry	La Follette	Ransdell	Weeks
Gore	Lodge	Saulsbury	Williams
Gronna	McCumber	Shafroth	

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of sickness and to state that he is paired with the senior Senator from North Dakota [Mr. McCUMBER]. I shall let this announcement stand for the day.

The PRESIDING OFFICER. Fifty-one Senators have answered to their names. A quorum is present.

Mr. BROUSSARD. Mr. President, will the Senator from Rhode Island yield for a question?

Mr. GERRY. With pleasure.

Mr. BROUSSARD. I understand the Senator to say that the method of determining the profit on which this tax is to be imposed is different from both the German and the British system of ascertaining the same fact?

Mr. GERRY. It is.

Mr. BROUSSARD. Will the Senator explain the reason why the committee has seen fit to discard both the German and the British method and to adopt an entirely new method in fixing the sum of money upon which the tax is to be imposed?

Mr. GERRY. Mr. President, the reason the committee adopted this new method was because they found, after a careful analysis of the figures, that it was fairer than the English method, under which the average of two out of three years is taken; and fairer than the German method, under which five years are considered and the high and the low are exempt. It was found that our method of taking the average of three years was really a fairer method. That was the opinion of the experts and the committee.

Mr. President, in addition to the enormous revenue that we are proposing to raise on incomes and war profits, amounting to one billion and over three hundred million dollars, we propose to raise a revenue of $207,000,000 from spirits, fermented liquors and wines, $56,000,000 from tobacco, and $11,000,000 from soft drinks, making a total of something like $1,600,000,000.

We believed that these taxes would be the least burdensome to the people who are least able to bear taxation; we felt that they were fair and that the basis of our bill was sound. To raise additional revenue it was decided that we would tax as much as possible luxuries and not the necessities of life. Mineral waters, sirups, extracts for soda fountains, unfermented grape juice, soft drinks of all kinds, and carbonic-acid gas were all articles that could be properly taxed, because they were not necessities.

The House had proposed to tax the sale of automobiles. A gross tax of that sort is always dangerous, because a gross-sales tax may be really a great deal higher than it seems on its face. It was found that, although there was a large amount of money made by certain automobile manufacturers, nearly 80 per cent of the automobile concerns were not working on a large percentage of profit, and that the gross-sales tax included in the House bill would work a great hardship to those least able to bear it. So we placed a graded tax on automobiles according to their value. We provided that the indiviual who owned an automobile not greater than $500 in value should pay $5, and if over $500 and not over $750 that he should pay $7.50, and so on up on a graded scale.

The House bill based the yacht tax on the cost price, but it seemed wise to your committee that the tax on yachts should be so adjusted that in the future it would work to the advantage of the Navy. We have therefore placed a tax on yachts based on the over-all measurement, so that the larger the yacht the larger the amount of tax to be paid, unless the yacht is in the service of the United States Government, or unless it is built according to certain plans and specifications of the Navy Department, in which event it is exempt from the tax. This war has shown the great need of yachts and other pleasure vessels which may be used in the protection of our coast and in submarine warfare and makes such an exemption advisable. They have proven a very valuable adjunct to our defense. When you take a yacht and put it into the Navy you are not removing from the commerce of the United States one of its carriers, while that is what you are doing where a merchantman is commandeered.

We also placed a gross tax on sporting goods, on perfumes, on cameras, and articles of that sort that were not necessities, and which we felt were able to bear the tax. We imposed a low tax, because, as I have already stated, gross-sales taxes are always dangerous, and, as a matter of fact, some of the House gross-sales taxes, I believe, would have worked havoc to our industries.

I had a letter to-day from a constituent who spoke of the tax that was laid on the jewelry industry, which is a very large industry in my State and one that employs a great number of men. Under this gross-sales tax I feel satisfied that great injustice would have been done to that industry and to the men who are engaged in it. If the industry is making a great deal of money it will pay the excess-profits tax, whatever the corporation or whoever the individual may be, and in that way I feel that we have met the situation in a very much wiser way than by imposing a tax on gross receipts.

We also struck out the tax on light and heat. I believe, Mr. President, that this tax would have borne more heavily on the poor of the land than nearly any other tax in the bill. I do not believe it was wise to impose it. I can not believe that it had been given proper consideration when it was placed in the House bill.

We imposed a tax on patent medicines because they are in the nature of a monopoly and are given certain privileges by the Government and are able to bear a fair share of the tax burden.

A tax on admissions to places of amusement, on cabaret shows, and on ticket speculators was deemed wise. It was felt that the practice of selling tickets for tremendously increased cost above the price asked at the box office was an evil which could be remedied, and also that some revenue could be raised.

We also placed a tax on opera boxes and a tax on performances admission to which costs above 25 cents. This will not affect the moving-picture show where the poor go and where they will obtain diversion during these trying times of war.

A stamp tax on bonds, capital-stock sales and transfers, drafts, promissory notes, warehouse receipts, and railroad tickets and sources of that kind has also been imposed. These things have always been considered proper subjects of taxation.

As to the stamp tax on checks, we originally had a $5 exemption, but I am glad to say it was struck out, because I do not think it would have been a benefit to the poor man, for the average poor man does not use checks. On the other hand, it would have made endless trouble for the banks; it would have tended to a multiplicity of checks, and it would probably have prevented checks being printed with the revenue stamp affixed. I favored a higher stamp tax on checks. I think 2 cents would have been better than 1 cent; but the majority of the committee thought otherwise.

A tax on the parcel post is imposed. We did that because we put a tax on express packages, and we thought that it was a proper way of raising revenue, and that there should not be a discrimination made in favor of the parcel post and against the express companies.

We also imposed a tax on freight, and on playing cards, and on tea, coffee, cocoa, and sugar. It was the feeling of your committee that the taxes on tea, coffee, and cocoa were very small. It was the belief that they were so small that the tax would be paid by the wholesaler and not transmitted to the consumer. They are all import commodities, the profit in them is very large, and the tax can well be paid by the wholesaler, but even if paid by the consumer it will be an extremely light tax.

In the case of sugar the tax was placed at a half a cent a pound, which means that if a family uses 15 pounds of sugar a month the tax for the year will amount to approximately 85 cents a year, even if the consumer has to pay. This tax, it is estimated, will raise a very considerable amount of revenue.

Mr. KING. Mr. President, will the Senator allow me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Utah?

Mr. GERRY. I yield.

Mr. KING. I listened to the explanation of the Senator of the reasons for the imposition of a tax upon the parcel post. It occurs to me, if the Senator will pardon the suggestion, that that is not a proper or a wise subject for taxation. It seems to me it strikes at a Government instrumentality. If the Government improperly or irrationally goes into private business, as, for instance, that of hauling freight, it seems to me that it is not provident or wise to tax that instrumentality of the Government. In the first place, it is a bad precedent for the Government to tax itself, to tax one of its own instrumentalities; and in the second place, as I view the matter, it results favorably to the express companies or those who might be in competition with the Government. If the Government wants to derive revenue from that source—that is, the carrying of parcels and commodities—it ought to increase the rates which are imposed upon the articles carried by the parcel post, but it ought not to resort to a tax upon its own efforts and upon its own instrumentalities. To me it seems very illogical, and I was wondering if the committee had considered the thought which I have attempted to express.

Mr. GERRY. Mr. President, I think the committee felt as I have indicated, that if a tax were placed on the express companies and a tax were not placed on the parcel post it would work a hardship to the express companies; that the only way to meet the situation was to treat them both alike.

Mr. KING. I think probably the Senator has expressed the reason which prompted the provision; but has it not occurred to the Senator that this proposed legislation will be a bad precedent and will simply mean that if there were any competition between the Government and private parties the Government would feel constrained, following this example, to tax its own instrumentalities, no matter what the business was, for the purpose of aiding private enterprise?

Mr. GERRY. I do not think so. I think that this is an exceptional case. We were seeking to raise revenue, and we thought that we could raise revenue from the express companies without hardship to the people of the country, and that when we did that it was only fair to equalize matters by placing a tax also on the parcel post.

Mr. KING. Could not the same result have been obtained, if the Senator will pardon me, by authorizing an increase in parcel-post rates; so that, instead of getting revenue by means of a direct tax upon parcel-post transportation, it could be obtained by means of an increase in the rates?

Mr. GERRY. Oh, yes; that could be done.

Mr. KING. And thus obviate the bad precedent of taxing an instrumentality of the Government.

Mr. GERRY. That could be done, or we could have taken the tax off the express companies; but in that event, of course, revenue would be lost.

Mr. KING. Yes.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Utah?

Mr. GERRY. I yield to the Senator from Utah.

Mr. SMOOT. In further answer to the question of my colleague, I desire to say that the tax on the parcel post is so small that the equivalent of it could hardly be placed upon the rates charged for the carriage of parcel-post matter; in other words, it would not amount to a half a cent in some zones and in others it will not amount to a quarter of a cent. Therefore the rates could hardly be advanced so that it could be easily figured out just what charges should be made from zone to zone without increasing the tax upon parcel-post packages more than we have done in the bill.

Mr. GERRY. Mr. President, the Senator from Montana [Mr. MYERS] has offered an amendment exempting charitable and religious organizations and also societies for the prevention of cruelty to children and cruelty to animals from the provisions of the existing Federal inheritance tax. I believe that such an amendment should be adopted. Under the inheritance tax as now drafted the tax is imposed on the transfer of the estate of the decedent and not upon the individual who receives the legacy.

Under this condition, the tendency is to curtail bequests to benevolent institutions of all kinds. I believe that at the present time, especially with the heavy income tax, the charitable and religious organizations throughout the country are going to suffer heavily, because it is an old axiom that the first thing a man does when he cuts down his expenses is to eliminate part of his charitable giving. That undoubtedly will follow now with increased taxation, and if it follows to any great extent it will put increased burdens on the different States and communities.

I believe that the amendment suggested by the Senator from Montana would go at least a little way toward relieving the situation, because, after all, Mr. President, the charitable and religious institutions of our country are very great institutions for good. Our hospitals and our different organizations for relieving the poor are doing work that the Government would have to do if they did not, and I believe they are doing it a great deal better than it could be done by the Government. I do not think for one moment that any sensible man will dispute the statement that where persons are working purely from religious and philanthropic motives of the highest kind—for example, like the Sisters of Charity—they will perform the work with greater heart, with greater soul, and with greater ability than the mere Government employees. Mr. President, I think that they ought to be encouraged. I think church work of that sort ought to be assisted, and I believe the people of the country are in favor of such action.

The House bill also contained a 10 per cent tariff increase, a proviso that would have greatly affected my State and all the industrial States, if not the entire country. I do not believe that way of amending the tariff is sound. It can not be defended for one moment, because as soon as you start to amend the tariff you must do it scientifically and consider each individual commodity. A flat raise of this sort of 10 per cent is unscientific. It is not equitable. It would prove a hardship, and I believe it would probably disrupt industrial conditions and increase the cost of some of the necessities of life.

The postage rate on first-class mail was raised, and a small increase was made in the rate on second-class mail, and a tax was imposed on newspaper companies of 5 per cent of their profits, with an exemption of $4,000. This was a very difficult tax for the committee to handle, because many newspapers in the country had been built up on what is really a Government subsidy. Many periodicals are carried at a loss under the second-class mail rate. Large numbers of these periodicals are printed in one section of the country and then widely distributed in another. If we had adopted the zone system, as was suggested in the House, we would have ruined countless publications and newspapers, and I think we would have destroyed many valuable industries like the farm journals, the different kinds of publications that have to do with special trades—publications that went intensely into the business life—because of the second-class rates. The rates have existed for a long time, and if you change those rates so that these publications bear their proper proportion of the expense you are going to do great harm to many innocent people. To my mind, the rates as fixed never should have been placed on the basis that they now are; but the fact remains that a subsidy has been given, and under those circumstances I do not believe it would be wise to increase the rates suddenly, destroying these industries, and upset the entire conditions of that trade.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Tennessee?

Mr. GERRY. I yield to the Senator from Tennessee.

Mr. McKELLAR. Does not the Senator think that a subsidy of more than $80,000,000 to those who use the second-class mail service is a very large subsidy to be giving the newspapers and magazines—more especially the magazines, because there is where the great cost comes—and does not the Senator think it would be fairer at this time, when we are necessarily required to raise a great deal of money, to take away a part of this enormous subsidy that we are giving those who use the second-class mail service? As I recall, the provision of the Finance Committee increases the cost about $3,000,000. Is that correct?

Mr. GERRY. Yes.

Mr. McKELLAR. In other words, the Government now loses, to be exact, about $87,000,000, and this provision will reduce the loss to about $84,000,000.

Mr. GERRY. Let me interrupt the Senator. It will reduce the loss more than that. For besides the additional rate imposed on second-class mail there is a newspaper tax of 5 per cent.

Mr. McKELLAR. I will say to the Senator that I think there is quite a difference between most of our newspapers, at any

rate, and others of those who use second-class mail facilities. The newspapers within a certain zone of two or three hundred miles pay the cost of transportation now, whereas the great magazines and the great trade journals, the great advertising journals of the country, pay only about one-sixth or one-eighth of the cost of transportation. Does not the Senator think it is a good time now to cut off a part of this subsidy, when the country needs the money as it does? Does the Senator think it is fair to put an additional expense of $50,000,000 upon all those who pay first-class postage and at the same time grant a subsidy of $84,000,000 to the great periodicals and journals of the country?

Mr. GERRY. I will say to the Senator from Tennessee that I do not consider that the system adopted was equitable; and, as I have said before, if it were a new proposition it would not receive my support; but at a time like this the newspapers and magazines of the country are performing a great work. They are circulating news, war news and news on general conditions, throughout the entire country. They are national in character, with the exception of the small journals, small newspapers, and county newspapers, to which the Senator has referred. If a zone system were adopted, as suggested by the House, I am afraid the result would be that each locality would have to publish its own newspaper, and the present publications would lose a great part of their national character. However, I am not defending the logic of the tax as contained in this bill. Briefly, the first-class mail rates were increased in order to raise revenue, and it was believed that that would not put a great hardship on the people. It was a very general tax that could be easily borne. A very slight increase was made in the second-class mail rate, and then a tax of 5 per cent was imposed upon the net income of newspapers, magazines, or periodicals. That will in a way make up for the advantage they have in the use of the mails. The tax will apply only to newspapers and periodicals that are earning in excess of $4,000 annually, and it really is intended to apply only to the prosperous publications.

Mr. McKELLAR. Mr. President, will the Senator yield again?

Mr. GERRY. I yield to the Senator from Tennessee.

Mr. McKELLAR. I have introduced an amendment that is somewhat different from the provision in the House bill—a zone amendment. The amendment which I have introduced provides that for the first 300 miles the rate shall remain exactly as it is now, 1 cent a pound, and then gradually increase until it goes up to 6 cents a pound for the farthest zones. This, as the Senator will see, is quite different from the first zone, as provided for in the House bill. In the first three zones the House bill provides for a rate of 2 cents, whereas the amendment which I propose leaves it at 1 cent, just as it is now. In other words, in the case of the newspapers, for the most part, with very few exceptions, the average distance for which they are sent by mail is less than 300 miles, and they would pay practically the same rate that they are paying now. That is in a measure fair for the reason that the newspapers are in a different situation from the great trade journals, or journals like the Saturday Evening Post and others. It seems to me that we could well afford to fix a zone system, leaving the rate as it is on newspapers for the most part, and increasing it upon these great journals, for instance, like the Saturday Evening Post, to which the Government pays more than $1,000,000, or I believe $3,000,000, of subsidy every year.

Mr. GERRY. But the Senator will realize that under this bill the Saturday Evening Post, for example, will pay a tax of 5 per cent on its net income.

Mr. McKELLAR. I imagine that if the Government contributed $3,000,000 to any particular corporation in the country, that corporation would be very highly pleased to pay a tax of 5 per cent on its net income.

Mr. GERRY. I quite agree with the Senator, but we have a condition, not a theory, to meet, and the committee has deemed this the most reasonable way of meeting it.

Mr. President, as I said in my opening remarks, the main determining factor in this war, if it continues for any length of time, will be the industrial condition of the United States, our prosperity, and the aid, through our great wealth, that we shall be able to give our allies by our loans. We will send our men and we will also do our share, and gladly do our share, in the matter of finance. My own State of Rhode Island is a little State, but while small in area it is great in industry. These income taxes and war-profits taxes will be paid in Rhode Island, and we will pay, considering our size, a very large proportion; but, Mr. President, we will pay it gladly, and especially if we believe that in paying it we are doing something that will save the lives of many of our men.

In the Civil War Rhode Island more than furnished her quota in men. She will do the same in this great war, for I believe there is no more patriotic State in the Union. She will not only furnish the men, but her brains, industrial wealth, and ability will be behind the Nation. Bearing our share of the taxes gladly, we shall go forward to do all that is possible in support of our flag, democracy, and America.

Mr. PHELAN. Mr. President——

The PRESIDING OFFICER. The Senator from California.

Mr. PHELAN. Yesterday afternoon I was interrupted by a parliamentary point which I have since learned was not well taken. I desire now to continue my remarks under my right to address the Senate on a subject which is not unrelated to the pending measure, because the expenditure of the moneys which are provided by the revenue bill is of as much concern to the Senate as the raising of the revenue itself; and possibly a better understanding of the cost of maintaining the Army and naval and maritime establishments would do much to enlighten the Senate in determining exactly the amount of revenue which should be raised.

Of course we derive our information from various sources. The Senator from Utah [Mr. SMOOT], on July 18, introduced in the Senate a resolution calling upon the President for information concerning the operations of the Shipping Board. A full month has elapsed since then, and I am not aware that the Senate has received the information for which it asked.

I am not here to revive in any way the differences which arose between the several members of the Shipping Board, and which resulted in a change of the personnel of that board. In fact, I am disposed to believe that under all the circumstances the President was justified in making what he called "a clean slate," not repudiating in any sense the policy which had been inaugurated by the Shipping Board, but in order to get a better working membership. There seemed to be some friction, and yet the story has not been wholly told. I believe that the American people are always eager to get the facts and, furthermore, that the American public is fair minded and would be very glad to have a statement from either side of the controversy even now, when it is a settled question, and one which has passed into history; but the truth of history obliges us to give facilities to the gentlemen who have made history.

Only yesterday there was introduced into the RECORD the celebrated treaty of Verona, a document which was negotiated, I think, 100 years ago. If that was of sufficient importance to spread upon the RECORD of the Senate as a matter not of living or vital interest but of historical interest, certainly contemporaneous history has a much greater claim upon our consideration.

Of course, I was moved in the first instance, in bringing up the matter of the Shipping Board, by reason of the fact that one member of that board was a citizen of California, and asked this privilege. It in no way conflicted with the wishes of the President, because when the President called upon him, in the interest of harmony, to send in his resignation, the President in that very letter stated that he must look for a verdict from the people. It is a pleasant euphemism, perhaps, but still accepted by him seriously, that the verdict of the people will ultimately be the true verdict, and that there is no way in which the public may base its judgment except upon a presentation of the facts.

Mr. Denman was the former chairman of this board, and he has delayed making this statement for reasons contained in his letter of August 16, a part of which was published in the daily press, in which he states that he had been waiting for the new board to adopt a policy so that the statements would not lead to controversy there. The new board has adopted its policy, and he seems free to make this statement. The statement is of help to Congress, whose appropriation was being spent, and the people, whose moneys were being spent, and to every administrator in Washington, whether buying aeroplanes or munitions or ships or building cantonments, who has the public money to spend under war-time pressure.

The Shipping Board, during Chairman Denman's administration, began preparations for a large wooden fleet to carry food and munitions to Great Britain and the allies. Seven weeks before we declared war on Germany this was done. Mr. Denman obtained the lowest price for ship timber of any of the negotiators with the timber owners—that is, $5 per thousand less than the price fixed by the lumber committee of the Council of National Defense—with an alternative in the contract that the Government should have the price of the Federal Trade Commission if it were lower than this figure. In connection with the contention made that the differences of opinion were aired in the press, and thereby public clamor raised, I call attention to the fact that it was not Mr. Denman, but Gen. Goethals, superintendent of construction, who began the public discussion. I do

not criticize that. I believe in public discussion, and I am glad that the general inaugurated it; but the blame must not be laid upon the president of the board.

In the interests of harmony Mr. Denman has issued only such statements as would free the board, in the public estimation, from the unfortunate implications which would necessarily arise from Gen. Goethals's statement. To refer Mr. Denman to the verdict of the public, and deny him the right to make his statement of the facts in the official RECORD, I contend would be an injustice.

I shall not do more now, unless the controversy is pressed—there should be no controversy; the only object was to have the matter spread in the RECORD, and not to create discussion. I shall do no more than to confine myself to submitting a statement just as made by Mr. Denman:

"The continued success of the submarines, and the recent development of affairs in Russia, seem to indicate that we have entered upon a very long war"——

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from North Carolina?

Mr. PHELAN. I do.

Mr. SIMMONS. If the Senator will pardon me, I presume he is thoroughly familiar with the contents of that long document. The Senator knows that the revenue bill is now pending. He knows how very important it is to the country and to its business interests that there should be speedy action upon this bill. In the interest of time, to facilitate the consideration and final disposition of this great measure, I was going to ask the Senator, if he is familiar with the contents of that document, if he would not be willing to content himself by stating to the Senate exactly the substance of Mr. Denman's statement, instead of reading that long document?

Mr. PHELAN. Mr. President, I am not sufficiently familiar with the contents, having read it but once, and that yesterday, to make a statement that would do justice to the writer of it. I thought yesterday, and I still think, that as a matter of courtesy to a Senator, in view of all the precedents, unanimous consent might be granted by which this document might be printed in the RECORD, and so preserved for historical purposes. Objection has been made, however. Therefore I will not ask the unanimous consent of the Senate, unless the Senator from North Carolina can give me some assurance that it will be granted. Therefore I must proceed in my right to read the document. I have no disposition to do so, but there seems to be a disposition somewhere even in the mind of a Senator who by resolution sought the information, to object to spreading this document upon the RECORD. So I have no other recourse.

"CERTAIN INCIDENTS IN THE FORMATION AND ADMINISTRATION OF THE PROGRAM FOR THE INVESTMENT OF THE $750,000,000 APPROPRIATED BY CONGRESS FOR THE CONSTRUCTION OF AN EMERGENCY FLEET OF WOODEN AND STEEL SHIPS.

"The continued success of the submarines and the recent development of affairs in Russia seem to indicate that we have entered upon a very long war, in which Congress will find it necessary to appropriate many billions of dollars. It may be of value to the country at such a time to have a clear insight into some of those forces, public and private, which play upon and shape the policies controlling these enormous expenditures when the pressure of war need compels rapid decision and execution.

"The consideration of the shipbuilding policy of the majority of the Shipping Board divides itself into two main topics:

"1. The events immediately leading up to the eight days of so-called delay, during which we requested but did not receive the basic figures upon which rested the vast program of expenditures which our general manager asked us blindly to accept; and

"2. The previous acts of our general manager which, in our opinion, made necessary a rapid but thorough examination of any broad project of construction and expenditure to which he desired to commit the country.

"The exposition of these matters should not involve a personal controversy. The disagreement as to the attitude of the Government toward the great steel producers and their prices and as to the creation of great wooden shipbuilding plants do not in any way involve the integrity of our general manager. It would be an impertinence even to say this did not Gen. Goethals himself, in authorized statements, seek to treat the matter as personal and one involving his integrity? So far as I am concerned there have been and will be no personalities. Our direct contact with Gen. Goethals has been pleasant, and with the exception of our last meeting, when I pressed him vigorously for the facts, there has been no friction in our discussions. I trust he obtains his command in France. Nothing has occurred which should reflect on his military genius.

"It may be said further concerning this statement, that it is my own. Neither of my associates has assisted in its preparation nor has been asked to share in the responsibility for its publication.

"I.

"In the middle of May the board and Gen. Goethals had agreed on a plan for commandeering for Government ownership all the ships in the shipyards which were under slow construction contracts and speeding them up under governmental pressure. We had also agreed on a plan, suggested by Secretary Redfield several years ago, for fabricated ships. This contemplated the fabrication of a large number of duplicates of all the beams, frames, plates, and other parts of the hull, and the assembling of these parts into completed vessels at various yards. A great increase in speed and some economy in cost was expected. The existing yards, with their going organizations, could be largely utilized to assemble the ships, and new yards were to be established. We have never lost our belief in the practicability and urgent necessity for this class of construction.

"On June 15 1917, an act of Congress became law, appropriating $750,000,000, a sum 50 per cent larger than the cost of the Panama Canal, for a great shipbuilding project along the lines of the board's suggestions. The act gave the President the right to delegate the power to invest this money. On July 11, 26 days later, the President delegated this power to the Shipping Board, to be exercised through its Emergency Fleet Corporation. In a letter he specifically stated the responsibility and power both as to policies and the terms of the fabricating contracts to be in the board. Until July 11 neither the Shipping Board nor Gen. Goethals had any legal power to commandeer ships on the stocks or to contract for fabricated ships.

"Realizing the necessity for the utmost expedition, both Gen. Goethals and myself, during the period while the power lay with the President, continued to make contracts for many steel and wooden vessels of the ordinary standard types, feeling confident that the President would ultimately place the power where one or the other could procure a ratification.

"It should be noted also that during the entire time of Gen. Goethals's employment I have signed, as soon as I have read them, every contract sent to me by him save one. This was signed after four days' delay, during which time the tentative price of $95.20 a long ton for steel was changed to a tentative price of $56. The lower amount was justified as a tentative figure by a careful expert study of steel prices, based on the steel corporation's figures. Having in view the Government's power to commandeer the ore products and scrap and the steel and pig-iron plants, the price may well be lower. With but $50,000,000 of capital, we obligated the Emergency Fleet Corporation, according to Gen. Goethals's summary, for 1,218,000 tons of wooden ships and 642,000 tons of steel ships (standard; not fabricated) at a total cost of about $275,000,000. We had 100 more wooden ships under negotiation, which we would have contracted for even if the delegation of power had been further postponed. It is quite safe to say that no corporate officers in the world have ever so far exceeded their authority. The submarine losses, constantly before me, made this action seem no more than normal.

"After our understanding in May, we expected Gen. Goethals to prepare for our consideration a well-worked-out plan for fabricating ships and for the speeding up of construction already begun. On July 13, Gen. Goethals announced, without consulting the board, that on the following Monday he would offer certain contracts for fabricated ships, amounting to $350,000,000, and also would put into effect a plan to commandeer the ships in the yards. The latter involved a huge unestimated sum, and suggested a vital change regarding our policy toward ships which the yards had contracted to build for aliens.

"As soon as we could we convened the board, of which two members were away. The meeting came on the afternoon of Monday, the 16th, but I had previously asked for copies of the fabricating contracts Gen. Goethals was to offer, and an estimate of the cost of the commandeering and speeding-up plan.

"The information we requested should have been in our hands within two hours after the request if this program was really ready for serious consideration. To our surprise we learned Tuesday that the contracts to be offered on the previous day had never been drawn up, and that in the two months since we had agreed on the commandeering plan, no careful calculations of its cost had been made nor had there even been obtained copies of the existing construction contracts of the ships he proposed to commandeer.

"We requested that the fabricating contracts should be drawn up in at least the form in which Gen. Goethals had said he

would offer them, and be submitted to us for our approval. A blank draft reached us Wednesday. A copy follows. It tells its own story:

"At my request, you have drawn plans subject to my approval, for the erection of a shipyard at ———, on land which you now hold under option. This land you are ready to rent to the United States Shipping Board Emergency Fleet Corporation at 6 per cent of its cost for the period for which it is needed for the work covered by this order. The plant (aside from the land) is to be paid for and owned by the corporation.

"You will undertake, as agents for the corporation, to the best of your ability, to build such shipyard and to construct in it, within ——— months, approximately 200 ——— deadweight ton steel fabricated ships, in accordance with plans and specifications to be furnished to you by the corporation. It is our intention that you are to have general charge of the work.

"We recognize that you will have to call on the corporation and, through the corporation, on the Government for cooperation in the purchase of materials and in transportation. For the work you are to furnish at your own expense the services of that portion of the organization required which is outlined in the attached schedule, and will give the experience and services, in a consulting and advisory capacity, of the corporate organizations of ——— and the executive officers of their division of construction and engineering, and the executive officers and engineering staff of ———.

"All obligations entered into by you are to be subject to our approval and are to be paid for by the corporation.

"At the present cost of labor, and with steel at $——— a short ton, it is estimated that these boats will cost approximately $——— per deadweight ton.

"As compensation for your services, you will be paid a fee equal to $——— per deadweight ton construction, that fee to be increased ——— cents for each dollar by which, exclusive of our fee, the cost of such tonnage construction falls below ———. The fee shall also be increased for each ton of constructed ship $——— for each five days that any ship is completed in 1918 in advance of the schedule attached. If the cost goes above $——— per ton, such fee shall be decreased to $——— per ton. If it goes above $——— per ton, such fee shall be decreased to $——— per ton. Such computation of fees is to be based on the price of steel above stated and on present scale of wages for direct labor on the work.

"Payments on account of the compensation equal to ——— per cent of ——— per cent of moneys expended shall be made as the work progresses, with semiannual adjustments. Your share of the savings under $——— will be computed on the average of all boats constructed by you, and paid at the termination of the contract. The increased fee for completion in advance of schedule will be computed upon each individual ship.

"What we are proposing to you is a straight agency contract, so that if at any time we should become dissatisfied with the services being rendered or wish to discontinue the work we are at liberty to terminate your employment on ——— days' notice in writing. In that case the compensation for your services to be paid shall be in proportion to the work performed; and if not agreed upon, shall be determined by arbitration, one arbitrator to be appointed by you, one by us, and a third to be selected by the President of the United States.

"As a part of this arrangement, you would have an option, executed concurrently herewith, to purchase the property of the corporation at a valuation to be determined by arbitration in the same manner. This option may be exercised after ——— and shall continue for a period of ——— months, whether or not you remain the agents during all that period.

"In case you do not exercise your option before ——— you are to give the corporation an option to extend until ——— to take over from you the land purchased by you and rented to the corporation at its then complete cost to you.

"At an interview it appeared that under the terms of one of the contracts a $20,000,000 governmental assembling plant was to be built on a leasehold. The land itself was worth, according to Gen. Goethals, but $880,000, or under 5 per cent of the investment. An option to purchase the plant was to be given to the private owner of the land, in this case the American International Corporation, one of the Vanderlip group of companies. The proposed plant was to consist largely of piling, docks, and improvements permanently attached to the land.

"It will be noted that it was the private person who had the option on the Government plant. The Government had no option until the private corporation had refused to exercise its right. The attorneys, Messrs. Cotton and Rublee, share in the responsibility for this provision.

"With such an extraordinary provision in the contract, we were necessarily the more anxious to have the figures of the cost of the ships to be fabricated. The total cost was stated to be $150 per deadweight ton plus $9 commission plus upkeep and amortization of the plant; in all, around $175 per deadweight ton. This was with the steel at 2½ cents per pound for plates. We were reliably advised that England was constructing merchant vessels of this type on a double-shift 'speed-up' program at a total cost of under $80 per deadweight ton, with steel at 3 cents per pound.

"We wished to know the reason for the difference, and asked for the main subheads making up the total cost of the fabricated ship, particularly those showing the division of the cost of the work between the private fabricating plants and the Government assembling yards. If the figures had justified the larger amount of the proposed contracts, we would have promptly authorized them.

"To our astonishment, Gen. Goethals said he could not remember even these main items in the total; that he had no copy of the figures in the records of the Emergency Fleet Corporation, and that the only copy was with the American International Corporation, a powerful and efficient institution allied through its directorate with the United States Steel Corporation. He said he would try to get them, but had not done so up to Tuesday, July 24, eight days after the date he was to offer the contracts, when the President accepted our resignations. It should be noted that Gen. Goethals's published program stated the Government was to offer the contracts, though these basic figures were not in its records.

"When we first asked Gen. Goethals for this necessary data, his office promptly gave out to the press that we were holding up the building of ships, and both indirectly and in personal interviews he continued to give this impression to the many journalists with whom he talked."

Mr. PENROSE. Mr. President, I rise to a question of order.

The PRESIDING OFFICER (Mr. KING in the chair). The Senator will state it.

Mr. PENROSE. My point of order is that I observe the stenographer has not been continuously taking down the remarks of the Senator from California. I ask that these remarks be taken down as he delivers them. I do not want a page skipped of this document and then have it surreptitiously inserted in the RECORD. I want the Senator to read every line of it, and then we will take proper action of the Senate, perhaps, to have it expunged from the RECORD. I hope the Chair will order the stenographer to take down the statement of the Senator from California as he makes it.

The PRESIDING OFFICER. The stenographer will observe the admonition of the Senator from Pennsylvania.

Mr. PENROSE. I am justified in making the point, because I observed the stenographer was not taking it down.

The PRESIDING OFFICER. The Chair will suggest that the stenographer observe the rule.

Mr. PENROSE. Then we will compare the stenographer's notes with the document at a later period.

Mr. PHELAN. I am surprised that the reading of a sober document should excite any heat on the part of the Senator from Pennsylvania.

Mr. PENROSE. I am naturally aroused, because when 10,000 men are killed every day and a hundred million dollars spent each day the Senator shows little appreciation of the dreadful seriousness of the crisis when he fools away time with this idle performance. This is not a place for obituary ceremonies. This man was haled from obscurity, and he has returned to obscurity, and merely because he comes from California an old and tedious story ought not to occupy the time of the Senate.

The only persons entitled to obituary ceremonies in this body are the Members of this body. If every State that has some citizen desiring vindication shall require the time of the Senate to be occupied by a recitation of his merits, we would do nothing but engage in such absurd and frivolous performances as the one we witness here to-day.

When the Senator from California interrupts the consideration of the largest revenue bill in our history, the passage of which is urgently required in the greatest crisis of history, to waste the time of the Senate in discussing a man who failed and has passed away he gives us the measure of his statesmanship.

Mr. PHELAN. Mr. President, I am particularly pleased that the Senator from the great iron and steel Commonwealth of Pennsylvania should show his extreme displeasure. I hold in my hand a copy of the Washington Post of Thursday, July 19, reproducing under advertising columns, marked "advertisement," an editorial from the New York Evening Journal, in which Gen. Goethals is represented as a giant and Mr. Denman as a pygmy. I think, sir, that is the meanest kind of criticism, intended to do injury to the reputation and standing of the president of the board. But that does not concern me so much as the consideration of the fact, who paid for that advertisement? I do not know who has been more interested in belittling Mr. Denman than the great Steel Corporation of the State of Pennsylvania represented on this floor by Senator PENROSE. When he says that there is no use of pronouncing obituaries, I beg to submit that it is a very live question whether this Government shall be controlled by the Steel Corporation, with its enormous capitalization of over a thousand million dollars, making enormous profits, sufficient if employed by designing and wicked men to overturn the Government of the United States by the ordinary processes of corruption and bribery, and when it is used to destroy a man who I believe was rendering faithful public service in the interest of the Government and not in the interest of the profiteers, then, I say, well may the Senator from Pennsylvania, the representative of such a community em-

bracing such a corporation, be moved to stigmatize this gentleman as unworthy of even a mild defense, expressed in his own language, until I was provoked, against the machinations of such powerful interests.

That is the question before the Senate and before the country to-day, and I beg to assure the Senator from Pennsylvania that it is not dead. If there is to be a funeral, it shall not be for the interment of this gentleman who leaves public office with his shield bright and his honor safe, after having rendered substantial public service. It is only because he was harnessed to a man who on account of his military training could not brook even the restraint of the law imposed upon him in the delegated power to the corporation by the President, that it was necessary as a practical question to clean the slate and begin anew. I think the President was justified, because, after all, if a concern is to be conducted by two men they must work in harmony, and it was clearly demonstrated that these two men did not work in complete harmony.

But the president of the corporation had not emerged from obscurity to return to obscurity, "to lie in cold obstruction and to rot." He was for 20 years a leader of the bar of the city of San Francisco. He conducted a business bearing upon admiralty. He was the only admiralty attorney in the United States who supported the shipping law which prevented the arrest of seamen like common criminals, and who upheld Congress in the enactment of the law which gave to the men who conduct our shipping upon the high seas that decent treatment to which they were entitled, certainly as much as the men upon the shore. He excited many animosities by his fearless and courageous public course. I will not go into that because it is hardly relevant, but I want to say that at a time when the city of San Francisco was beset by corruptionists, great and powerful corporations who came out of the East and invaded our city and seized the railroad system and precipitated an orgy of unspeakable civic debauchery, it was Mr. Denman who was among the first to volunteer his services to bring order out of chaos and to reestablish our community on the firm basis of public good. He served only the public and never served private interests, and because he is a man of that character I do not think it becomes the Senator from Pennsylvania to assail him. I shall, of course, read this verbatim et literatim, not that I take any pleasure in reading it, but it seems to me from the necessity of the case I am driven to read it.

It is the privilege of a Senator to exhaust the Senate, and the Senate will be exhausted before I am exhausted. Whether girt around by friends or foes, in the British Parliament a man may speak the thing he will, and in this Chamber he has the identical privilege. I am sorry that it delays the public business, but I am sincere in stating that the underlying lesson of this tract bears upon the integrity of this Government, and that it is well for all men to know the machinations by which the Shipping Board was sought to be used for the purpose of wresting from the Treasury and from the taxpayers extortionate and excessive sums for the work required. If that is not relevant and pertinent to this discussion when we are considering a revenue bill on its passage to enactment, then I can not understand what is relevant or what is pertinent. To continue the reading where I left off, on page 10—

"With his great reputation, Gen. Goethals's statement set the tone of newspaper criticism, and during the next eight days succeeding July 16 the storm of public impatience, which had been gathering since June 15, when Congress passed the bill authorizing the expenditure of the $750,000,000, burst on the Shipping Board, and particularly on its chairman.

"Simultaneously with this natural response of the press to Gen. Goethals's suggestion there was fed into the newspapers by interested persons much false matter tending to discredit the board and to force the acceptance of the program with its fabricating contracts and suggested surrender of the ships on our stocks to alien buyers. The pressure was heightened by the paid reproduction in the advertising space of two of Washington's most prominent dailies of a full-page Hearst editorial, slurring the chairman of the board, the cabling from London to the press of erroneous figures grossly exaggerating the extent of the submarine losses, and the publication of letters cleverly written over the name of a disgruntled ex-member of the board containing much abuse and misstatement of fact. The first paragraph of one of these letters was so drawn that it caused a headline in a great number of the largest newspapers in the country stating the signer's demand for the chairman's removal. Much of the publicity was suggestive of the journalism of the Hearst school, and the cumulative policy of Lord Northcliffe's papers in their various attacks, often enough justified from the standpoint of English interest, on public men in Great Britain.

"An able and forceful representative of one of the corporations which was to build some 200 of the fabricated ships told us his people would withdraw from the project unless we agreed to accept Gen. Goethals's total figures. The loss of time necessary to find others to estimate upon and accept a contract for such construction made this last coercive suggestion most difficult to withstand.

"Gen. Goethals at no time procured the copies of the contracts necessary to carry out the board's plan of commandeering all the vessels under construction. Admiral Capps, his successor, after another week's delay, has now found that he must proceed piecemeal with a much modified commandeering plan, working out the ownership and contractual relationships as he goes along. He should have had in hand from Gen. Goethals all these contracts when he entered on his work, and a reasonably close estimate of the cost. The board's demand for this data did not hold up the commandeering. The demand would have hastened its execution had Gen. Goethals responded.

"Admiral Capps has now had double the time during which we were asking for this data to consider the fabricating contracts and has not yet executed them. He, too, requires the essential figures. The retiring members of the Shipping Board are not regretful that they did not yield to the eight days' pressure of impatient clamor, stimulated in the improper ways above described.

"The President, on the eighth day of the public pressure, accepted Gen. Goethals's resignation, which he had filed in response to a previous letter and sent me the following letter requesting mine:

"'THE WHITE HOUSE.
"'*Washington, July 24, 1917.*

"'MY DEAR MR. DENMAN: I hope and believe that I am interpreting your own best judgment as well as my own when I say that our duty concerning the debates and misunderstandings that have arisen in connection with the shipbuilding program ought to be settled without regard to our personal preferences or our personal feelings altogether and with the single purpose of doing what will best serve the public interest. No decision we can now arrive at could eliminate the elements of controversy that have crept into almost every question connected with the program, and I am convinced that the only wise course is to begin afresh—not upon the program, for that is already in large part in process of execution, but upon the further execution of it.

"'I have found both you and Gen. Goethals ready to serve the public at a personal sacrifice. Realizing that the only manner in which the way can be completely cleared for harmonious and effective action is to carry our shipbuilding plans forward from this point through new agencies, Gen. Goethals has put his resignation in my hands; and I have adopted it in the same spirit in which it was tendered—not as deciding between two men whom I respect and admire, but in order to make invidious decisions unnecessary and let the work be developed without further discussion of what is past. I am taking the liberty of writing to tell you this in the confidence that you will be glad to take the same disinterested and self-forgetting course that Gen. Goethals has taken. When you have done as he has done I am sure that you may count with the utmost confidence upon the ultimate verdict of the people of the country with regard to your magnanimous and unselfish view of public duty and upon winning in the retrospect the same admiration and confidence that I have learned to feel for you.

"'With much regard and very great appreciation of the large services you have rendered.

"'Cordially and sincerely yours,

"'WOODROW WILSON.

"'Hon. WILLIAM DENMAN,
"'*United States Shipping Board.*'

"Entirely apart from any interest Congress may have in the events surrounding the initiation of its first great shipbuilding project, this courteous permission to seek a public verdict might warrant this statement. From such a source such a suggestion removes the fear of any self-respecting man that he may permit his sense of participancy in a public event to exaggerate its importance. However, we are at war. There is no time to be wasted on personal vindications. If the facts as summarized here for the first time will not be of helpful guidance to other men in positions of public trust and having the responsibility for the rapid expenditure of public moneys, the sooner they are forgotten the better.

"The interested reader of the President's letter must not conclude from its kindly personal tone that the disagreement was between Gen. Goethals and myself. The disagreement was between Gen. Goethals and a majority of the board. One of

these members, Commissioner White, though not in good health, returned to the summer heat of Washington to cast his vote against a blind acceptance of the program, and the other, Commissioner Brent, in spite of my protest, has sent in his letter of resignation, stating his continued full support of the majority's position. The memory of an association with men of such courage and loyalty to a principle in the face of such unjust and purposely coercive criticism is full compensation for many months of driving labor spent in deepening anxiety over the increasing destruction of the submarine.

"In so far as a partial publicity has contributed to the confusion in the public mind, or to the general's discomfiture, he has been its sole cause. His criticism, which he allowed to remain for weeks without correction or explanation, of the project of building wooden ships, made at a great public banquet of the iron and steel men in New York; his announcement, contrary to a different understanding with us, of a tentative $95.20 a long ton rate on steel at a public meeting of the shipbuilders; his publication of his letter to me attacking Messrs. Eustis and Clark, who had developed the wooden-ship scheme and given splendid and unpaid service to the country; his public announcement of the board's program as a finality without consultation with the board; and his recent suggestion to the journalists that we were blocking the building of ships, when we were asking for data which we should have received on two hours' notice—all these involved matters, which, if he had brought them to us, might have been quietly adjusted, but once placed before the public required a public explanation.

"There were questions of broad policy upon which Gen. Goethals and the majority of the board disagreed. These are the questions which the President refers to the public for their approval or disapproval. The public knows Gen. Goethals by his world-wide and well-earned reputation in another field of endeavor, and through his hosts of friends and admirers both in Congress and out. The former chairman of the Shipping Board has been hitherto little known outside his 20 years' association with shipping activities on the Pacific Ocean, and the group of men in the far Western States with whom he has been working, since he left college, for more efficient democratic government. The public must disabuse its mind of these personal questions if it would gain anything of value from the facts here narrated.

"II.

"When Gen. Goethals was employed we promised him the utmost freedom in the execution of any plan or policy we might adopt. This promise applied to the execution, not the framing of the policy. Under the President's order of July 11 we could not have delegated the latter responsibility even had we desired to do so. Our signing without exception all the many contracts he sent us was the performance of our promise. Excepting the basic price of steel for all ships of this material, we felt that the details of costs, which varied with different yard conditions, were entirely within his province.

"On matters of policy regarding the building of an emergency wooden fleet and affecting the basic prices the Government should pay for raw materials, and the methods of procuring a low price, we at first were, or thought we were, in accord. It was not until the latter part of May that we discovered our mistake. To the very last we hoped for an adjustment of the differences.

"Under the following titles we have briefly stated the facts concerning the pertinent incidents in the development of our shipbuilding program. We believe they show that any public official would have been derelict in his duty if he had yielded to the last eight days of impatient pressure and accepted a general manager's program of the character indicated without first receiving and considering his basic figures.

"Here again we wish to emphasize the fact that we do not question that Gen. Goethals in all these matters acted with the fullest integrity, judging him from his own point of view. We disagreed with his acts, but have not questioned his good faith.

"(1) WOODEN SHIPS.

"We have never believed in wooden ships as a commercial venture, or as a measure for the permanent upbuilding of our mercantile marine. We have felt from the beginning of our investigation of the subject, some seven weeks before the war, and have stated in all our announcements that we desired to construct wooden ships only as a supplement to steel ships. Our purpose was to provide for carriage of food and munitions to Great Britain and her allies during the war. Our belief that we could not provide steel ships in sufficient quantity to meet anything like the anticipated submarine losses in the year from May 15, 1917, has been justified by the average of the five months' losses from February 1 to July 1. These losses exceed in rate by at least 100 per cent the reproduction of steel ships in all the countries of the world which the most sanguine can hope for. If we can obtain wooden ships in any quantity, whether slow or fast in speed, there is an absolute need for them. The slower ships will release the faster steel ships in the coastwise trade, and also relieve the railway congestion. Those of a higher speed will be used for trans-Atlantic service. The board's project for building these ships asked for the appointment of Gen. Goethals as its head, and expressed a hope that we might construct 3,000,000 dead-weight tons of such ships in 18 months. The project was approved by the Council of National Defense after an independent investigation, and then adopted by the President. Gen. Goethals accepted appointment under the board to carry it forward.

"Without any serious investigation he determined that the project could not be a success, and, we have recently learned, actually instructed his agents sent out on May 16, as we supposed to stimulate the construction of a great fleet and enthuse the possible builders of new ways, to discourage their building. He instructed them not to let any contracts until after the ways in new yards were down, though no sane man would invest the large amount necessary to develop a yard unless he knew beforehand on what contracts he could count. Although needing all we could obtain both of wood or steel, he said: 'I do not want to build too many wooden ships.' 'I do not want to build any more wooden ships than absolutely necessary.' 'Let us stop wood as soon as we can.' Referring to the question whether a builder should have any profit on his investment in ways, he said to allow them 'just actual cost, to be authorized by the ships they build. But I would not encourage the construction of too many of those ways. I would rather hold them down to what they have now and to have them utilize all the facilities that they have rather than to branch out on new work.'

"Subsequently at a public dinner in New York, given by the steel interests with the reporters of the Metropolitan dailies present, Gen. Goethals attacked the wooden shipbuilding project, which had been adopted by the President, and its projectors, in language which, to say the least, was very unhappily chosen. Instantly all of the contractors who had been gathering their energies and forces and materials together for the construction of these ships slackened their efforts and some of them gave up entirely. Although the reporters of the many dailies in New Yory substantially agreed on Gen. Goethals's remarks, some of his friends six weeks later insisted that he was misquoted. During this six weeks' period, when the discouraging influence of the remarks on the builders of the country had had full play, the general made no contradiction or correction either to the public or to Congress or to the members of the Shipping Board. Whether misquoted or not, his silence had as depressing an effect on the project he had been employed to carry out as if he had spoken the words the papers unanimously attributed to him.

"Gen. Goethals stated at this time that we could not build over 150 wooden ships in the 18 months succeeding. Since then, under constant pressure from the public and from the board, he has recently let, or had under negotiation, contracts which, even with the slowly constructed and elaborate design he has chosen, would give us a million and a half tons of ships in 18 months, or a million dead-weight tons more than he said could be constructed. We still had offers for 400 more ships, which would give us another million dead-weight tons. The elaborate design of hull referred to is estimated to cost considerably more and to take a third longer time to construct and to require much more highly skilled labor than other designs approved by the American Bureau of Shipping, whose rules the general had made the standard of construction in many of his contracts. It calls for a most unusual size and cut of ship timbers, which it has been difficult for the lumber mills to supply.

"(2) THE PRICE OF STEEL.

"Before the board embarked on its wooden-ship project it endeavored to get contracts for the construction of steel vessels, but was informed by the shipyards that the steel could not be obtained. After the wooden-ship project was underway the board quietly declared its intention to commandeer the steel-producing plants, and almost immediately the president of the largest steel corporation sent word that he desired to see the chairman of the Shipping Board. We requested Gen. Goethals to take the matter up with the steel president, and the general reported back that the steel producers had agreed to furnish a very large amount of ship steel, and had shown him figures which satisfied him that 4¼ cents per pound, or $95.20 per long ton, for plates was a fair price. Gen. Goethals based his estimates to Congress for the appropriation of the $750,000,000 on vessels constructed of steel at $95.20 per long ton. In all his appearances before the congressional committees he showed no

dissatisfaction with this price. We have since been offered the steel in quantities sufficient to take care of all our needs at $28 per ton less than this figure.

"Until the bill reached the conference committee, I accepted Gen. Goethals's assurance of the propriety of this price. I then learned of his error and advised a member of the committee that they could expect the steel at a much lower figure. Gen. Goethals finally agreed with us that 4½ cents a pound was not a fair price. In spite of this, he later announced at a public meeting at which reporters were present that the contracts for the construction of steel vessels should be based on a tentative price for steel plates of 4½ cents a pound, or $95.20 per long ton. Such a recognition, even tentative, gave a respectability to the price which would place us and every other department of the Government in an absurd position in any subsequent bargaining.

"At about this time ship contracts were sent to us by the general containing a basic tentative price of 4½ cents per pound for plates, giving still further respectability to this entirely unwarranted figure. I declined to sign such contracts, and they were revised to a base of 2½ cents a pound, or $56 per long ton, the justification for which I have before described. In any event, it set a better point for the Government in bargaining than the higher figure.

"(3) COMMANDEERING OF STEEL PLANTS.

"The Shipping Board proposed a bill placing in the United States Government the power to commandeer the iron and steel producing plants. Gen. Goethals was strongly opposed to this. For a time, I acquiesced in his assurance that he could rely on his friend, President Farrell, of the Steel Corporation, to obtain fair treatment for the Government without its securing the power to commandeer the ore and scrap steel and the pig iron and steel plants. Before the bill was out of the conferees' hands, however, I had discovered his mistake and advised one of the members of the conference committee. The bill as passed gave the President the power. I do not believe that in any event Congress would have accepted the general's assurance of his ability to control these steel men by a mere friendly relationship.

"(4) REFERENCE OF THE PRICE OF STEEL TO THE ADVISORY COMMISSION OF THE COUNCIL OF NATIONAL DEFENSE.

"Gen. Goethals, without consultation with the Shipping Board, after the disagreement on the $95.20 tentative rate, referred the question of fixing the price of steel to the advisory board of the Council of National Defense. The iron and steel committee of this board was made up of Judge Gary and Mr. Farrell, of the United States Steel Corporation, and other steel producers. A meeting was held with members of the advisory body, which was attended by Mr. Farrell, Gen. Goethals, and myself, and one or two others, though no representatives of the Army or Navy were present. An attempt was made to have us agree on a price for plates for our ships. At this meeting Mr. Farrell assured us of his patriotism and said that he appeared at the meeting in the dual capacity of a member of the Government advisory board and as a representative of the steel producers, who were trying to sell to the Government. In the course of the conversation, he stated that wages in the steel industry had risen 43 per cent since the year 1916. I asked him what percentage the wages bore to the total cost of ship's plates, and he said that that was a matter of a technical character which he did not think was a necessary part of the discussion. I replied that I did not see the relevancy of his suggestion that there had been a 43 per cent rise in wages over the last preceding year, unless we knew what percentage labor figured in the total cost of the product. He did not give me even an approximation of this percentage.

"I then asked him what the steel ship plates had cost the Steel Corporation to produce in the year 1916, including interest on the investment and amortization on its plant. This is a matter which is figured to the fourth or fifth decimal in a well-conducted establishment. It is a figure which a person bargaining with the Government should have known definitely. He stated that he did not know the cost in 1916. I then asked him whether the cost was 3 cents or less per pound. He said he did not know. I then asked him whether the cost was 4 cents or less per pound. He said he did not know. I then asked him whether the cost was 5 cents or less per pound. He said he did not know. I did not have the temerity to ask him whether it cost 6 cents or less per pound. I felt that negotiations conducted with one who was at once an advisor to the Government and a merchant selling it goods, who had come for the specific purpose of fixing the purchase price and yet did not have even this general information, would be a fruitless endeavor. Gen. Goethals did not participate in this discussion. It may be interesting to note that within a fortnight after this interview another member of the same company offered us all of the steel plate that the Government required for its various programs at 3 cents a pound.

"(5) REFERENCE OF PRICE TO FEDERAL TRADE COMMISSION.

"We then announced, on June 20, that we desired to have the costs investigated by the Federal Trade Commission, and suggested that a price should be fixed by the Government not only for the steel for Government use but for all industries. This is along the line of the policy pursued by Great Britain, where there is a Government supervision of the distribution of steel to various consumers. My reason for suggesting that the Government should fix the price for all purchases of steel is that, in view of the great subtraction for Government use from the total supply, a grossly excessive price could be charged to the private consumers whose demand would be increasingly intense with the supply so diminished.

"The investigation of the cost has been referred to the Federal Trade Commission, with the approval of the President. Whether the broader policy will be followed has not yet been announced. The terms of the act seem sufficiently large to warrant the Government commandeering the various plants to obtain its own supply, and the sale of the surplus to the public. As different plants produce at different rates, and a stimulation of all the producers seems necessary, it is apparent that either the most costly producers' price must be paid to all the producers, or that the Government should buy all the steel at the varying cost prices plus a fair profit. It could then resell at a unit price which averaged the cost, thus combining full production with a price which is at once uniform and a minimum. If the act should not be deemed broad enough for this purpose, Congress will, I trust, enlarge its provisions.

"(6) SIZE OF THE APPROPRIATION.

"We agreed with Gen. Goethals in May that we would ask Congress for $1,000,000,000 for the construction of ships, and two days later a meeting was held at the White House, which was attended by certain of the leaders of Congress, at which I developed the board's program along the agreed lines. When I had finished my statement, one of the Congressmen arose and said that he had seen Gen. Goethals the night before, and that the general had desired him to state that he needed but three-quarters of a billion dollars. This was the first that we had heard of the general's change of mind. With our then contemplated expenditure for steel vessels, namely, about $450,000,000, and $250,000,000 for the taking over of vessels on the stocks, this left us with $50,000,000 of the appropriation for wooden ships, to which could be added the $50,000,000 previously appropriated for the Shipping Board. With this we could not have constructed over 200 wooden ships. The general's suggestion as to the smaller total was adopted by Congress, but under the public pressure we have previously referred to we have been able to persuade him to let contracts, very largely in the last month of his incumbency, for 328 wooden ships, at a cost of $120,000,000, and were about to close contracts for 100 more such ships, at a cost of nearly $50,000,000 additional. The board is now seeking $500,000,000 more from Congress, and if the war continues another two years, will probably require another $500,000,000.

"(7) ALIEN TONNAGE ON OUR STOCKS.

"In the period between February 10 and April 1 the British Government, through the agency of the Cunard Co., obtained contracts in our steel shipbuilding yards for the construction of 1,000,000 dead-weight tons of steel ships. This took up practically all our then available yard space. After we had entered the war, I had various negotiations with Mr. Balfour, as a result of which he graciously offered, in a letter addressed to me, to release these contracts to the United States. Most of the agreements were on a single shift slow construction basis. To speed them up would involve the depletion of labor and material from other classes of construction, and a deep disturbance of American enterprises for which the mere payment of extra "speeding up" wages to the labor on the ships could not compensate. We felt that, in any event, with the enormous destructivity of the submarine, these ships should be kept under our own flag for their almost certain use in carrying our troops and supplies to France.

"Although fully cognizant of these negotiations, Gen. Goethals, without consultation with the Shipping Board, on July 13 announced that, after investigation, he was satisfied that these alien contractors would pay the cost of expediting ships now building for them and take them off our hands. I frankly disagreed with Gen. Goethals in making such an announcement on such a delicate subject. He has since advised us that he had no information to the effect that the British or any foreign contractors will pay the cost or is desirous of doing so or of taking the ships off our hands.

"The Shipping Board could ill afford to spend the time required in adjusting these matters. It had other constructive policies, both to meet war need and for the upbuilding of our

mercantile marine, which it was framing, always acting under the pressure of the consciousness of the submarine menace and always under the necessity of creating a new branch of its organization as its functions were increased. A brief review of these policies may not be amiss:

"1. The control and reduction of freight and charter rates. This required the commandeering power, which was not delegated to us until July 11, and cooperation with the allies. Negotiations had progressed to the point where the plan could have been put in operation in a very short time after granting the power to commandeer. Quick relief was essential.

"2. The commandeering of all our tonnage, with its continued operation for Government account, but in the hands of the private owners and, as far as possible, consistent with war need in its former routes, carrying materials for our basic war industries.

"3. The carrying out of the agreement made in June between the owners and seamen for a calling back to the sea of the large body of seamen on shore and fixing wages and bonuses during the war.

"4. The chartering and control of neutral tonnage to serve the common war need.

"5. The inauguration of the building of a Diesel motor-driven fleet of merchant ships of the Norwegian *George Washington* type, which, with the great saving in fuel and cargo space, wide sailing radius, and reduced labor cost, would free us from bunker control of other nations and give us a dominance in maritime carriage after the war.

"WILLIAM DENMAN.

"WASHINGTON, *August 14, 1917.*"

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Massachusetts?

Mr. LODGE. I will not interrupt the Senator. I thought he was through.

Mr. PHELAN. I have concluded.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. The Senator from Massachusetts is recognized in his own right.

Mr. LODGE. Mr. President, that Mr. Denman should desire to make an apologia pro vita sua I quite understand, but I do not see why the RECORD should be burdened with it. It seems to me very unfortunate to bring up a subject of discussion of this character. The paper that has just been read by the Senator from California [Mr. PHELAN] is Mr. Denman's demonstration from his point of view that he ought not to have been removed or driven from office. It therefore reflects upon the action of the President of the United States.

The President of the United States accepted the resignation of Gen. Goethals. He then requested and received the resignation of Mr. Denman. Since then he has had, perhaps, what may be called the good fortune to receive the resignation of Mr. White. He has remodeled the Shipping Board; he has placed at the head of it Mr. Hurley, a man of great energy and executive capacity, thoroughly loyal to the country, thoroughly in sympathy with all that is being done, and, I am sure, certain to drive forward the great business of the construction of shipping. He has put in charge of the shipbuilding Admiral Capps, who has been Chief of the Bureau of Construction of the Navy, one of the ablest and most competent men in the service, whether active or retired. With him is associated Admiral Bowles, who also has been Chief of the Bureau of Construction, highly trained, and the head of a great shipping company. The President in this way has made a highly effective and very strong board, which commands the confidence of the country. I think his action in making this change, which I know must have been disagreeable to him, deserves the highest commendation, and I think it was entirely justified.

I am going to say a few words at this moment, because when the appropriation bill was before the Senate I predicted, referring to a change that had beer made in the language, that the plan was to drive Gen. Goethals from office. That plan was pursued, but I think Mr. Denman did not calculate that when Gen. Goethals went from office he would take him with him.

I have no sort of personal feeling about Mr. Denman whatever. Perhaps it argues myself unknown to say that I never heard of him until his name came before the Senate. I should think I might be open to that criticism were it not that I do not think anybody east of San Francisco had heard of him until his name came before the Senate. I had no particular prejudice against him, one way or the other, but I was anxious, above everything in the world, to have the ships and the transports built as rapidly as possible.

Mr. Denman was made chairman of the Shipping Board, and that resulted in the retirement of Mr. Baker, who had been responsible largely for the shipping bill, who was an experienced man in all relating to shipping. I think his life had been devoted to it. In some of his views—I speak wholly disinterestedly—as to the manner of restoring the American merchant marine I did not agree, but no one could question his competency and his knowledge. He was set aside in order that Mr. Denman, who, so far as the world knew, had never built a ship in his life, might have his place. Having taken possession of this important position, I want to call attention in a few words to what happened, as a matter of fact. I am not going into the quarrel between Gen. Goethals and Mr. Denman. It is enough that the quarrel was there.

The fact was, he seems to have quarreled with pretty much everybody. I never crossed his path, so he never quarreled with me. He quarreled with his colleagues. He held the majority of the board only by his own casting vote. Mr. Donald, the only practical shipping man on the board, and Mr. Stevens, who had been a Congressman from New Hampshire, and who was an able and energetic man, were both against him—so much so that I was told that he was endeavoring to force them off the board. The two men who were with him were the two appointees whom the President thoughtfully labeled "Republicans." They never had been heard of in the Republican Party, but those were the two men who supported Mr. Denman and gave him his majority of one. He had difficulties with the advisory commission. There were reflections on the advisory commission which have just been read here to the Senate. They were men selected by the President. I was on none of the committees which had to deal with Mr. Denman, but if anyone will take the trouble to inquire I think he will find that the impression that he made on the committees of the House and of the Senate was not a pleasant or a soothing one.

When a man quarrels with one person, it may be that he is in the right and the other is in the wrong; but when he quarrels with everybody, the presumption is against him.

I am not going into the vexed question of the wooden ship or the steel ship. Personally, I had little faith in the wooden ship. I could not see why it was a good plan to build ships that were both slow and quickly perishable and standardized with difficulty, whereas the one thing we wanted was ships that were fast, enduring, and could be readily standardized; but if they had only given us ships I should have been content.

To pass out beyond the question as between Gen. Goethals and Mr. Denman, the Senator from Virginia [Mr. MARTIN] yesterday mentioned a case where in one yard there was one ship and in another yard there were three ships on the eve of completion, practically completed, to go under a foreign neutral flag. We could have requisitioned them. They all went to sea within a week under the foreign neutral flag. That had nothing to do with Gen. Goethals. He had no power to take them.

The German ships were turned over to the Shipping Board. The two interned ships, which were warships, were taken at the same time by the Navy. They were put in order. They carried some of the first units to France. A few others, if I am correctly informed, four or five, were lent by us to some of the nations who are fighting in the same cause that we are. They are all at sea, if I am correctly informed, but the rest of them were turned over to the Shipping Board to repair and put afloat. There was no question of Gen. Goethals there. There was some 500,000 tons of shipping. That is a good deal at this moment of stress in the shipping world. Time went on, time went on; nothing was done; and finally the Secretary of War, responsible for the transportation of troops, greatly to his credit, succeeded in having those ships transferred from the Shipping Board to the Navy, and within a few days they were all being moved. Some of them have been fitted already. The Navy has been able to find the men to do it, and those ships will all be at work in a very short time.

I think the President has done no better thing for the advancement of the cause that we all have at heart, the great cause of success in this war, than in reorganizing that board. I know, as I repeat, that it must have been a very disagreeable thing for him to do. The country wanted ships. It was absolutely vital; and they were treated to quarrels between Mr. Denman and Gen. Goethals! They wanted ships, and they want them now; and they were told, in elaborate statements, that Mr. Denman was saving money! They wanted ships, and all they heard were these accounts of quarrels in the board, and quarrels with Mr. Denman, and troubles in Congress, and no ships; and three golden months have gone. They are irrecoverable. That is why the President changed the board, and that is what justified him in doing it.

I never should have thought of uttering one word on the subject. The thing was over; it had been well done, and I had no desire to say a single syllable about it. But when it is

brought in here to demonstrate in indirect fashion that the President ought to have kept that board and kept Mr. Denman, with his long wake of quarrels behind him, I for one, although I am a minority Member, want to take occasion to say that it is one of the best things that has been done for the advancement of the cause of the United States.

Mr. SMOOT. Mr. President, the Senator from California [Mr. PHELAN] seems to think that he has been denied the ordinary courtesy granted to Senators when asking that documents and newspaper articles and petitions be placed in the RECORD without reading. I objected to this letter of Mr. Denman going into the RECORD without reading, not because I had any feeling whatever against Mr. Denman, for yesterday I told the Senator from California that if an endeavor had been made by any friend of Gen. Goethals to have put in the RECORD a letter written by him or a statement made by him for the purpose of bolstering up what he considered his position in the unfortunate controversy between himself and Mr. Denman, both ex-members of the Shipping Board, before the Senate again, I would have objected exactly in the same way that I did object in relation to the statement that was asked to be put in the RECORD, made by the chairman of that board, Mr. Denman. So I want the Senator from California to understand that I intended no discourtesy to him; and I am quite sure that every Senator in this Chamber, from what I said yesterday, understood that if any Senator had asked the same thing of the Senate with reference to the other member of that board in dispute with Mr. Denman I would have objected in the same way.

Mr. President, the Senator refers to the resolution that I offered in the Senate on July 18, which passed the Senate on July 19, asking for certain information in relation to the contracts that had been let by the Shipping Board, and also what had been accomplished by the board up to that time. The reason why I offered that resolution was that on September 8, 1916, the Shipping Board was created; months passed before there was a nomination made by the President, and yet we were told when the Shipping Board bill was before the Senate that the very existence and life of our Nation was at stake and it was disloyalty to even oppose its immediate passage. In that bill there was an appropriation of $50,000,000, with authority given to the board to purchase ships or to lease ships or to obtain ships in any way for the purpose of handling our commerce, which was most inadequate.

The President has not yet seen fit to answer the resolution. It may be that it will be answered. I hope so; and I hope so for the reason that since the introduction of that resolution I have received letters from all parts of this country calling attention to what the writers claim they know to be a fact, that there have been contracts let not for the best interests of the Government of the United States, and that there has been influence—political and otherwise—that has ruled the granting of the contracts.

I have been told, Mr. President, that overnight a broken-down politician, absolutely without financial responsibility and living on the charity of his political friends, blossomed out into a "great shipbuilder," with contracts amounting to millions of dollars, and the Government of the United States advancing 10 per cent of the amount of the contract to a man who never was in business in his life, who never had a shipyard, and who never had a piece of machinery to begin the building of ships. The Senator from Missouri [Mr. STONE] asks me who it was. Mr. President, I would prefer not to state until the resolution is answered. Another thing I want to say to the Senator is that I am not in the habit of bringing the contents of letters before the Senate, because I know, many times, that the questions discussed are often magnified. In this case I have taken a little time to examine into the question whether such an occurrence happened, and when the resolution is answered I may have something more to say upon that question.

Mr. President, the Shipping Board was created. I think the confirmations were made in the latter part of January of this year, months after the board was authorized by law. Scarcely had the board been organized until the public press began to report that there were disagreements between the chairman of the board and Gen. Goethals; and the situation got so serious that in July I thought, to bring the question to a head, that I should offer the resolution, which I did on July 18, so that the Senate might know just what the Shipping Board had done from the day of its organization down to that time.

The President no doubt studied the situation carefully, and he acted for what he thought were the best interests of our country, and accepted the resignation of Gen. Goethals and requested and accepted the resignation of Mr. Denman as chairman of the Shipping Board. As far as the Senate was concerned, and I was going to say as far as the country was concerned, that settled the question in dispute between those two Government employees. We thought it had, but scarcely had the action been taken by the President than we found that Mr. Denman entered into a discussion of the injustice that had been done him and a defense of his position in the leading newspapers of the country. Nobody could object to that. He had a perfect right to do so; but when he comes into the Senate and asks that his argument sustaining his position be made a part of the public RECORD, I thought it was going too far, and I objected to its being placed in the RECORD without reading.

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Missouri?

Mr. SMOOT. Yes; I yield.

Mr. STONE. I do not know just what the significance of these remarks of the Senator may be——

Mr. SMOOT. I will tell the Senator. Yesterday evening the senior Senator from California [Mr. PHELAN] asked that a certain statement published by Mr. Denman, outlining his actions as president of the Shipping Board and giving his reasons for the disagreements that had taken place between himself and Gen. Goethals, might be printed in the RECORD without reading.

Mr. STONE. And to that the Senator from Utah objected?

Mr. SMOOT. And to that I objected last night; and to-day the Senator from California read that statement into the RECORD. The Senator from Massachusetts [Mr. LODGE] rose at the conclusion of the remarks of the Senator from California and made a few observations upon the situation, and I then took the floor, and that is the reason of my statement.

Mr. STONE. I happened not to be present when the Senator from Massachusetts spoke, but I assume that his remarks were in vindication of Gen. Goethals.

Mr. SMOOT. No; I do not think the Senator from Massachusetts took the side of either Goethals or Denman. He referred particularly to what had actually happened, and how, in his opinion, the request that this matter be brought to the attention of the Senate at this time was at least doubtful.

Mr. STONE. Mr. President, if the Senator will indulge me for a moment——

Mr. SMOOT. Yes.

Mr. STONE. If it does not unduly break in upon his remarks——

Mr. SMOOT. No; I have not very much more to say.

Mr. STONE. I should like to say this:

Some weeks ago, when the difference between Mr. Denman and Gen. Goethals arose and was brought in some way to the attention of the Senate, which was in the beginning of that controversy——

Mr. SMOOT. I will say to the Senator that that was in June, when the appropriation bill was before the Senate.

Mr. STONE. Very likely. I took occasion then to say that I was glad that a man of Mr. Denman's type was at the head of the Shipping Board, because he had prevented Gen. Goethals from making contracts or initiating contracts for steel at $95 a ton when the Navy Department was buying the same kind of steel at $56 per ton. I think I am stating the figures as they were stated at that time; and, pursuing that subject, I was provoked by the interruption of some Senator to say something respecting Gen. Goethals—not much, but something—not of a complimentary kind.

Mr. President, I do not withdraw a thing I said at that time about Mr. Denman or about Gen. Goethals; but I wish to say that while I believe that any proposal to pay $95 a ton for steel when it was being sold to the Government for a little more than half that, and especially, sir, to pay one hundred and fifty-odd dollars a ton, which I see in the papers was the last proposal, is unconscionable—while I believe that, and to that extent I put myself upon the side of Mr. Denman, beyond that I put myself upon the side of Gen. Goethals, as I understood his attitude, in favor of building steel ships instead of wooden hulls. To put the great bulk of this enormous sum of money that we appropriated—$800,000,000 now, with $500,000,000 requested—for the construction of ships into cheap wooden construction for temporary use does not meet my approval; and I think Gen. Goethals was wiser than Mr. Denman, and had a better and a more far-reaching vision, if I understood correctly the position he took of building ships that would be worth something to the United States as a commercial entity or force after the war. The steel ships would be worth something to us after the war; the wooden ships would be junk.

Mr. SMOOT. Mr. President, I want to call the attention of the Senate now to this oft-repeated story that Gen. Goethals agreed to pay $95 a ton for steel that was to be purchased by the Shipping Board for the construction of the ships ordered by

that board. The Senator from California, in reading the statement of Mr. Denman, laid special emphasis upon the statement in that letter that Gen. Goethals had agreed to pay $95 a ton for steel entering into the construction of ships. The truth is, Mr. President, that Gen. Goethals wanted to get the construction under way. There was no agreed price for steel. The price asked by the steel manufacturers was 4¼ cents per pound, as stated in that letter. It never was accepted by Gen. Goethals; but in order to get the construction of the ships under way he accepted conditionally the price named, and the price that the Government of the United States should pay was to be determined later, after a full investigation of the cost of producing the steel.

When Chairman Denman and Gen. Goethals appeared before the subcommittee of the Appropriations Committee of the Senate Gen. Goethals made the statement that the price named for the construction of ships of $153 per ton was based upon steel costing 4¼ cents a pound. At the same time he stated to the committee that the cost of wooden ships would be $135 a ton. Chairman Denman heard that statement made to the committee. He never then stated that he objected to the price that was estimated at $153 a ton, based upon steel at 4¼ cents. He never objected at that time. They were both there asking for appropriations just as large as they could get, and they based their requests upon statements made that the cost would be $153 a ton. In that connection, also, they made a request that power be given to the President to commandeer all the shipping yards in the United States and take over every ship upon every way and in every yard in the United States. They also stated that they had reached an agreement with the British Government that the 1,024,000 tons of shipping under construction in the yards of the United States for England would be transferred to the United States at a cost of $185 a ton. Now the Senator from California says that Mr. Balfour graciously offered to transfer the English ships under construction in this country to the United States.

Mr. PHELAN. Excuse me, the Senator is quoting Mr. Denman.

Mr. SMOOT. Mr. Denman, I should have said; excuse me. Why, Mr. President, if the Senator will remember, I called attention to this very question on the floor of the Senate when the appropriation bill was under discussion. I said that it could not be defended as a business proposition. I called the attention of the Senate to the fact that if England continued the construction of those ships and retained the ownership of them they would go into the very same trade and take their chances of being sunk by a submarine the same as they would if the United States advanced $200,000,000 and had the ships transferred to her.

Mr. STONE. And took the responsibility ourselves.

Mr. SMOOT. And we take the responsibility ourselves.

Mr. STONE. I want to say that I do not object to the building of wooden ships if, in the judgment of the Government, it is very important to build them for temporary use; but I hope that as few of them will be built as possible and that the ships we build will be permanent ships. I want to ask my friend from Utah if it is true that somebody—Gen. Goethals or some one else in authority—proposed to pay to the manufacturers furnishing the steel one hundred and fifty-odd dollars per ton. Is that true?

Mr. SMOOT. I understand that that figure——

Mr. STONE. Tentatively it was agreed to?

Mr. SMOOT. It was tentatively agreed to, and I will also say to the Senator that I understand, but I have no evidence to prove it, that the Shipping Board has contracted to pay $153 per ton for steel-constructed ships.

Mr. STONE. Who has paid it?

Mr. SMOOT. The Shipping Board has agreed to pay it and have contracted to pay as high as $133 per ton for ships constructed of wood. I say that I have not seen the contracts, and I do not know that such is the case.

Mr. STONE. I wish to get the judgment of my friend from Utah, who is a very thoughtful investigator of facts, whether he thinks our Government ought to pay one hundred and fifty-odd dollars per ton for steel or $133 per ton for the construction of a wooden vessel—that is per ton, I imagine he means; that whatever the tonnage is, it is $133 per ton.

Mr. SMOOT. Per ton displacement.

Mr. STONE. Per ton displacement; yes. I would like the Senator to say whether he thinks these prices are reasonable or whether they are exorbitant. If they are reasonable, that is the end of it; but if they are exorbitant, what is the remedy? I am laying as a basis the price the Navy Department is paying for steel, $56 per ton, as against one hundred and fifty-odd dollars per ton. What does the Senator think about that?

Mr. SMOOT. Mr. President, I can not defend the price of $95 per ton for steel. I think that was altogether too high, and so did Gen. Goethals think it was too high. As to the price of $153 per ton displacement for steel ships and $133 per ton displacement for wooden ships, I will say that I am unable to determine in my mind whether it is an extravagant price under conditions as they exist to-day. We all know that before the war and in ordinary times it cost to build steel ships in this country about $48 per ton displacement.

Mr. STONE. About that.

Mr. SMOOT. We know now, Mr. President, that wages in the shipping plants of the country have not only doubled but in many cases trebled. We know that everything that goes into the construction of a ship and all the parts that make up a ship have increased from 50 per cent to 500 per cent. I am not sufficiently well informed to state that the prices at which the contracts are being let are excessively high; but I do know that Mr. Denman recommended and the Senate gave the President the power to take over the British ships that were being built in this country and pay $185 per ton for them, plus whatever it would cost per ton to hasten their construction.

Mr. STONE. Were those steel ships?

Mr. SMOOT. They were all steel ships.

Mr. WEEKS. I think the Senator from Utah ought to take into consideration the fact that, based upon shipping rates to-day, the Government or any person having ships constructed could better afford to pay $95 per ton for steel than to pay $45 per ton in ordinary times; and, moreover, if the cost to manufacture the steel is not more than $45 or $50 a ton, the Government is going to receive back in excess-profits tax substantially one-half the difference between the cost and the price which it pays for the steel.

Mr. SMOOT. We must all recognize that, Mr. President, and when we begin to talk about prices and what commodities sell for to-day we must remember that these are not normal times. All business principles applicable in ordinary times are set aside.

I do not want to take any more time of the Senate, but I express the hope now that the quarrel between Mr. Denman and Gen. Goethals, so far as bringing it to the Senate is concerned, will end to-day. There is no good that can come from it.

Mr. STONE. They are both out.

Mr. SMOOT. Yes; they are both in private life, and out of the positions to which they were appointed by the President of the United States.

EXECUTIVE SESSION.

Mr. MARTIN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate took a recess until to-morrow, Thursday, August 16, 1917, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 15, 1917.

FEDERAL TRADE COMMISSION.

Victor Murdock, of Kansas, to be a member of the Federal Trade Commission for the term expiring September 25, 1918, vice Will H. Parry, deceased.

SECRETARIES OF EMBASSIES OR LEGATIONS.

CLASS 2.

Warren D. Robbins, of Massachusetts, now a secretary of embassy or legation of class 3 to be a secretary of embassy or legation of class 2 of the United States of America.

Willing Spencer, of Pennsylvania, now a secretary of embassy or legation of class 3, to be a secretary of embassy or legation of class 2 of the United States of America.

CLASS 3.

Herbert S. Goold, of California, now a secretary of embassy or legation of class 4, to be a secretary of embassy or legation of class 3 of the United States of America.

R. Henry Norweb, of Ohio, now a secretary of embassy or legation of class 4, to be a secretary of embassy or legation of class 3 of the United States of America.

CLASS 4.

T. Hart Anderson, jr., of New York City, to be a secretary of embassy or legation of class 4 of the United States of America.

Ray Atherton, of Chicago, Ill., to be a secretary of embassy or legation of class 4 of the United States of America.

John W. Belt, of Louisville, Ky., to be a secretary of embassy or legation of class 4 of the United States of America.

Philander L. Cable, of Rock Island, Ill., to be a secretary of embassy or legation of class 4 of the United States of America.

Frederick C. Chabot, of San Antonio, Tex., to be a secretary of embassy or legation of class 4 of the United States of America.

Charles B. Fennell, of Kansas City, Mo., to be a secretary of embassy or legation of class 4 of the United States of America.

Matthew E. Hanna, of Stamford, Conn., to be a secretary of embassy or legation of class 4 of the United States of America.

Arthur Bliss Lane, of New York City, to be a secretary of embassy or legation of class 4 of the United States of America.

Casper Y. Offutt, of Omaha, Nebr., to be a secretary of embassy or legation of class 4 of the United States of America.

J. Donald C. Rodgers, of Rheems, Pa., to be a secretary of embassy or legation of class 4 of the United States of America.

Charles H. Russell, jr., of New York City, to be a secretary of embassy or legation of class 4 of the United States of America.

APPOINTMENT IN THE NATIONAL ARMY.

GENERAL OFFICERS.

To be major generals with rank from August 5, 1917.

Brig. Gen. William A. Mann, United States Army.
Brig. Gen. James Parker, United States Army.
Brig. Gen. Eben Swift, United States Army.
Brig. Gen. Edward H. Plummer, United States Army.
Brig. Gen. Edwin F. Glenn, United States Army.
Brig. Gen. Augustus P. Blocksom, United States Army.
Brig. Gen. Henry A. Greene, United States Army.
Brig. Gen. Francis H. French, United States Army.
Brig. Gen. Charles J. Bailey, United States Army.
Brig. Gen. George Bell, jr., United States Army.
Brig. Gen. Frederick S. Strong, United States Army.
Brig. Gen. Harry F. Hodges, United States Army.
Brig. Gen. Clarence P. Townsley, United States Army.
Brig. Gen. Edwin St. J. Greble, United States Army.
Brig. Gen. Francis J. Kernan, United States Army.
Brig. Gen. John F. Biddle, United States Army.
Brig. Gen. George T. Bartlett, United States Army.
Brig. Gen. Henry C. Hodges, jr., United States Army.
Brig. Gen. Joseph T. Dickman, United States Army.
Brig. Gen. Charles G. Treat, United States Army.
Brig. Gen. Adelbert Cronkhite, United States Army.
Brig. Gen. Henry T. Allen, United States Army.
Brig. Gen. William H. Sage, United States Army.
Brig. Gen. Clarence R. Edwards, United States Army.
Brig. Gen. John W. Ruckman, United States Army.
Brig. Gen. Chase W. Kennedy, United States Army.
Brig. Gen. Omar Bundy, United States Army.
Brig. Gen. Harry C. Hale, United States Army.
Brig. Gen. Richard M. Blatchford, United States Army.
Brig. Gen. Samuel D. Sturgis, United States Army.
Brig. Gen. David C. Shanks, United States Army.
Brig. Gen. William M. Wright, United States Army.
Brig. Gen. Robert L. Bullard, United States Army.
Brig. Gen. Joseph E. Kuhn, United States Army.
Brig. Gen. Peyton C. March, United States Army.
Maj. Gen. Charles M. Clement, Pennsylvania National Guard.
Maj. Gen. John F. O'Ryan, New York National Guard.

To be brigadier generals with rank from August 5, 1917.

Col. William J. Nicholson, Eleventh Cavalry.
Col. Robert C. Van Vliet, Thirty-seventh Infantry.
Col. George K. Hunter, Cavalry (Inspector General).
Col. Wilber E. Wilder, Fifth Cavalry.
Col. Robert N. Getty, Infantry, detached officers' list.
Col. James A. Irons, Second Infantry.
Col. John S. Mallory, Twenty-ninth Infantry.
Col. William D. Beach, Cavalry, detached officers' list.
Col. Samuel W. Miller, Infantry, detached officers' list.
Col. Lloyd M. Brett, Cavalry, detached officers' list.
Col. Frederick S. Foltz, First Cavalry.
Col. William C. Rafferty, Coast Artillery Corps.
Col. James B. Erwin, Seventh Cavalry.
Col. William S. Scott, Sixteenth Cavalry.
Col. Charles L. Phillips, Coast Artillery Corps.
Col. Lyman W. V. Kennon, Ninth Infantry.
Col. Joseph A. Gaston, Sixth Cavalry.
Col. Charles H. Barth, Sixty-second Infantry.
Col. Guy Carleton, Cavalry, unassigned.
Col. Edward Burr, Corps of Engineers.
Col. George W. McIver, Infantry detached officers' list.
Col. William H. Allaire, Sixteenth Infantry.
Col. Thomas B. Dugan, Ninth Cavalry.
Col. Ira A. Haynes, Coast Artillery Corps, detached officers' list.
Col. William C. Langfitt, Corps of Engineers.
Col. Samson L. Faison, Forty-second Infantry.
Col. Frederick Perkins, Infantry, detached officers' list.
Col. George H. Cameron, Twenty-fifth Cavalry.
Col. Robert D. Walsh, Cavalry, detached officers' list.
Col. George W. Read, Cavalry (Adjutant General).
Col. William P. Burnham, Fifty-sixth Infantry.
Col. William H. Johnston, Infantry (General Staff Corps).
Col. Joseph P. O'Neil, Twenty-first Infantry.
Col. Stephen M. Foote, Coast Artillery Corps.
Col. Wilds P. Richardson, Infantry, unassigned.
Col. Everard E. Hatch, Fourth Infantry.
Col. Harry Taylor, Corps of Engineers.
Col. Henry D. Styer, Fourteenth Infantry.
Col. Benjamin C. Morse, Forty-fourth Infantry.
Col. Grote Hutcheson, Cavalry, unassigned.
Col. Carl Reichmann, Infantry, detached officers' list.
Col. André W. Brewster, Infantry (Inspector General).
Col. John D. Barrette, Coast Artillery Corps (Adjutant General).
Col. Charles H. Muir, Thirty-third Infantry.
Col. Daniel B. Devore, Tenth Infantry.
Col. Beaumont B. Buck, Infantry, unassigned.
Col. William F. Martin, Infantry, unassigned.
Col. Robert A. Brown, Twenty-third Cavalry.
Col. Willard A. Holbrook, Seventeenth Cavalry.
Col. Robert E. L. Michie, Cavalry (General Staff Corps).
Col. Evan M. Johnson, Fifth Infantry.
Col. Lucien G. Berry, Field Artillery, detached officers' list.
Col. Mason M. Patrick, Corps of Engineers.
Col. John E. McMahon, Sixteenth Field Artillery.
Col. Charles T. Menoher, Fifth Field Artillery.
Col. Benjamin A. Poore, Eighth Infantry.
Col. James H. McRae, Infantry (Adjutant General).
Col. Walter H. Gordon, Fifteenth Infantry.
Col. Frank L. Winn, Infantry, unassigned.
Col. Peter E. Traub, Cavalry, detached officers' list.
Col. Charles C. Ballou, Infantry, unassigned.
Col. George B. Duncan, Twenty-sixth Infantry.
Col. Julius A. Penn, Forty-ninth Infantry.
Col. Edward M. Lewis, Forty-fifth Infantry.
Col. Richmond P. Davis, Coast Artillery Corps.
Col. Ernest Hinds, Field Artillery (General Staff Corps).
Col. Charles H. Martin, Fifty-fifth Infantry.
Col. William Weigel, First Infantry.
Col. Thomas G. Hanson, Infantry (Quartermaster Corps).
Col. Herman Hall, Forty-seventh Infantry.
Col. Marcus D. Cronin, Forty-first Infantry.
Col. Charles S. Farnsworth, Fifty-seventh Infantry.
Col. James T. Dean, Infantry (Adjutant General).
Col. Edmund Wittenmyer, Infantry, unassigned.
Col. Michael J. Lenihan, Sixtieth Infantry.
Col. Mark L. Hersey, Fifty-eighth Infantry.
Col. Frank H. Albright, Twenty-fifth Infantry.
Col. Frederic D. Evans, Infantry (Adjutant General).
Col. John L. Hayden, Coast Artillery Corps.
Col. Henry Jervey, Corps of Engineers.
Col. Charles H. McKinstry, Corps of Engineers.
Col. William V. Judson, Corps of Engineers.
Col. James W. McAndrew, Eighteenth Infantry.
Col. William G. Haan, Coast Artillery Corps.
Col. William L. Kenly, Field Artillery, detached officers' list.
Col. Edward F. McGlachlin, jr., Field Artillery, detached officers' list.
Col. William Lassiter, Field Artillery, unassigned.
Col. George Le R. Irwin, Eighth Field Artillery.
Col. William S. McNair, Sixth Field Artillery.
Col. William J. Snow, Fourth Field Artillery.
Col. Henry D. Todd, jr., Coast Artillery Corps, detached officers' list.
Col. Clint C. Hearn, Coast Artillery Corps.
Col. Frank G. Mauldin, Coast Artillery Corps.
Col. George G. Gatley, Fifteenth Field Artillery.
Col. Andrew Hero, jr., Coast Artillery Corps.
Col. LeRoy S. Lyon, Thirteenth Field Artillery.
Col. George Blakely, Coast Artillery Corps (Inspector General).
Col. Frank W. Coe, Coast Artillery Corps (General Staff Corps).
Col. William R. Smith, Coast Artillery Corps.
Col. Charles P. Summerall, Field Artillery, unassigned.
Col. Henry H. Whitney, Coast Artillery Corps (Adjutant General).

Lieut. Col. James A. Shipton, Coast Artillery Corps, detached officers' list.
Lieut. Col. Gordon G. Heiner, Coast Artillery Corps.
Brig. Gen. Robert E. Steiner, Alabama National Guard.
Brig. Gen. Walter A. Harris, Georgia National Guard.
Brig. Gen. D. Jack Foster, Illinois National Guard.
Brig. Gen. Henry R. Hill, Illinois National Guard.
Brig. Gen. Hubert A. Allen, Iowa National Guard.
Brig. Gen. Charles I. Martin, Kansas National Guard.
Brig. Gen. Roger D. Williams, Kentucky National Guard.
Brig. Gen. Charles D. Gaither, Maryland National Guard.
Brig. Gen. E. Le Roy Sweetser, Massachusetts National Guard.
Brig. Gen. Louis C. Covell, Michigan National Guard.
Brig. Gen. Frederick E. Resche, Minnesota National Guard.
Brig Gen. Harvey C. Clark, Missouri National Guard.
Brig. Gen. Arthur B. Donnelly, Missouri National Guard.
Brig. Gen. Charles W. Barber, New Jersey National Guard.
Brig. Gen. James W. Lester, New York National Guard.
Brig. Gen. William Wilson, New York National Guard.
Brig. Gen. William V. McMaken, Ohio National Guard.
Brig. Gen. John C. Speaks, Ohio National Guard.
Brig. Gen. Charles X. Zimmerman, Ohio National Guard.
Brig. Gen. William G. Price, Pennsylvania National Guard.
Brig. Gen. Frederick W. Stillwell, Pennsylvania National Guard.
Brig. Gen. Albert J. Logan, Pennsylvania National Guard.
Brig. Gen. Christopher T. O'Neill, Pennsylvania National Guard.
Brig. Gen. John A. Hulen, Texas National Guard.
Brig. Gen. Henry Hutchings, Texas National Guard.
Brig. Gen. Cecil C. Vaughan, jr., Virginia National Guard.
Brig. Gen. Charles R. Boardman, Wisconsin National Guard.
Brig. Gen William E. Harvey, District of Columbia Militia.
Brig. Gen. George H. Harries, Nebraska National Guard.
Brig. Gen. Lawrence D. Tyson, Tennessee National Guard.
Col. Wilder S. Metcalf, Kansas National Guard.
Col. Arthur H. Blanding, Florida National Guard.
Col. Alexander M. Tuthill, Arizona National Guard.
Col. Richard Coulter, jr., Pennsylvania National Guard.
Col. Edward Vollrath, Ohio National Guard.
Col. Roy Hoffman, Oklahoma National Guard.
Col. Charles H. Cole, Massachusetts National Guard.
Col. Edgar A. Wedgwood, Utah National Guard.
Col. Henry De Witt Hamilton, New York National Guard.
John A. Johnston, of Pennsylvania, late brigadier general United States Army.
Brig. Gen. Randolph W. Richards, Wisconsin National Guard.

PROMOTIONS IN THE ARMY.

MEDICAL CORPS.

To be majors with rank from June 16, 1917, subject to examination required by law, to fill original vacancies.

Capt. Charles L. Gandy, Medical Corps.
Capt. Alexander W. Williams, Medical Corps.
Capt. Louis H. Bauer, Medical Corps.
Capt. William W. Vaughan, Medical Corps.
Capt. John B. Anderson, Medical Corps.
Capt. E. Frederick Thode, Medical Corps.
Capt. Walter P. Davenport, Medical Corps.
Capt. Harry N. Kerns, Medical Corps.
Capt. Robert H. Wilds, Medical Corps.
Capt. Austin J. Canning, Medical Corps.
Capt. Lamphear W. Webb, jr., Medical Corps.
Capt. John H. H. Scudder, Medical Corps.
Capt. Wilson C. von Kessler, Medical Corps.
Capt. John M. Pratt, Medical Corps.
Capt. Coleridge L. Beaven, Medical Corps.
Capt. William G. Guthrie, Medical Corps.

To be major from July 19, 1917, subject to examination required by law, to fill an original vacancy.

Capt. Henry B. McIntyre, Medical Corps.

INFANTRY ARM.

Maj. Frederick G. Lawton, Twenty-sixth Infantry, to be lieutenant colonel of Infantry with rank from July 28, 1917, vice Lieut. Col. Douglas Settle, Forty-first Infantry, assigned to detached officers' list.

First Lieut. Elkin L. Franklin, Infantry, unassigned, to be captain from May 15, 1917, vice Krogstad, Twenty-second Infantry, detailed in the Signal Corps.

First Lieut. Hubert R. Harmon, Infantry, unassigned, to be captain from May 15, 1917, vice McNarney, retained in the Signal Corps on promotion.

First Lieut. Weir Riché, Infantry, unassigned, to be captain from May 15, 1917, vice Benedict, retained in the Signal Corps on promotion.

First Lieut. John F. Goodman, Infantry, unassigned, to be captain from May 15, 1917, vice Pulsifer, retained in the Signal Corps on promotion.

APPOINTMENT IN THE ARMY.

Merritt B. Curtis, a citizen of California, to be a second lieutenant in the Marine Corps for a probationary period of two years from date of appointment.

Corpl. Macon C. Overton, Marine Corps, to be a second lieutenant in the Marine Corps for a probationary period of two years from date of appointment.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 15, 1917.

ASSISTANT SECRETARY OF THE INTERIOR.

Seldon G. Hopkins to be Assistant Secretary of the Interior.

UNITED STATES DISTRICT JUDGE.

Beverly D. Evans to be United States district judge for the southern district of Georgia.

UNITED STATES MARSHAL.

B. A. Enloe, jr., to be United States marshal for the eastern district of Oklahoma.

WITHDRAWAL.

Executive nomination withdrawn August 15, 1917.

Maj. Frederick G. Lawton, Twenty-sixth Infantry, to be lieutenant colonel of Infantry from July 29, 1917, vice Burkhardt, Nineteenth Infantry, promoted.

SENATE.

THURSDAY, *August 16, 1917.*

(Legislative day of Wednesday, August 15, 1917.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hardwick	Martin	Saulsbury
Brady	Hollis	Myers	Shafroth
Brandegee	Husting	Nelson	Sheppard
Broussard	Jones, Wash.	New	Sherman
Culberson	Kellogg	Norris	Simmons
Curtis	Kendrick	Overman	Swanson
Dillingham	Kirby	Page	Thompson
Fletcher	La Follette	Penrose	Trammell
Frelinghuysen	Lodge	Poindexter	Vardaman
Hale	McCumber	Ransdell	
Harding	McNary	Reed	

Mr. KING. I desire to announce that the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. BECKHAM], and the Senator from California [Mr. PHELAN] are detained from the Senate on official business.

Mr. FRELINGHUYSEN. I desire to announce the absence of my colleague [Mr. HUGHES], who is detained from the Senate on account of illness. I ask that this announcement may stand for the day.

Mr. KIRBY. I desire to announce the unavoidable absence of my colleague [Mr. ROBINSON] and ask that this announcement stand for the day.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of sickness. He has a pair with the senior Senator from North Dakota [Mr. MCCUMBER]. This announcement may stand for the day.

Mr. MCNARY. I desire to announce the absence of my colleague [Mr. CHAMBERLAIN] on account of official business.

Mr. MARTIN. I desire to announce that the senior Senator from Maryland [Mr. SMITH] is detained from the Senate on official business.

The PRESIDENT pro tempore. Forty-two Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absentees.

The Secretary called the names of the absent Senators, and Mr. GRONNA, Mr. MCKELLAR, Mr. PITTMAN, Mr. POMERENE, Mr. WADSWORTH, and Mr. WILLIAMS answered to their names when called.

Mr. ASHURST, Mr. KING, Mr. STERLING, Mr. SHIELDS, Mr. WALSH, and Mr. KNOX entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Fifty-four Senators have answered to their names. There is a quorum present.

RECENT DISTURBANCES IN EAST ST. LOUIS, ILL.

Mr. VARDAMAN. Mr. President, I want to express my gratitude to the able Senator from Alabama [Mr. BANKHEAD], who had intended occupying the floor this morning, for giving way to me at this time. I wish to ask the indulgence of the Senate while I submit a few observations on Senate concurrent resolution No. 10, providing for an investigation of the mob violence and recent social disturbances at East St. Louis, Ill.

Mr. President, the subject matter of this resolution touches the very heart of our civilization. The blood currents that course throughout the body, imparting vigor and strength, are no more essential to the health of the body than a right understanding and proper treatment by the Congress of this profound and well-nigh insoluble problem is to the permanency of American institutions and the continued mental and moral superiority of our civilization. To consider so grave and important a matter lightly or investigate superficially the underlying causes which brought about the regretable, though comparatively trifling, incident in our Nation's history, which it is the purpose of this resolution to investigate, will be unfortunate in the extreme. A correct diagnosis is an indispensable prerequisite to the proper treatment of a social disease as well as a physical disorder. The spirit of lawlessness manifested by those who participated in the conflict between the white and the black people in the city of East St. Louis, Ill., a few days ago was but the symptom of a social distemper originating with and growing out of racial antagonism which is as profound and unchangeable as the eternal law of gravitation itself. Regretable in one sense, yes; very regretable; but on the other hand, in a sense, fortunate, in the fact that it is the outward expression, cruel and brutal though it may be, of that inward, dominant, and dauntless spirit of the white man, which would prefer death rather than surrender its superiority or yield in any way any of its rights or privileges, industrial or political, to the less favored and congenitally inferior race. It is the manifestation of that old quality of Caucasian race pride which has stood guard with drawn sword to preserve the purity of the Caucasian race—prolific and puissant—to which we are indebted for the literature of the Anglo-Saxon and Teutonic peoples, for the vast discoveries in science, for the form of government under which we live; in a word, for all the glories, all the advantages, which pertain to and characterize the civilization of the English-speaking and kindred branches of peoples. Dr. William Benjamin Smith, of Tulane University, discussing the necessity for keeping apart the races and preserving the purity of the Caucasian blood, wisely observes:

> If the race barrier be removed and the individual standard of personal excellency be established, the twilight of this century will gather about a nation hopelessly sinking into the mire of mongrelism.

Would that those words might be burned ineffaceably upon the tablets of your memories, my fellow Senators, that you might take them with you, ruminate them, and teach them to your children and your children's children until the lesson shall become an instinct of the race. We are threatened in America with the deleterious effects of the "melting pot" of war, the merging of the races, and the enforced equality and solidarity of citizenship. The suggestion is monstrous and only shows how brutalizing is war and stupefying its influences. Let it not be forgotten, Mr. President, that political equality in a country where the races are practically equal in number means ultimately social equality; social equality is universally followed by race amalgamation; race amalgamation means race deterioration, and with race deterioration will come the final disaster, the blighting touch of disintegration, downfall, and death of our civilization. There is enough of this black virus in the body politic of America to-day, in the orderly processes of time, to mongrelize her entire population.

Mr. President, it is an historical fact that will not be denied by an impartial student of history that no mongrel race has ever created anything of value or maintained a stable form of government very long. You have but to take a panoramic view of the marvelously fertile countries to the south of us on this hemisphere to be convinced of the accuracy of that statement. I believe that I am clearly within the limits of historical truth when I say that the civilizations of the past that arose to world domination through Caucasian initiative, effort, and genius disappeared as the result of the insidious contaminating influence of mongrelism.

Mr. President, this is no time for temporizing with fundamentals. It is true that the world is involved in brutal, destructive warfare—a war that is a reproach to Christian civilization, an outrage against humanity, and gives the lie to our pretended faith in the Prince of Peace. Everything is abnormal to-day, and the mental vision of the captain on the bridge even is dimmed with the mist and smoke of the conflict. The unusual is happening on every hand, and new issues continually arise in our pathway to challenge the genius of the American statesman and test the quality of his patriotism. The greater the danger to fundamental principles the greater the necessity for increasing the guard and considering maturely and cautiously everything that may affect our peculiar polity and the social well-being of the American people after the war is over. I submit that when we are preparing for war, making ready for conducting a war, it is highly prudent and the part of wise statesmanship to also prepare and be ready to overcome and correct the evils that invariably grow out of war.

Every student of history realizes that war is a veritable "Pandora's box" of economic irregularities and social perplexities.

When the cyclone passes through a country, lifting houses from their foundations and razing cities to the earth, the old order of things is seldom restored in the wake of the storm. New conditions suggest new ideas, re-formation takes the place of restoration, the old landmarks disappear and behold, all things are new. Just so it is with the ravages and innovations of war upon the government of a country. No government was ever the same after a war that it was before the war. In our own country there have been many changes and a gradual concentration of power and withdrawal of authority from the people since the middle of the last century.

When the Stars and Bars trailed in the dust of defeat on that fateful day at Appomattox government by free consent, as it was dreamed of by the founders of this Republic, was laid away in the charnal house of dead issues.

In that fateful conflict the pride of empire triumphed over the constitutional right of the people to prescribe their own form of government. The court of might gave an interpretation to the Constitution which was never dreamed of by the wise men who wrote that immortal document. I will not stop to discuss the question as to whether or not that interpretation will be best for America in years to come. I am sure the liberation of the southern white man from the incubus of negro slavery was a step forward and upward, but as to whether the changes wrought by the war will preserve the peace, enhance the happiness of our people, and promote the permanency of free institutions, time alone will tell.

> Ye friends to truth, ye statesmen who survey
> The rich man's joys increase, the poor's decay,
> 'Tis yours to judge how wide the limits stand
> Between a splendid and a happy land.

Mr. President, I am profoundly impressed with the fact that never in the history of this Republic was there so great a demand for brave, patriotic, and unselfish men in the councils of this Nation as at the present time—men with capacity to think for themselves, think for the benefit of their constituents and the American people, and after thinking dare to express and act their thoughts. "Do the things that others pray." The political charlatan who glories in servile subserviency, prides himself on shining in a reflected light, attains undue prominence in abnormal times such as the present, when public attention is centered upon greater issues, and the consideration of many things prevents the concentration of thought upon the individual actors upon the stage. Under such circumstances this character, this social excrescence, is developed, enters the arena of American politics, wins ephemeral fame and place as a reward of his self-abasement—the contemptuous concession made to him by his master as the price of his ignominy. It is unfortunate, but that type of creature may be expected to take advantage of the opportunities which unsettled conditions afford to push himself forward and ply his nefarious trade in this hour of our Nation's peril. Every nation at some time in its history unfortunately produces its Herostratus, whose vaulting vanity and insane selfishness are ever ready to touch the torch to the Ephesian dome. There are men in America to-day, who under the dishonest guise of loyalty to the administration, would abolish the Constitution and upon the ruins of this Republic erect a monarchy if they thought there was a chance of becoming a favored flunky in the court of the king.

> Down all the stretch of hell to its last gulf there is no shape more terrible than this.

There will also be found in large droves the patriots for pelf, whose cupidity is cloaked in patriotism, along with the statesmen in pursuit of power for personal ends. The disastrous

consequences which inevitably flow from such sources, if not checked, will impose a burden upon posterity whose blighting influences will extend beyond the life of our civilization itself. They are in truth and in fact—

> Such as do build their faith upon
> The holy text of pike and gun—

or any other subterfuge or excuse that may serve their sinister purposes.

Mr. President, I can not this morning perform a greater service to my country than to give warning, put the brand of disapproval, the stigma of deserved infamy, on every such character that the patriotic, unsuspecting, slow-thinking common people may know them and that they may be warned against their seductive, misleading, and sinister sophistry.

My attention has been called of late to a peculiar species of embryonic statesmen, the spawn and product of the slime-covered pools of war, the evolution from the human microbe, which found its origin in the troubled womb of abnormality. There is found on every hand these days robust specimens of this runty genus, which I mention only because such as they present a problem with which the people must deal—men with ambition but without the slightest capacity for independent thought or intelligent action, fit only to follow and fawn at the feet of power. This type of individual, I repeat, is one of the many tantalizing incidents of war, which but adds to the burden that the people must bear. One of these little individuals, to which my attention has been called, is incubating an ambition to serve his country or rather himself in the halls of State. He favors war, and is loud and lusty in the protestations of his loyalty to his country. He holds that under certain circumstances it is treason to even obey the Constitution in the prosecution of the war. He would suspend the Bill of Rights, abrogate the Sermon on the Mount, repeal the Golden Rule, and vest with the Commander in Chief of the Army the power of life and death over the people. His lip patriotism is preached from every street corner and he is known and heard ad nauseam by his friends. The valiance of his soul is made manifest upon every stump upon which he is permitted to stand and make profert of the shallowness of his mind and the emptiness of his heart, while he fills the ears of the patient-waiting, long-suffering populace with his meaningless verbigerations. This peculiar type of American statesmen, the legitimate product of illegitimate conditions, the pest and provocation of patient patriotism, is shown up in all its nakedness, in the light of his own explanation, or analysis, which he makes while hesitating to enter the arena of politics. He declines to announce his platform until it shall have been made certain how the people will look upon the declaration of war—and, by way of parenthesis, let me say the declaration of war about which the people were not consulted—and how they will finally regard the un-American and questionable Constitutional manner of raising an army for foreign service by conscription.

Mr. President, such a spectacle is disappointing in the extreme to the patriotic citizen, and is enough to sicken the soul of an outlaw or shock the moral sensibilities of a pirate to behold the thing, with the fire of patriotism burning upon his mendacious lips, eyes illumined by the meretricious glare of dramatic fervor, as he announces:

> I will wait until American blood begins to flow in the trenches of France—when the youth of this country shall be offered to the god of war on the battle fields of blood-soaked Europe. I will wait until America becomes drenched with the tears of broken-hearted mothers, sorrowing wives, and orphaned children—until the groans of grief shall fill the air with the solemn wail of the bruised and dying heart. Then—

He concludes, with the triumphant air of the thoughtless, soulless little politician—

> will the war spirit burst forth from the hearts of the American people, and the sentiment for war will sweep over this country as the consuming flames sweep the forests of the arid West.

Just think of it, Mr. President! Imagine, if you can, the monster that would speculate in the blood of his countrymen, capitalize disaster, profit in broken hearts and the scalding tears that fall from the eyes of loving wives, orphaned children, sorrowing mothers and sisters! Think of playing politics with immortal souls! Such a creature will win for himself an eminence of infamy which will make the reputation of the notorious regal fiddler of ancient Rome pale into nothingness—the harmless act of a royal lunatic.

How often in these days of stress and trial am I reminded of the wise words of Edmund Burke. O God, that the American people might hear and understand.

> War suspends the rule of moral obligations, and what is long suspended is in danger of being totally abrogated. Civil wars strike deepest of all into the manners of the people. They vitiate their politics; they corrupt their morals; they pervert even the natural taste and relish of equity and justice. By teaching us to consider our fellow creature in a hostile light the whole body of our Nation becomes less dear to us. The very names of affection and kindness which were the bonds of charity whilst we agreed become now incentives to hatred and rage when the communion of our country is dissolved.

The effect of a world war is the same.

Mr. President, to paraphrase the language of one of America's greatest men, "We are living, we are dwelling, in a grand and awful time, in an age on ages telling—to be reasonable, resolute, patriotic, and loyal to ourselves and the fundamental principles of our Government is sublime." We are going to win this war. There is not the slightest doubt about it. Nobody has ever questioned that fact for a moment; but in the interests of humanity I trust that the "common sense of most" may triumph and those who are now engaged in the bloody conflict may be brought back to sanity, to realize the utter foolishness of war, and that an early and permanent settlement shall be effected. This is not a war between the masses of the people—they are mere pawns; but rather a quarrel between ambitious and heatless rulers, encouraged and instigated in many instances by the commercial bandit and human cormorant who grow rich and fatten upon the spoils of war.

But whether early or late, I repeat, we are going to win the war, and after we shall have won it the thing that concerns me most is that we may be able to restore old principles and steer the old ship of state back to the moorings of the fathers. I believe that preserving free government in America will be about as difficult a problem then as to overcome our chief cruel and brutal antagonist, the German Empire, now.

I trust that Senate concurrent resolution No. 10, which has been reported from the committee, may be agreed to, and then I hope the committee appointed to investigate will be composed of men who will bring to the undertaking singleness of purpose and eliminate from their hearts and minds all sectionalism and preconceived notions, all racial prejudices which taint the spirit and warp the judgment. I hope they will go into the subject with the sole purpose of discovering the truth and, when the truth shall be discovered, report it to the Congress for the benefit of the American people.

Mr. President, I realize that there is an obligation imposed upon the white man of this country to the negro, and it is a duty that must be performed intelligently, inspired by the highest spirit of altruism. We all understand that the negro is in this country without his will or consent. He was brought here to gratify the greed and cupidity of the white man—the Anglo-Saxon white man—whose dealings with an inferior race or with an antagonist are always characterized by a cruelty as conscienceless as a cancer and a greed for gain as insatiable as death.

The negro is entitled to a square deal at the hands of the white man, but let us not misunderstand what a square deal means. Do not forget that you are not dealing with an individual, but with the race. Remember also that we are not legislating for the present generation only, but for posterity as well. It is just as foolish to give the negro equal political privileges with the white man in the management of this Government as it would be for an indulgent father to give his crying babe a bottle of poison just because the foolish little creature wanted it. A sickly sentimentality and an imprudent spirit of altruism must not sway our judgment in dealing with this vital question.

Mr. President, I repeat, this subject is too deep and varied, too far-reaching in all of its relations, for me to undertake to discuss it exhaustively to-day. It is not the time nor the occasion. There are as many phases to this problem and points of vital moment to the American people, which ultimately the American people must solve if America shall be saved, as the pebbles of the sea are many formed.

The chief and almost insuperable barrier in the pathway to the solution of this problem is the colossal prejudice, the dangerous indifference, the unfathomable ignorance of the subject which some of the so-called great statesmen and reputed great men of our day and generation candidly admit. These learned men may be able to tell you all about ancient history and the sciences—they may be able to travel with you among the stars and trace their courses—they may discourse learnedly upon the nebula hypothesis and venture an opinion as to the topography and political economy of the planet Mars, but they will placidly confess to you that they know absolutely nothing about the great race problem in America, regarding it as only a southern question, local in its application, and out of the depths of their confessed agnosticism on the subject will tell you there is no danger which can possibly grow out of it. For the ultimate good of the American people and as an influence which will hasten the final solution of the problem, I am glad the issue has moved farther north, which will enable our northern brethren to study the question at first hand. I shall not be surprised to see a very radical change take place in the minds

of some of my northern brethren after they shall have been brought face to face to this great question, and those who have found it difficult in days gone by to do scant justice to the southern white man in dealing with the negro will be inclined, I am sure, to look with more intelligent tolerance upon our common efforts to solve this national problem. And I desire to say that this is as national in all of its elements as any problem that ever emanated from the "pregnant womb of time."

Now, Mr. President, Disraeli, the great English statesman, has said that "ignorance never settled a question," and I might also add that ignoring a question will never settle it. This great problem has been the sport and plaything of the cheap, shallow-minded, unscrupulous politicians for the past half century. A great wrong thereby has been done the negro, but a greater injury has resulted to the Nation.

There are more than 12,000,000 of these dark-skin people in the United States, and, while they sprang from the oldest of the races, there is not an instant in all the world's history where they have as a race ever shown in any marked degree sustained power of self-development. You can judge of the future only by what has been accomplished in the past. The truth is, the only safe and reliable light we have to illuminate our pathway in the darkness of the future shines out from the experiences of the past. Springing indigenous to the most fertile section of the globe, the negro has never written a language. He has never built a monument, created a civilization, or added one truth to the sum total of human intelligence. "The negro started neck and neck with the Egyptian in the valley of the Nile. He helped to build the temple of Rameses, polish the columns of Karnak, he toiled at the hundred gates of Thebes, but he gained no more conception of those colossal works than did the donkey who helped to drag the stone. He touched with his hands, he heard with his ears, with his eyes he beheld material things about him, but no comprehension of the spirit which reared these massive monuments ever penetrated his skull." To the voices that spoke to enlightened ears through chiseled stone and painted canvas his ears were dead and his eyes were blind.

There are individual cases, usually those wherein the "Anglo-Saxon reenforcement predominates," where breadth of intellectual vision and accomplishment compare favorably with members of the white race, but that is only in individual cases It is an historical fact which will not be denied by a serious student of history that the civilization imparted by the white man to the negro—and the negro has had no other civilization save that imparted to him by the white man—lasts only so long as the negro is under the domination of the white man who inculcated it. When left to himself, the negro as a race has universally retrograded to the barbarisms of the jungles. The call of the wild invariably overcomes the lure of civilization and the quest of knowledge is given up for the ease and indolence of the primitive state. There is one thing certain, proven by time and trial: The two races can not live together on terms of social and political equality.

Mr. President, there is another truth which I wish in passing to impress upon the Senate and the American people. It is this:

The use of firearms and the placing of the ballot in the hands of the negro in a white man's country are inconsistent with good government, good order, and good feeling between the races. The outcome of such an experiment and any effort to make it a permanent policy under our form of government will inevitably lead to disaster. It is a lamentable fact, and one we should be prepared to meet, that one of the horrible problems which will grow out of this unfortunate war, which the southern white people particularly must meet and overcome, is the training as a soldier which the negro will receive. Impress the negro with the fact that he is defending the flag, inflate his untutored soul with military airs, teach him that it is his duty to keep the emblem of the Nation flying triumphantly in the air—it is but a short step to the conclusion that his political rights must be respected, even though it is necessary for him to give his life in defense of those rights, and you at once create a problem far-reaching and momentous in its character. It is known to all fair-minded men who have given intelligent thought and careful consideration to this question that political equality between the white and black races in the Southern States of this Republic will not and can not be tolerated if the white man's civilization shall be preserved there. Equality at the ballot box means negro domination, with all the horrors that the term implies, and I am advised that this military experience in war is to be followed by compulsory military training. That is to be the program of the administration, we are told.

All of which, Mr. President, will create a problem which will be more hurtful and disastrous to the Southern States of this Republic, and therefore hurtful to America, because you cannot injure one State without injuring the whole sisterhood of States, more difficult of management than that which resulted from the war of 1861 and the immediate effects of the war of 1917. I have not language with which to express my unalterable opposition to such a policy. Let us hope that after the war fever may have abated and the excited brain of the American statesman has cooled we may be able to take a calmer view of the question before the fatal mistake is committed. May I be permitted, Mr. President, to say that it was a mistake, against which I warned the administration, when the President of the United States and the Congress called the negro of this country to arms. Senators who doubt the wisdom or justification of my views will become disillusioned if they will take the pains to read the experiences of other nations in dealing with this ponderous problem. I maintain that compulsory military training will leave a problem in this country more difficult of solution, more disastrous, I fear, in its consequences than the sudden emancipation of the slave a half century ago. God grant that the people may think and reason together and our statesmen may act before it is too late.

I appreciate the fact, Mr. President, that these suggestions will fall harshly upon ears that do not care to hear the truth on this subject. Some will listen patiently and look on with commiserating tolerance, while the pitifully despicable sycophant may rise to the height of pusillanimous parvanimity and protest against bringing forth this issue at this time, lest it may interfere with the conduct of the war. But I shall suffer the annoyance of the legislative gadfly rather than fail to perform my duty to my country. I despise the timeserver and the opportunist. The truth must be told. The American people must understand they must be put on guard before it is everlastingly too late.

I expect no assistance from the self-centered, vanity-inflated, dwarf-souled politician of the South at this time. The man who wants the approval of the commercialized metropolitan press, who prefers its false flattery to the consciousness of duty intelligently done will push the momentous question aside as unworthy or unnecessary of consideration at this time. I expect that. I shall be surprised if any other course shall be taken by the character of men I have described. That class of timeservers are more dangerous to the country than the pirate and far less admirable.

But, Mr. President, impressed with a sense of obligation to the people of America generally, and the people of Mississippi particularly, and the responsibility of my place in this Chamber, I am going to do my duty as God gives me to understand it. I want to again express the hope that in the consideration of this great question the magnanimous spirit of Thomas Jefferson and the lofty idealism of Abraham Lincoln shall be invoked. To the real earnest statesman with a vision, who desires to do right and serve his country best in the treatment of this gravest of twentieth century problems, I commend the teachings of Thomas Jefferson and Abraham Lincoln. It will be recalled that more than 100 years ago the sage of Monticello announced the irrefragable truth that "There is nothing truer written in the book of fate than that the negro will one day be free. It is equally true," he said, "that he can not live with the white man on terms of social and political equality." He urged the colonists to emancipate their slaves and send them back to Africa whence they came, saying, "You can solve this problem now without the sacrifice of a human life and with the outlay of a comparatively small amount of money. White men will take their places as laborers and the current of affairs will move on without a ripple. But if you wait until it forces itself on, human nature will shudder at the prospect held up."

With the eye of the prophet and the soul of the seer—

> He dipped into the future far as human eye could see:
> He saw the visions of the world and all the difficulties that would be.

He saw the War between the States, which cost billions of dollars and millions of men. He saw the blighted lives, the frustrated ambitions, the unhappy homes, and all the sadness and sorrow that follow in the wake of civil war. He saw the strife and turmoil, the internecine disturbances of the present day, the legitimate fruit of abnormal conditions, the cause for which this Congress is passing a resolution to consider and investigate to-day.

A marvelous vision, inspired foresight, divine advice, which was thrown aside as mere verbal chaff by the temporizing, sordid, self-centered politician of that day, the unhappy prototype of some of the distinguished gentlemen who are winning prominence to-day by their loud, stupid, imprudent inanities.

A little more than a half century later the immortal Lincoln came along, the central figure in the greatest of civil wars. Not possessed of the book learning and erudition of Jefferson,

but gifted with the divine afflatus which enabled him to know things without being able to give the source of his information—a God-given quality which permits one to "hear the ocean in one shell and see the whole world's winter in one leaf," Mr. Lincoln said, in the memorable debate between himself and Mr. Douglas, "I am not, and never have been, in favor of bringing about in any way the social and political equality of the white and black races; I am not, nor ever have been, in favor of making voters or jurors of negroes, nor of qualifying them to hold offices, nor of intermarrying with white people. And I will say in addition to this that there is a physical difference between the white and black races which I believe will forever forbid the two races living together on terms of social and political equality. And inasmuch as they can not so live while they do remain together, there must be the positions of superior and inferior, and I, as much as any other man, am in favor of having the superior position assigned to the white race." A correct understanding of Mr. Lincoln's words is absolutely indispensable to a proper comprehension of the issue involved in this great question.

It was the dream of Jefferson and the hope of Lincoln that physical segregation of the races might be brought about for the good of both races. That was not done when easy of accomplishment; therefore the dangers and difficulties which inevitably grow out of racial contact must be mitigated by absolute social and political segregation by law.

That can be accomplished by perfecting the constitutional makeshifts that were added to the organic laws by methods questionable even to this day, measures that grew out of the hates generated by the war, and proposed to serve sinister political ends. This great work the present generation is called upon to do, not in spirit of antagonism nor racial hatred, I repeat, but rather in a spirit of love for the salvation of the black man as well as for the preservation of the white man's civilization. The two races can not live together on terms of social and political equality. What is true of the black man and the white man is also true of the yellow man in the Western States. For the good of all the races the white man must rule this Republic and he must rule it absolutely.

But, Mr. President, I do not desire to go further into this question just now. I shall have more to say on the subject at some future day, when I hope to place before the Senate facts that will convince.

I am going to ask permission to print as a part of my remarks some historical data prepared by him and taken from the manuscript of a book of great merit now in press, by Mr. Ernest Sevier Cox, of Knoxville, Tenn., entitled "Decay of Culture: A Study of the Negro in Civilization."

The PRESIDING OFFICER (Mr. FRELINGHUYSEN in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

"ARMING THE COLORED RACES.

"Some 6,000 years of history are at the disposal of the student of the color problem. The advisability or the inadvisability of any proposed measure dealing with America's colored races may be tested by these 60 centuries of experience.

"The outstanding fact of the centuries of the contact of races is that neither the white man nor his civilization has survived prolonged contact with a colored race. Keane, the eminent British ethnologist, repeatedly asserts that amalgamation of races is the ultimate result of the contact of races. Possibly none will question the assertion that the reason that civilization has not survived contact with a colored race is that the white man, the founder of all civilizations, has never remained white when in contact with the colored.

"Civilization, in both its spiritual and physical phases, proceeds from the white race, and as the blood of the colored gradually absorbed by the white qualifies the white the change in race is reflected by a change in culture. The white race as white progresses, but slowly mixed with the blood of a colored race the white man does not progress. His culture becomes stagnant and tends to recede. The culture of a race is reflective of the mentality of the race. Mentality depends upon brain quantity and quality. Brain quantity and quality possess immediate and inseparable relation to breed, are subject to the laws of heredity, and are qualified genetically. Environment conceivably may qualify a race, improving it or degrading it, but save where environment influences genetics its effects are too remote to have consideration in practical politics.

"We know that the three fundamental groups of mankind—white, yellow, and black—have not changed relatively in race type or culture during the past 6,000 years, and there is no reason to believe that they have so changed during the past 50,000 years. At the dawn of civilization the white race was in cultural ascendency, just as it is to-day. Any seeming advancements of the colored races have not been those arising as results of natural or sexual selection, but by reason of the colored races acquiring the cultural creations of the white. The culture of the white man affects the individuals of the colored races, not the races themselves. The physical organisms determining race may be affected congenitally only. Whether culture increases or recedes it leaves race unaffected.

"This conclusion is based upon the many instances in the history of the contact of races in which the white race has implanted a civilized culture among the colored and the culture not survived the white race.

"The Caucasian is the creative race. The steps in cultural progress have, without exception, been determined by the creative efforts of the white man. None have come from the colored. We formerly attributed certain inventions to the inhabitants of eastern Asia, but now we know that these cultural innovations were imparted to them. Both ethnology and history tell us that blond Caucasians were beyond the great wall in China centuries before Christ. Such creative contributions to the culture of civilization as steam, steel, and electricity, and the germ theory in medical science are readily accredited to the white man. As these contributions mark later Caucasian history do other contributions as the domestication of plants and animals, the building of ships and great stone temples; the advancement wrought through the use of polished stone, copper, and bronze implements mark the cultural activities of the early Caucasian.

"As a result of his restlessness and resourcefulness the early white man advanced into and dominated the colored races in large portions of the ancient world just as the later Caucasian has made his dominion world wide. The easiest, as it is the safest, way to appreciate the results of race contact in early history is to observe the results of later race contact. In the measure in which the white French perished in Haiti other whites in contact with the colored have perished. In the manner in which the civilization of the whites in Haiti was replaced by the resurgence of West African fetishism other cultures of the white man have disappeared.

"He who grasps the meaning of Haitian history grasps as well the meaning of the history of Egypt, Abyssinia, Nigeria, Uganda, and Mashonaland in Africa; India, Persia, southern Arabia, Cambodia, Ceylon, and entire Polynesia in Asia. These countries possessed relatively high cultures founded by Caucasian peoples. As the whites in modern Haiti were eliminated by miscegenation and exterminated by colored soldiers equipped with the white man's arms, so were the whites eliminated in the early civilizations in contact with colored races.

"The noncreative races relying upon their own resources are not a serious menace to the white man and the institutions of civilization. But when the white man has armed the colored with the white man's most destructive agencies of warfare and thus bridged the cultural chasm between the races the white man has times without number been destroyed by the colored whom he has armed. Fifty centuries ago the white Pharaohs of Egypt enlisted African negroes by the tens of thousands for use in the Egyptian armies.

"Their use as mercenaries became so extensive and permanent that the Egyptian word for soldier is derived from the name of a powerful negro tribe of the cataract regions. Black women in the harems and black men in the armies corrupted the blood and weakened the fiber of the founders of the Egyptian civilization. Culture decayed. Negroid troops placed a mulatto upon the throne of the once great Pharaohs six centuries before Christ. Prior to the absorption of negro blood the Egyptian people were foremost in the arts of civilization, but negroid Egypt has not in the space of 30 centuries made a contribution to civilization.

"As civilized culture—that from domestication of plants and animals to the application of steam and electricity—has arisen from the white race and the colored races have profited greatly as a result of the impartation to them of this culture it would seem that a chief object of the colored should be to keep the white man white. But throughout history this has not been the object of the colored. Rather the colored have sought by all measures possible to them to effect amalgamation with the whites. Where the whites have refused to mix their blood with the colored the latter have in every instance sought to exterminate the whites. It was the disgruntled mixbreeds of Haiti who, refused equality with the whites, caused the massacre of the whites. White Haiti perished in the attempt to stay the mixing of the races in Haiti. Give to the colored man full and unrestricted privileges to the white man's homes and to the white man's daughters and he becomes an ally of the white man. Deny him either and he becomes a bitter enemy of the white man. If he have no means by which to wreak his

vengeance, he will become sullenly defiant, but if means for securing redress for the ostracism he suffers be at his disposal he will not hesitate to use such means.

"Spain and Portugal, in the settlement of South America, formulated programs of miscegenation, encouraging the whites to intermarry with the colored races found there and with the African negroes imported there, that racial harmony be secured and a homogeneous population produced. North America remained white. Large portions of Latin America became hybrid. Latin America purchased peace at the price of Caucasian purity. But it was a temporary peace merely. The instability of mongrel character has determined the frequency of Latin American revolutions. The numerous white tyrants have risen to power by reason of the bayonets of colored soldiers. Unscrupulous white leaders have had but to promise the colored troops equality with the residue of whites to secure a following. The history of the Latin American countries should be a sufficient protest against miscegination and the arming of colored races.

"It is futile to deny that there is in the minds of the southern negroes an abiding belief that the whites of the rest of the Union stand ready to support them in their desire for equality. They hold this view in spite of the ofttimes-attested fact that the whites of the rest of the Union are as averse to any essential equality of whites with blacks as are the whites of the South. But this belief is a potent consideration and should have great weight in determining the expediency of arming the blacks. Through this belief the negro will reason that he shall receive assistance from the whites of the North at the moment he strikes for his theory of equality forcefully with arms.

"There are those who will say that the arming of the negro will not be a danger and need not be a terror, save to those whites who are oppressing the negro. The measure of such oppression is generally understood to be the degree in which the whites withhold equality from the blacks. That the whites in contact with the negro oppose sharing control of a civilization whose every heartbeat is Caucasian with the Negro is judged by some to be 'oppression.' 'Equality,' as we must use the term, is defined by the Federal Constitution. It is an equality conferred upon the negro by constitutional amendments. It is an artificial equality. It is created by the Federal Constitution and that instrument is available for its enforcement. Heretofore in American history the ideal has been to secure constitutional privileges by constitutional measures, and none have advocated civil war to secure a privilege which may be obtained by law.

"Those who believe that the arming of the negro will, by virtue of the bayonet, enable the negro to secure 'equality' and that the armed negro will be a danger to none save his 'oppressors' are guilty of a twofold fallacy in obtaining their conclusion. The first is the belief that the armed black may by reason of his arms intimidate the South. Knowledge of the reconstruction and the succeeding period should be convincing upon this point.

"The second fallacy is the believing that the armed blacks will not sooner or later turn their arms upon the whites, whatever the attitude of the whites toward the negro may be. This fallacy is based upon a misapprehension of negro race traits and an ignorance of negro history. It does not take into consideration the negro's lust for blood. Those who hold it have never heard of Dingaan, Moselekatse, or Metsa. They know nothing of the Dahomey revelings in human gore and are innocent of knowledge of the Zulu's destruction of a million of his own race before his merciless hand was stayed by the European; neither are they aware that the best efforts of the British and other Europeans governing Africa have proved unsuccessful in stamping out cannibalism, nor that the Haitian negro, after massacring the whites, turned with his pristime lust for blood upon his own people.

"The trust of the sentimentalist that the influences of civilization has weaned the American negro from his race instincts seems strangely out of place when at this time the President of the United States, in an address to Congress, includes the statements 'The present German submarine warfare against commerce is a warfare against mankind,' and the object of the United States in entering the war 'is to vindicate the principles of peace and justice in the life of the world as against selfish and autocratic power.' If the great German people, foremost in the arts and sciences and heirs to the centuries of Christian teaching, have reverted to primitive Teutonic bloodlettings, is it not difficult to believe that the short period of the Negro's dwelling with the Caucasian has alienated him from his primitive instincts? This is a pertinent question for those who favor the arming of the negro.

"The arming of the negro will transform the negro. As he grasps the bayonet his primitive passions will be revived and his race taught an eternal antipathy to the whites, an antipathy as potent in the breast of the negro as in the breast of the whites, will increase, and in this instance he will have the white man's arms with which to strike the white man. He will not realize that gunpowder, steel, and Army tactics are the contribution of the Caucasian, but in the possession of them will feel the equal of the Caucasian. He will be afflated through the consciousness that gunpowder levels races as well as individuals and seek to measure armed strength with that race with which he can not compete in peaceful measures.

"The negro will not consider that his acts of armed aggression will bring disaster to his own race. The impulse of the moment and not decision based upon a consideration of consequence will rule the negro as it has in all ages and in all lands. The rapist does not consider the consequence either to himself or to those of his race. The race no more than the individual will consider consequences when primal emotion is aroused. When the negro opposes the whites by force of arms it is not for the purpose of subduing the whites but for the desire to exterminate the whites. African wars generally have been marked by the destruction of the vanquished who were not fit for slavery. Against his own race the negro appears to exact life for the sheer purpose of reveling in blood, but when he turns his arms upon the Caucasian he has an added incentive to destroy. He can not compete with the Caucasian, and this alone makes it imperative to slay the Caucasian. In Haiti he spared neither age nor sex. As he can not subjugate the white, he seeks to exterminate them.

"We can not expect a gratitude to the whites for the culture of civilization he possesses to be a deciding factor in causing the negro to keep the peace. English writers tell us that when the white man goes among the colored with his superior cultural possessions, the colored look upon the whites as gods. But generations of the colored grow up who are not conscious of the culture being alien in origin. These by reason of familiarity with the culture about them feel that in its possession they are the equals of the whites. The negro's demand for equality arises from this defect in his reasoning. That the civilization over which he seeks coordination of racial control proceeds from the white man has never seemed to affect the negro.

"The question of arming the American negro should be decided with regard to its probable effect upon the negro problem in its entirety. There are ineradicable issues produced by the contact of Negro and Caucasian. Race problems may be settled in but two ways. The races must be separated or amalgamated. No other solutions are possible. Jefferson foresaw that the one or the other of these solutions must be effected and so did Lincoln. Both Jefferson and Lincoln sought the separation of the races—sought to remove the negro from America.

"The matter of removal is not relevant at this period in our history save as removal may be a necessary step following upon armed conflicts of the races if arms are placed in the hands of the negroes. The expediency of arming the negro should then be considered in its relation to miscegination. In general terms it may be said that any measure recognizing the equality of races is promotive of the admixture of races. In the heart of the negro the equality he craves is social equality. Political and economic equality are empty and valueless if social equality is denied. In this matter the colored races are probably right, for it is certain that if the colored are entitled to one phase of equality, they are entitled to all. It is equally certain that if they are willingly accorded one phase of equality the other phases will not be long withheld.

"The United States have succeeded better in keeping the white man white when in contact with the colored than has any other nation in history. The 'color line' has been more potent and permanent in America than elsewhere. Within the period during which the whites of the Southern States have retained race purity other portions of the white race in contact with the colored have been lost through miscegenation. As the whites of the South have fought the battle for race purity and succeeded as no other people when in three centuries of contact with a colored race it would seem that a sentimental as well as a practical question may be asked those who seek to arm the negro in the South. The practical question should be, 'Is it a proper Government measure to arm the blacks when numerous instances of history attest that the blacks will use the white men's arms to destroy the whites?'

"The sentimental question may be stated in those terms of inquiry which seek to ascertain by what reason is there desire

to impose this great danger upon the white South, which for three centuries has been true to race and the institutions of civilization. Is it no concern to the rest of the Nation that the South has been true to the trust of breed and culture? Add to the southern fear of the negro rapist an additional fear of the negro soldier, who at all times has been impudent and aggressive to the whites, and you will increase the race problem a hundredfold. Arm the negro, and however peaceful the beginning, it is but a question of time when he will turn United States arms against the whites, as he did at Brownsville, and toss white children upon the bayonet point, as he did in Haiti.

"Regardless of the terms of statement, the real purpose of American 'preparedness' is the strengthening of the Nation. Any measure of preparedness which is to endanger the peace and the welfare of large portions of the Union is false preparedness. Race instincts are as eternal as race, and they effect a cleavage in a nation which is deeper and more permanent than any form of government. Democracy does not eliminate race lines—it intensifies them. The British in the West Indies applied the theories of democratic equality to their problems of race, but quickly abandoned them and returned to the autocratic form of government. Englishmen there relinquished their charters of autonomy and reinstituted Crown control, preferring to be ruled by distant whites rather than share control with local blacks.

"Americans seek to minimize rather than magnify race differences. Unto the present time southerners seem to prefer to dwell upon the faithfulness of the war-time negro rather than the insolence of the negro of the reconstruction. It is right that we seek by all measures to repress racial antipathy. But in the grave matter of arming the negro it is not right to ignore fundamental race traits. The short eight years of the reconstruction in the South undid the work of two and a half centuries of slave discipline. Before the Civil War a negro who would have raped a white woman would have been lynched by members of his own race. Since the reconstruction and its attendant theories of equality the negro who rapes a white woman and escapes is looked upon as a racial hero, while if he is apprehended and lynched his race considers him a martyr.

"In 1908 there occurred in the city of Springfield, Ill. (the home place of Lincoln), race riots on a large scale. Assaults by black men upon white women so enraged a portion of the white population that mob retaliation was resorted to, as it had been in Atlanta, Ga., two years previous. Some negroes were lynched, one within a few blocks of the former home of Lincoln, while thousands were compelled to flee the city and were denied ingress into the adjoining towns. Is it not certain that if the principles of unracialized military service, such as those proposed in the present measures before Congress, had been in operation some 20 years before the Springfield riots and the city had abounded in negro soldiers and reservists, there would have been grave disorder resulting in much bloodshed, possibly in the destruction of the negroes throughout the State? And had such conflict occurred there, would not it have spread to other States? The negro problem is not solved in the United States; it is just beginning. Heretofore the lack of congestion has minimized race friction. The increasing millions of both races and their unavoidable struggle for survival will increase the race problem in a measure not possible under present conditions. Other problems confronting the Nation will be solved by the ordinary forces of progress. The negro problem is the only issue confronting America beyond which we can not see.

"A legal recognition of the race consciousness of the white man who lives apart from the great mass of the negroes crops out in the legislation of such States as Michigan and North Dakota, which have passed laws forbidding intermarriages between blacks and whites in these States, and in the recent defeat of the proposed legislation in the States of Ohio and Oregon which would have armed the blacks of these States as units in the National Guard.

"Is it likely that the white people of these States who, though living apart from the negro, yet are conscious of the ineradicable gravity of race contact have the desire, or if given voice would advocate, the arming of the massed millions of negroes in the Southern States? There is not the slightest doubt but that if the proposal for arming the negro were submitted to a vote of the American whites it would be overwhelmingly defeated, North as well as South.

"In the periods of nationalism there is a tendency to deify nationalism. It is right that there be. But when two races, differentiated as the Caucasian and the Negro, live in the same government, we know that race consciousness is deeper than national consciousness. The Civil War engendered a nationalism which in theory swept aside race lines. When peace was secured, race lines reasserted themselves. As the theory of equality of races grew out of the nationalism engendered by the Civil War, there is a danger of the present crisis and its attendant emphasis upon nationalism leading us to disregard fundamental race traits and enact legislation as unsatisfactory as that of the reconstruction.

"The success of democracy depends not alone upon the intellectual quality of its citizens but to a great degree upon the homogeneity of the fundamental or controlling instincts of its peoples. The black and the white possess in common the generalized human characters, but differ in their specializations. The white race is specialized along certain lines, the black race along others. It is the specialized characteristics of the white men from which civilization flows. The difference between the specialization of the Caucasian and the Negro constitutes the basic principles of the negro problem and gives it its unsolvable aspects. Race is deeper than any conceivable form of government—is ineradicable—and when present as a problem in democracy demands to be handled as a fact of the utmost importance. When races are in contact, measures of government ignoring race are doomed to failure. It is not decrying democracy, but is a tribute to the high intellectual qualities required in successful democracy to state that not democracy but autocracy is better suited for the successful handling of race problems if the races concerned are widely separated by the forces of evolution.

"While it may be shown clearly by the naturalist that race is ineradicable and can not be ignored, yet it is not the naturalist but the historian who gives us the better view of the matter. In telling one that race contact has always been accompanied by race conflict and has ended in either the separation or the amalgamation of the races the historian performs a more forceful service than the naturalist, for the historian deals with verifiable history while the naturalist bases his conclusions on facts that are not easily appreciated by the average man.

"It is a verifiable truth that race contact has been accompanied by race conflict. In the light of history the arming of the negro within the bounds of a white civilization can not but be regarded as a suicidal measure. Whenever and wherever tried it has caused unrest and ultimately led to conflict. Nor are the white nations of the world unaware of the danger of arming the colored races. Throughout the colonies of the nations of Europe there is everywhere evidence that this matter has been carefully considered. Under colonial laws the native races may bear arms, if at all, in very limited numbers and under the closest inspection and supervision. At present certain of the warring nations are using the African negro in large numbers, but these same powers show by their colonial laws that the use of the negro is for temporary purposes. In the Belgian Congo and the French territories of Africa it is customary to have the negro regiments used in policing these colonies stationed at a distance from their tribes.

"The white nation having a negro problem most like our own is the Union of South Africa. There every species of equality urged in Europe during the past century was applied and failed. Nine Kaffir wars were the cumulative answer to the British theory that 'equality' would solve race problems. The greatest peril confronting the new Government in South Africa is the Negro territory, Basutoland, in the very heart of the Union. There is not a person of European blood in South Africa, nor is it likely there is a Caucasian in the British Empire who would advocate the arming of the Basuto. Instead of arming these negroes within their Union, the present Government, and before it the colonial office, sought by all means to prevent arms reaching the Basuto. Police with special instructions to oppose 'gun running' over the border into Basutoland have been on duty for decades. The fear of the white population of the Union that the Basuto may have accumulated arms is the deepest and the most abiding fear that one hears expressed in South Africa.

"The numerical relation that the Basuto bears to the whites of South Africa is materially less than the proportion that the negro population of the South bears to the whites of the South. In certain large areas of the South the relative proportion would be as 20 to 1; that is, the negroes of these areas of the South are twenty times as numerous as the Basuto in relation to the number of whites in South Africa.

"It is not needful to go further in showing that it is the universal opinion of white colonials that the native races should not be armed. But perhaps it is expedient to state that many of the native races which the white man confronts in other parts of the world are by no means savage races. Some of them are the equals of the negro in America, while certain of them, as the Zulu, the Kosa, and perhaps the Basuto in South Africa and millions of the inhabitants of India, are the supe-

riors of the American negro, if we measure the South African negro by his physique and the Indians by their culture.

"Race problems are ineradicable save by separation of the races or by their amalgamation. Race instincts and race interests do not change. The future of the white man in contact with the colored will be as the past. It will be marked by cleavage and discord. To arm the negro is but to provide the means and increase the certainty of race conflict, and from this there can be no escape. Unarmed, the negro, conscious of his helplessness, is not likely to disturb the peace. When armed he has always been the aggressor. Were the negroes of the South armed at the present time, would the South be secure while the agents of Germany are inciting them to revolt? No one familiar with the race traits and history of the negro will predict their constancy when they are led to believe in their armed success."

Mr. VARDAMAN. There is immense food for thought in Mr. Cox's work. I commend to the consideration of the Senate the data which I am inserting. It is well worth your while to read it. You will find the information he gives vital and important in leading you to a proper settlement of the great question with which you must deal, and you must deal with it whether you desire to do so or not.

Mr. Cox is an ethnologist by profession, and in addition to a thoroughly scholastic study of his subject he has devoted six years of world travel to the study of the question. His investigations extended into Asia, Africa, East and West Indies, together with a perfect familiarity with conditions in the United States. His knowledge is gotten at first-hand.

Mr. President, this is about all I have to say on the question at this time. If this resolution shall be agreed to, I want to again express the sincere hope that the committee appointed may be composed of men who will go deeply into the subject with the determination as far as human intellect can do so, unhindered and unembarrassed to investigate all the phases of the subject and report without fear of punishment or hope of reward, the truths discovered by such investigation.

History furnishes mileposts to point the way. As Edwin Markham says, in the Testimony of the Dust:

Voices are crying from the dust of Tyre,
From Karnak and the stones of Babylon—
"We raised our pillars upon self-desire,
And perished from the large gaze of the sun."

A grandeur looked down from the pyramid,
A glory came on Greece, a light on Rome;
But in them all the ancient traitor hid,
And so they passed like momentary foam.

There was no substance in their soaring hopes;
The voice of Thebes is now a desert cry;
A spider bars the road with filmy ropes,
Where once the feet of Carthage thundered by.

A bittern cries where once Queen Dido laughed;
A thistle nods where once the Forum poured;
A lizard lifts and listens on a shaft,
Where once of old the Colosseum roared.

It is a vision waiting and aware;
And you must draw it down, O men of worth—
Draw down the new Republic held in air,
And make for it foundations on the earth.

And that new Republic in America will be a government of white men by white men for all men.

WAR REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes.

Mr. BANKHEAD resumed and concluded the speech begun by him on yesterday. The entire speech is as follows:

Mr. President, the so-called war-tax provision of the pending bill is fundamentally wrong and works marked injustice to many sections and many industries.

The chief defense I have heard of its principle is the statement that it is fashioned after the English law. It does not, according to my information, follow the English law, in that it omits the highly important right to the taxpayer to select two out of three prewar years from which to secure an average normal profit. It is a well-known fact that all years are not normal years in business. In the wheat section and in the cotton section the weather often controls the production and thereby measures the business prosperity of all industries dependent on wheat or cotton. Labor strikes on railroads or in industrial plants, financial stringency, and depression in the markets where the products are sold, often cause subnormal profits.

Notwithstanding the fact that business conditions in Europe are absolutely stabilized as compared with ours, the English law recognizes this situation and allows the taxpayers to select two out of three years to secure an average prewar profit. So the best element of fairness in the English plan is eliminated under the terms of the pending bill.

But, Mr. President, the whole scheme is inapplicable to our conditions. It is theoretical entirely, and can not have a fair and just practical application to all sections of our country and to all of our diversified business interests.

The business of England, from hundreds of years' experience, has become stabilized. As a rule, the son succeeds the father and the business continues for generation after generation without interruption. Their financial system with the Bank of England as its chief corner stone does not undergo the strains and changes to which our system is subjected. They do not have periods of remarkable prosperity, as we do, followed by periods of depression and failures. It is peculiarly true that on the subject of normal or average profits, our conditions are so unlike that no real analogy can be drawn.

I admire England with her intelligence and her courage and her sense of justice, but I do not admire her with that blindness that would cause me to borrow from her a system of taxation that is inappropriate to our conditions and burdensome and unjust to many of our people, especially the small, struggling business units.

The advocates of the bill claim that it levies a tax on war profits. I deny that claim.

The tax is not based upon the amount of profits made as a result of the war but is based upon the exemption allowed the taxpayer. If a tax is to be laid upon supposed war profits, it should progress, increasing step by step with the amount of excess profits instead of increasing step by step with the increase of the percentage of the excess profits over the normal profits. In grading the tax on percentages of normal profits instead of on amounts of profits, there is manifest unfairness.

What are war profits?

The bill proceeds on the idea that all profits now made in excess of the average for the prewar period 1911, 1912, and 1913 are attributable absolutely, arbitrarily, and solely to the existence of the war and are therefore taxable as war profits. When the phrase "war profits" is used, the popular understanding is that it applies to munitions and ammunition and other factories which have manufactured and sold supplies to the allies at tremendous profits. The Bethlehem Steel and DuPont Powder being typical of this group of war brides. When the term "war profits" is used as a subject of taxation the public mind sees a picture of an overflowing treasury, filled by the fruits of foreign war contracts, and the taxation of such profits to help finance the war is justly expected by the American people. But, Mr. President, the people do not expect the popular phrase "war profits" to be capitalized and used as a means of unduly oppressing the small business units of the country. The proposed bill has that effect, as I shall undertake to demonstrate. I hope this subject will be approached by Senators with open minds, because it means so much to the continued prosperity of the country. The ability of the average and small business to finance itself and to produce to a high state of efficiency depends in large measure upon the settlement we make of the basis of taxation upon profits.

I ask again, What are war profits?

The advocates of the pending bill, after arbitrarily fixing a prewar period as a basis for normal profits, take no account of different conditions which prevailed during that period of years or during portions of that period in different sections of the country; they take no account of different conditions that prevailed in different lines of business in the same sections of our country; they take no account of improvements in machinery and other physical conditions; they refuse to consider improvements in skill, both in superintendence and labor, and increased knowledge of the business involved; they take no account of the experience gained by years of costly experiments; they turn a deaf ear to that valuable asset in so many businesses which can only be gained by years of experience, great expense, and continued fair dealing and good faith, viz, good will.

They reject the idea that since the period 1911 to 1913, inclusive, any business could better its condition and increase its earnings. They accept the doctrine that every business unit, except for the war, stands now where it stood then. They reject the known fact that in hundreds of places where two businesses were making about the same earnings during the prewar period that one business, by reason of more application, of better superintendence, of improvements in organization and discipline, by superior skill in operation, the use of new patents, better buying agencies, better judgment in credits, and many other considerations which enter into successful conduct of business, has caused that business during the intervening years to outstrip its competitor and earn a much larger profit solely by reason of its improved conditions and facilities; but the

Finance Committee would arbitrarily tax all such additional earnings as war profits. That is not just. Any system of taxation which has such unfair and unequal application needs reexamination and readjustment.

The bill as presented includes not only corporations, but partnerships and individuals. As it passed the House, the bill did not include individuals, but they have been intentionally included by the Finance Committee.

What is the effect on the wheat farmer. During the prewar period the average price for his wheat was probably 75 cents per bushel. Now that we have guaranteed him $2 per bushel, and considering the increased production which will be thereby stimulated, as claimed by the friends of that measure, I beg to inquire if each wheat farmer will not make this year a substantial war profit? Let us see how it will affect him. Without attempting to state accurately the prices and costs during the prewar period, but using approximate figures for purposes of illustration, we will take the case of a wheat farmer who raised 10,000 bushels of wheat and sold it for 75 cents per bushel. If it cost him 50 cents per bushel to raise and market his crop, he had a prewar profit of $2,500. If this year he sells the same number of bushels at the minimum price of $2, his receipts would be $20,000. Let us suppose that his cost was twice as much as during the prewar period or $1 per bushel. His war profit would be $10,000. But he is given an exemption of $5,000, so that the war-profit tax would only apply to $5,000. What would his tax be, remembering that $2,500 was his average prewar profit?

On the first $375, at 12 per cent, the tax is $45.
On the next $250, at 16 per cent, the tax is $40.
On the next $625, at 20 per cent, the tax is $125.
On the next $625, at 25 per cent, the tax is $156.25.
On the next $625, at 30 per cent, the tax is $187.50.
War profit, $2,500; tax, $553.75, or 22 per cent.

But, Mr. President, if the statutory price for wheat stimulates production, as claimed by its advocates, we have a right to suppose that the same farmer will raise 15,000 bushels of wheat instead of 10,000 as before.

Assuming that his cost is $1 per bushel, he would have a profit of $15,000. Allowing the $5,000 exemption, he would have $10,000 to tax, less his prewar profit of $2,500.

The tax on this war profit of $7,500 would be $2,125, or 28 per cent.

The cotton planter who raised 200 bales of cotton and sold it at $50 a bale received $10,000. Supposing that it cost him $7,500, he had a prewar profit of $2,500. If he raises this year the same number of bales and sells at 20 cents a pound, his war-profit tax would be $553.75, or 22 per cent.

Mr. President, I desire to call the attention of the Senate to the fact that there are many, many business institutions, many corporations of every kind and character in this country, whose taxes under the Senate committee provision will not amount to anything like one-half the tax imposed upon these farmers in proportion to their net revenue.

Here is a very interesting proposition: If the wheat and cotton farmer had no prewar profit, then under the bill his exemption would depend on the profits made by representative farmers in the same line of business. If there was no profit by such representative farmers, then there would probably be no exemption.

Can it be said that because the profits of a trade or business have increased for the year 1917 that all of such increase is due to the war? If a part of the increased profit is due to the war and a part is not, who can say what proportion is due to the war? Is the balance sheet of every line of business influenced by the war? Does a business far inland and far removed from any of the war activities owe its increased profits to the existence of the war?

But, Mr. President, if we assume for the purpose of this discussion a fact which is not true—viz, that all profits which are above a certain standard are due to the war and as such taxable as war profits—then the inquiry naturally presents itself, What is the just standard for ascertaining what would be the normal profit but for the war?

Two basic methods have been suggested:

(1) The average profits made during the prewar period of 1911 to 1913, inclusive.

(2) A fixed percentage on the actual capital invested.

The bill adopts the first method, and I desire to point out a few of the numerous objections to that plan, without attempting to go into too much detail.

(1) The time is too remote.

It has now been six years since the beginning of that period. There have been numerous changes in every community in the business affairs; changes in physical conditions; changes in plant and machinery; changes in freight rates; changes in cost of material; changes in labor conditions; changes in taxes and assessments; changes in selling costs; changes in competition; and changes in every aspect to which business is subjected.

(2) CHANGES IN OWNERSHIP.

Many factories, sawmills, stores, mines, foundries, and other businesses belonging to individuals and to corporations have changed ownerships. Present owners on account of ascending prices have paid more for such properties and businesses than the profits for the prewar period would justify. It is obviously unfair and unjust to fix the present owner's deduction or exemption on the basis of the former owners profits at a preceding period and with different capital invested.

(3) NOT UNIFORM IN APPLICATION.

If the memory of Senators does not sustain the proposition that business conditions greatly differed in the same line of business in different sections of the country during the prewar period they can readily convince themselves that such is the fact by examining the income-tax returns or the statistics from the bankrupt courts. From the same sources Senators will find that different lines of business in the same section enjoyed prosperity in entirely different proportions.

During one of the three years some sections dependent upon the cotton crop suffered on account of the boll weevil; others suffered on account of floods or droughts, while others had a uniform period of prosperity.

The same situation applies to sections of the country dependent on wheat or corn or fruit.

Manufacturers and wholesalers who are dependent for their trade upon the involved sections are subjected to the same injustice when their variable success is measured for taxation purposes by the same yardstick that measures the exemption of the uniformly successful manufacturer or wholesaler in other sections. Our country is so large; the business affairs are so complex; the conditions so different; the methods employed are so varied; the density of population and the education and training of the people are so dissimilar that no arbitrary rule of profits will fit alike all over the country.

In some sections there is a highly developed system of business efficiency. This condition naturally follows with long settlement, large population, improved and scientific facilities, and cheap money. In other sections business methods are primeval—the people are poor, and uneducated, and pioneering.

The prewar period of exemptions if applied alike to both communities works a hardship on the business men of the undeveloped country.

If war profits are to be taxed as such, then a fairer basis for ascertaining such profits would be to allow as a normal profit a certain percentage upon the capital invested. That plan will treat everybody alike and will deal with present conditions. The basis is not new. It was adopted by the House in originating the pending bill.

It was agreed upon and approved by both House and Senate by the act taxing excess profits approved March 3, 1917.

That law is still in effect. Under the title of excess profits it levies a tax of 8 per cent upon the net income of every corporation and partnership in excess of (a) $5,000 and (b) 8 per cent of the capital invested.

Whether or not the Constitution so requires, simple justice does require that all taxation and exemption from taxation be equal and uniform, and the greater the exigency and consequent burden the more firmly we should hold to the rule. The existing law and the new war-revenue measure as passed by the House levying the tax on all profits in excess of 8 per cent on invested capital are equal and uniform in the exemption and in the levy. Stated broadly, the Senate Finance Committee's measure levies the tax on all profits of each business unit in excess of its average profits for the three-year period ending in 1913, regardless of the percentage of return on its invested capital; saving only concerns which did not exist during the prewar period, the tax is levied on all profits in excess of the profits of a representative concern in the same line of business which is to be selected by the Secretary of the Treasury. Or to put the measure in the light of its actual operation, the measure accords to each unit of business an exemption from this special taxation of the average amount of the annual profits derived by each business unit during the prewar period with provision for excepted cases. As just stated, the exemption as fixed by the existing law and by the House measure is uniform, being 8 per cent on the amount of the capital invested, whereas the exemption fixed by the pending measure reported by the Finance Committee of this body will vary and is designed to

vary according to the experience of each unit during a three-year period ending three years or more ago, except in those cases where the necessary experience does not exist. In other words, the exemption provided by the Finance Committee's measure can have no claim to uniformity in any but the excepted cases, so that uniformity in the exemption will be the exception and is designed to be the exception instead of the rule.

The committee's measure, stated in another way, creates a permanent exemption from taxation of the average amount of profits derived during a three-year period ending more than three years ago, as though that short and rather remote experience established for all time an inflexible standard of profit and thereby contradicted, and indeed nullified, all other experience of all mankind through all the ages. I say in contradiction of all other experience, because I will hazard that under normal conditions scarcely a single active business unit of even the conservative and stable kind will reap the same profits in two or more equal successive periods of even greater length than three years; and we deal here with business of every kind from the most stable and conservative to the most unstable and speculative. What becomes of all other experience that every unit of business has its ever varying, good, bad, and indifferent periods, due to a train of innumerable causes themselves ever varying in both kind and degree, such as, for illustration, the purely personal equation of management, good will, labor conditions, supply and demand of both what is bought and sold, competition, credit losses, accidents, amount and cost of credit, peace or war, and even taxation. Certainly a material change in taxation must be accorded its proper effect on the business it burdens, and yet the committee, in the very measure it writes on the theory of inflexibility, imposed on business—and by way of change—the most burdensome taxation in the history of the Nation.

And there is equal, if not greater, error in the adjustment of the exemption based on the experience of the prewar period to subsequent changes in the amount of capital invested. The amount of capital invested during the prewar period and the profits derived therefrom being first ascertained and exempted, the measure provides that the exemption shall thereafter be increased or diminished in proportion to any subsequent increase or diminution of invested capital. The assumption here is that all of the many causes which affected and together produced the profit record of business during the prewar period found absolute stability for each unit in direct proportion to the amount of invested capital, and therefore that any change in the amount of invested capital must hereafter work a corresponding change in the profit record. But, if it were true that the profits of each business unit were directly proportionate to and wholly dependent upon the amount of its invested capital, then it would follow that the profits sheet of each line of business and of each unit of business would be in direct and equal proportion to its invested capital, and yet the measure provides that, for the purpose of determining the initial exemption, there shall be an examination of each business unit for the very purpose of discovering in each case separately what was the actual and differing proportion of profit to the amount of capital invested. Upon the whole, therefore, it is fair to say that the committee's assumptions are quite conflicting, for it first assumes that the amount of invested capital in each unit of business was during the prewar period but one of the many factors controlling its profit sheet, and then assumes that after the close of the prewar period the amount of its profits will automatically increase or diminish in direct proportion to the amount of any increase or diminution of invested capital regardless of all other causes.

May I venture that if it sometimes happens that a business well conceived, located, organized, and conducted, suffers, languishes, and even dies for want of adequate capital, it also happens that other businesses, such, for illustration, as banks, many times suffer because of the lack of demand for capital? And may I venture that the money market has its variations along with commodity markets, and that credit in many instances meets exigencies quite as effectively as invested capital? And may I venture further that there are many lines and units of business which require only nominal capital and some that require none at all; and need I venture that while capital is of the utmost importance in business, so are character, competency, and efficiency, supply and demand?

I can have but little confidence in a theory of legislation which will not stand some practical and matter-of-fact test in the actual affairs of life. We know that the very law of our being is change; that evolution is but another word for progressive change in obedience to the law of cause and effect, wherein every effect itself becomes in turn a cause; that evolution, as it has been said, is God's way of doing things; and that, as it has been said, the present is the child of the past and the parent of the future, and that every day bringeth forth its own fruit. How, then, can we write a law on the theory of inflexibility when the law itself works a change, and a violent change, and must itself remain subject to change, and in that law enact that the profits of each unit of business shall be separately ascertained and exempted in recognition of the fact that such profits differ widely in proportion to capital, and then provide for periodical changes in the exemption in direct proportion to any change in capital regardless of all other conditions or controlling causes?

Having considered the method, now let us consider the practical result of the committee's scheme. It is manifestly to give each unit of business permanent exemption from this special tax throughout the life of the law in an amount equal to its profits during the prewar period, regardless of the conditions which produced those profits and regardless of the proportion they bore to the capital invested, and then to adjust from year to year the amount of the exemption in proportion to any subsequent increase or diminution in the amount of capital invested. In other words, the greater profit during the prewar period, the greater the exemption, regardless of the capital, and then the greater the capital the proportionately greater exemption. Verily to them that have shall be given and to them who have not shall be taken away even that which they have. If, for illustration, a newly established iron foundry, having a capital of $100,000, reaped an average annual profit of $6,000 during the prewar period, it will be entitled to an initial exemption of $6,000; and if the capital of the business has been increased since the expiration of the prewar period in the amount of $100,000 an additional exemption of $6,000 will be accorded on account of such increase, making a total exemption of $12,000 on a total capital of $200,000, and being at the rate of 6 per cent.

Then take another iron foundry in the same locality in active competition with the first, which, having a capital of $100,000, made during the prewar period an annual profit of $25,000. This business will be entitled to an initial exemption of $25,000, and if it shall have increased its capital $100,000 it will, on account of the increase, enjoy an additional exemption of $25,000, or a total of $50,000, on a capital of $200,000, being at the rate both as to the original capital and as to new capital of 25 per cent. The effect, therefore, of the measure is to guarantee in each case an exemption from this special taxation equal to the amount of profits realized during the prewar period and to limit the amount of exemption to the experience of that period, and also to guarantee a change of exemption proportionate to any change in capital, and likewise to limit the same. It would seem enough of good fortune that a business has earned more than a normal profit and is permitted to keep and multiply the whole of it without the Government granting the business a subsidy on account of its good fortune, increasing in amount with its good fortune, and at the expense of those of lesser fortune. And it would seem enough of lesser fortune without on that account being overtaxed in comparison with those of better fortune. But we did not or should not deal with individual fortune, good or bad, but with the taxation of abnormal profits during the period that the Government is put to abnormal expenditures, and the scheme should be equal and uniform in its burdens. Exemptions from taxation are in effect governmental subsidies, and they are obnoxious at best and should, in any event, be the exception rather than the rule. Whenever they are granted, the purpose is to maintain a business that is not self-sustaining and which renders a peculiarly beneficial public service, and the subsidies are and should be limited to the necessities of the case. Under the committee's scheme the subsidy granted will not be in proportion to any degree of necessity, but rather in proportion to any lack of necessity, for the subsidy increases in proportion, first, as the profits are greater, and then as the capital is increased. Taxation can never be absolutely fair, but the just effort must always be, where inequalities are necessary, to place the least burden on those of least liability to bear the burden, and when there are graduations in any scheme of taxation the graduation has heretofore been in proportion to benefit rather than in proportion to lack of benefit. Upon the whole, I submit that the scheme is chimerical in supposing that the profits of business units during the three-year period ending more than three years ago furnish an inflexible standard for the measurement of future normal profits of each business; that the scheme is unjust in permitting unequal exemptions on additional capital merely because of the greater earning capacity of a particular business during the prewar period; that the scheme is also unjust in its operation in granting a

greater exemption in one case than in another merely because of the greater previous profit in the one case in comparison with the other; and that the scheme violates in its essential basis the fundamental principles of equality and uniformity, which are the dictates of simple justice.

The public understands the terms of the law now on the statute book. It is simple and easy to administer. If it will not raise enough money, why not increase the rate rather than experiment with an imported and untried, complicated plan?

It seems to me that in increasing the rate a graduated schedule should be adopted so as to lighten the burden on the small business unit. I suggest the following schedule:

Ten per cent on the first $25,000, and let the tax be increased 1 per cent for each additional $25,000 until $300,000 should be reached at a tax of 21 per cent.

Then let the additional increases be in amounts of $100,000 until a tax of 28 per cent at $1,000,000 should be reached, and then let the subsequent increases be at the rate of $250,000 until a rate of 33 per cent should be reached at $2,000,000, and then let the subsequent increases be at the rate of 2 per cent for each additional million until a tax of 50 per cent is imposed.

We are all agreed, I assume, that business must be stimulated and encouraged, but I submit that abnormal prosperity should be stimulant and encouragement enough for the oversuccessful, and in any event that those of lesser success should not be burdened in the race by disproportionate and unequal taxation merely because their degree of success has been less than that of others.

Thursday August 16, 1917.

Mr. BANKHEAD. Mr. President, when I yielded the floor yesterday I had laid the predicate for the conclusion and deduction that I now desire to submit to the Senate.

It will be remembered, Mr. President, that in the concluding remarks that I made on yesterday I submitted a plan, which I hope the Senate will adopt, for raising the necessary revenue that we now seek to find. This plan, in my judgment, would raise more money than the Finance Committee's plan, and would put the burden where it justly belongs, upon those who are best able to bear it without crippling business. I will say in this connection that I had a table prepared by one of the greatest experts in the country, and one who has had large experience in governmental affairs as they relate to revenue. That table I will print in connection with my remarks.

It will be seen that the taxes paid by a few large business units under the graduated schedule will overcome the losses on thousands of small business units. When a business makes several millions in excess of its normal profits it is largely immaterial what its taxes amount to. The concern is too strong to be hurt and its business efficiency is not impaired by a million more or less. But a small business unit is not so fortunate. A few hundred dollars out of a concern making several thousand dollars is felt, and if the hundreds are rapidly increased there may be weakened efficiency.

What percentage should be allowed on the capital invested as an exemption or reduction in ascertaining the excess profits? The pending bill as first reported by the Finance Committee fixed 6 per cent. As now reported it does not fix any percentage but leaves the deduction to be settled by the Treasury Department, where there was no net income or where the business is new, on the basis of the profits earned by representative businesses of the same character. In the first place, the taxpayers should not have their property rights dependent upon the discretion of any department of the Government. The suggested arrangement would be a big stick for clubbing business men into political line with the administration in power. It is wrong in principle. It is inexpedient; it would be uncertain in its operation.

In the next place, the taxpayer could not know from his own business what his exemption would be; he would not know how to calculate his taxes until the department made its investigation.

An examination of the Morgan list of corporations, submitted by the distinguished chairman of the Finance Committee and printed in circulars, will show the very great discretion in the Treasury Department in selecting representative businesses in the same line. Take, for illustration, a steel company that had not been organized or had no net income during the prewar period. Under section 204 the amount of the war profits shall be the same proportion of the net income of the business received during the taxable year as the proportion which the war profits for the same calendar year of representative corporations engaged in a like business, whose profits are determined by the prewar basis, bears to the total net income of the business received by such corporations.

The Morgan list shows the record of steel companies as follows:

United States Steel Corporation, prewar average profit, $63,585,777; 1916 profit, $271,531,730. The ratio is about 4 to 1.

Bethlehem Steel, prewar average profit, $4,229,713; 1916 profit, $57,944,754. The ratio is about 14 to 1.

Lackawanna Steel, prewar profit, $1,371,556; 1916 profit, $12,218,235. The ratio is about 9 to 1.

Which would the Treasury Department select as a representative business?

Under the pending bill the important feature in ascertaining the amount of taxes is the deduction or exemption. All the percentages are based not upon the profits but upon the deduction. It would be as impossible to estimate the amount of taxes to be paid under the committee plan without knowing the deduction as it would be to calculate interest without knowing the principal.

The House proposed in the pending bill, as the House, the Senate, and the President agreed last March, that 8 per cent upon the actual capital invested is a fair and proper basis for fixing normal profits.

There are many good reasons why 8 per cent should be allowed upon capital rather than a lower percentage.

In many sections of the country it is necessary to pay 8 per cent on all money borrowed. Less than 8 per cent does not afford any margin for various unforeseen contingencies, which arise from time to time in most if not all business lines.

The purchasing power of a dollar is about one-half what it was before the war began. The proceeds from 8 per cent will buy about as much as 4 per cent on the same capital would buy before the war. Six per cent on invested capital now represents about 3 per cent on the same capital when normal profits were being earned during the prewar period.

It will be shortsighted and foolish to cramp business at this time. We are clamoring for more production; we are begging for increased efficiency; we are proclaiming that there must be greater output. How are the factories to be enlarged, how are the mills to be made more efficient, how are new mines to be opened, how are additional furnaces to be secured, how are the farmers to be supplied, if we legislate so as to impair credit and cramp and embarrass the small business units of this country?

Many small businesses have sprung up and are helping to furnish the things that are needed. Many of these have small capital and limited credit. If you take all their profits you may help the Treasury one year, but the production will be cut off, and probably the next year the taxpayer will be out of business.

You must not kill the goose before she lays the golden egg.

The argument in the report of the committee that the "fundamental difficulty in assessing a tax on these lines (taking a percentage upon the amount of actual capital invested as a normal profit) arises from the difficulty of establishing a standard or measure of the amount of actual capital invested" is completely answered by the last paragraph in section 204 of the bill as reported.

It is there provided that if the net income for the taxable year of a business which was not in existence during the whole of any one calendar year during the prewar period is less than 6 per cent per annum on the average capital actually employed in such business there shall be deemed to be no war profits.

By this provision the committee recognized the necessity in thousands of cases of basing the normal profits upon a percentage on actual capital invested. In the bill as originally reported by the committee all taxpayers whose prewar profits were subnormal had the privilege of fixing their normal profits by taking 6 per cent on the actual capital invested.

While it seems clear to me that the fairest and best way to raise the needed taxes is to levy a progressive tax on profits or income now earned, using the words "profits" and "income" as synonymous. Still, if the idea of taxing war profits or excess profits must be adhered to, I insist that the only way to make such a tax apply with equality to all sections, under all conditions, and at all times is to fix a certain rate of normal profits on actual capital invested, and then to apply the tax rate to the excess.

The greatest injustice in this bill is the basis for applying the progressive schedule to the excess or war profits.

The report of the committee states that it is wrong to impose the same rate of taxation upon one who is making but a small additional profit as upon one who is making a large additional profit. The trouble is that the committee has failed to take into consideration the proposition that those who are making large additional profits now should be required to pay in proportion to what they are making now, and should not have their payments reduced because of their prosperity during the prewar period.

The bill does not levy a tax upon the basis of the amount of additional profits, large or small. The bill does not take into account the ability of the taxpayer to pay the tax. The amount of tax as proposed by the bill is not based upon the amount of profits earned now, but upon the deduction or profits earned during the prewar period.

Section 201 provides that a tax shall be paid upon income equal to the following percentages of the war profits (determined as provided in the bill):

Twelve per cent of the amount of such war profits not in excess of 15 per cent of the deduction allowed by sections 203, 204, and 205. The "deduction allowed" by sections 204 and 205 being the difference between the net income and the war profits as there determined, while the deduction allowed by section 203 is the average profit during the prewar period.

It takes a professor of mathematics to figure out the tax under this plan, and only the professors in the great universities, combined with Treasury Department experts, can calculate the "deduction allowed" by sections 204 and 205.

The deduction allowed by section 203 is the prewar profit, while the deduction allowed by sections 204 and 205 is proportionate to the war profits and depends upon the discretion exercised by the Treasury Department in selecting representative businesses to be used as a guide.

The schedule then runs as follows:

Sixteen per cent of the amount by which the war profits exceeds 15 per cent of the deduction and do not exceed 25 per cent.

On the next 25 per cent of the deduction, 20 per cent.

On the next 25 per cent of the deduction, 25 per cent.

On the next 25 per cent of the deduction, 30 per cent.

On the next 50 per cent of the deduction, 35 per cent.

On the next 50 per cent of the deduction, 40 per cent.

On the next 50 per cent of the deduction, 45 per cent.

On all over 250 per cent of the deduction, 50 per cent.

I ask leave to have Tables A to G, inclusive, and the recapitulation, published at this point in my remarks without reading them at length. I will state here, Mr. President, that these tables are intended to be a key by which Senators can, without any difficulty whatever, compute these deductions and ascertain exactly what is the correct amount upon any given sum. I will ask to have these tables printed in the RECORD.

The PRESIDING OFFICER (Mr. FRELINGHUYSEN in the chair). Without objection, the request of the Senator will be granted.

The matter referred to is as follows:

A. *Normal profit, $1,000.*

	Amount excess profit.	Amount tax.
First 15 per cent excess (tax 12 per cent)	$150.00	$18.00
In excess of 15 per cent and not 25 per cent (tax 16 per cent)	100.00	16.00
In excess of 25 per cent and not of 50 per cent (tax 20 per cent)	250.00	50.00
In excess of 50 per cent and not 75 per cent (tax 25 per cent)	250.00	62.50
In excess of 75 per cent and not 100 per cent (tax 30 per cent)	250.00	75.00
	1,000.00	221.50
In excess of 100 per cent and not of 150 per cent (tax 35 per cent)	500.00	175.00
In excess of 150 per cent and not of 200 per cent (tax 40 per cent)	500.00	200.00
In excess of 200 per cent and not of 250 per cent (tax 45 per cent)	500.00	225.00
In excess of 250 per cent (tax 50 per cent)	2,500.00	1,250.00
	5,000.00	2,071.50
Do	5,000.00	2,500.00
	10,000.00	4,571.50
Do	10,000.00	5,000.00
	20,000.00	9,571.50
Do	30,000.00	15,000.00
	50,000.00	24,571.50
Do	50,000.00	25,000.00
	100,000.00	49,571.50
Do	400,000.00	200,000.00
	500,000.00	249,571.50
Do	500,000.00	250,000.00
	1,000,000.00	499,571.50

Tax on first $1,000 excess	$221.50
Tax on first $5,000 excess	2,071.50
Tax on first $10,000 excess	4,571.50
Tax on first $20,000 excess	9,571.50
Tax on first $50,000 excess	24,571.50
Tax on first $100,000 excess	49,571.50
Tax on first $500,000 excess	249,571.50
Tax on first $1,000,000 excess	499,571.50

B. *Normal profit, $5,000.*

	Amount excess profit.	Amount tax.
First 15 per cent excess (tax 12 per cent)	$750.00	$90.00
In excess of 15 per cent and not of 25 per cent (tax 16 per cent), 5 per cent only	250.00	40.00
	1,000.00	130.00
Do	250.00	40.00
In excess of 25 per cent and not of 50 per cent (tax 20 per cent)	1,250.00	250.00
In excess of 50 per cent and not of 75 per cent (tax 25 per cent)	1,250.00	312.50
In excess of 75 per cent and not of 100 per cent (tax 30 per cent)	1,250.00	375.00
	5,000.00	1,107.50
In excess of 100 per cent and not of 150 per cent (tax 35 per cent)	2,500.00	875.00
In excess of 150 per cent and not of 200 per cent (tax 40 per cent)	2,500.00	1,000.00
	10,000.00	2,982.50
In excess of 200 per cent and not of 250 per cent (tax 45 per cent)	2,500.00	1,125.00
In excess of 250 per cent (tax 50 per cent)	7,500.00	3,750.00
	20,000.00	7,857.50
Do	30,000.00	15,000.00
	50,000.00	22,857.50
Do	50,000.00	25,000.00
	100,000.00	47,857.50
Do	400,000.00	200,000.00
	500,000.00	247,857.50
Do	500,000.00	250,000.00
	1,000,000.00	497,857.50

Tax on first $1,000 excess	$130.00
Tax on first $5,000 excess	1,107.50
Tax on first $10,000 excess	2,982.50
Tax on first $20,000 excess	7,857.50
Tax on first $50,000 excess	22,857.50
Tax on first $100,000 excess	47,857.50
Tax on first $500,000 excess	247,857.50
Tax on first $1,000,000 excess	497,857.50

C. *Normal profit, $10,000.*

	Amount excess profit.	Amount tax.
Two-thirds of first 15 per cent excess (tax 12 per cent)	$1,000.00	$120.00
One-third of first 15 per cent excess (tax 12 per cent)	500.00	60.00
In excess of 15 per cent and not of 25 per cent (tax 16 per cent)	1,000.00	160.00
In excess of 25 per cent and not of 50 per cent (tax 20 per cent)	2,500.00	500.00
	5,000.00	840.00
In excess of 50 per cent and not of 75 per cent (tax 25 per cent)	2,500.00	625.00
In excess of 75 per cent and not of 100 per cent (tax 30 per cent)	2,500.00	750.00
	10,000.00	2,215.00
In excess of 100 per cent and not of 150 per cent (tax 35 per cent)	5,000.00	1,750.00
In excess of 150 per cent and not of 200 per cent (tax 40 per cent)	5,000.00	2,000.00
	20,000.00	5,965.00
In excess of 200 per cent and not of 250 per cent (tax 45 per cent)	5,000.00	2,250.00
In excess of 250 per cent (tax 50 per cent)	25,000.00	12,500.00
	50,000.00	20,715.00
Do	50,000.00	25,000.00
	100,000.00	45,715.00
Do	400,000.00	200,000.00
	500,000.00	245,715.00
Do	500,000.00	250,000.00
	1,000,000.00	495,715.00

Tax on first $1,000 excess	$120
Tax on first $5,000 excess	840
Tax on first $10,000 excess	2,215
Tax on first $20,000 excess	5,965
Tax on first $50,000 excess	20,715
Tax on first $100,000 excess	45,715
Tax on first $500,000 excess	245,715
Tax on first $1,000,000 excess	495,715

D. *Normal profit, $50,000.*

	Amount excess profit.	Amount tax.
Ten seventy-fifths of first 15 per cent excess (tax 12 per cent)	$1,000.00	$120.00
Forty seventy-fifths of first 15 per cent excess (tax 12 per cent)	4,000.00	480.00
	5,000.00	600.00
Twenty-five seventy-fifths of first 15 per cent excess (tax 12 per cent)	2,500.00	300.00
In excess of 15 per cent and not of 25 per cent (tax 16 per cent), 5 per cent only	2,500.00	400.00
	10,000.00	1,300.00
Do	2,500.00	400.00
In excess of 25 per cent and not of 50 per cent (tax 20 per cent), 15 per cent only	7,500.00	1,500.00
	20,000.00	3,200.00
In excess of 25 per cent and not of 50 per cent (tax 20 per cent), 10 per cent only	5,000.00	1,000.00
In excess of 50 per cent and not of 75 per cent (tax 25 per cent)	12,500.00	3,125.00
In excess of 75 per cent and not of 100 per cent (tax 30 per cent)	12,500.00	3,750.00
	50,000.00	11,075.00
In excess of 100 per cent and not of 150 per cent (tax 35 per cent)	25,000.00	8,750.00
In excess of 150 per cent and not of 200 per cent (tax 40 per cent)	25,000.00	10,000.00
	100,000.00	29,825.00
In excess of 200 per cent and not of 250 per cent (tax 45 per cent)	25,000.00	11,250.00
In excess of 250 per cent (tax 50 per cent)	375,000.00	187,500.00
	500,000.00	228,575.00
In excess of 250 per cent	500,000.00	250,000.00
	1,000,000.00	478,575.00

Tax on first $1,000 excess	$120
Tax on first $5,000 excess	600
Tax on first $10,000 excess	1,300
Tax on first $20,000 excess	3,200
Tax on first $50,000 excess	11,075
Tax on first $100,000 excess	29,825
Tax on first $500,000 excess	228,575
Tax on first $1,000,000 excess	478,575

E. *Normal profit, $100,000.*

	Amount excess profit.	Amount tax.
One-fifteenth of first 15 per cent excess (tax 12 per cent)	$1,000.00	$120.00
Four-fifteenths of first 15 per cent excess (tax 12 per cent)	4,000.00	480.00
	5,000.00	600.00
Five-fifteenths of first 15 per cent excess (tax 12 per cent)	5,000.00	600.00
	10,000.00	1,200.00
Do	5,000.00	600.00
In excess of 15 per cent and not of 25 per cent (tax 16 per cent), 5 per cent only	5,000.00	800.00
	20,000.00	2,600.00
Do	5,000.00	800.00
In excess of 25 per cent and not of 50 per cent (tax 20 per cent)	25,000.00	5,000.00
	50,000.00	8,400.00
In excess of 50 per cent and not of 75 per cent (tax 25 per cent)	25,000.00	6,250.00
In excess of 75 per cent and not of 100 per cent (tax 30 per cent)	25,000.00	7,500.00
	100,000.00	22,150.00
In excess of 100 per cent and not of 150 per cent (tax 35 per cent)	50,000.00	17,500.00
In excess of 150 per cent and not of 200 per cent (tax 40 per cent)	50,000.00	20,000.00
In excess of 200 per cent and not of 250 per cent (tax 45 per cent)	50,000.00	22,500.00
In excess of 250 per cent (tax 50 per cent)	750,000.00	375,000.00
	1,000,000.00	457,150.00

Tax on first $1,000 excess	$120
Tax on first $5,000 excess	600
Tax on first $10,000 excess	1,200
Tax on first $20,000 excess	2,600
Tax on first $50,000 excess	8,400
Tax on first $100,000 excess	22,150
Tax on first $500,000 excess	207,150
Tax on first $1,000,000 excess	457,150

F. *Normal profit, $500,000.*

	Amount excess profit.	Amount tax.
One seventy-fifth of first 15 per cent excess (tax 12 per cent)	$1,000.00	$120.00
Four seventy-fifths of first 15 per cent excess (tax 12 per cent)	4,000.00	480.00
	5,000.00	600.00

F. *Normal profit, $500,000*—Continued.

	Amount excess profit.	Amount tax.
Five seventy-fifths of first 15 per cent excess (tax 12 per cent)	$,000.00	$ 00.00
	10,000.00	1,200.00
Ten seventy-fifths of first 15 per cent excess (tax 12 per cent)	10,000.00	1,200.00
	20,000.00	2,400.00
Thirty seventy-fifths of first 15 per cent excess (tax 12 per cent)	30,000.00	3,600.00
	50,000.00	6,000.00
Twenty-five seventy-fifths of first 15 per cent excess (tax 12 per cent)	25,000.00	3,000.00
In excess of 15 per cent and not of 25 per cent (tax 16 per cent), 5 per cent only	25,000.00	4,000.00
	100,000.00	13,000.00
In excess of 15 per cent and not 35 per cent (tax 16 per cent), 5 per cent only	25,000.00	4,000.00
In excess of 25 per cent and not 50 per cent (tax 20 per cent), $\frac{3}{4}$ only	75,000.00	15,000.00
	200,000.00	32,000.00
In excess of 25 per cent and not of 50 per cent (tax 20 per cent), $\frac{1}{2}$ only	50,000.00	10,000.00
In excess of 50 per cent and not of 75 per cent (tax 25 per cent), $\frac{1}{2}$ only	50,000.00	12,500.00
	300,000.00	54,500.00
In excess of 50 per cent and not of 75 per cent (tax 25 per cent), $\frac{3}{4}$ only	75,000.00	18,750.00
In excess of 75 per cent and not of 100 per cent (tax 30 per cent), $\frac{1}{4}$ only	25,000.00	7,500.00
	400,000.00	80,750.00
In excess of 75 per cent and not of 100 per cent (tax 30 per cent), $\frac{1}{2}$ only	100,000.00	30,000.00
	500,000.00	110,750.00
In excess of 100 per cent and not of 150 per cent (tax 35 per cent)	250,000.00	87,500.00
In excess of 150 per cent and not of 200 per cent (tax 40 per cent)	250,000.00	100,000.00
	1,000,000.00	298,250.00

Tax on first $1,000 excess	$120
Tax on first $5,000 excess	600
Tax on first $10,000 excess	1,200
Tax on first $20,000 excess	2,400
Tax on first $50,000 excess	6,000
Tax on first $100,000 excess	13,000
Tax on first $500,000 excess	110,750
Tax on first $1,000,000 excess	298,250

G. *Normal profit, $1,000,000.*

	Amount excess profit.	Amount tax.
One one hundred and fiftieth of first 15 per cent excess (tax 12 per cent)	$1,000.00	$120.00
Four one hundred and fiftieths of first 15 per cent excess (tax 12 per cent)	4,000.00	480.00
	5,000.00	600.00
Five one hundred and fiftieths of first 15 per cent excess (tax 12 per cent)	5,000.00	600.00
	10,000.00	1,200.00
Ten one hundred and fiftieths of first 15 per cent excess (tax 12 per cent)	10,000.00	1,200.00
	20,000.00	2,400.00
Thirty one hundred and fiftieths of first 15 per cent excess (tax 12 per cent)	30,000.00	3,600.00
	50,000.00	6,000.00
Fifty one hundred and fiftieths of the first 15 per cent excess (tax 12 per cent)	50,000.00	6,000.00
	100,000.00	12,000.00
Fifty one hundred and fiftieths of first 15 per cent excess (tax 12 per cent)	50,000.00	6,000.00
In excess of 15 per cent and not of 25 per cent (tax 16 per cent)	100,000.00	16,000.00
In excess of 25 per cent and not of 50 per cent (tax 20 per cent)	250,000.00	50,000.00
In excess of 50 per cent and not of 75 per cent (tax 25 per cent)	250,000.00	62,500.00
In excess of 75 per cent and not of 100 per cent (tax 30 per cent)	250,000.00	75,000.00
	1,000,000.00	221,500.00

Tax on first $1,000 excess	$120
Tax on first $5,000 excess	600
Tax on first $10,000 excess	1,200
Tax on first $20,000 excess	2,400
Tax on first $50,000 excess	6,000
Tax on first $100,000 excess	12,000
Tax on first $1,000,000 excess	221,500

Recapitulation.

Normal profit.	Tax on first $1,000 excess.	Tax on first $5,000 excess	Tax on first $10,000 excess.	Tax on first $20,000 excess.
$1,000	$221.50	$2,071.50	$4,571.50	$9,571.50
$5,000	130.00	1,107.50	2,982.50	7,857.50
$10,000	120.00	840.00	2,215.00	5,965.00
$50,000	120.00	600.00	1,300.00	3,200.00
$100,000	120.00	600.00	1,200.00	2,600.00
$500,000	120.00	600.00	1,200.00	2,400.00
$1,000,000	120.00	600.00	1,200.00	2,400.00

Normal profit.	Tax on first $50,000 excess.	Tax on first $100,000 excess	Tax on first $500,000 excess.	Tax on first $1,000,000 excess.
$1,000	$24,571.50	$49,571.50	$249,571.50	$499,571.50
$5,000	22,857.50	47,857.50	247,857.50	497,857.50
$10,000	20,715.00	45,715.00	245,715.00	495,715.00
$50,000	11,075.00	29,825.00	228,575.00	478,575.00
$100,000	8,400.00	22,150.00	207,150.00	457,150.00
$500,000	6,000.00	13,000.00	110,750.00	298,250.00
$1,000,000	6,000.00	12,000.00	84,000.00	221,500.00

Mr. BANKHEAD. These tables demonstrate better than I can explain the workings of the proposed system.

A mere glance at the recapitulation will disclose the injustice of the plan.

I would remark here that the recapitulation referred to is the last table that I presented with the others to be printed in the RECORD.

I hope the Senators will pay particular attention to these figures. They have been worked out to a mathematical certainty, if the best experts in this country can perform a service like that under the provisions of this bill.

If the normal profit of a business was $1,000 and the present profit is $6,000, the tax is $2,071, or 34½ per cent of the current profit.

If the normal or prewar profit was $10,000 and the present profit is $20,000, the tax is $2,215, or 11⅞ per cent of the current profit.

If the prewar profit was $10,000 and the present profit is $110,000, the tax is $45,715, or 41½ per cent.

I ask the Senators what they think of a bill that permits such gross inequalities as these that I have enumerated?

If the prewar profit was $100,000 and the present profit is $200,000, the tax is $22,150, or 11⅞ per cent.

In one case the business has earned $100,000 profit for each of the three prewar years and has earned $200,000 this year, making thereby an excess profit of $100,000. During the four years the business has added $500,000 in profits to its assets or its owners. Its war tax is $22,150. The business which earned $10,000 during each of the three prewar years and has made $110,000 this year has added $140,000 to its assets or its owners and is required to pay $45,715 in taxes.

Such inequality is absolutely indefensible. No amount of sophistry can square such a plan with the rule of fairness and equality.

If a business during the prewar period earned each year $100,000 and this year earned $100,000 excess profits, its tax would be $22,150. During the four years its earnings would be $500,000.

If another competing business across the street earned $1,000,000 for each of the prewar years and earned this year an excess profit of $100,000, its tax would be $12,000. During the four years its earnings would be $4,100,000. The war profits of each concern were exactly the same, viz, $100,000. The tax on the little business is $10,150 more than it is on the big business, although the big business has earned for the tax year $1,000,000 more than the little business and during the four years involved has earned $3,600,000 more than the little business.

Mr. President, I do not care whether you call it a war profit or any other sort of a profit. My proposition is to add largely to the taxation on their profits, as will be shown in the table that I will print with my remarks.

The little business pays 11⅞ per cent of its net earnings for the current year while the big business pays 1 1/11 per cent of its net earnings and each had exactly the same number of excess or war-profit dollars.

Take a business with an average prewar profit of $100,000 and let it earn an excess profit of $500,000. Its tax would be $207,150. Then take a business with an average prewar profit of $1,000,000 and let it earn an excess profit of exactly the amount as that earned by the $500,000-profit producer. Its tax would be $84,000. Little business pays 34½ per cent of its current net income while big business pays 5⅔ per cent.

The practical operation of the plan is to make the burden light on the taxpayer who has been making large profits and to make it heavy on the taxpayer who has been making small profits.

An examination of the tables submitted shows that small business, comprising hundreds of thousands of individuals and corporations is made to carry the load that ought to fall on the shoulders of big business. The plan of the committee protects the few as against the many; it shields the strong and loads down the weak; it puts a penalty on adversity during the prewar period; it gives a premium on account of success during that period.

For further illustration of the proposition that little business is punished for the benefit of the big business, let us take one more example from the tables.

A man earned an average of $5,000 during the prewar period. This year he earns an excess profit of $20,000. Such cases are plentiful. His tax would be $7,857.50.

A corporation earned an average of $1,000,000 during the prewar period, and this year it earns an excess profit of $20,000, making earnings for the year of $1,020,000. What do you suppose its taxes would be?

The earnings of the big business was more than 40 times as much as the little business.

As the principle of taxation is that all should pay in accordance with their ability to pay, one would naturally say that the big business should pay 40 times as much as the little business. But no; big business and little business are not measured by the same rule.

But surely big business would be required to pay as much as little business on exactly the same amount of excess profits, especially as big business has so much more net income from which to pay it than little business.

Under this English plan, so called—which is not the English plan by any means, because the very best element of that plan has been eliminated and is not applicable here—under the imported plan reported by the committee the tax on the $25,000 earnings of "little business," $20,000 of which is war profit, is $7,857.50, while the tax on the $1,020,000 earnings of "big business," $20,000 of which (the exact war profit of "little business") is war profits, is the princely sum of $2,400.

The constitutions of nearly all the States provide, in substance, that all property shall share the burden of taxation in proportion to its value.

This fundamental principle of taxation is recognized by all as just and fair. It is, however, repudiated and destroyed by the war-profit plan under consideration.

No one can dispute the proposition that a tax on what one now has rather than on what he had at some former time is a just rule of taxation. The pending bill grossly outrages this principle.

The tax should be based upon the amount of profit now rather than upon a percentage of the deduction or prewar profit. Instead of the tax progressing step by step with the increase of the percentage of the excess profits over the normal profits it should increase step by step with the increase of the amount of the excess profits.

It is wrong and oppressive to levy a tax on small business which amounts to between 25 and 50 per cent of the profits. For a number of years in some sections of the country business in many lines has been greatly depressed. I have statements of a number of coal companies in Alabama. Their statements of income is taken from their income-tax reports. I am going to give a few of them without stating names. I shall be glad to furnish the names privately to any Senator who desires the information:

A.

1911, loss	$5,329.74
1912, loss	6,383.85
1913, profit	7,902.06
1914, loss	8,719.89
1915, loss	10,780.38
Capital invested	1,067,575.50

B.

1911, not operating.	
1912, profit	14,795.35
1913, profit	45,403.94
1914, loss	5,652.87
1915, loss	8,133.88
1916, loss	24,739.15
Capital invested	1,748,070.45

C.

1911, not organized.	
1912, loss	2,990.12
1913, loss	24,372.39
Capital invested	100,000.00

D.

1911, profit	$74,857.96
1912, loss	15,160.29
1913, loss	1,175.96
Capital invested	1,232,046.87

E.

1911, profit	1,335.92
1912, profit	837.48
1913, profit	1,463.84
Capital invested	85,000.00

F.

1911, loss	6,531.75
1912, profit	8,818.54
1913, loss	282.53
Capital invested	665,809.49

G.

1911, loss	1,481.36
1912, profit	5,894.36
1913, profit	31,257.91
1916, loss	100,653.66
Capital invested	7,585,121.61

H.

1911, loss	199,412.94
1912, loss	222,639.90
1913, loss	90,168.67
Capital invested	568,145.00

I.

1911, loss	
1912, profit	1,897.00
1913, profit	2,794.17
Capital invested	80,000.00

These statements show several things of interest and importance in fixing tax rates.

They show the widest range of success by competing companies and by the same company.

For instance, one company shows a loss of $1,481.26 for 1911, a profit of $31,257.91 for 1913, and a loss of $100,653.66 for 1916.

How can any fair standard of exemptions for a prewar period be based upon such varying business?

Another company shows the loss during the prewar period of practically its entire capital invested, of more than half a million dollars.

D shows a profit of $74,857.96 for 1911 and a loss of $1,175.96 for 1913, while G, a competing company, shows a loss of $1,481.36 for 1911 and a profit of $31,257.91 for 1913.

Thus it appears that one company made a profit while the other had a loss in 1911, and these two companies reversed positions in 1913. Still the bill provides that the rate of taxation shall be fixed upon an equal basis to be determined by the Treasury Department.

How can a fair system of present taxation be established on the amount of the prewar profits so as to cause both companies to share the burden of the war alike? A graduated rate based upon a percentage of the prewar profits as proposed in the bill can not work with equal fairness under such differing degrees of adversity during the prewar period.

Another lesson to be drawn from the foregoing figures is the financial inability of many necessary businesses to weather a staggering rate of taxation.

The figures show that the physical condition of the coal properties has necessarily been going down. Money for new pipe, rails, ties and timbers, tipple and house repairs, and new openings has not been available from the income during the years preceding the war. The years 1914, 1915, and 1916 were just as bad in Alabama as the years 1911, 1912, and 1913, and it is my information that the same conditions prevailed in the coal fields of Tennessee, Kentucky, and Illinois. I am not advised about other sections. There was no profit to the Alabama coal operators until March of this year. Since that time the profits have gone back into the property in an effort to repair and renew with the view of increasing the output.

No article, with the exception possibly of wheat, is more important in the prosecution of the war than coal. The output is not equal to the requirements. It is important that every proper encouragement be rendered to the end of securing a greatly increased coal production. A large production is important, not alone for war purposes, direct and indirect, but to provide a sufficient supply to the general consumers, so that they may secure the same at normal prices.

Mr. President, we have heard a great deal of the exorbitant prices at which coal is selling. In a sense that is true, but it is also true that these excessive prices occur only as to what is known as free coal; that is, coal of operators who have not had their output under contract. These operators, producing not over 10 per cent of the output of coal, owing to the great demand for coal, have been able to exact and to obtain exorbitant prices; it is the exception and not the rule.

If a tax which ranges from 22 to 45 per cent is levied on the present profits, how can the price of mine labor be increased; how can old mines be reopened; how can present mines be enlarged; how can new mines be opened, in view of the fact that there have been so many lean years prior to the war?

Mr. President, I have no objection to the most drastic remedy that can be applied to make people keep and perform their contracts.

If the proposed rate of taxation is adopted, many business units in Alabama, because of the fact that they have put all earnings back into the business, will have to borrow the money to pay the tax or let the Government take their property for its satisfaction.

Mr. President, the cotton mills of Alabama, the sawmills, the foundries, and all the other industrial and manufacturing concerns are in the same condition.

They are all willing to pay their just share of the war taxes. They are willing to pay a fixed percentage on their net incomes just as individuals pay on incomes, or they are willing to pay a fixed percentage on the amount of their present profits, but I protest against requiring them to pay under a plan which has for its basis the inquiry, Were you prosperous during the prewar period? If so, your rate of taxation will increase slowly. Or, Did you suffer financial distress during the prewar period? If so, your rate of taxation will increase rapidly. You say to them, too, You did not use your talents successfully; therefore your exemptions will be small. You are not entitled to the same consideration as the one who made large profits. As you did not keep up with your competitor, then we will not let you overtake him now. We will make the distance further between you. In addition to the gain he made then we will allow him to retain a greater percentage of his profits now than we will permit you to retain. We will help his business grow bigger; we will hold yours in the little-business class.

The distinguished chairman of the committee had much to say in his opening speech about squeezing the taxes out of big business, and made frequent reference to the United States Steel Corporation.

A comparison of the figures in the Morgan list, as presented by the chairman, discloses that his argument is unsound. As shown by that list, the earnings of the United States Steel Corporation for 1916 were $271,945,953, while its tax under the committee plan amounts to $76,726,471. It will, therefore, pay 28 per cent of its net income as war taxes. The net incomes of its two smaller competitors for 1916 were as follows:

Bethlehem Steel, $57,944,754. Its tax amounts to $25,045,090, or 43 per cent of its net income—

While the Steel Corporation pays 28 per cent of its net income—

Lackawana Steel, $12,218,235. Its tax amounts to $4,835,627, or approximately 40 per cent of its net income.

Does that look like squeezing the water or the taxes out of them in proportion to their size? It seems to me that these figures presented by the distinguished chairman show that the rule is to tax in proportion to the inability to pay.

The Morgan list, upon which the chairman relies to prove his case as against the House basis, shows the capital of each corporation, but does not state whether it means "capital stock" or "capital actually invested." We all recognize that there is a wonderful difference between watered stock and stock which represents capital invested. We also know that a large part of the outstanding corporate stock is watered stock. In applying the rule of an exemption, based upon actual capital invested, it is highly important to differentiate "stock issued" from stock actually paid for.

After the Morgan list was promulgated by the chairman, failing, by inquiry, to ascertain what "capital" as there used was intended to cover, I sent to the Library for the "Manual of Statistics—Stock Exchange Handbook for 1917," and by comparing that book with the Morgan list I found that in practically every case the amount of "capital" stated in the Morgan list was much in excess of capital stock issued and surplus stated in the manual. I will say the manual of which I speak is the official handbook used on the stock exchange in New York and contains the figures which everyone consults for correct information with reference to stock issues and profits. This is the list presented by the chairman of the committee. I present the comparative statements, bearing in mind that the larger the "capital" the larger the exemption under the House plan, and I ask leave to have them printed in the RECORD in connection with my remarks.

The PRESIDING OFFICER. Without objection, the request will be granted.

The matter referred to is as follows:

[Morgan Manual of Statistics.]

	Capital.	Stock issued.	Surplus.	Bonded indebtedness.
United States Steel	$1,700,000,000	$868,583,607	$381,360,913	$429,464,000
Anaconda Copper	180,000,000	116,562,500	15,051,865	
Lackawanna Steel	84,300,000	35,096,000	17,148,169	27,876,500
Pennsylvania Railroad	930,400,000	499,204,700	22,324,252	220,984,810
United States Rubber	205,600,000	96,654,200		85,000,000
Bethlehem Steel	167,700,000	74,356,000	9,370,000	127,000,000
General Electric	147,700,000	101,512,500	23,692,871	12,047,500
Standard Oil of New York	143,600,000	75,000,000	26,463,254	

Mr. BANKHEAD. In this connection it may be well to point out the difference in the prewar profits of the United States Steel as contained in the Morgan list and the manual. The Morgan list gives the average for the three years at $63,585,777. The manual gives the net earnings by month and by quarter, and according to its figures the average net income or prewar profit at $116,553,827. The Morgan list gives the net income for 1916 at $271,531,730. The manual gives it at $333,574,177. Notwithstanding there was $62,042,447 more profit by the figures of the manual than by the Morgan figures, the tax under the manual figures would be $63,031,434.55 and under the Morgan figures the tax would be $76,726,000. While this looks queer and unreasonable, it can be understood when we recall that as the profits increase the tax decreases. The tabulation presented by the chairman, as compared with the figures given in the Manual of Statistics, is too favorable to the Senate plan on prewar profits and is exaggerated as against the House plan on the amount of capital actually employed.

A study of the Morgan list reveals a number of remarkable inequalities. Compare the General Electric and Lackawanna Steel. The profits of the latter company in 1916 were $12,218,235. Its tax under Senate bill is $4,835,627, or 40 per cent of its net income. The profits of the General Electric were $18,589,528, $6,000,000 more than Lackawanna. Its tax under the Senate bill is $1,136,038, or 6⅛ per cent of its net income. While the net profits of Electric was $6,000,000 more than Lackawanna, its taxes would be $3,699,589 less.

Compare Eastman Kodak with New York Air Brake. Eastman had $17,289,206 net income in 1916. Its tax under the Senate bill is $591,467, or 3⅛ per cent of its profit. Air Brake had $9,414,962 net income in 1916. Its tax under the Senate bill is $4,312,964, or 36 per cent of its profits. Eastman made nearly twice as much profit and pays about one-eighth as much tax.

Mr. President, I stop long enough to inquire how it can be possible that the Senate of the United States will stamp its approval upon such inequalities as I have shown to exist by the figures?

Compare Scoville Manufacturing Co. with American Sugar Refining Co. Scoville earned $13,403,462 and will pay $6,202,254 taxes, or 47 per cent of its profits. The sugar refinery earned $13,703,444 and will pay $690,410 taxes, or 5 per cent of its profits.

These two companies had the same profit, while one pays $5,539,844 more taxes than the other.

The Central Leather Co. had $15,489,201 profit and will pay $4,520,102 taxes, while the Delaware & Lackawanna Railroad earned $16,200,148 and will pay only $1,122,837 in taxes.

The American Can Co. earned $9,462,982 and will pay $766,381 in taxes, or 8 per cent. The United States Industrial Alcohol Co. earned $4,884,586. It will pay $1,644,757 in taxes, or 33 per cent. While the can company earned twice as much as the alcohol company, it will pay only half as much taxes.

As a final illustration, from the Morgan list, of the wonderful equality of the committee's plan I point out that the Scoville Manufacturing Co., with a capital of $21,000,000, will be called on to pay $6,202,254 in taxes, that being 47 per cent of its net income, 30 per cent on its capital, and 48 per cent of its excess profits, while the great and wealthy Pennsylvania Railroad, with a capital of $930,400,000, is called on to pay 3 per cent of its net income, eighteen one-hundredths per cent on its capital, and 14½ per cent of its excess profits.

What about the great automobile factories? I have no available figures, but the absence of such rich corporations as the Ford Motor Co. from the Morgan list of big companies suggests that there may be some reason. The automobile companies had large profits during the prewar period. I hope the Senate will follow these figures, because sooner or later you will be called squarely to meet this question; you will be called to meet it on the floor of the Senate, and you will be called to meet it at the bar of public justice. I hope, therefore, you will follow the figures as I offer them. That gives them a large exemption. During the last three years they have made tremendous profits. Those profits have, in large part, gone in to enlarge plants. They have been converted into additional capital, and every dollar of profit put back into increased capacity has not only provided for still larger profits because of enlarged business, but has increased proportionately the exemption allowed from taxation.

For instance, if the Ford Motor Co. during the prewar period had capital of $5,000,000 and were entitled to an exemption of $1,000,000 as prewar profits, every $5,000,000 added to the capital since 1913 would double the $1,000,000 exemption. If the Ford Co. has since 1913 put $25,000,000 of its profits back into capital account—and it has doubtless put more—its exemption would be, on the basis suggested, $5,000,000.

As most of the automobile companies have made large profits since 1913 and have added a large part of their profits to capital account, their increased exemptions would be so large that it is probable that their war tax would be negligible under the committee plan.

Here is a remarkable development, to my mind: An examination of three of the leading tobacco companies discloses interesting results. The figures are taken from the Manual of Statistics, as none of the companies appear in the Morgan list. The American Tobacco Co. had a net profit of $12,412,624 in 1916, but its average prewar profit was larger than that amount. Therefore it would pay no tax under the Senate bill. Of course, it will pay its income tax. Everybody pays that. I pay that. I am not discussing that phase of the question at all. I am assuming that every Senator and every other taxpayer in the country understands that he must pay his due part of the income tax for the support of the Government. What I am contending is that this excess-profits scheme exempts from taxation for any purpose large amounts. Therefore it would pay no taxes. Its capital stock is $92,942,403 and its surplus is $37,081,533, making a total of $130,023,933. On the basis of allowing 8 per cent on its capital there would be over $2,000,000 subject to taxation.

Mr. President, I am complaining and I am insisting that this war-tax business is a misnomer. It has no place in any legislative program that we can make. I am insisting that every man who makes a profit in this country should pay his proportionate part of excess profits in addition to his income tax, and it makes no difference whether he is a hill-billy making a few hundred or a few thousand dollars or whether he is a great manufacturer. It makes no difference in principle.

Liggett & Myers had no more profit in 1916 than they had during the prewar period. Their profit for 1916 was $8,416,813, but under the Senate plan they would pay no tax. Their stock and surplus is nearly $50,000,000, while they have a bonded indebtedness of nearly $30,000,000. If no account is taken of their indebtedness they would, under the House plan, pay taxes on about $4,500,000.

Mr. President, what I am insisting on is that this is our war, and we must find revenue somewhere, by some means, to finance ourselves and our allies; and I can not consent to the proposition that these vast incomes shall be exempt. It makes no difference to me, Mr. President, what their prewar profits were. They are citizens of this country. These vast amounts of capital of theirs look to the Government for protection just as the small producer or manufacturer looks to the Government for protection, and I insist that each one should pay his fair part.

R. J. Reynolds had a prewar profit of $2,862,566. Their profit for 1916 was $8,043,677. Under the Senate plan their tax would be approximately $2,750,000.

Here are competitors in the same line of business. Two of them pay nothing from their tremendous profits, while the third pay about one-third of their profits. I want some Senator to explain how the great American Tobacco Co. escapes its part of the war burden—for this is a war burden—while Reynolds is required to contribute one-third of his net income.

Mr. President, I am not impressed with the idea that we must get our revenues only from war profits. It might be said that all profits, practically, have been more or less influenced by the war, and how are you going to tell which is war profit and which is not war profit? I can not understand.

I favor a graduated tax on such profits as are made taxable, provided the graduation in rate is based on the amount of taxable profits in the case of each business concern, just as the income tax is graduated in its rate on the amount of income subject to taxation. But I am opposed to any plan of taxation under which the rate is graduated on the proportion which taxable profits bear to nontaxable profits, and such is the plan of the committee.

It seems to me that the showing made by the tables submitted of the inequalities in the amount of taxes levied on equal amounts of taxable profits is in itself enough to at once conclusively condemn any plan of taxation which brings about such results, without stopping to examine any possible theory which may be advanced to support it.

I say this because the plan results in the grossest violation of every law of economy, morality, and of justice, and disregards every consideration of expediency and the wisdom of experience—and the best test of a law is found in the result of its application. The conception of the committee must be that because a new source of revenue has been found, and a new method conceived for determining what portion of such source of revenue is taxable, that a new principle of taxing the taxable portion must also be found and applied. To the contrary, I hold that established principles of primary justice are not only vital but virile and comprehend new and varying conditions, as well as old and stable conditions.

Without more of general observation, let us see what must be the theory advanced in support of a plan, which is obviously so monstrous in its working out. And it should be observed that the plan does not merely in a few extreme cases work inequalities in the different rates of taxation levied on exactly equal amounts of taxable profits but that it is the primary purpose of the plan that it shall so work in all cases where there is a difference in prewar profits, since the tax, strange to say, is graduated not on the amount of taxable profits but on the proportion of taxable profits to nontaxable profits.

Let me stress here that I use the term "prewar profits" according to its definition under the committee's plan, and that prewar profits under the committee's plan do not mean merely the actual average annual net profits realized during the prewar period but that such profits are by the committee's plan automatically increased or diminished in proportion to any subsequent change in capital. It follows, of course, that the prewar profits of those concerns which have prospered since the expiration of the prewar period—that is to say, during the momentous years of 1914, 1915, and 1916—will under the committee's plan be automatically increased by the additions to their capital resulting from such prosperity, just as though they had actually been earned during the prewar period, whereas the prewar profits of those concerns which have suffered during the same period will be automatically decreased by the resulting impairment of their capital.

The committee's scheme therefore, in short, is that the greater the prewar profits, and the greater, too, the increase in capital resulting from prosperity since the prewar period, the less not only the amount of taxable profits because of the greater exemption but also the lesser the rate of taxation will be on the diminished amount of taxable profits, and the lesser the prewar profits and the greater the decrease in capital resulting from adversity since the prewar period the greater not only the amount of taxable profits on account of the decreased exemption but also the greater the rate of taxation will be on the increased amount of taxable profits. And this is so, I repeat, because the prewar profits and the increase therein by additions to capital from prosperity subsequent to the prewar period are exempted from all taxation, and also because, notwithstanding such prewar profits are exempted altogether, nevertheless the tax is graduated not on the amount of profits which are found to be taxable after deducting the total amount of prewar profits as increased by additions to capital from subsequent prosperity but on the proportion that the taxable profits bear to such prewar profits as increased by additions to capital from subsequent prosperity, and because the prewar profits of those which have suffered during the period elapsing since the prewar period are diminished in proportion to any impairment of their capital resulting from their suffering during such period.

I repeat again that the committee's plan exempts from all taxation an amount equal to the whole of the prewar profits of each business concern and then increases such prewar profits in proportion to any additions to its capital, and taxes only the remaining profits as war profits upon the declared assumption that all remaining profits hereafter reaped during the period of our participation in the war will be due to the war and the war alone, and therefore that the whole of such remaining profits are in truth, as they are called, war profits and justly taxable as such. The fattest of the war brides must blush at the generosity of an exemption which is calculated first on the basis of profits during the prewar period and then multiplied in proportion to subsequent prosperity, and in any event will be too modest to claim that any profits remaining after such a generous exemption are not justly taxable as war profits. And yet the committee, by graduating the rate in the proportion that taxable profits bear to exempt profits, in effect multiplies the exemption as often as it changes the rate of taxation. The very and only purpose in deducting the whole of the amount of prewar profits as increased by subsequent additions to capital from the total profits is to ascertain what amount of total profits are in fact war profits. Then why not tax those war profits in proportion to their amount, just as the income tax is levied on the amount of income? When the whole of a most generous exemption has been made fully effective by deducting it from the total profits, what further proper function can the amount of the exemption have in the plan? None, absolutely none, I submit. When war profits have once been ascertained for the purpose of taxation I am unable to see why, in any case from a given amount, more should be taken from one than another. But if there be any such case it certainly is not the case of those who have been treated with the greatest generosity in determining the amount of their taxable profits. And yet those who have received the most generous treatment in that regard are the ones who are to be many times further favored in the rate. I confess that the plan is, to my mind, so monstrous that I am astounded that it should be brought before this body for serious consideration.

Let us go back now to the illustrative cases of the two foundries, one old and well established and the other new, each having $100,000 capital during the prewar period, but the old foundry earning 25 per cent on its capital and the new foundry only 10 per cent on its capital, and each having subsequently added an additional $100,000 to its capital. In the case of the old and well-established foundry it will be entitled to an exemption of $50,000 per annum out of its total profits, because it established an annual earning capacity of $25,000 during the prewar period and then doubled its capital, whereas the new foundry will be entitled to an exemption of only $20,000 out of its total profits because it established an annual earning capacity of only $10,000 during the prewar period and subsequently doubled its capital. And let us remember that each foundry had during the prewar period exactly the same amount of capital and that each subsequently added the same amount of new capital. Now let us assume that each of the foundries will earn this year $100,000.

It will be found that only $50,000 of the profits of the old foundry are taxable, since it is entitled to an exemption of $50,000 out of its earnings of $100,000, and that $80,000 of the profits of the new foundry are taxable, since it is entitled to an exemption of only $20,000 out of its earnings of $100,000. This discrimination in exemption would seem enough of tribute to the greater prewar prosperity, but this tribute, it will be found, is quite insignificant in comparison with the rates of taxation which must be applied under the committee's plan, so much greater is the rate in the case of the new foundry than in the case of the old foundry. I now submit the actual figures in detail compiled in accordance with the committee's schedule of rates.

I have now come to the schedule of rates, and I ask permission to have them printed without reading.

The PRESIDING OFFICER. Without objection, the request is granted.

The matter referred to is as follows:

Old foundry, $50,000 deduction, $50,000 taxable.

Tax on first 15 per cent at 12 per cent	$900
Tax on next 10 per cent at 16 per cent	800
Tax on next 25 per cent at 20 per cent	2,500
Tax on next 25 per cent at 25 per cent	3,125
Tax on next 25 per cent at 30 per cent	3,750
$50,000 taxable, tax	11,075

New foundry, $20,000 deduction, $80,000 taxable.

Tax on first 15 per cent at 12 per cent	$360
Tax on next 10 per cent at 16 per cent	320
Tax on next 25 per cent at 20 per cent	1,000
Tax on next 25 per cent at 25 per cent	1,250
Tax on next 25 per cent at 30 per cent	1,500
100 per cent.	
Tax on next 50 per cent at 35 per cent	3,500
Tax on next 50 per cent at 40 per cent	4,000
Tax on next 50 per cent at 45 per cent	4,500
$50,000, tax	16,430

Mr. BANKHEAD. Thus it will be seen that in taxing equal amounts ($50,000) of the taxable profits in the two cases there is a difference of $5,355 in the taxes, due to the difference in the rate because of difference in the exemption. Let me point out that the new foundry still has $30,000 of taxable profits, which is to be taxed at the rate of 50 per cent, making $15,000. So that its total tax is $31,430, or 31 per cent of its excess profit, while the old foundry pays only 11 per cent of its excess profit. Bearing in mind that the excess profits of the two foundries are exactly the same in amount, that both foundries had during the prewar period the same capital, and were established in the same locality and, therefore, engaged in competition, and that each subsequently added equal amounts of additional capital, and that each will make within the current year

equal amounts of profits, under the House bill and under my proposed amendment the two business units would pay exactly the same tax.

It may be said that, notwithstanding the new foundry earned the generous return of 10 per cent on its capital, it will be accorded the advantage of the earning capacity of the old foundry, on the theory that the earnings of the new foundry in comparison with foundries in general were low, and that the experience of the old foundry was fairly representative of the foundry trade. But if it be so said, then I say that the situation is made worse rather than better, because the discrimination then will not merely be between individual concerns in the same trade, but will be between each trade and line of business in this country; and, furthermore, that the discrimination will be the greater in proportion to the difference in the prosperity of the different trades and lines of business, notwithstanding that such difference is in a large measure due to or in any event greatly increased by the violent effect of the war during the years 1914 to 1916 on business in general, resulting as it did in the enrichment of many concerns in a comparatively few trades and lines of business and at the same time in the impoverishment of others. And this startling result, I submit, will be due not to the normal difference in the actual capital returns of different trades and kinds of business under normal conditions, but to the fact that certain concerns have reaped abnormal profits as a direct result of the war during the years 1914 to 1916, and from their abnormal profits have increased their capital, and in increasing their capital have automatically increased their exemptions. And I stress again that the benefit of the greater exemptions from taxation resulting in these cases, great as it is, is the smallest part of their benefit, because the rate of the tax on the amount of their taxable profits, diminished as they will be by their greater exemptions, is made at each step to advance not in proportion to the amount of the taxable profits but on the proportion of total profits to exempt profits, and therefore that the rate will be retarded in its progress in proportion as the exemption is the greater, while at the same time those concerns which have suffered most as the result of the war during the same years, and thereby suffered an impairment of their capital, will not only have their exemptions decreased on account of their misfortune but that the rate of taxation on their taxable profits will be correspondingly accelerated. Before leaving the two foundries I would have you remember that I have not assumed that the old and well-established foundry gained the status of a war bride. On the other hand, I have been altogether conservative in my assumptions. But there are war brides, and many of them, and if the old foundry should be assumed to be one, the resulting additions to its capital would exempt it from taxation altogether.

The committee, it would seem, in finding a new source of revenue and in formulating a new theory of determining what amount is taxable out of the new source of revenue, is obsessed with one idea to the practical exclusion of all other considerations, and that idea is that established earning capacity through the short period of three years ending more than three years ago, notwithstanding that such earning capacity is arbitrarily increased or diminished in proportion to any increase or decrease in capital resulting from subsequent prosperity or adversity, should furnish the basis not only of exemption from all subsequent taxation but should also furnish the controlling basis for graduating the rate of taxation on that which is taxable. It may be fair to repeat that the committee, in the main, undertakes to justify its plan on the experience of other countries employing similar plans. Let me say that, apart from all other considerations, there is one difference between the condition in this country and the condition of the countries which have employed this kind of legislation which makes every difference between our case and theirs. In their case there were no war profits and war losses for a three-year period, or indeed for any substantial period, before their legislation was framed and before they found themselves at war. In our case by this scheme, if adopted, we will grant exemption to those who have prospered during the three years of the war in proportion to their prosperity, since it must be assumed that additions to their capital have been made out of their prosperity; and then, under the plan of graduating the rate of taxation on such diminished profits as are taxable, we will retard the progress of the rate in proportion to the size of the exemption; and, on the other hand, we will decrease the exemption of those who have suffered during the same period in proportion to their adversity, since it must be assumed that the impairment of their capital has resulted from their adversity, and then accelerate the rate of their proportionately greater taxable profits because of their decreased exemptions. No such result could happen under a similar plan in Europe, because the countries adopting the plan went immediately into war from a wholly normal period. On the other hand, we go to war and frame our war-revenue legislation after three years of war in Europe, and those three years have had an effect on business in this country which is immeasurably and incomparably great. Indeed, it is fair to say that the greatest single factor in its effect on business in the entire history of this country has been the European war during the past three years. And there can be no reasonable analogy between two sets of conditions or between plans to meet those conditions when the greatest factor in one is entirely absent in the other. Indeed our condition is by this factor made so different from conditions in Europe when the war came on there that if we undertake to follow the European precedent we will, comparatively speaking, create exemptions from taxation in proportion to war profits and impose taxation in proportion to war losses.

This is a great and indeed an incomparable war. Our resources in men and money must be taxed to the utmost before we see it through, but we can not see it through on the basis of subsidizing prosperity and penalizing adversity. I have said that this is a great and incomparable war, and great as it is and incomparable as it is, it is being fought on our part and on the part of our allies in the cause of justice and of freedom and of equal rights and privileges and of equal duties and burdens. If this scheme of taxation is imposed it will not only apply most unjustly as between different trades and lines of business, but also as between concerns in the same line of business, and will utterly destroy equality of opportunity on the part of business men to serve both the Nation and themselves. I say it will destroy the equality of opportunity, because it is impossible that a new or comparatively new business slowly building and forging its way ahead can compete with an older and longer established business if the Government is to subsidize the one and strangle the other. And I say that all lines of business need to speed up and that those which are unjustly burdened can not keep pace with those which are unjustly favored.

If there must be differences in the rate of taxation on equal amounts fairly found to be subject to taxation—and I do not think there should be—I should certainly favor the lower rate to those who are least able to bear the burden and are struggling for a place in the race. And if there is to be discrimination between different trades and lines of business—and I do not think there should be—I would certainly favor discrimination in favor of those trades and lines which have suffered adversity as the result of the war during the period of the war rather than, as is the actual case under the committee's plan, in favor of those trades and lines of business which have prospered during the period of the war as a result of the war. But I say here, as I said in respect to the plan of exemption, that the rule of equality and of uniformity should apply in taxing this new source of revenue just as it has applied or ought to apply in the plan of taxing incomes, and indeed as it has applied and ought to apply in general to all taxation.

Mr. President, this bill is so manifestly unjust that I shall vote against it unless it is reconstructed along lines which seem to me to more equally and fairly distribute the burden of taxation.

This bill does not treat all alike. It does not give the man with the small profit a square deal. It is not fair to small business. The tax is based upon exemptions and not upon profits. It is highly obnoxious class legislation. This war can not be won by suppressing business industry. Unless some expansion is allowed in business, the growing needs of our armies at home and abroad can not be supplied. The fact should not be forgotten that we must consider the collection of taxes for more than one year. If we embarrass and strangle business this year, where is the excess or war profit to come from next year?

With the high cost of living there must be a margin left for increased wages and salaries. By suppressing business enterprise you make it impossible to meet the just requirements of labor. I protest against such a policy as unwise and unnecessary.

Mr. President, I ask leave to have printed in the RECORD in connection with my remarks the table to which I have referred as having been prepared by a recognized statistical expert whose duties have been in connection with the Government for a number of years. These figures show what the tax rate would be as the tax progresses. They also show that the plan of the amendment which I have submitted will raise about $70,000,000 more than will the plan of the committee, and will distribute the tax fairly and justly to all who ought to pay their share of the taxes.

The PRESIDENT pro tempore. Without objection, the table referred to by the Senator from Alabama will be printed in the RECORD. The Chair hears none.

The table referred to is as follows:

Estimated revenue under Senator Bankhead's proposed excess-profits provision.

Incomes.	Estimated number of incomes.	Estimated taxable net income.	Proposed rate.	Estimated revenue.
			Per cent.	
Under $25,000	143,798	$1,300,745,475	10	$130,075,000
	47,113	1,177,825,000	10	117,783,000
$25,000 to $50,000	29,209	292,090,000	11	32,130,000
	17,904	447,600,000	11	49,236,000
$50,000 to $75,000	8,018	120,270,000	12	14,432,000
	9,886	247,150,000	12	29,658,000
$75,000 to $100,000	3,436	51,540,000	13	6,700,000
	6,450	161,250,000	13	20,963,000
$100,000 to $125,000	1,718	25,770,000	14	3,608,000
	4,732	118,300,000	14	16,562,000
$125,000 to $150,000	1,145	17,175,000	15	2,576,000
	3,587	89,675,000	15	13,451,000
$150,000 to $175,000	573	8,595,000	16	1,375,000
	3,014	75,350,000	16	12,056,000
$175,000 to $200,000	172	2,580,000	17	439,000
	2,842	71,050,000	17	12,079,000
$200,000 to $250,000	550	8,250,000	18	1,485,000
	2,292	114,600,000	18	20,628,000
$250,000 to $275,000	150	2,250,000	19	428,000
	2,142	53,550,000	19	10,175,000
$275,000 to $300,000	140	2,100,000	20	420,000
	2,002	50,050,000	20	10,010,000
$300,000 to $400,000	401	24,060,000	21	5,053,000
	1,601	160,100,000	21	33,621,000
$400,000 to $500,000	170	10,200,000	22	2,244,000
	1,431	143,100,000	22	31,482,000
$500,000 to $600,000	115	6,900,000	23	1,587,000
	1,316	131,600,000	23	30,268,000
$600,000 to $700,000	57	3,420,000	24	821,000
	1,259	125,900,000	24	30,216,000
$700,000 to $800,000	50	3,000,000	25	750,000
	1,200	120,000,000	25	30,225,000
$800,000 to $900,000	45	2,700,000	26	702,000
	1,164	116,400,000	26	30,264,000
$900,000 to $1,000,000	40	2,400,000	27	648,000
	1,124	112,400,000	27	30,348,000
$1,000,000 to $1,250,000	259	9,623,042	28	2,696,000
	874	218,500,000	28	61,180,000
$1,250,000 to $1,500,000	200	10,000,000	29	2,900,000
	674	168,500,000	29	48,865,000
$1,500,000 to $1,750,000	159	15,000,000	30	4,500,000
	524	131,000,000	30	39,300,000
$1,750,000 to $2,000,000	100	5,000,000	31	1,550,000
	424	106,000,000	31	32,860,000
$2,000,000 to $3,000,000	75	37,500,000	33	12,375,000
	349	349,000,000	33	115,170,000
$3,000,000 to $4,000,000	56	22,400,000	35	7,840,000
	293	293,000,000	35	102,550,000
$4,000,000 to $5,000,000	45	13,500,000	37	4,995,000
	248	248,000,000	37	91,760,000
$5,000,000 to $6,000,000	40	8,000,000	39	3,120,000
	208	208,000,000	39	81,120,000
$6,000,000 to $7,000,000	35	3,500,000	41	1,435,000
	173	173,000,000	41	70,930,000
$7,000,000 to $8,000,000	30	3,000,000	43	1,290,000
	143	143,000,000	43	61,490,000
$8,000,000 to $9,000,000	26	2,600,000	45	1,170,000
	117	117,000,000	45	52,650,000
$9,000,000 to $10,000,000	25	2,500,000	47	1,175,000
	92	92,000,000	47	43,240,000
$10,000,000 and over	92	1,222,758,682	50	611,379,000
Total				2,192,038,000
Deduct estimated revenue because of 8 per cent deduction on basis of capital				1,361,358,000
Total				830,680,000
Deduct estimated tax under act of March 3, 1917				200,000,000
Estimated revenue under proposed amendment (additional)				630,680,000

Mr. BANKHEAD. Mr. President, I am greatly indebted to the Senate for its patience. I have consumed much more time than I had intended, but the importance of this question so impressed me that I felt warranted in imposing upon the courtesy of the Senate. Of course, we shall hear much more of this question during the debate, for we have the promise that it will be explained to our satisfaction why large aggregations of capital and immense amounts of profits should be excused from taxation while small units will be compelled to pay from 25 to 40 or 50 per cent of their net earnings. This will be interesting. The Senate and the country will impatiently await the time when the advocates of the bill as reported to the Senate from the Committee on Finance will undertake to explain the justice and the fairness of its provisions and to tell the country how it applies equally and fairly and justly to all the people in the country. Mr. President, if I do not mistake the sentiment of the country, and if I do not misjudge the wisdom and the patriotism of this body, I must conclude that the writing on the statute books of this country of the provisions of the bill as they relate to the excess profits tax can never happen.

Of course, Mr. President, I have not dealt with every phase of this question; I have not undertaken to discuss all of the inequalities of the bill; I have not undertaken to show the Senate and the country how unjust and unfair it is in other respects. I have preferred to confine my remarks to one particular phase of the bill, that which I regard as the most important and the most utterly indefensible.

Now, Mr. President, I am going to ask to have a letter printed in the RECORD. I do not care to have it read. It is from a distinguished citizen and it bears on this question. I ask to have it printed in the RECORD, not as a part of my remarks, but for the information which it contains.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter referred to is as follows:

JANESVILLE, WIS., *August 13, 1917.*

HON. JOHN H. BANKHEAD,
United States Senate, Washington, D. C.

DEAR SIR: I write in reference to the tax bill now pending in Congress and particularly relating to the subject of the tax on excess profits of corporations. I desire to call your attention to a condition which I believe will result disastrously to a large number of comparatively small corporations throughout the country. In a very heavy tax levy there is danger to corporations which are not in a financial position to withstand the shock. Too great a burden on current business should not be laid. A burden that may destroy business if laid on at one time may be borne if imposed by degrees.

In the present Senate bill it is proposed to tax the so-called excess profits of corporations earned in 1917 substantially 50 per cent in many cases. It is proposed to use as a basis for normal income the years 1911, 1912, and 1913, or at the option of the corporation, 6 per cent on the capital invested. I call your attention to a concrete case as an illustration of how this is going to work out with a large number of corporations. The one to which I refer has a very limited capital; it lost money in 1911, 1912, and 1913, but the people back of it proposed to save the corporation and went into their pockets or backed the credit of the corporation. In 1917, owing to a period of prosperity, the business became profitable. The concern to which I refer manufactures some household articles. It is as far removed from any munition feature as anything very well could be. The profits they are making this year are being used to pay up the indebtedness created heretofore. The books of this company will show the business this year to be profitable. It is too early to determine just what the profit is going to be, but they may run into the neighborhood of $25,000. As fast as earned, they are being paid to creditors. This particular concern is doing business largely on borrowed money. It is impossible to figure just what the tax would be, but according to the proposed schedule contained in that bill, their tax would be not less than from nine to ten thousand dollars. If that tax is imposed it would throw that particular company into the hands of a receiver, because it is not in a position to go out and borrow the money with which to pay the tax. Although they will show a profit on their books they will not have the money.

I will give you another illustration which comes within my knowledge: A corporation with $200,000 invested was not profitable during the test years, therefore compelled to use the 6 per cent basis. During the latter part of last year and this year its business has been and will be profitable, but in order to carry on that business it is compelled to reinvest its profits in plant and machinery and liquidate some of its debts. Under the proposed schedule, the tax against this company might run as high as $20,000. It has not and will not have the money with which to meet the tax. The nature of its business is such that it is compelled to continue its investments in plant and otherwise. It is using its full credit and the imposition of such a tax may drive that institution into bankruptcy.

I talked recently with a prominent banker in Chicago, who said that he knew of a number of institutions, that because they were having a good year this year, would be subject to a heavy tax under this proposed schedule and that the companies had used the money in their business in the usual manner, and would be unable to pay the tax except by borrowing the money, which many of them would be unable to do. He said that the imposition of this tax would curtail the credit of many corporations and that banks would be compelled to draw in on the credit of many corporations which were making money, but because of their financial condition they could not ride through such a tax imposition.

The proposed schedule penalizes a business because it will have during 1917 a prosperous year, and the penalty will be imposed in such a manner that many of the smaller corporations will be unable to stand up.

The most steadily prosperous corporations will not be affected. Take for example, the automobile industry which, I believe, is the second largest industry at the present time in the manufacturing line. This industry had great prosperity in 1911, 1912, and 1913 and made immense profits. It will make immense profits this year, but by reason of having prosperous years during the test years they will have little or no excess tax to pay.

The penalty is going to fall very heavily upon corporations which have had a struggle for existence during the depression since 1907, and have for the first time a chance to catch up in part for the losses of preceding years. Thousands of citizens of moderate means may be ruined financially by the imposition of such an unjust tax.

If it is the policy of Congress to pay the war expenses by current taxes, let Congress put a heavy straight percentage upon corporate profits so that all—the rich and the poor, the large and the small corporations—will pay in the same ratio. There are many lines of business that have had no period of prosperity since 1907 until the later part of 1916, and if Congress imposes such a tax as is proposed many of the small corporations will not be able to pay that tax for the reason that such profits as they may have made have either been used to liquidate indebtedness or have been used to bring their plants back into condition and the profits themselves are not available with which to pay the tax.

It seems to me that any man who has had any business experience must realize that there is a large percentage of the corporations of the country in this condition. These corporations to which I refer have had no advantage from munition manufacture, nor have they had any advantage from the world-war conditions. Their prosperity has come from a general stimulation of trade, and only so far as the war may have stimulated trade generally have they in anywise benefited from the war conditions.

Theoretically it may sound well enough to place taxes upon a percentage basis, but any percentage to small, struggling corporations or individuals may mean a very different thing from what the same percentage means to prosperous corporations or individuals. It may

mean ruin to one and only a curtailment of dividends or disbursements to the other. It seems to me that Congress should take this into consideration. Let Congress put a straight tax of 10 per cent on corporate profits up to $100,000 and then go on to a percentage basis. While this would be severe upon many of the smaller corporations, it still would permit them to remain solvent. The severity of an injury is determined sometimes by the capacity of the injured to receive it. A blow that may jostle a man might kill a child. This rule applies in business, and a tax that might make a large corporation feel a financial pinch may be fatal to other corporations which are not financially in a position to stand the tax. It may look fair enough to say to every corporation that 50 per cent of the profits they have made in 1917 may be taken for governmental uses, and a corporation which is in a financial position to pay that 50 per cent might not be seriously affected by it, but a corporation that may have been compelled to expend its profits day by day as it has gone along may not be in a position to raise the money to pay what appears by its books to have been its annual profit. There is a vast difference between money profits deposited in a bank and paper profits, which merely show upon the books of a corporation. I predict financial disaster to a large number of people unless Congress finds some way to recognize the difference between actual money profits and paper profits, which of necessity must remain in the business. The proposed plan has in it the elements that may bring financial disaster to thousands just because they are not in a four-handed financial position.

One more illustration of an actual case, with figures as nearly correct as can be stated at this time: A business started since 1910. The average profits for 1911, 1912, and 1913 about $5,000. This year probable profits $55,000. Excess, $50,000. The excess tax would amount to $22,857.50, to which is added an income tax of 6 per cent, or $3,300, making a total tax of $26,157.50. These profits, as every business man realizes, are not in money. Some of it has gone into reducing indebtedness, some into plant, some into increased inventory, made necessary by the expanding business, and probably the entire balance into accounts receivable, owing to expanding business. Probably the cash balance carried by this company is not much, if any, larger than ever. If this company were compelled to pay $26,157.50 in taxes at one time it would require a liquidation of its business and probably under force through a receiver. It would have been better for this company not to have made more than a normal profit, because in that event it could at least remain solvent. This company has never paid a dividend, and can not this year, regardless of the tax, as the profits will be permanently tied up in its business. This is another case of paper or book profit. This company might be able to declare a stock dividend, which would cost it nothing and would not increase its obligations, but still not be in a position to pay any cash dividend whatever, because that will interfere with its ability to finance itself. You realize that the financing of a business is sometimes its most delicate operation. Give these companies a chance to get their breath before you throw onto them a burden they are unable to bear. The proposed tax will injure a multitude of individuals and in the end will be detrimental to the whole country.

Respectfully, yours,

M. G. JEFFRIS.

Mr. BANKHEAD. Mr. President, I had intended to make some reference to the woolgrowers' interest and also to the cattle-growers' interest in this bill; but I did not have the figures as I now have. I am going to prepare a table in which I shall show what the effect of this provision of the bill will be upon the woolgrowers and the cattle growers of the country. I think I shall be able to show that the rate of taxation will be at least 50 per cent on their net earnings. I shall furnish the figures later.

The PRESIDENT pro tempore. In the absence of objection, permission to do so will be granted.

Mr. BROUSSARD. Mr. President, I had not intended to address the Senate upon this bill. The Finance Committee, however, has included as one of the features of the bill a provision suspending the drawback on sugar. Two days ago, during my enforced absence from the Senate, my friend the distinguished Senator from Utah [Mr. SMOOT], who is a member of the Finance Committee, in addressing the Senate directed some remarks in opposition to the provision reported by the committee suspending the drawback on sugar. Those remarks of opposition by the Senator to the provision in the bill are but partial, so far as I could judge them and as I read them in the RECORD, and I shall deal with those remarks as I progress in pointing out to the Senate the importance and fairness of preserving this provision in the bill.

Before doing that, however, I desire to say that in the course of those remarks several Senators injected questions directed to the Senator from Utah. I shall deal with those questions, because they have a great deal to do with the argument which I propose to present to the Senate in support of this provision.

The burden of the Senator's remarks was directed to show that if this provision were enacted into law, if the drawback were suspended, the general effect on the price of sugar upon the American market would be an advance of half a cent a pound.

I notice that the distinguished Senator from Massachusetts [Mr. LODGE] expressed some anxiety over the fact that if this provision were enacted into law there would be danger that our allies in Europe, particularly England, would be compelled to use washed sugar instead of using refined sugar. I want to call the Senator's attention to the fact that there is a universal demand in England to-day for the privilege of being permitted to use washed sugar instead of the sugar that is now being sold to the British trade.

Mr. HOLLIS. Mr. President, will not the Senator at this point explain to the Senate the difference between refined and washed sugar?

Mr. BROUSSARD. Yes, sir; I shall take great pleasure in explaining the difference.

Sugars known as washed sugars are made into either granulated or yellow clarified or white sugars in one continuous process of manufacture, embracing the crushing of the sugar cane, the boiling of the juice, and the granulation of the sugar. The washing is done while the sugar is in process of separating the grain, the crystallized part, from the molasses. It is done in the centrifugal, the motion of which is very rapid, and the sugar is dashed against a screen on the inside of the receptacle. As the revolutions proceed the liquid is forced through a fine screen into the outer receptacle and the grain remains attached to the screen. While this revolution is going on, if pure, clear water is forced against the sugar, the particles of molasses are driven away from the sugar and you make either a fine yellow clarified or a granulated sugar. That is termed "washed sugar." It is the purest sugar possible; there can be no purer sugar.

Refined sugar is a sugar—mostly unclean—which has first been manufactured to a given state with all of its impurities, including a great deal of molasses, still attached to the grain because of the failure to wash these impurities from the grain as the operation of crystallization proceeds. Then the refiner takes the sugar and remelts it. After having remelted it he strains it through bone black, which is a charcoal made out of the charred bones of animals. Sugar is clarified in that way. It is then granulated and is known as refined sugar. It is not nearly as clean a sugar as is the washed sugar, nor is it so desirable, as the Senator from New Hampshire will perceive.

Prime yellow clarified sugars or plantation granulated sugars are washed sugars; Domino sugars, cube sugar, pulverized sugars, and all sugars made by the refiners have gone through the process of clarification by passing through charcoal made out of the bones of animals. That is the difference between the two.

I am sorry that the Senator from Massachusetts [Mr. LODGE] is not here, but I want to read into the RECORD, because it will have considerable to do with the further remarks which I shall make in connection with this provision, an article from the International Sugar Journal, published in London, of date June, 1917. It appears in the last but one issue of this recognized authoritative publication upon the question of sugar. The article is as follows:

RAW VERSUS REFINED SUGAR.

On another page we report the substance of some questions and answers in Parliament regarding the alleged impurities found in the imports of raw cane sugar into this country during the last few months. It is seriously asserted by the authorities that consignments of sugar (of unnamed origin) contain the sugar louse (*Acarus sacchari*), and are hence unfit for putting into direct consumption. It is also alleged that the raw Cuban sugars landed here contain physical impurities. Hence the Government in their rôle of wholesale sugar dealers plus food controllers deem it expedient that this sugar should all pass through the hands of the already well-employed refineries.

Until more evidence is forthcoming to prove that this charge is well founded and is not the result of analyzing an odd sack or two of a few abnormal imports, it will be hard to convince the sugar-making interests that there is enough justification here for holding back a good deal of reputed high-class raw sugar till it can be refined. On the contrary, there will be a suspicion engendered that the refining interests are unduly swaying the decisions of the sugar commission and that more sugar is being refined than there is need for. Our refineries in normal times are not of sufficient capacity to deal with all our requirements in refined; and even if nowadays, owing to the restricted consumption they be not fully employed, that is hardly a reason for passing through them (as we have some good reason to believe has lately been done) a number of raw-sugar consignments quite fit for direct consumption, for the sufficient grounds amongst others that there is a general complaint as to the scarcity of sugar amongst domestic consumers, and the scarcity will not be lessened by the delay in refining or in the reduction in bulk by one-tenth through that process. For this reason we hold that the question of what sugar, as imported, is reasonably fit to go immediately into direct consumption is one that should receive the most independent investigation possible.

The matter is one of more than ordinary import, because whereas till a few years ago the vast bulk of the sugar consumed in this country had perforce to undergo refining, either in the country of origin, e. g., in Germany and Austria, or else on arrival in this country, the necessity does not now hold equally good. With the recent introduction of improved methods of washing and curing in the raw cane sugar centrals, an increasing output of raw sugar sufficiently fit for direct consumption has developed, especially in Java, the home of the so-called "plantation white sugar." This sugar naturally dispenses with the final refining process using animal charcoal and therefore is in direct antagonism to the refiner's interests. But as it will fetch a higher price, it is in the producer's interests to turn it out and market it if he can. Hence if the Government is going to stand sponsor for our sugar supply in the future, it will have to consider the claims of the raw-sugar producers in our colonies and elsewhere as well as of the refiner at home. It is not in the interests of the former that the public of this country should be educated into the belief that raw cane sugar is an impure product which must necessarily undergo

refining. There will be equally a big demand for direct-consumption sugars once the public realize that a sugar of that kind may be quite pure enough even though its color is a less clean white than that of refined.

The history of sugar in the United States is largely a struggle between the refining and the producing interests in which the former have always endeavored to get the monopoly of all the sugar entering into the States; and for many years, it is interesting to note the United States refiners boomed the *Acarus sacchari*—

That is the sugar louse—

for all it was worth as a conclusive illustration of the necessity for issuing nothing but refined sugar to the consumer. A study of the history of the struggle between those refining interests and the producers who wished to be independent of that monopoly would, we take it, not be without benefit to those Government departments at home who are nowadays having to try and master the technics of the sugar industry to a degree that is without precedent for them.

I put this whole article into the RECORD because it shows that the present demand of the British trade is for washed sugar. I propose to show later on that the same campaign that was conducted in this country by the refiners to create a prejudice in favor of refined sugar and against the production of the class of sugar that the British trade wants and about which the Senator from Massachusetts showed solicitude in his question to the Senator from Utah, is now being conducted in England in order to conserve that market to the refiners of this country and to permit them to dominate the market not only here but throughout the world. The Senator from Massachusetts indicated some solicitude about this in the question he addressed to the Senator from Utah, but as to this feature of the matter I will defer discussion.

Another interjection into the speech of the Senator from Utah was made by the Senator from Georgia [Mr. HARDWICK], who is generally advised with regard to the sugar situation. The Senator from Utah proceeded in the effort which is common with the sugar refiners, to frighten people away from the thought that anyone else can supply sugar to anybody in this or any other country except themselves, by stating that if they do not furnish it, some semibarbarous people somewhere in some unknown land will furnish that sugar. While the Senator was proceeding to state how, if we suspend the drawback, England would get sugar from some other country, the Senator from Georgia injected a suggestion with regard to Java sugar—"Java plantation white," as it is referred to in the article in the International Sugar Journal, from which I have quoted.

I turn to the International Sugar Journal of the month of July, 1917, the last number, and I find referred to a difficulty which it is important to bear in mind as we proceed with an analysis of this situation. I find the reasons stated by the best-informed journal on that subject to be in accord with the statement of the Senator from Georgia, and to that extent to have demolished the argument of the Senator from Utah. It is a brief paragraph, and I wish to read it in order to get it into the RECORD. I read from the last month's issue with regard to British conditions:

The supply of sugar for the United Kingdom continues to be dependent upon the facilities for shipping from over-seas sources, as well as on the success or otherwise of sugar cargoes running the gantlet of the U-boats. The latter have had their successes as well as their failures; and it was recently given out by a member of the Government that we had lost within recent months 40,000 tons of sugar from enemy action. Cuba has to all appearances been our main source of supply, as the scarcity of shipping has tended to make the transportation of Java sugar from the East a matter of difficulty. It is a better policy to send ships the shorter voyage to the West Indies than the longer one to Java; so, sugar from the latter country is necessarily held up till the shipping shortage is rendered less pressing.

However, there is sufficient sugar coming into the country to enable the consumer on the whole to get his rations—

And so forth.

I desire to corroborate the statement of the Senator from Georgia to the effect that there can be no possibility, until there is an improvement of the transporting facilities, for Great Britain or France to draw any quantity of sugar from Java. That sugar must come from the West Indies; that sugar is now coming from the West Indies, and that sugar will continue coming from the West Indies, and no sugar will go from Java to Great Britain or to France until the entire supply of American sugar and sugar from the islands of the West Indies have been exhausted.

Another interjection into the remarks of the Senator from Utah was made by my friend the Senator from New Hampshire [Mr. HOLLIS]. The inquiry propounded by him was quite logical, because it would seem on the face of the papers that there would be difficulty in recognizing a policy which would suspend the drawback on sugar and maintain it on other manufactured articles. I want to call the attention of the Senator——

Mr. SMOOT. Mr. President, will the Senator yield to me for just a moment?

The PRESIDING OFFICER (Mr. HOLLIS in the chair). Does the Senator from Louisiana yield to the Senator from Utah?

Mr. BROUSSARD. Yes.

Mr. SMOOT. The Senator referred to what I said when speaking on this question as indicating that I had a thought that England would get her sugar from Java. I do not know where the Senator got any such impression.

Mr. BROUSSARD. I got the impression from the fact that the Senator from Georgia assured the Senator from Utah that there was not sufficient shipping to bring that sugar there, and I judged that there must have been some fear in the mind of the Senator that Java sugar would displace American refined sugar in the British trade.

Mr. SMOOT. I want to disabuse the Senator's mind as to that. If the Senator had taken pains to read my remarks——

Mr. BROUSSARD. I have read them two or three times, I will say to the Senator.

Mr. SMOOT. Then I will say that the Senator can not find one word in what I said that would lead him or anyone else to believe that I thought that Java sugar was going to England to take the place of the sugar that we were refining. I stated time and again that the sugar that had been refined in this country for England and France came from Cuba, and the only question as to whether or not it would continue to come here was raised by the Senator from Massachusetts [Mr. LODGE] that, if it was not refined here, the same sugar that we had been refining would go direct to England and be used as washed sugar.

Mr. BROUSSARD. I am glad that the Senator does not contend that the sugar will come from Java, because that obviates my spending the time in demonstrating that such a thing can not occur. We are in agreement upon that and it is not so important as to warrant a discussion at this time.

Mr. SMOOT. It never entered the mind of the Senator from Utah and the Senator from Utah agrees perfectly with the question that was suggested by the Senator from Georgia. Every sugar journal has stated for the last two or three months that it was practically impossible to procure shipping transportation to get the sugar that is in Java to-day into the world's market; and to-day sugar is cheaper in Java than it has been for years for the very reason that transportation is impossible to secure.

Mr. BROUSSARD. I hope the Senator will make disclaimers as to some other parts of the argument which he has advanced when I attack them.

Mr. SMOOT. The Senator from Utah did not advance this as an argument and that is the reason he interrupted the Senator from Louisiana.

Mr. BROUSSARD. I will reach that part of the criticism of the Senator's remarks and I express the hope that I may be mistaken as to what he advanced on the floor as an argument against the repeal of the drawback provision. I now want to call to the attention of the Senator from New Hampshire [Mr. HOLLIS] the fact that the drawback taken out of the Treasury under the provision referred to is infinitesimal with reference to everything else except sugar. For instance, I want to call his attention to the fact that automobiles in 1916 only withdrew $36,000. I want to call his atention to the fact that beer only withdrew $2,000; carpets $4.53; cartridges only $10,000; and the same small sums apply to innumerable other articles. I want to call his especial attention to the one article to which he referred, and that is silks. The drawback on silks is as follows:

On silk chiffon it is only $31.18.
On silk voiles it is $2,786.
On silk and mohair yarn it is $3,511.
On artificial silk it is $13,000.
On silk dyed it is $80.
On silk embossed, $13.
On silk ribbons, $37.15.

These are all infinitesimal figures. Compared with that is the drawback on sugar, which runs up into the millions and covers over 90 per cent of all drawbacks. There are hundreds of articles upon which drawbacks are allowed. The document presented by the Secretary of the Treasury in response to my resolution in the Sixty-fourth Congress, Document No. 532, shows the entire list of articles upon which drawbacks are allowed, representing our entire export trade, and yet, all combined, they do not amount to more than a small fraction of the drawback on sugar. Sugar absorbs practically all of the drawback paid out of the United States Treasury, and the use made by the sugar refiner of the drawback provision of the tariff act is objectionable from every point of view. On the other hand, all other American manufacturing industries are utilizing the principle of the drawback in the manner in which the law intended

that it should be utilized, and of course the drawbacks in those instances should not be suspended. With the solitary exception of the sugar refiners the manufacturers in the country are availing themselves of the law according to the provision of the drawback of the tariff in a legitimate way. It is not being used to boost up prices here. It is not being used to extract money from the Treasury and then collect the same sum from the purchaser. It is not being used to beat down the price of competitors in this country. The sugar-refining combine of the country is the only institution that uses the drawback for the illegal purposes which I have just described. I propose to show just how they use this drawback; how they use it to affect the price of raw sugar here and abroad; how they use it to beat down competition with the producers of beet sugar in the West and the producers of cane sugar in the South; how they use it to raise the price to every man, woman, and child in this country; how they use this drawback in every way imaginable; and they alone, of all the numbers of manufacturers that avail themselves of the privilege of the drawback, abuse that power in a shameful manner.

Now, let us see how much drawback there is. Of course, I need not describe at length what the drawback is, but to make the matter clearer, let me state this:

The drawback is a sum of money representing the tariff duty paid upon a given article which, after being manufactured, if exported, is returned to the man who pays it. In other words, when a man brings a ton of sugar into a refinery in the United States on which he has paid duty, if after having refined it he ships it abroad, he gets back that duty, less 1 per cent for the cost of administration.

Now, let us see how this drawback has jumped up.

In 1912 the entire drawback on sugar was only $1,900,105.

In 1913 it was $1,058,789.

In 1914, the first year of the war, it was $1,265,315.

In 1915, after the war was on, it jumped up to $9,650,097.

In 1916 it jumped up to $19,801,513.

For the half year ending June 30, 1917, from the 1st of January, 1916, the statement sent me by the Secretary of the Treasury amounts to $24,142,286.29.

Mr. HOLLIS. Mr. President, I was called from the Chamber. Has the Senator explained why that has jumped so much this year?

Mr. BROUSSARD. I have not, but I propose to explain it.

Now, looking over the report of the Secretary with regard to this drawback we find that the total drawback in 1915 was $7,046,000, in round figures. Of this total the sugar drawback was $5,096,000, in round figures, and practically that same proportion is maintained for the other years. The proportion of drawbacks upon all the hundreds of other articles making up our export trade is, as I stated a while ago, less than 10 per cent of the entire amount paid out of the Treasury in drawbacks. If we bear in mind the purpose of the drawback, it is very clear to us that the withdrawal of practically all this money as drawback on sugar does not adapt itself or fit itself into the purpose for which the law was enacted. The purpose of the drawback is to permit a man who manufactures an article in the United States from a raw article upon which he has paid a duty to compete with another article on a foreign market without having to bear the burden of that duty. It is remitted to him in order to permit him to compete with a foreigner upon a foreign market. So the automobile maker who ships an automobile from here to England meets the competition of the domestic manufacturer there, or the other foreign competitor in automobiles, say, made in France; and he is permitted to withdraw whatever amount of taxes he may have paid on any part of the raw material in that machine in order to lessen his cost and permit him to compete upon the foreign market. But, so far as sugar is concerned, there never has been a moment since the war started that the American refiner has had a competitor upon the market that he has found as the result of this war.

Prior to the war the British people, for instance, consumed 1,700,000 tons of sugar, in round figures. Of that amount, 700,000 tons were refined in the refineries in England, and a million tons were brought into the country principally from Germany and Austria. Of course, this war has cut off the supply of sugar from Austria and Germany, and the British public have had to turn somewhere else for this sugar. They could turn to no other place to get it except here. They could have secured a great deal of it, most of it, all of it, from Java but for the difficulties of transportation which I explained a while ago. So, they had to turn to Cuba to get that sugar; but, inasmuch as the Cuban crop is made into a raw sugar, and not into a refined sugar, and inasmuch as the American refineries take practically the entire crop of Cuban sugar, bring it here, and refine it, they have to come to the United States to buy this sugar. They are buying this sugar in the United States. There is no competitor for this sugar. They are not going anywhere else to get this sugar. They are coming here to get it. They are not buying it from anybody else. They are buying it from the American refiners. They are not buying it from the beet producers in the West, because that sugar, under the operation of the drawback, is penalized if it goes abroad. It is then competing against the Cuban sugar upon which the refiner receives out of the Treasury 1 cent for every pound he sends abroad, but which the beet man is not permitted to receive. Therefore, he can not use the export market. The Englishman and the Frenchman who are here to buy sugar for the British people and the French people can not buy domestic sugar, because that sugar receives no bounty out of the Treasury for its exportation, while the refiner has a sugar upon which a bounty is paid him; and, therefore, he elbows out of the way the domestic producer, and holds that market in his own hands.

Here, at a time when we are taxing everything imaginable in this country, are these refiners drawing out of the Treasury over 20 million dollars, and drawing it out for what purpose? The law says the drawback is for the purpose of permitting them to compete upon the market where they are selling that sugar; but they are selling that sugar on a market where there is no other man from any other country offering any sugar in competition with it. Does not that make it absolutely a bounty, and, as a matter of fact, does not the refiner absorb that 1 cent, and not give it to the purchaser, which he would do if he had a competitor to meet upon the British market?

Mr. SMOOT. Mr. President——

Mr. BROUSSARD. I yield to the Senator from Utah.

Mr. SMOOT. The Senator has just made a statement that I believe he will want to change after he reconsiders it, and that is that the refiners of sugars in this country are selling the drawback sugar to the people of the United States. The Senator does not mean that, does he?

Mr. BROUSSARD. I did not understand the Senator's question. Will he kindly repeat it?

Mr. SMOOT. As I understood the Senator, he stated that the sugar refiners were selling to the people of the United States the sugar upon which they received a drawback.

Mr. BROUSSARD. Oh, no; I did not say that.

Mr. SMOOT. I knew the Senator would not intentionally make such a statement.

Mr. BROUSSARD. I said that the refiners were selling sugar in the United States to the British public. They are not shipping that sugar to England, to be sold there on the open market. They sell it here, and then ship it and collect the drawback.

Mr. SMOOT. Oh, well, certainly.

Mr. BROUSSARD. That is the method. The agents of the British Government and the French Government are right here, buying this sugar. They are taking no chances on it. They sell it right here; and then, after they have sold the sugar, they go to the Treasury and withdraw the drawback on that sugar.

Mr. SMOOT. The Senator knows this, however—that there is not one single cent of drawback returned to the sugar refiners of the country unless that sugar, that has been imported and the duty paid upon it, is exported.

Mr. BROUSSARD. Oh, yes; everybody understands that, I imagine—it must be exported.

Mr. SMOOT. I wanted to get that straight.

Mr. BROUSSARD. But the proposition that I advance is that in this instance this drawback, so far as sugar is concerned, is purely a bounty, a bounty which the American people have repudiated. It has been attempted in this country, and it has been repudiated by the American people. This drawback is purely a bounty, paid to whom? Paid to a handful of people engaged in refining, washing, laundering sugar on the seaboard.

Mr. SMOOT. Mr. President, I can take the quotations of sugar in England before this drawback provision was brought to the attention of the Senate, and also the quotations of the same identical sugar-refining company to the sugar consumer or purchaser in the United States, and the difference between the quotations is just exactly the difference of the tariff upon the sugar. Now, I can show, if the Senator desires, and the Senate, the telegrams daily for a solid month, and the quotations for London were less the amount of the tariff and added to the price at which sugar was sold to the American consumer.

Mr. BROUSSARD. Let me ask the Senator a question. What does he call the tariff? What tariff does he refer to—the British tariff?

Mr. SMOOT. No; our tariff on Cuban sugars.

Mr. BROUSSARD. Oh, well, sugar is selling in England for 6 pence, 6½, and 7 pence, which is 14 and 15 cents, and it is selling here at only 8½, 9, or 10 cents. It sells for twice as much in England, and here are the quotations in this volume. Sugar is

selling in England at 6½ and 7 pence, and the Senator can not quote me cablegrams from London showing that sugar is selling cheaper or as cheaply there as it is here.

Mr. SMOOT. No; the Senator misunderstood me. I said that the American sugar refiners were selling sugar to England for a less price than they were selling it to the American people——

Mr. BROUSSARD. If that is correct, I want them to stop that.

Mr. SMOOT. And the difference between them is just the amount of the tariff.

Mr. BROUSSARD. I want them to stop that. They have no right to sell to anyone, allies or nonallies, sugar cheaper than they sell it to the American public. We are here trying to protect our own people. We are not asking for the refiners to grant us any favors against our allies; but they have no right, under the sanction of law, to sell sugar cheaper to a foreigner than they sell it to an American consumer; and they do it through the manipulation of the drawback which the Senator was defending the other day upon the floor of the Senate.

Mr. SMOOT. Mr. President, they do it because of the fact that our allies are not compelled to pay the duty that is imposed by the American people upon sugars imported into this country. If the Senator has his way, not only will England and France and our other allies pay the duty that is imposed upon sugar imported into this country, but they will also have to pay the consumption tax that is imposed in this bill.

Mr. BROUSSARD. Let me ask the Senator this question: Is the Senator opposed—if he is, I have not read it in his remarks—to the British consumer of American refined sugar, or the French consumer of American refined sugar, paying the excise tax which he has put on the same plane as this drawback?

Mr. SMOOT. Mr. President, of course I think it is unjust. I think it is unjust for this reason, that the sugar that the English Government purchases from Cuba simply passes through America and is refined on the way. It is unjust for America now to say to England, our ally, "Because of the fact that you have been purchasing beet sugar in the past from Germany and from Austria and from France and from Russia, and now the war prevents you from doing it and you are compelled to turn to America to have it refined, we are going to compel you to pay a cent and a half a pound on it."

Mr. BROUSSARD. Oh, but the Senator knows that that is not true.

Mr. SMOOT. It is true.

Mr. BROUSSARD. It is not; and the Senator, if he knows anything about the situation, knows that I know that. I can make the situation so plain to him and to any other Senator that there will be no mistake about the proposition. Does the Senator mean to say that the American refineries are now deducting the drawback from the price of sugar sold to the British and the French Governments?

Mr. SMOOT. The Senator means to say that, and he can prove it to the satisfaction of the Senator from Louisiana or the Senate or the United States.

Mr. BROUSSARD. The Senator proposes to prove that very thing?

Mr. SMOOT. That is what I say, that I can prove it.

Mr. BROUSSARD. Now, Mr. President, I object to being longer interrupted. I do not want to engage in that sort of discussion; but the matter is susceptible of absolute proof. There can be no question about it. The Senator simply disturbs the manner of my argument, the manner of presenting this matter; but I shall meet it now, just as well as later on.

Here is the situation with regard to the purchase of sugar, or the supposed competition for the purchase of sugar between the American consumer and, say, the British consumer. Here is the refiner that has, say, a thousand tons of sugar for sale, and here is an American consumer, an American jobber on the market to buy a thousand tons of sugar. Here is a British jobber to buy a thousand tons of sugar. Now, let us see how this transaction proceeds.

The American jobber says to the refiner: "I am in the market for a thousand tons of sugar. At what price can I get it?" The refiner says: "You can get it at 8 cents a pound, or 9 cents a pound, or 7 cents a pound," as the case may be. The price is satisfactory to the American jobber; but the British jobber says: "I will give you the same price for the same sugar. I will give you 8 cents a pound, or 9 cents, or 7 cents a pound," as the case may be. Now, let me ask anyone who grasps a business proposition to answer this question: To whom would he, as a refiner, sell that sugar? If he sells it to the American jobber, he gets exactly the price he enumerated in the contract. If he sells it to the British consumer, he gets it for that same price, plus 1 cent for every pound out of the Treasury. Who gets the sugar? Why, clearly the British consumer gets the sugar. Clearly a man conducting a big business enterprise is not so insane as to say that he will take 8 cents from an American customer when he can get 9 cents for the same thing from a British customer.

Mr. SMOOT. Mr. President—

Mr. BROUSSARD. I hope the Senator will not disturb me now. He has upset the argument which I wanted to make. I want to finish this line of argument before I touch another.

Mr. SMOOT. I will not interrupt the Senator further.

Mr. BROUSSARD. If any of you gentlemen were refiners, and I and another person should come and make a proposition to you, and offer you 8 cents for 1,000 tons of sugar, and in the one case you would be entitled to recover out of the Treasury a cent for every pound you sold that man, and in the other case you would not be entitled to recover anything, do you not know that you would sell it to the other man, and that you would absorb the cent? That is exactly what a refiner does. That is what he has been doing. That is what he received $24,000,000 for, this last year, of taxes legitimately collected from him into the Treasury. For giving the preference in the transaction to a foreigner over a man of his own country he is paid that bounty, and collects it and absorbs it and distributes it, together with the other profits which he makes, legitimately and illegitimately, in the business of refining.

Mr. NORRIS. Mr. President——

Mr. BROUSSARD. I yield to the Senator, but I am not through with the argument.

Mr. NORRIS. I will wait, if the Senator prefers.

Mr. BROUSSARD. No; go ahead.

Mr. NORRIS. I am asking purely for information. I am very much interested in what the Senator is saying, but I want to ask this question: In the case the Senator put, would it not be necessary for the foreigner to buy his sugar in a foreign country like Cuba and bring it into the United States to have it refined; and would he not have to give bond under the law that he would take the same sugar out after it was refined, so that he could not make sale of it here afterwards?

Mr. BROUSSARD. Oh, no; I will state to the Senator that he can not refine sugar under bond. The trust has been trying to get that privilege, and they asked that under this bill, they be permitted to refine sugar under bond. They have no such authority and they do not do it. They can not do it.

Mr. NORRIS. In the case the Senator puts the sugar that he would sell to the Englishman, for instance, has to be, of course, the same identical sugar that came from a foreign market?

Mr. BROUSSARD. Yes; certainly. All domestic sugars are closed out of this foreign market by the operation of the drawback.

Mr. NORRIS. When they bring that sugar in to refine it, is there no obligation under the law by which they have to take the same sugar out?

Mr. BROUSSARD. Oh, yes.

Mr. NORRIS. Or could they leave it in, after they got it refined, and sell it here?

Mr. BROUSSARD. Oh, yes; but the Senator will understand that at least one-half of the sugar consumed in this country is sugar of the class of which we are speaking now.

Mr. NORRIS. Yes; I have understood that.

Mr. BROUSSARD. And so far as that half is concerned those conditions exist; and through those conditions the refiners are permitted to draw this money out of the Treasury, at a time when we are taxing everything in order to get sufficient money to carry on this great war in which we are engaged.

The position of the Senator from Utah [Mr. SMOOT] is that in the same case which I have submitted, the refiner would say to the British and to the American, "Well, while it is true, Mr. British Jobber, that if you will give me 8 cents for this sugar I could get 9 cents, still I am so patriotic that I prefer to sell it to the American consumer and get only 8 cents for it." Does any one believe that that transaction has ever taken place? And if he looks into the character of the men conducting the refining business in this country, does he believe that it ever will take place?

There is the entire situation in regard to the drawback. It is taken out of the Treasury to feed these stockholders of the refining interests. It is ostensibly given in order to reduce the price to the foreign purchaser—in this instance our allies—but it is absorbed right out of the Treasury of the United States into the treasury of the refining combine. Not a cent of it, not a fraction of a cent, ever finds its way into reducing the price of sugar to the foreign purchaser of that sugar. But that is not the worst of it. After that is done, what happens? Let me take the same case to illustrate it further.

The American jobber says to the refiner, "I am an old customer of yours. I have customers that depend upon my having this supply which I get from you. I am a standing customer. I have been doing business with you for a long time, and I propose to continue doing business with you. The man who bought this sugar only came here because he could not buy it anywhere else. He has been in the habit of buying that sugar from Germany and from Austria. He would not buy it from you now unless he were compelled to buy it from you. He can not buy it from Germany and Austria. He can not get it from Java, because he has no ships to get it. He can not get it from Canada, because they have none to export. He can not get it from Cuba, because they have no refineries there, and he wants refined sugar. Now, I still want my 1,000 tons of sugar. Can you give it to me?" The answer is, "Why, yes; next week I will have a thousand tons of sugar that I can sell to you."

Then the American jobber says, "Very well; next week I will come here and get the sugar." Then Mr. Refiner says, "Hold on a minute; I can not sell you at 8 cents because next week this same man who bought that sugar for which he paid me 8 cents and for which transaction I received from the Treasury another cent, making 9 cents, will be here to get another thousand tons and he will again offer me 8 cents plus one cent bounty which the Government gives me under the drawback. I therefore can get 9 cents for it. Yes, I will sell you that thousand tons of sugar next week. You are a good customer and I want to see your business continue and prosper, but you will have to pay me 9 cents for that sugar or I will hold it and sell it to the Frenchmen or the Englishmen and I will get 9 cents out of the transaction." So while this refiner is absorbing the drawback, giving him the special privilege of competing with foreign manufacturers on the foreign market, he is at the same time applying this drawback to draw out of the public an equivalent of the drawback for every pound of sugar eaten by every man, woman, and child in the United States.

The Senator from Utah is prone to say, sugar yields $52,000,000 annually to the Treasury. That is not so. There is collected $52,000,000 duty, but the trust comes back and draws out of the Treasury as we see here $20,000,000 drawback from that amount. Then, to reimburse itself for the balance of the $52,000,000 and after taking back this $20,000,000 it proceeds to collect out of the consumer and under the same law by which it collects this money out of the Treasury it taxes every man, woman, and child in the country in order to make good the drawback for every pound of sugar which it imports. The duty on sugar imposed by the tariff act is a nullity, so far as the refiner is concerned, and will continue to be a nullity, yielding little profit to the Treasury; enhancing the value of sugar to the American consumer and giving nothing to the foreign purchasers of the American refined sugar who happen to be our allies in this war, so long as the drawback remains upon the statute books.

Worse than that, the refiners use this provision of the law not only for the purpose of absorbing the drawback, not only for the purpose of making additional profit on the value of the sugar apart from the market price; use it not only for the purpose of assessing every man, woman, and child in this country who eats a pound of sugar, but they use it for a legal weapon for the purpose of beating down the price of raw sugar which they purchase in Louisiana; of beating down the price of raw sugar which they purchase from the Philippine Islands, from Hawaii, and from Porto Rico.

We have heard a good deal about people who play both ends against the middle, but the Sugar Trust plays both ends and the middle, too. They collect taxes from the American consumer, absorb it from the foreign purchaser, and then they use that to beat down the price of the domestic raw sugar. That is the profit the trust gets out of the sugar—this concern that does not produce anything at all, that neither toils nor spins, but takes another man's production and launders it at some of the seaboard cities. The refiners' profit consists in the difference between the price of raw sugar and the price of refined sugar, and the greater the difference between the two the greater profit he derives.

I have shown that he can use this drawback to collect out of the people the amount of money which is to be paid in taxes into the Treasury as a tariff duty, which he draws out of the Treasury when he exports the refined sugar. If he can use it for the further purpose of beating down the price of raw sugar then his situation is ideal, and he does all three of these things. He has bought raw sugar in Louisiana for the last twenty years at from twenty to forty points below the price of Cuban sugar, even though Louisiana sugar is admittedly a better sugar for his purposes than Cuban sugar. He has used it outrageously to depress prices in that State, is doing so now, and through the medium of a drawback has gotten himself involved in a suit with planters in Louisiana, and only recently paid $750,000 in damages for a settlement amicably of the suit. He has a contract with the people of Hawaii by which he buys their sugar at ten points below the Cuban price. He buys the Porto Rican crop, and he buys the Philippine sugar that comes here at a difference of ten to twenty points below the price which he pays for foreign sugar, and he does it all by virtue of the fact that he holds this leverage in the drawback.

Let me point out that when this proposition was first brought to the attention of the Finance Committee the refiner did not expect that the Finance Committee would take the view that the committee finally took, but just as soon as it became noised through the press that the committee was looking with some favor upon the proposition which I have advanced with regard to this drawback, then these refiners commenced to pour into Washington. They and their agents and their attorneys, the miners and sappers for this great trust, the workers underground, and the fugel men of the concern all came to Washington. I do not know what they said to the Finance Committee because I was not there, but I know they must have been there several times because some one on the committee did me the honor each time to call me before the committee to answer some of the arguments advanced by the refiners in opposition to this drawback proposition. Let me show you the evolution of the arguments advanced by the refiners in order to maintain this iniquitous provision through which they manipulate the world market.

When the proposition was first called to the attention of the Finance Committee and the advance guard of the refining combine appeared in Washington they took the position that if this drawback were suspended the refiners would move their refineries to Cuba; that they were not going to refine sugar in this country if they did not have the benefit of the drawback; they were going to Cuba. They advanced that argument. Nobody believed they were going to do that.

They have millions and millions of dollars invested in these refineries. They are located here. Their business is here. Their force is organized. They do not know how much longer this war will last. Nobody believed that they were going to Cuba. They knew if they refined their sugar in Cuba that in transporting it to the United States the quality of that sugar would be affected by the humidity on board ship. So, when this was presented to the committee and the committee became convinced that they were not going over to Cuba, they came back with a declaration that all the sugar now being sold refined in the United States would be refined in England. The committee became worried to find out whether that would happen.

I brought to the attention of the committee a letter from one of the foremost sugar experts in the world, an Englishman living in England. Generally speaking, this authority would be accepted as to any country, but as to England he was unquestionably the foremost authority to decide the threat made by the refiners as to the possibility of refining all this sugar in England. I secured a copy of a letter written by this great expert on the 18th of May of this year. I shall read it so that there may be no misunderstanding with regard to the effect of the repeal of the drawback and to show that the prediction of the refiners can not possibly happen.

This letter is as follows:

GOMSHALL LODGE,
Gomshall, May 18, 1917.

DEAR MR. ———: I hasten to reply to yours of April 21, though the reply is only preliminary, as I must try to get detailed facts. In my old age I am away from business circles, but, as you see by the inclosed book, I am still able to put in a word here and there.

I think all the British refineries are at work now, but it is possible that, owing to shortage of supplies, they are not always at full work. They certainly are not, even when at full work, capable of supplying the British consumer with all the refined sugar he consumes. The foreigner, before the war, sent us every year nearly a million tons, and the British refiner supplied the balance, about 700,000 tons—

And so forth.

I will not read the balance of it. This letter is signed by Mr. George Martineau, the great sugar expert, possibly the foremost sugar authority in the world.

The point I desire to make is that the refiners appeared and attempted to frighten the committee into the belief that if this provision were adopted the British people would refine their own sugar. When this letter was presented to the committee showing that the refiners in England were at work on full time; that they were at work just as far as it was possible for them to work with the supply of sugar at hand; that they worked every day they had raw sugar to work upon—when that was exposed to the committee they abandoned the proposition that the British refiners would refine all this sugar and we would lose the business, and they resorted to another subterfuge. They said that

Canada was going to refine all the sugar. They immediately proceeded to say that there were a great number of refiners in Canada and that the sugar would go to Canada to be refined and we would lose this trade.

I brought to the committee the report of the Secretary of Agriculture, Bulletin 473, February 12, 1917, and on page 26 I showed from the report that the export of sugar from Canada was nil, as low as 2 pounds in 1914; I believe that is the year.

I investigated the question of the capacity of the refineries in Canada to refine any portion of this sugar needed by the British public. I found there were only six refineries in Canada; that two of the six refineries were located in the far West, one at Vancouver, and that the freight rates between the Pacific coast and the Atlantic, of course, would prevent their shipping any of the sugar refined in that section to England. Besides that insurmountable handicap, the capacity of that plant was only sufficient to supply the local demand of the people in the vicinity of Vancouver.

Another of those western refineries located in Canada was immediately opposite Detroit, and that the sugar output of this factory was used to supply the local community, and that it had no capacity to refine any sugar for exportation.

The other four factories were located on the Atlantic seaboard, but had been unable to refine any sugar beyond the quantity of sugar needed for local consumption.

So the refiners were compelled to abandon that proposition. It was not possible to frighten the Finance Committee with the idea that the suspension of the drawback would drive this refining business across the Canadian line.

Then they adopted another method, that of trying to show that the repeal of the drawback would be injurious to American interests and American commerce. I have here a telegram from one of the refiners. It is dated June 7, 1917, and reads as follows:

HON. ROBERT F. BROUSSARD,
Washington, D. C.:

Please reconsider your proposition with regard to the drawback duty. Sugar refiners can not work full time for domestic consumption only. The surplus sugar now imported for export after refining would be eliminated and no financial benefit to Government would accrue. Our export trade would be destroyed, as Cuba produces a white sugar acceptable to the Central and South American trade.

That is the same proposition raised by the Senator from Massachusetts in the question that he asked the Senator from Utah. That has been dealt with, and it is shown that the replacement of that sugar by washed sugar from Cuba is not in contemplation, and there is no disposition for that to be done on the part of the British sugar controllers.

Now, Mr. President, who are the people who are benefited by this drawback? One would imagine that a great many commercial interests were involved in the question of the drawback on sugar. Who are the people who are interested in the drawback? They all appear in the petition addressed to the Finance Committee, a copy of which I have in my hand. I shall not read the letter of opposition, but only the names of people who protest against the repeal of this drawback. This protest is signed first by the American Sugar Refining Co., by the W. J. McCahan Sugar Refining Co., by the Colonial Sugar Refining Co., and by the Warner Sugar Refining Co., and this short list includes nine-tenths of every individual who draws a profit out of the drawback. It is practically all of the drawback beneficiaries.

Mr. POMERENE. Mr. President——

Mr. BROUSSARD. I yield to the Senator from Ohio.

Mr. POMERENE. Can the Senator state how much their drawback amounts to?

Mr. BROUSSARD. Yes, sir, I have it here, and it is a public document. I have the thing all compiled for three years, which I propose to put in the RECORD. Their drawback amounts to a great deal. These few men absorb the overwhelming bulk of the drawback. All of the refiners are not engaged in this exporting trade. This list represents practically every cent of drawback that is taken out of the Treasury.

There are five concerns in the United States asking Congress to maintain this iniquitous provision by which they absorb out of the Treasury $20,000,000 a year and then assess a tax of a cent a pound upon every pound of sugar consumed in this country. They are all upon that paper—those who draw the benefit of it. Every man interested in that proposition came to Washington when I brought this to the attention of the Committee in order to protest against it. This document, I dare say, was written and signed right here in Washington. They represent every man interested, a handful of men, and they are making abnormal profits. They are the only people, and if they are not using this drawback for illicit, unlawful, and illegal purposes, it is the first law enacted in their behalf that they have not abused, and they are perpetually here asking for the enactment of laws in their behalf.

Now, why do I say that? Let me read you the record of some of the men who have signed this document, as I find it in the office of the Attorney General; the men who are asking special favors at the hands of Congress, the men who are asking to be permitted to continue to drain the Treasury and to exploit the American public. Let me read you their record. Here is a letter from the Attorney General under date of February 19, 1916:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., February 19, 1916.

HON. ROBERT F. BROUSSARD,
United States Senate.

MY DEAR SENATOR: I have the honor to acknowledge the receipt of your letter of February 16, 1916, relative to the settlement of the case against the American Sugar Refining Co. at New Orleans, La.

This is the first of the individuals who signed this petition asking for a continuance of this special privilege to exact tribute from the American people.

The amount involved in the suit at New Orleans was about $120,000 and interest. The case was settled for $52,185.99. I am inclosing herewith a statement which was prepared for the press upon settlement of the case.

There is a case pending against the Federal Sugar Refining Co. in the district court at New York City, to recover $119,080.98 for duties and interest thereon. This suit was instituted in November, 1912, and is set for trial on March 6 next.

There has been no other suit against sugar refining companies to recover duties under this administration. There have been, however, numerous other cases instituted from time to time in the past.

An investigation was made in 1907 into certain alleged frauds in the underweighing of sugars imported into the United States by the American Sugar Refining Co. and its predecessor, Messrs. Havemeyer & Elder. The investigation resulted in a suit against the company and a judgment was obtained in the District Court for the Southern District of New York in the sum of $134,411.03 for fraudulent weighing of sugars on the docks of the Havemeyer & Elder refineries in Brooklyn, N. Y., between the years 1901 and 1907. Following the judgment above mentioned, the defendant opened negotiations in April, 1909, and a compromise was effected by which the judgment for $134,411.03 was paid and in addition the sum of $2,000,000, on account of duties fraudulently withheld by it from the Government on account of the underweighing of the sugar.

The foregoing led to another investigation which resulted in Arbuckle Bros.—

The next signers to this petition—

paying duties to the amount of $695,573.19, and the National Sugar Refining Co.—

The next signers—

paying back duties in the sum of $604,304.37.

Later investigations disclosed that the American Sugar Refining Co. had received drawbacks on exported—

Now, mark you, "on exported"—

on exported sirups, which, in fact, had been manufactured in whole or in part out of free and not dutiable sugars. These claims were settled by payment of $700,000.

Those are the people who are asking for this special privilege. They are the people who are now asking for a continuance of this drawback provision which the committee proposes to abolish to tax the American people in sums equivalent to the duty they pay upon the sugar they import into the country. But that is not all. Here is another letter from the Attorney General, March 6, 1916:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., March 6, 1917.

HON. ROBERT F. BROUSSARD,
United States Senate.

MY DEAR SENATOR: Yesterday when you were in my office you requested to be advised as to the terms of the settlement of the case of U. S. *v.* Federal Sugar Refining Co. and also of the amount claimed in the petition.

In reply, permit me to say that the amount sued for in this case was $119,080.98 and interest.

The terms of settlement are that the company will waive the statute of limitation for the reliquidation of entries and pay the Government $67,173.22, the compromise being effected upon a basis not involving fraud.

In addition to this, a form of notice to be issued to the press was agreed upon, copy of which I am inclosing to you herewith for your information.

Although the parties are in substantial accord, final settlement of the case has not been definitely consummated, but will be, I think, very shortly.

I believe that this answers all of your inquiries, but if there is any additional information you desire, please advise me.

Yours, very truly,

(Signed) T. W. GREGORY,
Attorney General.

Inclosures: 57147.

In connection with this correspondence I desire to have printed in the RECORD a third letter from the Department of Justice, which reads:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., March 15, 1916.

HON. ROBERT F. BROUSSARD,
United States Senate.

MY DEAR SENATOR: Permit me to acknowledge the receipt of your letter of the 11th instant, requesting, in view of the statements contained in the clipping from the Journal of Commerce and Commercial Bulletin,

that I apprise you of the circumstances leading to the settlement of the case of United States v. Federal Sugar Refining Co.

Inasmuch as the statutory time for reliquidating the entries set out in this case had expired, the Government could not reliquidate same without first establishing that the entries in question were fraudulently made. The allegations of fraud, therefore, constituted an essential part of the Government's case.

Pending the negotiations for the settlement of the case the sugar company made a written offer to settle the case "upon the express condition and agreement that the Government withdraw its claim of fraud, and that upon acceptance of this offer the above-entitled action will be discontinued." It also offered in furtherance of the negotiations to waive "the time limitation for reliquidation of entries."

The Government refused to settle on this basis, but made the counter offer that if the statute of limitation were waived, so that the Government mght collect what was equitably due, whether fraud existed or not, the Government would, without withdrawing the charge of fraud, settle on a basis not involving fraud and discontinue the case, thus excluding from consideration the question of fraud, which was no longer a necessary element of the Government's case. This left the parties in the position where the defendant did not admit nor the Government withdraw the charge of fraud, but both settled independently of the question of fraud. This understanding was expressed in the final agreement for settlement of the case, as follows: "This payment is made upon the express condition and agreement that the compromise is to be effected on a basis not involving fraud, and that upon acceptance of this offer the above-entitled action will be discontinued."

In a letter accompanying the final offer of settlement, the company's counsel state:

"The offer of compromise has been made upon the express understanding and agreement that you will give this and no other statement to the press, and while I, of course, realize that you will not give out any other statement, yet, as a mere matter of business, I am writing to request you not to accept the offer except and unless this and no other statement is given out."

The statement referred to is the one of which I inclosed a copy to you.

To this the department replied:

"The purpose of agreeing upon the form of notice to be given to the press was to prevent the issuance of different or conflicting statements, and it is clearly understood that neither side will give to the press anything more than the statement agreed upon. The Government will, of course, abide by this agreement and will issue no other statement to the press unless a violation of this understanding by the sugar company make it necessary to issue an explanatory statement, which, of course, the Government does not anticipate."

From the above you will observe that the report of the Journal of Commerce and Commercial Buletin was incorrect, and that if it was given out by the company was in violation of the agreement above referred to.

I believe this fully answers all of your inquiries.

As requested, I am returning the clipping which you inclosed to me.

Yours, truly,

T. W. GREGORY,
Attorney General.

I desire to put this whole correspondence in the RECORD because it shows all the transactions and the spirit in which these same people have been dealing with the Government. I think I can sum up the operations of these refiners who are the sole beneficiaries of the drawback. There are no others who profit by it. The producer of sugar in the United States can not avail himself of this privilege. The island producer of sugar can not avail himself of this privilege. That market is closed to him because he can not compete with a concern that has the privilege of a drawback of 1 cent a pound out of the Treasury upon every pound exported. The Louisiana sugar producer can not avail himself of the foreign markets. And, mind you, all refiners are not engaged in this business, but just a handful of them.

Now, what is the history of these people? The Senator from Utah would make us believe that these gentlemen are so honest that because the law says the drawback was intended to give them an advantage on a foreign market by paying a part of the price out of the Treasury they would relinquish that part of the price; in other words, that when they deal with a man purchasing sugar from Great Britain they say to him that our price on sugar is 8 cents. If you buy from us we will only collect 7 cents from you because the Treasury of the United States will pay us the other cent. That is what the Senator from Utah will have us believe is being done. As a matter of fact, every time these people have had an opportunity they have not failed to take advantage of it. On account of this very law they have been sued for fraud against the Government. At one time we had a system of duty upon sugar that was ad valorem. It was a law enacted by the first Democratic administration after the Civil War. We had to abandon the system of ad valorem duty on sugar because these people falsified their invoices and robbed the Government out of the duty. Then we put the color restriction in the law and they robbed the Government upon the color restriction, until we had to abandon the color restriction. Then we put on a polariscopic test which is still in existence, and they fudged upon that. They fudge upon it now, and I have shown that they fudge upon it as far as the American consumer is concerned.

We put a duty upon the weight of sugar, and they fudged upon the scales, and every time they were sued they went to the Attorney General and turned over a check in flat liquidation. They would not stand trial.

Now, then, we put a drawback in the law and what do they do? The Attorney General tells us that the American Sugar Refining Co., after being caught, paid $700,000 for using sugar for export on which they paid no duty, and stealing money out of the Treasury as though they had paid the duty. These are the people who ask this privilege. These are the people who would like to see the Senate continue to grant them this privilege. They are the people who have been dragged into court under every provision of every law to benefit themselves. The laws to which I refer were laws in the interest of these same people. They were made in order that they might continue their business. They were made in order to encourage the refining interests and made for men favored by the law to the extent of having special laws in their behalf. You would think that men favored by the law to the extent of having special laws in their behalf would at least respect the laws and not evade them. And yet those are the people whom the Senator from Utah would commend to the Senate.

Now, let me tell you what they are doing by virtue of this drawback; and I think this is an iniquity that ought to be investigated at once. Mark you, the sugar upon which they get a drawback is a refined sugar. The British trade, as I showed a while ago, is demanding washed sugar; but the refiner does not want the British consumer to take washed sugar because he does not handle washed sugar. If he gets any washed sugar he does not use it for exportation, for it is domestic and there has been no duty paid on it. If it is foreign sugar, and he refines it, of course he has to pay the duty; but when he ships it, it goes in the shape of a refined sugar and not a washed sugar. There is considerable demand for sugar in Europe. England herself is in the market for more than a million tons of it this year. France is in the market for a considerable amount of sugar. There is nobody to sell that sugar except the American refiners. These Governments must purchase that sugar from the bunch of individuals in whose favor this law was made—the men who abuse a privilege granted them and who make money out of it—and they, in order to conserve the sugar to supply the demand in the United States, are now busy putting a different kind of sugar upon our market. They are advertising an inferior kind of sugar, as I shall show, and are now inducing the American public to use this inferior sugar in order that they may save their refined sugar for their export business.

They do that because if they sell the refined sugar to the American consumer they will get nothing out of the Treasury, but if they sell it to the British or French consumer they get a bonus from the United States Treasury of a cent a pound on it. So what do they do?

They started out some years ago to drive out of the American market the old-fashioned brown sugar which was made on the cane plantation; they drove that sugar out. I shall show how they did it; and I shall show their work in England—how they have undertaken to change the British taste that is now demanding washed sugars instead of refined sugars. Perhaps I had better show how they drove the old plantation brown sugar out of the market before I deal with the sugar which they are now putting on the market and which they fraudulently call the same sugar.

Years ago, when we in Louisiana were making brown sugar and when a clean, wholesome brown sugar was made in the West Indies, the refiners conceived the idea that if they could prejudice the public against brown sugar nobody would buy it and they would then purchase all of that sugar, refine it, and, by getting the handling of it, secure a profit on every pound of sugar that everybody else produced. What did they do? They started a campaign against brown sugar. Here is Willett & Gray's Weekly Statistical Sugar Trade Journal, the accepted sugar magazine of the country, which is reliable in every way. This issue is of date January 22, 1898, and it will serve to illustrate the policy they pursued. They got a chemist to certify that there was a bug in brown sugar. Here is one of the advertisements of the refiners, with a photograph of the bug. They advertised that this sugar had a bug in it which they called in some cases a louse and in other cases they called it a lizard. Here is what they said about that sugar:

WHAT ARE RAW SUGARS?

Prof. Cameron, public analyst of the city of Dublin—

They went over to Dublin to get a chemist to discover this bug—

who has examined samples of raw sugar, states that they contained great numbers of disgusting insects, which produce a disgusting disease.

Mark you, they did not say what disease, but that they "produced a disgusting disease."

Their shape is very accurately shown in the accompanying figures, magnified 200 diameters. Figure 1 is the under side and figure 2 is the upper side. His description is as follows:

The *Acarus sacchari* is a formidably organized, exceedingly lively, and decidedly ugly little animal. From its oval-shaped body stretches forth a proboscis terminating in a kind of scissors, with which it seizes upon its food. Its organs of locomotion consist of eight legs, each jointed and finished at its extremity with a hook.

Mr. POMERENE. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. HOLLIS in the chair). Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. BROUSSARD. I do.

Mr. POMERENE. The Senator's statement that these bugs were in brown sugar leads me to inquire whether the alcohol which is distilled from that kind of sugar is what is called "bug juice"? [Laughter.]

Mr. BROUSSARD. I imagine so, but I am not very well advised about liquor. This description continues:

In the sugar, its movements from one place to another are necessarily very slow, but when placed on a perfectly clean and dry surface, it moves along with great rapidity.

He adds that—

The number of *Acari* found in raw sugar is sometimes exceedingly great, and in no instance is the article quite free from either the insects or their eggs. Muscovado, as it comes from the colonies, should never be used.

He further says:

The *Acari sacchari* do not occur in refined sugar of any quality—

That is in great big, bold, black type—

because they can not pass through the charcoal filters of the refinery, and because refined sugar does not contain any nitrogeneous substance upon which they could feed.

The advertisement closes with the injunction:

Use only refined sugar.

They proceeded to disgust the American public with good, pure sugar by publishing this horrid picture of an insect and defining that insect through the words of some college professor in Dublin. They kept this advertisement before the public and proceeded to destroy that industry. They induced people, who themselves and whose ancestors for generations before them had been accustomed to use that sugar, to stop using it, and they at one and the same time through this method of publicity forced the producer of that sugar to sell it to them, to be worked over, and the consumer to buy the refined sugar from them. That was the campaign they made not very long ago, for I found this advertisement, which was circulated all through the country at that time, published in 1898.

To-day they want all the refined sugar for the British and French trade; they do not want to sell it to the American consumer. What do we find they are now doing? They spent this year, according to their own statement, over a million dollars advertising sugar. Here [exhibiting] are a lot of advertisements in the Washington newspapers that you can see every day about their sugars. They are busy now advertising a kind of sugar which they call cane sugar—old-fashioned brown—the very sugar they said had these bugs in it; not the very sugar, because that sugar of former years was a pure sugar. Here [exhibiting] is a sample which I secured in Baltimore. This package comes from Texas. I have not opened it, but it can be obtained anywhere in the country. No sugar man can tell me what this conglomerate is. This is the sugar they are palming off on the American public, spending a million dollars advertising it, for which they should be prosecuted. This article which they have denounced as being filled with lice and lizards they are now selling to the American public in order to conserve refined sugar to ship abroad and raid the Public Treasury.

I am not exaggerating this situation. Let me read you of what this sugar consists. I obtained a package of that sugar in Baltimore and brought it to the United States Bureau of Standards, which gauges every pound of sugar upon which a duty is paid in the customhouse. I have here the analysis which was made on the 8th of August just passed and here is the result:

DEPARTMENT OF COMMERCE,
BUREAU OF STANDARDS,
Washington, August 8, 1917.

Hon. ROBERT F. BROUSSARD,
United States Senate, Washington, D. C.

DEAR SIR: I am pleased to inform you that the polarizations of the two samples of sugar submitted by you to-day are as follows:

	First reading.	Second reading.	Accepted average.
B. A. yellow (J. W. Crook)	84.3	84.4	84.35
Domino (old-fashioned brown)	84.08	84.04	84.06

The above values are in degrees sugar.

Respectfully,

S. W. STRATTON, *Director.*

Mr. President, this sugar is an 84 sugar. Do you fully realize what that means? It means that when a poor devil who is urged to go back to the kind of sugar which his grandfather used to buy—the good old-fashioned brown sugar—buys 100 pounds of that sugar he gets but 84 pounds; he is robbed of 16 pounds. It means that they are foisting this iniquitous stuff as good sugar upon the American public, robbing them of 16 pounds on every 100 pounds they buy in order to conserve the granulated sugar to supply to their British and French customers, and to draw this 1 cent duty out of the Treasury. It means that when a customer in this country who has formerly purchased good Domino, which represents the best grade of refined sugar in the country, buys a box of this new sugar, with the recommendation of the American Sugar Refining Co. upon the box that it is good old-fashioned brown sugar—which, by the by, the American Sugar Refining Co. formerly said when they did not own any of that sugar, was filled with lice—it means that when he has paid a dollar for that sugar he has really got only 84 cents worth of sugar; that for 16 cents of what he pays he receives no return.

Nobody knows how this sugar is made. I invite the Senator from Utah [Mr. SMOOT], who knows a great deal about sugar, to inspect this sugar and to tell me if he knows how it is gotten together. It has been suggested that it is the scraps and the sweepings of the sugarhouse after they have taken all the good sugar and have run the stuff through the refinery two or three times. They take the sweepings of the sugarhouse—with the dirt and the filth, with the gum and the mud and the sand—they take that stuff and they advertise it under the name of an ostensibly reputable concern that is here praying that Congress permit them to continue this iniquitous thing upon the American public; and, in order to make more profit and get more money out of the Treasury, they are foisting it upon their fellow citizens at this time while they are conserving the good grades of sugar for the double purpose of building up a trade in England and France and for getting money out of the Treasury. Does the Senator from Utah, or any other Senator, defend the course of these men whose cause he pleads when, by maintaining this drawback, these refiners may continue to practice this iniquity in violation of the law?

Now, let me show you just what they are doing with this sugar. For selling this sugar they ought to be prosecuted; they have no business putting it on the market; every hundred pounds of it has 16 pounds of foreign matter. I do not know how many of the bugs to which I have referred are in that sugar, but let me show you what they are doing in England. These same refiners, in order to keep the washed sugar, the clean sugar, to which the Senator from Massachusetts referred, from going on the British market to supply the British demand for that class of sugar, are now busy showing that good plantation sugar is filled with this same sort of stuff. In demonstration of this I quote from the recent records of Parliament. I read a while ago the statement that they found some of these insects in that sugar. I read again from the International Sugar Journal, of London, the authority and reputation of which will not be questioned. In the issue of July, 1917, at page 294, we find:

IMPURITIES IN RAW SUGAR.

In our last issue we commented on the statements made in Parliament as to the impurity of certain raw sugars imported mainly from Cuba, and expressed the opinion that more sugar was going through the refineries than was necessary. This criticism was to be found also in the daily press and was emphasized by parliamentary speakers. But it has now to be admitted in justice to the refiners that, whatever may be the case as to the purity of some consignments (which we still think might have been allowed to go into direct consumption), there have been too many others coming from Cuba containing a high percentage of physical impurities, which certainly justifies the decision to refine them. Apart from that, the sugars have at times arrived in solid blocks, showing that they had been bagged hot. That dirty bags have been used in some cases appears undeniable on the evidence. And the proportion of physically tainted sugar which has been sent over would appear to have been considerably higher than one would be led to expect from Cuban sugar centrals

In view of the degree of publicity which Cuban sugars have received of late in the British Parliament, it seems highly desirable that the explanation of the Cuban manufacturers should be forthcoming, if Cuban sugar is not to acquire a bad name amongst British consumers. One point that will need elucidating is as to whether the sugar sent over to this country was so dispatched in the understanding that it was in any event to go to the refineries. For if the manufacturer knew that there was no question of his product being put into direct consumption he might feel justified in ignoring the presence of the physical impurities, having regard to circumstances which may have held at the time. But in view of the fact that the best Cuban crystals are usually pure enough to warrant dispensing with refining, especially when the refining output is not equal to the demand, the recent faulty shipments certainly seem to cast unnecessary reflection in the eyes of the public here as to the quality of the sugar the modern Cuban centrals can turn out, and it would be in the interests of the Cuban manufacturers to clear up the misapprehension, unless, indeed, they are content indefinitely to cater for the refineries, and have no desire to turn out direct consumption sugars.

We need hardly add here that we are not joining issue with those who would eliminate the refiner altogether. Admittedly, the trend of improvement in raw cane sugar factories of late years has been, and will increasingly be in the future, toward the production in the raw sugar central of a product which can be sold for direct consumption. Such sugar will command a higher price than will the lower refining grades; hence the sugar manufacturers will have some inducement to turn out the purest quality they can. But this is not the purity of the refined article, and there will always be a demand for the latter for table use and for preserving, which is not likely to be lessened by a wider acquaintance with the "plantation white" grade. The rôle of the latter will be mainly for cooking, both domestic and trade. The real point of recent criticisms has been a fairly well-founded belief (as we have assumed) that the existing shortage of sugar has been increased by the delay that has arisen through the decision to refine certain raw sugars which were, in the opinion of many, fit under the circumstances to be sent into direct consumption. The proportion may not have been so great as has been alleged, but it does appear to have existed; and in view of the urgent need of sugar for domestic purposes, the complaints in Parliament and elsewhere would seem to have been justified.

Now I desire to refer to questions asked in Parliament with regard to the efforts of the refiners to continue their hold upon the granulated sugar market which they have secured through the war, which has operated to exclude German and Austrian sugar from the British market. Here are reproduced a number of interrogatories to members of the cabinet in the British Parliament. I shall not read the whole of it, but I want to read just one part of the answer of Capt. Bathurst, who is connected with the pure food commission and is a purchaser, as I understand, of sugar for the British Government. He was asked by Sir H. Dalziel with regard to the white sugar that was being imported into England, and he said this—I had better read the question and answer:

Sir H. DALZIEL. Having regard to the fact that the honorable and gallant gentleman the other day made some serious suggestions about the impurities of this sugar, why should he not be able to give up the analysis which was made previously when I asked my question?

To which Capt. Bathurst replied in part—I shall not read the whole of it:

I should like to invite the right honorable gentleman to come and see the collection now to be found in the Sugar Commission Museum. As a zoologist it would interest him.

They had reference to the same bug to which I have referred, the presence of which in certain sugar the refiner was using here to prejudice the consumer. The British consumer is asking for washed sugar, and right away the contention arises that such sugar is bad, while over here the men who formerly urged that that sugar was bad because it contained these objectionable insects are now palming it off upon the American public.

I sent to a gentleman in whom I have the greatest confidence and who is engaged in the sugar business and knows the business very thoroughly an inquiry as to this grade of sugar and he replied in this manner:

AUGUST 7, 1917.

I am sending you two packages of this grade of sugar, which is being sold to the public at 50 cents per 100 pounds over the basis price of standard granulated, and I am attaching one of the regular price lists, showing now this sugar is sold in comparison to the other grades, and to anyone familiar with the sugar grades, it will be apparent at a glance that it should be very profitable indeed to market such low grades at relatively high prices, and also that the purchaser would get very poor value in buying this sugar from a standpoint of purity.

Like all other sugar the test will vary somewhat, dependent upon evaporization of the moisture they contain, but although our laboratory has made tests of quite a number of these packages, they have not been able to discover any that showed a purity in excess of 85 degrees. Our test here shows No. 1 package tested 82 per cent sucrose. No. 2 shows 84.8 per cent.

The refined sugar, that is, standard granulated test 99.9 plus sucrose, therefore the sugar in these two packages would have an actual value in sugar content of about 82 per cent and 85 per cent, respectively, of standard granulated, and as compared with 96 per cent raw sugars, they would be worth approximately 79 per cent and 81 per cent, respectively, and this I believe will give you an approximate value of the comparative worth of these sugars in bulk on prevailing market prices. As you come from a sugar-producing State, I am quite sure you will agree with me when I say that the grade of sugar as old-fashion brown does not to any extent resemble the brown sugar that was formerly made and sold to the trade by the Louisiana mills, or as far as I know, from any other sugar-producing section. In line with this deception, I am glad to hand you a marked copy of The Lamborn Co., report of August 3 touching on the present plan of the American Sugar Refining Co. in advertising their wares, which I think will be interesting to you in this connection.

Another bad feature of this grade of sugar is that on account of its low purity, it is very liable to invert and still further lose its value for the consumer when subjected to extremely hot weather.

Mr. President, this sugar is quoted here, according to A. H. Lamborn Co., at 8.25, while granulated sugar is quoted at 7.80 and fine-granulated sugar at 7.75.

I looked up this morning the quotation in New York on this good, old-fashioned brown sugar, and I find that it is quoted at 8.90, nearly 9 cents a pound for this stuff.

Here is what Willett & Gray's Weekly Statistical Sugar Trade Journal of January 11, 1917, says in regard to this old-fashioned brown sugar:

American Sugar Refining Co.—New brand.—In response to an insistent demand, the American Sugar Refining Co. have produced and now have ready to market Domino Old-Fashioned brown sugar. Size, 1-pound carton, waxed-paper lining; packing, 24 cartons to a container; price, 50 cents a hunded above basis of fine granulated.

Domino Old-Fashioned brown sugar is carefully prepared brown sugar, packed in net weight 1-pound waxed paper lined cartons. It fills a long-felt want in supplying the housewife with a brown sugar of a standard flavor and color, upon which she can place absolute dependence.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. BROUSSARD. I yield.

Mr. JONES of Washington. As I understand that, the sugar contains from 82 per cent to 84 or 85 per cent of sugar?

Mr. BROUSSARD. Yes, sir.

Mr. JONES of Washington. Has it been analyzed to see what the other 16 per cent is?

Mr. BROUSSARD. No, sir; it has not. I sent it to the Bureau of Standards for an analysis of the saccharose contents.

Mr. JONES of Washington. I think it would be very interesting to the public if it were analyzed to find out what the other 16 per cent is.

Mr. BROUSSARD. It would be very interesting. In connection with the remarks of the Senator, I desire to read just a short letter which I received this morning with regard to this sugar, because it presents the very question which the Senator raises.

Mr. KIRBY. What was the precentage of the old Louisiana brown sugar?

Mr. BROUSSARD. The old brown sugar before the days of centrifugals, when the molasses was drained out by gravity, ran as high as 95 and 96 per cent. Since the introduction of centrifugals it will average around 98 per cent. Ninety-six per cent is raw sugar; that is the line of demarcation fixed in the tariff law, and yet this old-fashioned brown sugar now being advertised to which I have referred, is only 84 per cent sugar as shown by the Government test. In Louisiana after we make the firsts we make the seconds, by reworking the molasses, and our seconds run up from 89 and 90 per cent and our thirds make a better showing than this stuff. Yet this so-called old-fashioned brown sugar now being placed on the market is only 84 per cent and some of it only 82 per cent sugar. It is being put on the market purely and exclusively for the reason that the drawback on the statute books induces them to sell their refined product in Europe.

Now let me read you this letter, which is in line with the suggestion of the Senator from Washington. It is dated August 4, and is as follows:

AMERICAN CANE GROWERS' ASSOCIATION OF THE UNITED STATES,
925 WOODWARD BUILDING,
Washington, August 4, 1917.

HON. ROBERT F. BROUSSARD,
The United States Senate, Washington, D. C.

DEAR SENATOR: In connection with the so-called old-fashioned sugar now being urged upon the public as a substitute for the vast stocks of the refined article that are being shipped abroad in order to drain heavier drawbacks out of the Treasury, it should be made clear that this sugar is not the old-fashioned, open-kettle Louisiana product that so long enjoyed a reputation for sweetness and purity.

During the consideration of the sugar schedule by the Sixty-first Congress, Senator TILLMAN, in deploring the disappearance of our open-kettle output from the market, said: "I want a good brown sugar such as I got when I was a boy, and not have to pay the Sugar Trust 2 cents a pound extra for it." (CONG. REC., 61st Cong., p. 2378.)

Senator Foster explained to the South Carolina Senator that the Refining Trust had practically driven that class of sugar from the market. This, as you know, continues to be the fact, for practically the only purchasers now are large baking and confectionery corporations that contract for a period of years, for the entire output of some of the smaller plantations. It follows then that the brown sugar now being sold is not the high-grade Louisiana article.

For years the seaboard refiners displayed in every issue of their trade publications a loathsome illustration of the *Acarus sacchari*, more commonly known as the sugar louse. Accompanying this disgusting picture was the statement that while the insect was found in raw sugar, "and was frequently the cause of a disgusting disease," it did not occur in refined sugar of any quality. The advertisement concluded with the announcement in flaring black-face type, "Use only refined sugars."

By reason of the persistent and aggressive advertising and trade practices of the seaboard refiners the people of the United States were educated to reject the open-kettle product and demand a white granulated sugar. To meet this demand the Louisiana interests have for years been producing a pure granulated sugar made direct from sugar cane without the use of bone black or charcoal made from the bones of animals. This sugar, made under the pure-food laws of the United States, meets all the demands of a pure, clean, wholesome food and is the answer of the Louisiana people to the Sugar Trust for driving their former product from the market. This, however, is not open-kettle sugar.

The Louisiana open-kettle output is high in sugar content, and even the second sugars in that State polarize at 89° and higher. On the other hand, the sugars now being sold by various importers and jobbers as "the kind your grandfather used to sweeten his coffee with" polarize

as low as 82°, and most of it has been found to analyze below 85°. Some idea of the inferiority of this stuff can be had from the fact that the standard for soft sugars has for years been fixed in the tariff law as 96°. The tariff on 96° sugar from Cuba is slightly in excess of a cent a pound, 1.0048 to be exact. On sugar testing 82° it is 0.7136 of a cent a pound, and on 85°, the highest test in several samples analyzed, it is only 0.776 of a cent a pound. You can, therefore, understand what an enormous profit there is in unloading these sugars on the American consumer.

The unsuspecting poor who seek to protect themselves from the winter's cold are shielded by law from the imposition of shoddy under the guise of wool, and the pure-food legislation has protected the reputation of New Orleans molasses. It is to be regretted that the old-fashioned open-kettle plantation sugar, such as Senator TILLMAN and others fondly remember, have not also been definitely fixed and determined by law.

Very truly, yours,

PAUL J. CHRISTIAN,
For the American Cane Growers' Association.

Now, Mr. President, I think I can summarize; but before doing so, let me call your attention to one fact that probably will be dwelt upon by those who advocate the retention of the drawback in the law:

The profit of the refiner in this country consists of the difference between the price that he pays for raw sugar and the amount that he receives for refined sugar. That is known as the differential. The refiners have contended on numerous occasions, both before the House and before the Senate committees, that there is profit to them if they can get 60 or 65 points between the price of raw sugar and the price at which they sell their refined sugar. Now, I have compiled the difference during all of this year between raws and refined by weeks, so as to show just what that differential has been. I will not read the whole list, but I want to put it in the RECORD.

The PRESIDING OFFICER. Without objection, permission will be granted.

The matter referred to is as follows:

Effect of repeal.

	Sugar prices, 1917.		Difference.
	Raws.	Refined.	
Jan. 4	$5.39	$6.615	$1.225
11	5.39	6.615	1.225
18	5.27	6.615	1.345
25	4.89	6.615	1.725
Feb. 1	4.89	6.615	1.725
8	4.89	6.615	1.725
15	5.39	6.86	1.47
21	[1]5.52	7.35	1.83
Mar. 1	5.39	6.86	1.47
8	5.27	6.86	1.59
15	5.33	6.86	1.53
22	5.52	6.86	1.34
29	5.89	7.84	1.95
Apr. 4	5.96	7.84	1.88
12	6.40	8.085	1.685
19	6.27	8.33	2.06
26	6.21	8.33	2.12
May 3	6.27	8.33	2.06
10	6.21	7.84	1.63
17	6.02	7.84	1.82
24	5.96	7.84	1.88
31	6.27	8.33	2.06
June 7	5.89	7.84	1.95
14	5.89	7.35	1.46
21	5.96	7.35	1.39
28	6.40	7.595	1.195
July 5	6.52	7.35	.83
12	6.52	7.35	.83
19	6.65	7.497	.847
26	6.77	7.595	.825
Aug. 2	7.02	7.987	.967
9	7.52	8.232	.712

[1] Nominal.

Mr. BROUSSARD. On January 4, 1917, the raws sold for $5.39—that is, the average for the week according to Willett & Gray—and the refined for $6.615, a differential of $1.22½. Then it goes on $1.22½, $1.22½, $1.34, $1.72, $2, $2.06, $2.12; and it goes on until we reach the first week in July, 1917, just after I had requested the insertion in this bill of a provision to suspend the drawback, and right away they jerked down the differential. Immediately we find that it dropped down to $0.83 the first week in July; the second week in July it dropped to $0.83; the third week to $0.84; then $0.82; then $0.96; and then this last week, when we took up the consideration of the bill, it was down to $0.71.

Now, it is not a fact that this differential of $0.71 at this time has any genuine significance in the sugar market, but they put it at $0.71. Why? They know every way for manipulating markets as well as manipulating trade. There is hardly a pound of raw sugar for sale at this time, and there has not been for several months. All the raw sugar that is available is in the control of these refiners now. The harvesting of the Cuban crop has not started. The Hawaiian crop, the Porto Rican crop, and the Louisiana crop are not on the market. They are not ready. The cane is still green. There is no raw sugar on the market. All the raw sugar that is now available belongs to the refiners.

Now, the differential may be fixed in two ways. One is to lift the price of refined; the other is to lower the price of raw. The moment this agitation started, they were afraid that Congress would see that they were making too much profit; that their differential was too great. They did not want to reduce the price of refined; in fact, they lifted it during that period; so what did they do? There was no raw sugar for sale. They were not going to buy any raw sugar, so they just boosted the price of raw, and made the differential $0.71. They could just as well have made it 1 cent or nothing. It would not have affected the trade in any way, but it shows the method they pursue.

I am calling the attention of the Senate to these facts so that we may realize that when they are back of a proposition, as they are behind this proposition, and when they are the only beneficiaries of that proposition, and when they are here urging this proposition, it is not strange that everybody who knows of their methods of doing business is suspicious, and begins to investigate.

The Senator from Utah [Mr. SMOOT] stated the other day that if this suspension were permitted to remain in the law, the effect of it would be to increase the price of Louisiana sugar by one-half a cent a pound; and then the Senator from New Hampshire [Mr. HOLLIS] asked the Senator whether that would not have the same effect as to the beet sugar of his section, and he modestly admitted that it would; but then he patriotically declared right away that he did not want his people to make that half cent additional. In other words, the Senator said: "If you will suspend this drawback the effect will be to raise the price of sugar to the American consumer by half a cent, and that half a cent will go to the Louisiana planter and the beet grower."

I wonder if the Senator is deceiving himself about that, or whether he is simply taking the statement made in the letter of these refiners to the committee, in which they contend for that, I think, in their seventh proposition? That is not true. The suspending the drawback will tend to reduce the price of sugar to the consumer.

The Senator from Ohio [Mr. POMERENE] had the right idea when he asked the Senator from Utah, in the same speech, if the effect which the Senator predicted was had if no refined sugar was exported—whether that would not increase the American supply, and therefore cheapen sugar to the American consumer? The Senator from Ohio was correct. It would cheapen the price, but the Senator from Utah, in face of the well-known economic law of the effect of increasing the supply, contended that it would raise the price. Now, let us see. Let us look into that for a moment.

The price at which the Senator's constituents sell their beet sugar upon the American market is a few points short of the price at which the refiners sell their refined sugar on the same market. They have to cut under that price, always. The people in Colorado must sell their beet sugar to the trade just below the price at which the American cane refiner sells it. Now, then, if it is true, as contended for by the Senator, that the suspension of the drawback will increase the price of sugar half a cent to the beet producers in the West and the cane-sugar producers in Louisiana, of course it will also increase the price of sugar for the refiners. If the suspension of the drawback is to permit the cane-sugar people in Louisiana and the beet-sugar people in the West to get half a cent more for their sugar than they are now receiving, then the competing concerns, the American Sugar Trust, will also be enabled to increase prices. Is not that inevitable? The argument of the Senator from Utah is tantamount to saying that if you take away from the refiner the 1 cent on every pound which he draws out of the Treasury you will have added to the value of that pound a half cent; in other words, that if you deduct a cent from a pound of sugar in the hands of the refiner by withholding the drawback, then by that operation you have increased the value of that pound by a half cent. Does anyone believe that? Is it possible to accomplish that?

The price of beet sugar will not increase with the suspension of the drawback. It will decrease. How much more true this is of Louisiana sugar, when we know that that sugar is sold to the trust itself.

The truth of the matter is—and the Senator from Utah knows it—that the withholding of the drawback means increasing the supply for domestic consumption and the general depression of the price of sugar upon the American market.

The Senator should know that the Louisiana sugar planters are not in favor of this drawback proposition that I have urged. They know that they will lose by the operation. The Senator should know that the beet-sugar people are not in favor of this proposition; that they are pulling with the trust at this time to maintain the drawback. The Senator should know that the Hawaiian producers are in accord with the trust and are not in favor of this proposition. Does the Senator mean to tell an intelligent Senate that the Hawaiian producer, the beet-sugar producer, and the Louisiana planter are opposed to the drawback being suspended because, by being suspended, it is going to add to the value of the crop which they are growing this year; or does he not know—indeed, he must know—that they are opposed to it because they know that the effect of it will be to cheapen the cost of sugar to the American consumer?

You can pass 20 of your food-control bills, and appoint 40 of your Hoovers to administer them, and they will not have so beneficent an effect upon the price of sugar as will this provision of the law. If you suspend it, you stop a raid upon the Treasury. If you suspend it, you cut the price of sugar to every man, woman, and child in this land. The Senator's opposition to it, so far as I am able to judge the opposition, is predicated upon the same reasons that the trust urged. He knows that taking away the drawback will reduce the price of the crop that is being grown in the West, and it is not because he does not want this additional half cent; it is because he fears and he knows that it will possibly reduce his price by one cent.

What I have been trying to do, earnestly and honestly, is to impress upon the Finance Committee and to impress now upon the Senate that if we are to receive any relief from the machinations of these combinations that control the sugar output of this country and now control the sugar markets of the world, if we are to get away from them at all, we must withdraw from them those props by which they lift up the price to everybody.

I had not expected to speak nearly as long as I have spoken. I was interrupted several times by questions which I welcomed; but I want to insert in the RECORD some tables with regard to the differentials for the years 1910 to 1916, showing what these differentials have been.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to is as follows:

Average price per pound.

	Raw.	Refined.	Difference.
1916	5.786	6.862	1.076
1915	4.642	5.559	.917
1914	3.814	4.683	.869
1913	3.506	4.278	.772
1912	4.162	5.041	.879
1911	4.453	5.345	.892
1910	4.188	4.972	.784

Mr. BROUSSARD. Now, Mr. President, I shall not detain the Senate longer; but when this question comes up, when, as the Senator from Utah says, an amendment will be offered to strike this provision out of the bill, I shall hold myself in readiness, even at the expense of inflicting myself upon the Senate at a time when possibly we should be traveling with greater speed with regard to this bill, to protest against the continuance of the system which at one and the same time permits a handful of men located in a little spot on the Atlantic seaboard to dominate absolutely the sugar market of the world.

Sugar is a necessity. It enters into the life of everybody. Human beings can not exist without it. It is one of the essentials of life; and it should not be entrusted to the few men who have signed this document, and who are here asking for the privilege of plucking the entire world. Long enough have they plucked the people who produce raw sugar. Long enough have they plucked those who have dealt with them. At this time we should not permit the continuation of a system by which they draw money from the Treasury of the United States without having earned it, and then inflict their methods upon our allies in Europe and upon every person in this country who uses sugar.

Mr. President, I have here several tables that I should like to include in my remarks, and I ask unanimous consent to do so. They have all been referred to, but I want to include them as a whole; and I ask unanimous consent for their insertion in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Drawback paid on sugar exported from the United States.

Calendar years.	Sugar exported.	Drawback paid.
	Pounds.	
1912	124,272,774	$1,900,105.00
1913	74,942,464	1,058,789.00
1914	119,598,288	1,265,315.00
1915	947,237,136	9,650,097.00
1916	1,957,927,760	19,801,513.00
1916-17 (June)		24,142,286.29

TREASURY DEPARTMENT,
Washington, June 28, 1917.

Hon. ROBERT F. BROUSSARD,
United States Senate.

MY DEAR SENATOR: The department refers to your letter of the 15th instant requesting a statement of the drawback on sugar from June 30, 1916, up to the present time.

As stated in the department's letter of the 18th instant, the amounts reported by this department on July 26, 1916, covered the actual payments up to January 1, 1916, and an estimate after that date up to June 30.

There is inclosed herewith a tabulation showing the amounts of the drawbacks paid on sugar and sirup and sugar in manufactured articles from January 1, 1916, to June 18, 1917.

Very truly, yours,

L. F. ROWE, *Assistant Secretary.*

Statement of drawback paid on sugar, sugar used in manufactured articles, and sirups from Jan. 1, 1916, to June 18, 1917.

Articles.	Amount paid.	Party in interest.
Sugar	$269.63	Imperial Sugar Co.
Do	5,191,749.86	American Sugar Refining Co.
Do	256,111.10	William Henderson.
Do	42,761.85	Colonial Sugar Co.
Do	1,281.13	Phelps Dodge.
Do	935,580.86	Pennsylvania Sugar Co.
Do	1,693,598.63	Franklin Sugar Refining Co.
Do	784,838.09	Arbuckle Bros.
Do	6,954,722.38	Federal Sugar Refining Co.
Do	3,587,193.09	Warner Sugar Refining Co.
Do	3,895,885.86	National Sugar Refining Co.
Do	2,365.11	Revere Sugar Refining Co
Do	300.53	California-Hawaiian Sugar Ref. Co.
Sirup	11.70	C. J. Holt & Co.
Do	25,539.28	Franklin Sugar Refining Co.
Do	99.36	Rogers, Holloway & Co. (Inc.).
Do	5,095.04	J. Stromeyer & Co.
Do	2,462.08	Revere Sugar Refining Co.
Do	11,546.30	Arbuckle Bros.
Do	158,311.15	Federal Sugar Refining Co.
Do	22,777.45	Warner Sugar Refining Co.
Do	13,622.94	National Sugar Refining Co.
Do	17,347.43	The Nutmoline Co.
Do	60,371.80	American Sugar Refining Co.
Sirup (maple)	50.26	J. M. McCaul & Son.
Sugar in condensed milk	177,879.64	Bordens Condensed Milk Co.
Do	27,699.30	Mohawk Condensed Milk Co.
Do	16,166.86	Wisconsin Condensed Milk Co.
Do	24,439.60	Libby, McNeil & Libby.
Do	7,214.79	Bridgeton Milk Co.
Do	5,351.98	Federal Packing Co.
Do	31,150.04	Hires Condensed Milk Co.
Do	3,497.35	Hudson Condensed Milk Co.
Do	3,695.78	Lake Odessa Milk Co.
Milk food	5,774.23	Nestle Food Co.
Root beer	11.84	Charles E. Hires Co.
Sugar in confectionery	24,793.95	Henry Heid (Inc.).
Do	24.01	Spencer Importing Co. (Inc.).
Do	58.65	New York Bludwine Co.
Do	1,259.39	The American Caramel Co.
Do	1,506.75	D. Auerbach & Sons.
Do	262.59	George Davis Co.
Do	2,137.27	E. Greenfield Sons.
Do	6.9	Hawley & Hoops.
Do	168.51	Huylers.
Do	236.85	Knickerbocker Chocolate Co.
Do	1,320.39	Lewis Bros.
Do	42.93	Robert F. Mackenzie.
Do	114.36	Powells.
Do	31.55	Rigney & Co.
Do	32.18	Sands Ritchey Co.
Do	380.44	Ph. Wunderlie Co.
Do	51.23	The Ohio Confectionery Co.
Do	175.89	Farley Candy Co.
Do	979.09	Novelty Candy Co.
Do	257.29	George Blome & Son.
Do	293.50	Lauer & Suler Co.
Do	1,612.33	Hershey's Chocolate Co.
Do	62.64	The Chocolate Products Co.
Do	102.53	Brande & Smith Co.
Do	936.77	W. F. Schrafft & Sons, Corp.
Do	101.34	Package Confectionery Co.
Do	379.06	United Candy Co.
Do	526.28	Brewster Sons & Co.
Do	3,032.54	P. Coiller Kohler Sweet Chocolate Co.
Do	137.51	Equipment Corporation.
Do	326.54	Hooton Chocolate Co.
Do	89.07	Puritan Pure Food Co.
Do	5,085.28	Rockwood & Co.
Do	5.94	Lamont Corliss Co.

Statement of drawback paid on sugar, sugar used in manufactured articles, and syrups from Jan. 1, 1916, to June 18, 1917—Continued.

Articles.	Amount paid.	Party in interest.
Sugar in chewing gum	$11,989.63	William Wrigley, jr., Co.
Do	634.97	American Chicle Co.
Do	263.47	Beechnut Packing Co.
Do	826.18	Common Sense Gum Co.
Do	27.53	Franklin Coro. Co.
Do	4.93	Sterling Gum Co.
Sugar in canned and preserved fruit.	9,443.84	California Canneries Co.
Do	23,924.22	California Fruit Canners Association.
Do	206.64	Thos. J. Myer & Co.
Do	154.92	Gibbs Preserving Co.
Do	158.08	Booth Packing Co.
Do	734.20	W. W. Boyer & Co.
Do	982.39	John E. Dramont Co.
Do	11,243.06	Pratt-Low Preserving Co.
Do	2,282.04	Curtice Bros. Co.
Do	23.09	The John Boyle Co. (Inc.).
Do	404.77	D. Di Tiore Canning Co.
Do	10,711.39	Pacific Coast Canning Co.
Do	2,655.76	Bay Side Canning Co.
Do	9,837.03	Central California Canning Co.
Do	1,302.66	Hunt Bros. Co.
Do	8,618.76	Hawaiian Pineapple Co.
Do	2,273.71	H. G. Prince & Co.
Do	15.69	H. J. Heinze Co.
Do	724.82	Haiku Fruit Packing Co.
Do	2,549.05	Libby, McNeil & Libby.
Do	651.68	Golden Gate Packing Co.
Do	91.97	Montclair Jam Kitchens.
Do	343.19	California Packing Co.
Do	2.19	T. A. Snyder Preserve Co.
Do	11,841.90	J. C. Ainsley Packing Co.
Flavoring extracts	30.60	Limko Company of America.
Do	25.59	Gay-O-La Co.
Sugar in tobacco	190.03	British-American Tobacco Co.
Do	55.63	David Dunlap.
Sugar in medicinal preparations.	6,173.49	California Fig Syrup Co.
Do	3,169.45	Fellows Medicinal Co.
Do	222.36	S. B. Leonardt & Co.
Do	210.62	Arthur Peters & Co.
Do	91.49	H. K. Wampole & Co. (Inc.).
Do	130.68	F. C. Arner.
Do	115.53	Foster, Milburn & Co.
Do	367.59	United Laboratories Co.
Total	24,142,286.29	

Amount of money that has been refunded or paid as drawbacks, fiscal year July 1, 1914, to June 30, 1916.

Aluminum rods, sheets, etc	$134,817.54
Annular bearings	739.08
Aprons	146.98
Refined asphalt	147.31
Atomizers	174.29
Automobiles	29,922.34
Automobile coverings	724.14
Automobile engines	318.71
Automobile hoods	288.46
Automobile tires	2,573.02
Automobile parts	893.43
Awnings	826.10
Babbitt metal	1,443.64
Bags	80,432.98
Baking powder	9,091.92
Ball bearings and washers	663.64
Barrels	73.18
Batteries	107.00
Beer	2,160.22
Billiard tables	371.40
Binder twine	4,021.17
Boilers	116.59
Boiler parts, superheated	319.57
Bottle stoppers and mucilage	283.17
Bottles, siphon	711.21
Bottle stoppers	7,736.38
Bottles, vacuum	258.09
Brassieres	36.93
Brass mounts	334.56
Brushes	480.98
Butter	18,627.44
Cane webbing	75.73
Carburetors in tractors	1,621.60
Cards, show	100.55
Carpet	1,337.16
Carpet sweepers	1,173.34
Cars	306.21
Cartridges	18,162.15
Cases	15,086.36
Catsup	189.40
Chairs	47.12
Chemical and medicinal preparations	2,190.09
Chicory	4,142.58
Chinaware	100.24
Chocolate	1,825.74
Cigarette boxes	5.74
Cigarette lighters	99.35
Cigarette paper	205.75
Cigarette tips	1,219.27
Cigarettes	17,478.00
Clocks, cuckoo	8.91
Clocks	3,069.49
Clothespins	35.69
Clothing	11,260.37
Cocoa	8.07
Color, pulp	189.31
Copy books	476.51
Corks	$4,737.44
Corn flakes	144.39
Corsets	3,425.93
Coton drills	1,209.20
Cotton and wool veils	805.05
Cotton waterproof cloth	722.65
Cotton yarn	17.94
Court-plaster	128.82
Currants and dates	4 175.97
Currants	49,618.05
Dates	2,365.04
Dates and figs	169.23
Dental chairs	19.37
Dental rubber	15.24
Diamonds	17.32
Dress shields	2,115.78
Dry batteries	299.38
Dyes	3,613.34
Dynamite	26,718.89
Electrical apparatus	8,978.49
Electric generators	40.16
Electric motors	1,236.80
Engine governors	189.99
Feathers	1,308.56
Felts	232.49
Ferrovanadium	3,048.08
Figs	25.49
Fire-alarm boxes	1.78
Fire hose	1,808.54
Fireproofing	165.74
Fish nets	6,908.97
Flavoring extracts	1,257.18
Flaxseed	219.20
Flour	40,059.45
Fly paper	3,393.75
Foods, preserved	1,756.41
Foil	1,342.49
Furs	2,939.01
Fuses	1,026.83
Glass	376.02
Glass shades	30.78
Glassware	477.48
Glue	183.54
Glues and gums	647.21
Glycerin	28,885.93
Gold leaf	2,407.17
Hops	7,213.07
Hosiery	1,232.08
Structural iron	533.48
Iron (clothed flats)	53.00
Iron sheets	290.24
Kalsomine	53.43
Lamps	501.64
Lead	8,297.61
Lead (acetate)	12.83
Lead (arsenate)	1,417.53
Lead cable	8,289.96
Lead pipe and sheet lead	342.52
Lead products	118,702.80
Lead solder	22.15
Lead tape	298.75
Lead washers	166.19
Leather, sole	293.63
Leather	652.74
Leather gloves	19.21
Leather, glazed kid	1,416.39
Leather bags	25.39
Linen thread	2,921.80
Linseed	77.69
Liquors	6,286.46
Licorice paste	5,493.15
Licorice powder	69.47
Locomotives	13,601.18
Lumber, dressed	180.96
Machetes	4,754.08
Cigarette machine	15.30
Machines, embroidery	69.30
Machines	8.91
Machines, threshing	161.72
Machinery, carpet loom	58.81
Machinery	1,420.07
Magneto	66.82
Mantles	1,035.41
Mantles, gas	824.38
Marble slabs	5,151.92
Marble manufactures	80.00
Meats	5,590.03
Metal hose	202.74
Metallic tapes	6.73
Micabeston	249.53
Micanite	1,560.73
Milk food	905.26
Mirrors	156.44
Moving-picture films	496.50
Mowing-machine knives	46.79
Nails	891.55
Neckties, artificial silk	52.12
Noils, alpaca	5,003.63
Nuts	511.14
Oil cake	120,279.61
Oilcloth	2,684.73
Oiled silk and linen insulating cloth	168.62
Oil:	
Castor	1,193.43
Citronella	240.58
Engine	298.29
Linseed	70,350.58
Lubricating	31,670.91
Nutmeg	57.42
Olive	27.33
Refined olive	193.04
Paint	188.31
Rapeseed	349.25

Olives	$216.98
Oranges	270.86
Oropon	537.22
Paints	1,339.95
Paper bag linings	329.67
Blue-print paper	364.78
Wall paper	121.91
Paper, wrapping	705.15
Paste	69.83
Peas	38.60
Pent plant	75.64
Pepper	145.16
Pharmaceuticals	65,135.25
Phonographs	34.15
Photo goods	43,645.64
Pianos	1,016.40
Piano strings	30.14
Piano tuning pins	7.47
Pills	341.44
Plaster boards	93.26
Plaster of Paris	1,698.96
Preserves	1,316.07
Printed sheets	22.04
Printing ink	200.76
Projectiles	21,756.39
Pyrometers	85.10
Radiopticons	16.48
Railroad cars	3,086.43
Razor blades	4,430.00
Rice	2,567.19
Rivets, iron	17.62
Rugs, oriental	84.15
Saccharine	4,740.32
Sage	135.71
Salad dressing	69.93
Salt	614.78
Sausage	147.83
Saws	15,017.19
Shade rollers	4,314.22
Sheets and plates	58,778.88
Shoes	3,030.12
Shoes and slippers	128.25
Shoe cloth	.59
Shoe shanks	332.29
Shoe toppings	435.64
Sieves	125.11
Silk, cotton veils	6,774.71
Silk, artificial	141,598.14
Silk braid	549.43
Silk collars	49.00
Silk, dyed	3,487.82
Silk, embossed	55.30
Silk, embroidered	52.87
Silk neckwear	147.67
Silk plush and velvets	97.30
Silk scarf	85.98
Silk yarn	638.94
Slippers	77.92
Solder	22.38
Sparklers	45.95
Spark plugs	1,058.70
Spectacles	1,212.54
Spelter	21,735.12
Steel armor plate	5.10
Steel bars	514.08
Steel billets	6,744.42
Steel butts, etc	89.38
Steel drills	1,007.98
Stencil cards	5.76
Stereoscopic views	5.25
Stone	62.42
Straw braids	8,833.35
Straw hats	2,697.23
Sugar	**5,096,412.85**
Sugar in canned fruit	79,804.88
Sugar in chewing gum	6,818.52
Sugar in condensed milk	71,090.93
Sugar in confectionery	31,247.32
Sugar in medicine	2,975.27
Sirup	146,768.65
Tables	5.89
Tanoyl	85.06
Tastells	331.76
Teeth	991.48
Telephone switchboards	154.44
Tile	207.96
Tin boxes	556.56
Tin cans	463,839.06
Tin, embossed	147.15
Tin plates	94.06
Tin tags	1,314.19
Tobacco	1,147.02
Toilet and pharmaceutical preparations	55,008.25
Toilet preparations	23,164.93
Toothpicks	284.20
Tree ornaments	30.29
Trolley cars	115.38
Tubing, metallic	172.41
Type metal	577.98
Typewriter supplies	15,775.50
Umbrella handles	124.34
Upholstery	86.72
Vacuum cleaners	320.24
Varnish	1,885.13
Wall covering	407.87
Watches	1,315.48
Wearing apparel, silk	56.43
Welting	616.37
Wheat	298.82
Window frames	67.54
Wire	1,292.67
Wire rope	8,392.54
Wood manufactures:	
Venetian blinds	$6.24
Bookcases	171.15
Doors	585.26
Wool	6,604.47
Wool felts	12,687.38
Wool waterproof cloth	5,205.49
Yarn, artificial silk	100.25
	7,346,510.41

Out of the above total $5,096,412.85 was refunded on sugar.

Aggregate amount for which applications have been received for drawbacks during the current fiscal year (1916).

Alcohol	$28.33
Almond paste	111.38
Aluminum manufactures	40,497.39
Annular bearings	720.72
Antimony, powdered	235.42
Aprons	202.13
Armor plate	4,168.23
Atomizers	176.42
Automobiles	36,537.56
Automobile hoods	192.27
Automobile tires	3,590.10
Babbitt metal	136.14
Bags	14,168.37
Baking powder	203.48
Beans	334.81
Beef	4.18
Beer	2,020.13
Binder twine	30.57
Boats, motor	535.39
Bobsleds	245.00
Bookcases	24.41
Bottle stoppers	4,772.27
Bottle, siphons	483.82
Braids and bands, artificial silk	415.00
Brassieres	107.89
Bronze powder	1,513.18
Brushes, carbon	4.21
Brushes	1,058.28
Butter	1,598.95
Buttons	919.84
Baking powder	5,256.27
Barrel heads	139.30
Beaver board	2,372.11
Billiard tables	188.18
Binder twine	4.10
Carburetors	2,084.96
Carpet	4.53
Carpet sweepers	321.83
Cartridge carriers	187.78
Cartridges	10,907.49
Cases	998.80
Catsup	63.68
Cattle food	72.76
Chairs	59.60
Chemical and medicinal preparations	47,907.19
Chicory	20.91
Cigarettes	6,553.07
Chocolate	4,621.14
Cigarette lighters	352.83
Cigar paper	257.64
Cigarette tips	7,011.12
Clocks	4,608.39
Clothing	6,216.63
Clothespins	60.00
Cocktails	3.94
Cocoa	5.38
Compasses	379.27
Condensers	141.77
Copybooks	562.70
Corks	5,281.41
Corsets	2,337.06
Cotton drills	402.46
Cottons, dyed	64.18
Cotton piece goods	589.00
Cotton tapestries	22.99
Cotton waterproof cloth	3,027.26
Court plaster	44.40
Cream tartar	6,476.19
Cream of wheat	449.21
Currants and dates	47,116.83
Currants and raisins	11,686.29
Currants	443.16
Dates	1,701.25
Dates and figs	158.87
Decalcomania transfers and steel wire	41.04
Dental chairs	22.65
Dental rubber	14.46
Doors	175.43
Dress shields	2,046.76
Dry batteries	60.28
Dyes	13,220.00
Dynamite	26,543.26
Electrical apparatus	3,353.23
Engine governors	73.36
Feathers	1,733.29
Ferrovanadium	163.76
Fertilizers	830.69
Figs, washed	286.94
Fire hose	1,612.19
Fireproofing	24.27
Fish nets	5,457.47
Fixtures	18.90
Flavoring extracts	30.69
Flour	48,450.81
Fly paper	681.01
Foods, preserved	1,287.85
Furs	1,694.68
Glass shades	96.14

Glassware	$970.16
Glues and gums	89.81
Glue	428.93
Glycerin	20,569.99
Gold leaf	1,086.73
Guns (mounts)	204.29
Hops (for beer)	195.15
Hosiery	22,542.60
Iron (clothed flats)	43.36
Iron ore	8.75
Jewelry	7,421.73
Lamps	214.86
Lead arsenate	58.60
Lead, manufactured	3,772.80
Lead	121.00
Lead cable	3,061.21
Lead products	36,102.12
Leather	170.07
Licorice extract	1.52
Licorice paste	10,590.69
Licorice powder	34.51
Lighthouse apparatus	175.03
Lightning arresters	19.00
Linen thread	2,839.21
Linen underwear	.89
Liquors	4,109.05
Locomotives	994.75
Machetes	1,786.55
Machinery	3,707.52
Machines, sewing, and needles	1,538.37
Machine tools	16.00
Machines, thrashing	97.12
Mantles	12,742.56
Marble slabs	519.64
Meats	333.19
Medicinal preparation (petroleum emulsion)	651.44
Metal hose	169.38
Mica	153.24
Micabeston	202.65
Micanite	1,060.94
Military equipment	9,842.83
Milk food	2,673.00
Cane mills	62.75
Mirrors	26.10
Motors	33.46
Moving-picture films	102.51
Nails	170.97
Noils, alpaca	983.21
Nuts	412.49
Oil cake	2,148.33
Oilcloth	1,589.23
Oiled silk and linen cloth	1,015.90
Oil:	
Citronella	70.88
Cod liver	5.41
Linseed	4,329.06
Lubricating	22,027.43
Oil of cloves	91.41
Oil of orange	259.97
Olive oil	435.60
Paint oil	452.67
Olives	846.44
Opium	619.39
Oropon	87.44
Paints	187.49
Paper	254.18
Paper-bag linings	241.07
Paper, blue-print	601.83
Wall paper	98.63
Paste	10.34
Pharmaceuticals	54,371.32
Photo goods	38,494.57
Piano hammers	193.00
Pianos	217.84
Pills	193.52
Plaster of Paris	857.31
Plush for dental chairs	2.47
Printer's ink	116.87
Razor blades	3,601.54
Rice	16,965.77
Rivets	4.16
Rivets, iron	29.60
Rivets, steel	94.89
Saccharine	196.44
Saccharine and vanillin	3,446.07
Salad dressing	30.12
Salt	221.79
Sausage	1,033.06
Saws	16,802.06
Shade rollers	89.29
Ship supplies	247.20
Shoe cloth	2.38
Shoe toppings	32.22
Shoes	2,233.25
Silk chiffons	31.18
Silk veils	2,786.82
Silk and mohair yarn	3,511.59
Silk, artificial	13,479.24
Silk and tapestry slips, artificial	735.12
Silk braid	285.46
Silk, dyed	80.19
Silk, embossed	253.87
Silk neckwear	13.36
Silk plushes and velvets	866.85
Silk ribbons	37.15
Silk scarf	18.71
Sparklers	12.61
Spark plugs	451.30
Spectacles	496.83
Spelter	35,499.79
Spermaceti	1,802.01
Spirits	$200.77
Steel products (battleship Rivadavia)	23,394.02
Structural steel	368.20
Steel, bullet	1,638.15
Shells, shrapnel	66,637.36
Steel drills	113.11
Steel plate and armor	3,413.20
Stone	4.72
Straw braids	8,763.82
Straw hats	1,981.96
Sugar	10,106,025.67
Sugar in canned fruit	83,409.77
Sugar in chewing gum	22,580.80
Sugar in cigarettes	3.09
Sugar in condensed milk	55,003.50
Sugar in confectionery	15,209.74
Sugar in medicine	53.93
Sirup	186,440.27
Sirup, maple	28.88
Sirup	48,360.71
Table covers	38.61
Talcum powder	.15
Tarpaulins	51.97
Tastelis	412.89
Tile	234.41
Tin cans	20,735.81
Tin, embossed	66.98
Tissue paper books	226.20
Tobacco	1,581.35
Toilet preparations	33,740.21
Toothpicks	72.68
Tubes	2.67
Turbines, steam	169.29
Typewriter supplies	8,113.43
Umbrella handles	26.63
Vanillin	551.48
Varnish	893.41
Wall board	344.98
Wad coverings	89.20
Watches	132.44
Wire	26.33
Wire rope	2,814.55
Wool cloth	38.80
Wool waterproof cloth	1,235.46
Yarn, artificial silk	25.25
Yarn, wool	15.00
	11,437,429.28

Out of the above total $10,106,025.67 was refunded on sugar.

Mr. SMOOT. Mr. President, I am not going at this time to attempt to go into a detailed answer to the statements made by the Senator from Louisiana [Mr. BROUSSARD]. I want to assure him, however, that many of the statements that have been made by him, construing what I said to the Senate the other day, can not be substantiated in any way.

I hold no brief for the sugar refiners. I do not care for them any more than I do for any other business in the United States, and not so much, for if any body of men has undertaken to destroy the production of sugar in this country it has been the sugar refiners. But, Mr. President, I am enough of an American to believe that it is my duty as a Senator of the United States to see that business from any quarter of the world that can be brought to the United States shall so be, and the reason why I am opposed to the drawback provision of the present law is that if it is repealed it is going to drive from this country a great deal of business that otherwise would come here.

Mr. President, the Senator says that I know that by the repeal of this drawback provision sugar will be reduced in price 1 cent a pound. Why, Mr. President, the Senator does not know any such thing, but I do know, and so does the Senator from Louisiana know, that since this bill has been reported to the Senate repealing the drawback provision the world's price of sugar has advanced over 50 cents a hundred.

Mr. BROUSSARD. Mr. President, will the Senator permit an interruption?

Mr. SMOOT. Yes; I will yield to the Senator, although the Senator would not yield to me. I will grant the courtesy to him at any time, however. I will yield to any Senator.

Mr. BROUSSARD. I want to ask the Senator whether he means to convey the idea that the refiners are opposing the repeal of the drawback because the effect of it is to raise the price of sugar?

Mr. SMOOT. Oh, the Senator must know that I did not even intimate such a thing.

Mr. BROUSSARD. But the Senator asserts that the reason for the increase in the price of sugar recently is because there was a provision in this bill to repeal the drawback. Does not the Senator know that every refiner in the country is here busy trying to save himself from the repeal of this law, and that the refiners are not doing that because it helps them to lift the price, but they are doing it because they know that they will have to disgorge part of the unearned profits which they take from the public?

Mr. SMOOT. It is not going to help the refiners to pass legislation that will advance the world's price of sugar. The refiners are opposed to the repeal, because it will prevent sugar from being refined in this country for exportation. They want

to buy the sugar in the world's market as cheaply as possible, as all of the sugar refined for exportation they have to buy in the world's market. I do not know what the Senator had in mind when he asks such a question, but I do know that since this bill has been reported to the Senate repealing the drawback provision the world's price of sugar has increased over half a cent a pound.

The Senator has tried to lead the Senate to believe that the English Government pays the refiners the tariff duty collected on sugars and later returned to the refiners when exported. Such is not the case, and I can prove it by daily quotations. Does the Senator know that the English ambassador has protested against the repeal of the drawback law? Does the Senator know that England has purchased Cuban sugars, and they have been refined in the United States under a contract of $1.15 a hundred? All that the refiners had to do with such sugar was to refine it in transit, and receive for its refining $1.15 a hundred for so doing. If it made no difference, would the English ambassador be protesting against it? Would our allies be opposed to the repeal?

No, Mr. President; I want to say now that the Senator knows that if this provision prevails our allies will either have to get their sugar refined in Canada or in their own country, or if compelled to have it refined in the United States for lack of refining facilities it is going to cost them a cent and a half per pound more than under present law. The Senator should know that because of the fact that there was 700,000 tons of sugar refined in this country for England and France last year the cost of refining sugar has been reduced in this country, and the American consumer has received that much benefit.

Why, Mr. President, the Senator from Louisiana thinks that if we can keep out of this country the refining of a million tons of sugar for our allies this year such action will advance the price of Louisiana sugar as the world's price of sugar will advance, and as it advances so will the price advance on Louisiana sugar. So will the price advance for beet sugar, in which my State is greatly interested; but I protest against our taking advantage of the allies at this time, when sugar is so high, by making them pay a cent and a half a pound more for what they may be compelled to have refined in this country on account of the war.

Why, Mr. President, a cent and a half a pound on sugar refined for exportation last year to our allies would mean an amount of money that would erect enough refineries to refine all the sugar that our allies would require. Oh, yes; only a small percentage of the amount would build refineries enough. Congress is now asked to place a burden upon our allies, because we can catch them between the door and we can squeeze it out of them.

Mr. BROUSSARD. Mr. President, will the Senator permit me to ask him a question?

Mr. SMOOT. Why, certainly.

Mr. BROUSSARD. Does the Senator adopt the same policy with regard to the excise tax which he places upon this same sugar charged to the British Government? Why did he not exempt that from the operation of it if he is so insistent that the drawback should be exempted? It was in his power. He is on the committee.

Mr. SMOOT. Mr. President, that is exactly what I would have done if I could have had my way. If the drawback provision is repealed, then England will have to pay the half cent consumption tax imposed on sugar in this bill; and not only that, but she will have to pay the extremely high consumption tax that is imposed upon sugar by England.

Mr. BROUSSARD. Let me state to the Senator from Utah that I am not so much concerned about the British ambassador. I am concerned about the American consumer, the man who eats sugar, who is my compatriot.

Mr. SMOOT. And so am I.

Mr. BROUSSARD. I will state to the Senator that I am not asking that the British people be discriminated against. I am asking to quit discriminating in favor of the British public and against the American public. I want the Senator to defend himself on that proposition and not to drag in the British ambassador as his authority, as though that frightens an American citizen on the floor of the Senate of the United States.

Mr. SMOOT. Why, it is so simple that I wonder why the Senator would suggest such a thing. The American consumer, Mr. President, is not going to be benefited by the repeal of the drawback provision. The American consumer will have to pay the tariff tax of 1 cent a pound and the American consumer will have to pay the half cent consumption tax, whether the drawback is repealed or not. Not only that; I am interested in the American consumer enough to say that the repeal will advance the world price of sugar, and by so doing it will advance the price of all the sugar that is produced or consumed in this country; and I am interested in all the consumers of sugar in this country and not in the growers of sugar cane only or the producers of beet sugar.

The Senator tried to make it appear that the sugar refiners were levying tribute upon beet sugar by saying that it was always sold at less than cane sugar. Such is the case in all the world. Beet sugar always has been 10 cents a hundred less than the market price of cane sugar. It is not the sugar refineries that make that difference in price, Mr. President. Of course they approve of it. There is just as much saccharine in beet sugar; it is just as pure as the cane sugar; but it is claimed that in preserving fruits beet sugar is not quite as good. Candy manufacturers claim that it is not quite as good for candy making; and for these reasons this differential of 10 cents a hundred has been adopted.

Mr. President, it would not make any difference to me if every beet grower or if every beet-sugar producer in the United States should appeal to me and ask me to support the repeal of the drawback provision; I would not do it, because it is unjust to the business of the United States; and I want to say that not one single beet-sugar producer in the United States has protested to me on the position I have taken, and they all know my position.

Mr. President, I want to do everything I can to encourage business in the United States; I do not care in what part of the country it may be located; and the Senator ought to know that if I could assist the sugar planters of his State I would do so. No Senator in this body has plead for them more than I. Does he think that I would do anything to hurt them? No; never; rather would I go out of public life. I would not let the hatred against the refiners of this country, as manifested by the speech just delivered by the Senator from Louisiana, stand in the way of my doing justice to that line of business.

Mr. HOLLIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. HOLLIS. I should like to ask the Senator if, in case the majority report is adopted and the provisions recommended by the majority become a law, there will be any substantial amount of sugar exported from this country that will pay the one-half cent a pound excise tax?

Mr. SMOOT. There would not be a pound, if it could be secured anywhere else in the world.

Mr. HOLLIS. This country does not produce as much sugar as it uses?

Mr. SMOOT. Oh, not nearly. Why, Mr. President, we produce just a little more than half what we consume, and we import the balance from Cuba.

We import Cuban sugar because we have our 20 per cent differential in the tariff rate. The Senator spent a good deal of time in his speech in showing a little pound package of brown sugar. Suppose we had granulated sugar put up in 1-pound packages, does the Senator think it would be quoted at the same price it is quoted to-day on the market? He knows it would not. To put up sugar in 1-pound boxes cost money. Eighty-four per cent sugar——

Mr. BROUSSARD. Does the Senator pretend to defend the policy by which the American Sugar Refinery Co. is foisting upon the American public 84-purity sugar as high-grade sugar, and telling the people who use it that it is good, old brown plantation sugar? Does the Senator, as a business man and as an honest man, justify that course of conduct on the part of anybody—to impose on the public and pretend to sell 100 pounds of sugar when selling only 84 pounds, and collecting a dollar and giving in return only 82 cents? Does the Senator propose to defend that sort of outrageous conduct which would land a man in the penitentiary rather than class him as a business man?

Mr. SMOOT. The Senator does not remember that we have a pure-food law. He has forgotten altogether that no producer in this country can sell adulterated food or drugs of any kind unless in violation of the law, and generally there is plainly marked on the container what it contains.

Mr. BROUSSARD. Show me the marking.

Mr. SMOOT. Wait until I get through. I want to answer one question at least before I yield for another.

Mr. President, the Senator wants to make the Senate believe that there is 84 per cent saccharine in sugar and 16 per cent of floor sweepings, consisting of mud and sand and all the dirty ingredients that are used around a sugar refinery. The Senator knows just as well as he knows anything that sugar containing but 84 per cent saccharine, even if made in Louisiana, would be so dark that they could not sell it in any market unless bleached.

Mr. BROUSSARD. Does the Senator contest the analysis made by the Bureau of Standards of the United States Government?

Mr. SMOOT. No; and if the Senator will just have a little patience I will further explain.

I say to the Senate that if the sugar submitted contains but 84 per cent saccharine it has been bleached, and if it contains 16 per cent of mud and all sorts of dirty ingredients no bleaching on earth could give it the color it has.

The Senator from Washington [Mr. JONES] asked what the 16 per cent contents were. The 16 per cent is molasses, and that is what our grandfathers used to sweeten their coffee with—pure molasses—but to make it the color that it is it has passed through a bleaching process.

I do not say to the Senator that it ought to be put up in this way or that it ought to be misrepresented or that it ought to be called grandfather sugar. I do not care what they call it. I know that there are certain pastries made where it is an advantage to use brown sugar, and on several occasions in Washington Mrs. Smoot has asked me to purchase for the house 4 or 5 pounds of brown sugar. The quantity of brown sugar that will be sold in this country is so infinitesimally small that it will amount next to nothing, and if the refiners have spent a million dollars in advertising it I think it is a mighty poor business proposition.

Mr. President, the Senator having the bill in charge I know wants to proceed with its consideration, and therefore I am not going at this time to answer the other points the Senator from Louisiana has discussed; but, as he said, when the amendment is before the Senate we shall then have plenty of time to discuss it, and every point of it will be discussed. Then I shall be very, very content with what the Senate agrees upon.

Mr. SIMMONS. Mr. President, before we take up the bill for the further consideration of amendments I wish to present a resolution by unanimous consent.

The PRESIDENT pro tempore. Without objection, the resolution will be read.

The Secretary read the resolution (S. Res. 117), as follows:

Resolved, That the Committee on Finance be, and it is hereby, authorized to employ an additional clerk, at the rate of $120 per month, for a period lasting from August 20, 1917, until the end of the present session of the Sixty-fifth Congress, to be paid out of the miscellaneous items of the contingent fund of the Senate.

The PRESIDENT pro tempore. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. SIMMONS. I wish to state that a resolution was passed about three months ago authorizing an additional clerk for two months. That time has been out for about a month. I find that the force of the Finance Committee is absolutely unable to cope with its work, and I should like to have this additional clerk until the end of the session. I ask unanimous consent for the present consideration of the resolution.

The PRESIDENT pro tempore. The Chair thinks the statute requires that the resolution must go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. SIMMONS. That is correct. Let it be referred.

The PRESIDENT pro tempore. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. SMOOT. We will report it out to-morrow.

Mr. SIMMONS. I ask that the Secretary resume the reading of the bill for amendments, beginning with page 24, Title III, War tax on beverages. There are certain amendments which were passed over at the request of the Senator from Washington [Mr. JONES]. He stated that he wished them to go over for one day. They have now gone over for two days, and I hope that we may consider those amendments now.

Mr. LA FOLLETTE. Mr. President, the Senate adopted a resolution providing for the printing of 65,000 copies of the majority report. That number of copies can be printed within the limitation of the appropriation which enables either House to print upon a resolution passed by the House or the Senate alone. A like resolution was adopted for the printing of the minority report at the same time that the resolution was adopted for printing the majority report, but owing to the fact that there are a large number of tables in the minority report, tables which I think Senators will find useful, the $500 limitation for printing will be exceeded if more than 20,000 copies are printed. I therefore ask unanimous consent to present at this time for adoption another resolution for printing 20,000 additional copies of the minority report. That is as many copies as can be printed under one resolution.

Mr. SIMMONS. I have no objection to that.

Mr. LA FOLLETTE. I was sure the Senator from North Carolina would have no objection.

The PRESIDENT pro tempore. Without objection, the resolution will be read.

The resolution (S. Res. 118) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That there be printed 20,000 additional copies of Senate Report No. 103, part 2, Sixty-fifth Congress, first session, entitled "Revenue to defray war expenses," of which 5,000 shall be for the use of the Senate and 15,000 for the use of the Committee on Finance.

The PRESIDENT pro tempore. The Secretary will resume the reading of the bill.

The SECRETARY. At the top of page 24, Title III—War tax on beverages, section 300——

Mr. JONES of Washington. Mr. President, there are quite a number of Senators who are opposed to increasing the tax on liquors. I am going to take just a moment or two to explain my position and then permit these matters to come to a vote.

The tax on various kinds of liquors is increased by the bill. I do not criticize the committee for this action. Revenue is sought and is needed, and it has been the policy of the Government for many years to raise revenues by such taxes. This policy has given the liquor interests their strongest weapon with which to fight prohibition, and the temperance forces of the country realize that such revenue taxes as may be imposed by this bill will make the fight for temperance all the harder.

I want to put in the RECORD what I believe to be the attitude of the temperance forces of this country on this subject. In so far as the taxes imposed by this bill are prohibitive they favor them, but they are opposed to any increase for revenue purposes. They would, in fact, rejoice to see all revenue taxes taken off liquors. They believe the time has come for the Nation to divorce itself from this traffic. No partnership should be continued with an interest that is outlawed by public opinion generally and by legislative enactment in a majority of the States of the Union. We can not afford as a people or as a nation to measure the lives and homes destroyed, the suffering and poverty produced, and the crimes fostered by this traffic by the revenue raised from it.

The official representatives of 22 great organizations promoting national prohibition declared a short time ago that they are "opposed to all tax on liquors except prohibitive taxes," and several great church organizations pledged their membership to purchase annually during the war five hundred millions of bonds, if necessary, to take the place of revenues lost through prohibition or the repeal of liquor taxes.

I want to read an extract from a letter by C. J. Meddis, the executive secretary of the Men's Federation of Louisville, Ky.:

We believe that the majority of the right-thinking people in this country are in favor of abolishing all tax on liquors except such as are really prohibitive.

We believe that if the question is put up to the people of this country that they will readily undertake to raise the revenue that is now collected from the liquor business, as the decrease in our taxes which are now necessary to support court officials, jails, workhouses, hospitals, insane asylums, etc., would in a few years compensate for what is now collected in revenue from the liquor business.

I have here a statement prepared by the National Temperance Society giving statements made by several prominent persons, which I ask that I may insert as a part of my remarks without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement referred to is as follows:

Queen of Madagascar: "I can not consent, as your queen, to take revenue from that which destroys the souls and bodies of my subjects."

Canon Wilberforce: "The deriving of vast sums for the revenue from the bitter suffering and grinding pauperism of the people is a terrible offense."

Horace Greeley: "To sell rum for a livelihood is bad enough, but for a whole community to share the responsibility and guilt of such a traffic seems a worse bargain than that of Eve or Judas."

Gerritt Smith: "If the traffic in ardent spirits is immoral, then of necessity are the laws which authorize the traffic immoral. And if the laws are immoral, then we must be immoral if we do not protest against them."

Justice Greer, United States Supreme Court: "And if a loss of revenue should accrue to the United States from a diminished consumption of ardent spirits she will be a gainer of a thousandfold in the health, wealth, and happiness of the people."

Emperor of China: "It is true, I can not prevent the introduction of the flowing poison; gain-seeking and corrupt men will, for profit and sensuality, defeat my wishes, but nothing will induce me to derive a revenue from the vice and misery of my people."

Gladstone, to the brewers of London: "Gentlemen, I can not permit a question of mere revenue to be considered alongside of a question of morals; but give me a sober population, not wasting their earnings on strong drink, and I will know where to get my revenue."

Lord Chesterfield: "Luxury, my Lords, is to be taxed, but vice prohibited; let the difficulty in the law be what it will, would you lay a tax upon a breach of the Ten Commandments? Government should not, for revenue, mortgage the morals and health of the people."

State Board of Charities of Pennsylvania, 1871: "Should these wages of iniquity be put into the Treasury? They are the price of blood, and in their aggregate would be inadequate to buy fields enough to bury the multitudes who are the victims of the dreadful traffic for whose profits they sell the people's sanction."

Sir Stafford Northcote, chancellor of the exchequer: "If the revenue diminished from increased habits of temperance the amount of wealth such a change would bring to the nation would utterly throw into the shade the amount of revenue that is now derived from the spirit duty, and we should not only see with satisfaction a diminution of the revenue from such a cause, but we should find in various ways that the exchequer would not suffer from the losses which it might sustain in that direction."

Mr. JONES of Washington. This increase is the one tax in this bill welcomed by those upon whom it is levied. The liquor people will not pay it out of their pockets. They will take it from the pockets of their customers, and so long as it is not prohibitive they do not object. Labor pays much of it out of its wages. It is, in fact, a tax burden upon those least able to bear it, and it is more oppressive in its effects than all the other taxes in this bill combined.

The brewers and distillers welcome this tax. In fact, they sought it. In a letter dated May 2, 1917, sent out by the Distillers' Security Corporation they said: "We are in favor of increasing—during the period that the present war continues—a tax from $1.10 to $2.20 per proof gallon." They welcome this increase, because they believe it will help them in their fight against prohibition. They look upon it as an intrenchment tax. Against the lives and homes destroyed, against the suffering and poverty produced, against the jails, almshouses, and asylums filled, against crimes and murders fostered by their traffic, they will place the revenues paid to the Government and ask to be allowed to continue their destructive work.

Mr. President, it is against this that the temperance people of the Nation protest. They insist that their Government ought not and must not heed such a plea and that to do so is to abdicate the highest and best function of government. We want the RECORD to show that the temperance forces are not only not urging this tax increase, but that they are opposed to it, and they will insist hereafter that the liquor interests are entitled to no consideration whatever because of any taxes paid by them.

Now, Mr. President, I am ready for the Senate to vote on these amendments, but I just wish to say I do not want the President to put the question on the amendments as having been agreed to without objection, but to put it to a vote.

The PRESIDENT pro tempore. The first two amendments of the committee on page 24 have been agreed to. The Secretary will begin, in line 8, and state the amendment.

The next amendment was, in line 8, after "$1.10," to insert "(or, if withdrawn for beverage purposes, a tax of $2.10)," and in line 12, after the word "distiller," to strike out "and imposed" and insert "or importer when withdrawn," so as to make the clause read:

That on and after the enactment of this act there shall be levied and collected on all distilled spirits in bond at that time or that have been or that may be then or thereafter produced in or imported into the United States, except such distilled spirits as are subject to the tax provided in section 304, in addition to the tax now imposed by law, a tax of $1.10 (or, if withdrawn for beverage purposes, a tax of $2.10) on each proof gallon, or wine gallon when below proof, and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon, to be paid by the distiller or importer when withdrawn, and collected under the provisions of existing law.

The amendment was agreed to.

The next amendment was, on page 24, after line 14, to insert:

That in addition to the tax under existing law there shall be levied and collected upon all perfumes hereafter imported into the United States containing distilled spirits a tax of $1.10 per wine gallon, and a proportionate tax at a like rate on all fractional parts of such wine gallon. Such tax shall be collected by the collector of customs and deposited as internal-revenue collections, under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

The amendment was agreed to.

The next amendment was, on page 24, after line 23, to insert:

SEC. 301. That in addition to the tax imposed on distilled spirits by existing law and under section 300, there shall be levied, assessed, collected, and paid on the materials used in the production of such spirits after the enactment of this act the following taxes: On all grains, cereals, and other solid products and materials a tax of $60 per 100 pounds, and on all molasses, sirups, and other liquid fermentable products and materials a tax of $5 per wine gallon. Every distiller using any such materials shall keep such records and file such returns and bonds, and the tax shall be paid at such times and in such manner, and subject to such credits, as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe or require. Under such rules, regulations, and bonds as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, the provisions of this section shall not apply to materials used in the production of distilled spirits withdrawn exclusively for other than beverage purposes or for the fortification of pure sweet wines as defined by the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916; but such spirits shall not be withdrawn for export except upon the application of an accredited representative of a nation at war with the Imperial German Government, or of any neutral nation, in which application it is declared that such spirits are withdrawn for other than beverage purposes.

Mr. JONES of Washington. I desire to propose an amendment, to which I think the chairman of the committee will have no objection. In line 20, I move to strike out the word "such" and insert the word "distilled," so as to read "but distilled spirits shall not be withdrawn," and so forth.

Mr. SIMMONS. I accept that amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. JONES of Washington. In connection with the amendment just agreed to, I have prepared a statement which I ask may be put in the RECORD without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement referred to is as follows:

Here are some representative facts about the shipments of rum from Boston to Africa:

The Boston Herald in April, 1916, reported:

"For transporting rum from Boston to the west coast of Africa $40,000 will be received by the owners of the four-masted schooner *Fred W. Thurlow*, which has just completed loading at the Charles River stores. The *Thurlow* will carry more than 200,000 gallons for the natives. She is the twelfth ship from the port with a rum cargo in a year. The increase in the demand for Boston rum is said to be due to the stoppage of shipment from England. Another ship will leave here with another cargo as soon as a sailing vessel can be procured."

The Missionary Herald, October, 1915, said:

"Following last month's statement concerning the shipping of rum to Portuguese West Africa, we take from a Boston daily this report of the continuance of the traffic: 'Laden with the fourth cargo of rum, tobacco, lumber, and flour that has been shipped from Boston within the past few months, the four-masted schooner *Florence T. Thurlow* sailed to-day for ports on the west coast of Africa. Her shipments included 830 puncheons, 1,770 kegs, and 392 barrels of rum, 2,099 barrels of flour, and 290 tierces and 1,018 cases of leaf tobacco, and quantities of pine boards. The bark *Ruth Stark*, which recently arrived from Liverpool, will sail with a similar cargo in about two weeks.' The business seems to be growing. Before we throw any more stones at England for her forcing of opium on China, we may reflect what the United States is doing by fortnightly shipments of rum to Africa."

In another issue of the Missionary Herald, after recording the sailing of yet other schooners laden with rum, which the longshoremen are warned not to drink lest they die in short order, the editor remarks: "At each port where it is distributed it will be like the letting loose of hell upon the susceptible and unprotected natives."

The Continent of June 26, 1916, says:

"Exports of spirits from America to Africa, shipped to meet the cutting off of British shipments because of the war, increased from 1,663,000 gallons for the year ending June 30, 1915, to 5,850,000 for the nine months ending March, 1916."

The Pittsburgh Christian Advocate of May 4, 1916, says:

"A steamer sailing from Boston a few days ago for the gold coast of Africa carried in her cargo, among other things, 7,000,000 drinks of rum. Thus the American liquor interests break down what American missionaries build up."

Dr. C. H. Patton, of the American Board, said of rum in a letter dated September 30, 1915: "It is without question the greatest foe we fight in West Africa. Not hethenism, but liquor, is our greatest obstacle."

We may well recall the words of Livingstone as to this supreme curse of Africa, which is also the supreme shame of Europe and America: "May Heaven's richest blessings come upon everyone—English, American, or Turk—who shall help to heal this open sore of the world."

The reading of the bill was resumed.

The next amendment was, at the top of page 26, to insert:

SEC. 302. That no distilled spirits produced after the enactment of this act shall be imported into the United States from any foreign country, or from the West Indian Islands recently acquired from Denmark (unless produced from products the growth of such islands), or from Porto Rico, or the Philippine Islands. Under such rules, regulations, and bonds as the Secretary of the Treasury may prescribe, the provisions of this section shall not apply to distilled spirits imported for other than beverage purposes.

The amendment was agreed to.

The next amendment was, on page 26, after line 9, to insert:

SEC. 303. That at registered distilleries producing alcohol or other high-proof spirits packages may be filled with such spirits reduced to not less than 100 proof from the receiving cisterns and tax paid without being entered into bonded warehouse. Such spirits may also be transferred from the receiving cisterns at such distilleries, by means of pipe lines, direct to storage tanks in the bonded warehouse and may be warehoused in such storage tanks. Such spirits may be also transferred in tanks or tank cars to general bonded warehouses for storage therein, either in storage tanks in such warehouses or in the tanks in which they were transferred. Such spirits may also be transferred after tax payment from receiving cisterns or warehouse storage tanks to tanks or tank cars and may be transported in such tanks or tank cars to the premises of rectifiers of spirits. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby empowered to prescribe all necessary regulations relating to the drawing off, transferring, gauging, storing, and transporting of such spirits; the records to be kept and returns to be made; the size and kind of packages and tanks to be used; the marking, branding, numbering, and stamping of such packages and tanks; the kinds of stamps, if any, to be used; and the time and manner of paying the tax; the kind of bond and the penal sum of same. The tax prescribed by law must be paid before such spirits are removed from the distillery premises, or from general bonded warehouse in the case of spirits transferred thereto, except as otherwise provided by law.

Under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, distilled spirits may hereafter be drawn from receiving cisterns and deposited in distillery warehouses without having affixed to the packages containing the same distillery warehouse stamps, and such packages, when so deposited in warehouse, may be withdrawn therefrom on the original gauge where the same have remained in such warehouse for a period not exceeding 30 days from the date of deposit.

The amendment was agreed to.

The next amendment was, on page 27, line 23, to change the number of the section from 301 to 304; on page 28, line 1, after

the words "act is," to strike out "passed" and insert "enacted"; in line 4, after the word "and," to insert "which"; in line 5, after "$1.10," to insert "(or, if intended for sale for beverage purposes, a tax of $2.10)"; in line 7, after the word "gallon," to strike out "or wine gallon when below proof"; in line 8, after the word "proof," to strike out "or wine"; in line 11, after the word "proceedings," to strike out "at the time of the passage of this act" and insert "on June 1, 1917"; in line 14, after the word "such," to strike out "delivery" and insert "delivery, to the extent that the amount thus delivered exceeds the 50 gallons hereinbefore provided," so as to make the section read:

SEC. 304. That upon all distilled spirits produced in or imported into the United States upon which the tax now imposed by law has been paid, and which, on the day this act is enacted, are held by a retailer in a quantity in excess of 50 gallons in the aggregate, or by any other person, corporation, partnership, or association in any quantity, and which are intended for sale, there shall be levied, assessed, collected, and paid a tax of $1.10 (or, if intended for sale for beverage purposes, a tax of $2.10) on each proof gallon, and a proportionate tax at a like rate on all fractional parts of such proof gallon: *Provided*, That the tax on such distilled spirits in the custody of a court of bankruptcy in insolvency proceedings on June 1, 1917, shall be paid by the person to whom the court delivers such distilled spirits at the time of such delivery, to the extent that the amount thus delivered exceeds the 50 gallons hereinbefore provided.

The amendment was agreed to.

The next amendment was, on page 28, line 16, to change the number of the section from 302 to 305; in line 19, before the word "gallon," to strike out "wine" and insert "proof"; in line 20, before the word "gallon," to strike out "wine" and insert "proof"; on page 29, in line 12, after the words "act is," to strike out "passed" and insert "enacted: *Provided*, That this tax shall not apply to gin produced by the redistillation of a pure spirit over juniper berries and other aromatics," so as to make the clause read:

SEC. 305. That in addition to the tax now imposed or imposed by this act on distilled spirits there shall be levied, assessed, collected, and paid a tax of 15 cents on each proof gallon and a proportionate tax at a like rate on all fractional parts of such proof gallon on all distilled spirits or wine hereafter rectified, purified, or refined in such manner, and on all mixtures hereafter produced in such manner, that the person so rectifying, purifying, refining, or mixing the same is a rectifier within the meaning of section 3244, Revised Statutes, as amended, and on all such articles in the possession of the rectifier on the day this act is enacted: *Provided*, That this tax shall not apply to gin produced by the redistillation of a pure spirit over juniper berries and other aromatics.

The amendment was agreed to.

The next amendment was, on page 30, line 20, after the words "less than," to strike out "$500 and" and insert "$250 and not more than $1,000 or," so as to make the clause read:

Any person violating any of the provisions of this section shall be deemed to be guilty of a misdemeanor and upon conviction shall be fined not less than $250 and not more than $1,000 or imprisoned not more than two years. He shall, in addition, be liable to double the tax evaded, the same to be recovered, together with the tax, on any bond given by him as rectifier.

The amendment was agreed to.

The next amendment was, on page 32, line 5, to change the number of the section from "303" to "308"; in the same line, after the words "after the," to strike out "passage" and insert "enactment"; and in line 12, after the words "tax of," to strike out "$1.25" and insert "$1.50," so as to make the section read:

SEC. 308. That on and after the enactment of this act there shall be levied and collected on all beer, lager beer, ale, porter, and other similar fermented liquor, containing one-half per cent or more of alcohol, brewed or manufactured and sold, or stored in warehouse, or removed for consumption or sale, within the United States, by whatever name such liquors may be called, in addition to the tax now imposed by law, a tax of $1.50 for every barrel containing not more than 31 gallons, and at a like rate for any other quantity or for the fractional parts of a barrel authorized and defined by law.

The amendment was agreed to.

The next amendment was, on page 34, after line 7, to insert:

SEC. 310. (a) That (1) upon all still wines, including vermuth, liqueurs, cordials, artificial or imitation wines or compounds sold as still wine, which contain more than 14 per cent of absolute alcohol, and which are hereafter removed from customhouse for sale or consumption, and (2) upon all of the above which are fortified with, or which contain any product fortified with, grape brandy or wine spirits, and which are hereafter produced in the United States and removed from the place of manufacture, or from bonded premises, for sale or consumption, there shall be levied and collected, in addition to the tax now imposed by law upon such articles, a tax of $1.10 on each proof gallon, and a proportionate tax at a like rate on all fractional parts of such proof gallon, to be levied, collected, and paid under the provisions of existing law.

(b) Upon (1) all of the articles enumerated in subdivision (a) which are hereafter produced in the United States and which are not fortified with, or do not contain any product fortified with, grape brandy or wine spirits, and which are removed from the place of manufacture or from bonded premises for sale or consumption, and (2) all of the articles enumerated in subdivision (a) containing not more than 14 per cent of absolute alcohol, and which are removed from customhouse, place of manufacture, or bonded premises for sale or consumption, there shall be levied and collected, in addition to the tax now imposed by law upon such articles, a tax equivalent to the internal-revenue tax now imposed by law, to be levied, collected, and paid under the provisions of existing law.

(c) Upon champagne, sparkling wines, and artificially carbonated wines hereafter produced in or imported into the United States and removed from customhouse, place of manufacture, or bonded premises for consumption or sale there shall be levied and collected, in addition to the tax now imposed by law upon such articles, a tax equal to double the internal-revenue tax now imposed by law, to be levied, collected, and paid under the provisions of existing law.

(d) Whoever has possession of any empty cask or package which has been used for wine or any article taxable under this section or under subdivision (a) or (c) of section 402 of the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916, and on which the stamp or any mark denoting payment of tax has not been effectually destroyed or obliterated, or reuses any such cask or package, having thereon any such stamp or mark previously so used, shall for each such offense be fined not less than $100 nor more than $1,000, or be imprisoned not more than one year, or both; and all such casks or packages, and their contents in the case of reuse, shall be forfeited to the United States.

Mr. POMERENE. Mr. President, the senior Senator from California [Mr. PHELAN] is absent, being, as I understand, at the War Department on departmental business. He has been sent for. My understanding is that he wanted to be heard upon these wine provisions, and I therefore ask that this matter be temporarily passed over until he can return to the Chamber.

Mr. SIMMONS. Mr. President, the Senator from California has not indicated to me any desire to be heard nor expressed any wish that this section go over. I will ask the Senator from Ohio if he has expressed any such desire to him?

Mr. POMERENE. I can simply say that the Senator from California came to me the other day while he was in the Chamber and said it was thought that these provisions would be taken up, and he was very anxious that they be not taken up at that time. I therefore assume that he wanted to be heard upon the subject.

Mr. SIMMONS. Mr. President——

Mr. PENROSE. Mr. President, will the Senator from North Carolina permit me to make a suggestion?

Mr. SIMMONS. Yes.

Mr. PENROSE. I do not think a part of this bill ought to go over when the chairman of the committee has not been requested to have it go over. We shall never get through with this bill if such a procedure is permitted. Let this paragraph be considered, and when the bill comes into the Senate it will again be open to amendment.

Mr. SIMMONS. Well, Mr. President, that probably would take up more time than to let the matter go over, for we would then have to have a reconsideration. I will say to the Senator from Pennsylvania that I feel very much as he does about this matter. I think Senators who are interested in sections of this bill ought to stay here and not request their colleagues to ask that matters be passed over for them; but I do know with reference to the Senator from California that he has shown very great interest in this section.

Mr. PENROSE. There is no question about that.

Mr. SIMMONS. And knowing his deep interest in the matter, I rather feel constrained to let it go over for him. It is, however, a bad precedent, and I hope we shall not be compelled to repeat it.

Mr. PENROSE. I should like to ask the Senator from Ohio whether the Senator from California is absent on official business or is out on the river bank watching a prize fight?

Mr. POMERENE. Well, now, Mr. President, I just made the statement that I was advised that the Senator from California was at the War Department on departmental business. His office was communicated with and the request made that they immediately get in touch with him. That is the extent of my information on the subject.

Mr. PENROSE. Does the Senator from Ohio know whether the Senator from California intends to return to the Chamber this afternoon?

Mr. POMERENE. Mr. President, I am not "my brother's keeper."

Mr. PENROSE. Well, the Senator seems to be his brother's supervisor or messenger in some way, and I thought maybe he could account for his movements.

Mr. POMERENE. No, Mr. President. I simply did for the Senator from California what I would for any other Senator in a matter which was about to come up. I stated a moment ago that the Senator from California came to me, perhaps two or three days ago when this bill was under consideration and it was expected at that time that the wine schedule would be taken up, and he expressed himself as being very anxious not to have it then taken up. I assumed, therefore, that he wanted to be heard upon the matter.

Mr. SIMMONS. Let us not take any more time on this. I feel that I ought to accede to the request.

Mr. PENROSE. I merely wish to state that, realizing the impartial and judicial spirit in which the Senator from California approaches this schedule, I will not make any objection.

Perhaps we will have an illuminating, unselfish contribution as to the character of the paragraph.

The PRESIDENT pro tempore. Without objection, the paragraph will be passed over.

Mr. SIMMONS. Sections 310, 311, 312, and 313 all should go over, as they all involve the wine schedule.

The PRESIDENT pro tempore. The Chair is informed that section 311 has been agreed to.

Mr. SIMMONS. Very well, then, if that section has been agreed to. The other three sections, however, involve the wine schedule, and I suppose they will have to go over under the request made on behalf of the Senator from California.

The PRESIDENT pro tempore. Sections 310, 312, and 313 will be passed over, if there be no objection. The Chair hears none.

The Secretary resumed the reading of the bill.

The PRESIDENT pro tempore. The Chair is informed that the next amendment, the one at the top of page 44, was passed over at the instance of the Senator from Georgia [Mr. HARDWICK].

Mr. SIMMONS. I myself desire that that section go over.

The PRESIDENT pro tempore. If there be no objection, the section will be passed over. The Secretary will state the next amendment reported by the committee.

The SECRETARY. On page 50, under the heading of "War excise taxes," after "Section 600," the committee propose to strike out all that remains on page 50 and to insert——

The PRESIDENT pro tempore. The amendment has once been read. Those in favor of the amendment will say "aye"——

Mr. LA FOLLETTE. Mr. President, I ask that that section be passed over.

The PRESIDENT pro tempore. Is there objection?

Mr. SIMMONS. What is the request of the Senator from Wisconsin?

The PRESIDENT pro tempore. The Senator from Wisconsin suggests that section 600 be passed over.

Mr. LA FOLLETTE. I do that because Senators who are absent have requested to have that section passed over should it be called up when they were not here.

Mr. SIMMONS. That is the automobile section?

Mr. LA FOLLETTE. Yes, sir. It was under discussion, as the Senator will remember, at the time an adjournment was taken when the Senate was last considering committee amendments.

Mr. SIMMONS. I shall not object to the section going over.

Mr. LA FOLLETTE. I do not think objection ought to be made——

Mr. SIMMONS. I said I did not object.

Mr. LA FOLLETTE. I understand that, and I am not addressing myself to the Senator's observation so much as I am to the observation made by the Senator from Pennsylvania [Mr. PENROSE]. It has been the custom here in the Senate that when paragraphs which were controverted were reached they have gone over upon request, and I am rather weary of this constant nagging of Senators who ask to have paragraphs passed over. No progress will be made by dealing with this matter in that way.

The PRESIDENT pro tempore. At the request of the Senator from Wisconsin the section indicated will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 51, after line 23, to strike out:

(b) Upon all musical instruments sold by the manufacturer, producer, or importer for more than $10 each, and upon piano players, graphophones, phonographs, talking machines, and records used in connection with any musical instrument, piano player, graphophone, phonograph, or talking machine, sold by the manufacturer, producer, or importer, a tax equivalent to 5 per cent of the price for which so sold; and

(c) Upon all moving-picture films (which have not been exposed) sold by the manufacturer or importer a tax equivalent to one-half of 1 cent per linear foot; and

(d) Upon all positive moving-picture films (containing a picture ready for projection) sold or leased by the manufacturer, producer, or importer a tax equivalent to 1 cent per linear foot; and

(e) Upon any article commonly or commercially known as jewelry, whether real or imitation, sold by the manufacturer, producer, or importer thereof, a tax equivalent to 5 per cent of the price for which so sold; and

(f) Upon all yachts, pleasure boats, motor boats, or other vessels not used or intended to be used for trade, sold by the manufacturer, builder, or importer, a tax equivalent to 5 per cent of the price for which so sold; and.

And insert:

(b) That on the day this act takes effect, and thereafter on July 1 in each year, and also at the time of the original purchase of a new boat by a user, if on any other date than July 1, there shall be levied, assessed, collected, and paid, upon the use of yachts, pleasure boats, power boats, and sailing boats, of over 5 net tons, and motor boats with fixed engines, not used exclusively for trade or national defense, or not built according to plans and specifications approved by the Navy Department, an excise tax to be based on each yacht or boat, at rates as follows: Yachts, pleasure boats, power boats, motor boats with fixed engines, and sailing boats, of over 5 net tons, length not over 50 feet, 50 cents for each foot, length over 50 feet and not over 100 feet, $1 for each foot, length over 100 feet, $2 for each foot; motor boats of not over 5 net tons with fixed engines, $5.

In determining the length of such yachts, pleasure boats, power boats, motor boats with fixed engines, and sailing boats, the measurement of over-all length shall govern.

In the case of a tax imposed at the time of the original purchase of a new boat on any other date than July 1, the amount to be paid shall be the same number of twelfths of the amount of the tax as the number of calendar months, including the month of sale, remaining prior to the following July 1.

The amendment was agreed to.

The next amendment was, on page 53, after line 19, to insert "SEC. 601. That there shall be levied, assessed, collected, and paid"; in line 22, before the word "Upon," to strike out "(g)" and insert "(a)"; in line 24, after the word "fishing," to strike out "rods" and insert "rods and"; in line 25, after the word "reels," to strike out "and lines"; on page 54, line 1, after the words "playing cards," to insert "and children's toys and games"; in line 3, before the words "per centum," to strike out "five" and insert "two"; in line 4, before the word "Upon," to strike out "(h)" and insert "(b)"; in line 5, after the word "cosmetics," to strike out "vaselines, petrolatums" and insert "petroleum jellies"; in line 9, after the word "distinguished," to insert "upon all of the above which are"; in line 10, after the word "applied," to insert "or intended to be used or applied"; in line 13, before the words "per centum," to strike out "five" and insert "two"; in line 15, before the word "Upon," to strike out "(i)" and insert "(c)"; in line 19, before the words "of this," to strike out "eight" and insert "fourteen"; on page 55, line 7, before the words "per centum," to strike out "five" and insert "two"; after line 8, to strike out "(j) Upon all chewing gum or substitute therefor sold by the manufacturer, producer, or importer, a tax equivalent to 5 per cent of the price for which so sold"; and after line 11 to insert "(d) Upon all cameras sold by the manufacturer, producer, or importer a tax equivalent to 2 per cent of the price for which so sold," so as to make the section read:

SEC. 601. That there shall be levied, assessed, collected, and paid—

(a) Upon all tennis rackets, golf clubs; baseball bats, lacrosse sticks, balls of all kinds, including baseballs, footballs, tennis, golf, lacrosse, billiard and pool balls, fishing rods and reels, billiard and pool tables, chess and checker boards and pieces, dice, games and parts of games, except playing cards and children's toys and games, sold by the manufacturer, producer, or importer, a tax equivalent to 2 per cent of the price for which so sold; and

(b) Upon all perfumes, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, tooth and mouth washes, dentifrices, tooth pastes, aromatic cachous, toilet soaps and powders, or any similar substance, article, or preparation by whatsoever name known or distinguished, upon all of the above which are used or applied or intended to be used or applied for toilet purposes, and which are sold by the manufacturer, importer, or producer, a tax equivalent to 2 per cent of the price for which so sold; and

(c) Upon all pills, tablets, powders, tinctures, troches or lozenges, sirups, medicinal cordials or bitters, anodynes, tonics, plasters, liniments, salves, ointments, pastes, drops, waters (except those taxed under section 314 of this act), essences, spirits, oils, and all medicinal preparations, compounds, or compositions whatsoever, the manufacturer or producer of which claims to have any private formula, secret, or occult art for making or preparing the same, or has or claims to have any exclusive right or title to the making or preparing the same, or which are prepared, uttered, vended, or exposed for sale under any letters patent or trade-mark, or which, if prepared by any formula, published or unpublished, are held out or recommended to the public by the makers, venders, or proprietors thereof as proprietary medicines or medicinal proprietary articles or preparations, or as remedies or specifics for any disease, diseases, or affection whatever affecting the human or animal body, and which are sold by the manufacturer, producer, or importer, a tax equivalent to 2 per cent of the price for which so sold; and

(d) Upon all cameras sold by the manufacturer, producer, or importer, a tax equivalent to 2 per cent of the price for which so sold.

The amendment was agreed to.

The next amendment was, on page 55, line 15, to change the number of the section from "601" to "602"; in the same line, after the word "producer," to strike out "builder"; in line 17, after the word "hundred," to insert "and one"; and in line 21, after the word "Such," to strike out "return" and insert "returns," so as to make the section read:

SEC. 602. That each manufacturer, producer, or importer of any of the articles enumerated in section 601 shall make monthly returns under oath in duplicate and pay the taxes imposed on such articles by this title to the collector of internal revenue for the district in which is located the principal place of business. Such returns shall contain such information and be made at such times and in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations prescribe.

The amendment was agreed to.

The next amendment was, on page 55, after line 24, to strike out:

SEC. 602. That upon all articles enumerated in subdivisions (a), (b), (e), (f), (g), (h), (i), or (j) of section 600, which on the day this act is passed are held and intended for sale by any person, corporation, partnership, or association other than a retailer who is not also a

wholesaler, and upon all such articles which between April 6, 1917, and the day this act is passed, both inclusive, have been sold to, and on the day this act is passed are held and intended for sale by, a retailer who is not also a wholesaler, there shall be levied, assessed, collected, and paid a tax equivalent to 5 per cent of the price paid therefor. This tax shall be paid by the person, corporation, partnership, or association so holding such articles. No tax shall be imposed under section 600 upon any article upon which a tax is imposed under this section.

The taxes imposed by this section shall be assessed, collected, and paid in the same manner as provided in section 1102 in the case of additional taxes upon articles upon which the tax imposed by exisiting law has been paid.

Nothing in this section shall be construed to impose a tax upon articles sold and delivered prior to May 9, 1917, where the title is reserved in the vendor as security for the payment of the purchase money.

The amendment was agreed to.

The next amendment was, on page 56, line 24, in the headline "Title VII.—War tax on admissions and dues," in line 24, after the word "admissions," to strike out "and dues."

The amendment was agreed to.

The next amendment was, in section 700, page 56, line 25, after the words "first day of," to strike out "June"; on page 57, line 1, after the word "paid," to insert "(a)"; in the same line, after the word "tax," to strike out "equivalent to" and insert "of"; in line 3, after the word "admission," to strike out "or subscription"; in the same line, after the word "place," to insert "including admission by season ticket or subscription"; in line 4, after the word "person," to strike out "admitted" and insert "making such payment: *Provided*, That the tax on admission of children where an admission charge for such children is made shall in every case be 1 cent"; in line 7, after the word "and," to insert "(b)"; in line 12, after the words "person so," to strike out "admitted" and insert "admitted; and (c) a tax of 1 cent for each 10 cents or fraction thereof paid for admission to any public performance for profit at any cabaret or other similar entertainment to which the charge for admission is wholly or in part included in the price paid for refreshment, service, or merchandise; the amount paid for such admission to be computed under rules prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, such tax to be paid by the person paying for such refreshment, service, or merchandise; and, in addition to the above, (d) upon tickets of admission to theaters, operas, and other places of amusement, sold at news stands, hotels, and places other than the ticket offices of such theaters, operas, or other places of amusement, at not to exceed 50 cents in excess of the sum of the established price therefor at such ticket offices plus the amount of any tax imposed under clause (a) of this section, a tax equivalent to 5 per cent of the amount of such excess, and if sold for more than 50 cents in excess of the sum of such established price plus the amount of any tax imposed under clause (a) of this section, a tax equivalent to 30 per cent of the whole amount of such excess, such taxes to be paid by the person, corporation, partnership, or association selling such tickets; and, in addition to the above, (e) a tax equivalent to 50 per cent of the amount for which the proprietors, managers, or employees of any opera house, theater, or other place of amusement sell or dispose of tickets or cards of admission in excess of the regular or established price or charge therefor, such tax to be paid by the person, corporation, partnership, or association selling such tickets"; on page 58, line 24, after the word "holder," to strike out "*Provided*, That the tax on admission of children under 12 years of age where an admission charge is made shall in every case be 1 cent"; on page 59, line 3, after the words "which is 5," to strike out "cents" and insert "cents, or in the case of moving-picture shows the maximum charge for admission to which is 25 cents"; and in line 9, after the words "agricultural fairs," to strike out "all the proceeds of which inure exclusively for agricultural purposes" and insert "nor in respect to admissions to bona fide chautauquas and lyceum courses which are contracted for and guaranteed by local companies, associations, or individuals," so as to make the section read:

SEC. 700. That from and after the 1st day of ———, 1917, there shall be levied, assessed, collected, and paid (a) a tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any place, including admission by season ticket or subscription, to be paid by the person making such payment: *Provided*, That the tax on admission of children where an admission charge for such children is made shall in every case be 1 cent; and (b) a tax of 5 cents for each admission of each person (except in the case of a bona fide employee and children under 12 years of age and municipal officers on official business) admitted free to any place for admission to which a charge is made, to be paid by the person so admitted; and (c) a tax of 1 cent for each 10 cents or fraction thereof paid for admission to any public performance for profit at any cabaret or other similar entertainment to which the charge for admission is wholly or in part included in the price paid for refreshment, service, or merchandise; the amount paid for such admission to be computed under rules prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, such tax to be paid by the person paying for such refreshment, service, or merchandise; and, in addition to the above, (d) upon tickets of admission to theaters, operas, and other places of amusement, sold at news stands, hotels, and places other than the ticket offices of such theaters, operas, or other places of amusement at not to exceed 50 cents in excess of the sum of the established price therefor at such ticket offices plus the amount of any tax imposed under clause (a) of this section, a tax equivalent to 5 per cent of the amount of such excess, and if sold for more than 50 cents in excess of the sum of such established price plus the amount of any tax imposed under clause (a) of this section, a tax equivalent to 30 per cent of the whole amount of such excess, such taxes to be paid by the person, corporation, partnership, or association selling such tickets; and, in addition to the above, (e) a tax equivalent to 50 per cent of the amount for which the proprietors, managers, or employees of any opera house, theater, or other place of amusement sell or dispose of tickets or cards of admission in excess of the regular or established price or charge therefor, such tax to be paid by the person, corporation, partnership, or association selling such tickets. In the case of persons having the permanent use of boxes or seats in an opera house or any place of amusement or a lease for the use of such box or seat in such opera house or place of amusement there shall be levied, assessed, collected, and paid a tax equivalent to 10 per cent of the amount for which a similar box or seat is sold for performance or exhibition at which the box or seat is used or reserved by or for the lessee or holder. These taxes shall not be imposed in the case of a place the maximum charge for admission to which is 5 cents, or in the case of moving-picture shows the maximum charge for admission to which is 25 cents.

No tax shall be levied under this title in respect to any admissions all the proceeds of which inure exclusively to the benefit of religious, educational, or charitable institutions, societies, or organizations, or admissions to agricultural fairs nor in respect to admissions to bona fide Chautauquas and Lyceum courses which are contracted for and guaranteed by local companies, associations, or individuals.

The term "admission" as used in this title includes seats and tables, reserved or otherwise, and other similar accommodations, and the charges made therefor.

The amendment was agreed to.

The next amendment was, on page 59, after line 16, to strike out:

SEC. 701. That from and after the 1st day of June, 1917, there shall be levied, assessed, collected, and paid a tax equivalent to 10 per cent of any amount paid as dues or membership fees (except initiation fees) to any social, athletic, or sporting club or organization; such taxes to be paid by the person making such payments.

The amendment was agreed to.

The next amendment was, on page 59, line 24, to change the number of the section from "702" to "701"; in line 25, after the word "such," to strike out "admissions, dues, or fees" and insert "admission"; and, on page 60, line 2, after the word "hundred," to strike out "or 701," so as to make the clause read:

SEC. 701. That every person, corporation, partnership, or association (a) receiving any payments for such admission shall collect the amount of the tax imposed by section 700 from the person making such payments, or (b) admitting any person free to any place for admission to which a charge is made shall collect the amount of the tax imposed by section 700 from the person so admitted, and (c) in either case shall make returns and payments of the amounts so collected, at the same time and in the same manner as provided in section 503 of this act.

The amendment was agreed to.

The next amendment was, on page 60, after line 9, to insert:

Every person, corporation, partnership, or association, liable to the tax imposed by subdivision (d) or (e) of section 700, shall make monthly returns under oath in duplicate and pay the tax imposed by such subdivisions to the collector of internal revenue for the district in which is located the principal place of business. Such returns shall contain such information and be made at such times and in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

The amendment was agreed to.

The next amendment was, under the head of "Title VIII.—War-stamp taxes," in section 800, page 60, line 21, after the words "day of," to strike out "June"; on page 61, line 4, after the words "written or," to strike out "printed" and insert "printed" with a comma; in line 5, after the word "signs," to strike out "or issues" and insert "issues, sells, removes, consigns, or ships"; in line 7, before the word "issued," to strike out "or"; and in the same line, after the word "issued," to insert "sold, removed, consigned, or shipped," so as to make the section read:

SEC. 800. That on and after the 1st day of ———, 1917, there shall be levied, collected, and paid, for and in respect of the several bonds, debentures, or certificates of stock and of indebtedness, and other documents, instruments, matters, and things mentioned and described in Schedule A of this title, or for or in respect of the vellum, parchment, or paper upon which such instruments, matters, or things, or any of them are written or printed, by any person, corporation, partnership, or association who makes, signs, issues, sells, removes, consigns, or ships the same, or for whose use or benefit the same are made, signed, issued, sold, removed, consigned, or shipped, the several taxes specified in such schedule.

The amendment was agreed to.

The next amendment was, in section 801, page 61, line 12, after the word "State," to insert "Territory, or the District of Columbia"; and in line 19, after the word "their," to strike out "shareholders" and insert "shareholders, or by mutual ditch or irrigating companies," so as to make the section read:

SEC. 801. That there shall not be taxed under this title any bond, note, or other instrument, issued by the United States, or by any foreign Government, or by any State, Territory, or the District of Columbia, or local subdivision thereof, or municipal or other corporation exercising the taxing power, when issued in the exercise of a strictly govern-

mental, taxing, or municipal function; or stocks and bonds issued by cooperative building and loan associations which are organized and operated exclusively for the benefit of their members and make loans only to their shareholders, or by mutual ditch or irrigating companies.

The amendment was agreed to.

The next amendment was in section 802, page 61, line 21, after "SEC. 802," to strike out "That whoever makes, signs, issues, or receives, or causes to be made, signed, or issued, any instrument, document, or paper of any kind or description whatsoever, without the tax thereon being duly paid, is guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not more than $100, at the discretion of the court, for each such offense" and insert:

That whoever—

(a) Makes, signs, issues, or accepts, or causes to be made, signed, issued, or accepted, any instrument, document, or paper of any kind or description whatsoever without the full amount of tax thereon being duly paid;

(b) Consigns or ships, or causes to be consigned or shipped, by parcel post any parcel, package, or article without the full amount of tax being duly paid;

(c) Manufactures or imports and sells, or offers for sale, or causes to be manufactured or imported and sold, or offered for sale, any playing cards, package, or other article without the full amount of tax being duly paid;

(d) Makes use of an adhesive stamp to denote any tax imposed by this title without canceling or obliterating such stamp as prescribed in section 804;

Is guilty of a misdemeanor and, upon conviction thereof, shall pay a fine of not more than $100 for each offense.

So as to make the section read:

SEC. 802. That whoever—

(a) Makes, signs, issues, or accepts, or causes to be made, signed, issued, or accepted, any instrument, document, or paper of any kind or description whatsoever without the full amount of tax thereon being duly paid;

(b) Consigns or ships, or causes to be consigned or shipped, by parcel post any parcel, package, or article without the full amount of tax being duly paid;

(c) Manufactures or imports and sells, or offers for sale, or causes to be manufactured or imported and sold, or offered for sale, any playing cards, package, or other article without the full amount of tax being duly paid;

(d) Makes use of an adhesive stamp to denote any tax imposed by this title without canceling or obliterating such stamp as prescribed in section 804;

Is guilty of a misdemeanor and, upon conviction thereof, shall pay a fine of not more than $100 for each offense.

The amendment was agreed to.

The next amendment was, in section 803, page 62, line 22, after "(a)," to strike out:

Forges or counterfeits any stamp, die, plate, or other article, or any part thereof, which is provided, made, or used in pursuance of this title;

(b) Forges, counterfeits, or resembles the impression, or any part thereof, of any such stamp, die, plate, or other article, upon any vellum, parchment, or paper;

(c) Stamps or marks any vellum, parchment, or paper with any such forged or counterfeited stamp, die, plate, or other article, or part thereof, with intent to defraud the United States of any tax imposed by this title;

(d) Utters, sells, or exposes for sale any vellum, parchment, or paper, article or thing bearing the impression of any such counterfeited stamp, die, plate, or other article, or any part thereof, or any such other counterfeit or resembled impression or part thereof, knowing the same to be forged, counterfeited, or resembled;

(e) Knowingly uses or permits, with intent to defraud the United States, the use of any stamp, die, plate, or other article, provided, made, or used in pursuance of this title.

On page 63, line 17, before the word "Fraudulently," to strike out "(f)"; in line 18, before the word "writing," to strike out "or"; in the same line, after the word "writing," to insert "package, or article"; in line 22, before the word "Fraudulently," to strike out "(g)" and insert "(b)"; in line 23, before the word "writing," to strike out "or"; in the same line, after the word "writing," to insert "package, or article"; in line 25, before the word "any," to insert "(1)"; on page 64, line 1, after the word "article," to strike out "which has been provided, made, or used in pursuance of this title, or"; in line 4, before the word "writing," to strike out "or"; in the same line, after the word "writing," to insert "package, or article"; in line 5, after the word "title," to insert "or (2) any adhesive stamp or the impression of any stamp, die, plate, or other article of insufficient value; or (3) any forged or counterfeit stamp, or the impression of any forged or counterfeited stamp, die, plate, or other article"; in line 10, before the word "willfully," to strike out "(h)" and insert "(c)"; in line 16, before the word "Knowingly," to strike out "(i)" and insert "(d)"; in line 19, after the word "instrument," to strike out "or writing" and insert "writing, package, or article"; after line 20, to strike out "(j) Causes, or procures to be done, any acts specified in this section; or"; after line 22, to strike out "(k) Knowingly and willfully aids, abets, or assists in committing any act specified in this section"; on page 65, line 4, after the word "and," to strike out "shall also forfeit any such forged or counterfeited stamp, die, plate, or other article and the vellum, parchment, or paper upon which it is placed or impressed" and insert "any such reused, canceled, or counterfeit stamp and the vellum, parchment, document, paper, package, or article upon which it is placed or impressed shall be forfeited to the United States," so as to make the section read:

SEC. 803. That whoever—

(a) Fraudulently cuts, tears, or removes from any vellum, parchment, paper, instrument, writing, package, or article, upon which any tax is imposed by this title, any adhesive stamp or the impression of any stamp, die, plate, or other article provided, made, or used in pursuance of this title;

(b) Fraudulently uses, joins, fixes, or places to, with, or upon any vellum, parchment, paper, instrument, writing, package, or article, upon which any tax is imposed by this title, (1) any adhesive stamp, or the impression of any stamp, die, plate, or other article, which has been cut, torn, or removed from any other vellum, parchment, paper, instrument, writing, package, or article upon which any tax is imposed by this title; or (2) any adhesive stamp or the impression of any stamp, die, plate, or other article of insufficient value; or (3) any forged or counterfeit stamp, or the impression of any forged or counterfeited stamp, die, plate, or other article;

(c) Willfully removes, or alters the cancellation, or defacing marks of or otherwise prepares, any adhesive stamp, with intent to use, or cause the same to be used, after it has been already used, or knowingly or willfully buys, sells, offers for sale, or gives away, any such washed or restored stamp to any person for use, or knowingly uses the same;

(d) Knowingly and without lawful excuse (the burden of proof of such excuse being on the accused) has in possession any washed, restored, or altered stamp, which has been removed from any vellum, parchment, paper, instrument, writing, package, or article,

Is guilty of a misdemeanor, and upon conviction shall be punished by a fine of not more than $1,000, or by imprisonment for not more than five years, or both, in the discretion of the court, and any such reused, canceled, or counterfeit stamp and the vellum, parchment, document, paper, package, or article upon which it is placed or impressed shall be forfeited to the United States.

The amendment was agreed to.

The next amendment was, in section 804, page 65, line 13, after the word "the," to strike out "person" and insert "person, corporation, partnership, or association"; in line 14, after the word "stamp," to insert "or cause to be written or stamped"; in line 16, before the word "name," to insert "or its"; in line 17, after the word "used," to insert "*Provided*, That the Commissioner of Internal Revenue may prescribe such other method for the cancellation of such stamps as he may deem expedient"; and, in line 20, after the word "expedient," to strike out "Whoever fraudulently makes use of an adhesive stamp to denote any tax imposed by this title without so effectually canceling and obliterating such stamp, except as before mentioned, is guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding $500, or be imprisoned not more than six months, or both, at the discretion of the court," so as to make the section read:

SEC. 804. That whenever an adhesive stamp is used for denoting any tax imposed by this title, except as hereinafter provided, the person, corporation, partnership, or association using or affixing the same shall write or stamp or cause to be written or stamped thereupon the initials of his or its name and the date upon which the same is attached or used, so that the same may not again be used: *Provided*, That the Commissioner of Internal Revenue may prescribe such other method for the cancellation of such stamps as he may deem expedient.

The amendment was agreed to.

The next amendment was, on page 66, after line 2, to strike out:

SEC. 805. That whenever the stamp required by law has not been affixed to any instrument at the proper time, any party having an interest therein and subsequently desirous of affixing such stamp to said instrument, or, if said instrument be lost, to a copy thereof, may appear before the collecter of internal revenue of the proper district, who shall, upon the payment of the price of the proper stamp and of a penalty of $10, and, where the whole amount of the tax denoted by the stamp required shall exceed the sum of $50, on payment also of interest, at the rate of 6 per cent on said tax from the day on which such stamp ought to have been affixed, affix the proper stamp to such instrument or copy, and note upon the margin thereof the date of his so doing and the fact that such penalty has been paid; and the same shall thereupon be deemed and held to be as valid, to all intents and purposes, as if stamped when made or issued: *Provided further*, That where it shall appear to said collector, upon oath or otherwise, to his satisfaction, that any such instrument has not been duly stamped, at the time of making or issuing the same, by reason of accident, mistake, inadvertence, or urgent necessity, and without any willful design to defraud the United States of the stamp, or to evade or delay the payment thereof, then and in such case, if such instrument, or, if the original be lost, a copy thereof, duly certified by the officer having charge of any record in which such original is required to be recorded, or otherwise duly proven to the satisfaction of the collecter, shall, within 12 calendar months after the making or issuing thereof, be brought to the said collector of internal revenue to be stamped, and the stamp tax chargeable thereon shall be paid, the said collector may remit the penalty aforesaid and cause such instrument to be duly stamped.

The amendment was agreed to.

The next amendment was, on page 67, line 11, to change the number of the section from "806" to "805"; in the same line, before the word "That," to insert "(a)"; in line 16, after the word "affixing," to strike out "and cancellation"; in line 18, after the word "expedient," to strike out "the Commissioner of Internal Revenue"; in line 20 to insert "(b) The Commissioner of Internal Revenue"; on page 68, line 3, after the words "Internal Revenue," to strike out "The adhesive stamps used in the

payment of the tax levied in Schedule A of this title shall be furnished for sale by the several collectors of internal revenue, who shall sell and deliver them at their face value to all persons applying for the same, except officers or employees of the Internal Revenue Service: *Provided*, That such collectors may sell and deliver such stamps in quantities of not less than $100 of face value, with a discount of 1 per cent, except as otherwise provided in this title"; and after line 11 to insert "(c) All internal-revenue laws relating to the assessment and collection of taxes are hereby extended to and made a part of this title, so far as applicable, for the purpose of collecting stamp taxes omitted through mistake or fraud from any instrument, document, paper, writing, parcel, package, or article named herein," so as to make the section read:

SEC. 805. (a) That the Commissioner of Internal Revenue shall cause to be prepared and distributed for the payment of the taxes prescribed in this title suitable stamps denoting the tax on the document, articles, or thing to which the same may be affixed, and shall prescribe such method for the affixing of said stamps in substitution for or in addition to the method provided in this title as he may deem expedient.

(b) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to procure any of the stamps provided for in this title by contract whenever such stamps can not be speedily prepared by the Bureau of Engraving and Printing; but this authority shall expire on the 1st day of January, 1918, except as to imprinted stamps furnished under contract, authorized by the Commissioner of Internal Revenue.

(c) All internal-revenue laws relating to the assessment and collection of taxes are hereby extended to and made a part of this title, so far as applicable, for the purpose of collecting stamp taxes omitted through mistake or fraud from any instrument, document, paper, writing, parcel, package, or article named herein.

The amendment was agreed to.

The next amendment was, on page 68, line 18, to change the number of the section from "807" to "806"; in line 22, after the words "United States," to strike out "Each" and insert "The Postmaster General may require each"; in line 23, after the word "postmaster," to strike out "shall be held accountable under his official" and insert "to give additional or increased"; in line 25, after the word "and," to insert "each such postmaster"; and on page 69, line 6, after the word "collections," to strike out "*Provided*, That adhesive stamps shall be sold by postmasters at their face value without discount," so as to make the section read:

SEC. 806. That the Commissioner of Internal Revenue shall furnish to the Postmaster General without prepayment a suitable quantity of adhesive stamps to be distributed to and kept on sale by the various postmasters in the United States. The Postmaster General may require each such postmaster to give additional or increased bond as postmaster for the value of the stamps so furnished, and each such postmaster shall deposit the receipts from the sale of such stamps to the credit of and render accounts to the Postmaster General at such times and in such form as he may by regulations prescribe. The Postmaster General shall at least once monthly transfer all collections from this source to the Treasury as internal-revenue collections.

The amendment was agreed to.

The next amendment was, on page 69, line 9, to change the number of the section from "808" to "807"; in line 19, after the word "hand," to strike out "The collectors shall supply their deputies with a sufficient quantity of such stamps and may sell to other parties within their respective districts who may make application therefor adhesive stamps upon the same terms allowed by law or under the regulations of the Commissioner of Internal Revenue, who is hereby authorized to make such other regulations, not inconsistent herewith, for the security of the United States and the better accommodation of the public, in relation to the matters hereinbefore mentioned, as he may judge necessary and expedient"; and on page 70, line 4, after the word "may," to strike out "also," so as to make the section read:

SEC. 807. That the collectors of the several districts shall furnish without prepayment to any assistant treasurer or designated depositary of the United States located in their respective collection districts a suitable quantity of adhesive stamps for sale. In such cases the collector may require a bond, with sufficient sureties, to an amount equal to the value of adhesive stamps so furnished, conditioned for the faithful return, whenever so required, of all quantities or amounts undisposed of, and for the payment monthly of all quantities or amounts sold or not remaining on hand. The Secretary of the Treasury may from time to time make such regulations as he may find necessary to insure the safekeeping or prevent the illegal use of all such adhesive stamps.

The amendment was agreed to.

Mr. NORRIS. I wish to inquire of the Senator from North Carolina how long he expects the Senate to remain in session.

Mr. SIMMONS. I should like to go on until 6 o'clock.

Mr. NORRIS. I have no objection myself to the particular clauses in the bill that are being considered now; I do not know that anyone has; but I can not very well, myself, be here that long. I wish to make inquiries about some of the amendments that are coming soon, for instance, when we get to page 78. Could we not have an understanding that when we reach that page we will stop for the day? That will go to Title IX, war estate tax. I have not looked it all through, but I think that will finish the stamp taxes. These which are mere matters of form may as well be passed upon.

Mr. SIMMONS. I would not like to agree to stop at page 78, because I think we can reach 78, in all probability, in the next 10 minutes. If the Senator, however, does not desire that title to be taken up this afternoon, I would be very glad to let it go over until to-morrow.

Mr. NORRIS. I will say to the Senator I have been following the Secretary as well as I can. Sometimes it is difficult to do it, because he hurries through a little more rapidly than one can follow him. I have not been interrupting the reading on some of the matters that have already been passed upon, but they seem to suggest several things for consideration. I am laboring under the impression that probably there has been an agreement that we shall consider first the committee amendments.

Mr. SIMMONS. That is what we are doing now.

Mr. NORRIS. I wish to inquire whether there has been such an agreement made.

Mr. SIMMONS. That is an order of the Senate.

Mr. PHELAN. Mr. President, the chairman has passed over section 3, owing to my absence and the absence of my colleague [Mr. JOHNSON], who is out of town to-day on public business. I desire to acknowledge the courtesy. I further desire to say that important business called me from the Senate to the Secretary of War, where I met my colleagues, the Senator from Florida [Mr. FLETCHER] and the Senator from New York [Mr. WADSWORTH], on like business, and I was not present at any entertainment at the Sylvan Theater. However, the performance does not begin until 5 o'clock.

Mr. NORRIS. May I inquire of the Senator what is the performance?

Mr. PHELAN. There is an exhibition of the manly art of self-defense, which at this time is quite appropriate. I think it is under the auspices of the District War Service Commission and is for the recreation of soldiers.

Mr. NORRIS. I was wondering if the Senator knew that that is the reason why there are so few Senators here this afternoon attending to business.

Mr. PHELAN. I will not do my colleagues the injustice of intimating anything of that kind. I may say, however, that I just passed the senior Senator from Pennsylvania [Mr. PENROSE] going in that direction.

The reading of the bill was continued.

The next amendment was, under the subhead "Schedule A.—Stamp taxes," on page 70, line 10, after the words "the first day of," to strike out "June," so as to make the clause read:

1. Bonds of indebtedness: Bonds, debentures, or certificates of indebtedness issued on and after the 1st day of ———, 1917, by any person, corporation, partnership, or association, on each $100 of face value or fraction thereof, 5 cents: *Provided*, That every renewal of the foregoing shall be taxed as a new issue: *Provided further*, That when a bond conditioned for the repayment or payment of money is given in a penal sum greater than the debt secured, the tax shall be based upon the amount secured.

Mr. NORRIS. I should like to inquire about this amendment. It happens several times. When does the Senator from North Carolina expect to fill the blank?

Mr. SIMMONS. It can not be filled until we are about to pass the bill.

Mr. NORRIS. We can not fill the blank after we pass the bill.

Mr. SIMMONS. I said it need not be filled until just before we are ready to pass it.

Mr. NORRIS. Why will we be more certain about it then than now?

Mr. SIMMONS. Because we do not know when the bill will be passed.

Mr. NORRIS. We will not know just before we pass it when it will be passed.

Mr. SIMMONS. We might put in instead of the 1st of June the 1st of September.

Mr. NORRIS. But I do not understand that there is any way by which it can be told at any time just when the bill will be passed.

Mr. LODGE. What date does the Senator propose?

Mr. NORRIS. The Senator ought to put in a date with reference to its passage.

Mr. SIMMONS. We are only considering committee amendments at this time.

Mr. NORRIS. But an amendment here is very appropriate.

Mr. SIMMONS. We have stricken out June, because June has passed; but we have not yet offered any amendment inserting the date when the bill will take effect. We are only considering now under the order of the Senate committee amendments.

Mr. NORRIS. I understand the same thing occurred just a short time ago.

Mr. SIMMONS. If the Senator makes a point about it, I will now offer an amendment to put in the 1st day of September, if that will suit him.

Mr. NORRIS. I am not asking my question, I will say to the Senator, in any spirit of criticism. It seems to me that the Senator can not tell now that the 1st of September will do. None of us know the date with reference to the final passage of the bill.

Mr. SIMMONS. I can put in the provision "to take effect from and after the passage of the act."

Mr. NORRIS. I will ask the Senator why in this case and in the other case he does not use the same provision?

Mr. SIMMONS. I will state to the Senator very frankly the committee thought that we should not fill the blank at this time. The blank, of course, will have to be filled before the bill is passed.

The amendment was agreed to.

The next amendment was, on page 70, after line 18, to strike out:

2. Bonds, indemnity and surety: Bonds for indemnifying any person, corporation, partnership, or corporation who shall have become bound or engaged as surety, and all bonds for the due execution or performance of any contract, obligation, or requirement, or the duties of any office or position, and to account for money received by virtue thereof, and all other bonds of any description, except such as may be required in legal proceedings, not otherwise provided for in this schedule, 50 cents: *Provided*, That where a premium is charged for the execution of such bond the tax shall be paid at the rate of 1 per cent on each dollar or fractional part thereof of the premium charged: *Provided further*, That policies of reinsurance shall be exempt from the tax imposed by this subdivision.

The amendment was agreed to.

The next amendment was, on page 71, after line 8, to insert:

2. Parcel-post packages: Upon every parcel or package weighing more than 4 ounces transported from one point in the United States to another by parcel post, a tax of 1 cent for each 25 cents or fractional part thereof charged for such transportation, to be paid by the consignor.

No such parcel or package shall be transported until a stamp or stamps representing the tax due shall have been affixed thereto.

Mr. SIMMONS. I ask that this amendment may go over.

The PRESIDENT pro tempore. Without objection, the proposed amendment will be passed over.

The next amendment was, on page 72, line 1, after the word "this," to strike out "paragraph" and insert "subdivision," so as to make the clause read:

The stamps representing the tax imposed by this subdivision shall be attached to the stock books and not to the certificates issued.

The amendment was agreed to.

The next amendment was, on page 72, line 14, after the word "shares," to strike out "or certificates"; in line 16, after the word "share," to strike out "or certificate"; and in line 18, after the word "value," to insert "or fraction thereof," so as to read:

4. Capital stock, sales or transfers: On all sales, or agreements to sell, or memorandum of sales or deliveries of, or transfers of legal title to shares or certificates of stock in any association, company, or corporation, whether made upon or shown by the books of the association, company, or corporation, or by any assignment in blank, or by any delivery, or by any paper or agreement or memorandum or other evidence of transfer or sale, whether entitling the holder in any manner to the benefit of such stock or not, on each $100 of face value or fraction thereof, 2 cents, and where such shares of stock are without par value, the tax shall be 2 cents on the transfer or sale or agreement to sell on each share, unless the actual value thereof is in excess of $100 per share, in which case the tax shall be 2 cents on each $100 of actual value or fraction thereof.

The amendment was agreed to.

The next amendment was, on page 74, line 16, after the word "sale," to insert: "*Provided further*, That sellers of commodities described herein, having paid the tax provided by this subdivision, may transfer such contracts to a clearing-house corporation or association, and such transfer shall not be deemed to be a sale, or agreement of sale, or an agreement to sell within the provisions of this act, provided that such transfer shall not vest any beneficial interest in such clearing-house association but shall be made for the sole purpose of enabling such clearing-house association to adjust and balance the accounts of the members of said clearing-house association on their several contracts," so as to read:

5. Produce, sales of, on exchange: Upon each sale, agreement of sale, or agreement to sell, including so-called transferred or scratch sales, any products or merchandise at any exchange, or board of trade or other similar place, for future delivery, for each $100 in value of the merchandise covered by said sale or agreement of sale or agreement to sell, 2 cents, and for each additional $100 or fractional part thereof in excess of $100, 2 cents: *Provided*, That on every sale or agreement of sale or agreement to sell as aforesaid there shall be made and delivered by the seller to the buyer a bill, memorandum, agreement, or other evidence of such sale, agreement of sale, or agreement to sell, to which there shall be affixed a lawful stamp or stamps in value equal to the amount of the tax on such sale: *Provided further*, That sellers of commodities described herein, having paid the tax provided by this subdivision, may transfer such contracts to a clearing-house corporation or association, and such transfer shall not be deemed to be a sale, or agreement of sale, or an agreement to sell within the provisions of this act, provided that such transfer shall not vest any beneficial interest in such clearing-house association but shall be made for the sole purpose of enabling such clearing-house association to adjust and balance the accounts of the members of said clearing-house association on their several contracts.

The amendment was agreed to.

The next amendment was, on page 17, line 22, after the word "faith," to strike out "is" and insert "are," so as to make the clause read:

That no bill, memorandum, agreement, or other evidence of such sale, or agreement of sale, or agreement to sell, in case of cash sales of products or merchandise for immediate or prompt delivery which in good faith are actually intended to be delivered shall be subject to this tax.

The amendment was agreed to.

The next amendment was, on page 76, line 1, after the word "circulation," to strike out "and for each renewal of the same," so as to make the clause read:

6. Drafts or checks payable otherwise than at sight or on demand, promissory notes, except bank notes issued for circulation, for a sum not exceeding $100, 2 cents; and for each additional $100 or fractional part thereof, 2 cents.

The amendment was agreed to.

The next amendment was, on page 76, after line 3, to insert:

7. Bank check, draft, or certificate of deposit not drawing interest, or order for the payment of any sum of money, drawn upon or issued by any bank, trust company, or any person or persons, companies, or corporations at sight or on demand, 1 cent.

Mr. SMOOT. I ask that this amendment may be passed over.

The PRESIDING OFFICER (Mr. SWANSON in the chair). Is there objection? The Chair hears none, and the amendment will be passed over.

The next amendment was, on page 76, line 9, to change the number of the subdivision from "7" to "8."

The amendment was agreed to.

The next amendment was, on page 76, line 21, to change the number of the subdivision from "8" to "9"; in the same line, after the word "any," where it occurs the second time, to strike out "customhouse and insert "custom-house," so as to make the clause read:

9. Entry of any goods, wares, or merchandise at any custom-house, either for consumption or warehousing, not exceeding $100 in value, 25 cents; exceeding $100 and not exceeding $500 in value, 50 cents; exceeding $500 in value, $1.

The amendment was agreed to.

The next amendment was, on page 77, line 1, to change the number of the subdivision from "9" to "10."

The amendment was agreed to.

The next amendment was, on page 77, line 3, to change the number of the subdivision from "10" to "11"; in the same line, after the word "ticket," to insert "one way or round trip"; in line 5, before the word "port," to strike out "foreign"; and in the same line, after the word "place," to insert "not in the United States, Canada, or Mexico," so as to make the clause read:

11. Passage ticket, one way or round trip, for each passenger, sold or issued in the United States for passage by any vessel to a port or place not in the United States, Canada, or Mexico, if costing not exceeding $30, $1; costing more than $30 and not exceeding $60, $3; costing more than $60, $5: *Provided*, That such passage tickets, costing $10 or less, shall be exempt from taxation.

The amendment was agreed to.

The next amendment was, on page 77, line 10, to change the number of the subdivision from "11" to "12"; and, in line 13, after the word "charitable," to insert "fraternal," so as to make the clause read:

12. Proxy for voting at any election for officers, or meeting for the transaction of business, of any incorporated company or association, except religious, educational, charitable, fraternal, or literary societies, or public cemeteries, 10 cents.

The amendment was agreed to.

The next amendment was, on page 77, line 15, to change the number of the subdivision from "12" to "13."

The amendment was agreed to.

The next amendment was, on page 77, line 23, to change the number of the subdivision from "13" to "14"; in line 25, after the words "and sold," to insert "or removed for consumption or sale"; on page 78, line 1, after the word "the," to strike out "passage" and insert "enactment"; in the same line, after the word "act," to insert "if manufactured or imported to sell at retail for not more than 15 cents per pack, a tax of 3 cents per pack; and if manufactured or imported to sell at retail for more than 15 cents per pack"; in line 5, after the word "per," to strike out "pack" and insert "pack" with a period; and in the same line, before the words "in addition," to insert "Such tax shall be paid," so as to make the clause read:

14. Playing cards: Upon every pack of playing cards containing not more than 54 cards, manufactured or imported, and sold, or removed for consumption or sale, after the enactment of this act, if manufactured or imported to sell at retail for not more than 15 cents per pack, a tax of 3 cents per pack; and if manufactured or imported to sell at retail for more than 15 cents a pack, a tax of 8 cents per pack. Such tax shall be paid in addition to the tax imposed under existing law.

The amendment was agreed to.

Mr. POMERENE. May I ask the chairman of the committee how much longer he expects to continue in session?

Mr. SIMMONS. As I stated a little while ago, I would like to continue until 6 o'clock.

Mr. POMERENE. I really feel obliged to leave the Chamber. I should like to ask the Senator that section 1101, on page 96, may go over until to-morrow, if that can be done. It relates to second-class postage.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio?

Mr. SIMMONS. I have no objection to that. I have no objection to the whole title going over.

Mr. POMERENE. Very well.

The PRESIDING OFFICER. Without objection, it will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 78, after line 6, to strike out:

Title IX—War estate tax.

SEC. 900. That in addition to the tax imposed by section 201 of the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916, as amended—

(a) A tax equal to the following percentages of its value is hereby imposed upon the transfer of each net estate of every decedent dying after the passage of this act, the transfer of which is taxable under such section (the value of such net estate to be determined as provided in Title II of such act of September 8, 1916):

One-half of 1 per cent of the amount of such net estate not in excess of $50,000;

One per cent of the amount by which such net estate exceeds $50,000 and does not exceed $150,000;

One and one-half per cent of the amount by which net estate exceeds $150,000 and does not exceed $250,000;

Two per cent of the amount by which such net estate exceeds $250,000 and does not exceed $450,000;

Two and one-half per cent of the amount by which such net estate exceeds $450,000 and does not exceed $1,000,000;

Three per cent of the amount by which such net estate exceeds $1,000,000 and does not exceed $2,000,000;

Three and one-half per cent of the amount by which such net estate exceeds $2,000,000 and does not exceed $3,000,000;

Four per cent of the amount by which such net estate exceeds $3,000,000 and does not exceed $4,000,000;

Four and one-half per cent of the amount by which such net estate exceeds $4,000,000 and does not exceed $5,000,000;

Five per cent of the amount by which such net estate exceeds $5,000,000 and does not exceed $8,000,000;

Seven per cent of the amount by which such net estate exceeds $8,000,000 and does not exceed $11,000,000;

Ten per cent of the amount by which such net estate exceeds $11,000,000 and does not exceed $15,000,000; and

Fifteen per cent of the amount by which such net estate exceeds $15,000,000; and

(b) A tax equal to 1 per cent of the value of the net estate not in excess of $25,000 (such value to be determined as provided in Title II of such act of September 8, 1916, except that the exemption provided in subdivision (a) of section 203 of such act shall be $25,000 instead of $50,000) is hereby imposed upon the transfer of the net estate of every resident of the United States dying after the passage of this act.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NORRIS. Is not the part to be inserted a part of the amendment? As I understand, it is proposed to strike out and insert. If that is true, I will ask that the title go over.

Mr. LODGE. If the Senator will permit me, the new Title IX is a substitute for Title X. As it stands in the House bill, Title IX has nothing to do with Title X, but is a wholly separate proposition; it is a separate amendment. When we come to Title X it is proposed to strike out and insert.

Mr. NORRIS. Is not there anything proposed to be inserted in lieu of Title IX?

Mr. LODGE. It is not the intention to substitute anything for Title IX.

The PRESIDING OFFICER. As the Chair understands, Title IX of the Senate committee amendments takes the place of Title X of the House bill.

Mr. LODGE. It takes the place of Title X. An excise consumption tax is provided in place of tariff duties.

Mr. NORRIS. I understand that Title IX in the House bill, commencing on page 78, the war estate tax, is stricken out?

Mr. LODGE. That is stricken out.

Mr. NORRIS. And nothing has been put in its place?

Mr. LODGE. No.

Mr. SIMMONS. There is nothing put in the place of the war estate tax at all.

Mr. NORRIS. The committee in its bill, then, has no such thing as a war estate tax?

Mr. SIMMONS. No; the Senate committee struck that out and substituted nothing for it; but the next title of the House bill, which was Title X, which relates to the tax on coffee and tea, was stricken out and Title IX of the Senate committee amendments was substituted for it.

Mr. NORRIS. I am going to ask the Senator to let Title IX go over. I do not know that I will want to have anything to say in opposition to striking it out, but I should like to have it go over for the present.

Mr. SIMMONS. That is the war estate tax.

Mr. NORRIS. Yes; the war estate tax.

Mr. SIMMONS. I have no objection to that title going over.

Mr. NORRIS. The request of the Senator from Ohio was, as I understood, that Title X should also go over.

Mr. SIMMONS. No.

The PRESIDING OFFICER. The Chair understands the request of the Senator from Ohio was that the provisions on page 96, relating to increased rates on postage, go over.

Mr. SIMMONS. Title X relates to coffee and tea.

Mr. NORRIS. In the case of that title the committee struck out the House provision and inserted a new provision.

Mr. SIMMONS. Yes.

Mr. NORRIS. I will ask that that go over. My idea is, I will say to the Senator from North Carolina—I had that in mind when I made the request——

Mr. SIMMONS. I have no objection to that title going over. That is a general provision, and there may be Senators who are interested in it and who may desire to discuss it.

Mr. NORRIS. I do not know, I will say to the Senator, that I will have anything to say about it, but there are several Senators who I am satisfied want to be heard upon it. In fact, I have heard Senators who are not now present express views on the substance of these titles, and who I think desire to be here when they are considered.

Mr. LODGE. I think that is a very reasonable request; but we might dispose of the administrative provisions on page 88, to which I am sure there is no objection at all.

The PRESIDING OFFICER. As the Chair understands the request of the Senator from Nebraska, it is that, beginning on page 78, line 7, all down to and including page 88, line 17, embracing Titles IX and X, be passed over. Is there objection? The Chair hears none, and it is so ordered. The Secretary will now read, commencing on page 88, line 17.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 88, line 17, to change the number of the title in subhead from "XI" to "X."

The amendment was agreed to.

The next amendment was, on page 88, line 18, to change the number of the section from "1100" to "1000."

The amendment was agreed to.

The next amendment was, on page 89, line 8, to change the number of the section from "1101" to "1001."

The amendment was agreed to.

The next amendment was, on page 89, line 18, to change the number of the section from "1102" to "1002"; in line 22, after the word "shall," to insert "within 30 days after its enactment" and in line 25, after the word "prescribe," to strike out "The tax shown to be due by such return shall be collected, by assessment, and paid on or before November 1, 1917," and insert "Payment of the tax shown to be due may be extended to a date not exceeding four months from the enactment of this act, upon the filing of a bond for payment in such form and amount and with such sureties as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe," so as to make the section read:

SEC. 1002. That where additional taxes are imposed by this act upon articles or commodities upon which the tax imposed by existing law has been paid, the person, corporation, partnership, or association required by this act to pay the tax shall, within 30 days after its enactment, make return under oath in such form and under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe. Payment of the tax shown to be due may be extended to a date not exceeding four months from the enactment of this act, upon the filing of a bond for payment in such form and amount and with such sureties as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

The amendment was agreed to.

The next amendment was, on page 90, line 9, to change the number of the section from "1103" to "1003"; and in the same line, before the word "all," to strike out "In" and insert "That in," so as to make the section read:

SEC. 1003. That in all cases where the method of collecting the tax imposed by this act is not specifically provided, the tax shall be collected in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe. All administrative and penalty provisions of Title VIII of this act, in so

far as applicable, shall apply to the collection of any tax which the Commissioner of Internal Revenue determines or prescribes shall be paid by stamp.

The amendment was agreed to.

The next amendment was, on page 90, line 18, to change the number of the section from "1104" to "1004."

The amendment was agreed to.

The next amendment was, on page 91, line 6, to change the number of the section from "1105" to "1005."

The amendment was agreed to.

The next amendment was, on page 91, line 10, to change the number of the section from "1106" to "1006."

The amendment was agreed to.

The next amendment was, on page 91, line 20, to change the number of the section from "1107" to "1007"; in line 23, after the word "article," to strike out "(or, in the case of moving-picture films, such a contract with a dealer, exchange, or exhibitor, for the sale or lease thereof)"; on page 92, line 1 after the word "or," to change the number of the title from "X" to "IX"; in line 2, after the word "subdivision," to strike out "13" and insert "14"; in line 5, after the word "vendee," to strike out "or lessee"; in line 6, after the word "vendor," to strike out "or lessor"; in line 9, after the word "vendee," to strike out "or lessee"; in line 10, after the word "vendor," to strike out "or lessor"; in line 11, after the word "sale," to strike out "or lease"; and in line 12, after the word "vendor," to strike out "or lessor," so as to make the section read:

SEC. 1007. That (a) if any person, corporation, partnership, or association has prior to May 9, 1917, made a bona fide contract with a dealer for the sale, after the tax takes effect, of any article upon which a tax is imposed under Title III, IV, VI, or IX, or under subdivision 14 of Schedule A of Title VIII, or under this section, and (b) if such contract does not permit the adding of the whole of such tax to the amount to be paid under such contract, then the vendee shall, in lieu of the vendor, pay so much of such tax as is not so permitted to be added to the contract price.

The taxes payable by the vendee under this section shall be paid to the vendor at the time the sale is consummated, and collected, returned, and paid to the United States by such vendor in the same manner as provided in section 503.

The term "dealer" as used in this section includes a vendee who purchases any article with intent to use it in the manufacture or production of another article intended for sale.

The amendment was agreed to.

The next amendment was, on page 92, line 18, to change the number of the section from "1108" to "1008," and in line 19, after the word "act," to insert "not payable by stamp," so as to make the section read:

SEC. 1008. That in the payment of any tax under this act not payable by stamp a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to 1 cent.

The amendment was agreed to.

The next amendment was, on page 92, after line 22, to insert:

SEC. 1009. That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may, under regulations prescribed by him with the approval of the Secretary of the Treasury, require all internal-revenue taxpayers, who are required by law to render returns, to pay without prior levy, assessment, or notice, and at the same time as the return is required to be made, any such internal-revenue tax, any provision of law fixing any other time as the time when such tax is due to the contrary notwithstanding. All penalties provided by existing law for failure to render return and pay tax when due are hereby made applicable to any failure to pay the tax at the time required by such regulations.

The amendment was agreed to.

The next amendment was, on page 93, after line 11, to insert:

SEC. 1010. That collectors of internal revenue are authorized to receive at par certificates of indebtedness issued under section 6 of the act entitled "An act to authorize an issue of bonds to meet expenditures for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to extend credit to foreign governments, and for other purposes," approved April 24, 1917, and uncertified checks in payment of income and war-profits taxes, during such time and under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe; but if a check so received is not paid by the bank on which it is drawn the person by whom such check has been tendered shall remain liable for the payment of the tax and for all legal penalties and additions the same as if such check had not been tendered.

The amendment was agreed to.

Mr. SIMMONS. Mr. President, I ask that "Title XI.—Postal rates and war tax on profits of publications" be passed over.

The PRESIDENT pro tempore. Without objection, the title will be passed over.

Mr. SIMMONS. The next amendment comes on page 99, the income-tax provision.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The SECRETARY. On page 99, after line 15, it is proposed to insert "Title XII.—Income-tax amendments."

Mr. NORRIS. Mr. President, that is a very important amendment, and I do not suppose the Senator wants to adopt that formally. I have an idea there will be considerable debate on the amendment.

Mr. LODGE. There are a number of amendments under that title.

Mr. NORRIS. The Senator from Massachusetts suggests there are quite a number of amendments under that title, but I presume they all refer to the question of incomes.

Mr. SIMMONS. What is the request of the Senator?

Mr. NORRIS. I hope the Senator will not ask that the Senate take up the income-tax amendments to-night and pass on them formally.

Mr. SIMMONS. Does the Senator desire all the income-tax amendments to go over?

Mr. NORRIS. Yes.

Mr. SIMMONS. That embraces the remainder of the bill.

Mr. NORRIS. Then the Senator had better adjourn or take a recess. I know there are a number of Senators who want to debate that title. It is one of the most important features of the bill, and I do not think it can be passed without more Senators present than are here at this time.

Mr. SIMMONS. There are in that section, I will state to the Senator, two very important amendments in regard to which there will probably be controversy. One of them is what is known as the Jones amendment, relating to the undistributed surplus of corporations. I would not desire to take those up this afternoon, but to the remainder of that title I do not think there is any objection.

Mr. LA FOLLETTE. I suggest to the Senator that the hour is late and that he move a recess or adjournment at this time.

Mr. SIMMONS. Very well.

PETITIONS.

Mr. PHELAN presented a petition of the Chamber of Commerce of Venice, Cal., praying for the use of military transports on the return trip from Europe to bring military prisoners to America to be employed on agricultural development and other public work, which was referred to the Committee on Military Affairs.

He also presented a petition of the board of directors of the Los Angeles Realty Board of California, praying the curtailment of passenger service and the less important freight service in order to secure a more abundant transportation and supply of coal for the coming winter, which was referred to the Committee on Interstate Commerce.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES of Washington:

A bill (S. 2797) granting an increase of pension to John L. Downing (with accompanying papers);

A bill (S. 2798) granting an increase of pension to Hamilton Collier (with accompanying papers); and

A bill (S. 2799) granting an increase of pension to William A. De Long (with accompanying papers); to the Committee on Pensions.

By Mr. KING:

A bill (S. 2800) to punish seditious opposition to the laws and seditious attempts to procure the breach of contracts with the United States or relating to the production of commodities for the use of the United States; to the Committee on the Judiciary.

By Mr. OWEN:

A bill (S. 2801) to authorize the Interstate Commerce Commission to require carriers subject to the act to regulate commerce to purchase, construct, or otherwise provide and furnish cars, equipment, and facilities of shipment, and for other purposes;

A bill (S. 2802) to amend the act to regulate commerce, as amended, and for other purposes;

A bill (S. 2803) to establish an interstate-marketing system, and for other purposes; and

A bill (S. 2804) to amend an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts amendatory thereof, and to authorize the Interstate Commerce Commission to require interstate carriers to provide and furnish particular types of cars to shippers; to the Committee on Interstate Commerce.

INTERSTATE-MARKETING SYSTEM.

Mr. OWEN. Mr. President, I present a paper relative to the method of arrangement and operation of the national county cooperative marketing corporation, as provided in a bill which I have introduced. I desire to have the article printed as a public document, and I ask that it be referred to the Committee on Printing for report.

The PRESIDENT pro tempore. The matter will be referred to the Committee on Printing for action.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until to-morrow at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 35 minutes p. m., Thursday, August 16, 1917) the Senate took a recess until to-morrow, Friday, August 17, 1917, at 11 o'clock a. m.

SENATE.

FRIDAY, *August 17, 1917.*

(Legislative day of Wednesday, August 15, 1917.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. ASHURST. Mr. President——

Mr. McCUMBER. Before the Senator proceeds, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hardwick	Martin	Sherman
Bankhead	Hollis	Myers	Simmons
Brady	Husting	Nelson	Smith, S. C.
Broussard	Johnson, Cal.	New	Smoot
Calder	Jones, Wash.	Norris	Sterling
Chamberlain	Kellogg	Overman	Sutherland
Colt	King	Page	Swanson
Culberson	Kirby	Penrose	Trammell
Curtis	Knox	Phelan	Vardaman
Dillingham	La Follette	Pittman	Wadsworth
Fletcher	Lodge	Ransdell	Weeks
Frelinghuysen	McCumber	Saulsbury	Williams
Gronna	McKellar	Shafroth	
Hale	McNary	Sheppard	

Mr. FRELINGHUYSEN. I wish to announce the unavoidable absence of my colleague [Mr. HUGHES] on account of illness. I will let this announcement stand for the day.

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent on account of illness in his family. He is paired with the Senator from New Jersey [Mr. FRELINGHUYSEN]. I will let this announcement stand for the day.

Mr. KIRBY. I wish to announce the unavoidable absence of my colleague [Mr. ROBINSON].

Mr. CURTIS. I desire to announce the unavoidable absence of the senior Senator from New Hampshire [Mr. GALLINGER]. I will let this announcement stand for the present.

I wish also to announce the absence of the senior Senator from New Mexico [Mr. FALL], and the absence of the junior Senator from Michigan [Mr. TOWNSEND], on account of illness in their families. I will let this announcement stand for the present.

Mr. SUTHERLAND. I desire to announce the absence of my colleague, the senior Senator from West Virginia [Mr. GOFF], on account of illness. I will let this announcement stand for the day.

Mr. KING. I desire to announce that the senior Senator from Maryland [Mr. SMITH], the junior Senator from Kentucky [Mr. BECKHAM], and the Senator from Illinois [Mr. LEWIS] are detained from the Senate on official business.

The PRESIDENT pro tempore. Fifty-four Senators have answered to their names. There is a quorum present.

THE I. W. W. MENACE.

Mr. ASHURST. Mr. President, although the Senate of the United States is an unusually well-informed body of men, I find nevertheless a number of Senators are not familiar with just what the I. W. W. menace throughout the Western States means.

With the I. W. W.'s perjury is a fine art. With this organization murder is reduced to a science, and after the I. W. W. slays its unoffending victim the accused and guilty person frequently escapes conviction by reason of a prearranged alibi, because, as I said, the I. W. W. has reduced perjury to a fine art.

At a later time I expect to deal with this subject and explain some of the views and activities of this treasonable organization, but this morning I will simply ask to have the Secretary read at the desk a short extract from a very reliable Arizona weekly newspaper which gives some illumination upon the activities and views of the I. W. W. I have frequently been asked what "I. W. W." means. It means simply, solely, and only "Imperial Wilhelm's Warriors."

The PRESIDENT pro tempore. Without objection, the Secretary will read as requested. The Chair hears none.

The Secretary read as follows:

[From the Graham Guardian, Aug. 10, 1917.]

GOVERNMENT SHOULD ACT.

The I. W. W. menace might be easily handled and put out of existence if the Federal Government would get busy and place the arch enemy of all governments, William Haywood, behind the bars on a charge of treason in the time of war.

Along with Haywood should go every member of the I. W. W., a special effort being made to get the big leaders first. No sympathizer of the I. W. W. propaganda should enjoy the liberty of this country only long enough to place him in jail to wait his trial for treason.

There is no room in this country for people like Haywood, Berkman, and the female species represented by Emma Goldman. No form of government suits them, because they do not believe in governments.

As evidence of the total depravity of the followers of Haywood the following verse from the I. W. W. songbook is given:

"Onward Christian soldier, rip and tear and smite;
"Let the gentle Jesus bless your dynamite;
"Smash the doors of every home, pretty maidens seize;
"Use your might and sacred right to treat her as you please."

This particular verse exemplifies to the fullest degree just what the I. W. W. are, what they believe in, and what they would do if they ever got in power in this or any other country.

WAR REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes.

Mr. CURTIS. Mr. President, when the war-revenue bill went to the House, in May, 1917, it was estimated, through the Secretary of the Treasury, that to meet the appropriations which had already been made for the year ending June 30, 1918, the sum of $2,245,925,587.54 must be raised, and this amount was needed over and above present receipts and the sums received from the sale of bonds.

When the bill reached the Senate from the House it was drawn so as to provide for the raising of about $1,800,000,000, and we were told about July 1 that the bill to be reported to the Senate from the Committee on Finance was framed so as to raise about $1,250,000,000, but when the bill was reported, August 6, we find that it provided for the raising of $2,006,000,000. When this bill was reported to the House it was supposed that it provided for the raising of all the additional funds that would be required by the Government for the year ending June 30, 1918; but on July 26, 1917, a letter from the Secretary of the Treasury was sent to the Speaker of the House of Representatives containing deficiency and supplemental estimates for the War Department to the amount of $5,917,878,347.98, and we are advised in the morning papers that the additional amount needed by the Government will reach $9,000,000,000. There is quite a difference between the figures submitted in the estimates sent to the House in May, those contained in the bill as it passed the House in June, and those contained in the bill reported to the Senate on the 6th day of this month, and now comes the additional estimates for nearly $6,000,000,000 to add to the burden already on our hands.

We were told by the able chairman of the committee, in his opening speech, that it was intended by this bill to raise what balance was needed to meet the appropriations heretofore made. There is no intimation as to how the amount of $5,917,878,347.98 called for in the estimate of July 26 is to be raised. The Congress has already appropriated the sum of $9,103,086,707.11 for the year ending June 30, 1918, and the estimate mentioned a moment ago calls for $5,917,000,000 more, and we are told that we may expect other estimates before the year is out. If no more is added, we will have appropriated for this year the enormous sum of $15,030,965,155.09. If you add the additional three billions mentioned in the morning papers, the total amount needed for the first year will be above $18,000,000,000.

Mr. President, I submit that the Congress should be advised, as soon as possible, just what amount of revenue must be raised for the year ending June 30, 1918, and then Congress should determine upon a plan which will best distribute the sum in accordance with ability to bear it.

The people at home are the force back of the Government, and they have a right to know what is going on. If the Government will only take the people into its confidence and tell them just what is needed and for what purpose the funds raised by taxation and bond issues are to be used, and if it will assure the people that there will be the strictest economy in all expenditures, that new undertakings will be limited to the smallest number possible, that all "pork-barrel" appropriations will be eliminated, that no favoritism will be shown in the letting of contracts, and that the lowest responsible bidders will be favored, then it will find the people ready and willing to do their full duty.

I favored a joint committee of the House and Senate to examine into expenditures because I believed such a committee

would be helpful to the administration and to Congress and would inspire confidence.

I favored it for another reason, Mr. President. A few weeks ago a distinguished Senator stood upon the floor and asked any Senators to advise him what had been done by the Defense Board. No Senator was able to give that Senator the information which he desired. I submit if we had a joint committee, and a Senator asked for information, he would obtain it, because that committee would be advised.

The taxes should be equitably distributed, and the plan of taxation should not add unnecessary burdens upon the poorer people, nor should it cripple industry nor injure business, and no tax should be retroactive.

The business men of the country have expressed their willingness to pay as large a tax as possible, but they do not wish to have their business taxed out of existence.

The working people have expressed their desire to help in every way, but they ask to be protected from all unscrupulous dealers and all gamblers in the necessaries of life.

The farmers and stock raisers have shown their loyalty by increasing their production to the fullest extent.

A great majority of the people of the country are doing their part, and this they will continue to do as long as it is necessary. We all hope the war may soon end, but no one can tell how long it will last, and it is our duty to prepare for a long contest and one of the greatest magnitude.

To finance the war means that we should have a well-formed and comprehensive program. A wise plan adopted now will enable the Government to raise all funds that may be needed without disorganizing our country, injuring our credit, or shaking the confidence of our people.

While Congress should hasten in doing everything that is needed for the Army and Navy and the conduct of the war, it should carefully deliberate and take its time when it comes to considering the tax laws by which the growing billions of war expenditures are to be provided. The measures should be drawn so no one section would be given an advantage over any other section of the country, and the laws enacted to meet the emergency should end when the emergency ceases; and the people must know that the war measures are temporary and are not to be used as precedents for the future.

No taxes should be levied which will deprive any of our people of the common necessaries and comforts of life.

The expenses of the war, as far as possible, should be paid by those who are making large profits out of war contracts, those who have large incomes and the luxuries which only the rich can afford.

A heavy tax should be collected from the immense profits that are being made on war contracts. The papers claim that the Senator from Oklahoma [Mr. GORE] states the profits to have been about $4,000,000,000 the last year. The report of the committee fixes the amount at $3,000,000,000, and estimates that the war profits will be much larger this year. I have not had time to look into the question, but no one doubts that the profits have been large, and those who have made these great profits should not hesitate to pay a large amount in the way of taxes, and this measure should be drawn so as to require them to pay their full share of the burdens of the war.

One of the New York papers contained an article to the effect that one large corporation had reported a profit of $146,000,000 made in 91 days. The chairman of the committee referred to several large concerns which were making enormous profits out of war contracts. In view of these reports, is it not reasonable to estimate the war profits this year at $4,000,000,000?

There should be a readjustment of the rates of the income tax, the rates on normal incomes should be low, and the rates on large incomes should be increased so as to make immense incomes pay a fair and just proportion of the cost of the war.

I do not believe it necessary to lower the exemptions now allowed to heads of families. The sum of $360,006,141.70 was raised from the income tax for the year ending June 30, 1917, and it is claimed in the report on the pending bill that an additional sum of $777,700,000 will be raised by it.

There should be a heavy tax upon imported luxuries, the importation of which for the calendar year, according to newspaper reports, amounted to about $500,000,000. It seems to me that it would be an easy matter to raise $300,000,000 revenue each year from such an importation of luxuries, and surely the people of this country who can and do afford the luxuries imported should be willing to pay a little extra tax for the privilege.

To the amount raised on war profits, incomes, and imported luxuries could be added the sum that will be derived from taxes on a large number of other items now in the bill and a tax on domestic luxuries, and it would justify the elimination of all war taxes on necessaries, and this should be done.

If the above items will not produce enough revenue, it is estimated that the inheritance tax would raise $100,000,000. If a reasonable tax were assessed on all inheritances of over $100,000, with progressive rates on amounts in excess of $100,000, a much larger sum could be had. Of course, in fixing the amount of the inheritance tax, due allowance should be made for such taxes levied by States.

It has been stated by a student of the tariff that a much larger sum could be realized from duties on imports, and I understand that it is estimated that from $210,000,000 to $230,000,000 will be raised from the custom duties this year, and if the duties of the Payne tariff law were now being collected, I am informed that the sum of $450,000,000 would be raised. If this is so, then a small increase in the duties on imported luxuries would run the amount up to $600,000,000.

It seems to me that the measure contains some provisions which will place unjust burdens upon people who are unable to bear them—the burdens of such people are too heavy now—but these items in the bill will be referred to when amendments are being considered. I am opposed to the war excise tax on coffee, tea, cocoa, and sugar, and, as advised now, will vote against the tax on these articles. I am also opposed to the tax imposed by the bill on some other necessities. Instead of taxing the poor man's breakfast table, why not increase the tax on luxuries?

Mr. McCUMBER. Mr. President, one of the principal items of expense, to cover which this bill is reported to the Senate, is the expense connected with the purchase and the building of ships. In the month of April last I called the attention of the Senate to the enormous devastation by U boats upon the tonnage of the world, and, with all the available figures and data which I could then collect, I showed conclusively, I thought, that it was only a question of time when the tonnage of the world would be so reduced as to compel an unfavorable peace. At that time I introduced a joint resolution providing that the Navy Department should offer a fair sum of money to any man or men who would succeed in producing any character of mechanism that would protect a merchant ship against the submarine torpedo. That joint resolution was referred to the Committee on Naval Affairs. There was no action of that committee, and I again called the matter up. The acting chairman of the committee at that time assured me and assured the Senate that the Navy Department was giving proper and adequate consideration to that subject and to like subjects, and also indicated very clearly that in a very short time, indeed, the Navy Department would have developed a mechanism that would protect our merchant ships, and that the submarine menace would be met. I did not agree with the Senator making that statement, and insisted that all of the energies of the department were directed not toward the defense of ships but toward the extinction of the submarine, and that the only hope lay in providing a defense against the torpedo.

I then called upon an officer connected with the department and ascertained from him that the merchant ships could be protected, but that the cost of the protection was so great that the owners preferred to pay the extra expense in insurance—and it will be remembered that the Government was the insurer—rather than the extra expense which the protection of the ship would involve. The result has been that millions of tonnage of the best British, American, French, and neutral ships have been sunk in the sea, and their cargoes have been lost to us and to our allies.

Being somewhat impatient, I then introduced a resolution asking for information as to what the department had succeeded in accomplishing in the way of protecting the ships against the submarines. The answer which was received from the department was to the effect, practically, that nothing whatever had been accomplished.

Now, Mr. President, I wish to have an editorial read into the RECORD, with the hope that some ray of the light of truth contained in the article may penetrate through the keyhole into the Naval Committee room, and that that committee may awake from its peaceful dreams and ascertain whether or not there is in reality any truth in this editorial; whether or not it is possible to protect our merchant shipping against the torpedo; and, if there is any hope of so doing, that they will exert some activity toward that end. I especially wish to call the attention of that committee to the fact that it is charged that the insurance rates made by the Government itself are such as to discourage any attempt on the part of the owners of vessels to protect them against torpedo attacks.

If it is possible for us to save our shipping and save the tonnage of the world, it is time, Mr. President, that the Senate was taking some active steps. If the Navy Department is unable to

solve the problem, then the Senate, acting through the Committee on Naval Affairs, ought to attempt to do something. I therefore especially invite the attention of the Senate to the editorial which is printed in this morning's Washington Post, which I ask to have read.

The PRESIDENT pro tempore. Is there objection to the reading of the editorial? Without objection, the Secretary will read as requested.

The Secretary read as follows:

A CERTAIN WAY TO SAVE SHIPS.

The submarine situation was discussed with unusual freedom yesterday by Premier Lloyd George. He expressed confidence that the food stock on hand and in prospect would enable England, with ordinary economy, to defy the submarine operations so far as starving the people was concerned. Apparently, however, he did not go into particulars regarding the growing shortage of shipping for munitions purposes.

During April 560,000 gross tons of British shipping were destroyed by submarines. In July the loss was 320,000 gross tons. Mr. Lloyd George said that the net loss since unrestricted submarine warfare commenced was "under 250,000 tons a month." The new construction for the first six months of this year amounted to 404,000 tons, and the last six months would see 1,424,000 tons added, including purchases.

These figures pertain to Great Britain. The purchases of vessels do not add to the common stock of tonnage possessed by the allies, of course. With destruction of British shipping at the rate of 250,000 tons a month, and new building at the rate of only 67,300 tons a month, Mr. Lloyd George's figures show that Great Britain would be 200,000 tons short at the end of a year. Since the destruction of neutral and allied shipping is also very large, and the restoration small, the fact is clearly established that German submarines are steadily and surely destroying the world's shipping.

There is a deadly meaning in this to the United States. Is it supposed that this Nation can make its resources effective in Europe if there is no way of getting to Europe? If ships are built without protection against torpedoes, merely to dash across the ocean and take their chances against submarines, the proportion of losses in men and material may be staggering. Could the United States look upon the loss of 250,000 tons a month with anything but extreme concern? This would be equivalent to 25 ships of 10,000 tons each, some of them transports with soldiers aboard.

The opinion has been expressed by American naval experts that merchant vessels can and should be protected against torpedoes. Gen. Goethals's plans for steel ships provided for such protection. The naval advisory board went over these plans and approved them, and has recommended that shipowners apply similar protection to their vessels. But there is no law to compel owners to protect ships by reconstruction, stowing of cargo, and otherwise. On the contrary, the war-risk insurance provided by the Government is sufficient to make shipowners indifferent as to the fate of their vessels. So far as the Government has acted at all, it has discouraged the protecting of private merchant vessels against torpedoes.

Now, all suitable merchant vessels are subject to Government supervision. They are to be operated by their owners or charterers according to directions issued by the United States Shipping Board. Why should not the Shipping Board require that all vessels be fitted with protective devices and be loaded according to the methods suggested by the Naval Advisory Board? Vessels so protected and so loaded can survive the damage done by a single torpedo. Certain cargoes properly stowed will enable vessels to reach port, even if struck by two or even three torpedoes. With an alert gun crew to engage the submarine on sight, vessels so protected could cross the Atlantic in defiance of submarines. They might be wounded, but they would not be lost; their passengers and freight would be delivered instead of being sunk; and they would occasionally sink a submarine.

The shipowners have shown that they care nothing for ships, sailors' lives, or valuable cargoes so long as the Government grants cheap war insurance. The owners will not expend an extra dollar for protective devices or changed methods of stowage unless compelled to do so. Is it not time that the Government should take these rapacious interests by the throat and force them to cooperate in winning the war?

Mr. McCUMBER. I wish to call attention to the fact, Mr. President, that the board has approved devices which it is claimed will protect ships. If that be true, then we are criminally negligent if we do not compel the use of such devices, whether or not the owner of a ship is willing to take his chances with insurance.

Mr. KIRBY. Mr. President, I should like to ask the Senator if there is anything in the law or the regulations that would prohibit the department from refusing to insure a ship and its cargo that would not take these precautions?

Mr. McCUMBER. I know of no such regulations; but the Government has entire control over the matter of construction of American ships, and it can compel every ship that takes out American registry to be supplied with those appliances if they are of any value.

Mr. KIRBY. Does the Senator understand that the Bureau of War-Risk Insurance under the Treasury Department is insuring ships and cargoes that refuse to comply with the regulations?

Mr. McCUMBER. The Government has made no regulations concerning the use of such safety devices. There is where the trouble lies; and what I am insisting is that the Government should impose such regulations and compel every shipowner to conform to them before any insurance is given. It may be more profitable to the shipowner to insure his ship than to protect it by any device. But the Government can not afford to lose either the ship or its cargo. Both are of vital necessity to the Government in this war.

Mr. SIMMONS. Mr. President, I ask that the Secretary read first the amendments passed over yesterday at the request of different Senators, beginning with the amendment known as section 310, on page 34, the wine schedule.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 34, after line 7, the committee proposes to insert a new section, as follows:

SEC. 310. (a) That (1) upon all still wines, including vermuth, liqueurs, cordials, artificial or imitation wines or compounds sold as still wine, which contain more than 14 per cent of absolute alcohol, and which are hereafter removed from customhouse for sale or consumption, and (2) upon all of the above which are fortified with, or which contain any product fortified with, grape brandy or wine spirits, and which are hereafter produced in the United States and removed from the place of manufacture or from bonded premises for sale or consumption, there shall be levied and collected, in addition to the tax now imposed by law upon such articles, a tax of $1.10 on each proof gallon, and a proportionate tax at a like rate on all fractional parts of such proof gallon, to be levied, collected, and paid under the provisions of existing law.

(b) Upon (1) all of the articles enumerated in subdivision (a) which are hereafter produced in the United States and which are not fortified with, or do not contain any product fortified with, grape brandy or wine spirits, and which are removed from the place of manufacture or from bonded premises for sale or consumption, and (2) all of the articles enumerated in subdivision (a) containing not more than 14 per cent of absolute alcohol, and which are removed from customhouse, place of manufacture, or bonded premises, for sale or consumption, there shall be levied and collected in addition to the tax now imposed by law upon such articles, a tax equivalent to the internal-revenue tax now imposed by law, to be levied, collected, and paid under the provisions of existing law.

(c) Upon champagne, sparkling wines, and artificially carbonated wines, hereafter produced in or imported into the United States and removed from customhouse, place of manufacture, or bonded premises, for sale or consumption, there shall be levied and collected, in addition to the tax now imposed by law upon such articles, a tax equal to double the internal-revenue tax now imposed by law, to be levied, collected, and paid under the provisions of existing law.

(d) Whoever has possession of any empty cask or package which has been used for wine or any article taxable under this section or under subdivision (a) or (c) of section 402 of the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916, and on which the stamp or any mark denoting payment of tax has not been effectually destroyed or obliterated, or reuses any such cask or package, having thereon any such stamp or mark previously so used, shall for each such offense be fined not less than $100 nor more than $1,000, or be imprisoned not more than one year, or both; and all such casks or packages, and their contents in the case of reuse, shall be forfeited to the United States.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

Mr. SIMMONS. The Senator from California [Mr. PHELAN] I see is now in the Chamber. I call his attention to the fact that section 310 now under consideration was passed over yesterday at the request of the Senator from Ohio [Mr. POMERENE], upon the statement that the Senator from California desired to be heard on it.

Mr. PHELAN. Mr. President, we are discussing a revenue measure, and I must assume that the Senate is interested only in that phase of the wine controversy which affects the revenue. There is certainly no attempt being made now to restrict the use of wine, although the most effective way to destroy an industry is to tax it to death. But I do not believe that there is any purpose, either on the part of the committee or on the part of the Senate, to restrict the manufacture or use of wine by this indirect method, and the only object of the Senate is to provide adequate revenue for the extraordinary purposes of the Government.

It so happens that the State of California produces 90 per cent of all the wine made in the United States; therefore the tax does not in an economic sense affect to any degree, certainly not to the same degree, other American communities. Hence it has always been incumbent upon the representatives of California in this body to explain the situation. Needless to say, the great State of California is not seeking in any manner to avoid the payment of its just dues. I am sure this industry, in common with all other industries of California, will pay every last cent necessary for the conduct of this war, and the only plea I am making to-day is not in avoidance of taxation, but in defense of the life of the industry itself. I am advised by those most competent to judge that the tax proposed by the committee would certainly be destructive to the sweet-wine industry of California.

There are dry wines and there are sweet wines. The dry wines contain less than 14 per cent of alcohol, the sweet wines in excess of 14 per cent. The sweet wine is of comparatively recent development. The Franciscan fathers, 150 and more years ago, brought the vine to California, the mission grape, and it has grown with the State; and I may offer in evidence the State of California—one of which I am sure the Union is proud—as an exhibit of the little damage that has been done to the population over a period of 150 years during which period the vine has been cultivated.

But, as I said, the sweet wine is of comparatively recent origin. One of our wine makers—they had all become profi-

cient in the making of wines; it is an industry that is handed down from father to son—went to Spain and discovered that sweet wines as well as dry wines could be made in California by a little encouragement from the Government. The market is about equally divided between the two varieties. Brandy was then taxed at $1.10 a gallon for all purposes, and hence that made the making of sweet wines prohibitive, because wine spirits or brandy had to be used to overcome the natural fermentation of the grape; not to strengthen the product, but to arrest the fermentation, because otherwise the fermentation would go on and produce an excessive degree of alcohol or the wine become sour. So it was necessary to add brandy to check the natural fermentation of the grapes. But these men who had discovered in Spain the secret of making sweet wines and found that brandy used in fortification was not taxed there at all, whereas spirits were highly taxed, about 18 years ago got from Congress a concession of a 3-cent rate instead of a $1.10 rate, where the brandy was used only for making the sweet wine. Hence, during that period of about 17 years the sweet-wine industry has grown and developed. Now it is proposed to put the brandy used in the fortification of sweet wine—that is, for arresting the fermentation—upon practically the same basis as commercial brandy. If that is done, I say with absolute confidence, from the information which I have, that the sweet-wine industry will be destroyed. That may not interest you; your communities have no sweet-wine industry; but it does interest the Secretary of the Treasury. It should interest the Finance Committee of the Senate, because if that industry is destroyed there will be no revenue derived from it. If this is true, certainly it should arrest the attention of the Senate.

This same contest was made, you may recollect, a year ago. The Senate was obdurate. It insisted not on $1.10, which is proposed now, but on 55 cents a gallon on brandy used in fortification, and it was told that the 55-cent rate was destructive. However, the measure was passed, and the Senator from California was required, pursuing the subject, to bring the matter before the conferees. The Senate raised the House rate and it went to conference, and the conference, heeding the argument—not interested in the wine, but looking for the revenue—reduced the rate to a living basis. Now the House sends up an increased schedule, which the wine growers will accept, raising dry wine from 4 to 6 cents; the Senate committee has added 2 cents more, making it 8 cents; and that 50 per cent increase proposed by the House can, I believe, be met by the dry-wine makers, so I will make no argument on that, except that the Finance Committee, in a blind endeavor, I contend, to raise revenue has raised everything.

This is a sort of a horizontal-revenue bill. Everything has to be raised on the same plane, irrespective of the individual merits of one commodity or another.

The Senate was told at that time that if its purpose was to raise revenue, the House rates, which were carefully studied and gone into, would produce the maximum of revenue, while allowing the industry to live. What results did we get?

In 1914 the tax on sweet wine was 8 cents a gallon, plus 15 cents for brandy used in fortification—a total of 23 cents. That is the rate which bore so heavily upon the industry that it began to dwindle, because the sweet wine sells for only 35 cents a gallon. There was a tax of 23 cents a gallon imposed by what is known as the emergency-tax law of 1914, whose life was limited by the act itself to one year. Under that act $2,805,000 was collected from wine as revenue. You will see, Senators, that the amounts involved are insignificant and hardly justify the time of the Senate taken by me in explaining the matter, in view of the enormous revenues we are raising from sources which can well afford to pay, and in view of the extraordinary expenditures. This does not involve the raising of more than $6,000,000 all told from this industry; but, small as it is compared to the larger figures, it is sufficiently burdensome to destroy one of your sources of taxation.

I say that burdensome tax, which was light compared to the one now proposed, was 23 cents. I should say that this act proposed by the committee would tax sweet wine 60 cents. It is selling for 35 cents. I say that that act produced $2,805,000. In 1916 the 8-cent rate on dry wine was reduced to 4 cents, and the total tax on sweet wine, including the brandy used in fortification, as against 23 cents, was reduced to 13 by the conferees.

Now, bear in mind, that in 1914 the tax on sweet wines was 23 cents; in 1916 the tax was 13 cents. In 1914 the revenue raised was $2,805,000; and under the reduced schedule, almost one-half reduction, in 1916, the revenue raised was almost twice as much, namely, $5,500,000.

There we have a case where, with a reduction of the tax, there was an increase of revenue; and that is the very contention which I make now, that you will destroy the source if you insist upon the tax. If you let the House rate stand that result will not follow. The House seems to be wiser than the Senate in this respect. Just as it has been endowed by the Constitution with the initiation of revenue legislation, it seems to give, through its committees, a much closer consideration over a longer period of time, without hurry, to these maters; and I think the learned chairman of the Committee on Ways and Means of the House is a very well-informed man on this subject.

Before the amendment of the 1914 law it was claimed that it would produce $7,000,000 of revenue. As I have shown you, less than half that amount was produced. Instead of providing the revenue estimated, the 1914 tax during its operation was fast destroying the wine industry, with cumulative effect, as shown by the continuing diminution of tax receipts. The following figures are taken from the Treasury Department reports:

First 12 months of the law of 1914, $3,444,000.

Last 12 months, $2,805,000.

And in spite of the continuing decrease of revenue during 1915–16 California reports show that the crop was normal, and that the Viticultural Commission of California—which is a body organized by the State, a public commission, not a private commission—reports that about 100,000 tons of grapes were left on the vines to rot, the growers refusing to harvest a crop that had no market.

When the tax forbids the manufacture of grapes into wine, ultimately the grapes will be destroyed. The vines will be uprooted. If the vines were grown in fertile valleys that might not be so great a hardship, because they could substitute a crop which would be more productive in these days of high prices. But the vines are grown upon waste land, rocky soil, on the hillsides. Hillside lands are better for vines than anything else, and good for nothing else; so you see how far-reaching would be the effect of destroying the vine industry.

During the period of transition the grapes would be fed to hogs. It has been demonstrated that the grapes have very little food value as such, so even the hogs and the abattoirs would not profit by it. But the great raisin industry, producing between six and seven million dollars of crop in one or two counties of California, Fresno County particularly, are in great alarm now, as they were when we discussed this question before, because the easy and convenient thing for the vine grower to do when his grapes have no market for the purpose of manufacturing wine is to convert them into raisins. "Well," you may say, "let him convert them into raisins." But there are such things as wine grapes and table grapes and sweet-wine grapes and raisin grapes; and you can not make wine out of any of these varieties, but only the true wine varieties. You can not make raisins out of any variety but only the true raisin variety. So the raisin makers know that with these grapes unused for wine making converted into raisins by the natural drying process, the standard which they have built up for California raisins will be broken down, the market will be flooded, and the prices will be so reduced as ultimately to destroy the raisin industry itself.

So many evils follow in the train of a mistake of this kind if the mistake be made. So it is not the wine industry alone which is concerned, but it is the raisin industry, an industry of which America is proud. I do not know that anywhere outside of California are raisins made by drying them in the open air, which gives them, possibly, their quality, because during the period of June to October there is no rainfall, and our prunes and our raisins are dried, as our other fruits are dried, in the open air; and that has given them, through the industry and enterprise and intelligence of our people, a high place in the market of the world, which redounds ultimately to the sum total of the Nation's wealth. So you can not destroy an industry without inflicting an injury upon the whole people and the pride and commercial glory of our Nation.

On page 7 of Bulletin No. 6, issued by the State Viticultural Commission of California, appears the following:

"The production of sweet wine in the State fell off enormously, due to the prohibitive tax levied by the Federal Government in its emergency revenue act of October 22, 1914. The sweet-wine makers during the vintage of 1915 made little more than one-fifth of a normal production. Four-fifths of the usual amount made each year was sacrificed because of inability of the manufacturer to finance the excessive tax."

To be exact, the decreased production of sweet wine in California on account of the law of 1914 was 12,584,972.24 gallons. On page 9 of Bulletin No. 6 is the following:

"This is a dropping off in normal value of sweet-wine production of about $4,000,000, and, as stated heretofore, the shortage was occasioned by the operation of the Federal emergency act, taxing sweet wines in manufacture at an exorbitant figure."

On page 9 of the report of the State Board of Viticultural Commissioners of December 1, 1916, appears:

"During the preceding season, during which operations were necessarily under the exorbitant Federal tax, the production of sweet wine in California fell off nearly 80 per cent, and it proved to be one of the worst seasons ever experienced by the wine-grape growers of Cali-

fornia. Manufacturers could not afford to buy their grapes, and the culls of the raisin and table grapes also went begging."

The damage done to California by the wine tax of 1914 was more than double the total wine production in the United States outside of California—

Outside of California the States of New York, Ohio, Missouri, Michigan, and North Carolina, until it was condemned to a state of dryness, are interested in this question just in proportion to their acreage. California has 350,000 acres in vines, and I will say, in round numbers, Ohio 12,000 acres, Missouri 5,000 acres, New York very much larger, I should say about forty or fifty thousand acres. So these other States are just in proportion to their acreage interested in this question, and doubtless their representatives will be heard from.

As soon as the lower tax rates of 1916 went into effect an immediate increase in revenue was produced, in excess even of the conservative estimates officially submitted by California growers.

It is obvious from the figures at hand that approximately $5,000,000 to $5,500,000 will be collected under present tax, as against $3,444,598.03 under double these rates. The following comparative statement was submitted by the Treasury Department, under date of April 20, 1917:

Act Oct. 22, 1914.

1915:	
September	$178,086.48
October	198,655.77
November	245,879.96
December	597,392.24
1916:	
January	220,848.58
February	193,953.44
March	223,657.71
Total	1,658,474.18

Act Sept. 8, 1916.

1916:	
September	562,552.22
October	541,128.29
November	549,923.09
December	597,033.78
1917:	
January	425,327.26
February	399,371.55
March (not including receipts in first district of California)	278,674.29
Total	3,354,010.48

There is a total in 1915, with the higher rate, of $1,658,000, and in 1916, with the reduced rate, month by month, it is shown here from the official records, of $3,354,000. I do not know that a more conclusive argument from figures could possibly be made. It is only the mistaken zeal of our Finance Committee that has led them to increase the tax. In explanation it was stated to me by a member of the committee that inasmuch as whisky is barred from manufacture there will be an increased demand for wine, and whereas you are getting 35 cents a gallon upon your wine now the wine drinkers will pay a higher price. I wish I could believe it, because in that way California could contribute more revenue to the national defense. But everybody knows that the whisky drinker is not a wine drinker. Wine is distasteful to the whisky drinker, and when he can not get whisky he will not drink wine. There is no resemblance between the beverages. Whisky contains a very large amount of alcohol in a form pleasant to his palate, and he has become inured to that pleasant titillation of his palate, due to the high alcoholic content which he can not find in wine. It would be a great public benefit if the whisky drinker could gradually be weaned from his bottle and led to drink a beverage which while mildly exhilarating is not seriously intoxicating.

Now, this wine problem will be solved apart from the revenue under the direction of the Food Director. The President is invested with the power of barring even the manufacture of wine if it interferes in his judgment with the production of our food supply. Of course he will not act, because wine making does not affect the food supply at all. But he is also empowered under the same act to determine the alcoholic contents of wine. The President therefore has control of the situation, which should mollify those who are in favor of any form of legislation leading toward prohibition. But that question has been settled. So the only question before us is the question of revenue.

On August 15 of this year there was a meeting of all the wine makers of California at the town of Lodi. I am in receipt of this telegram coming from that assemblage, signed by the California Grape Protective Association, Frank T. Sweet, president:

SAN FRANCISCO, CAL., *August 15, 1917.*

Hon. JAMES D. PHELAN,
Washington, D. C.:

Grape growers in mass meeting assembled at Lodi on Saturday passed resolution thanking California delegation for their efforts to preserve the grape industry of California and express the hope that the California delegation would do everything in their power to defeat a prohibitive war tax. We understand that the Senate Finance Committee has recommended increasing the House rate by 2 cents per gallon more on dry wines, $1.10 a proof gallon as a gallonage tax on sweet wine, and the fortifying tax of $1 per proof gallon on brandy used in fortifying. This will kill the sweet-wine industry and kill Government revenue from that source.

CALIFORNIA GRAPE PROTECTIVE ASSOCIATION,
FRANK T. SWEET, *President.*

Remember, the House has proposed doubling the present rates in the hope of doubling the revenue, and we are willing to try it.

I am confident that this is a sound judgment from men who know their business. The Senate schedule will kill the industry. I think I have demonstrated to you in what has occurred since the emergency war tax of 1914 and the reduced rate of the following year that the revenue has been greatly increased by allowing the lower rate to prevail. I wish the Finance Committee could understand it. It seems paradoxical to say that by giving a lower rate on this commodity you increase the revenue for the Government. It is because with a higher rate they will not produce anything at all. They will go out of business.

The reason is perfectly obvious, but to get the reason into the mind of our revenue makers is the purpose of this discussion. I know they gave but inadequate consideration to this subject. I myself and the Representative from the wine district, CLARENCE F. LEA, filed a brief because the hearings were crowded with men of steel and iron and cigars and tobacco and everything else which the universal bill embraces to the exclusion of calm deliberation. They so crowded the room that I wondered how the gentlemen of the Finance Committee were endowed with the extraordinary capacity of taking in these multifarious subjects and deciding them with fairness and accuracy.

And still the wonder grew
That one small head could carry all they knew.

But my wonderment has been overcome by my disappointment. As a matter of fact, they did not understand the situation at all. If the Senate does not give this relief, I shall have to go again to the conference, as I did the year before, and thus save revenue for the Government. I claim to have saved $2,000,000 revenue to the Government by my insistence in the conference to consider the claim that the lower the rates the higher the revenue, which has been borne out by the facts. I can not go any further.

Therefore I would move, Mr. President, that the House rate be restored to the wine schedule.

Mr. SMOOT. I will say to the Senator that a motion of that kind would be out of order for this reason: The way to accomplish that is to vote down the Senate committee amendment. That is the only way it can be accomplished under the rule.

Mr. PHELAN. My remarks are addressed in opposition to the Senate committee amendment, and if it is voted down, it would be time then to restore the House rate, or would the House rate prevail?

Mr. SMOOT. If the Senate committee amendment is voted down, then the House rate would prevail.

Mr. PHELAN. Before concluding, I desire to ask unanimous consent to print in the RECORD an article by Dr. Baruch, of New York, father of Hon. Bernard Baruch, on the question of alcohol, and a letter from Arthur Brisbane.

The PRESIDING OFFICER (Mr. JOHNSON of California in the chair). If there is no objection, it is so ordered.

The matter referred to is as follows:

THE WASHINGTON TIMES,
Washington, D. C., July 28, 1917.

MY DEAR SENATOR PHELAN: I hope the Senate will find a way to get rid of whisky, which is a poison, and not make whisky the national drink by forbidding the use of the light and harmless stimulants.

Your State, of course, is greatly interested in grape growing. The vineyards of the United States should do for the population, for its health, prosperity, and happiness, what the vineyards of France have done for France, what the Italian vineyards did for Italy 2,000 years ago, and what the Greek vineyards did before.

I hope the Senators will compare Greece, Rome, Italy, and France with China and other Asiatic countries, and American prohibition neighborhoods, before they decide to see how much they can make this country like Asia, and unlike those parts of the world in which there has been progress.

I hope that you will demand from the Senate an amendment to the proposed constitutional amendment, limiting this control of the people to the abolition of whisky and retaining the light beer that is needed by the workingmen, and the light wines that are a normal and healthful food of educated men.

Yours, sincerely,
A. BRISBANE.

NEW YORK, *June 30, 1917.*

Hon. J. D. PHELAN,
Senate Chamber, Washington, D. C.

DEAR SENATOR: As president of a national association for promoting hygiene and as a physician interested for over 50 years in welfare movements—confirmation of which may be obtained from my son, Mr. Bernard M. Baruch—I ask your attention to the following facts:

If you are not interested in the temperance aspect, please read only from page 3 (II). As an ardent temperance advocate, I would hail with joy the removal of the alcohol curse. I favor the prevention by

law of the manufacture, importation, and sale of distilled alcohol or its preparations, except for industrial purposes. Even in medicine alcohol is not needed, except in the preparation of drugs. Nevertheless I am opposed to the present antagonism of beer and wine, because I believe that if the saloon, café, and home could not be supplied with distilled beverages, fermented drinks would replace the latter. The curse of alcohol would thus be abolished. The saloon would, indeed, become the "workingman's club, where he and his family would find harmless refreshment. This has actually been achieved in Germany, where custom has made beer the dominant beverage, and in Denmark where places in which beer of 2¼ per cent alcohol is sold to the exclusion of spirituous drinks, are called "Afholdjen" (temperance homes).

You are aware that during the latter half of the last century the temperance movement was on the eve of victory, one-half of the States having passed prohibition laws which were repealed in from 1 to 12 years. This failure was due chiefly to the intolerance and unreasonable attitude of the temperance advocates. During the past decade the more enlightened view that abolition of alcohol was not only an ethical but also an economic necessity has prevailed. We are again on the eve of victory, but I apprehend that the intolerance of prohibitionists, manifested in sincere but unwise insistance upon total abolition of alcoholic drinks, will again bring disaster upon this beneficent cause. Again, unreasoning partisanship is rampant. My rejoicing in the prospect of passing the House bill is sadly tempered by the thought that the inclusion of wine and beer in the House bill will bring about a reaction after the war that will again be disastrous to the cause. Prohibitionists are losing sight of the fact that the passage of this bill will only decrease without preventing the use of alcoholics; the latter will be dearer, and therefore only less accessible to some people. Not only is there a three years' supply on hand, but the House bill, being a food-conservation measure, does not prohibit the importation and sale of intoxicants. Already the dealers are gathering up all stocks of the latter within reach. The temperance movement will therefore not be furthered any more than it was by high licenses. The rich will continue to drink brandy, whisky, etc., while others will turn to these intoxicants, spending far more for them and be damaged in efficiency. In view of these facts, it would appear unwise, if not criminally negligent, from the temperance standpoint to forbid the use of foodstuffs for brewing beer. The experience of Denmark shows a marked diminution in consumption of spirituous liquors (22 per cent) and increase of light beer (13 per cent) since the "Afholdjen" idea has become so popular that even schoolhouses are used for this purpose in the evenings, showing that the decent beer resort will promote temperance. Unfortunately, we can not divest ourselves of the idea which is, alas, but too correct, that the beer saloon is a source of drunkenness, vice, and immorality. But it is obvious that if distilled alcoholics could be eliminated from the saloon it would lose this justly deserved stigma. The ethical prohibitionists may not be able to reconcile themselves to this idea, but the more catholic temperance advocates who regard the curse of drink as a menace to national efficiency realize that the small percentage of alcohol in beer precludes serious encroachment upon the earning capacity of the toilers. As a recent illustration, let me mention that I have seen workmen who had beer with their luncheon shortly afterwards pitching and catching red-hot rivets to repair the elevated tracks. Recent experiments, on the contrary, on the diminution of efficiency produced by alcohol have shown loss of marksmanship in French soldiers, who had been given a small drink (three tablespoonfuls) of brandy, the equivalent of about 10 ounces of beer.

II. From the food-conservation standpoint the legal forbidding of barley for brewing is unwise because (a) barley, not being a popular food, farmers will plant it only to export it to other countries where it would fetch a large price for use in malting; (b) that beer has by custom and habit become an imperative need of hard-working people is demonstrated by the fact the British minister of agriculture has recently confirmed the reluctant view of the minister of munition to the effect that the working people demand beer so insistently that the embargo has been considerably modified in their country. To the toilers beer is, indeed, food and drink combined as unprejudiced physiologists agree. I am aware of no proof that efficiency has been notably diminished by its consumption; (c) whether barley and other cereals would be more useful as human food than for brewing has been discussed by chemists whose differences in their estimates of food values recovered after brewing range from 27 per cent to 90 per cent. I regard the latter as correct. "When doctors disagree who shall decide?" Of course, experience must decide, and we have the most reliable guide in the persent experience of the German people. When, in 1915, England threatened the Germans with starvation by its strict blockade, they went to work methodically to avoid defeat from this cause. Their scientists labored on the conservation of food supplies, their cooks and housewives on saving waste, etc. The most important work which appeared at that time was "Die Deutsche Volksernaehrung und der Englische Aushungersplan," by Paul Elzbacher, who gathered the views of the world's greatest food experts, among them Zuntz and Rubner, at whose feet our best food experts have sat years ago. The plan of food conservation evolved by these men to meet the threatened starvation of their people merits strict imitation, although our danger is not so imminent. [Access has been obtained to their views through the writings of a Danish chemist, Dr. Sorensen, who details and confirms their experiments. Sorensen writes: "A small loss is suffered when barley is used in the brewing industry and a larger loss when the same is used for feeding animals. In this fact there is nothing remarkable. * * * At first glance it may seem surprising that a utilization of the barley in the brewing industry causes such a relatively small loss of nutritive value. The reason may be looked for in the usual defective knowledge regarding the large content of nutritive matter in products of the brewery * * *."] The views presented correspond perfectly with the proposals made by Elzbacher and his assistants in the above-mentioned book at the beginning of 1915, which treats in detail the question in what way Germany may in the most rational manner save the foodstuffs on hand and also provide a further supply. The German scientists recommend diminution of the stock of cattle, especially a reduction of the feeding of pigs, and they close the discussion of the brewing industry with the following words: "The amount of nutritive matter at our disposal is not reduced to any extent through the brewing industry, while furthermore the nutritive value of the beer is due not only to its alcoholic content, but also to its other nutritive matter of high value. The present situation does not call for a reduction of the brewing industry." [Sorensen concludes: "While only malt is used in the example borrowed from the German brewing industry, here in Denmark unmalted grains are used in conjunction with the malt. This reduces still more the loss of nutritive matter in brewing."]

Here we have a plain guide for successful food conservation which removes all doubt regarding the unwisdom of forbidding the use of barley and other grains for brewing.

[In contributions to the Medical Record of the 9th and 16th of June, I pointed out why the Germans have so successfully met the menace of starvation up to this time. The scientific methods there referred to may be of great value to our authorities who have, so far as I know, not utilized them.]

The above data show that both from the temperance and food-conservation standpoint the House bill is unwisely against beer.

Not being interested in beer drinking or brewing, I have not dwelt upon other obvious objections to the threatened beer embargo (via the food menace).

Very truly, yours, S. BARUCH, M. D.

Mr. HARDWICK. Mr. President, I desire to offer now a Senate resolution, which I shall ask to have go over under the rule, and which I give notice that at an early date I expect to ask the Senate to pass. After it is read I just want to say a word or two about it.

The PRESIDING OFFICER. If there is no objection, the resolution will be read.

The Secretary read the resolution (S. Res. 119), as follows:

Resolved, That the Postmaster General be, and he is hereby, requested and directed, if not incompatible with the public interest, to furnish to the Senate the following information:

First. Whether or not, since the passage of the so-called espionage law, any newspapers, magazines, or other publications have been excluded from the mails or denied second-class mail-matter privileges under the provisions of said act or otherwise.

Second. If so, the names and post-offices of entry of such publications.

Third. The particular provisions of the law which the department claims to have been violated by such publications.

Fourth. In what matter, specifically and particularly, the department claims such law has been violated by such publications, and by each of them.

Mr. HARDWICK. Mr. President, with reference to this resolution I desire to make a brief statement at present and at an early day I expect to ask the Senate to pass it.

I wish to instance one case that has recently occurred in which it seems to me that the position of the department is thoroughly indefensible. There is a publication in New York called The Masses, a magazine almost revolutionary in its type and in its sentiment. I am not prepared to either indorse or condemn many of the things that publication contains, but at the same time I want to direct the attention of the Senate, in this perliminary way, to what has happened in respect to that publication.

Within the last few months that publication carried four cartoons representing its views on the pending public questions of gravest importance and moment. It had three or four articles with respect to its views on those same questions, one particularly assailing the President of the United States for his inconsistency in respect to certain views which he now entertains and certain positions that he now occupies, and comparing previous utterances of the President with his present utterances and his present positions.

On that account and for that reason, acting under certain provisions of the espionage law which it was alleged were applicable to the case, the Post Office Department denied this publication the use of the mails, and denied it entry as second-class mail matter. The publisher sued out a mandatory injunction before the United States judge of the southern district of New York. That injunction came on to be heard and the presiding judge decided that without reference to the merits or demerits of the views and cartoons as contained in this publication they were merely the free expression of opinion as to governmental policy, and that as long as this remained a free country and its citizens continued to possess the right of free speech no one had the right to deny the right of this publication to express these views even if they did not concur therein.

Therefore the court issued a mandatory injunction against the Post Office Department. Following that decision the Government appealed to the circuit judge of that circuit, presiding in Vermont, and that judge, I think his name was Judge Hough, under a provision of the judicial code authorizing it, suspended the operation of the mandatory injunction, pendente lite.

Of course, that is just the history of what happened in a preliminary way. But now comes the remarkable part of it. Since all that has happened the Post Office Department has issued an order suspending the use of the mails as second-class mail to this publication because it has not been issued and published regularly. In other words, the Post Office Department, among other things—it may have other contentions, but this seems to be the principal one—first denied the use of the mails to this publication and finally, when held up in the courts with the only decision that has been so far had against them, turned to another provision of law and said to the publisher, "Well, you can not continue to use the mails because you have not been going regularly through the mails at the time you were prevented from doing so by our order." If that is not taking

advantage of your own wrong I do not know how else to put it. It seems to me that is too arbitrary a proceeding to be countenanced in this country of free speech.

Mr. KNOX. I should like to have the Senator from Georgia restate the position taken by the Post Office Department. I did not quite catch it.

Mr. HARDWICK. The Post Office Department has now excluded The Masses—that is the name of the publication—from the mails and denied it second-class privileges because it said during the recent months, while this litigation was pending, it had not been going regularly through the mails, and they fall back on another provision of the law which denies second-class privileges to publications that do not issue regularly and go through the mails regularly, although the only reason The Masses has not issued regularly, and has not gone through the mails regularly, is because the Post Office Department would not let it do it.

Mr. President, I am not excited about this matter. Personally I have a very warm regard for the Postmaster General. A friendship of years that I prize very highly exists between us.

I do not know to what extent he has had anything to do with this matter or even if he knows exactly what has been done, but if this is to remain the land of the free and if freedom of the press and freedom of speech are not to become mockeries in this Republic the Senate of the United States or the Congress of the United States can not afford to countenance any such proceeding as this or fail to condemn it.

So I say at the proper time, as soon as I can do it under the rules, I expect to ask the Senate to call on the Post Office Department for information with respect to these matters so that it may be seen exactly to what extent my information about this mater and matters of a similar kind is accurate. I think my information is accurate, and I have therefore presented this resolution.

Now, I want to say just a word or two in a very general way about this tax bill. In the first place, I am opposed to the plan proposed by the committee for a tax on excess profits. I believe it is unwise, unfair, and unjust. I believe that taxes ought to be levied at all times, and particularly at the present time, with reference, first of all, to the ability of people to pay them and to bear the burden without being ruined; and it does seem to me as though we ought to fix a flat rate and to apply it equally to all business men and to all corporations as great as we care to make it or as those businesses can justly stand and not undertake to set up abitrary standards and rules which in their practical operation work the grossest injustices to many of the great business enterprises of this country, as I believe the Senate committee's plan will do with respect to this particular matter.

Now, let me illustrate. I have no particular interest in them except that they are among my constituents and many of their owners are among my personal friends. I have no pecuniary interest in them whatever; but the illustration I desire to make is in respect to the cotton-mill owners and operators of the State of Georgia. For many years prior to this war they had very lean years—hard years—they made very little money. During the three years that immediately preceded the war many of them had to be reorganized; they went into bankruptcy, passed up their dividends, and in some cases the interest on their bonded debt. They had three of the hardest years, so I am informed, in the whole history of the industry. Since the war—and I do not think directly because of it, although there may be some indirect influence growing out of the increased use and destruction of cotton goods in times of war—their operations have been profitable; they have made money; they have had fat years.

They are willing to pay generously, liberally, whatever rate you think is right on every cent they make, every year; but to apply this excess profits tax to them, and to go back for the purposes of comparison to three of the leanest years in their history and compare those years with three of the most prosperous years they have had works a practical injustice of the grossest kind and character, according to my information, with respect to this particular industry. I am afraid that that may be true with respect to many businesses and industries of this country.

I should much rather see whatever rate of taxation the committee thinks is fair, and that the business of this country can stand without ruin, assessed and levied uniformly on everything, so that everyone will know exactly what he is to pay, than to have any such rule as this established by which to measure this tax. I very much prefer the House provision to the Senate committee's amendment, and I hope the Senate will adopt the House plan, or something like it, rather than the plan proposed by the Senate committee.

Mr. BRADY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Idaho?

Mr. HARDWICK. I yield to the Senator from Idaho.

Mr. BRADY. Does the Senator believe that a horizontal rate should be applied on all excess profits or simply on newspaper publications?

Mr. HARDWICK. I do not think—and I am coming to that in a minute—that it ought to be applied to anybody especially; but if it is to be applied, there is no reason why the newspaper publishers of this country should pay a special tax that other business men do not pay. I am going fully to discuss that in just a moment, but, so far as this particular question is concerned, I do not think this excess-profits tax as it is framed here ought to be applied to anybody, whether it be newspaper men or anybody else.

Mr. SMOOT. Will the Senator yield to me?

Mr. HARDWICK. I yield to the Senator.

Mr. SMOOT. I am always interested in what the Senator says, but let me suggest to him, before he begins the argument he intends to make, that the theory of the bill is not based on excess profits but war profits. The House bill provides for excess profits and then specifies what they consider a normal profit; all above that, of course, is to be taxed. But the Senate committee have taken the position that what they want to tax is war profits.

Mr. HARDWICK. I understand that; and I am glad the Senator has made that contribution to the discussion, but the trouble is when it comes to working it out practically you can not do it. That is the great difficulty—the impracticability of the application of this tax as you propose it.

What are war profits and what are not? Where is the line to be drawn? Where do war profits begin and where do they end? You can take the cotton mills in my State, to pursue the very illustration that I have been giving the Senate, and, I ask, does the Senator say their profits are war profits? I do not think so, and yet there might be room for dispute and debate about that.

Mr. SMOOT. I do not want to interrupt the Senator——

Mr. HARDWICK. I am perfectly willing, as the Senator knows, to have him interrupt me. It never bothers me to be interrupted——

Mr. SMOOT. I should be perfectly willing to take up the question of the cotton mills themselves and other businesses that are affected in the same way; but I am afraid it would take too long a time now. I expect to do so, however, and I hope the Senator, when we do undertake to explain the matter, will listen carefully, for if he does I believe that he will come to the conclusion that as to that class of business and every other class of business, we have had in mind only war profits. That is what we intended to reach. Of course, I shall be delighted to hear what the Senator has to say in relation to that, but I only made the suggestion to him because that was the theory the committee had.

Mr. HARDWICK. I understand that, and I appreciate the suggestion of the Senator from Utah. I know that is the theory on which the committee has operated, and yet I say to you that in my judgment—you may change it in debate; my mind is open—it is a theory that is impossible of practical application, without the grossest injustice to many businesses in this country.

I agree with the Senator that we do not want any extended and protracted debate on these questions, and I am only referring to them in a passing way. I agree with the Senator that it is important that we take up these questions, consider them in detail, and see what their effect will be on every kind of business in this country. When that is done I believe that the Senate will arrive at a just conclusion with respect to the matter. The central thought in my mind, however, is—and this is merely one manifestation of where it leads—that it is utterly unwise to so burden and to so hamper American production and American industry and American business of any sort that it can not get along and help to pay and continue to help to pay the burden of the expenses of this great war. To use a very common homely adage, but one that is always apt, it is nonsense to think in this emergency of killing the goose that lays the golden eggs.

I want to impose all the taxes that business can legitimately and properly stand upon every kind of business man; I want to play no favorites, and I do not think the Senate does, with respect to that matter; but I think it would be financial suicide, and worse than financial suicide, for the Government of the United States to adopt a mistaken policy of not only confiscating, as I am afraid some portions of this bill will do, the total

income of some of the businesses, but, in some instances, I am afraid, the business themselves.

The cotton mill men in my State contend that in many cases—and they have sent me the specific proof of it—the tax imposed will amount to 81 per cent of all they earn. That is not right; we ought not to do that. The Senate does not want to do that. These men are willing to pay whatever we require them to pay; of course they will submit to the law, no matter how unjust it is; but surely it is not necessary to treat American business along any such harsh lines as that; surely we shall make for the better success of the country and for its enduring prosperity if we treat these men justly and impose on them only a just and reasonable tax, and not one that is unjust and which almost amounts to confiscation.

As to the details of this matter, the Senator from Utah well suggests that we can leave them until the Senate takes up the particular amendment to act on it. Then I will listen with a great deal of interest and with a great desire to know exactly what defense may be made of this proposal and what the Senators on the committee have to submit in support of their proposition. My present view is that the proposition of the House is infinitely preferable to that of the Senate committee.

Now, there is one other thing to which I desire to refer in passing—two other matters, in fact, but one more particularly, to which the Senator from Utah made reference on yesterday and then again a few days preceding. I refer to the drawback on sugar.

Mr. President, it is incomprehensible to me how any Senator of the United States who understands that question can vote to repeal the drawback on sugar. I do not believe he can if he understands it. I do not think there is a Member of this body who, with an understanding of the facts involved in that proposition, could possibly support it.

Now, let me lay down just one or two propositions, in a preliminary way, about that. If the drawback on sugar is to be repealed, and if we are honest men and are dealing impartially and squarely and justly with all the interests of this country, we will repeal every other drawback provision. There is no reason for the one that does not exist in every other case. If we are to desert and abandon the policy of paying drawbacks on raw materials imported into this country for manufacture and reexportation, then we ought not to do that in just one case, but we ought to do it in every case. I propose, when we arrive at that stage of the proceeding, to submit the proposition to the Senate honestly and candidly to take this policy as a whole and do with it one way or the other on everything just exactly alike. So much for that. No man can defend an exceptional treatment of sugar, with respect to drawbacks. It is entitled to exactly the same treatment that any and every other product is entitled to and to no different treatment. It is not just and fair to discriminate for it or against it.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. HARDWICK. I yield to the Senator from North Dakota.

Mr. McCUMBER. Will the Senator allow me to make a mild suggestion along that line?

Mr. HARDWICK. I would be delighted to have the Senator do so.

Mr. McCUMBER. So that he can take it into consideration before he arrives at a final conclusion, the suggestion being made for the purpose of making a distinction between different characters of drawbacks or drawbacks upon different commodities.

The Senator indicated that they should all be treated alike. Now, we can easily understand that if Canada has the kind of lumber that we may need in the northern part of the United States for the construction of box cars or flat cars the material might be brought here and the work of building those cars be performed by American workmen and then a rebate allowed upon the lumber when the cars were manufactured and exported; but let me give the Senator an illustration concerning another commodity. Take wheat, for instance. We know what effect the drawback has upon the market value of wheat in the Northern States. It operates in this way: If the amount of wheat the millers are required to have on hand is getting low at any time and they must therefore bid up the price a little in order to draw the grain from the farmer's granary and to set it moving, they can avoid that by buying wheat in Canada and paying the duty on it, which will drive down the price of the American wheat, and then they can export so much, not the very flour made from the wheat imported from Canada but an equivalent of the imported wheat—and they are all exporters—and they may then take the amount of the duty paid from the Treasury of the United States. By manipulating the drawback provision they can manipulate the market, driving it up or driving it down. That is one of the dangers that we incur by reason of the drawback in the North; and I gather from the argument made by the Senator from Louisiana [Mr. BROUSSARD] that the drawback provision on sugar is used in the same way by the refiners. I think this situation is worthy of consideration and that the market should be studied to see for what purpose the drawback is used.

Mr. HARDWICK. Let me suggest to the Senator that whatever may be true as to the wheat question with respect to the territory immediately adjacent to the Canadian border, along the lines of his suggestion, there is not even the slightest possibility that such a thing may be true with reference to the sugar situation; and when we come to this provision I think I can demonstrate it to a mathematical certainty and to the satisfaction of every Senator in this Chamber, with the possible exception of the two Senators from Louisiana. I do not know whether they will agree or not.

This drawback question is not a new one. The Senator from North Dakota has indicated that he has some views that arise out of a local situation with respect to wheat. Those views can not possibly pertain to the sugar that we bring in from Cuba. We refined for reexportation abroad last year something like 750,000 tons of sugar. I will ask the Senator from Utah if that is not right?

Mr. SMOOT. We exported 700,000 tons last year and will export a million tons this year.

Mr. HARDWICK. The Senator says 700,000 tons, so we are pretty close together; I thought the amount was about three-quarters of a million tons, but it is infinitesimal compared to the total consumption of sugar in this country. It has no possible relation, considered alone, to the price in this country; but, as the Senator from Utah has accurately and truly said—and no man in this Chamber knows better than I do, because I have had occasion to study this one question, and it is one question connected with the tariff upon which I do claim to have expert knowledge—undoubtedly, if we are to force England and all the other allied countries, with their present lack of preparation to do it, to refine the sugar that they must buy under present conditions from Cuba, we are forcing up the world's price, and in forcing up the world's price we force up the American consumers' price. So, instead of the contention being sound that was advanced on this floor yesterday by my friend the junior Senator from Louisiana [Mr. BROUSSARD], that his fight is a fight in the interest of the American consumer of sugar, I tell the Senate absolutely that the exact reverse, in my opinion, is true.

The Senator from Utah accurately pointed out that since the agitation of this question and that since the action of the committee the world's price of sugar has risen a half a cent a pound, and every American consumer has also had to pay that half a cent a pound just as all the world is paying it.

Now, small as our sugar exports are, when compared to our total consumption, the fact that we have the equipment and the factories and the refineries here is helping to hold down the price abroad. It would be hard-hearted to a degree that I can not understand for anybody, in the interest of cane sugar or beet sugar, to say that at this moment under the circumstances confronting the world we should take our allies—not our allies, because we have no treaties with them, but the nations which are engaged with us in the common undertaking of fighting the German Empire—by the throat and literally hold them up. I say it is incomprehensible to me that any man could really think that, or urge it seriously, and I am sure the Senate will never agree to such a proposition.

Mr. SMOOT. Mr. President, will the Senator yield to me?

Mr. HARDWICK. I yield to the Senator from Utah.

Mr. SMOOT. I should like to suggest at this point to the Senator from North Dakota that there is quite a difference between the drawback provision applying to sugar and that applying to wheat for this reason: We are not exporters of sugar; we have to import into this country more than half of the sugar that is consumed by the people of the United States; but we are exporters of wheat. The advantage suggested as being taken by some of the millers of the country of the drawback provisions is only possible in connection with commodities of which we are exporters. I have no doubt that the condition of affairs suggested by the Senator from North Dakota has prevailed; but it is impossible to happen in the case of sugar, because we are not exporters of sugar.

Mr. HARDWICK. Exactly; not to amount to anything, when compared with our total consumption. I am not going any further into that matter, except I am going to characterize this proposition. It is a proposal to reverse the settled practice of this country with respect to a great legislative policy in one

particular commodity, leaving it unchanged as to every other commodity embraced within the policy. It is a proposal no more nor less than to tax the necessities of the whole civilized world in order that a few people who are already reaping profits beyond the dreams of avarice shall get a few pennies more for their products. That is what it amounts to, and that is what it is.

Mr. President, there are one or two other matters to which I wish to invite attention in a way—and briefly at that—before we come to their consideration in the bill. They are postal matters; and I think I may say with accuracy that in the position I take with respect to these matters I occupy the somewhat unusual position of representing the views of the administration and the Post Office Department. I am willing to side with the administration when I think it is right, and it is a matter of very great regret to me that I can not think it is right a little more frequently. But about these matters, upon which there are some differences between the committee that reported this bill and the Post Office Department, I am in hearty accord and sympathy with the views of the Post Office Department; and I mention that now so that the Senate may understand what is coming when we reach these sections.

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from North Carolina?

Mr. HARDWICK. I do.

Mr. SIMMONS. Do I understand the Senator as stating that the Post Office Department favors the House bill zone system?

Mr. HARDWICK. Oh, no; I have not said that. I said I was going to state certain positions which the Post Office Department favored.

Mr. SIMMONS. I thought that was the Senator's statement.

Mr. HARDWICK. No; that is not the position of the Post Office Department.

First, in its effort to equalize the stamp tax which it has put on express companies, the committee has recommended the imposition of what it thought was a similar stamp tax on the parcel-post business of the Government. I understand that the Senator from North Carolina [Mr. SIMMONS] will submit at a later stage of the proceedings an amendment which will really equalize it; and I am not going to take advantage of the mistake—which, of course, in the pressure of other business was probably natural and inevitable—that was made with respect to that. Of course, as the proposition was presented to the Senate and is carried in the text of the bill, it did not accomplish what the committee really aimed to do, and it is perfectly proper that it shall be changed; and, as I suggested to the Senate the other day, the way to change it so as to make it exactly equalize the other proposal, the express-company stamp tax, is to make your charge on Government parcel-post matter not applicable except where the postal charges are as much as 25 cents, and then to impose the same stamp tax for each fractional part of each additional 25 cents, as you have done with the express company. But, of course, if it were left so that this 1-cent tax is put on the little packages, even where they weigh over 4 ounces, in some cases the increase in parcel-post rates would have gone to 22 per cent, which, of course, the committee never had in mind, and would not itself support.

Mr. SMOOT. Mr. President, I will say to the Senator that that came about—and I know that he knows it, but perhaps some of the other Senators do not know it—in this way: The express companies of the country do not send out packages at a less charge than 25 cents.

Mr. HARDWICK. No; not parcels.

Mr. SMOOT. Parcels, I should say.

Mr. HARDWICK. Well, the Senator said "packages." That is the same thing.

Mr. SMOOT. Yes.

Mr. HARDWICK. That is true. So that the committee proposes to change that; but I shall propose to strike it out, and I shall propose to strike it out because it is an entirely different thing from the express-company tax.

Here is a function performed by the Government of the United States. If there is any profit in it at all, every cent of it goes into the Government Treasury, into the funds of the Postal Department, to pay first, of course, the postal expenses of this country, and then the excess, if any, to go into the general funds of the Treasury. So that we are proposing to tax a rather anomalous subject. I think—the Government itself. We are proposing to tax a function that is exercised by the Government itself, and to take out of the citizen more money without increasing the rate for a public governmental service. What we ought to do, if these rates are not high enough, or if we want to increase them, is to increase the rates, and not resort to the rather unusual and somewhat ludicrous performance of taxing our own Government as it goes out to do business among the people.

Mr. SMOOT. Mr. President, does not the Senator think that the wording of the amendment eliminates the conclusion reached by the Senator when the committee uses the words "to be paid by the consignor"? In other words, the committee says specifically who shall pay this tax.

Mr. HARDWICK. That is true enough; I was not unmindful of that; but, after all, you are taxing a Government service. You are requiring that the man who uses it shall pay it, but you take the rates that are fixed by law for the use of this Government service and you say, "Before you shall take advantage of the rate fixed by law you shall pay an extra tax on the carriage."

Now, I do not think that is the way to treat the Government. If there is any profit in this thing at all—and there is about ten millions a year profit, in round figures, on this Post Office parcel-post business—every cent of it goes to the Government, every penny of it. If you want to raise the rate, why, raise it; but it is rather a new thing, and I think rather an unsafe thing, to undertake to tax a governmental function itself.

Now, let us see. There are one or two other postal matters to which I want to refer very briefly.

In this bill you have proposed to increase the rate on first-class mail matter. You propose to increase letter postage from 2 cents for an ounce or fraction thereof to 3 cents for an ounce or fraction thereof, and you propose to leave the post card like it is, 1 cent. The House, in raising the letter charge, wisely, I think, raised the post card charge, too. It looks to me like it is necessary to raise them both, because if you do not, according to the opinion of the Post Office Department, you will so largely change the character of the mail that millions and possibly hundreds of millions of communications that are now sent by letter will be sent by post card where the charge is 3 cents in one case and 1 cent in the other, and instead of increasing the postal revenues at all there is serious doubt if you will not reduce the revenues in your attempt to raise the rates of letter postage.

I want you to consider that. It is worthy of consideration. My own belief is—and I merely express it as an opinion—that we probably will not get $1,000,000 a year more revenue from first-class mail matter under your proposition than we do under existing law. Even if we did, however, and even if we could rely on the figures given in your report, I shall contend that it is a manifest wrong to the people of this country to increase the rates on first-class mail matter.

First-class mail matter is already paying into the Treasury of the United States—the postal treasury, I mean—a net profit of about $80,000,000 a year, in round figures. Second-class mail matter is losing, every year, just about the same sum.

Mr. KELLOGG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. HARDWICK. I yield to the Senator.

Mr. KELLOGG. May I ask the Senator from Georgia where he gets the figures that second-class mail matter is now losing $80,000,000 a year?

Mr. HARDWICK. From the Hughes commission, from the Post Office Department, from every commission that has ever investigated the question, from the Postmaster General, from the First Assistant Postmaster General, from the special agent, Mr. Sewart, and from every department official who has ever had to do with this question or who has ever made a report on it.

Mr. KELLOGG. I think the Senator will find that the figures of $80,000,000 a year were based upon the statement of the Postmaster General that the transportation of second-class matter cost 9 cents, while the Hughes Commission found that it cost only 5½ cents. Furthermore, the report of the Hughes Commission was made almost 10 years ago, when the total amount of first-class mail was 157,000,000 pounds, while it is now 315,000,000 pounds, and when the amount of second-class mail was less than half what it is to-day.

Mr. HARDWICK. That does not make any difference. The figures can be applied to any volume of business.

Mr. KELLOGG. The cost per pound decreases as the number of pounds increases.

Mr. HARDWICK. Well, that is a rule of traffic, and that, of course, is true.

Mr. KELLOGG. Well, that is a fact. It is not a rule of traffic, but it is a fact.

Mr. HARDWICK. It is a rule of traffic. I object to the Senator saying it is not a rule of traffic, because it is a rule of traffic. That is exactly what it is. Of course, that is a fact, too; but it is both, instead of being just one, and not the other.

The same principle applies to first-class mail, too, for that matter. It applies to anything transported in this country, either freight or passenger service, in my judgment. But let us see.

Mr. KELLOGG. Mr. President——

Mr. HARDWICK. I yield to the Senator.

Mr. KELLOGG. I wish to call the Senator's attention to the fact that I think he will find, on an examination of the figures, that that estimate was not based on any figures of the carrying of second-class matter at this time, nor on any credible estimate.

Mr. HARDWICK. Mr. President, I am glad to inform the Senator that the exact reverse of that statement is true; and I get my authority for the assertion from the Postmaster General, who has had many experts at work for years on this question, and who has not simply some brief sent him by some publisher who has some special interest to serve in this matter, and who has not some personal or political interest to subserve in the matter at all, but is absolutely impartial about this matter.

Now, if the Senator please, let me tell him something: He has not studied this question. Now, that is right. He has not—I want to be frank with him—and I have, for 10 years, night and day. I have been to the bottom of every one of these reports. I have had the benefit of all the expert assistance the Post Office Department can give on this question, and I believe the estimate of the Postmaster General is strictly within the limits of accuracy and truth on this question. He has no motive except to serve the Government of the United States. He has no newspaper to bootlick in this matter. He has no personal or selfish interest to subserve. He is trying to do justice by the Government, and discharge a great trust which has been imposed upon him; and I will tell my friend from Minnesota, with all respect to him, that it would pay him to listen to the showing that the Post Office Department will make on this question, and not to take a snap judgment about this matter, and not to get his own opinion made up that what he has read there from something is not the fact.

Now, going on for just a minute, I am opposed to any increase in the postal rate on first-class mail matter. I doubt if the increase you have suggested will increase the Government revenue one penny; but even if it did, I would be opposed to it still, because the common people of this country, who are paying a net profit of $80,000,000 a year from their letter postage into the postal treasury, ought not to be further taxed until you have made other people who have special privileges and special graft in connection with this matter pay what it costs the Government to render the service that they get from the Government.

That is what we ought to do. We ought to make these people pay what it costs to render them the service we do render them out of the common Treasury and out of the public funds of this country; and until we do that no Senator in this body will have any excuse for proposing a higher tax on the common, unorganized masses of his constituency who have no newspapers to brag on him or to abuse him, according to what his conduct is with respect to this matter.

Mr. SMOOT. Mr. President——

Mr. HARDWICK. I yield to the Senator from Utah.

Mr. SMOOT. As a business proposition, nobody can deny what the Senator has just stated. I, too, have given this question considerable attention, and I think the figures quoted by the Senator are well within the bounds of accuracy.

Mr. HARDWICK. They are.

Mr. SMOOT. But I want to ask the Senator what he would suggest when he takes into consideration the fact that the imposition of such a tax in this bill would virtually destroy the magazines and many publications that have been enjoying this bounty and privilege for so many years? The Senator perhaps noticed the other day, in some passing remarks, that I called particular attention to the farm journals and to the religious papers and different publications of the country.

Mr. HARDWICK. Yes.

Mr. SMOOT. I have gone into that question enough to know that if we did impose this rate they could not live. What has the Senator thought in his mind and decided as to what is the best policy to pursue?

Mr. POMERENE. Mr. President, for my information, the Senator from Utah used the expression, "if we impose this rate." To what rate does he refer?

Mr. SMOOT. The rate necessary to take care of the losses that are now sustained by the Government of the United States on second-class mail matter.

Mr. POMERENE. The entire loss?

Mr. HARDWICK. We can not do that entirely. I will answer the Senator as briefly as I can, and in answering him I will give the plan which I have offered here, which is the plan of the Post Office Department. It is not mine at all.

The Post Office Department has, I think, suggested the proper solution of this matter; and the solution that it has suggested, I want to state to the Senator, would not hurt any one of the papers of the character he has indicated. They have agreed to it, the majority of them—the religious publications—because the plan of the zone system would hurt them very badly. They could not live under that plan, I admit; but the plan that the Post Office Department will offer to the Senate will not injure any of those papers, and they all, as far as I know, or nearly all of them, at least—all that we have heard from—think it is the just plan for Congress to adopt.

What is that plan? I do not want to go into it too much in detail now, because I am taking up vastly more time than I intended; but that plan is twofold. We have realized that the fundamental and basic principle on which this service rests, and upon which its rates are fixed, is that there shall be a very nominal rate for the transportation and diffusion of intelligence throughout the country. It is necessary in a free country, if democratic institutions are to be maintained and preserved, that that policy shall be followed; so that we do not propose to change the rate of 1 cent per ounce on reading matter, on editorial matter, or on matter of any other sort, except on advertising matter. We propose to leave the purely nominal rate of 1 cent per pound—which is not one-eighth, at least, to state it conservatively, of what it costs—in effect on all of that character of matter that is published in any sort of a paper, magazine, or other publication in this country. But we do say, and we do insist—the Post Office Department does, and I do—that it is right, when it comes to the advertising matter, the purely commercial and business end of every newspaper and magazine enterprise in the country, that they should not get a service from the Government to be paid for out of the Public Treasury at less than one-eighth of what it costs the people of the United States to render it to them. We say, "In the interest of the Government and to carry out the policy that has been recognized here for many years we are willing that all of your reading matter, all of your editorial matter, everything except the purely commercial features of your publication, shall go at this nominal rate of 1 cent; but upon the advertising matter, the commercial part of it, you must pay what it costs us to handle it; otherwise we do not want to continue to handle it." That is fair and that is just, and the Senator knows it.

We can do that by a period of readjustment extending through several years, doubling the rate, maybe, the first year, making it 2 cents, then 4 cents, then 6 cents, and then finally, perhaps, 8 cents on the advertising matter.

Mr. McKELLAR. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Tennessee?

Mr. HARDWICK. Yes.

Mr. McKELLAR. Has the Senator introduced an amendment here of that kind?

Mr. HARDWICK. Oh, yes. It has been pending here for weeks. The Senator can get it from the desk.

Mr. McKELLAR. How much revenue will be produced under the amendment which the Senator has introduced?

Mr. HARDWICK. In the end, when we get it up to where it ought to be, about $50,000,000.

Mr. McKELLAR. I mean how much does it start with?

Mr. HARDWICK. Oh, that is a matter of no concern. I think it doubles it to start on—$22,000,000, maybe, for the first year—but let me say to the Senator from Tennessee that it is of minor importance how much money we get out of this proposition at the present moment.

Mr. McKELLAR. I agree with the Senator about that.

Mr. HARDWICK. Yes. The proposition is to get this great injustice permanently adjusted, to get this wrong so that it will be righted and stay righted, and so that newspapers can not use their influence with public men in order to maintain a special privilege that they ought not to have, when it comes to the commercial part and the business end of their enterprises, at least.

Mr. NORRIS. Mr. President——

Mr. HARDWICK. I yield to the Senator.

Mr. NORRIS. I wish the Senator would elucidate the matter a little further and in order that he may do that I wish to ask him a question. In the charges made for the commercial features, the advertising, is the zone system put into operation?

Mr. HARDWICK. No, sir; it is the flat rate.

Mr. NORRIS. Let me ask the Senator does he think it is possible to reach a just result unless some sort of a zone system is adopted?

Mr. HARDWICK. I do. Now, let me say——

Mr. NORRIS. I am not referring now in my question to the flat rate for the educational part of it; I agree with the

Senator that we ought to be liberal in that respect; but I, myself, can not understand how if the Government is going to get back the cost for transportation it can do it without taking business into consideration.

Mr. HARDWICK. Of course, the Senator is right in that way; we can only strike averages by adopting the other system, yet there was a tremendous argument why we ought to maintain the same fundamental flat-rate principle that is applicable to every transaction of the Post Office Department except those transactions that are purely and entirely commercial, like the Parcel Post System. For instance, a 2-cent stamp carries a letter to San Francisco just the same as it does to Alexandria, Va.

Mr. NORRIS. Will the Senator yield again?

Mr. HARDWICK. I yield.

Mr. NORRIS. We know that argument is always made and in theory I think it is sound. As a matter of fact, however, I do not believe it will work out because, as I understand, the 2-cent proposition is really based on the proposition that the weight of the letter is infinitesimal; that it is so small it is not practical to take into consideration because it would cost more to compute it than it would be worth after it was computed. But in the handling of magazines, where tons are frequently dumped on the Government at once, weight becomes very material, and hence this question becomes very material.

Mr. HARDWICK. I realize the force of the Senator's view along those lines and they have appealed to me, but if you adopt such a system for the transmission of newspapers and magazines and publications, generally, you localize and provincialize the press of the country, you narrow it.

Mr. McKELLAR. Mr. President——

Mr. HARDWICK. Pardon me just a minute. You do a great deal to build up a provincial feeling and sentiment in this country. All students of political economy agree on this proposition, that one of the first essentials of a real national spirit in a country as big as this is that the press to some extent shall have a national circulation, a national viewpoint, and a national spirit. I am afraid if the proposal of the Senator from Nebraska or the Senator from Tennessee were enacted into law the tendency would be toward provincialism, on the part of the press.

Mr. McKELLAR and Mr. NORRIS addressed the Chair.

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Georgia yield, and, if so, to whom?

Mr. HARDWICK. I yield first to the Senator from Tennessee.

Mr. McKELLAR. I ask the Senator if he does not think, under the present system of distributing news, where a newspaper, for instance, in Atlanta, Ga., prints the same character of cosmopolitan news every morning that each one of the cosmopolitan papers of New York prints, the rule the Senator would seek to lay down would make newspapers provincial? Does not the Senator think he is mistaken in that view?

Mr. HARDWICK. Of course it is the editorial policy of the newspaper only. I have reference to that only.

Mr. McKELLAR. That is only a small part.

Mr. HARDWICK. Although the Senator probably has them more in mind, the newspapers are a small part of the sum total; there are also to be considered the magazines, the great weeklies, the great monthlies that build up national public sentiment in this country. Take the Saturday Evening Post, for instance. The Senator will find that such a publication as that circulates all over this country and every part of it, in every hamlet and every village. I think papers of that character do a great work in building up a national spirit in this country. This is my own view, and I think it is the view of the Post Office Department that any departure from that policy would be a mistake and might tend to provincialize the press of the country, and by the press of the country I mean not only the daily newspapers, but the weeklies and monthlies and other magazines and publications as well.

I now yield to the Senator from Nebraska.

Mr. NORRIS. It seems to me, as far as the newspapers are concerned, they are provincial already to a great extent. After the news gets a day old its competition with another daily paper, of course, is not taken into consideration. So the circulation of dailies, as far as the news is concerned, is necessarily limited geographically already by the very nature of things. I can see how the Senator's argument would apply to great magazines, but when the Senator comes to fix this rate on the advertising part of newspapers and magazines he must necessarily reach some common ground. He must compromise between the long distance and the short distance. The moment he does that he makes the charge exorbitant for a short distance, and would not this be the result? Would it not mean that the Government would make a profit out of the short haul——

Mr. HARDWICK. And lose money on the long haul.

Mr. NORRIS. And lose money on the long haul, and averaging the two up it would come out even? But would not this be the result, that on the short haul, were it commercially possible to make a profit on transporting the newspapers or the magazines, the express companies would do the business, so that the Government would be left the unprofitable part of it and lose the profitable part?

Mr. HARDWICK. No; there is so much discrepancy between express rates and Government rates that that is not possible.

Mr. NORRIS. A great many of the publications go by express now, some two or three hundred miles and some four hundred miles, where they even get a less rate.

Mr. HARDWICK. The question which the Senator has raised is constantly recurring about everything and everywhere. When you make a statute, of course it does not fit everything exactly alike. You can do no more than strike an average, and that it what this proposal does, or attempts to do.

I do not want to discuss it with any greater detail now. I want to conclude and yield the floor, but I do want to say the plan of the Post Office Department is practicable and feasible, without doubt and without any difficulty. It can be done. We can separate the advertisement from the educational and reading matter with a common ordinary rule. All they have to do is to take a rule and measure the amount of advertisement and the amount of nonadvertising matter in every publication and average them for a long enough period, and then you can tell what the per cent of advertising matter is and what the per cent of news, the educational and reading matter, is. That has been done by the Post Office Department on almost every publication of this kind already—daily, weekly, and monthly—and before this debate is over I shall be able to give to the Senate or to any Senator who desires it the exact per cent of advertising matter carried by almost any publication of any importance in this country, and many other important facts related to this matter.

It is a proposition of common justice; it is a proposition of common honesty to your own Government, unless we are willing to be partial to the newspapers, either out of a sense of gratitude for favors they have already bestowed on us or a lively sense of gratitude for favors that are yet to come. I can not think that any Senator will stand and vote against the interests of the people of the United States and of the Treasury of the United States and against the earnest protest of the Post Office Department in this matter, when he understands the facts and knows the truth, and it is going to be my task before this bill is disposed of to present that truth in such a way that no man who wants to know it can fail to do so. Of course I may not be able to measure up to that standard, but if I do not it will be my own fault, because the officers of the Post Office Department have worked the thing out with splendid intelligence and industry, and they know the facts and have furnished them to me, and I shall endeavor to furnish them to the Senate.

Now, one observation and I am through.

Mr. KELLOGG. Mr. President——

Mr. HARDWICK. I will yield to the Senator, although I want to conclude.

Mr. KELLOGG. If the Senator prefers not to yield, I will wait.

Mr. HARDWICK. I am always willing to yield, unless it is some controversial matter that the Senator wants to present. We will have plenty of time for that later.

One other matter I am going to propose myself unless somebody else proposes it. I believe I saw in the newspapers where the junior Senator from Massachusetts [Mr. WEEKS] had proposed to strike out the special tax on publications. It ought not to be in this bill. Publishers ought to be taxed just like other business men, and not differently. That is right, that is just. But, on the other hand, they ought to have no special privilege, or no special graft, in this Government or in the Post Office Department. As far as their rates are concerned, on every matter that is educational, or that is news, or that is editorial, I am perfectly willing that the present rate shall stand and the established policy of this country be maintained. Since 1885 the development of newspapers and magazines and other publications in this country into great business interests and into great money-making enterprises has been tremendous. There are many kinds of these publications where 75 per cent of all their space is advertisement, and to say that we should carry that sort of stuff through the mails of this country at a loss of seventy to eighty million dollars a year is preposterous. I do not think when the people of this country understand it they are likely to continue to countenance it much longer.

Mr. McKELLAR. Mr. President, I desire to discuss for a few moments the Senate committee amendment known as section 1101, appearing on page 94 of the bill.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from North Carolina?

Mr. McKELLAR. Certainly.

Mr. SIMMONS. I wish to ask the Senator from Tennessee if he would not be willing to let us vote on the amendment now pending. The Senator from Georgia offered a resolution, which he discussed, and then it led to some general debate on the bill, but the Senate has before it section 310, which relates to wine. The Senator from California [Mr. PHELAN] has made a speech upon that amendment.

Mr. McKELLAR. And the Senator wants to have a vote upon it?

Mr. SIMMONS. I ask the Senator to let us go on with that question, and let him present his argument on section 1101 when that section is reached.

Mr. McKELLAR. Surely. At what time will it likely be reached? I would prefer to say what I desire to say on the subject to-day. I ask the Senator whether it will be reached to-day or not?

Mr. SIMMONS. We are now acting upon amendments passed over on yesterday, three or four, or probably five or six.

Mr. NORRIS. Mr. President, we are unable to hear the Senator on this side.

Mr. SIMMONS. I said we are now considering the amendments that were passed over by request on yesterday. There are several of those, and the section to which the Senator from Tennessee refers is one of them.

Mr. McKELLAR. It is one of them.

Mr. SIMMONS. If the Senator desires, later I will agree to take that out of its order in order to accommodate him.

Mr. McKELLAR. Very well, that will be entirely satisfactory.

Mr. SIMMONS. Mr. President, in reply to the observation of the Senator from California [Mr. PHELAN] with reference to the tax imposed upon wine and grape brandy, I do not propose to make any argument but merely to state a few facts.

Wine is divided into two parts. There is the dry wine, which contains its own alcohol; that is, it is sufficiently fortified without any additional alcohol. On that the committee has simply, following the lead of the House, which increased the present rate by 50 per cent, doubled the rate. Then, there is the sweet wine, a large part of which is grown in California and on the Pacific coast, and another part of it, not quite so large, grown in the States of the Mississippi Valley. It appears that the wines of California can not be very well fortified with grain spirits. There is something in its nature and its quality which requires a different character of fortification. The wines, on the other hand, of the Mississippi Valley are of such a character that they can not well be fortified with anything except grain spirits.

These two kinds of wine are produced in different sections of the country and are sold in competition with each other, one having to be fortified with grape spirits and the other has to be fortified with grain spirits. The taxes upon grain spirits which the producers of wine in the Mississippi Valley have to use is $2.10 a proof gallon under the House bill, and under the Senate committee bill $3.20 a proof gallon. The grape brandy with which the wines of California have to be fortified and are, as a matter of fact, fortified, are taxed under the House bill only 20 cents, so that the wine producer of the Mississippi Valley would have to pay for the material that is used in fortification a tax of $3.20. The wine producers, however, of the Pacific coast will have to pay under the House bill upon spirits they use in the fortification of their wine only a tax of 20 cents a gallon.

It seems to be impossible to equalize it, but for the purpose of bringing about a more equitable adjustment your committee decided to recommend that the sweet wines that are fortified with grape brandy shall be taxed upon the basis of the alcohol that is actually in that wine after it has been fortified. Naturally that wine might develop an alcoholic content of about 12 per cent of itself, but in this process of fortification the fermentation is arrested at a point where the alcohol already developed amounts to about 6 per cent. Then they are permitted under the law to add to that 6 per cent of naturally developed alcohol grape spirits until they have raised the alcohol content up to 24 per cent. So the wine of California fortified with grape brandy is alcohol to the extent of 24 per cent.

Your committee believe, and I think there is foundation for that belief, that with the curtailment of the use of spirits, of liquor, so to speak, this will become a national drink because of its high alcoholic content. It has deemed it nothing more than fair and just that this wine, with 24 per cent of alcohol in it, should be taxed upon the alcoholic content.

That is what we have done, and I think we have acted wisely about that.

Mr. SMOOT. That is, with the additional tax.

Mr. SIMMONS. That is with the additional tax of $1.10. The brandy that is used in it at the present time is taxed only 10 cents, and under the House bill it is taxed only 20 cents per proof gallon. If this wine was fortified with grain spirits, as the wines of the Mississippi Valley have to be fortified, the spirits that they would use in its fortification would be taxed $3.20 per proof gallon. But to be fair to the wine growers of California, we propose in this bill to impose a tax upon the grape brandy used in fortification under the law, and no grape brandy can be produced except for fortification of wines. We propose not a $3.10 tax, but we propose an additional tax upon that material of only $1. So they will have to pay a tax of only $1.10 as against $3.20 on the other wine, and they will have to pay an additional tax of only $1.10 per proof gallon upon the actual alcohol that is in the wine. I think a mere statement of the case is all that is required.

Mr. PHELAN. Mr. President, the chairman of the Finance Committee makes the point that the object of the committee in readjusting the rate was to equalize conditions between the wine growers of the Pacific slope and the wine growers of the Mississippi Valley.

Mr. SIMMONS. Let me interrupt the Senator. I said that was one of the reasons we had in view; but the other was to tax the alcohol that is in that wine.

Mr. PHELAN. The eastern growers use no grain spirits but grape spirits, with the exception of a few. Now, since the law forbids the use of grain, all will have to use grape spirits for fortification, and hence our cause is a common one. I should think the only object the committee would have would be to raise revenue and not to go into the question of disputes between rival wine makers, especially when there is now no dispute.

I think I demonstrated beyond peradventure of doubt from the actual figures that the wine industry would be destroyed, and hence there would be no source of revenue, by the imposition of this tax. At the time when the wine industry collapsed, a year and a half ago, reducing the revenue of the Government from that source one-half, the rate upon brandy used in fortification was 55 cents, which was so burdensome that all the wine growers rose to protect against it, and the conferees of the Senate and House reduced it to 10 cents. Under that rate——

Mr. POMERENE. Mr. President——

Mr. PHELAN. I will finish my sentence. Under that rate the revenues of the Government were doubled; that is, by reducing the rate from 55 cents to 10 cents. Now the committee proposes to make it not 10 cents, as it is, not 20 cents, as the House now proposes—and the House has doubled the present rate—not 55 cents, which proved destructive, but $1.10! Hence I think it is perfectly obvious that the rate will produce no revenue at all. I can not understand or follow such an argument as the chairman [Mr. SIMMONS] has made. I yield to the Senator from Ohio.

Mr. POMERENE. I think it is only fair to state, if I may be permitted to suggest it, that when the 55-cent rate was adopted it was late in the fall, after the vintage season was over and the California wine producers, who were getting all of this bonus, had fortified the vintage of that year with grape brandy, which was taxed at 3 cents only. That accounts for the falling off; but the California wine producer had been very diligent in disseminating the information that the revenues fell off because of the increase. If they had allowed that rate to have continued long enough until matters could adjust themselves the revenue would have been very much larger.

More than that, the men who came down here in the interest of the California grape producers had a clause in their contract whereby if there should be an increase in the tax on grape brandy the contract which they had with the grape farmer would be null and void at the option of the wine producer, and although they came here and pretended that they were here representing the grape farmer, they went back and canceled their contracts and left the farmer with the grapes on their own hands.

Mr. PHELAN. I should like to ask the Senator what year was that? It relates to ancient history, does it not?

Mr. POMERENE. It occured in the early history of this wine fight, I think before the Senator was a Member of this body.

Mr. PHELAN. But I do not quite understand the position of the Senator from Ohio. He represents a wine-producing State. There are 12,000 acres of vines in Ohio, as against 350,000 in California, but still he is interested in the settlement of the wine question. I have been in communication with the American Wine Association, composed of eastern men, men from New

York, Ohio, and Missouri. Mr. Travis, of North Carolina, is probably the most capable man in the American Wine Association. Mr. Travis informed me that this rate was utterly destructive not only of the California wine industry but of the eastern wine industry. I am rather curious to know from the Senator from Ohio what his attitude is with regard to this rate we are discussing. I can not believe that he is in favor of it.

Mr. POMERENE. I have taken no position at all with respect to this tax on intoxicating liquors. It was first called to my attention some years ago by the Ohio grape-producing industry. It was then that I became interested in the subject, because our grapes were used largely in the making of wine. When they would produce sweet wines they were obliged to pay for their fortifying agent at the rate of $1.10 per gallon. The Californians by some manipulation of the legislation in 1890 got at that time their grape brandy absolutely free of tax. That was by virtue of certain provisions which were injected into the bill in conference, and the matter was not even discussed on the floor of the Senate or on the floor of the House.

Mr. PHELAN. That was in 1890?

Mr. POMERENE. That was in 1890. The result was that with the absolutely free brandy at that time the Californians drove everybody else out of the market, or practically destroyed the grape industry in the East. A few years later there was a tax of 3 cents per gallon placed upon this grape brandy. It was said to cover the cost of inspection in the California vineyards.

One object I had in mind was first to increase the revenue. When I took this up I presented it to the distinguished Senator from North Carolina, then the chairman of the committee, as he is now. The other was to equalize the legislative privileges as between the two sections of the country. That was the extent of my interest in the subject.

Mr. PHELAN. Mr. President, I explained earlier in the day that Californians went to Spain for the purpose of creating a new industry and studied the sweet-wine question. They found there that the Spanish Government, while taxing alcohol and brandy very high, as most governments do, remitted the tax absolutely on spirits that were used for fortifying sweet wines, in order that the industry might live and thrive.

So in 1890 these Californians who had gone to Spain for the purpose of obtaining information to create a new industry in America asked the Congress to reduce the tax, which was then and is now a very heavy tax, on brandy to a nominal rate of 3 cents per gallon, not as a brandy-revenue proposition but to cover the cost of inspection, and create a new taxable industry. That obtained for 16 years, during which time this industry was created. Now, having been created by favor of the Government, it is proposed to regard brandy which is used in fortification as commercial brandy, to be taxed in the same way, and so deprive the sweet-wine makers of its use.

The brandy used in fortification is not, I contend, to add alcoholic strength to wine, but is merely to arrest the natural fermentation; for if it were not added, fermentation would go on and spoil the wine. It holds the alcoholic content produced by natural processes so that it will not spoil and sour the wine and is not for the purpose of adding alcoholic strength. So the Senator in charge of this bill is absolutely in error as a scientific proposition when he says that such brandies are used for the purpose of increasing the alcoholic strength of the wine.

That being true, it is merely a question for the tax-laying power to determine whether it is right to destroy this industry by putting brandy used for such a purpose on a commercial-brandy basis or allowing a reasonable tax which will raise revenue and cover inspection on the wine so produced. That rate when it was 55 cents reduced the revenues of the Government from three millions and a half to approximately $1,800,000, and when the rate was reduced from 55 cents, a year and a half ago, to 10 cents, the revenues of the Government doubled.

Now, the House has doubled the rate; it has not made it prohibitive, but has doubled it. Instead of 10 cents, under which this industry throve and produced revenue last year, they have made it 20 cents. The flat tax on sweet wine of 10 cents, they have made 10 cents more—a total of 23 cents, as it figures out—while the product is selling at 35 cents. Under the proposed measure as it came from the other House, the tax is, I repeat, 23 cents, while the product, as I have said, is selling for 35 cents. Under that rule, the winemen believe that they may be able to make a living—for no fortunes have ever been made in wine making—and pay some taxes, but under a higher rate they can not do so. They are now enjoying one-half the rate which is proposed by the House, and just get along.

On behalf of that industry, in order to help solve this problem and hoping to produce more revenue, we would consent to the House rate, which, I repeat, is double the present rate; but I still insist that the rate proposed by the committee would be destructive of the industry. I desire the Senate to understand that that is the situation, and I am very sorry that the committee has not given the Senate fuller and more correct information. I have presented these facts as I believe them to be. Why should the wine industry place its reliance wholly upon the other House, which, under the Constitution, is, I grant, the body in which revenue measures must originate?

I am telling you what I know. Why should not the Senate settle this question with wisdom? The House has discussed this matter; the House committee has made its recommendation; it has doubled existing rates; and certainly it ought to be sufficient for the Senate to know that the other House, in full possession and understanding of the facts, has prepared an increased and possibly equitable schedule.

I must say, judging from the statement of the chairman of the Finance Committee concerning the use of brandy in fortification, that he seems to be in error; and being in error, his error would naturally disseminate itself amongst members of the committee, and it would then filter into the Senate if I were not in a position to give the Senate a correct understanding.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 34, section 310. [Putting the question.] The ayes seem to have it.

Mr. PHELAN. Mr. President, I should like a further expression of the Senate on the subject.

The PRESIDING OFFICER. The Chair will again put the question.

Mr. GRONNA. Mr. President, I think we ought to have a quorum here. This is an important question. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Martin	Shields
Bankhead	Harding	Myers	Simmons
Beckham	Hollis	Nelson	Smith, Mich.
Borah	Husting	New	Smoot
Brady	Johnson, Cal.	Norris	Sterling
Brandegee	Jones, Wash.	Overman	Sutherland
Broussard	Kendrick	Phelan	Swanson
Calder	Kenyon	Pittman	Thompson
Chamberlain	King	Poindexter	Townsend
Colt	Knox	Pomerene	Trammell
Culberson	La Follette	Ransdell	Underwood
Curtis	Lewis	Reed	Vardaman
Dillingham	Lodge	Saulsbury	Watson
France	McKellar	Shafroth	Weeks
Gerry	McNary	Sheppard	Wolcott

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague, the Senator from Colorado [Mr. THOMAS], on account of sickness, and to state that he is paired with the senior Senator from North Dakota [Mr. MCCUMBER]. This announcement may stand for the day.

The PRESIDING OFFICER. Sixty Senators having answered to their names, a quorum is present. The question recurs on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment passed over will be stated.

The next amendment of the Committee on Finance passed over was, on page 36, line 12, to change the number of the section from "306" to "312," and in line 19, after the words "a tax," to strike out "equal to such tax" and insert "of $1 per proof gallon," so as to make the section read:

SEC. 312. That upon all grape brandy or wine spirits withdrawn by a producer of wines from any fruit distillery or special bonded warehouse under subdivision (c) of section 402 of the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916, there shall be levied, assessed, collected, and paid in addition to the tax therein imposed, a tax of $1 per proof gallon, to be assessed, collected, and paid under the provisions of existing law.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. PHELAN. Mr. President, I was under the impression that when the Senate agreed to the other amendments on this subject the agreement affected these several items which were just now being read. Otherwise, I should have called for a yea-and-nay vote. I do not want it to appear that there was unanimous acquiescence in the amendment, because there is not. I wish the Chair would be good enough to put the question on the amendment to the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment just stated. [Putting the question.]

The amendment was agreed to.

The next amendment was, on page 36, line 22, to change the number of the section from "307" to "313"; in the same line, before the words "all sweet wines," to strike out "Upon" and insert "That upon"; in line 23, after the words "Act is," to strike out "passed" and insert "enacted"; in line 25, before

the words "per proof gallon," to strike out "10 cents" and insert "$1"; on page 37, line 1, before the words "per proof gallon," to strike out "10 cents" and insert "$1," and in line 5, after the words "to the," to strike out "passage" and insert "enactment," so as to make the section read:

SEC. 313. That upon all sweet wines held for sale by the producer thereof upon the day this act is enacted there shall be levied, assessed, collected, and paid an additional tax equivalent to $1 per proof gallon upon the grape brandy or wine spirits used in the fortification of such wine, and an additional tax of $1 per proof gallon shall be levied, assessed, collected, and paid upon all grape brandy or wine spirits withdrawn by a producer of sweet wines for the purpose of fortifying such wines and not so used prior to the enactment of this act.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. PHELAN. I call for the yeas and nays, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee on which the Senator from California calls for the yeas and nays. Is the demand supported?

The yeas and nays were not ordered.

Mr. PHELAN. Mr. President, I merely desire an expression of the Senate by viva voce vote. I wish the question to be put on the amendments and not to have it appear that they are agreed to by unanimous consent, because they are not agreed to by unanimous consent.

The PRESIDING OFFICER. The Chair understood the Senator from California to call for the yeas and nays, and the Chair respected the wish of the Senator from California. The Chair now understands the Senator from California asks for a viva voce vote. The question is on agreeing to the amendment reported by the committee. [Putting the question.]

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment passed over.

The SECRETARY. The next amendment passed over will be found on page 44.

Mr. SIMMONS. Mr. President, I should like very much to go on with the consideration of the amendments, but the Senator from Tennessee [Mr. MCKELLAR] indicated to me a few moments ago that he desired to address himself briefly to a section that has not been reached, and wished to do so now, because he is compelled to leave the Chamber.

Mr. MCKELLAR. Mr. President——

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. MCKELLAR. Mr. President, I desire to discuss for a very short time the Senate committee amendment, which is found on page 96 of the bill, and which proposes to increase the present flat rate on second-class mail matter. The Senate committee amendment reads as follows:

SEC. 1101. That on and after 30 days after the enactment of this act the rate of postage on all mail matter of the second class shall be, in addition to the existing rate, one-fourth of a cent per pound or fraction thereof.

The present rate, Mr. President, on second-class mail matter, as we all know, is a flat rate of 1 cent a pound. It brings to the Government the sum of about $11,000,000 a year in income, while the service costs the Government somewhere in the neighborhood of $100,000,000. The net loss to the Government in carrying second-class mail matter, therefore, is in the neighborhood of $89,000,000. If this amendment shall be adopted, instead of being $89,000,000 the loss upon second-class mail matter will be $86,000,000; in other words, the additional amount of revenue produced by the amendment is the sum of $3,000,000.

I wish to call the attention of the Senate to the fact that first-class mail matter is now producing about $80,000,000 profit. The committee has increased the rate on such matter from 2 cents to 3 cents, which will raise, according to their report, somewhere in the neighborhood of $50,000,000 of additional revenue. Substantially no increase is made in second-class mail matter. Why is this? The Government is paying out in bounties to certain publishers about $90,000,000 per year in round numbers. Why should we do this? Upon what theory is Congress year by year paying over this vast sum of money to a certain privileged class of our people?

I desire to trace the history of second-class matter for just a moment. The law providing a flat rate of 1 cent a pound for second-class matter, whether it is hauled 10 miles or whether it is hauled 3,000 miles and irrespective of the amount hauled, has been in force since 1885. I wish to call the attention of the Senate to the fact that the first second-class mail matter law that was ever put upon our statute books, so far as I am advised, was the law passed in 1792, which established a zone system and fixed a rate of 1 cent on newspapers sent within a zone of 100 miles, and 1½ cents on every paper sent a farther distance than 100 miles. The country at that time was small, and there were but two zones.

The law has been changed from time to time. I think it was about 1845 or 1850 that newspapers were, by act of Congress, allowed to be distributed free, and after that time they were allowed to be distributed free in the county of publication.

The reason why these bounties were granted and these privileges extended to second-class mail matter was that the publications so carried were regarded as educators of the public, and the distribution of educational matter was deemed to the best interest of the people. Therefore certain concessions were made, possibly in the beginning amounting to a few hundred, not more than a few thousand dollars at the outside, but which have grown since that time to the enormous proportions that we now find. In the last 20 years the amount of bounty paid those who send second-class matter through the mails has increased from $30,000,000 to $90,000,000. Think of that! We are paying the publishers one-tenth of our normal income in time of peace. Ordinarily in peace times we raise from $1,000,000,000 to $1,200,000,000 a year in revenue, and $90,000,000 of that amount is paid back to this favored class of our citizens.

Let us inquire for a moment whether that practice can be defended. I have heard no one up to date defend this system outright. It is based on a wrong principle; it has nothing of substance behind it; it has nothing of fairness or justice behind it. With the exception of letters, which form an exception to the class because of their very light weight in comparison with their importance, no other kind of transportation is based on such a system. In this very department parcel-post matter is sent upon a basis of what it costs to carry the parcels to their destination, the length of the haul is fixed as a reasonable basis for the rate. That is perfectly right and proper. The railroads base their charges on the length of the haul; the telegraph companies base their charges on the distance the message is carried; all carriers and transportation agencies on land and water base their charge for the service rendered on the perfectly natural measure of length of haul. In the Post Office Department alone do we find an exception. The reason for it, as we know, has long since disappeared. It has been shown in the debate to-day that the publications which are sent to-day at such a remarkably low rate throughout the country—rates of about one-eighth of the cost—are filled with advertising matter, in fact the greater part of the magazines, of the trade journals, and practically all of the other journals is filled with advertising matter that pays almost beyond the power of the human understanding to grasp. The profits along this line are marvelous when one comes to examine the figures.

I say, Senators, that we ought to adopt now a scientific system of handling this matter. It must be obvious to any fair-minded man that the present system is not established on a just basis in reckoning the charge, and when inquiry is made into the fact it can be demonstrated that it is not fair.

The Senator from Georgia [Mr. HARDWICK] said this morning that the purpose and object should be to make this department of the Government self-sustaining, and I agree with him in that. It can not be done, however, under the flat-rate system. Why? For the reason that in order to do that it would be necessary to increase the flat rate from 1 cent a pound to 8 cents a pound on all matter carried—an absolutely prohibitive rate, which would do away with the entire business, because other methods of transportation would be found.

What is the only reasonable basis in order to make it self-sustaining? There can be but one basis, and that is the basis that experience and history and common knowledge have adopted in carrying parcels of weight by every other known means of transportation. This basis is the zone system. The Government has established the zone system in parcels post, and what is it doing? It is reaping $10,000,000 profit a year out of it, and has reduced the charges on the people by more than 50 per cent over what they enjoyed before the parcels post was put into effect. Does not that demonstrate that the service can be performed, it can be made to pay, and the people get the benefits of that service at a low rate?

The same principle should be established about second-class matter. We should establish the zone system. Let us look at it from a practical standpoint. I have nothing to say against these great periodicals that are now enjoying such great favors at the hands of the American people by our consent and with our approval. I do not know whether it is thoroughly known or not just what remarkable gifts we are making them year by year in our various appropriation bills under this arrangement.

I am going to illustrate for a moment by referring to two or three well-known examples.

The Curtis Publishing Co., of Philadelphia, own and publish three papers that I know of. They may publish more, but I know they publish three. One is the Saturday Evening Post, the second is the Ladies' Home Journal, and the third is the Country Gentleman. The Government, by way of bounty under the present flat rate, pays to that company in the way of transportation of its paper known as the Saturday Evening Post a little more than $3,000,000 every year. The Ladies' Home Journal gets nearly $1,300,000 every year, the County Gentleman a little over $400,000 a year. Altogether these three cost the United States Government for transportation as second-class matter about $4,800,000; and about 60 per cent of the matter in those papers is advertising matter.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Georgia?

Mr. McKELLAR. I do.

Mr. HARDWICK. I just wanted to ask the Senator this question: Does he say it costs the Government that much for transportation alone?

Mr. McKELLAR. Oh, no.

Mr. HARDWICK. It includes overhead charges?

Mr. McKELLAR. It includes overhead charges. In using the word "transportation" I have included the overhead charges in carrying on the transportation.

Can that be defended? Can any Senator rise in his place and say that the United States Government should single out this company and pay to it by way of rebate on postal rates—because that is in substance what it is—the enormous sum of four million seven or eight hundred thousand dollars a year? I do not think it can be defended.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator further yield?

Mr. McKELLAR. I yield.

Mr. HARDWICK. The Curtis Publishing Co. are the largest users of the second-class mail privilege in the United States, I think.

Mr. McKELLAR. Yes.

Mr. HARDWICK. In justice to them I wish to say that a little more than a year ago, perhaps a year and a half ago, when we had this question before the Senate, and we proposed a very moderate increase, only about double, in the second-class rate, the Curtis Publishing Co. was one of the few great publishing companies in the United States that agreed to it. They thought the rate ought to be increased. They did not pretend to contend that it is right that they should be kept like they are. Although they are the greatest beneficiaries of this privilege in the country, they say themselves that the rate ought to be increased.

Mr. McKELLAR. I am glad to know that. If I knew of that fact before, it had escaped my attention. I want to say this about the Curtis Publishing Co.: As we all know, they publish three of the best journals that there are in the country, and they are to be commended for that; but my point is that I do not believe that the Curtis Publishing Co. or any other company should receive an immense bounty like this from the Government.

Mr. LODGE. Mr. President——

Mr. McKELLAR. I yield to the Senator from Massachusetts.

Mr. LODGE. A large increase in the zone rate, though, would put a great many leading publications out of business; and I can understand the Curtis Co.'s position.

Mr. McKELLAR. Well, I say this: I say that if the Curtis Publishing Co. or any other company can not live or stand on its own bottom without a bounty from the United States Government, then we ought not to give them that bounty. We ought to let them go into some other business.

Mr. HARDWICK. Mr. President, I thoroughly concur in what the Senator has just said. If these men can not get along without a governmental bounty, then they had better quit doing business. I want to say, however, so that I will not misrepresent the Curtis Co., that I do not know that they would agree to anything like what we ought to do; but they do say themselves, and they agreed more than a year ago, that the rate ought to be at least doubled. As a matter of fact, it ought to be increased a great deal more than that. I do not know whether they would be willing to go as far as I am or not.

Mr. McKELLAR. I have nothing in the world of an unkind nature to say about the Curtis Co. or any other company, but what I mean to say is that I indorse their proposition if they have made a proposition to cut this bounty in two; and if they have themselves come to the conclusion that we are too generous to them, that we are giving them too much, and they are willing to take just one-half of what they have been receiving, we certainly might accept that proposition to begin with.

I have said that much about the concrete facts in order, if I may, to call pointedly to the attention of the Senate what we are doing in this matter.

What do we do if we adopt the Senate amendment, or an increase in the flat rate of one-fourth of 1 cent a pound? Why, it is mere child's play. The Curtis Co., as the Senator from Georgia says, virtually admitted that they would be willing to cut theirs in two.

Mr. HARDWICK. No; I said to double the present rates.

Mr. McKELLAR. To double the present rates. Why, you get from all the magazines in this country—and the magazines are the ones who get the principal bounties—if you adopt this amendment you get only $3,000,000 from all of them; and here is the Curtis Publishing Co. alone getting four million seven or eight hundred thousand dollars of a bounty! I say that if we are not going to do anything more than that, we had better let it alone and let it stay just like it is. I would rather see the rate stand just like it is than to be increased one-quarter of 1 cent and raise only $3,000,000.

Now, let us see about this. What we should do, now that the matter is up, is to adopt a right and a just and a fair basis. I do not care at all about deliberately making these publications bear the entire expense now if, as they claim, it would injure them irreparably, if it would interfere with the business of the country to some extent. I expect it is true that it would, and for that reason I have introduced an amendment that I want to explain for just a moment. It is known as a zone amendment, a moderate zone amendment.

The House amendment to the present law provided that the increase in the first zone of 50 miles was to be one-sixth of a cent—1⅓ cents for the first zone, 1⅓ cents for the second zone, and 1⅔ cents for the third zone. Then it gradually increased, and under the terms of the House amendment, as I understand it, there would be produced as additional revenue, as it was estimated, about the sum of $19,000,000.

Suppose we adopted the House provision. It would establish a zone system, and it would have raised $19,000,000. We would still lose about $70,000,000 by the transaction. We would still be contributing about $70,000,000 as bounties to these favored classes of our citizens. What we ought to do is to establish a right basis, and then, by degrees, take away these bounties. It is going to be a hard job, of course; but the only way we can do it fairly and justly and equitably is to fix a zone basis based upon the length of haul and then just gradually work up to it. That is what I propose to do in my amendment, and I want now to explain that amendment.

It differs a little bit from the House amendment in this respect, and I want to explain why that is: In the first three zones of 300 miles it makes no change in the present rate. In the next zone it adds a cent, and another cent in the next zone, and so on, until the rate is 6 cents in the last zone. I sent that amendment down to the Post Office Department and asked them to give me a statement as to how much revenue it would produce, and I have their report, which shows that it will produce twelve million six hundred and some odd thousand dollars.

Now, you will see that under the Senate amendment we do not change the system at all. We just add a quarter of a cent. Under the House provision the zone system was adopted, and an increase was made all along the line and $19,000,000 of additional revenue produced. My amendment is just a compromise between the two, and I want to give the reason for that compromise now. I want to give the reason why I have changed the rate from the House provision in the first three zones.

Mr. NORRIS. Mr. President——

Mr. McKELLAR. I yield to the Senator.

Mr. NORRIS. I am perfectly willing to let the Senator finish his explanation before I ask the question.

Mr. McKELLAR. No; go ahead. I would just as soon have the Senator ask it now.

Mr. NORRIS. I wanted to ask the Senator why in his amendment he left the rate the same as it is—that is, a 1-cent rate—in the first three zones, and in that connection I should like to ask him if he does not think that in the first zone the present rate ought to be reduced?

Mr. McKELLAR. The Senator means in the first zone of 50 miles?

Mr. NORRIS. Yes; perhaps the first 100 miles; maybe the first two zones. I understand from newspaper men and pub-

lishers that most of the publications now are sent by express the first few hundred miles, and—using the same illustration that the Senator used—I understand that the Curtis Publishing Co., in sending the Saturday Evening Post, for instance, instead of sending it out by mail at 1 cent, send it by express for the first several hundred miles where the cities are close enough together. For instance, from Philadelphia to New York City I understand that they send their publication by express, because they get a rate of less than 1 cent.

Mr. McKELLAR. The Senator is entirely correct about that. They only use the bounty of the Government when it pays them to use it.

Mr. NORRIS. Yes.

Mr. McKELLAR. And they disregard it when it does not pay them.

Mr. NORRIS. Why, of course. That is natural.

Mr. McKELLAR. That is perfectly natural. The Senator has just asked a question which I intended to explain at this time, and I take great pleasure in stating the reason for my figures. I believe they are disagreed to, in part, at any rate, by my friend from Georgia; but I believe that these figures are fairly accurate, and I desire to give them to the Senate.

A very careful examination has been made by a number of gentlemen to ascertain what is the actual cost, especially in regard to newspapers; and I want to say that if Senators have not examined that particular phase of the situation they will find upon an examination a marked difference, almost as marked as the difference between letter postage and newspaper postage. They will find almost as marked a difference between newspapers and more bulky second-class matter, such as magazines and trade journals and publications of that sort; and it has been found, substantially speaking, that in the zone of 300 miles—the first three zones, according to our system of reckoning—the present rate of 1 cent pays for the cost of transportation, and for a part, if not all, of the overhead charge.

Mr. HARDWICK. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield.

Mr. HARDWICK. The Senator says "it has been found." Will the Senator tell me by whom?

Mr. McKELLAR. By the newspaper men themselves.

Mr. HARDWICK. They found that?

Mr. McKELLAR. And it is very natural that they should know.

Mr. HARDWICK. Well, I know; but you can not take their judgment on that.

Mr. McKELLAR. I do not ask you to take their judgment; but I am producing the figures that are right, because they are interested in the matter.

Mr. HARDWICK. I do not blame the Senator for doing that, but I just want the Senate to understand that those are the figures of the newspaper men, and that I can demonstrate, I think, beyond a peradventure of a doubt, that they are not within 20 per cent of the truth. Now, if the Senator will pardon me—and then I will let him go on with his figures—they do not figure in the overhead charges at all. The cost of transportation is double what they figure it to be on the first 300 miles, and they have not counted the 4.68 cents of overhead charges at all. At least, that is what the experts of the Post Office Department say, who have no interest, financial or otherwise, to serve in the matter. That is what they contend, as I will show the Senate.

Mr. McKELLAR. Well, Mr. President, I differ with the Senator, and I am going to show, if I can, the figures, and I will ask the Senator's very careful examination of these figures that I have.

Mail is transported in cars of various sizes—60-foot cars, 30-foot cars, and 15-foot spaces in cars, as we all know—varying in the various localities with the amount of mail to be hauled. A very careful examination has been made to find out just what the Government pays for the transportation of newspapers within the zone of 300 miles—that is, the cost of transportation—and the result of that examination, allowing 40 per cent of all cars returned empty, too, shows that in the first zone it costs a little over seventeen one-hundredths of a cent, in the second zone of 150 miles just a little over forty one-hundredths of a cent, in the third zone of 300 miles a little over seventy-eight one-hundredths of a cent, making in all an average cost of transporting newspapers of about forty-eight one-hundredths of a cent.

Mr. POMERENE. Mr. President, may I ask there whether the Senator distinguishes between the cost of hauling newspapers and the cost of hauling magazines?

Mr. McKELLAR. I am doing that right now. That is just what I am trying to relate.

Mr. HARDWICK. These figures apply to newspapers only?

Mr. McKELLAR. These figures apply to newspapers.

Mr. HARDWICK. But the cost is exactly the same. An ounce of newspapers is just as much as an ounce of magazines, no more and no less, by weight. An ounce of newspapers weighs just as much as an ounce of magazines.

Mr. McKELLAR. The Senator does not catch my meaning. Nor do I agree with the Senator that the cost is the same. What I am showing now is that in this zone of 300 miles, in which newspapers principally circulate, the ordinary State papers, the cost is about what I have stated. Now, the overhead charges amount to more than that.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Georgia?

Mr. McKELLAR. I yield.

Mr. HARDWICK. In those figures made up by these newspaper men, which I expect to be able to prove are not accurate, they do not include anything except what is paid to the railroads to carry this matter. That is true, is it not?

Mr. McKELLAR. They include only the cost of transportation which I have mentioned, which is less than one-half a cent.

Mr. HARDWICK. That is what I say.

Mr. McKELLAR. Well, surely the cost of the overhead charges in that particular zone will not be over fifty-two one-hundredths of a cent remaining.

Mr. HARDWICK. As a matter of fact, it is very much over that.

Mr. McKELLAR. No; the difference between the figures of the Post Office Department, to which the Senator refers, and the figures as they actually are, is that the Post Office Department does this: It shows the cost of transportation for the whole country, and then adds the entire overhead charges of the Post Office Department on all classes of mail.

Mr. HARDWICK. The Senator——

Mr. McKELLAR. Just a moment.

Mr. HARDWICK. The Senator does not want to misrepresent me.

Mr. McKELLAR. No: surely not.

Mr. HARDWICK. That is not accurate. Of course I am saying this with all respect and regard for the Senator.

Mr. McKELLAR. Oh, of course.

Mr. HARDWICK. On the contrary, they have worked it out by these very zone systems, and they show that the result is many times what the Senator's friends, the newspaper publishers, have told him it costs.

Mr. McKELLAR. Well, now, this proposition is unquestionably true, as we all know it, that it costs now 8 cents a pound to carry the entire matter. We all know that the farther you carry it the greater the cost to the Government. Now, there is a zone—circumscribed, it is true—which does pay for itself, and we all know it. Now, where will the Senator fix that zone?

Mr. HARDWICK. Mr. President, there is not a one under the existing law; not a one——

Mr. McKELLAR. I differ with the Senator about that.

Mr. HARDWICK (continuing). Because of the overhead charges, even for a short haul.

Mr. McKELLAR. Oh, you can tack on overhead charges in such a way as to bring up this matter of cost.

Mr. HARDWICK. Well, we have to pay them.

Mr. McKELLAR. I know. We pay them in the way of bounties to these men who have their periodicals hauled thousands of miles, and there is where the cost comes in.

The Senator from Georgia has introduced an amendment, to do what? To fix an advertising measure. I do not believe that that will do the work. Why? Because you still have the flat rate. You still have to do the impossible thing. What is it? You still have to make this system self-sustaining by adding to the rate. It makes no difference whether you measure it by way of the advertising contained in a particular paper or whether you measure it by the whole paper. That is immaterial. It is a flat rate. You can not put into effect a flat rate that will make this system self-sustaining. You can put into effect a zone system, because we have demonstrated that in the parcels post.

Some people will say: "Why, the reason that the Government should give this bounty is the same reason for which we started it in the beginning, that it is a great educational proposition." Well, surely, admitting that an educational proposition is one of the most important propositions on earth—and it is—it can not be more important than the transportation of food and drink to the people; and yet if they undertake to transport food by parcels post they have got to pay the cost of

it and a slight profit to the Government. Why should not these publications be made to pay in like manner? But that is not true. Why, under this flat-rate bounty or subsidy system the remarkable fact stands out that if you send schoolbooks from one part of the country to the other you pay about four times as much as you do for the transportation of these trade journals and these magazines through the mails. Any kind of books. If you transport the Bible, you pay a great deal more for the transportation of the Bible through the mails than you pay for transporting——

Mr. NORRIS. Funny papers.

Mr. McKELLAR. Yes; funny papers like Puck or Judge or any other paper. Now, can anybody defend it? I do not believe it can be defended; and I am not surprised that the Curtis Publishing Co., when they appeared before a committee, stated that they were willing to give up a part of this bounty that was being furnished them.

Now, coming back to the newspaper proposition, the newspaper proposition is in a different situation from these magazines and trade journals. There is no doubt in the world about that.

In the first place, I think the Senator from Georgia is entirely wrong in the figures. We all know that it does not cost the same proportion or overhead charges for the handling in a circumscribed zone as it does in a large zone. That is obvious. That position can not be doubted for a moment, and surely the overhead charges can not be greater than the transportation. It is not so generally. The transportation of all these things costs over 50 per cent, taking them as a whole. Now, when you find that the transportation in the first zone costs less than a half cent, surely the allowance of a little more than half a cent for overhead charges is a proper allowance.

There is another matter to be considered about this. Just as I stated before, there is a wide difference in the cost of transporting heavy trade journals, immense numbers of Saturday Evening Posts, and magazines of that character, and the cost of transporting newspapers. It costs less for the newspapers. It is a different kind of paper. It is not so heavy and the cost of transportation is less. Now, our proposition is this—eventually to make them all self-sustaining. Let it be determined by the department just how much it costs to transport the various kinds of publications. Adopt the right system to begin with, and then just gradually increase the rate until you make this department of the Government self-sustaining, just like the parcels post.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Massachusetts?

Mr. McKELLAR. I yield to the Senator from Massachusetts.

Mr. WEEKS. I want to ask the Senator if he thinks a revenue bill is the proper place for establishing a system of carrying the mails?

Mr. McKELLAR. Ordinarily, I would say not; but when you use the system of carrying mails for the purpose of raising revenue, it is certainly appropriate to adopt the proper system in that bill, and I do think that if we have done wrong in the past by adopting a flat rate, if by continuing the flat rate we can not raise the necessary revenue, why, of course, it ought to be changed. I want to say another thing to the Senator: I have not been in legislative bodies long, and I have not had a very long experience, but I have found whenever any concern was receiving a bounty from the Government that whenever you undertake to take that bounty away from that concern that concern never thinks the time is the right time.

They want an investigation. They want it put off until some time when they can investigate it and determine more accurately just how much their bounty is. My notion is that it is indefensible to indorse this flat rate any more.

Mr. POMERENE. Mr. President——

Mr. McKELLAR. I yield to the Senator from Ohio.

Mr. POMERENE. May I suggest to the Senator that this very subject has been under investigation since Postmaster General Bissell.

Mr. McKELLAR. I am glad the Senator referred to that. I wish to say that not only under Mr. Cleveland's administration but under Mr. McKinley's administration, under Mr. Roosevelt's, and under Mr. Taft's, and under the present administration, every head of the Post Office Department has made a report to Congress, urging Congress to change this system; and not only that, I think it was in Mr. Taft's administration that a commission, the chairman of which was no less a person than the Hon. Charles E. Hughes, was appointed to investigate and did investigate and made a report. Nothing was done. There was always another time when the matter ought to come up, it was never in the bill, it was never the exact way of handling it, we always wanted to get some other kind of a system. Now we have the very thing under investigation. We want to raise the money to carry on this great war. We have got to raise the money.

Mr. POMERENE. Mr. President——

Mr. McKELLAR. Just one moment. We have got to raise the money, and here is a part of our citizenship drawing enormous sums, $89,000,000, yearly in benefits, in private benefits, to help them to carry on their advertising matter. I say to the Senator that one of these firms on one of its issues receives in pay for advertisements a sum so enormous that it is almost staggering to the ordinary man. Now I yield to the Senator from Ohio.

Mr. POMERENE. I ask the Senator as a matter of information, if it is not true that during the last Congress or perhaps the Congress before a committee, either of the House or the Senate or of both bodies, made a very full investigation upon this subject and amendments were proposed to the appropriation bill, and it seems that even though legislation was proposed which was the result of those investigations those who were interested in the continuance of the bounty were insisting upon further investigation.

Mr. McKELLAR. Of course they were, and it has been that way since I have been in either branch of Congress. We all know that it ought to be changed. I do not believe I can ever recall hearing anyone defend it. I remember just a day or two ago when a member of the Finance Committee was making a speech and referred to the matter—I refer to the Senator from Utah [Mr. SMOOT]—when these figures were referred to him he at once admitted that they were true. We know it is an abuse that has grown up, and grown up in a remarkable degree in the last 20 years.

It was $30,000,000, and everybody thought when we began to investigate it that that was an immense sum, that $30,000,000 was given in bounty for this purpose. Now that has grown to $90,000,000—three times—and now when the Government needs the money, when we are engaged in a great war, they are objecting to taking away even the small sum of $12,500,000 of the bounties we are giving them to help the Government carry on the war.

The amendment I have offered is a compromise. I think it ought to be accepted by every Senator here. It establishes a proper basis. It does not interfere with anyone. There is some reason for it. The Senator from Georgia took me to task somewhat for giving the newspaper men's figures here. I gave those figures with a great deal of pleasure, and I thought they ought to be given, and I say that is in conformity with our history as a legislative body.

The time was, I believe, in 1845 when newspapers were permitted to go through the mails free. We have always given them some concession, and now I am not asking any concession for them. I am merely pointing out to the Senate that in the first zone of 300 miles, substantially speaking, the newspapers are paying their own way, and if they are, and we are giving these vast subsidies to the other publishers, surely we might be fair to the newspapers who are already paying their own way. That is what I ask in this amendment of mine and that is what is going to be the result. It means that the newspapers will pay their own way where they circulate only 300 miles, but if they circulate more than that, if they go a farther distance, they pay the increased zone rate. Surely that is fair.

In addition to that they pay the special taxes imposed in this bill. They pay the regular income tax that all other corporations pay. Under those circumstances it seems to me that there is but one fair and just thing to do. We must look this matter in the face just as it is. We can not just blot the subsidy all out at one blow, in one act. We can not do away with the subsidy at one time. If we do away with one-sixth of it a Congress we will be doing very well. If we do away with only $12,600,000 out of the $89,000,000, when we have done that we have established a right basis, fair and just and equitable, and then we can proceed, and if our magazine-publishing friends want an investigation in the future, having adopted the right system, we can proceed to handle the matter in accordance with the facts.

Mr. President, I ask permission now to have printed in the RECORD a statement which was prepared by a number of newspaper men which gives the figures to which I have referred already. It points out the difference in the cost of the Government transporting newspapers and other second-class postal matter.

The PRESIDING OFFICER. Without objection, leave will be granted.

The matter referred to is as follows:

NEWSPAPERS NOT RESPONSIBLE FOR ANNUAL DEFICITS IN POST OFFICE DEPARTMENT.

To the Senate and House of Representatives in Congress assembled:

The many statements coming from various sources and unwittingly admitted, in a way, even by some of the publishers of newspapers to the effect that the Congress of the United States and the Post Office Department, in recognition of services rendered by the newspapers through the country, had favored the newspapers in the matter of postal rates and thereby helped to create a large annual deficit in the Post Office Department, caused a member of this committee early in May last to begin an investigation of the subject, in which he had the courteous assistance of the Hon. JOHN A. MOON, chairman of the House Committee on the Post Office and Post Roads, and also the willing aid of the officials of the Post Office Department.

What was discovered in May caused this member to feel that the statements in question were not justified by the facts, and hence upon his return to Washington in June he determined to resume his search for further facts, and therefore, on the 25th of June, submitted the following inquiry to the Hon. James B. Corridon, head of the Bureau of Railway Adjustments:

FACTS ELICITED.

"What does the department, under the space basis, pay to railroads for the use and service of 60-foot and 30-foot cars in length, respectively, for following distance, to wit:

"Mail pay, one way, 100 pounds, 60-foot car basis.

	Cents.
First zone, 50 miles	0.12 7/24
Second zone, 150 miles	.29 19/24
Third zone, 300 miles	.56 7/24

"Assuming that the average weight carried per car aggregates 12,000 pounds per trip, what will be the cost to the Government per 100 pounds paid to the railroad on each of the above-mentioned distances? I do not mean to include overhead charges or expenses incurred by the department in any other way in the above figures, but only what the department pays to the railroads under the space-contract system, the cost, of course, to include initial terminal allowance to the railroads for each one-way trip, which, I presume, for example, should be added to each 300-mile haul, that being about the average distance of a one-way daily trip."

The honorable Mr. Corridon, after having directed a careful investigation, had inserted under the head of "Mail pay, one way, 100 pounds, 60-foot car basis," the figures opposite each of these three zones as shown.

In presenting this paper thus completed, as an answer to the inquiry, Mr. Corridon stated it should be borne in mind that on several of the roads, and particularly trunk lines running east and west, there were cars required on the trips westward which had to be returned empty, and upon which returned empty cars the mileage was paid for by the Government at the same rate per mile as though they were loaded, and that according to his best estimate these empties would represent not exceding 40 per cent eastbound of the total number of loaded cars westbound, but he did not believe that many cars were returned empty in either direction on roads running north and south.

COST OF CARRYING MAIL FIRST 300-MILE ZONE.

Allowing for 40 per cent of all cars returned empty would, on the basis of the figures of cost as given in the inquiry above referred to, fix the following "mail pay one way, 100 pounds, 60-foot car basis":

	Cents.
First zone, 50 miles—per 100 pounds	0.17 1/24
Second zone, 150 miles—do	.40 5/24
Third zone, 300 miles—do	.78 7/24

Making the average cost for the first two zones 0.29 cents per 100 pounds and for the three zones 0.48 5/24 cents per 100 pounds.

The suggestion has been advanced that the foregoing figures are erroneous, and that the estimate of the daily weight of mail carried upon which they are based will not average 12,000 pounds per car.

Assuming the daily average to be less than 12,000 pounds, it is equally true that the estimate of cost is based on the largest sized cars in use by any railroad and the highest price paid by the Government for the use of such cars. It is therefore not unreasonable to contend that in cases where the daily mail per car does not average 12,000 pounds cars of less size are used. In other words, it stands to reason that the department would not employ the use of the largest cars and invite the largest cost when cars of less size and less cost would answer the purpose.

We have, through the kindness of the department and the courtesy of Hon. JOHN A. MOON, chairman of the House Committee on the Post Office and Post Roads, been furnished with a schedule of prices paid by the department for cars and space supplied by the railroads to the Government, as follows:

Rates of pay, railroad mail service, space basis.

Class of service	Rate per mile.	Initial terminal allowance for each trip one way.
Full R. P. O cars 60 feet in length	$0.21	$4.25
Apartment R. P. O. cars 30 feet in length	.11	2.75
Apartment R. P. O. cars 15 feet in length	.06	2.00
Storage cars and storage space:		
Cars 60 feet in length	.21	4.25
Cars 30 feet in length	.10½	2.12½
Apartment cars 15 feet in length	.05½	1.06¼
Closed-pouch service:		
Space 7 feet in length	.03	.50
Space 3 feet in length	.01½	.25

The foregoing exhibit indicates clearly that where the daily average weight per car may be only, for example, one-half—that is, 6,000 pounds—the use of cars 30 feet in length should suffice and reduce the cost to the Government correspondingly, thus leaving the cost in 30-foot cars for 6,000 pounds' weight at practically the same rate per 100 pounds that it would cost to carry 12,000 pounds in cars 60 feet in length. It also shows if the average weight should only reach 3,000 pounds per car that a compartment 15 feet in length should suffice and the use of the 15 feet space in such cases would again leave the cost to the Government at the same rate per 100 pounds. Indeed, this exhibit as to the cost of cars and space to the Government indicates that the Post Office Department under the act of Congress providing for the use of cars on a space basis has planned so wisely that even mail transported under the "closed-pouch service" is being carried at a price that entails practically no greater cost to the Government per 100 pounds in having mail carried on the smaller roads or branch lines than the cost of having larger quantities of mail carried on trunk lines in the largest mail cars in use.

DEPARTMENT ENTITLED TO COMMENDATION.

The Post Office Department, as we see it, is entitled to the highest commendation for having under the space contract system authorized by Congress planned to have the railroads enter into contracts whereby mail in any quantity may be transported by the Government for like distances at practically the same cost per 100 pounds.

The foregoing on either and all of the several bases of quantity of mail carried and cost to the Government, in so far as they apply to the first three zones of less than 300 miles, may therefore be regarded as a fair one of the cost to the Government, and since not more than 40 per cent of the circulation of the daily newspapers of the country is carried beyond the 150-mile zone the fourth zone of 600 miles might be included in the 1 cent per pound rate now existing and not exceed an average cost of 96½ cents per 100 pounds to the department, against the $1 per 100 pounds now being paid by newspaper publishers for transportation of papers within the first, second, and third zone of 300 miles.

NEWSPAPER PUBLISHERS FAIR.

But the publishers of newspapers are not asking that. Their aim is to be entirely fair to the Government and will therefore be content with the existing rate of 1 cent per pound for a distance of 300 miles. The publishers, in fact, realize that there ought to be a readjustment of the postal rate on second-class matter; that is, there should be an advance in order to prevent such a large deficit, but feel that this advance should be made under the zone system, and applied only to the zones exceeding a distance of 300 miles, which, at the existing rate of postage, fails to meet the cost of transportation paid by the Government.

In these various calculations it should be observed that the maximum price paid by the Government to the railroads for the largest mail cars is used as the basis.

The first estimates of cost, as will be observed, are based on the minimum weight of 12,000 pounds to the car of mail carried in 60-foot cars. These large cars usually have a carrying capacity of 40,000 pounds each; in fact, over that, and on many trains should carry a greater tonnage, especially when the character of the mail is of a weighty character. The figures of cost as given therefore represent fairness to the Government.

These figures represent, in like manner, the same degree of fairness in adding to the cost for a return of 40 per cent of the cars as empties for which the Government pays the railroads, even though they may contain no mail, despite the fact that on

many of the railroads, especially those running north and south, the weight of mail carried is about the same in both directions. Right here it is made apparent that the great percentage of return of empty cars is due to the large shipments of magazines and other like publications westward on certain days of each week or month requiring many large cars, 40 per cent of which are returned entirely empty at an absolute total loss to the Government, because there is no mail matter going eastward to load them.

This is not the case, however, with the newspapers of the country generally. The latter, to be found in all of the cities at terminal points of the railroads, at no time require or demand extra cars or extra service. Their circulation is daily and goes in all directions, and it is these newspaper publishers, mainly in the interior and smaller cities of the country, constituting at least 90 per cent of the daily newspaper publications of the United States, who are not putting any burden upon the Post Office Department, but who will be hurt most by the proposed legislation looking to a flat increase of the postal rate, and yet they are those who are least able to bear the advance.

COST IN ZONES BEYOND 300 MILES.

We have thus shown the injustice to the large body of daily newspaper publishers of the country that a flat increase of the postal rates within the 300-mile zone would entail and, therefore, deem it not out of place to give figures, using the same basis as those employed in fixing the cost for the 300-mile zone, indicating what the cost in the zones beyond 300 miles would be, as follows, to wit:

	Per 100 pounds.
Fourth zone, 600 miles	$1.51-9
Fifth zone, 1,000 miles	2.49-9
Sixth zone, 1,400 miles	3.47-9
Seventh zone, 1,800 miles	4.45-9
Eighth zone, 2,200 miles	5.43-9
Ninth zone, 2,600 miles	6.41-9
Tenth zone, 3,000 miles	7.39-9

It will be observed that we have added three zones to the zones established for the parcel post, which are intended to cover distances beyond 1,800 miles, and by the adding of which the distance of about 3,300 miles, New York to San Francisco, is covered, except as to 300 miles, which is eliminated because of the barren territory through the Rocky Mountain section of the country, which mileage, however, in all fairness should not have been eliminated, since it cost the Government just as much per mile to carry the cars over this 300-mile area as it costs to carry them through the thickly populated sections.

FIGURES STARTLING.

These figures, even up to and including the seventh zone of 1,800 miles, are startling. They show to what extent magazines and other second-class publications (newspapers excepted) send such enormous amounts of matter, frequently almost by the trainload, that are costing the department such large sums annually. No wonder that the department is annually compelled to face such a large deficit, and yet the bill now pending in the Senate under discussion, as at present framed, does not appear to have in view any method whereby the beneficiaries of these exorbitant discriminations in their favor will be asked to bear a fair share of the burden put upon the department by them, and which has resulted in such a large deficit, so palpably unjust to the department.

All of the figures in each and all of the zones, beginning with the first to the end, were made on the basis of the cost paid to the railroads for transportation of second-class matter, including newspapers and magazines, and show to what a marked degree the relations and obligations of the newspapers in this connection have been so grievously misunderstood. Nor has the enormous extent to which the publishers of magazines and other periodicals have been favored at the expense of the Government been hitherto made so clearly apparent.

MAGAZINES FAIL BY MILLIONS TO PAY COST OF TRANSPORTATION.

Is it any wonder that some of these publishers have failed by several millions of dollars each year to pay the Government for the service rendered them? Is it any wonder that many of these publishers have added millions to their wealth from year to year? Is it at all surprising that several of these wealthy publishers failed to appear and present statements of their gross or net earnings to the Senate committee at the hearing on May 11 and 12, and is it not remarkable that any of those present should have had the temerity to urge a continuance of their pet "flat-rate basis" of postal rates which in the past has worked such discriminations in their favor and filled their coffers each year to overflowing at the expense of the Government?

We are fully persuaded and verily believe that the figures herein given will prove a distinct revelation, if not to all, at least to a large proportion of the Members of both Houses of Congress and to the country at large if the facts should be given to the public.

We repeat that all figures contained in this statement, and for each and every zone, were worked out on the basis of the figures furnished by the Hon. Mr. Corridon for the 300-mile zone, showing the actual cost paid by the Post Office Department to the railroads for the transportation of second-class matter. These, through error in calculation, may vary a fraction or so, but they are otherwise correct.

AMPLE SURPLUS TO MEET OVERHEAD EXPENSE.

It may, and doubtless will, be asked if the second-class rate of newspapers within a zone of 300 miles does not include overhead charges, such as salaries to carriers, clerks, post-office officials, and the general expense of the department, How is this charge to be met? We answer, there is ample margin between 48 cents per 100 pounds paid by the department to the railroads in the 300-mile zone and the $1 per 100 pounds paid by the newspapers to meet any fair proportion of the legitimate expenses that may be chargeable for the service rendered by the Government to the daily newspapers.

COST OF HANDLING NEWSPAPERS LIMITED.

The extent of the service rendered by the department to the newspapers is very meager as compared with the service performed in handling other mail matter. The newspaper publishers do not ask the postmaster to call at their places of publication for the papers. The publishers perform that duty. They bind the papers in appropriate bundles and haul them, not only to the post office, but in many cases to the railway station, where, after being weighed, the bags and bundles are taken to the postal car already on the train and put in the car. The service performed by the employees of the post office is to weigh the papers, which, as a rule, can be done in a few minutes for each train by one man, the only other service being that performed by the mail agent in charge of the car, whose duty it is to take care of the bundles and bags of mail until they reach their destination, and then throw them off on the platform for an agent of the newspaper to receive them and make delivery to the subscribers. This system adds little or nothing to the expense of the department, since the man who weighs the bundles at the station also looks after the delivery of other mail from the post office to go out on the same trains, and the mail agent who handles the papers on the train and throws them off at destination would receive the same rate of wages that he now receives whether he handled these papers or not, nor would there be any diminution of the amount paid to the railroads for hauling newspapers if they hauled none, since the railroads are paid so much per mile for hauling the cars, whether loaded to their capacity or empty. Therefore the larger number of papers the department can induce the publishers to send by mail the greater the net revenue to the department. If half of the capacity of each car were filled with newspapers, it would serve to add that much to the net receipts of the department, whereas if no newspapers were hauled, it would not diminish the expense of the department to the extent of a farthing, but only serve to decrease its receipts.

NEWSPAPERS ON RURAL ROUTES.

The same is also true of newspapers delivered on rural routes. These papers are also carried, either to the station or the post office by the publishers. The papers are put in bundles. All of the bundles are marked to show to what route each is destined.

Take, for illustration, Columbia, Tenn., about 40 miles from Nashville, from which a number of rural routes diverge. The bundles for each route are made up by the publisher and marked. They are then put into bags, tagged "Columbia Rural Routes, No. 1, 2, 3, 4," etc. When these bags reach Columbia the only handling by the postmaster is to have them carried from the station to the post office. The rural route carriers know from the tags which bag contains their bundle. They take their respective bundles out of the bag and deliver the papers to each rural route subscriber, as they do other mail matter.

The rural carriers are paid a monthly wage. Whether they each carry 10 newspapers or 100 makes no difference in the cost to the department. The expense remains the same. The only question is, Shall the publishers of newspapers be permitted to continue to solicit subscriptions on rural routes or shall they be forced to put up their subscription price, and thus largely curtail their number of subscribers?

Suppose a newspaper in Tennessee, which is now paying the Government $40,000 per annum for the carriage of such newspapers as it desires to have transported by mail should advance its subscription price so as to cut off half of its circulation by mail. Would that help the Government? Would it in any sense enable the Government to decrease its expenses? Would it not,

on the other hand, simply cause the Government a loss of net revenue to the extent of $20,000 per annum from this one newspaper?

ESTABLISHMENT OF RURAL ROUTES.

The establishment of rural routes has been a great boon to the body of the people engaged in agricultural pursuits and all well-managed newspapers have sought to render material aid in the endeavor to make the rural-route system a success. Prior to the establishment of these routes the farmer had to depend on his local weekly paper for his news, with an occasional stale weekly put out by some of the daily newspapers, the news in each case being not only meager but otherwise of little value. Scarcely any attention was being given then by the newspapers to the publication of market reports, which was and would have been of the greatest importance to the farmer.

It was then and had for years prior been the practice of the cattle, hog, sheep, horse, and mule buyers to travel through the country, and in the absence of news to the farmer as to the daily fluctuation of the market, pick up such stock often almost at his own price. The same was true of the buyer of grain, vegetables, and other farm products, and especially true of the huckster, who dealt in eggs, butter, chickens, etc.

HELP OF NEWSPAPERS.

These conditions have been changed, and mainly through the foresight of the publishers of well-conducted newspapers, who not only sought rural subscriptions but made it a point to use one or more of the best men on their staff to give full and correct daily reports of the markets, not only of the city where the papers were published but by daily telegraphic reports from Chicago, St. Louis, and other cities, indicating prices of farm products and the trend of the market.

It is our firm belief that in this respect the establishment of rural routes has materially benefited the farmer, and all well-conducted daily newspapers throughout the country have rendered substantial aid in this great work.

In addition, progressive daily newspapers have devoted at least a full page one day each week, known as the farmer's page, edited by competent writers, to enlighten the farmer in the best methods of cultivation.

Does Congress desire to encourage or cripple this work? It can encourage it by being fair to the daily newspaper. It can cripple it by adding to the burden of the publishers.

It may be claimed that 50 cents per annum added by Congress to an increase of the postal rates will not be much of an addition to the subscription price of the paper. It will, however, be that much. It is not so much the amount as the seeming indifference to the interest of the farmer that will hurt.

INCREASE IN COST OF PRINT PAPER.

It is well known that there has been an enormous increase in the cost of white paper. All well-conducted newspapers endeavor to secure a net subscription price equal to the cost of white print paper and postage. They do not, as a rule, seek more than that; they aim to meet all of the other enormous expenses, which, too, have been largely increased, out of the receipts from advertising. A great many of the daily newspapers have already increased their subscription prices somewhat, but by no means sufficient to meet the increased expenses yet to follow. Many others have not made any increase, hoping rather that something would develop to obviate the necessity for any great increase in price. By the refusal of the Print Paper Trust to carry out its agreement with the Federal Trade Commission it is made clear that still greater advances in the price of white paper is certain to take place. The contracts of newspapers for white paper, as a rule, expire either on the 1st of January or July of each year. Some expired on the 1st of July, 1917; many more will expire on the 1st of January, 1918. Surely Congress does not want to help add to the burden of newspapers by increasing the postal rate in a zone of 300 miles when the rate of 1 cent per pound, as shown, is amply sufficient to meet the expense incurred by the department.

M'KELLAR AMENDMENT A SOLUTION.

The adoption of Senator McKELLAR'S amendment to H. R. 4280, referred to the Senate Finance Committee on the 22d day of June, is, in our judgment, on proper lines. It may be deemed wise to make some changes in the rate on zones 4 to 8, inclusive, and it may even be considered advisable to eliminate one or more of the last zones, or add other zones. Certain it is that the zone system is the one and only one equitable method for the fixing of postal rates, and the one that will produce the greatest amount of revenue to the department and cover such publications as those so greatly favored in the past by causing them to pay their rightful portions toward enabling the department to meet at least a portion of its annual deficit.

WILL BRING INCREASED REVENUE.

The Senate committee's action in favor of the flat advance of one quarter of a cent per pound will, it is estimated, add to the receipts of the department approximately $3,000,000 per annum, while the war-profit tax of 5 per cent on newspapers and magazines will bring in $7,500,000 additional per annum.

The honorable Assistant Postmaster General has given an estimate indicating that the provision of Senator McKELLAR'S amendment will add approximately $12,616,470 to the receipts of last year, thus giving the Government, through the Post Office Department, an excess in receipts of $616,471 over the combined increase that will be derived under the Senate committee's proposal in favor of a flat advance in postal rates and the war-profit tax of 5 per cent combined.

And yet, through the adoption of Senator McKELLAR'S amendment, the Government will not only establish a system of postal rates that will furnish the greater amount of additional revenue but will fix the rate upon the one and only equitable basis that can be or has been devised. It will cause those who derive the greatest benefit to pay their equitable portion of the cost of the service rendered and relieve those who are clearly bearing their full share of the burden from any increase in rates except in zones where such advance is or should be made to meet the costs of the service rendered on their behalf.

AMERICAN NEWSPAPER PUBLISHERS' ASSOCIATION.

The American Newspaper Publishers' Association, composed of more than 500 publishers of daily newspapers in the United States, at its annual session in New York in April last, apprehended that an advance in letter postage would call for an advance of the rate on second-class matter, and after proper consideration of the subject, declared by unanimous vote in favor of the zone system, and appointed a legislative committee with instructions to govern itself accordingly in their presentation of the matter to Congress.

It appears that this committee, composed of capable men, did not follow the instructions given by the association, as expressed in the unanimous action of the large annual meeting of its membership, but was pursuaded that the publishers of newspapers should cooperate with the publishers of magazines, trade papers, and other periodicals in an endeavor to defeat an advance or change of any kind in the postal rates. To the extent that this committee acted in this manner in conjunction with the publishers of magazines, trade papers, and so forth, it did not represent the American Newspaper Publishers' Association.

FAVORED ZONE AND FAIRNESS TO GOVERNMENT.

The great body of American newspaper publishers in the expression of their wishes respecting postal rates wanted to be entirely fair to the Government. They wanted to do what fairness and equity demands of them as good citizens, and if, as they believed, an advance in rates on second-class matter should be found necessary, they were ready to support the advance, but they urged that the advance be made under the zone system and in a form and on a basis that would, in an equitable way, meet the situation.

They believed, as we have in this paper already shown, that the postage of 1 cent per pound now being paid would be sufficient to meet the costs to the Government of carrying newspapers within a 300-mile zone. They believed that the deficit in the Post Office Department was due largely to inadequate rates of postage on second-class matter carried for distances embraced in the fourth to the eighth zones, and that the rate covering these zones should be advanced to meet the cost incurred by the Government in rendering the service.

Members of the committee who appeared at the Senate committee hearing, as the representatives of the American Newspaper Publishers' Association, had been directed by a unanimous vote of that association to advocate the adoption of the zone system.

The association realized that something should be done to get rid of at least a portion of the large annual deficit of the Post Office Department, and that this result could not be reached in an equitable way by an advance of the existing flat rate. The association never for a moment thought that its committee would signify its approval of a continuance of the flat-rate plan, or an inadequate and improper advance of rates under it.

The association knew that the flat-rate plan had utterly failed to meet the expenses of the department incurred in the transportation of second-class mail matter, and also knew that a large proportion of the deficit of the Post Office Department was due to the use of that plan; the association also knew that a large portion of the deficit was attributable mainly to the immense volume of magazines, periodicals, and trade papers,

carried for long distances at the "flat rate" far below the actual cost of transportation.

The association knew that a plan under which the Government was receiving only $1 for 100 pounds for carrying second-class matter two and three thousand miles, and for the transportation of which the Government was paying the railroads from five to seven dollars per hundred pounds, was utterly unsuited to meet the existing situation. The association, therefore, favored its abandonment and the adoption of a plan or system whereby a reasonable and equitable adjustment could be made and the department relieved of at least a portion of its annual deficit.

DID NOT SUPPOSE COMMITTEE WOULD DISREGARD INSTRUCTIONS.

Never for a moment did any portion of the large membership of the American Newspaper Publishers' Association assume that its committee would enter into any arrangement or understanding with the publishers of magazines, periodicals, and trade papers whereby the association should be made to stand before Congress and the people of the United States in favor of the continuance of a system that was annually causing a deficit of fifty million or more to the department.

It never occurred to the newspaper publishers that members of its committee would even by silence acquiesce in a demand or suggestion from the publishers of magazines, periodicals, and trade papers for a continuance of the ruinous "flat-rate" plan.

The association felt that an advance would have to come to meet the large deficiency, and that it should and could only be met in an equitable way through the adoption of the zone plan and the establishment of rates under it in keeping with the cost of transportation paid by the Government.

The newspaper publishers' committee fully understood this, and yet, yielding to the importunities of magazine, trade-paper, and periodical publishers, this committee by its silence permitted the Senate committee to assume that the American Newspaper Publishers' Association was willing to assent to the continuance of a system which it by its previous action had unanimously condemned.

Members of the newspaper publishers' committee, realizing that they had not represented the expressed wish of the association, frankly admitted the fact, and advised other members of the association who were in Washington at the time to proceed with their desire to secure the adoption of the zone system, in favor of which the American Newspaper Publishers' Association had so emphatically declared.

This is in part why the undersigned are seeking to accomplish that result.

NEWSPAPER PUBLISHERS UNDERSTAND SITUATION.

Intelligent publishers of newspapers all know that the Post Office Department is confronted with a large annual deficit.

They know to what this deficit is mainly attributable.

They realize that something should be done to meet the situation. They believe the zone plan will.

They are ready to do their part under it.

The undersigned therefore are urging the adoption of the zone as the only feasible and equitable plan yet conceived to produce the desired result.

We realize that the Government has no right to subsidize either the publishers of newspapers or of magazines, periodicals, and trade papers. We feel that the Government has no right to render a service to either at an annual loss of millions of dollars.

The Government, through an act of Congress and the wise administration of the act by the Post Office Department, has succeeded in securing contracts for the transportation of mails at a reasonable price. All that Congress should do, and all that the publishers of newspapers are asking it to do, is to give them a basis of rates on second-class mail matter in keeping with the cost the Government may incur in the transportation of newspapers under these contracts.

The newspapers will be content with rates made on that basis, and the publishers of magazines, trade papers, and periodicals, who have for years been the beneficiaries of the present unjust and indefensible "flat-rate" system and have at the expense of the Government grown enormously rich under it, assuredly have no right to ask for anything else.

SOUTHERN NEWSPAPERS FAVOR ZONE PLAN.

It is in this connection quite proper to suggest that the Southern Newspaper Publishers' Association, composed of 105 of the leading daily newspapers of the South, and many of whom are also members of the American Newspaper Publishers' Association, at its annual convention held at Asheville, N. C., July 10, 1917, also, by unanimous vote, adopted a strong resolution urging the enactment of the zone system, and appointed three of the undersigned as members of a committee to present the views of the association to Congress.

The Asheville convention also, in the same resolution, unanimously declared that the proposed profit or war tax of 5 per cent on the net revenue of newspapers was in the nature of a penalty, that it was unfair and discriminatory, and insisted in lieu that newspapers should be taxed in the same manner as taxes were levied on other lines of business.

It is therefore the duty and privilege of members of this committee to convey to the Senate and House of Representatives the unanimously expressed view of this association in favor of the zone system as contemplated under the McKellar amendment and the rejection of the 5 per cent profit or war-tax provision contained in the pending bill.

NEWSPAPERS NOT ABSOLVED FROM INCREASED RATE.

The adoption of the zone system by no means absolves the daily newspapers from increase in the postal rates. There are many, in fact a large majority, of the daily newspapers who have a circulation far beyond the third zone; in fact, even beyond the eighth and last zone, who would cheerfully pay any advance of the rates in these zones, because they believe it their duty to bear their equitable share in support of the Government.

Take, for example, the case of the Nashville Banner. It has no inconsiderable circulation beyond the 300-mile zone. The States of Arkansas, Texas, Oklahoma, Missouri, California, Arizona, and New Mexico have within their borders a large number of Tennesseeans, who have a longing for their old home and want, at least, to know what is going on in their State. This newspaper, located at the capital city of Tennessee, not unmindful of this sentiment, inaugurated many years ago a plan of having a reliable correspondent in practically every county seat in the State of Tennessee. It is the duty of these correspondents to keep the Banner advised of all current happenings in their county and neighborhoods worthy of being printed. Other Tennessee newspapers have followed in the wake of the Banner. The desire to hear from home is felt also, of course, by the large number of Tennesseeans who spend their winters in Florida and California and at the Gulf ports, and also those who go to Colorado for their health, as well as others who go to the eastern seashore resorts, to the lakes of Wisconsin and Michigan, and other places during the summer months.

MUST PAY THEIR SHARE UNDER INCREASED ZONE RATE.

The Banner, along with other newspapers, has a considerable circulation which goes to its foreign advertisers located in the West, East, and the North, far beyond the 300-mile zone. These advertisers are entitled to the Banner. They want and have a right to see that their advertisements appear in proper form and at the proper time. The Banner also exchanges with many of the leading newspapers of the country, so that these several matters give the paper a circulation of considerable proportion, upon which it must pay the increased rate fixed beyond the 300-mile zone, and what is here said of the Banner in this respect applies to practically all other daily newspapers of the country, although perhaps not in all cases to the same extent.

Mention of this is made to show that the daily newspapers in advocating the zone system with the 300-mile limit left at 1 cent per pound are not actuated alone by selfish aims, but by a desire to secure justice; and a readiness to accept a plan by which the publishers of daily newspapers, as well as the publishers of magazines, trade papers, and periodicals, may all be made to bear their rightful share of the expenses incurred by the Department for their benefit.

The zone system is not new. It is now and has been for a half century in use by the railroads in the establishment of fares on passenger trains, the railroads fixing their rates of passenger fares, in the main, on the basis of the distance passengers wish to travel.

The Government in the establishment of the Parcel Post System very wisely established the zone system, and through it has accomplished splendid results for the masses engaged in agriculture, as well as the merchants and those with whom they transact business through the parcel post as their medium, and it does seem that what is equitable and fair to the farmer and the merchant should be good enough for the newspapers, the magazines, and the general public.

RATES IN CANADA AND BY EXPRESS.

Reverting to the matter of allowing the 1 cent per pound rate for a zone of 300 miles to stand, it will not be amiss to state that the Government of Canada has established for daily newspapers a postal rate not exceeding 50 cents per 100 pounds on any distance within the Dominion, with a rate of 25 cents per 100 pounds for distances under 50 miles.

Also, that all of the express companies in the United States, on December 15, 1915, established and filed with the Interstate Commerce Commission tariffs providing that "when no wagon service is rendered, either in receipt or delivery, and special mail or newspaper trains are not used, the rate shall be one-half cent per pound for each company carrying."

This fits the case of the newspapers, and would in nearly all sections of the country permit newspapers to be shipped by express for 1,000 or more miles at a rate of 50 cents per 100 pounds, and the only reason why this rate has not been made available to a greater extent by the newspapers is that it does not make the rural-route service as available or desirable as the regular service by mail, and also because, generally speaking, the newspapers prefer, as far as practicable, to give their patronage to the Government. If driven to it by the action of Congress, many papers will be forced, to a much greater extent, to give their patronage to the express companies.

We desire in this connection to correct the impression that newspapers are favored by being allowed, free of postage, access by mail to the rural routes in the counties where the papers are published. The law does not apply to daily newspapers, but alone to weekly papers published in the county. The daily papers pay full second-class postal rates on all papers they send by mail to rural routes and to all other subscribers located in the counties where the daily papers are being published.

NEWSPAPERS AND THE WAR.

An effort has been made, even in congressional debate, to make it appear that the newspapers of the country are largely responsible for this country's entrance into the war, and that they should be heavily taxed to help meet the expenses incident to the war. It has been even charged that a considerable number of the larger newspapers of the country were subsidized to induce them to create a sentiment in favor of war. We know nothing as to the truth of these allegations. It may be that munition manufacturers, Wall Street, or Lombard Street have used money for that purpose; or it may be, as has been suggested, that a distinguished British lord, who owns a number of leading daily newspapers in England and other portions of Europe, has gotten a grip on one or more of the leading newspapers of this country. We certainly hope, for the honor of American journalism, that these allegations have no foundation.

We know that a large majority of the American newspapers favored war, and we must assume that they were honest in their declaration. The newspapers of the country were not all, however, for war. Many of them, controlled by able and loyal American citizens, deplored war and hoped that it might be averted. They at least said nothing in favor of war, but when the Congress of the United States declared that war existed these men burned their bridges behind them, declaring it to be their purpose to support Congress and the administration in all things designed to bring the war to a successful conclusion.

ALL PAPERS SUPPORTING GOVERNMENT.

All of the newspapers of this country, the latter class as well as the former, have since that declaration by Congress loyally and energetically supported the President and Congress in all matters designed to bring the war to a speedy and successful end. They have labored earnestly and anxiously to this end. Nothing has been left unwritten or undone to rally the masses to the support of the Government.

Take the daily issues of practically every newspaper published in the United States and it will be found that fully 80 per cent of the reading space has been devoted to news relating to the war and at least 70 per cent of the 80 per cent has been devoted to the promotion of every plan suggested by the authorities in Washington to aid in its successful prosecution.

Take every phase of the question, beginning with the necessary legislation by Congress, and the newspapers have been found loyal and active in aid of the Government.

The movement to secure volunteers for the Navy and Regular Army, the registration of eligibles for enlistment in the Army under the selective-draft act, subscriptions to the liberty-loan bonds, contributions to the American Red Cross—in fact, any and all matters that would be helpful to the Government in this crisis—have had the active support of the newspapers of the country.

LOYAL WITHOUT MONEY AND WITHOUT PRICE.

England, it is said, spent something over $50,000,000 in advertising its loans and in its appeals for recruits to its army. The Dominion of Canada is said to have devoted $15,000,000 to a like purpose, but no man can point in any direction to show that the newspapers of this country have been paid a farthing by the Government for the great work they have done nor asked the Government to pay anything for that work.

On the other hand, the columns of the newspapers of this country have been filled to overflowing in earnest and anxious endeavors to promote the interests of this country in the prosecution of the war, and for which they have neither asked nor received a farthing of compensation in any form.

It is inconceivable, in the light of the public record made by the newspapers of this country, that the Congress of the United States should wish for any reason to inflict a penalty or burden upon them. There could certainly be no better evidence given of the patriotic endeavor of the newspapers to give active support to the Government and aid, as far as possible, in having the war brought to a speedy and successful conclusion than what they have done up to the present time.

NO DESIRE TO ATTACK MAGAZINES.

It is not our wish in dealing with this matter to attack the publishers of magazines, trade papers, and periodicals who are doing a good work in their lines. An advocacy of the zone plan does not mean an attack on such publishers. It simply means that the zone system is the best and only equitable basis to govern in fixing rates on second-class matter.

This zone system applies to daily newspapers, as well as to magazines and trade papers. It fixes the same rate for both. The only reason why the magazines will pay more under this system is because they are not paying their proportion under the flat-rate plan. The newspapers and magazines under the zone system will pay precisely the same rate—the only difference being that the transportation of magazines, over such longer distances and in such larger quantities, will require those publishers to pay a larger sum to the Government to meet the cost of transporting the large volume of their publications carried over the longer distances.

The present flat-rate plan, which the publishers of magazines insist upon having continued, is so patently unjust to the Government that it seems incredible these gentlemen should have the temerity to insist upon its continuance.

ILLUSTRATIONS BY COMPARISON.

Take a zone of 300 miles, for example, within which the daily newspapers have their principal circulation, and the average rate paid to the railroads within that zone costs the Government 48 cents per 100 pounds. The rate of 1 cent per pound now paid by the newspapers gives the Government $1 per 100 pounds, leaving a surplus of profit of 52 cents per 100 pounds to the Government.

Take zone 7, for example, of 1,800 miles, in which the magazines, trade papers, and periodicals circulate largely, and the average transportation within that zone costs the Government $4.45⅝ per 100 pounds. The flat rate of 1 cent per pound now paid by the magazines, trade papers, and other periodicals gives the Government only $1 per 100 pounds, creating a loss of $3.45⅝ per 100 pounds to the Government.

Is there any fairness or even common honesty back of a proposition like this? Why should the Congress of the United States wish to continue a plan that will cause a loss to the Government of fifty or more million dollars annually?

STARTLING EXAMPLES.

A more startling example will be found in the following illustration: The distance from Nashville to Columbia, Tenn., is approximately 40 miles. The United States Government charges the Nashville newspapers $1 per 100 pounds to carry the papers from Nashville to Columbia. The cost of transportation paid by the Government to the Louisville & Nashville Railway Co. is 17½ cents per 100 pounds, leaving the Government a surplus or profit of 82½ cents per 100 pounds with which to meet overhead charges, and so forth.

The distance from New York to San Francisco is 3,300 miles. The United States Government charges the publishers of magazines, and so forth, under the flat-rate plan only $1 per 100 pounds for carrying their publications from New York, Philadelphia, or Boston to San Francisco. It costs the Government approximately $7.399 per 100 pounds to carry these publications to California, thus creating a net loss to the Government of $6.399 per 100 pounds.

Is it any wonder, in the light of these facts, that the Post Office Department is having a deficit of fifty or more million dollars annually? What is to be said of a plan or system that demands $1 per 100 pounds for carrying newspapers a distance of 40 miles, and at the same time permits magazine publishers to carry their publications for a distance of 3,300 miles at the same price?

There is really only one equitable manner of adjustment in dealing with this question, and that is the application of the zone system on the lines indicated in Senator McKELLAR'S amendment, and the present Congress should, now that the

question is up for consideration, promptly adjust the matter in that way.

SPECIAL 5 PER CENT WAR TAX UNJUST AND DISCRIMINATORY.

Section 1106 of the bill pending in the Senate provides—

That in addition to the taxes under existing law and under this act there shall be levied, assessed, collected, and paid, for the calendar year 1917 and each calendar year thereafter, upon the net income of every individual, corporation, partnership, or association arising from the publication of newspapers, magazines, or periodicals, entitled to be entered as second-class mail matter (whether or not so entered), a tax of 5 per cent of the amount of such net income in excess of $4,000.

The effort to levy a special tax on the publishers of newspapers is apparently based on the assumption that the publishers who have availed themselves of the second-class postal rate are receiving large benefits therefrom at the expense of the Government and should therefore have levied upon them an extraordinary or special tax not placed upon other lines of industry or business.

Speaking for the publishers of daily newspapers, we earnestly protest against this view not only because the proposed tax is discriminatory and unfair but because the apparent reason assigned for its application to the daily newspapers is without warrant or justification.

While it is true that the daily newspapers of the country have been entered as "mail matter of the second class" and have paid postage on that basis, it is entirely erroneous to assume that the great body of the daily newspapers of the country (a half dozen of the large metropolitan dailies alone excepted) have had any gratuities or benefits conferred upon them by the Government through which a loss of revenue has been inflicted on the Post Office Department. On the contrary, as indicated on many pages of this address, newspapers have paid to the department not only what is equal to the cost of transportation, but sufficient in excess of that cost to help the department meet an equitable portion of the overhead expenses incurred on their account.

We therefore urge that section 1106 of the bill be stricken out or so amended as to exempt publishers of daily newspapers from its operation.

RESULT THAT WILL FOLLOW ADOPTION OF COURSE SUGGESTED.

The adoption of this course, along with the adoption of the zone system under the McKellar amendment, will leave the newspapers of the country—

First. To continue the payment of the present rate of postage within the 300-mile zone.

Second. To pay such advance in the postal rate as may by the adoption of the zone system beyond the 300-mile limit be established.

Third. To continue to pay the income tax hitherto paid by the newspapers under existing law.

Fourth. To pay a profit or war income tax on the basis that such tax shall be made applicable to all other lines of business.

This we submit as fair and equitable and will in that way without discrimination cause the newspapers of the country to furnish their just proportion of the money needed, not only to aid in the prosecution of the war, but to help meet other current expenditures of the Government.

Respectfully submitted.

E. B. STAHLMAN.
LOUIS J. WORTHAM.
ROBERT EWING.
UREY WOODSON.
LAFAYETTE YOUNG.

WASHINGTON, D. C., *August 15, 1917.*

Mr. SMOOT. Mr. President, what is the pending question?

The PRESIDING OFFICER. The Secretary will state the pending amendment.

The SECRETARY. On page 44, at the top of the page, the committee proposes to strike out of the House text the following words in lines 1, 2, and 3: "(b) a tax equivalent to 6 per cent of the amount paid for the transportation of property by express companies consigned from one point in the United States to another" and to insert "a tax of 1 cent for each 25 cents, or fraction thereof, paid to any person, corporation, partnership, or association, engaged in the business of transporting parcels or packages by express over regular routes between fixed terminals, for the transportation of any package, parcel, or shipment by express from one point in the United States to another."

Mr. SMOOT. Mr. President, it was requested that this amendment should go over to be considered in connection with the imposition of a tax upon parcel-post packages found at page 71 of the bill. The Senator from Georgia [Mr. HARDWICK] desired to discuss this matter at some length. He is out of the Chamber. I suppose the only way to proceed with it is either for myself to take time to discuss the amendment until he arrives or to suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair is willing to submit a unanimous-consent request to have it passed over.

Mr. SMOOT. I do not want to have the amendment passed over. I want to take up the amendments just as we have passed over them and to dispose of them as we reach them. Therefore I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Harding	Martin	Shields
Bankhead	Hardwick	Myers	Simmons
Beckham	Hollis	Nelson	Smith, Mich.
Borah	Jones, Wash.	Newlands	Smoot
Brady	Kellogg	Norris	Sterling
Calder	Kendrick	Overman	Sutherland
Chamberlain	Kenyon	Page	Swanson
Culberson	King	Pittman	Thompson
Curtis	Kirby	Poindexter	Trammell
Dillingham	Knox	Pomerene	Underwood
Fletcher	La Follette	Reed	Vardaman
France	McCumber	Saulsbury	Weeks
Gronna	McKellar	Shafroth	Williams
Hale	McNary	Sheppard	

Mr. SMITH of Michigan. My colleague [Mr. TOWNSEND] is temporarily absent from the Chamber on official business.

The PRESIDING OFFICER. Fifty-five Senators have answered to their names. There is a quorum present. The question is on agreeing to the amendment reported by the committee on top of page 44 of the bill.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee passed over will be read.

The SECRETARY. The next amendment passed over is, on page 50, line 14, after "SEC. 600," to strike out the following:

That there shall be levied, assessed, collected, and paid—

(a) Upon all automobiles, automobile trucks, automobile wagons, and motorcycles, and automobile, motorcycle, or bicycle tires (including inner tubes) sold by the manufacturer, producer, or importer a tax equivalent to 5 per cent of the price for which so sold: *Provided*, That from the tax which otherwise would be imposed upon a manufacturer, producer, or importer of automobiles, automobile trucks, automobile wagons, or motorcycles there shall be deducted an amount equivalent to 5 per cent of the amount paid for the tires, including inner tubes, on such vehicles by such manufacturer, producer, or importer; and.

And insert:

(a) That on the day this act takes effect, and thereafter on July 1 in each year, and also at the time of the original purchase of a new automobile or motorcycle by a user, if on any other date than July 1, there shall be levied, assessed, collected, and paid, upon the use of automobiles and motorcycles not used exclusively for business, an excise tax at basic rates as follows: Motorcycles, $2.50; automobiles the original listed retail price of which is not over $500, $5; original listed retail price over $500 and not over $750, $7.50; original listed retail price over $750 and not over $1,000, $10; and for each further increase of $500 or fractional part thereof of original listed retail price, an additional tax of $5.

In the case of a tax imposed at the time of the original purchase of a new automobile or motorcycle on any other date than July 1 the amount to be paid shall be the same number of twelfths of the amount of the tax as the number of calendar months, including the month of sale, remaining prior to the following July 1.

The tax payable in any year shall be reduced by 10 per cent of its basic amount for each 12 months elapsed since the original sale of the automobile or motorcycle by the manufacturer or importer, but in no case shall it be reduced to less than 50 per cent of such basic amount.

Mr. BRADY. In line 8, page 51, I move to strike out "$500" and insert "$600." I do this for the reason that I believe it will be beneficial to those who purchase machines of smaller value. I think that minimum should be raised from $500 to $600 and the amount of the tax left there just as it is, fixed at the sum of $5.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. On page 51, in the committee amendment, line 8, strike out "$500" and in lieu insert "$600."

Mr. SMOOT. Mr. President, I do not believe the amendment offered by the Senator from Idaho should be adopted. The amendment, as I understand it, is simply to allow one automobile in the United States to come in under the $5 rate instead of the following bracket. The committee began with $500 and increased in steps of $250 on cheap cars. If we adopt this amendment we might as well adopt other amendments in the different brackets to take care of some other particular automobile that may fall just over some other dividing line. I believe that the division made by the committee is a proper one, and it is made taking no automobile into consideration. As to whether the tax ought to be assessed in some other manner, as a flat tax upon the actual cost of the machine, that is another question, but if you are going to use the bracket system I believe the brackets provided for by the committee are the proper ones.

If the amendment of the Senator from Idaho is adopted and you raise the first bracket to $600, then the next bracket will be only between $600 and $750, or a step of only $150, and the other steps on low-priced cars in the bill are $250, the latter part of the amendment provides, "or fractional part thereof of original listed retail price, an additional tax of $5"; that is, for each further increase of $500 over and above $1,000. We might want to change that and make it $600, but I believe, as I stated, that the committee amendment, if we are going to use the bracket system, is just as good a division as is possible to be had; and I hope the amendment of the Senator from Idaho to the amendment of the committee will not be adopted.

Mr. BRADY. Mr. President, there would be no serious injury done if we did change the brackets on some of the larger-priced machines. I am perfectly willing that the amount taken off of the minimum price shall be distributed among the higher-priced machines. I believe that this tax should be paid by those who are most able to pay it. There are thousands and thousands of people in the United States who are using a $600 machine where there are only a very few who are using a $6,000 machine. The man who is using a $6,000 machine can pay the extra 50 cents very much more easily than the man who is purchasing a $600 machine, and it does not need to disturb the bill in any manner. We can leave it as it is, for that matter, and 50 cents on that one item is not going to make any particular difference in this great bill.

The Senator says it would be inconsistent to change the minimum from $500 to $600; that it might disturb the bill. I think it would be no more inconsistent than the manner in which we are attempting to tax the machines after they are purchased, as shown by lines 19 and 23, to which I expect to offer an amendment. That paragraph reads:

> The tax payable in any year shall be reduced by 10 per cent of its basic amount for each 12 months elapsed since the original sale of the automobile or motorcycle by the manufacturer or importer, but in no case shall it be reduced to less than 50 per cent of such basic amount.

In other words, a man who uses a machine 10 years is required under this law to pay a tax of 50 per cent of the original purchase price; and anyone who knows anything about the use of automobiles knows that no machine is worth anything near as much at the end of 5 years, to say nothing about the lapse of 10 years, as 50 per cent of its original cost. I think if we are going to permit an item like that to stand it would not be at all inconsistent to give the people of the country who are able to buy only a $600 machine the advantage of the small amount of 50 per cent per annum on the tax they have to pay.

Mr. SMOOT. Mr. President, I wish to call the attention of the Senator from Idaho to the fact that this is a straight 1 per cent tax in substance upon the price at which the machine is purchased, as near as the bracket graduated plan can obtain. The man who buys an automobile for $500 pays a tax of $5 a year. The man who buys an automobile for $6,000 pays a $60-a-year tax. There can not be anything fairer than the tax imposed in the bill, because of the fact that the $500-automobile owner can pay the $5 tax just as well as the man who pays a tax on a $6,000 automobile.

Mr. BRADY. I can not agree with the Senator as to that.

Mr. SMOOT. Anyone who is the owner of an automobile at all is not going to be overburdened by paying $5 a year for that privilege. If he can not pay $5 a year for the privilege of owning an automobile he should not be running an automobile with gasoline at 22 and 25 cents and as high as 30 cents a gallon.

Mr. BRADY. But the Senator does not seem to take into consideration that the man who is running at least a $600 automobile is taxed by the bill on almost everything from the cradle to the grave, while the man who has a large income is taxed simply on his excess profits.

Mr. SMOOT. Oh, the Senator is mistaken.

Mr. BRADY. I am speaking of the excess profits tax.

Mr. SMOOT. That is only one tax that a man who runs a $6,000 automobile pays. He pays his war-profits tax, he pays his income tax, and he pays the normal tax. The Senator from Georgia complained this morning that there were some of the taxes imposed upon business men as high as 80 per cent of all their profits. Of course that was an exaggerated statement made to him by one of his constituents. People may think they are paying all sorts of taxes, but I will say to the Senator that they are just beginning to pay taxes, and now is not the time to begin to quarrel about a tax of $1 a year upon an automobile.

Mr. BRADY. I fully agree with the Senator that we are just beginning the new system of paying taxes; but, on the other hand, so long as I stand on the floor of the Senate and we are enacting tax laws, I intend to do something for the man who does not have an excess income and who has a right to have a $600 automobile placed within his reach. I am not, however, going to insist upon the amendment.

Mr. SMOOT. Mr. President, if a man does not have an excess income, he does not have to pay any tax under this bill or under any other bill of which I know.

Now, I want to refer to the other part of the bill to which the Senator says he is going to offer an amendment—the provision on page 51, beginning in line 19, down to and including line 23, which reads:

> The tax payable in any year shall be reduced by 10 per cent of its basic amount for each 12 months elapsed since the original sale of the automobile or motorcycle by the manufacturer or importer, but in no case shall it be reduced to less than 50 per cent of such basic amount.

Mr. President, the Senator took the position that if an automobile was used 10 years, under this provision the basis of the tax would be reduced only one-half. There are very few automobiles used longer than 5 years, though there are some, of course, which may be used for 10 years; but an automobile 5 years old, if continued to be run, uses the streets just the same as an automobile that has just been purchased, and it uses just as much gasoline, if it is run as many miles as the new machine would be run. The length of an automobile's life is about five years. We thought that as to second-hand machines, which may be purchased for quarter of their original cost, which may be purchased frequently for $250, we would only tax them $5.

So, Mr. President, the purchaser of an automobile which has been in use for over five years, no matter what power its engines may develop, does not generally pay more than $500 for it, and in very many cases he pays much less than that. It seems to me that the provision, as reported by the committee, in the bill is just as liberal as anyone could possibly ask. I think everybody will admit that by use a machine deteriorates at least 10 per cent a year; but the committee thought that for five years 10 per cent each year, which is 50 per cent on its original cost, was enough to allow when imposing the tax upon automobiles.

Mr. BRADY. Was it the thought of the committee that the man would sell the machine at the end of five years to get rid of the tax?

Mr. SMOOT. Even if he does not sell it, if he has used the machine five years and still continues to use it, why should he not pay one-half the tax he paid at the time he purchased the car. In other words, if his original tax is $10 a year, and he has used that machine for five years, his tax will be 50 per cent less than $10, which is $5, the same as the lowest rate which is provided for in the bill.

Mr. BRADY. Does the Senator think that if a man owned a span of horses which he had purchased for $500 and he had used them for 10 years he ought to be assessed at 50 per cent of what he paid for them?

Mr. SMOOT. If the horses are worth it; yes.

Mr. BRADY. But if they are not worth it, what then?

Mr. SMOOT. No.

Mr. BRADY. That same rule applies here.

Mr. SMOOT. But this is not a tax on property, it is an excise tax. This is a tax upon the purchase price of the machine; not the machine itself. The maker does not pay the tax; it is the person who buys the machine; it is for the privilege of running the machine.

Mr. BRADY. I want to ask the Senator if he thinks that a tax system that is not based on an actual cash valuation is a fair tax system?

Mr. SMOOT. Mr. President, if the Senator wants me to answer as to how I differentiate between this tax and the case which he has presented for a tax upon horses, I will say that if we imposed a tax upon the owner of a farm for the privilege of using two horses that cost $500, and if he continues to use those horses we would give him, say, a certain exemption in the tax every year because of the fact that a horse would not be as able, perhaps, to do the work the third year as he would in the second year. It is not, however, the value of the horse we are proposing to tax; it is the privilege of using the horse for whatever purpose the farmer or anyone who may own the horse may want. So it is with the automobile; it is for the privilege of running it that the tax is imposed.

Mr. McCUMBER. Mr. President, I call the attention of the Senator from Idaho to the fact that this is not a tax on a thing, but it is an excise tax; a tax for doing the thing and not a tax levied upon values. I think the Senator will agree with me that an automobile which can run at all and that can be used at all will certainly perform more than one-half of the service when it is 5 years old that it would when it was new. If an automobile after five years could give but half of the service that it gave when first purchased that automobile would be too expensive a thing to have around. No one would attempt to use it at all; it would go into the scrap heap. Any automobile that is used at all will perform more than 50 per cent of the service which it would perform when new. This being an ex-

cise tax, a tax on use, it certainly can not be unreasonable to say that the use of an automobile if used at all shall be not less in value at any time than one-half the value of its use when new.

The Senator may buy a piece of furniture for his parlor and the day after he has purchased it he could not sell it for 50 per cent of its value; after six months he could not sell it for much over 33⅓ per cent of its value at any kind of a sale; and yet he could get the same service and the same comfort out of it for 5 or 10 years. If the tax is levied not upon the article itself but as an excise tax upon the use of the article, you can not complain when there is an ample reduction made.

There is one other matter which the Senator ought to consider. The Senator speaks of saving 50 cents for the poor people who drive cheap automobiles. I will say to him that that means 2 gallons of gasoline, according to the average price over the United States. It is so picayunish, it seems to me, that the person who operates an automobile at all will not consider that he has saved a great deal in saving 50 cents a year. If he feels that this sum is such a hardship that he should save it, he can shorten 1 trip out of the 365 he takes during the year 10 miles and save the equivalent of this tax.

Mr. BRADY. It means 40 miles to the average man, and many of these people would enjoy very much to have a 40-mile ride on Sunday afternoon after working all the week.

I want to ask the Senator from North Dakota a question before he takes his seat, and that is, Does he not think it would be more just and fair to require an excise tax to be paid on the actual valuation of the automobile in the year in which it is being used?

Mr. McCUMBER. No, Mr. President. I am using an automobile now that is giving me all of the service that it gave me when I first purchased it five or six years ago, and yet I could not get 10 cents on the dollar of what it cost me at that time. I could not possibly sell it, because there is little demand for an automobile that has been used for five years. However, it gives me the service and, therefore, for the use of it, for the service I am getting, I am willing to pay that tax.

Mr. BRADY. It seems to me that the only fair and equitable way would be to levy an excise tax of 50 cents, say, on a hundred dollars, according to the actual cash value of the property owned.

Mr. McCUMBER. If the Senator should take a trip into Maryland, he would pay the same amount for a license for a 40-horsepower machine which is five years old that he would for a new one; there is no difference whatever, because it is an excise tax—a tax on use. When we have provided for a reduction after a machine has been used, I think we have done all that the user can ask; and certainly he can not complain because possibly he should have been allowed a reduction that would save him 2 gallons of gasoline in a year.

Mr. BRADY. I think he is entitled to have his property assessed at its actual cash valuation.

Mr. KNOX. Mr. President, I should like to inquire of some member of the committee about one feature of the tax on automobiles. It is well known that the most expensive automobiles on the market, the ones that are considered the most luxurious and ones affected most by the people who are "in the swim," are foreign automobiles the cost of which runs up high. I know people who have paid as much as $12,000, $13,000, and $14,000 apiece for them. The point I want a little light on is this: Under this provision does the taxpayer have to pay on the American valuation, which is the original price, plus the duty, or does he pay the tax on the price abroad?

Mr. SMOOT. The tax will be imposed upon whatever the machine sells for in this country; that would be whatever the foreign price of it was, if the man purchased in a foreign country, plus the duty and the freight and all the expenses of bringing it to this country.

Mr. KNOX. It should not, then, be made specific, because it is provided here that it shall be levied and paid on "the original listed retail price." Now, "the original listed retail price" on an automobile is what it sells for where it is made. If you put in the words "in the United States"——

Mr. SMOOT. I will say to the Senator that there is not a foreign-made car that is not listed in the United States and that has not a United States list price.

Mr. KNOX. Then why not say "the original listed retail price in the United States"? I think the matter is open to considerable question.

Mr. SMOOT. I would not object at all to putting those words in; and if the Senator will offer the proposed amendment I am perfectly willing, so far as I am concerned, that it be adopted.

Mr. KNOX. I suggest that that modification be made in the interest of clearness, because I think very serious questions may be raised as to whether "the original listed retail price" does not mean at the place where the car was bought.

Mr. SMOOT. So far as I am concerned, I am perfectly willing to accept the amendment, because that was exactly the intention of the committee.

The PRESIDING OFFICER. The Chair will suggest that the Senate dispose first of the amendment offered by the Senator from Idaho.

Mr. KNOX. I beg pardon; I thought that amendment had been withdrawn.

The PRESIDING OFFICER. Then the Chair will put the question on the amendment offered by the Senator from Pennsylvania. The question now is on the amendment offered by the Senator from Idaho to strike out "$500" and insert "$600."

The amendment was rejected.

Mr. KNOX. Now I move the amendment, which is agreeable to the Senator, I believe, to insert the words "in the United States" after the word "price."

Mr. SMOOT. "Original listed retail price in the United States."

Mr. KNOX. To insert the words "in the United States"; yes.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 51, line 12, after the words "original listed retail price" it is proposed to insert the words "in the United States."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania to the amendment reported by the committee.

The amendment to the amendment was agreed to.

Mr. KNOX. I offer another amendment to this section: On line 12, page 51, I move to strike out "$5" at the end of the line and insert "$10," so that the tax on the higher priced machines will be $10 for each increase of $500 in the cost price. I think, Mr. President, that will impose a very moderate tax upon a luxurious pleasure car. This tax applies to no other car save those used for pleasure, and I think that after the $1,000 limit is passed an increase of $10 on each $500 would be very fair taxation. The tax would amount, on a $5,000 car, to $80 a year, which is not an excessive tax for a luxury of that kind.

Mr. SMOOT. Mr. President, does the Senator think that we ought to begin at a thousand dollars and double the tax on a car of that price? If the suggestion of the Senator is followed, it seems to me that the increase ought to apply to cars the price of which is above that of what is ordinarily called the "middle-class car," which is purchased for between $1,000 and $2,000.

Mr. KNOX. I am not tenacious about having the increase apply to the lower priced cars. I would be perfectly satisfied to make the tax $7.50 for cars costing between $1,000 and $3,000, and then $10 additional on each $500 increase over that amount.

Mr. SMOOT. That, I will say to the Senator, would be much better than to have the increased rate apply to all cars above $1,000 in price, which would take in the $1,100 car, the $1,200 car, the $1,500 car—a class of cars that are now very popular indeed.

Mr. KNOX. The car that I want to reach is the expensive, luxurious car which is usually owned by people who can very well afford to pay the tax and who would not object to paying the tax.

Mr. SMOOT. Those above $3,000 in price?

Mr. KNOX. Very well; I would be willing to let the present provision stand as to cars priced up to $3,000, if we increase the tax $10 for every $500 over that.

Mr. SMOOT. All over $3,000.

Mr. KNOX. Yes.

Mr. SMOOT. I have no objection to that, if the Senator from North Carolina will agree to it.

Mr. McCUMBER. That is, $10 for each $500 additional value over $3,000?

Mr. KNOX. Yes.

Mr. SIMMONS. I think it would be necessary to add another bracket.

Mr. SMOOT. It can not be covered by one bracket.

Mr. SIMMONS. I suggest that the Secretary in stating the amendment add another bracket, after "$10," in line 10, by inserting the words "original listed price over $1,000 and not over $3,000, $30."

Mr. SMOOT. No, Mr. President; that would impose a tax of $30 on the $1,500 car.

Mr. SIMMONS. The Senator is correct.

Mr. SMOOT. I will ask the Chair to allow this section to be passed over for a few minutes until the amendment can be perfected so as to cover just what is intended.

The PRESIDING OFFICER. Without objection, further consideration of the section will be postponed. The Secretary will state the next amendment passed over.

The SECRETARY. The next amendment passed over is on page 71, where the committee propose, after line 8, to insert the following:

2. Parcel-post packages——

Mr. SIMMONS. Mr. President, that amendment may go over for the present.

The PRESIDING OFFICER. Without objection, the amendment will be passed over. The Secretary will state the next amendment passed over.

The SECRETARY. The next amendment passed over is on page 76, where, after line 3, the committee propose to insert:

7. Bank check, draft, or certificate of deposit not drawing interest, or order for the payment of any sum of money, drawn upon or issued by any bank, trust company, or any person or persons, companies, or corporations at sight or on demand, 1 cent.

Mr. OVERMAN. I think there are a number of Senators who are interested in that amendment, and I ask the Senator if he will not allow it to go over?

Mr. GRONNA. I will also ask the Senator if he will be willing to let that amendment go over?

Mr. SIMMONS. I am willing to let that go over not for the day but for the present, and I suggest, if there are absent Senators who are interested in this particular amendment, that they be sent for. The amendment was reached yesterday and went over until to-day. If we let all of these matters go over, we will be out of work. I will let it go over temporarily.

The PRESIDING OFFICER. Objection is made to a general postponement; so the amendment will be laid aside temporarily. The Secretary will state the next amendment passed over.

The SECRETARY. On page 80, all of Title X was passed over, as well as new Title IX, on page 85.

Mr. SIMMONS. Mr. President, I do not see any reason why we can not consider Title X, the amendment on page 80, section 1000. The Senator from Nebraska [Mr. NORRIS] asked that it go over. He is now in the Chamber.

Mr. NORRIS. Mr. President, what is the amendment to which the Senator refers?

The PRESIDING OFFICER. The Secretary will state it.

The SECRETARY. On page 78, "Title IX.—War estate tax." The committee proposed to strike out all of section 900.

Mr. NORRIS. Mr. President, I myself do not understand why the committee struck this title out. It seems to me——

Mr. SIMMONS. I was mistaken about the section. I thought the Secretary referred to section 1000, on page 80, which relates to coffee and tea. That was the section the Senator from Nebraska asked to have passed over.

Mr. NORRIS. I asked that the war estate tax go over, as well as the coffee and tea tax. As I understand, the pending question is to strike out Title IX, on page 78.

The PRESIDING OFFICER. That is the pending question.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from North Carolina?

Mr. NORRIS. I yield the floor, if the Senator desires to speak on the subject.

Mr. SIMMONS. I do not so desire, but I wish to take up section 1000 instead of section 900, because the Senator from Massachusetts [Mr. LODGE] desires to submit some remarks on section 900, and I have sent for him.

The PRESIDING OFFICER. Is there objection to section 900 being passed over temporarily? The Chair hears none.

Mr. SIMMONS. I ask that section 1000 be taken up.

Mr. NORRIS. I think there are a number of Senators who want to discuss that feature of the bill, and I think it had better go over.

Mr. SIMMONS. I am not able to understand the Senator.

Mr. NORRIS. I will say to the Senator from North Carolina that the tax provided for in section 1000 on coffee and tea, according to my understanding, will lead to considerable debate.

Mr. SIMMONS. The Senator from Massachusetts is now in the Chamber, and I withdraw my request to take up section 1000 and will ask to return to section 900.

Mr. SMOOT. Let us get the automobile section concluded.

Mr. SIMMONS. Very well.

Mr. SMOOT. I desire to return to page 51, to the provision relating to the tax on automobiles in order to perfect the amendment which was suggested by the Senator from Pennsylvania [Mr. KNOX]. I will ask the Senator from Pennsylvania, in the first place, if it would not be better to include the words "in the United States" in line 8, after the word "price," instead of in line 12, after the word "price," because the same words "original listed retail price" are found in all the other brackets?

Mr. KNOX. I think that will make it better English.

Mr. SMOOT. If used in the first bracket, it will apply to all.

Mr. KNOX. Yes; and will make better English.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 51, line 8, after the word "price," it is proposed to insert the words "in the United States."

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Utah to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. SMOOT. I ask that the vote by which the same words were inserted in line 12, after the word "price," be reconsidered, and that that amendment be disagreed to.

The PRESIDENT pro tempore. Without objection, the vote whereby the amendment referred to was adopted will be reconsidered, and the amendment will be considered as rejected.

Mr. SMOOT. In line 12, after the word "price," I move to insert "up to and including the original listed retail price of $3,000"; and, at end of line, to insert "; and for each further increase of $500 or fractional part thereof of original listed retail value, an additional tax of $10."

Mr. NELSON. Mr. President, I will inquire of the Senator from Utah why he proposes to depart from the term "price," which is used in the preceding bracket, and employ the word "value." Would it not be better to use the word "price" instead of "value"?

Mr. SMOOT. Perhaps it would. I will look at the amendment again.

Mr. NELSON. Because it might lead to a conflict. In all the brackets preceding the word "price" is used, while in the amendment now offered it is proposed to make it a matter of value. I think that is a mistake, and that it should be "price."

Mr. SMOOT. Perhaps it would be better to repeat the word used in the preceding brackets, as the Senator suggests, and I ask that the change be made.

The PRESIDENT pro tempore. Without objection, the amendment will be so modified. The question now is on agreeing to the amendment of the Senator from Utah as modified to the amendment reported by the committee.

The amendment to the amendment was agreed to.

Mr. KIRBY. Mr. President, is the committee amendment still pending?

The PRESIDENT pro tempore. It is still pending.

Mr. KIRBY. Is it proposed to ask that it be voted on this afternoon?

Mr. SIMMONS. The automobile section?

Mr. KIRBY. Yes.

Mr. SIMMONS. That is the intention.

Mr. KIRBY. Then, Mr. President, I desire to say that I believe the House provision of the bill should be retained rather than the amendment proposed by the Senate committee. It is a matter of common knowledge that the automobile industry to-day is more highly profitable than any other branch of manufacturing in the United States except that of munitions. The remarkable growth of this industry is also well known and the fact that the price has been maintained for the automobiles manufactured. The price is now at as high a level, probably, as the traffic will bear, and, as I have said, great profits have been made in the manufacture and sale of automobiles.

I believe it is time that we gave the manufacturers an opportunity to pay some of the tax which the Government needs and must have for the conduct of its affairs. I know the tax will be more easily collected from the manufacturer than it will be if it is distributed amongst the users and purchasers of automobiles and required to be paid by them; and it will certainly be more just under the conditions as they exist. It would give the manufacturer, at least, an opportunity to divide up on the cost of the automobile, or be required to pay it when his business is able to stand it. He might be able, of course, to pass it on to the consumer; but he would have an opportunity, at least, to pay it.

I think the House provision is more nearly just and reasonable, it is more easily enforced, and it would produce as much or more revenue. I do not think, therefore, that the committee amendment should prevail.

Mr. McCUMBER. Mr. President, I think if the Senator had read the testimony that was taken before the Finance Committee he would change his views as to the justice of any levy being made upon the wholesale price of the automobile as it comes from the factory. That matter was fully considered by the committee. The majority of the committee would have pre-

ferred so to do if it could have been done without great injustice and inequalities.

There are some of the manufacturers who are making enormous profits. There are others that are making very little. Many of them did not make anything last year. Now, especially in the case of those machines that are sold for less than a thousand dollars, there is a great deal of competition in the effort to sell their machines, and even a very small increase in the price of one makes it impossible to compete against another of the same class. The makers of one machine might carry the tax on to the purchaser, and makers of another class might not be able to do so.

It is well known that probably the Ford Co. make a greater percentage of gain or profits in their business than any of the other companies. They could stand this tax and still make their millions every year. They could carry the small tax on each machine to the purchaser. Many of the other companies that are selling cheap machines at the present time and attempting to compete with the Ford could not stand the tax. They could not pass it on without loss of business. They would have to go out of business, and their business would go to the Ford Manufacturing Co. Every company that could pass the tax on to the final purchaser would do so. The others would suffer.

This matter was fully discussed upon full hearing before the committee, and while I did not favor the method adopted in the collection of taxes but thought it would be more fair to levy the tax upon the motor power, the same as is done in most of the States, I still know that the method adopted is a very fair one, and I do not think it ought to be interfered with.

The PRESIDENT pro tempore. The question is on the amendment proposed by the committee as amended.

The amendment as amended was agreed to.

Mr. SIMMONS. Mr. President, I ask that section 900 be now considered.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 78 the committee proposes to strike out all of Title IX—War estate tax, or all of section 900.

Mr. LODGE. Mr. President, yesterday when we reached this part of the bill it was passed over at the request of the Senator from Nebraska [Mr. NORRIS], who said he thought it desirable that some statement should be made on behalf of the committee in regard to their action on the war estate or inheritance tax.

Mr. President, the inheritance tax, broadly speaking, is not an economically sound tax, because it impairs capital; and taxes should rest upon earnings and not take part of the capital, which is the source of all earnings and all taxation. But the justice, the convenience, and the certainty of the inheritance tax has led to its being adopted by every nation and by every State in the Union, so that it is not worth while to discuss the general economical feature.

The reasons which caused the committee to strike this provision from the bill are simple and seem to the committee conclusive.

It is to be remembered that the provisions of this bill are temporary in their nature. This is headed a war estate tax. The assumption is, and the provision of the bill is, that it will expire on the conclusion of the war. As we have a permanent inheritance tax, the result of that would be that the estates of those persons, comparatively few in number, who died during the war period would be very heavily taxed and would have to bear a large additional tax, whereas the estates of those persons who had the good fortune to outlive the period of the war would escape it entirely. It therefore seemed to the committee that it was unjust.

The amount to be raised by this tax is trifling. The estimate is that it will yield only $6,000,000 the first year.

The most conclusive reason of all, however, to the minds of the committee was that there was a strong protest from the States in regard to any further addition to the inheritance tax. The governors of the New England States united in regard to it, and we have heard from other States in the same way. They pointed out that the extension of direct taxes which has necessarily taken place has invaded the region of taxation of which the States hitherto have had almost complete command, and this is one of the taxes on which nearly all the States very largely rely; and they objected very much to any further increase of the national taxes upon inheritances. The committee felt that this was a sound objection. The amount of revenue to be gained was trifling, and the opposition coming from the States, the committee felt, should be regarded.

For the reasons that I have mentioned, the committee struck the provision from the bill. They felt that the amount of revenue to be gained by it was out of all proportion to the inequalities that would be caused and to the trouble that it would also bring to the States in levying their own taxation.

Mr. NORRIS. Mr. President, all forms of taxation are more or less burdensome; and at a time when the ingenuity of man is stretched to its utmost to find new things to tax, it can not be expected that we will be successful in finding anything as to which all people will agree that the tax is just.

Some of the reasons given by the Senator from Massachusetts on behalf of the committee appeal to me, although I think the same reasons could be given as to almost everything else in the bill under consideration. It is true that it is a war measure and that the tax provided for will cease when the war ends. That is true also of the other taxes in the bill. The man who has a large income during the war will have to pay a heavier tax than he would if he were fortunate enough to have the same income either before the war or after it. There are States that tax incomes now, and yet we have an income tax, and propose to increase it by this bill. As the Senator from Massachusetts has said, most States have inheritance taxes. The particular provision that the committee desire to strike out only increases those taxes. The law will remain after the war ends unless it is repealed. It is only the increase that will cease. So, as far as the principle is concerned, Mr. President, it is immaterial whether this amendment is agreed to or whether the tax remains in the bill. So it seems to me that that reason falls to the ground.

We are already taxing estates regardless of this law, and until the law is repealed we will continue to do so after the war is over. If this provision remains in the bill there will be only an increase of this kind of taxes that must be paid during the war. There is no change in the principle involved; and States that object to a Federal estate tax on principle, because it is a subject of State taxation, will find and have already found that the Federal Government has been resorting to that kind of tax before this amendment was proposed to the general law. That is all that the House provision is—a tax in addition to the tax now imposed by law. The committee amendment seeks to strike out that provision for an additional tax, but permits the law to remain as it is now.

Another reason given by the Senator is that the amount raised will be small; and that is true, the way we are considering things now. It does not go into the billions, but goes into the millions, and raises quite a number of millions of dollars. It will save the necessity of raising that much in any other direction.

Mr. President, an inheritance tax or an estate tax, such as this, is the most easily administered tax that there is. To collect the additional revenue that will be collected under the language that the committee amendment proposes to strike out will not require the expenditure on the part of the Government of the United States of one penny. The machinery for its collection is already in existence, and an inheritance tax is being collected under the existing law; so that there is no expense involved in getting this additional revenue.

Another reason, it seems to me, why the language ought to remain in the bill, is that this kind of a tax is the least burdensome of any tax that ever has been devised by the ingenuity of man. The Senator from Michigan [Mr. SMITH] suggests that the person taxed will not get an opportunity to complain. Well, that is one relief; but, as a matter of fact, the persons from whom it is taken have no reason to complain. In fact, it is not taken from any living person. If a man accumulates a large amount of property under the laws of the country, and the laws of the country permit him, as they do in all civilized countries, to devise it, to bequeath it to those who shall live after him, and provide by law how it shall descend in case he makes no such disposition in his lifetime, it goes, ninety-nine times out of one hundred, to people who have not been instrumental in its production.

A man gets an estate by virtue of the death of the owner of the estate. It is a gift. It comes to him without his having produced it, without his having made any effort to accumulate it. It is like finding it; and the Government says, then, "In that case we will tax it, and we will take a portion of it." The Government under whose laws the estate was accumulated and built up will, when the man who has accumulated it and built it up is through with it and can not use it longer, take a small percentage in the way of taxation.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. I do not think anybody can seriously object to the propositions announced by the Senator from Nebraska, certainly on the academic and theoretical aspect of the case; but is it not a fact—and I ask this in good faith of the Senator—that a large number of the States, and indeed most of the States,

are now more and more resorting to the inheritance tax as a source of income?

If I may be pardoned a personal allusion, the legislature of my State recently met, and the question of taxation was a very important one, because there was a deficit that had to be met, and very great expenditures were demanded for the next two years because of the growing needs of the State. It was anticipated by some that there probably might be a war in which this Government would participate, and it was felt that if we went to war the income tax and the corporation tax or excess-profits tax would be the principal sources of revenue.

There was quite a disposition to levy a State income tax. I took the liberty of suggesting to the members of the legislature that, in my opinion, it was unwise for the States to impose an income tax; I thought that that matter ought to be remitted to the Federal Government.

Then the question of the inheritance tax was taken into account. We have an inheritance tax in our State, but the legislature felt that they would draw more heavily in the future upon inheritance taxes as a source of revenue than in the past. I know that at a number of meetings of the tax experts, in which various States have been represented, the question has been very carefully considered, and the consensus of opinion has been that the States of the Union more and more would resort to the inheritance tax as a source of State revenue; that they wanted to appropriate that, and to keep the Federal Government out of that field.

In my judgment these large estates should pay heavy taxes. When a person dies leaving an estate of considerable magnitude, that estate ought to pay a very heavy tax for the maintenance of the State government. But now in view of the important activities of the Federal Government, and the fact that it is using as a primary source of revenue the income tax, does not the Senator think it would be wise to leave to the States an open and clear field with respect to dealing with inheritance taxes?

Mr. NORRIS. Mr. President, the Senator's argument is forceful; it has lots of meat in it and reason for it; but as I said before, in answer to the Senator from Massachusetts [Mr. LODGE], who used the same argument——

Mr. KING. If the Senator will pardon me, I did not hear the Senator from Massachusetts, and I beg pardon if I have trespassed upon the ground which he could cover so much more ably than I.

Mr. LODGE. Mr. President, I am very glad to have the Senator's reenforcement, because he has stated the point better than I could.

Mr. NORRIS. The Senator from Utah need make no apologies, I am sure. But, Mr. President, if the theory advocated by the Senator be correct, then we ought not to be satisfied with striking out this language, but we ought to repeal the law by which we are already compelling estates to pay taxes to the Federal Government. That is the law now. This provision only increases it during the war. It seems to me that in principle that is an answer to the Senator's argument.

That we ought to leave something for the States to tax, of course, appeals to me. In time of peace it would appeal to me much more strongly than it does now, because we are in a very peculiar position in the way of taxation. The question of taxation is an important one for the States, and it always has been one of the great, important functions of government, one of the most difficult, and one that is entitled to the most careful consideration of legislatures of all kinds, because it is a serious proposition. It is recognized that by taxation you can kill an industry or a business and that you can be unfair in the method of taxation. The Federal Government is now searching for things to tax; and if, during the war, it does tax estates, which will in no case be a hardship to anyone, it seems to me that no objection would come from the various States.

Let us look at the provision that the amendment strikes out. In the first place, it is a progressive tax. It starts with a tax of one-half of 1 per cent on the amount of the net estate not in excess of $50,000. There is a provision in the general law for finding what the net estate is. It takes out all expenses, and so forth. As I say, it then imposes a tax of one-half of 1 per cent on the amount of such net estate not in excess of $50,000. Personally, if I were drawing the law I would give an exemption of $50,000 to start with; but the committee have only taxed the first $50,000 one-half of 1 per cent. Then they impose a tax of 1 per cent on the amount by which the net estate exceeds $50,000 and does not exceed $150,000. That would be one-half of 1 per cent on the first $50,000 and 1 per cent on the next $100,000. So it goes up until it reaches 15 per cent of the amount by which the net estate exceeds $15,000,000; and the tax next below that in the progression is 10 per cent of the amount by which the net estate exceeds $11,000,000 and does not exceed $15,000,000. Mr. President, I submit that in no case would that tax be a hardship.

Mr. McCUMBER. Mr. President, may I correct the Senator in one respect?

Mr. NORRIS. Certainly.

Mr. McCUMBER. This is an additional tax, in addition to the tax already levied by law.

Mr. NORRIS. Yes; I understand that. I stated that.

Mr. McCUMBER. Therefore the sums that the Senator gives will not be the real tax, but they must be added to the tax provided under existing law.

Mr. NORRIS. I understand that. The Senator is correct. Perhaps he was not here when I began. I made the statement that these taxes were in addition to the taxes imposed under existing law, but the amounts I have stated are the only amounts that are involved in this amendment. So I still contend that I am absolutely correct in saying that the amounts I have mentioned as being the taxes that would be levied under this bill are the only amounts involved. If this provision of the House bill is adopted, the taxes would be increased by the amounts that I have named, and, as I said before, that increase, that tax coming upon estates would only have the effect of diminishing gifts that people otherwise would receive. With an estate, for instance, of $16,000,000 the 15 per cent would only be reckoned or computed on $1,000,000—only on the excess.

As I stated, the first tax is one-half of 1 per cent, the next is 1 per cent, then 1½ per cent, 2 per cent, 2½ per cent, 3 per cent, 3½ per cent, 4 per cent, 5 per cent, 7 per cent, 10 per cent, and 15 per cent. In no case would the money taken by this tax come from anyone who, as a matter of legal right, without a statute of his country, would be entitled to it. It is only because the law of the country gives a man the right to bequeath his estate that he possesses that right. It is only because we have a law that permits a person to inherit an estate that he could get any of it. The Government has a legal right to take it all when a man is dead and therefore through with it. So I say that the tax comes without any hardship, and that is one of the things we want to be looking for now—to get a tax that will not be a hardship.

Although I believe the estimate is that only $6,000,000 will be collected under this provision, it can be collected easier than any other tax in this bill; and it seems to me that we ought not to strike out that language.

Mr. McCUMBER. Mr. President, I can not agree with the Senator from Nebraska that at a man's death the State has either a legal or an equitable right to confiscate all that he has earned during his lifetime. It may have the power, but it has no legal right under any law in the United States, and it has no moral right to do so.

Nearly all of the savings of any man of family are savings that he has been helped to build up by the assistance of wife and children, either by their labor or economy. In many instances the children have helped him to make that inheritance. It is the result partly of their labor, the result partly of the labor of the wife, the result partly of her rigid economy. Now, the parents are laboring and saving for their children. They have a right to do that. The children have a right to inherit from the parents; and therefore, on the assumption that these persons who are the recipients of the estate of a deceased person have no moral or legal right to their estate, I say that I must disagree with the Senator.

There is another feature: If the Senator will take up any book of statistics and observe how enormously the taxes of States have been increasing for the last 10 or 15 years, he will be appalled; and States are wondering to-day where they will get the revenues to take care of the demands for the next year.

I was informed the other day by the Senator from New York that in certain sections of that city, good sections, too, buildings will not rent for the amount of taxes. The taxes have become so heavy to supply the actual sanitary needs of our large cities and their government that they are overburdening every source of revenue. So, too, the legislatures must look for some additional sources of revenue other than a tax upon land and a tax upon personal property. The States say they ought to be entitled to have one source of revenue that is theirs exclusively. That one source is the estates tax.

I agree with the Senator from Utah and also with the Senator from Nebraska that this source of revenue ought to be left with the States. I also agree that on the same principle we ought not to levy any estate taxes whatever, as we have already done under existing law, but because we have done an injustice to the States by levying a certain tax upon estates that ought to be left entirely with a State, that ought not to justify us in adding to that injustice by an additional levy.

I would vote at any time to repeal the national tax upon estates and leave that tax entirely for the support of the States. I hope we will do that soon and that we will draw a line of demarcation where we will say there is something that is sacred to the rights of the State which the Government will not attempt to exact taxes from. The State can not levy a tax upon imports. The Government can support itself almost entirely from imports if it sees fit to do so. The State being deprived of that right, the Government ought to concede to it, and it was intended in the adoption of the Constitution that the Government should concede to the States most of the other sources for raising revenues by taxation.

Mr. DILLINGHAM. Mr. President, I do not desire to take the time of the Senate to add anything to what has been said by the Senator from Massachusetts or the Senator from Utah or the Senator from North Dakota regarding the rights of the States and the feeling that exists within the States, but I do desire as an expression of the State of Vermont to send to the desk and to have the Secretary read a resolution adopted by the legislature of that State upon this subject at its last session.

The PRESIDENT pro tempore. Without objection, the Secretary will read. The Chair hears no objection.

The Secretary read as follows:

GENERAL ASSEMBLY OF THE STATE OF VERMONT.

Joint resolution relating to Federal and State taxation of incomes and inheritances.

Whereas the Federal Government is encroaching more and more upon the sources of revenue heretofore reserved for purposes of State taxation; and

Whereas this encroachment is felt particularly in the case of income and inheritance taxes, both of which forms of taxes are in danger of being dried up as sources of State revenue; and

Whereas in both these fields of taxation there exists a line which separates the taxable units that equitably and logically may be left solely to State taxation from the units logically belonging to the broader Federal jurisdiction; and

Whereas the establishment of some reasonable line of division, giving to the States sole taxing authority below such line, and to the Federal Government sole taxing authority above such line, would cure much of the trouble existing because of conflict of jurisdiction between States; would relieve the tension between Federal and State Governments; would result in great economy in the administration of the tax; and would relieve the growing dissatisfaction on the part of the taxpayer resulting from irritating and expensive duplication of accounts and reports and double taxation: Now, therefore, be it

Resolved by the senate and house of representatives, That we respectfully urge action by the Congress of the United States and the legislatures of the several States, to the effect that the Federal income and inheritance-tax law be amended so that upon acceptance and compliance by the different States, the Federal tax will be withdrawn upon incomes and estates which reasonably and logically should be reserved for purposes of State revenue; and be it further

Resolved, That concerted and uniform action on the part of the States is of such vital importance that we recommend the holding of a congress of the States to consider the subject of Federal encroachment upon State sources of revenue, with the object of adopting and urging upon the Congress of the United States a definite policy in the segregation of State and Federal revenue; and be it further

Resolved, That the governor of the State be authorized to appoint one or more delegates to represent Vermont at such conference; and be it further

Resolved, That a copy of these resolutions be forthwith transmitted by the secretary of the senate to the President of the Senate of the United States and to the Speaker of the House of Representatives of the United States; a copy hereof to each Member of Congress from the State of Vermont, and a copy to the president of the senate and to the speaker of the house of representatives of each of the State legislatures in session at this time.

ROGER W. HULBURD,
President of the Senate.
STANLEY C. WILSON,
Speaker of the House of Representatives.

Approved March 23, 1917.

HORACE F. GRAHAM, *Governor.*

Mr. STERLING. Mr. President, I think the committee did wisely in striking out the House provision in regard to an estate tax. I remember giving a little attention to this subject when the present law was under consideration here in the Senate. I found that at that time, according to my recollection now, there were 43 States of the Union that had inheritance and estate taxes, either a direct inheritance or a collateral inheritance tax, or both direct and collateral inheritance taxes.

It seems quite appropriate that if there is any tax at all on estates or inheritances it should be left to the States, and for this one reason, that it is within the power of the State, and within the power of the State alone, to regulate the transmission of devolution of the property of a decedent, whether that property be left by will or whether the owner of the property dies intestate; and, as was so well said by the Senator from North Dakota [Mr. MCCUMBER], many of the States now, on account of municipal taxation, county taxation, and State taxation, are driven to extremities, as it were, in the matter of finding subjects for taxation in order that the current State expenses may be met. I think it is not necessary, and it should not be necessary, for the Federal Government to resort to this one subject of taxation.

Mr. JONES of Washington. Does the Senator remember the maximum inheritance tax of the States?

Mr. STERLING. I do not. I merely recall now, as I said, that the number of States imposing such a tax at that time was 43.

Mr. JONES of Washington. My recollection is that quite a number of States levy the tax, but that the tax is very small.

Mr. NORRIS. Mr. President, I wish to call attention to the joint resolution from the State of Vermont which the Senator from Vermont [Mr. DILLINGHAM] had read at the Secretary's desk. If that policy should be carried out it would not only be the estate taxes that we now have on the statute books that would be repealed, but we would not have a provision in this bill providing for an income tax, and we would have to repeal the income tax we now have. It not only complains about the estate taxes and inheritance taxes, but the income taxes as well. I am not speaking of it with any disfavor, either. The proposition advocated, as I understand it, in the joint resolution of the Legislature of Vermont is to have a line drawn by which a part of the income taxes shall be kept by the State and a part taken by the Federal Government and a part of the inheritance taxes kept by the State and a part taken by the Government.

Mr. DILLINGHAM. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. DILLINGHAM. I ought to say, if the Senator please, that this resolution was adopted by the legislature before the beginning of the war between the United States and Germany. The legislature evidently had in mind what all the people of Vermont had in mind when they ratified the constitutional amendment giving power to the General Government to impose income taxes. It was upon the representation and with the general understanding that the tax was to be imposed when it was needed for use in times of great national emergencies and not as a part of the fiscal system of the United States in time of peace. That was the thought evidently in the mind of the legislature when they included the income tax in the resolution in connection with the inheritance tax.

Mr. NORRIS. The resolution was approved by the governor on the 23d day of March, 1917. At that time everybody in the United States knew that the United States was going to get into this war very shortly.

Mr. President, I rather commend the plan that they propose. I myself believe it would be a better plan than to give to the States the sole authority to levy an estate tax or an inheritance tax and to the Federal Government the sole authority to levy an income tax. It seems to me, as I understand the proposition of the Vermont Legislature, that they want to establish a line, which they do not attempt to name in the resolution, and provide that above that line in inheritance and estate and income taxes the Federal Government shall get all and below that line the States shall get all, and to apply that to inheritance taxes and income taxes alike.

Mr. President, I do not know why anyone should single out the estate tax and say that it is peculiarly a subject for State jurisdiction and then take the income tax and say that it is peculiarly a subject for Federal jurisdiction. Under the Constitution there is not any question but what the Federal Government can levy an income tax and also an inheritance tax. We have already levied both and both are now in existence. So if there be any principle involved of that kind it has already been violated by the Government and is being violated every day, and it is not proposed to repeal the law that does violate it.

I presume the members of the Legislature of Vermont had in mind a sort of understanding that should be reached between the Federal Government and the various States that would provide one set of machinery by which the estate taxes and income taxes could be collected, and that on an arbitrary line drawn applying to both inheritance and income taxes the Federal Government should collect on one side and the State on the other, each one fixing the rate that would apply, and then save overhead expenses by having it collected through the instrumentality of one set of officers.

As I said, I am not sure but what that would be a fair solution, and would be right. But, Mr. President, the State of Utah, the State of Vermont, and all the other States mentioned by Senators have been hunting for something to tax; and it is not right to say that there is any agreement that the Federal Government shall not tax inheritances, because, as I said, we are doing it now under existing law. This is only a provision that during the war we shall tax a little bit heavier in that regard.

Mr. DILLINGHAM. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. DILLINGHAM. I ask the Senator if he recalls the date when the Federal Government began the taxation of inheritances?

Mr. NORRIS. I can not recall the date, but I can give it to the Senator. I have it here; I think it is in the bill. This is an amendment to an act to increase the revenue, and for other purposes, approved September 8, 1916. I take it that that is the date.

Mr. DILLINGHAM. The thought I had in mind was that until comparatively recent time the Federal Government has kept its hands off from that as a subject of taxation. It is a source of revenue to the States which has been enjoyed for a long time and which they have come to claim, as they think, legitimately as their own.

Mr. NORRIS. I am not belittling their claim, either. I remember when the Underwood tariff law was under consideration I offered an amendment to the inheritance-tax amendment to tax all inheritances, and I provided in it that 90 per cent of the amount that any estate or inheritance should pay should be deducted if the person who had to pay it produced a receipt showing that he had paid that amount of tax in the State to the State authorities. In other words, that where the State did levy a tax 90 per cent of it should go to the State and not be collected over again by the Federal Government.

Mr. STERLING. I will state to the Senator that of all the States 43 of them two years ago had provided for an inheritance tax, and there would be very little left under the general proposition made by the Senator to go to the General Government.

Mr. NORRIS. Yes; it would not have been very much, but the effect of it would have been to tax large estates the same all over the United States, so that there would not have been any discrimination.

I am not trying, Mr. President, to deprive the State of its just right to raise money by taxation, but I am contending here that as a war measure this is one of the least hardships that is contained in the bill. I am willing to permit the States to resort, and to give them the exclusive right to resort, to an inheritance tax. I would be glad if the States and the Federal Government could do what the State of Vermont wants to do and desires to do to draw an arbitrary line and say to the Federal Government, "You stay on one side and the State on the other."

But, Mr. President, we have not any such arbitrary line. We are now taxing estates, and no one would feel this increase. We are in as desperate a condition as any State can be in trying to find something to tax. That is the reason, it seems to me, why this language ought to stay in the bill.

I realize that what I can say will probably have no effect and that the Members of the Senate will perhaps follow the committee, which has taken the other view of it; but it did not seem to me that I ought to let this matter pass without an opportunity, at least, to express the opinion I have briefly tried to express.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The next amendment passed over was, on page 80, after line 6, to strike out:

TITLE X.—WAR CUSTOMS DUTIES AND WAR TAX ON COFFEE AND TEA.

SEC. 1000. That on and after the day following the passage of this act there shall be levied, collected, and paid upon all articles when imported from any foreign country into the United States, or into any of its possessions (except the Philippine Islands and the islands of Guam and Tutuila), if such articles are now dutiable by law, a duty of 10 per cent ad valorem in addition to the existing duty (whether ad valorem or specific); and if not now dutiable by law, a duty of 10 per cent ad valorem. The duties imposed by this section shall be levied, collected, and paid under the provisions of existing law. This section shall not apply to (a) gold or silver bullion; (b) coins of gold, silver, copper, or other metal; (c) printing paper admitted free of duty under paragraph 567 of section 1 of the act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913, as amended; (d) ores of the platinum metals, and platinum, unmanufactured or in ingots, bars, plates, sheets, wire, sponge, or scrap, and vases, retorts, and other apparatus, vessels, and parts thereof, composed of platinum for chemical uses; (e) nitrate of soda; (f) mechanical ground wood pulp, chemical wood pulp, unbleached or bleached, and rag pulp; or (g) articles specified in paragraphs 397, 398, 404, 424, 428, 451, 499, 556, 582, and 642 of section 1 of such act of October 3, 1913.

And this section shall not apply to the following-named articles, to wit:

First. Any animal imported by a citizen of the United States, specially for breeding purposes, whether intended to be used by the importer himself or for sale for such purposes.

Second. Horses, mules, and asses straying across the boundary line into any foreign country, or driven across such boundary line by the owner for temporary pasturage purposes only, together with their offspring;

Third. Animals brought into the United States temporarily for a period not exceeding six months, for the purpose of breeding, exhibition, or competition for prizes offered by any agricultural, polo, or racing association; but a bond shall be given in accordance with regulations prescribed by the Secretary of the Treasury; also teams of animals, including their harness and tackle, and the wagons or other vehicles actually owned by persons emigrating from foreign countries to the United States with their families, and in actual use for the purpose of such emigration, under such regulations as the Secretary of the Treasury may prescribe; and wild animals intended for exhibition in zoological collections for scientific and educational purposes, and not for sale or profit;

Fourth. Books, engravings, photographs, etchings, bound or unbound, maps and charts imported by authority or for the use of the United States or for the use of the Library of Congress;

Fifth. Books, libraries, usual and reasonable furniture, and similar household effects of persons or families from foreign countries, all the foregoing if actually used abroad by them not less than one year, and not intended for any other person or persons, nor for sale;

Sixth. Newspapers and periodicals; but the term "periodicals" as herein used shall be understood to embrace only unbound or paper-covered publications issued within six months of the time of entry, devoted to current literature of the day, or containing current literature as a predominant feature, and issued regularly at stated periods, as weekly, monthly, or quarterly, and bearing the date of issue;

Seventh. Articles the growth, produce, or manufacture of the United States, when returned after having been exported, without having been advanced in value or improved in condition by any process of manufacture or other means; steel boxes, casks, barrels, carboys, bags, and other containers or coverings of American manufacture exported filled with American products, or exported empty and returned filled with foreign products, including shooks and staves when returned as barrels or boxes; also quicksilver flasks or bottles, iron or steel drums of either domestic or foreign manufacture, used for the shipment of acids, or other chemicals, which shall have been actually exported from the United States; but proof of the identity of such articles shall be made, under general regulations to be prescribed by the Secretary of the Treasury, but the exemption of bags from duty shall apply only to such domestic bags as may be imported by the exporter thereof, and if any such articles are subject to internal-revenue tax at the time of exportation, such tax shall be proved to have been paid before exportation and not refunded; photographic dry plates or films of American manufacture (except moving-picture films), exposed abroad, whether developed or not, and films from moving-picture machines, light struck or otherwise damaged, or worn out, so as to be unsuitable for any other purpose than the recovery of the constituent materials, provided the basic films are of American manufacture, but proof of the identity of such articles shall be made under general regulations to be prescribed by the Secretary of the Treasury; articles exported from the United States for repairs;

Eighth. Professional books, implements, instruments, and tools of trade, occupation, or employment in the actual possession of persons emigrating to the United States owned and used by them abroad; but this exemption shall not be construed to include machinery or other articles imported for use in any manufacturing establishment, or for any other person or persons, or for sale, nor shall it be construed to include theatrical scenery, properties, and apparel; but such articles brought by proprietors or managers of theatrical exhibitions arriving from abroad, for temporary use by them in such exhibitions, and not for any other person, and not for sale, and which have been used by them abroad, shall be admitted free of duty under such regulations as the Secretary of the Treasury may prescribe; but bonds shall be given for the payment to the United States of such duties as may be imposed by law upon any and all such articles as shall not be exported within six months after such importation: *Provided*, That the Secretary of the Treasury may, in his discretion, extend such period for a further term of six months in case application shall be made therefor.

SEC. 1001. That upon all coffee or tea which on the day this act is passed is held by a retailer (who does not sell coffee or tea at wholesale) in a quantity in excess of 50 pounds in the case of tea and 200 pounds in the case of coffee, or by any other person, corporation, partnership, or association in any quantity, and which is intended for sale, there shall be levied, assessed, collected, and paid a tax of 1 cent per pound in the case of coffee and of 2 cents per pound in the case of tea.

Such tax shall be assessed, collected, and paid in the same manner as provided in section 1102 in the case of additional taxes upon articles upon which the tax imposed by existing law has been paid.

And in lieu to insert:

TITLE IX.—WAR EXCISE TAX ON COFFEE, TEA, COCOA, AND SUGAR.

SEC. 900. That there shall be levied, assessed, collected, and paid—

(a) Upon all coffee or substitutes therefor produced or imported, and sold, or removed for consumption or sale, a tax of 2 cents per pound, to be paid by the producer or importer;

(b) Upon all tea produced or imported, and sold, or removed for consumption or sale (except impure tea, tea waste, tea siftings or sweepings, for manufacturing purposes in bond, pursuant to the provisions of the act of May 16, 1908), a tax of 5 cents per pound, to be paid by the producer or importer;

(c) Upon all crude cocoa produced or imported, and sold, or removed for consumption or sale, a tax of 3 cents per pound, and upon all prepared or manufactured cocoa and chocolate imported and sold, or removed for consumption or sale, a tax of 5 cents per pound, such taxes to be paid by the producer or importer;

(d) Upon (1) all refined sugar refined or imported, and sold, or removed for consumption or sale, and (2) all sugar manufactured or imported, if suitable for consumption as an article of human food without further refining, and sold, or removed for consumption or sale, a tax of one-half cent per pound, to be paid by the refiner, manufacturer, or importer;

(e) Upon all saccharine or similar products, glucose, grape sugar, sirup of cane juice, and molasses, produced or imported, and sold, or removed for consumption or sale, a tax of $2.50 per pound in the case of saccharine or similar products, one-fourth of a cent per pound in the case of glucose and grape sugar, 1 cent per gallon in the case of molasses (except beet molasses) and sirup of cane juice, testing by polariscope above 40° and not above 56°, and 2 cents per gallon in the case of molasses and sirup of cane juice testing above 56°, such taxes to be paid by the producer or importer.

Upon all articles specified in this section, which on the day this act is enacted are held by a retailer (who does not sell them at wholesale) in a quantity in excess of 200 pounds in the case of coffee or substitutes therefor, 50 pounds in the case of tea, 500 pounds in the case of sugar, 100 pounds in the case of glucose or grape sugar, 50 gallons in the case of molasses or sirups, and 1 pound in the case of saccharine or similar products, or by any other person, corporation, partnership, or association, in any quantity, and which are intended for

sale, there shall be levied, assessed, collected, and paid the taxes imposed upon such articles in this section.

Such tax shall be assessed, collected, and paid in the same manner as provided in section 1002 in the case of additional taxes upon articles upon which the tax imposed by existing law has been paid.

Only one tax under this section shall be paid with respect to any article, irrespective of change of form by manufacture or other process.

SEC. 901. That each such manufacturer, producer, refiner, or importer shall make monthly returns under oath to the collector of internal revenue for the district in which is located the principal place of business, containing such information necessary for the assessment of the tax, and at such times and in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

Upon the removal from the custody of customs officials of articles subject to a tax imposed by section 900, the tax shall be collected by the collector of customs and deposited as internal-revenue collections under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

SEC. 902. That so much of paragraph O of section IV of the act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913, as authorizes a drawback upon sugar is hereby repealed.

Mr. NORRIS. This amendment strikes out two or three pages relating to the tax on coffee and tea, and in its stead inserts two or three pages levying a tax on coffee and tea and sugar and cocoa. I desire to propound this question to the Chair: If the amendment of the committee is agreed to, will it be in order, when the proper time comes so that individual Senators have the right to offer amendments, to move to strike out the language which this amendment proposes to insert?

The PRESIDENT pro tempore. The Chair thinks the amendment having been agreed to, it will have to be reported to the Senate.

Mr. NORRIS. Mr. President, I know there is at least one Senator who is opposed to levying any consumption tax, at the present time at any rate, on coffee, tea, sugar, and cocoa, and yet who would not particularly care whether the House provision or the Senate committee provision went into the bill; but an opportunity is desired to vote to strike these things from the bill. If the Chair now holds that no such motion can be made——

The PRESIDENT pro tempore. But the Chair does not hold any such thing.

Mr. NORRIS. Then I did not understand the Chair.

The PRESIDENT pro tempore. The motion to strike out could be voted upon and could be voted down, and the clause as it came from the House could be stricken out.

Mr. CURTIS. Mr. President, would not a motion to strike out the words "tea, coffee, sugar, and cocoa" be in order?

The PRESIDENT pro tempore. Certainly.

Mr. CURTIS. In other words, have we not the right to amend the committee amendment?

The PRESIDENT pro tempore. Undoubtedly.

Mr. NORRIS. Certainly; but the proposition which I submitted to the Chair was, What would be the status after the amendment was agreed to?

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from North Carolina?

Mr. NORRIS. I yield.

Mr. SIMMONS. I think the Senator from Nebraska is laboring under a misapprehension. I have no purpose to ask for a vote this afternoon upon that portion of the bill proposing an excise tax on coffee, tea, sugar, and cocoa. I recognize that there is some difference of opinion with regard to that, and that that will lead to considerable discussion. The matter embraced in section 1000 which I wish acted upon this afternoon relates to the so-called tariff tax imposed in the House bill, the tax of 10 per cent ad valorem upon practically all the articles in the tariff schedules. Coffee and tea are mentioned there separately, because under the provision of the House bill it is proposed to levy a floor tax upon coffee and tea, that floor tax being regulated by the tariff tax contained in the main provisions of the House bill. That is all that is before the Senate in that section. Striking that out does not interfere at all with section 900, which is an entirely independent proposition—a tax upon coffee and tea entirely different from that imposed in the House bill.

Mr. CURTIS. Mr. President——

Mr. NORRIS. Just let me say a word. I agree entirely with the Senator from North Carolina, and when he interrupted I was going to call the attention of the Chair to the fact and was going to make the point of order, which had occurred to me while the Chair was announcing his decision, that striking out the text—and this is important—on page 80, commencing with section 1000, Title X, down to and including line 15, on page 85, is one amendment, and the inserting of Title IX, section 900, and what follows over to section 901, on page 87, is another and a separate amendment.

Mr. SIMMONS. Entirely.

Mr. NORRIS. The Chair will notice that one refers to coffee and tea, and the other refers to coffee, tea, cocoa, and sugar; one is numbered section 1000 in the print, while the other is numbered section 900; one is Title X and the other is Title IX. That being true, I have no objection to voting on striking that out and doing it now, so far as I am concerned.

Mr. SIMMONS. Title X really is the tariff section of the House bill, and coffee and tea are merely incidents of that.

Mr. NORRIS. Yes. Now, I should like to have the Chair's opinion.

The PRESIDENT pro tempore. It depends entirely upon the manner in which the committee amendments are offered. If the committee reported as a separate proposition the amendment to strike out, of course it should simply be put as an amendment to strike out, and the other proposition would be taken up as a second amendment.

Mr. SIMMONS. Mr. President, that is all the committee is offering—to strike out that whole section. They are not offering any substitute for it. The next section is an entirely different section.

Mr. NORRIS. That is satisfactory to me.

Mr. SIMMONS. It deals with coffee, tea, and sugar upon a different basis altogether.

The PRESIDENT pro tempore. That makes the matter perfectly clear.

Mr. NORRIS. That is satisfactory. Let us vote on it.

Mr. CURTIS. Will the Senator from North Carolina then consent that the other section go over until to-morrow?

Mr. SIMMONS. I said that I would not ask to take up the other section this afternoon.

The PRESIDENT pro tempore. The question is on the amendment reported by the Senate commitee to strike out Title X.

The amendment was agreed to.

Mr. SIMMONS. Now, Mr. President, I ask that Title IX go over.

The PRESIDENT pro tempore. Without objection, the amendment reported by the committee as Title IX will go over. The Chair hears no objection.

Mr. SIMMONS. Mr. President, I desire to inquire whether Title X, embracing the administrative provisions, has been read?

The PRESIDENT pro tempore. The Chair is informed that that title has been read and agreed to.

Mr. SIMMONS. Title XI, relating to postage rates, by agreement will be passed over. Title XII relates to income-tax amendments, and there are some amendments in that title, though not all of them, which will provoke some debate.

I desire to ask that section 1204, on page 105, be now taken up. These amendments are merely administrative portions of Title XII.

The PRESIDENT pro tempore. The amendment of the committee referred to by the Senator from North Carolina will be stated.

The SECRETARY. Beginning on page 105, the Committee on Finance proposes to insert a new section as follows:

SEC. 1204. (1)That subdivisions (c) and (e) of section 8 of such act of September 8, 1916, are hereby amended to read as follows:

"(c) Guardians, trustees, executors, administrators, receivers, conservators, and all persons, corporations, or associations, acting in any fiduciary capacity, shall make and render a return of the income of the person, trust, or estate for whom or which they act, and be subject to all the provisions of this title which apply to individuals. Such fiduciary shall make oath that he has sufficient knowledge of the affairs of such person, trust, or estate to enable him to make such return and that the same is, to the best of his knowledge and belief, true and correct, and be subject to all the provisions of this title which apply to individuals: *Provided*, That a return made by one of two or more joint fiduciaries filed in the district where such fiduciary resides, under such regulations as the Secretary of the Treasury may prescribe, shall be a sufficient compliance with the requirements of this paragraph: *Provided further*, That no return of income not exceeding $3,000 shall be required except as in this title otherwise provided.

"(e) Persons carrying on business in partnership shall be liable for income tax only in their individual capacity, and the share of the profits of the partnership to which any taxable partner would be entitled if the same were divided, whether divided or otherwise, shall be returned for taxation and the tax paid under the provisions of this title: *Provided*, That from the net distributive interests on which the individual members shall be liable for tax, normal and additional, there shall be excluded their proportionate shares received from interest on the obligations of a State or any political or taxing subdivision thereof, and upon the obligations of the United States and its possessions, and that for the purpose of computing the normal tax there shall be allowed a credit, as provided by section 5, subdivision (b), for their proportionate share of the profits derived from dividends. Such partnership, when requested by the Commissioner of Internal Revenue or any district collector, shall render a correct return of the earnings, profits, and income of the partnership, except income exempt under section 4 of this act, setting forth the item of the gross income and the deductions and credits allowed by this title, and the names and addresses of the individuals who would be entitled to the net earnings, profits, and income, if dis-

tributed. A partnership shall have the same privilege of fixing and making returns upon the basis of its own fiscal year as is accorded to corporations under this title. The share of the profits of a partnership to which any taxable partner would be entitled for a fiscal year ending in 1916, or subsequent tax years for which the rates of tax have been or shall be changed by law, shall be returned for taxation and the tax paid under the respective rates applicable to each calendar year in the proportion that the period of each calendar year bears to the full fiscal year."

(2) Subdivision (d) of section 8 of such act of September 8, 1916, is hereby repealed.

Mr. McCUMBER. Before we proceed, I wish to say that I do not understand that these sections are being adopted at this time but merely read.

Mr. LODGE. This is a purely administrative provision.

Mr. SIMMONS. It is a purely administrative section that I desire to get rid of this afternoon, if we can.

Mr. McCUMBER. I would rather that subdivision (e) go over. I think it ought to be compared with other sections of the bill. I want to know before this section is passed on whether partnerships are treated in every respect exactly the same as are corporations. I am doubtful whether this provision does give them the same treatment, and it may need some modification.

Mr. SIMMONS. Let that go over, then, if the Senator desires, and let us go on with the remainder of that section.

Mr. McCUMBER. That is satisfactory.

Mr. SIMMONS. We will leave out subsection (e).

The PRESIDENT pro tempore. The Chair is unable to tell how a part of an amendment can be segregated and allowed to go over when it is one proposition.

Mr. SIMMONS. If the Chair holds that that is a necessary part of the whole amendment, of course, his statement is correct.

Mr. SMOOT. I think that the provision applies to all on pages 106 and 107, down to and including line 8, on page 7, and if any part of it goes over, it all ought to go over.

Mr. LODGE. Let me ask the attention of the Chair to section 1204. It begins:

SEC. 1204. (1) That subdivisions (c) and (e) of section 8 of such act of September 8, 1916, are hereby amended to read as follows:

The first amendment amends subdivision (c) of the old law, while the next amendment, which is a wholly separate amendment, amends subdivision (e). They are wholly different; they are intervening subdivisions in the original law.

The PRESIDENT pro tempore. The Chair will state that the Secretary, as the Chair thinks proper, has considered each section as an amendment proposed by the committee. If that is not the case, the chairman of the committee will have to indicate the divisions of the amendments proposed by the committee as they are read.

Mr. LODGE. My point was simply that we could amend the subdivisions of the existing law separately.

The PRESIDENT pro tempore. There is no doubt about that, if the amendment is proposed as a single amendment.

Mr. SIMMONS. Mr. President, I was proposing the amendment to subdivision (c) as a separate amendment, but if this is going to lead to any complication, as it seems it will, I will let the whole section go over.

The PRESIDENT pro tempore. The entire section will be passed over.

Mr. SIMMONS. Now, as to section 1207——

Mr. KELLOGG. Mr. President, I should like to ask the chairman of the committee a question.

Mr. SIMMONS. Just a moment and I will yield to the Senator. As to section 1206, a Senator has requested that that section go over. I have not the name of the Senator making the request, but I have marked it "Over." Section 1207, I think, is clearly administrative.

Mr. KELLOGG. Mr. President, I should like to ask the chairman of the committee if the second subdivision of section 1204 is the one repealing the provision of the law of 1916 for the collection of the income tax at the source?

Mr. SIMMONS. To what section does the Senator refer?

Mr. KELLOGG. The second subdivision of section 1204, on page 107.

Mr. SIMMONS. The latter part of section 1205, on page 109, line 18, which reads:

The provisions of this section relating to the deduction and payment of the tax at the source of income shall only apply—

And so forth.

Mr. SMOOT. That relates to deductions; but I ask the Senator to turn to page 101, section 1201, subdivision (c), in paragraph (2), which reads as follows:

Subdivision (c) of section 5 of such act of September 8, 1916, is hereby repealed.

That relates to information at the source in place of collection at the source, and the paragraph on page 109, to which reference has been made, relates to deductions.

Mr. KELLOGG. I read from page 107:

Subdivision (d) of section 8 of such act of September 8, 1916, is hereby repealed.

Is that the provision for the collection at the source?

Mr. LODGE. That is found on page 101, lines 17 and 18.

Mr. SMOOT. Lines 17 and 18, on page 101, as I have just stated.

Mr. LODGE. That repeals the provision in regard to collection at the source.

Mr. SIMMONS. There is a provision in the section to which the Senator refers relating to collection at the source, but the repealing section is on page 101.

Mr. KELLOGG. Has that been adopted by the Senate as in Committee of the Whole?

Mr. SMOOT. The provision on page 101 has been adopted.

Mr. McCUMBER. Mr. President, what provision has been adopted on page 101?

Mr. LODGE. The whole of page 101.

Mr. McCUMBER. When was it adopted?

Mr. LODGE. No; I beg the Senator's pardon. It was not adopted.

Mr. SIMMONS. That was not adopted.

Mr. LODGE. The whole thing was passed over.

Mr. McCUMBER. That is what I understood, because I want to give notice now that on page 101 I shall move to strike out, on lines 12 and 13, that portion in parentheses which reads "(except income and war-profits taxes)," so that the provision will read the same as the old law. I do not want to take that up to-day, because I would have to have a yea-and-nay vote on it, and I do not wish to call for a quorum at this time.

Mr. SIMMONS. Mr. President, there have been so many requests about different amendments under this title going over that I am disposed to let it all go over down to section 1208, on page 117, which is purely administrative.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 117, after line 4, to insert:

SEC. 1208. (1) That subdivision (e) of section 13 of such act of September 8, 1916, is hereby amended to read as follows:

"(e) All the provisions of this title relating to the tax authorized and required to be deducted and withheld and paid to the officer of the United States Government authorized to receive the same from the income of nonresident alien individuals from sources within the United States shall be made applicable to the tax imposed by subdivision (a) of section 10 upon incomes derived from interest upon bonds and mortgages or deeds of trust or similar obligations of domestic or other resident corporations, joint-stock companies or associations, and insurance companies by nonresident alien firms, copartnerships, companies, corporations, joint-stock companies or associations, and insurance companies, not engaged in business or trade within the United States and not having any office or place of business therein.

(2) Subdivision (f) of section 13 of such act of September 8, 1916, is hereby repealed.

The amendment was agreed to.

The next amendment was, at the top of page 118, to insert:

SEC. 1209. That section 18 of such act of September 8, 1916, is hereby amended to read as follows:

"SEC. 18. That any person, corporation, partnership, association, or insurance company, liable to make a return or to supply information required under this title, who refuses or neglects to make such a return or to supply such information at the time or times herein specified in each year, shall be liable, except as otherwise specially provided in this title, to a penalty of not less than $20 nor more than $1,000. Any individual or any officer of any corporation, partnership, association, or insurance company, required by law to make, render, sign, or verify any return or to supply any information, who makes any false or fraudulent return or statement with intent to defeat or evade the assessment required by this title to be made, shall be guilty of a misdemeanor, and shall be fined not exceeding $2,000 or be imprisoned not exceeding one year, or both, in the discretion of the court, with the costs of prosecution: *Provided*, That where any tax heretofore due and payable has been duly paid by the taxpayer it shall not be recollected from any withholding agent required to retain it at its source, nor shall any penalty be imposed or collected in such cases from the taxpayer, or such withholding agent whose duty it was to retain it, for failure to return or pay the same, unless such failure was fraudulent and for the purpose of evading payment."

The amendment was agreed to.

The next amendment was, on page 119, after line 2, to insert:

SEC. 1210. That section 26 of such act of September 8, 1916, as amended by the act entitled "An act to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes," approved March 3, 1917, is hereby amended to read as follows:

"SEC. 26. Every corporation, joint-stock company, or association, or insurance company subject to the tax herein imposed, when required by the Commissioner of Internal Revenue, shall render a correct return, duly verified under oath, of its payments of dividends, whether made in cash or its equivalent or in stock, including the names and addresses of stockholders and the number of shares owned by each, and the tax years and the applicable amounts in which such dividends

were earned, in such form and manner as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury."

The amendment was agreed to.

The next amendment was, on page 119, after line 20, to insert:

SEC. 1211. That Title I of such act of September 8, 1916, is hereby amended by adding to Part III five new sections, as follows:

"SEC. 27. That every person, corporation, partnership, or association doing business as a broker on any exchange or board of trade or other similar place of business shall, when required by the Commissioner of Internal Revenue, render a correct return duly verified under oath, under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, showing the names of customers for whom such person, corporation, partnership, or association has transacted any business, with such details as to the profits, losses, or other information which the commissioner may require, as to each of such customers, as will enable the Commissioner of Internal Revenue to determine whether all income tax due on profits or gains of such customers has been paid.

"SEC. 28. That all persons, corporations, partnerships, associations, and insurance companies, in whatever capacity acting, including lessees or mortgagors of real or personal property, trustees acting in any trust capacity, executors, administrators, receivers, conservators, and employers, making payment to another person, corporation, partnership, association, or insurance company, of interest, rent, salaries, wages, premiums, annuities, compensation, remuneration, emoluments, or other fixed or determinable gains, profits, and income (other than payments described in sections 26 and 27), of $800 or more in any taxable year, or, in the case of such payments made by the United States, the officers or employees of the United States having information as to such payments and required to make returns in regard thereto by the regulations hereinafter provided for, are hereby authorized and required to render a true and accurate return to the Commissioner of Internal Revenue, under such rules and regulations and in such form and manner as may be prescribed by him, with the approval of the Secretary of the Treasury, setting forth the amount of such gains, profits, and income, and the name and address of the recipient of such payment: *Provided*, That such returns shall be required, regardless of amounts, in the case of payments of interest upon bonds and mortgages or deeds of trust or other similar obligations of corporations, joint-stock companies, associations, and insurance companies, and in the case of collections of items (not payable in the United States) of interest upon the bonds of foreign countries and interest from the bonds and dividends, from the stock of foreign corporations by persons, corporations, partnerships, or associations, undertaking as a matter of business or for profit the collection of foreign payments of such interest or dividends by means of coupons, checks, or bills of exchange.

"When necessary to make effective the provisions of this section the name and address of the recipient of income shall be furnished upon demand of the person, corporation, partnership, association, or insurance company paying the income.

"The provisions of this section shall apply to the calendar year 1917 and each calendar year thereafter.

"SEC. 29. That in assessing income tax the net income embraced in the return shall also be credited with the amount of any excess profits tax imposed by act of Congress and assessed for the same calendar or fiscal year upon the taxpayer.

"SEC. 30. That nothing in section II of the act approved October 3, 1913, entitled 'An act to reduce tariff duties and to provide revenue for the Government, and for other purposes,' or in this title, shall be construed as taxing the income of foreign Governments received from investments in the United States in stocks, bonds, or other domestic securities.

"SEC. 31. That all contracts entered into after the enactment of this amendment by which any person, corporation, partnership, association, or insurance company agrees to pay any portion of the tax imposed by this title upon any other person, corporation, association, or insurance company, or to reimburse such person, corporation, association, or insurance company for any portion of such tax, shall be void, and any person, corporation, partnership, association, or insurance company entering into such a contract shall be subject to a fine of not more than $1,000."

The amendment was agreed to.

The next amendment was, on the top of page 123 to insert:

SEC. 1212. That any amount heretofore withheld by any withholding agent as required by Title I of such act of September 8, 1916, on account of the tax imposed upon the income of any individual, a citizen or resident of the United States, for the calendar year 1917, shall be released and paid over to such individual, and the entire tax upon the income of such individual for such year shall be assessed and collected in the manner prescribed by such act as amended by this act.

The amendment was agreed to.

The next amendment was, under the head of "Title XIII.—General provisions," in section 1302, page 124, line 3, after the word "its," to strike out "passage" and insert "enactment," so as to make the section read:

SEC. 1302. That unless otherwise herein specially provided, this act shall take effect on the day following its enactment.

The amendment was agreed to.

The reading of the bill was concluded.

Mr. SMOOT. Mr. President, on page 114 I think in printing the committee amendment three words have been left out. After the word "company" in line 20 on that page there should be inserted the words "shall be deducted."

Mr. SIMMONS. Mr. President, my attention has been called to that. I think it is a clear omission, and I accept the amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 114, in the committe amendment, on line 20, after the word "company," it is proposed to insert the words "shall be deducted."

The amendment was agreed to.

Mr. KELLOGG. Mr. President, my attention was diverted just a moment ago. Was section 31, on page 122, read?

Mr. SIMMONS. Yes; that has just been agreed to.

Mr. KELLOGG. That ought to be considered in connection with the subdivision repealing the provision for collection at the source.

Mr. SIMMONS. I will say to the Senator that after we have acted upon the section relating to information instead of collection at the source, I will consent to reopen this section if it seems to be necessary as a result of our action.

Mr. KELLOGG. Very well.

EXECUTIVE SESSION.

Mr. SIMMONS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

EMPLOYMENT OF ADDITIONAL CLERK.

Mr. THOMPSON. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate resolution 117, and I call the attention of the Senator from North Carolina [Mr. SIMMONS] to the report.

Mr. SIMMONS. I ask unanimous consent for the present consideration of the resolution.

The resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Finance be, and it is hereby, authorized to employ an additional clerk, at the rate of $120 per month, for a period lasting from August 20, 1917, until the end of the present session of the Sixty-fifth Congress, to be paid out of the miscellaneous items of the contingent fund of the Senate.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES of Washington:

A bill (S. 2805) for the relief of Ralph Parsons; to the Committee on Military Affairs.

By Mr. DILLINGHAM:

A bill (S. 2806) granting a pension to Kate E. Le Velley; and

A bill (S. 2807) granting an increase of pension to Fanny S. Conline (with accompanying papers); to the Committee on Pensions.

By Mr. MYERS:

A bill (S. 2808) to appropriate money for supplying seed wheat to indigent homesteaders and farmers for sowing in the fall of 1917; to the Committee on Appropriations.

WAR-RISK INSURANCE.

Mr. WATSON submitted an amendment intended to be proposed by him to the bill (S. 2758) to amend an act entitled "An act to authorize the establishment of a bureau of war-risk insurance in the Treasury Department," approved September 2, 1914, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

MEMORIAL ADDRESSES ON THE LATE SENATOR LANE.

Mr CHAMBERLAIN. Mr. President, the memorial addresses on my late colleague, Senator LANE, were set for next Sunday morning at half past 10 o'clock. Some of the Senators who desire to submit remarks on that occasion have notified me that they will not be able to be here, as they will be engaged in preparation for the discussion of the war-revenue bill. Therefore, in order to accommodate them, I ask that the time for those exercises be changed from next Sunday to the 16th of September at the same hour.

The PRESIDING OFFICER (Mr. KING in the chair). The notice will be entered.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock p. m., Friday, August 17, 1917) the Senate took a recess until to-morrow, Saturday, August 18, 1917, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 17 (legislative day of August 15), 1917.

ASSISTANT SECRETARIES OF AGRICULTURE.

Clarence Ousley, of College Station, Tex., to be Assistant Secretary of Agriculture.

Raymond A. Pearson, of Ames, Iowa, to be Assistant Secretary of Agriculture.

SECRETARY OF EMBASSY OR LEGATION.

Hugh S. Gibson, of California, now a secretary of embassy or legation of class 2, to be a secretary of embassy or legation of class 1 of the United States of America.

PUBLIC HEALTH SERVICE.

Surg. George M. Magruder to be senior surgeon in the Public Health Service, to rank as such from August 11, 1917, in place of Senior Surg. George W. Stoner, who was placed on waiting orders to be effective August 11, 1917.

Dr. Howard Edwin Settle to be assistant surgeon in the Public Health Service to take effect from date of oath.

APPOINTMENT IN THE ARMY.

Maj. Clifton C. Carter, Coast Artillery Corps, to be professor of natural and experimental philosophy at the United States Military Academy with rank from August 14, 1917, vice Prof. William B. Gordon, retired from active service May 7, 1917.

PROMOTIONS IN THE ARMY.

MEDICAL CORPS.

Maj. Edward B. Vedder to be lieutenant colonel from May 15, 1917, vice Lieut. Col. David Baker, promoted.

CHAPLAIN.

Chaplain George W. Prioleau, Twenty-fifth Infantry, to be chaplain with rank of major from August 9, 1917, vice Chaplain Halsey C. Gavitt, First Cavalry, retired from active service August 1, 1917.

CAVALRY ARM.

Lieut. Col. James A. Ryan, Cavalry, to be colonel from July 25, 1917, vice Col. Ellwood W. Evans, who died July 24, 1917.

Maj. Benjamin B. Hyer, Cavalry, to be lieutenant colonel from June 28, 1917, vice Lieut. Col. Walter C. Babcock, retained in the General Staff Corps.

Maj. Mathew C. Smith, Cavalry, to be lieutenant colonel from July 24, 1917, vice Lieut. Col. John M. Morgan, detailed in The Adjutant General's Department.

Maj. Kenzie W. Walker, Cavalry (Quartermaster Corps), to be lieutenant colonel from July 25, 1917, vice Lieut. Col. James A. Ryan, promoted.

Maj. Harry H. Pattison, Cavalry, to be lieutenant colonel from July 25, 1917, vice Lieut. Col. Kenzie W. Walker, retained in the Quartermaster Corps.

Maj. Francis Le J. Parker, Cavalry (General Staff Corps), to be lieutenant colonel from July 28, 1917, vice Lieut. Col. Frank S. Armstrong, placed on the detached officers' list.

Maj. George F. Hamilton, Cavalry, to be lieutenant colonel from July 28, 1917, vice Lieut. Col. Francis Le J. Parker, retained in the General Staff Corps.

Maj. William H. Paine, Cavalry, to be lieutenant colonel from July 28, 1917, vice Lieut. Col. Robert C. Williams, placed on the detached officers' list.

Maj. John W. Craig, Cavalry, detached officers' list, to be lieutenant colonel from July 28, 1917, vice Lieut. Col. Kirby Walker, placed on the detached officers' list.

Maj. Hugh D. Berkeley, Cavalry, to be lieutenant colonel from July 28, 1917, vice Lieut. Col. Claude B. Sweezey, placed on the detached officers' list.

Maj. Albert E. Saxton, Cavalry (Quartermaster Corps), to be lieutenant colonel from July 28, 1917, vice Lieut. Col. Sterling P. Adams, placed on the detached officers' list.

Maj. Hamilton S. Hawkins, Cavalry (Inspector General's Department), to be lieutenant colonel from July 28, 1917, vice Lieut. Col. Albert E. Saxton, retained in the Quartermaster Corps.

Maj. Frank Parker, Cavalry, detached officers' list, to be lieutenant colonel from July 28, 1917, vice Lieut. Col. Hamilton S. Hawkins, retained in the Inspector General's Department.

Maj. George Vidmer, Cavalry (Inspector General), to be lieutenant colonel from July 28, 1917, vice Lieut. Col. Julian R. Lindsey, placed on the detached officers' list.

Maj. Casper H. Conrad, jr., Cavalry, to be lieutenant colonel from July 28, 1917, vice Lieut. Col. George Vidmer, retained in the Inspector General's Department.

Maj. Nathan K. Averill, Cavalry, detached officers' list, to be lieutenant colonel from July 28, 1917, vice Lieut. Col. Edmund M. Leary, placed on the detached officers' list.

Maj. Harry La T. Cavenaugh, Cavalry, to be lieutenant colonel from July 28, 1917, vice Lieut. Col. Julius F. Conrad, placed on the detached officers' list.

Capt. Alvan C. Gillem, Cavalry, detached officers' list, to be major from June 28, 1917, vice Maj. Benjamin B. Hyer, promoted.

Capt. William B. Cowin, Cavalry, to be major from July 3, 1917, vice Maj. Francis H. Pope, detailed in the Quartermaster Corps.

Capt. Roger S. Fitch, Cavalry, detached officers' list, to be major from July 23, 1917, vice Maj. Clyde E. Hawkins, detailed in the Quartermaster Corps.

Capt. Holland Rubottom, Cavalry, to be major from July 23, 1917, vice Maj. Willard H. McCornack, detailed in the Signal Corps.

Capt. Leslie A. I. Chapman, Cavalry, to be major from July 24, 1917, vice Maj. Mathew C. Smith, promoted.

Capt. Aubrey Lippincott, Cavalry (Aviation Section, Signal Corps), to be major from July 24, 1917, vice Maj. Herbert J. Brees, detailed in The Adjutant General's Department.

Capt. Henry W. Parker, Cavalry, to be major from July 24, 1917, vice Maj. Aubrey Lippincott, retained in the Aviation Section, Signal Corps.

Capt. William H. Winters, Cavalry (Quartermaster Corps), to be major from July 24, 1917, vice Maj. Charles A. Romeyn, detailed in The Adjutant General's Department.

Capt. Douglas McCaskey, Cavalry, to be major from July 24, 1917, vice Maj. William H. Winters, retained in the Quartermaster Corps.

Capt. Samuel B. Pearson, Cavalry (Quartermaster Corps), to be major from July 24, 1917, vice Maj. James C. Rhea, detailed in The Adjutant General's department.

Capt. Freeborn P. Holcomb, Cavalry (Quartermaster Corps), to be major from July 24, 1917, vice Maj. Samuel B. Pearson, retained in the Quartermaster Corps.

Capt. Albert A. King, Cavalry, detached officers' list, to be major from July 24, 1917, vice Maj. Freeborn C. Holcomb, retained in the Quartermaster Corps.

Capt. Daniel Van Voorhis, Cavalry, detached officers' list, to be major from July 24, 1917, vice Maj. Paul T. Hayne, jr., detailed in The Adjutant General's department.

Capt. Julien E. Gaujot, Cavalry, to be major from July 24, 1917, vice Maj. Samuel F. Dallam, detailed in the Quartermaster Corps.

Capt. Delphey T. E. Casteel, Cavalry, to be major from July 25, 1917, vice Maj. William S. Valentine, detailed in the Quartermaster Corps.

Capt. Joseph R. McAndrews, Cavalry, detached officers' list, to be major from July 25, 1917, vice Maj. Patrick W. Guiney, detailed in the Quartermaster Corps.

Capt. George E. Lovell, Cavalry, to be major from July 25, 1917, vice Maj. Leon B. Kromer, detailed in the Quartermaster Corps.

Capt. Frank L. Case, Cavalry (Quartermaster Corps), to be major from July 25, 1917, vice Maj. Warren W. Whitside, detailed in the Quartermaster Corps.

Capt. John H. Lewis, Cavalry, to be major from July 25, 1917, vice Maj. Frank L. Case, retained in the Quartermaster Corps.

Capt. Harry N. Cootes, Cavalry (General Staff Corps), to be major from July 25, 1917, vice Maj. Harry H. Pattison, promoted.

Capt. Charles W. Van Way, Cavalry, to be major from July 25, 1917, vice Maj. Harry N. Cootes, retained in the General Staff Corps.

Capt. Wilson G. Heaton, Cavalry, to be major from July 28, 1917, vice Maj. George F. Hamilton, promoted.

Capt. Edward Davis, Cavalry, detached officers' list, to be major from July 28, 1917, subject to examination required by law, vice Maj. William H. Paine, promoted.

Capt. James M. Burroughs, Cavalry (Quartermaster Corps), to be major from July 28, 1917, vice Maj. Hugh D. Berkeley, promoted.

Capt. Dorsey Cullen, Cavalry, detached officers' list, to be major from July 28, 1917, vice Maj. James M. Burroughs, retained in the Quartermaster Corps.

Capt. Charles H. Boice, Cavalry, detached officers' list, to be major from July 28, 1917, subject to examination required by law, vice Maj. Casper H. Conrad, jr., promoted.

Capt. Daniel H. Gienty, Cavalry (Quartermaster Corps), to be major from July 28, 1917, vice Maj. Nathan K. Averill, promoted.

Capt. William J. Kendrick, Cavalry, to be major from July 28, 1917, vice Maj. Daniel H. Gienty, retained in the Quartermaster Corps.

Capt. George T. Bowman, Cavalry (General Staff Corps), to be major from July 28, 1917, subject to examination required by law, vice Maj. Harry La T. Cavenaugh, promoted.

Capt. John S. Fair, Cavalry (Quartermaster Corps), to be major from July 28, 1917, vice Maj. George T. Bowman, retained in the General Staff Corps.

Capt. Robert J. Reaney, Cavalry (Quartermaster Corps), to be major from July 28, 1917, vice Maj. John S. Fair, retained in the Quartermaster Corps.

Capt. Sherrard Coleman, Cavalry (Quartermaster Corps), to be major from July 28, 1917, vice Maj. Robert J. Reaney, retained in the Quartermaster Corps.

Capt. William F. Herringshaw, Cavalry, to be major from July 28, 1917, vice Maj. Sherrard Coleman, retained in the Quartermaster Corps.

To be captains with rank from May 15, 1917.

First Lieut. Henry L. Flynn, Cavalry, detached officers' list, to fill an original vacancy.

First Lieut. Harold M. Rayner, Cavalry, detached officers' list, to fill an original vacancy.

First Lieut. John T. McLane, Cavalry, to fill an original vacancy.

First Lieut. James S. Mooney, Cavalry, detached officers' list, to fill an original vacancy.

First Lieut. Henry W. Harms, Cavalry (Aviation Section, Signal Corps), to fill an original vacancy.

First Lieut. John E. Lewis, Cavalry, vice Capt. Henry W. Harms, retained in Aviation Section.

First Lieut. John D. Kelly, Cavalry, to fill an original vacancy.

First Lieut. Thorne Deuel, jr., Cavalry (Aviation Section, Signal Corps), to fill an original vacancy.

First Lieut. William Nalle, Cavalry, detached officers' list, vice Capt. Thorne Deuel, jr., retained in Aviation Section.

First Lieut. Roy O. Henry, Cavalry, detached officers' list, to fill an original vacancy.

First Lieut. William E. Dorman, Cavalry, detached officers' list, to fill an original vacancy.

First Lieut. John C. Prince, Cavalry, detached officers' list, to fill an original vacancy.

First Lieut. Lindsley D. Beach, Cavalry, to fill an original vacancy.

First Lieut. Carl P. Dick, Cavalry, detached officers' list, to fill an original vacancy.

First Lieut. Terry de la M. Allen, Cavalry, to fill an original vacancy.

First Lieut. John C. McDonnell, Cavalry (Aviation Section, Signal Corps), to fill an original vacancy.

First Lieut. Jerome W. Howe, Cavalry, detached officers' list, vice Capt. John C. McDonnell, retained in Aviation Section.

First Lieut. Otto Wagner, Cavalry, detached officers' list, to fill an original vacancy.

First Lieut. Burton Y. Read, Cavalry, detached officers' list, to fill an original vacancy.

First Lieut. Russell B. Patterson, Cavalry, detached officers' list, to fill an original vacancy.

First Lieut. Clyde V. Simpson, Cavalry (Signal Corps), to fill an original vacancy.

First Lieut. Joseph F. Richmond, Cavalry, vice Capt. Clyde V. Simpson, retained in Signal Corps.

First Lieut. Roy S. Brown, Cavalry (Aviation Section, Signal Corps), to fill an original vacancy.

First Lieut. Louis A. Falligant, Cavalry, vice Capt. Roy S. Brown, retained in Aviation Section.

First Lieut. Herbert M. Ostroski, Cavalry, detached officers' list, to fill an original vacancy.

First Lieut. Paul R. Davison, Cavalry, detached officers' list, to fill an original vacancy.

First Lieut. John B. Brooks, Cavalry (Aviation Section, Signal Corps), to fill an original vacancy.

First Lieut. John B. Coulter, Cavalry, detached officers' list, vice Capt. John B. Brooks, retained in Aviation Section.

First Lieut. William A. Raborg, Cavalry, to fill an original vacancy.

First Lieut. Welton M. Modisette, Cavalry, detached officers' list, vice Capt. Clarence R. Day, promoted.

First Lieut. John P. Wheeler, Cavalry, detached officers' list, vice Capt. Willard H. McCornack, promoted.

First Lieut. Harold M. Clark, Cavalry (Aviation Section, Signal Corps), vice Capt. Wallace B. Scales, promoted.

First Lieut. Harold Thompson, Cavalry, vice Capt. Harold M. Clark, retained in Aviation Section.

First Lieut. Allen G. Thurman, Cavalry, detached officers' list, vice Capt. Conrad S. Babcock, promoted.

First Lieut. George W. Sliney, Cavalry, detached officers' list, vice Capt. Ewing E. Booth, promoted.

First Lieut. Willis D. Crittenberger, Cavalry, detached officers' list, vice Capt. Percy W. Arnold, promoted.

First Lieut. Alfred B. Johnson, Cavalry, detached officers' list, vice Capt. Rush S. Wells, promoted.

First Lieut. Roland L. Gaugler, Cavalry, detached officers' list, vice Capt. Herbert J. Brees, promoted.

First Lieut. Stuart W. Cramer, jr., Cavalry, detached officers' list, vice Capt. George Williams, promoted.

First Lieut. Thoburn K. Brown, Cavalry, detached officers' list, vice Capt. Charles S. Haight, promoted.

First Lieut. Geoffrey Keyes, Cavalry, detached officers' list, vice Capt. William D. Forsyth, promoted.

First Lieut. Joseph W. Viner, Cavalry, detached officers' list, vice Capt. Patrick W. Guiney, promoted.

First Lieut. John A. Considine, Cavalry, detached officers' list, vice Capt. Leon B. Kromer, promoted.

First Lieut. Earl L. Canady, Cavalry (Aviation Section, Signal Corps), vice Capt. Charles A. Romeyn, promoted.

First Lieut. George E. Lovell, jr., Cavalry (Aviation Section, Signal Corps), vice Capt. Earl L. Canady, retained in Aviation Section.

First Lieut. Desmore O. Nelson, Cavalry, detached officers' list, vice Capt. George E. Lovell, jr., retained in Aviation Section.

First Lieut. Carlyle H. Wash, Cavalry, vice Capt. Evan H. Humphrey, promoted.

First Lieut. John F. Crutcher, Cavalry, vice Capt. Charles C. Farmer, jr., promoted.

First Lieut. Henry Abbey, jr., Cavalry, vice Capt. Warren Dean, promoted.

First Lieut. Earl H. Coyle, Cavalry, vice Capt. James C. Rhea, promoted.

First Lieut. Mack Garr, Cavalry, detached officers' list, vice Capt. Llewellyn W. Oliver, promoted.

First Lieut. Stanley C. Drake, Cavalry, detached officers' list, vice Capt. Reginald E. McNally, promoted.

First Lieut. Maxwell Kirby, Cavalry (Aviation Section, Signal Corps), vice Capt. Edwin A. Hickman, promoted.

First Lieut. Edmund P. Duval, Cavalry, detached officers' list, vice Capt. Maxwell Kirby, retained in Aviation Section.

First Lieut. Robert E. Carmody, Cavalry, detached officers' list, vice Capt. Warren W. Whitside, promoted.

First Lieut. Albert J. Myer, jr., Cavalry, detached officers' list, vice Capt. Frederick C. Johnson, promoted.

First Lieut. Robert O. Annin, Cavalry, detached officers' list, vice Capt. Guy Cushman, promoted.

First Lieut. Daniel G. Morrissett, Cavalry, to fill an original vacancy.

First Lieut. Ralph Hospital, Cavalry, detached officers' list, to fill an original vacancy.

First Lieut. Theodore Barnes, jr., Cavalry, detached officers' list, to fill an original vacancy.

To be captains to fill casual vacancies.

First Lieut. Roger S. B. Hartz, Cavalry, detached officers' list, from May 16, 1917, vice Capt. Chalmers G. Hall, retired from active service May 15, 1917.

First Lieut. Charles B. Hazeltine, Cavalry (Signal Corps), from May 16, 1917, vice Capt. Guy S. Norvell, promoted.

First Lieut. Eugene M. Owen, Cavalry, detached officers' list, from May 16, 1917, vice Capt. Charles B. Hazeltine, retained in Signal Corps.

First Lieut. Arthur D. Newman, Cavalry, from June 2, 1917, vice Capt. Leon R. Partridge, dismissed June 1, 1917.

First Lieut. John W. Butts, Cavalry (Aviation Section, Signal Corps), from June 2, 1917, subject to examination required by law, vice Capt. James P. Castleman, detailed in Quartermaster Corps.

First Lieut. Edward L. N. Glass, Cavalry, from June 2, 1917, vice Capt. John W. Butts, retained in Aviation Section.

First Lieut. Charles W. Foster, Cavalry, from June 4, 1917, vice Capt. Paul T. Hayne, jr., promoted.

First Lieut. Clarence C. Benson, Cavalry, detached officers' list, from June 4, 1917, vice Capt. George P. Tyner, detailed in the General Staff Corps.

First Lieut. Thomas H. Rees, jr., Cavalry, from June 8, 1917, vice Capt. William L. Luhn, promoted.

First Lieut. Walter W. Wynne, Cavalry (Aviation Section, Signal Corps), from June 9, 1917, vice Capt. Thomas L. Sherburne, detailed in the Signal Corps.

First Lieut. Joseph W. Byron, Cavalry, from June 9, 1917, vice Capt. Walter W. Wynne, retained in Aviation Section.

First Lieut. Warren P. Jernigan, Cavalry (Aviation Section, Signal Corps), from June 11, 1917, vice Capt. Hu B. Myers, promoted.

First Lieut. Robert D. McDonald, Cavalry, from June 11, 1917, vice Capt. Warren P. Jernigan, retained in Aviation Section.

First Lieut. William O. Ryan, Cavalry (Aviation Section, Signal Corps), from June 15, 1917, vice Capt. John C. Pegram, detailed in the Quartermaster Corps.

First Lieut. Benjamin F. Hoge, Cavalry, from June 15, 1917, vice Capt. William O. Ryan, retained in Aviation Section.

First Lieut. Frederick Herr, Cavalry, detached officers' list, from June 15, 1917, vice Capt. James H. Dickey, detailed in the Quartermaster Corps.

First Lieut. John B. Thompson, Cavalry, detached officers' list, from June 16, 1917, vice Capt. John J. Ryan, promoted.

First Lieut. Sheldon H. Wheeler, Cavalry (Aviation Section, Signal Corps), from June 18, 1917, vice Capt. Julian A. Benjamin, detailed in the Quartermaster Corps.

First Lieut. John Kennard, Cavalry, from June 18, 1917, vice Capt. Sheldon H. Wheeler, retained in the Aviation Section.

First Lieut. Stafford Le R. Irwin, Cavalry, from June 22, 1917, vice Capt. Osmun Latrobe, jr., promoted.

First Lieut. Pearson Menoher, Cavalry, from June 22, 1917, vice Capt. Dwight K. Shurtleff, detailed in the Ordnance Department.

First Lieut. Edwin B. Lyon, Cavalry (Aviation Section, Signal Corps), from June 28, 1917, vice Capt. James Longstreet, promoted.

First Lieut. Carl C. Bank, Cavalry, from June 28, 1917, vice Capt. Edwin B. Lyon, retained in the Aviation Section.

First Lieut. George H. Peabody, Cavalry, from July 3, 1917, vice Capt. William B. Cowin, promoted.

First Lieut. Earl L. Naiden, Cavalry (Aviation Section, Signal Corps), from July 4, 1917, vice Capt. James L. Collins, transferred to Field Artillery.

First Lieut. Henry McE. Pendleton, Cavalry, from July 4, 1917, vice Capt. Earl L. Naiden, retained in Aviation Section.

First Lieut. Edmund de T. Ellis, Cavalry, from July 6, 1917, vice Capt. Duncan Elliot, retired from active service July 5, 1917.

First Lieut. Robert W. Strong, Cavalry, from July 23, 1917, vice Capt. Holland Rubottom, promoted.

First Lieut. Clifford B. King, Cavalry, from July 24, 1917, vice Capt. Leslie A. I. Chapman, promoted.

First Lieut. Paul R. Frank, Cavalry, from July 24, 1917, vice Capt. Henry W. Parker, promoted.

First Lieut. Edward C. McGuire, Cavalry, from July 24, 1917, vice Capt. Douglas McCaskey, promoted.

First Lieut. John McD. Thompson, Cavalry, from July 24, 1917, vice Capt. Julien E. Gaujot, promoted.

First Lieut. John F. Davis, Cavalry, from July 25, 1917, vice Capt. Delphey T. E. Casteel, promoted.

First Lieut. Reese M. Howell, Cavalry, from July 25, 1917, vice Capt. George E. Lovell, promoted.

First Lieut. Henry J. F. Miller, Cavalry, from July 25, 1917, vice Capt. John H. Lewis, promoted.

First Lieut. Frank D. McGee, Cavalry, from July 25, 1917, vice Capt. Charles W. Van Way, promoted.

First Lieut. Harry B. Anderson, Cavalry (Aviation Section, Signal Corps), from July 25, 1917, vice Capt. Samuel B. Pearson, detailed in the Quartermaster Corps.

First Lieut. Victor V. Taylor, Cavalry, from July 25, 1917, vice Capt. Harry B. Anderson, retained in Aviation Section.

First Lieut. Horace Stringfellow, jr., Cavalry, from July 25, 1917, vice Capt. Alexander H. Davidson, detailed in the Quartermaster Corps.

First Lieut. Ralph P. Cousins, Cavalry (Aviation Section, Signal Corps), from July 25, 1917, vice Capt. Charles O. Thomas, jr., detailed in the Quartermaster Corps.

First Lieut. John F. Stevens, Cavalry, from July 25, 1917, vice Capt. Ralph P. Cousins, retained in Aviation Section.

First Lieut. Blackburn Hall, Cavalry, from July 25, 1917, vice Capt. Edmond R. Tompkins, detailed in the Quartermaster Corps.

First Lieut. Edward J. Dwan, Cavalry, from July 25, 1917, vice Capt. Thomas M. Knox, detailed in the Quartermaster Corps.

First Lieut. Eustis L. Hubbard, Cavalry, from July 25, 1917, vice Capt. C. Emery Hathaway, detailed in the Quartermaster Corps.

First Lieut. William B. Peebles, Cavalry (Aviation Section, Signal Corps), from July 25, 1917, vice Capt. Herbert E. Mann, detailed in the Quartermaster Corps.

First Lieut. Frederic W. Boye, Cavalry, from July 25, 1917, vice Capt. William B. Peebles, retained in Aviation Section.

First Lieut. Karl H. Gorman, Cavalry, from July 25, 1917, vice Capt. Stanley Koch, detailed in the Quartermaster Corps.

First Lieut. James K. Cockrell, Cavalry, from July 25, 1917, vice Capt. William W. West, jr., detailed in the Quartermaster Corps.

First Lieut. DeRosey C. Cabell, jr., Cavalry, from July 25, 1917, vice Capt. Reynold F. Migdalski, detailed in the Quartermaster Corps.

First Lieut. Ralph I. Sasse, Cavalry, from July 25, 1917, vice Capt. Frederick Gilbreath, detailed in the Quartermaster Corps.

First Lieut. William E. Shipp, Cavalry, from July 27, 1917, vice Capt. Gordon N. Kimball, resigned July 26, 1917.

First Lieut. Calvin De Witt, jr., Cavalry, from July 27, 1917, vice Capt. George V. Strong, resigned July 26, 1917.

First Lieut. James M. Crane, Cavalry, from July 28, 1917, vice Capt. E. R. Warner McCabe, transferred to Field Artillery.

First Lieut. Lucien S. S. Berry, Cavalry, from July 28, 1917, vice Capt. Wilson G. Heaton, promoted.

First Lieut. Victor W. B. Wales, Cavalry, from July 28, 1917, vice Capt. William J. Kendrick, promoted.

INFANTRY ARM.

Capt. Frank B. Hawkins, Infantry, detached officers' list, to be major from July 6, 1917, vice Gilbreth, detailed in the Quartermaster Corps.

Capt. Harry A. Hegeman, Infantry (Quartermaster Corps), to be major from July 14, 1917, vice Turner, unassigned, detailed in The Adjutant General's Department.

Capt. G. Arthur Hadsell, Twenty-eighth Infantry, to be major from July 14, 1917, vice Hegeman, retained in the Quartermaster Corps on promotion.

Capt. Wait C. Johnson, Twenty-sixth Infantry, to be major from July 18, 1917, vice Preston, Fourth Infantry, promoted.

Capt. J. Millard Little, Twenty-seventh Infantry, to be major from July 21, 1917, vice Kerwin, Sixty-fourth Infantry, retired July 20, 1917.

Capt. John L. Bond, Thirtieth Infantry, to be major from July 23, 1917, vice Carr, Seventh Infantry, detailed in the Quartermaster Corps.

Capt. Josephus S. Cecil, Twenty-fifth Infantry, to be major from July 24, 1917, vice Janda, Third Infantry, detailed in The Adjutant General's Department.

Capt. Edward R. Stone, Fourteenth Infantry, to be major from July 24, 1917, vice Enochs, Eleventh Infantry, detailed in The Adjutant General's Department.

Capt. Albert R. Dillingham, Infantry, detached officers' list, to be major from July 24, 1917, vice Bates, Thirty-ninth Infantry, detailed in The Adjutant General's Department.

Capt. William R. Gibson, Infantry (Quartermaster Corps), to be major from July 24, 1917, vice Naylor, unassigned, detailed in The Adjutant General's Department.

Capt. Will H. Point, Infantry (Quartermaster Corps), to be major from July 24, 1917, vice Gibson, retained in the Quartermaster Corps on promotion.

Capt. Henry M. Bankhead, Infantry, detached officers' list, to be major from July 24, 1917, vice Point, retained in the Quartermaster Corps on promotion.

Capt. Henry A. Ripley, Third Infantry, to be major from July 24, 1917, vice King, unassigned, detailed in The Adjutant General's Department.

Capt. William A. Kent, Infantry, detached officers' list, to be major July 24, 1917, vice Van Horn, unassigned, detailed in The Adjutant General's Department.

Capt. Walter C. Sweeney, Twenty-first Infantry, to be major from July 25, 1917, vice Walton, Seventeenth Infantry, detailed in the Quartermaster Corps.

Capt. Samuel W. Noyes, Fourth Infantry, to be major from July 25, 1917, vice Dalton, unassigned, detailed in the Quartermaster Corps.

Capt. Charles W. Weeks, Thirteenth Infantry, to be major from July 28, 1917, vice Lawton, Twenty-sixth Infantry, promoted.

Capt. James T. Watson, Infantry, detached officers' list, to be major from August 3, 1917, vice Connolly, Forty-fifth Infantry, assigned to the detached officers' list.

Capt. William W. McCammon, Infantry, detached officers' list, to be major from August 3, 1917, vice Schoeffel, Twenty-seventh Infantry, assigned to the detached officers' list.

Capt. Cyrus A. Dolph, Seventh Infantry, to be major from August 3, 1917, vice Ovenshine, First Infantry, assigned to the detached officers' list.

Capt. Willis P. Coleman, Infantry, detached officers' list, to be major from August 3, 1917, vice Maxey, Eighteenth Infantry, assigned to the detached officers' list.

Capt. Albert B. Sloan, Twenty-second Infantry, to be major from August 3, 1917, vice Nicklin, Fifty-first Infantry, assigned to the detached officers' list.

Capt. Lucius C. Bennett, Twenty-first Infantry, to be major from August 3, 1917, vice French, Twenty-eighth Infantry, assigned to the detached officers' list.

Capt. John E. Morris, Infantry, unassigned, to be major from August 3, 1917, vice Stacey, Fortieth Infantry, assigned to the detached officers' list

Capt. William B. Gracie, Infantry (Quartermaster Corps), to be major from August 3, 1917, vice Cavenaugh, Nineteenth Infantry, assigned to the detached officers' list.

Capt. Lawrence P. Butler, Infantry, detached officers' list, to be major from August 3, 1917, vice Gracie, retained in the Quartermaster Corps on promotion.

Capt. Paul C. Galleher, Nineteenth Infantry, to be major from August 3, 1917, vice Wickham, Twelfth Infantry, assigned to the detached officers' list.

Capt. Claude S. Fries, Twenty-seventh Infantry, to be major from August 3, 1917, vice Conrad, Seventeenth Infantry, assigned to the detached officers' list.

Capt. William G. Doane, Thirty-fourth Infantry, to be major from August 3, 1917, vice Prescott, Forty-ninth Infantry, assigned to the detached officers' list.

Capt. James M. Kimbrough, jr., Seventh Infantry, to be major from August 3, 1917, vice Falls, Twenty-eighth Infantry, assigned to the detached officers' list.

Capt. Alvin K. Baskette, Infantry (Quartermaster Corps), to be major from August 3, 1917, vice Graham, unassigned, detailed in the Inspector General's Department.

Capt. John L. Jordan, First Infantry, to be major from August 3, 1917, subject to examination required by law, vice Baskette, retained in the Quartermaster Corps on promotion.

Capt. James G. Hannah, Seventh Infantry, to be major from August 3, 1917, vice Humphrey, Eighth Infantry, assigned to the detached officers' list.

Capt. Samuel B. McIntyre, Fourteenth Infantry, to be major from August 3, 1917, vice Tillman, Fifty-first Infantry, assigned to the detached officers' list.

Capt. Milosh R. Hilgard, Infantry (Quartermaster Corps), to be major from August 3, 1917, vice Holden, Twenty-fourth Infantry, assigned to the detached officers' list.

Capt. Linwood E. Hanson, Infantry (Quartermaster Corps) to be major from August 3, 1917, vice Hilgard, retained in the Quartermaster Corps on promotion.

Capt. Charles B. Stone, jr., Fifteenth Infantry, to be major from August 3, 1917, vice Hanson, retained in the Quartermaster Corps on promotion.

APPOINTMENTS, BY TRANSFER, IN THE ARMY.

CAVALRY ARM.

First Lieut. Ivan N. Waldron, Infantry, to be first lieutenant of Cavalry with rank from June 14, 1917.

INFANTRY ARM.

First Lieut. Oscar T. Abbott, Cavalry, to be first lieutenant of Infantry with rank from June 14, 1917.

PROVISIONAL APPOINTMENTS, BY TRANSFER, IN THE ARMY.

CAVALRY ARM.

First Lieut. John W. Weeks, Field Artillery, to be first lieutenant of Cavalry with rank from June 5, 1917.

FIELD ARTILLERY ARM.

First Lieut. Wallace W. Crawford, Cavalry, to be first lieutenant of Field Artillery with rank from June 5, 1917.

First Lieut. Henry W. Farnam, jr., Infantry, to be first lieutenant of Field Artillery with rank from June 16, 1917.

INFANTRY ARM.

First Lieut. Francis Fielding-Reid, Field Artillery, to be first lieutenant of Infantry with rank from June 16, 1917.

PROVISIONAL APPOINTMENTS, BY PROMOTION, IN THE ARMY.

CORPS OF ENGINEERS.

To be first lieutenants to fill original vacancies.

Second Lieut. Marion D. H. Kolyn with rank from June 3, 1917.

Second Lieut. Walter P. Burn with rank from June 4, 1917.

Second Lieut. David L. Neuman with rank from June 4, 1917.

Second Lieut. Lenox R. Lohr with rank from June 5, 1917.

Second Lieut. Truman M. Curry, jr., with rank from June 5, 1917.

Second Lieut. Frank M. S. Johnson with rank from June 5, 1917.

Second Lieut. Simes T. Hoyt with rank from June 5, 1917.

Second Lieut. Clarence M. Fuller with rank from June 5, 1917.

Second Lieut. Harry A. Skerry with rank from June 5, 1917.

Second Lieut. John F. McSweeney with rank from June 5, 1917.

Second Lieut. Giovanni B. LaGuardia with rank from June 5, 1917.

Second Lieut. Fred C. Albert with rank from June 5, 1917.

Second Lieut. Don R. Cather with rank from June 5, 1917.

Second Lieut. Sylvester E. Nortner with rank from June 5, 1917.

Second Lieut. John R. Donaldson with rank from June 5, 1917.

Second Lieut. Julian G. Guiteras with rank from June 5, 1917.

Second Lieut. Gilbert D. Fish with rank from July 13, 1917.

PROVISIONAL APPOINTMENT IN THE ARMY.

CAVALRY ARM.

First Lieut. Ernest Frederick Apeldorn, jr., Third Infantry, Pennsylvania National Guard, to be second lieutenant with rank from date of appointment.

PROMOTIONS IN THE NAVY.

The following-named warrant officers of the Navy to be ensigns in the Navy, for temporary service, from the 15th day of July, 1917:

Boatswain Francis A. Pippo,
Gunner Edward C. Wurster,
Machinist Charles O. Hathaway, and
Machinist Patrick J. Solon.

The following-named warrant officers of the Navy to be ensigns in the Navy, for temporary service, from the 15th day of August, 1917:

Boatswain Michael J. Bresnahan,
Boatswain Edmond Delavy,
Boatswain Horace de B. Dougherty,
Boatswain Fred Rasmussen,
Boatswain Frank Schultz,
Boatswain Daniel J. Sullivan,
Boatswain Edwin W. Hill,
Boatswain William C. Milligan,
Boatswain James Reilly,
Boatswain William A. James,
Boatswain Jerry C. Holmes,
Boatswain Edwin R. Wroughton,
Boatswain Lewis H. Cutting,
Boatswain William C. Carpenter,
Boatswain Charles L. Greene,
Boatswain Charles King,
Boatswain Ora A. Martin,
Boatswain Stephen Ingham,
Boatswain William T. Shaw,
Boatswain William R. McFarlane,
Boatswain Melvin C. Kent,
Boatswain Albert C. Fraenzel,
Boatswain Ralph B. Wallace,
Boatswain Joseph D. Glick,
Boatswain Gregoire F. J. Labelle,
Boatswain Henry Hartley,
Boatswain Philip J. Kelly,
Boatswain William E. Benson,
Boatswain Simon L. Shade,
Boatswain Wildon A. Ott,
Boatswain Junius G. Sanders,
Boatswain George T. Campbell,
Boatswain Harold G. Billings,
Boatswain Frank Kinne,
Boatswain Frank C. Nigg,
Boatswain Thomas M. Buck,
Boatswain John Whalen,
Boatswain Oscar Benson,
Boatswain John R. McMeekin,
Boatswain John R. McKean,
Boatswain Lafayette P. Guy,
Boatswain Frank J. Mayer,
Boatswain James J. Joyce,
Boatswain Warner K. Bigger,
Boatswain Joseph Sperl,
Boatswain David F. Mead,
Boatswain George B. Llewellyn,
Boatswain Frederick J. Legere,
Boatswain John H. Macdonald,
Boatswain William A. Fulkerson,
Boatswain Conrad T. Goertz,
Boatswain Nathan E. Cook,
Boatswain Ernest L. Jones,
Boatswain Murry Wolffe,
Boatswain Bailey E. Rigg,
Boatswain Quintus R. Thomson, jr.,
Boatswain John A. Pierce,
Boatswain William R. Spear,
Boatswain Roy K. Madill,
Boatswain Nils Anderson,
Boatswain John E. Armstrong,
Boatswain William A. Martin,
Boatswain James Roberts,
Boatswain James S. Trayer,

Boatswain Theodore Andersen,
Boatswain Eugene J. Frieh,
Boatswain Alfred Doucet,
Boatswain Fred C. A. Plagemann,
Boatswain Ludwig W. Gumz,
Boatswain Hugh W. Nimmo,
Boatswain Frederick B. Webber,
Boatswain Charles A. Dannenmann,
Boatswain Alfred E. Freed,
Boatswain Andrew N. Anderson,
Boatswain William H. Farrel,
Boatswain John Shottroff,
Boatswain Raymond C. McDuffie,
Boatswain William Martin,
Boatswain John D. Thompson,
Boatswain John D. Thompson,
Boatswain Raymond R. Smith,
Boatswain George E. Tarbell,
Boatswain John L. Scheideman,
Boatswain Earl Swisher,
Boatswain Walter L. Hawk,
Boatswain Fred H. Stewart,
Boatswain Clarence E. Williams,
Boatswain Albert Wing,
Boatswain Harold A. Clough,
Boatswain Albert C. Buck,
Boatswain Jesse L. Harmer, and
Boatswain John W. Ross.
Gunner Frederick G. Keyes,
Gunner Frederick Petry,
Gunner Frederick Evans,
Gunner Clarence L. Tibbals,
Gunner William Taylor,
Gunner Arthur T. Brill,
Gunner Michael Garland,
Gunner John C. Heck,
Gunner George W. Waldo,
Gunner Arthur Boquett,
Gunner Sigvart Thompson,
Gunner William A. Vick,
Gunner Arthur S. Rollins,
Gunner John C. Maxon,
Gunner Joseph W. Birk,
Gunner Raymond A. Walker,
Gunner Charles F. Dame,
Gunner Vincent Benedict,
Gunner Edgar C. Wortman,
Gunner David Duffy,
Gunner Noel Chatillon,
Gunner Lee W. Drisco,
Gunner William H. Stephenson,
Gunner Peter J. Gundlach,
Gunner Leon W. Becker,
Gunner Stephen A. Loftus,
Gunner Asa V. R. Watson,
Gunner James M. MacDonnell,
Gunner Harold A. Turner,
Gunner Curry E. Eason,
Gunner Brice H. Mack,
Gunner Walter N. Fanning,
Gunner Niels Drustrup,
Gunner George Bradley,
Gunner Everest A. Whited,
Gunner Charles A. Kohls,
Gunner Paul E. Kuter,
Gunner David McWhorter, jr.,
Gunner Elery A. Zehner,
Gunner Frank Kerr,
Gunner Harry J. Hansen,
Gunner Newcomb L. Damon,
Gunner George Kleinsmith,
Gunner Daniel McCallum,
Gunner John J. Madden,
Gunner Stanley H. Sacker,
Gunner Clyde Lovelace,
Gunner Martin Dickinson,
Gunner John S. Conover,
Gunner John G. M. Johnson,
Gunner Alexander Anderson,
Gunner Charles V. Kane,
Gunner Joseph H. Gerrior,
Gunner Charles F. Fielding,
Gunner Collins R. Buchner,
Gunner William Eberlin,
Gunner John Meyer,
Gunner Godfrey P. Schurz,
Gunner Thomas J. Bristol,
Gunner Daniel F. Mulvihill,
Gunner Ward T. Hall,
Gunner Erich Richter,
Gunner James L. McKenna,
Gunner Anthony E. Bentfeld,
Gunner John Harder,
Gunner Stephen A. Farrell,
Gunner John J. Welch,
Gunner Charles C. Stotz,
Gunner Anthony Prastka,
Gunner Edmund D. Duckett,
Gunner Hermann Jorgensen,
Gunner Arthur J. Holton,
Gunner Ola D. Butler,
Gunner Joseph O'N. Johnson,
Gunner Clyde H. McLellon,
Gunner William F. Schlegel,
Gunner James J. Delany,
Gunner Arthur E. Rice,
Gunner Albert M. Hinman,
Gunner William Cox,
Gunner Herman C. Schrader,
Gunner William A. Eaton,
Gunner Herbert R. Mytinger,
Gunner Charles B. Bradley,
Gunner Samuel C. Washington,
Gunner James A. Featherston,
Gunner Herbert J. Meneratti,
Gunner Abraham De Somer,
Gunner William A. Mason,
Gunner John F. Murphy,
Gunner Clarence R. Rockwell,
Gunner William E. Snyder,
Gunner George H. Kellogg,
Gunner Samuel E. Lee,
Gunner Arthur H. Cummings,
Gunner Rony Snyder,
Gunner Jack K. Campbell,
Gunner Albert G. Martin,
Gunner John M. Buckley,
Gunner Robert Semple,
Gunner Elmer J. McCluen,
Gunner John M. Kirkpatrick,
Gunner Claude B. Arney,
Gunner Jesse J. Alexander,
Gunner Fayette Myers,
Gunner Frederick Clifford,
Gunner Frederick T. Walling,
Gunner Joseph M. Gately,
Gunner Ralph A. Laird,
Gunner Scott H. North,
Gunner Warwick M. Tinsley,
Gunner Archie R. Wolfe,
Gunner Henry A. Stuart,
Gunner Judson E. Scott,
Gunner Edward L. Newell,
Gunner Carl E. Kuter,
Gunner George O. Farnsworth,
Gunner Omar B. Earle,
Gunner Thomas Flynn,
Gunner Alexander B. Holman,
Gunner Michael Burke,
Gunner Irwin V. Herin,
Gunner Herman A. Bauchot,
Gunner William W. Eagers,
Gunner John F. Craig,
Gunner Augustus K. Goffe,
Gunner William J. Graham,
Gunner George B. Evans,
Gunner Charles O. Bain,
Gunner Joseph A. Flynn,
Gunner Francis P. Brewer,
Gunner Aaron Eldridge,
Gunner Clyde H. Dougherty,
Gunner Robert B. England,
Gunner Howard S. Raber,
Gunner Lars O. Peterson,
Gunner Alfred R. Eubanks,
Gunner John F. Piotrowski,
Gunner Ralph A. Scott,
Gunner William F. Schlosinger,

Gunner Earle G. Gardner,
Gunner William K. Johnstone,
Gunner Frank T. Green,
Gunner Robert S. Savin,
Gunner Emmette F. Gumm,
Gunner Edwin Fisher,
Gunner Clarence H. Fogg,
Gunner James J. Lucas, and
Gunner Thomas Southall.
Machinist William Twigg, jr.,
Machinist Burton W. Lambert,
Machinist William D. Dadd,
Machinist Malcolm C. Davis,
Machinist Leroy Neil,
Machinist John A. Ward,
Machinist John Gallagher,
Machinist Cyrus S. Hansel,
Machinist Henry A. Lowell,
Machinist Oliver T. Miller,
Machinist John J. Coyle,
Machinist Walter S. Belknap,
Machinist Anton Hengst,
Machinist Fred San Soucie,
Machinist Howard H. Chambers,
Machinist Vincent F. Le Verne,
Machinist Walter A. Buckley,
Machinist Norman McL. McDonald,
Machinist Charles W. Wagner,
Machinist George F. Veth,
Machinist James A. Newell,
Machinist Fred C. Wolf,
Machinist Max Bayer,
Machinist Leon W. Knight,
Machinist Henry H. Beck,
Machinist John Reber,
Machinist Fred T. Rider,
Machinist Sofus K. Sorensen,
Machinist Arthur L. Hecykell,
Machinist Frank L. Elkins,
Machinist Ernest J. Leonard,
Machinist John P. Sasse,
Machinist John H. Chase,
Machinist George J. Blessing,
Machinist Patrick H. Cassidy,
Machinist Frank Flaherty,
Machinist Bennett McC. Proctor,
Machinist John A. Silva,
Machinist John E. Sullivan,
Machinist Chauncey R. Doll,
Machinist Warren E. Magee,
Machinist Charles F. Merrill,
Machinist Benjamin F. Ranger,
Machinist Carl S. Chapman,
Machinist Wilmer W. Weber,
Machinist William W. Wilkins,
Machinist Frederick R. Kalde,
Machinist Allen I. Seaman,
Machinist Charles Swanberg,
Machinist William H. Muehlhause,
Machinist Oscar D. Parker,
Machinist John C. Hines,
Machinist George W. Robbins,
Machinist Ernest A. Healy,
Machinist Charles Antrobus,
Machinist August Logan,
Machinist George F. Blass,
Machinist George C. Lacock,
Machinist John W. Boldt,
Machinist Percy R. Abrams,
Machinist Charles E. Briggs,
Machinist Frank E. Nelson,
Machinist Philip S. Flint,
Machinist Henry A. Reynolds,
Machinist James E. Kemmer,
Machinist William W. Holton,
Machinist Charles J. Naprstek,
Machinist Paxton Hotchkiss,
Machinist Harry M. Peaco,
Machinist Frank F. Webster,
Machinist Charles N. Koch,
Machinist William S. Evans,
Machinist George J. Romulus,
Machinist John P. Millon,
Machinist Sol Shaw,
Machinist Thomas J. Sullivan,
Machinist Will Mueller,
Machinist Will S. Holloway,
Machinist James D. Brown,
Machinist Franklin A. Manuel,
Machinist Arthur A. F. Alm,
Machinist James Donaldson,
Machinist James Hauser,
Machinist Charles A. Armstrong,
Machinist Donald McDonald,
Machinist Robert J. Kingsmill,
Machinist Charles B. Shackelton,
Machinist Robert C. McClure,
Machinist George C. Martin,
Machinist Mark Strosk,
Machinist Helge Ohlsson,
Machinist Elroy G. True,
Machinist Warren H. Langdon,
Machinist Emery Smith,
Machinist George Keeser,
Machinist Alfred E. Raue,
Machinist Frank W. Yurasko,
Machinist Philip A. Astoria,
Machinist John J. Enders,
Machinist George S. Dean,
Machinist George C. Neilsen,
Machinist Joseph C. Herman,
Machinist George R. Blauvelt,
Machinist Erich O. Tauer,
Machinist Harry A. Bryan,
Machinist George Schneider,
Machinist Warren L. Graeff,
Machinist Emmet L. Bourke,
Machinist Earl V. Hand,
Machinist Abram L. Broughton,
Machinist Albert F. Blake,
Machinist William F. Morris,
Machinist Edward I. Dailey,
Machinist James H. Cain,
Machinist Carl J. Hanson,
Machinist Thomas T. Emerton,
Machinist James W. O'Leary,
Machinist Andrew C. Skinner,
Machinist Benjamin F. Maddox,
Machinist John A. Rogers,
Machinist John C. Richards,
Machinist Albert H. Mellien,
Machinist Henry H. Fowler,
Machinist Jesse J. Oettinger,
Machinist Bernard S. Riley,
Machinist Sidney C. Seale,
Machinist Thomas G. Shanahan,
Machinist Eric P. Teschner,
Machinist Jens Nelson,
Machinist Edwin H. Briggs,
Machinist Frank V. Shepard,
Machinist Fector L. Ross,
Machinist John H. Chinnis,
Machinist Alonzo W. Esworthy,
Machinist Robert I. Hart,
Machinist Charles Waters,
Machinist Jesse S. Hooper,
Machinist John Heep,
Machinist Hugh J. Finn,
Machinist William H. Wright, and
Machinist Charles F. Ware.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 17 (legislative day of August 15), 1917.

PROMOTIONS IN THE ARMY.

MEDICAL CORPS.

To be majors.

Capt. George M. Edwards.
Capt. George B. Foster, jr.
Capt. Joseph Casper.
Capt. Henry Beeuwkes.
Capt. Edward M. Welles, jr.
Capt. Condon C. McCornack.
Capt. William H. Thearle.
Capt. Glenn I. Jones.
Capt. George W. Cook.
Capt. Charles C. Demmer.
Capt. Charles T. King.

Capt. Thomas H. Johnson.
Capt. William H. Allen.
Capt. Larry B. McAfee.
Capt. Adam E. Schlanser.
Capt. Carl E. Holmberg.
Capt. John P. Fletcher.
Capt. Joseph E. Bastion.
Capt. Thomas D. Woodson.
Capt. Alexander T. Cooper.
Capt. John T. Aydelotte.
Capt. Taylor E. Darby.
Capt. Thomas C. Austin.
Capt. Edward D. Kremers.
Capt. Charles W. Haverkampf.
Capt. Harry R. Beery.
Capt. James R. Mount.
Capt. Royal Reynolds.
Capt. James S. Fox.
Capt. Felix R. Hill.
Capt. Ralph G. De Voe.
Capt. Wayne H. Crum.
Capt. John A. Burket.
Capt. Wibb E. Cooper.
Capt. Thomas L. Ferenbaugh.
Capt. William L. Sheep.
Capt. Edgar C. Jones.
Capt. Arthur O. Davis.
Capt. Floyd Kramer.
Capt. Edward L. Napier.
Capt. W. Cole Davis.
Capt. John S. Coulter.
Capt. Frederick H. Foucar.
Capt. Paul W. Gibson.
Capt. George B. Lake.
Capt. Frank N. Chilton.
Capt. Leo C. Mudd.
Capt. Leonard S. Hughes.
Capt. Jay D. Whitham.
Capt. Henry P. Carter.
Capt. James L. Robinson.
Capt. Francis X. Strong.
Capt. Robert C. McDonald.
Capt. Howard Clarke.
Capt. Alleyne von Schrader.
Capt. Clemens W. McMillan.
Capt. Harry G. Ford.
Capt. James F. Johnston.
Capt. Henry C. Maddux.
Capt. Samuel S. Creighton.
Capt. Henry C. Michie, jr.
Capt. Lauren S. Eckels.
Capt. Albert P. Clark.
Capt. Charles E. McBrayer.
Capt. Eugene G. Northington.
Capt. Harley J. Hallett.
Capt. Sanford W. French.
Capt. Thomas J. Flynn.
Capt. George E. Pariseau.
Capt. Daniel F. Maguire.
Capt. Edward C. Register.
Capt. John M. Willis.
Capt. Joseph L. Siner.
Capt. William Denton.
Capt. John J. Reddy.
Capt. Herbert H. Sharpe.
Capt. Lloyd A. Kefauver.
Capt. William T. Cade, jr.
Capt. John R. McKnight.
Capt. Edgar D. Craft.
Capt. Neal N. Wood.
Capt. William B. Meister.
Capt. Leeson O. Tarleton.
Capt. Shelley U. Marietta.
Capt. Harry H. Van Kirk.
Capt. Robert Skelton.
Capt. Omar H. Quade.
Capt. Thomas E. Scott.
Capt. Alfred P. Upshur.
Capt. Thomas E. Harwood, jr.
Capt. Philip B. Connolly.
Capt. Samuel J. Turnbull.
Capt. Michael A. Dailey.
Capt. Leopold Mitchell.
Capt. Adna G. Wilde.
Capt. Frederick C. A. Kellam, jr.
Capt. Johnson F. Hammond.
Capt. John G. Ingold.
Capt. Alvin C. Miller.
Capt. Chester R. Haig.
Capt. John H. Trinder.
Capt. William E. Hall.
Capt. Hew B. McMurdo.
Capt. Thomas W. Burnett.
Capt. Kerwin W. Kinard.
Capt. Robert M. Hardaway.
Capt. John W. Sherwood.
Capt. Guy L. Qualls.
Capt. James E. Baylis.
Capt. Douglas W. McEnery.
Capt. John W. Meehan.
Capt. Charles M. Watson.
Capt. Luther R. Poust.
Capt. Benjamin B. Warriner.
Capt. William D. Herbert.
Capt. Stephen H. Smith.
Capt. George F. Lull.
Capt. Charles C. Hillman.
Capt. Sidney L. Chappell.
Capt. Fletcher O. McFarland.
Capt. Harry L. Dale.
Capt. Alvin W. Schoenleber.
Capt. Ernest C. McCulloch.
Capt. George R. Callender.
Capt. Edward T. B. Weidner.
Capt. Raymond W. Bliss.
Capt. Raymond C. Bull.
Capt. Norman T. Kirk.
Capt. William B. Borden.
Capt. Clarence R. Bell.
Capt. Robert H. Duenner.
Capt. Harry Selby Purnell.

APPOINTMENTS IN THE NAVY.

The following-named citizens to be dental surgeons in the Navy:

Robert S. Maxwell,
Joseph A. Tartre.
Alvin B. Ward.
Robert T. Davis,
Kemper K. Weaver,
Louis B. Lippman,
Frank Kaufman,
James I. Root,
Merrill G. Swenson,
Charles C. Tinsley,
Philip S. McGann,
Harold A. Daniels,
Eugene D. Jarboe,
Hubert F. Delmore, and
Paul W. Yeisley.

Merritt B. Curtis to be a second lieutenant in the Marine Corps.

Macon C. Overton to be a second lieutenant in the Marine Corps.

POSTMASTERS.

ILLINOIS.

Thomas J. Mowbray, Bradford.
John D. Brady, Buda.
Claude Shaffner, Dallas City.
H. Poffenberger, Freeport.
W. H. Harkrader, Hamilton.
Harry R. Row, Makanda.
Marshall E. Daniel, McLeansboro.
M. O. Scott, Neponset.
William F. Hagebusch, Okawville.
Arthur M. Kloepfer, Winnetka.

NEW HAMPSHIRE.

Herbert F. Elkins, The Weirs.

PENNSYLVANIA.

E. Howell Fisk, Dalton.
D. J. Kyle, Harrisville.
Stephen L. Hennigan, Old Forge.

WITHDRAWAL.

Executive nomination withdrawn August 17 (legislative day of August 15), 1917.

Capt. William F. Morrison, Field Artillery, to be major from May 15, 1917.

HOUSE OF REPRESENTATIVES.

FRIDAY, *August 17, 1917.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Be graciously near to us, O Thou Great Spirit, whose eternal energy is everywhere potent. Incline our hearts unto Thee, that our work may be full, complete, in accordance with Thy will, that we may have no regrets for the past, and go forward to meet the future with brave and manly hearts, encouraged by the example of Thy Son, Jesus Christ, our Lord. Amen.

The Journal of the proceedings of Tuesday, August 14, 1917, was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed the following bill, in which the concurrence of the House was requested:

S. 2477. An act to authorize the construction of a building for the use of the Treasury Department.

ORDER OF BUSINESS.

Mr. WINGO. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Arkansas rise?

Mr. WINGO. With the permission of the Speaker of the House, I would like to ask the gentleman from Texas [Mr. GARNER], whom I presume for the time being is majority leader de jure as well as de facto, what is the prospect for the Senate catching up with the legislative program so that the House can resume business and clean up what few remaining matters are necessary for it to attend to before final adjournment? Of course, the House has acted with dispatch as well as intelligence all during the session, and, as far as the House action is concerned, Congress could have adjourned some time ago, but the delay is occasioned by the Senate; and what I want to know is what hope is there of the Senate concluding the legislative program within the near future?

Mr. GARNER. Mr. Speaker, I have no information on the subject, and therefore I move that the House adjourn.

ADJOURNMENT.

The motion was agreed to; accordingly (at 12 o'clock and 3 minutes p. m.) the House, under its previous order, adjourned until Tuesday, August 21, 1917, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Little Wicomico River, Va. (H. Doc. No. 336); to the Committee on Rivers and Harbors and ordered to be printed with illustration.

2. A letter from the Secretary of War transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Savannah River, Ga., from the foot of Kings Island to point 5 miles above (H. Doc. No. 337); to the Committee on Rivers and Harbors and ordered to be printed.

3. A letter from the Acting Secretary of the Interior, transmitting a copy of a letter from the Superintendent of St. Elizabeths Hospital submitting a tentative provision of legislation for insertion in the pending deficiency bill (H. Doc. No. 338); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of the Navy, transmitting copy of the Commission on Navy Yards and Naval Stations with reference to expenses of said commission (H. Doc. No. 339); to the Committee on Naval Affairs and ordered to be printed.

5. A letter from the Secretary of the Treasury, transmitting copy of a communication of the chairman of the Interstate Commerce Commission submitting an estimate of appropriation for compensation of two additional commissioners (H. Doc. No. 340); to the Committee on Appropriations and ordered to be printed.

6. A letter from the Secretary of the Treasury, transmitting copy of a communication of the Secretary of the Interior submitting an item for inclusion in the pending deficiency bill (H. Doc. No. 341); to the Committee on Appropriations and ordered to be printed.

7. A letter from the Secretary of the Treasury, transmitting copy of a communication of the acting president of the Board of Commissioners of the District of Columbia submitting supplemental estimates of appropriations required for the service of the District of Columbia for the fiscal year ending June 30, 1918 (H. Doc. No. 342); to the Committee on Appropriations and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. FOSTER: A bill (H. R. 5786) to incorporate the Medical Society of the District of Columbia; to the Committee on the District of Columbia.

By Mr. MORGAN: A bill (H. R. 5787) making it unlawful for any Senator or Representative in Congress, or for the head of any department of the Government to purchase or own any bond or bonds issued under any act of Congress approved subsequently to April 6, 1917, and for other purposes; to the Committee on Ways and Means.

By Mr. KELLY of Pennsylvania: A bill (H. R. 5788) to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of coal, oil, copper, iron, and other metalliferous minerals, timber, and water power; to the Committee on Interstate and Foreign Commerce.

By Mr. HULBERT: A bill (H. R. 5789) to increase the pay of all enlisted men of the Army of the United States in active service during the present emergency; to the Committee on Military Affairs.

By Mr. EVANS: A bill (H. R. 5790) to provide funds for indigent farmers to purchase wheat for fall planting; to the Committee on Appropriations.

By Mr. TINKHAM: A bill (H. R. 5791) to authorize the coinage of 6-cent pieces, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. SMITH of Idaho: A bill (H. R. 5792) providing for temporary relief to defendants in civil suits and proceedings who are actively engaged in the military or naval service of the United States; to the Committee on the Judiciary.

By Mr. SIEGEL: A bill (H. R. 5793) authorizing appointment of chaplains at large for the United States Army; to the Committee on Military Affairs.

By Mr. RAKER: A bill (H. R. 5794) for the protection of desert-land entrywomen who enter the services of the Red Cross with the military or naval forces of the United States in the time of war; to the Committee on the Public Lands.

Also, a bill (H. R. 5795) to relieve the owners of mining claims who have been entered into the Red Cross work with the military or naval forces of the United States as nurse or assistant in the Red Cross work from performing assessment work during the term of such service in the said Red Cross work; to the Committee on Mines and Mining.

Also, a bill (H. R. 5796) for the relief of homestead entrywomen or settlers who enter the service in the Red Cross with the military or naval forces of the United States in time of war; to the Committee on the Public Lands.

By Mr. BAER: Resolution (H. Res. 130) to investigate mob violence in Washington, D. C.; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CRAGO: A bill (H. R. 5797) granting an increase of pension to Jacob Walters; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Iowa: A bill (H. R. 5798) granting a pension to Jennette Hamilton; to the Committee on Invalid Pensions

By Mr. McKINLEY: A bill (H. R. 5799) granting an increase of pension to Mary E. Tryon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5800) granting an increase of pension to Ella C. Tremble; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5801) granting an increase of pension to James K. P. Weaver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5802) granting an increase of pension to G. W. Bunyan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5803) granting an increase of pension to A. G. Daniels; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5804) granting an increase of pension to Melissa A. Danley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5805) granting an increase of pension to Rebecca Shanks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5806) granting an increase of pension to John L. Thomas; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5807) for the relief of Henry C. Kurtz; to the Committee on Military Affairs.

Also, a bill (H. R. 5808) for the relief of Francis M. Watrous; to the Committee on Military Affairs.

Also, a bill (H. R. 5809) for the relief of Jamison Cox; to the Committee on Military Affairs.

Also, a bill (H. R. 5810) to correct the military record of Robert Zink; to the Committee on Military Affairs.

Also, a bill (H. R. 5811) to correct the military record of William H. Gill; to the Committee on Military Affairs.

Also, a bill (H. R. 5812) to correct the military record of Clark W. Cottrell; to the Committee on Military Affairs.

Also, a bill (H. R. 5813) to correct the military record of Richard Gulliford; to the Committee on Military Affairs.

By Mr. MAHER: A bill (H. R. 5814) granting a pension to Elizabeth Frothingham; to the Committee on Pensions.

By Mr. SANDERS of New York: A bill (H. R. 5815) for the relief of James M. Byrne; to the Committee on Military Affairs.

By Mr. SMITH of Idaho: A bill (H. R. 5816) granting an increase of pension to George D. Smith; to the Committee on Invalid Pensions.

By Mr. WILLIAMS: A bill (H. R. 5817) granting an increase of pension to James M. Linville; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. DRUKKER: Petition of St. Luke's Evangelical Lutheran Church, Paterson, N. J., to amend public act No. 380; to the Committee on the Post Office and Post Roads.

By Mr. DALE of New York: Petition of H. M. Briggs, Grahamsville, N. Y., urging the enactment of the Purple Cross House bill; to the Committee on Military Affairs.

Also, petition of the Federal Sign System (Electric), New York City, N. Y., urging that in the war-revenue bill the proposed sliding-scale rate on excess profits should be eliminated; to the Committee on Ways and Means.

Also, petition of the Roessler & Hasslecher Chemical Co., New York City, opposing any special tax on letters and post cards, and requesting that second-class matter should be made to carry its just share of the burden; to the Committee on Ways and Means.

By Mr. KAHN: Petition of Rev. G. A. Bernthal and the officers of the Evangelical Lutheran Conference of San Francisco, Cal., favoring the repeal of section 5 of an act approved March 3, 1917, etc.; to the Committee on the Post Office and Post Roads.

By Mr. SNYDER: Petition of Guiding Star Council, Sons and Daughters of Liberty, of Utica, N. Y., for the enactment of Senate joint resolution No. 84, authorizing the drafting of aliens; to the Committee on Military Affairs.

By Mr. TEMPLETON: Petition of the Henderson Gaylord Council, No. 316, Junior Order of United American Mechanics, urging the restriction of immigration; to the Committee on Immigration and Naturalization.

SENATE.

SATURDAY, *August 18, 1917.*

(Legislative day of Wednesday, August 15, 1917.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

BILLS AND JOINT RESOLUTIONS INTRODUCED.

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

Mr. MYERS. For my colleague [Mr. WALSH], who is necessarily absent, I introduce a bill and ask that it be referred to the Committee on Public Lands.

The bill (S. 2809) to encourage and promote the mining of coal, phosphate, oil, gas, potassium, and sodium on the public domain was read twice by its title and referred to the Committee on Public Lands.

By Mr. WATSON:

A bill (S. 2811) granting an increase of pension to Thomas J. Wood; to the Committee on Pensions.

By Mr. JONES of Washington:

A joint resolution (S. J. Res. 92) to defer first payments upon homestead entries for lands in the Colville Indian Reservation, Wash.; to the Committee on Public Lands.

A joint resolution (S. J. Res. 93) for improving Willapa Harbor and River, Wash.; to the Committee on Commerce.

PICKETING AT THE WHITE HOUSE.

Mr. MYERS. I introduce a bill and ask that it be referred to the Committee on the Judiciary.

The bill (S. 2810) for the better protection and enforcement of peace and order and the public welfare in the District of Columbia was read by its title and referred to the Committee on the Judiciary.

Mr. MYERS. Mr. President, I wish to say a few words about the bill I have just introduced. It is intended for the enactment of better and more adequate legislation to prevent the infamous, outrageous, scandalous, and, I think, almost treasonable actions that have been going on around the White House for months past, which have been a gross insult to the President of the United States and to the people of the United States; I mean the so-called picketing of the White House, branding the President of the United States as comparable to the Kaiser of Germany, the greatest autocrat, the worst despot, the most tyrannical ruler in the world, and a murderer, who has brought upon the world the greatest scourge that has ever been known in the history of all time.

I think the branding of the President of the United States as comparable to the Kaiser of Germany at the present time and under present circumstances, while the President is carrying on his devoted shoulders the great load of our burdens and is making a desperate fight for our rights, is infamous and I think it ought to be stopped. I think the people of the United States are disgusted with these outrageous proceedings. They are an insult, a flagrant insult, to the President of the United States and an insult to the people of the United States. He is our President, and when he is insulted we are insulted. They are an insult to every Senator and Representative who has consistently supported national woman's suffrage, as I have, and I am tired of them. These disgusting proceedings have been going on for months, and if there is no adequate law to stop them, I think there ought to be.

I see in the morning papers that the officials of the District of Columbia announce that these proceedings will be stopped. I hope they may be. The officials have had months to stop this insult to the American people, but have not done so. They have been going on for months past, and they have been stopped periodically, only to be resumed each time with increased offensiveness. If the law is not adequate, plain, and sufficient for this evil, we ought to have more legislation on the subject, because I believe the people of the country are tired of this intolerable nuisance; they are disgusted with it.

I believe the President, in the generosity of his heart, erred when he pardoned some of the women who have been conducting these proceedings, after they had been sentenced to 60 days in the workhouse. I believe they deserved the sentence, and they ought to have been compelled to serve it. While I believe the President in the goodness of his heart erred, I believe it is time for Congress to take action in the matter and to express its disapproval of these proceedings and the women who conduct them.

I for one am not satisfied longer to sit here idly day by day and submit to having the President of the United States insulted with impunity before the people of the country and before all the world. It is a shame and a reproach.

I hope this bill, which has been referred to the Commitee on the Judiciary, will receive careful consideration and that it may be enacted into law and may be found an adequate preventive and punishment for such conduct.

Mr. BRANDEGEE. I wish to ask the Senator from Montana a question. Was there any defect in the legal proceedings by which these trouble makers were sentenced and put in jail a few weeks ago?

Mr. MYERS. None that I know of. I am not in a position to pass upon that. I do not believe any was claimed. There is none of which I know.

Mr. BRANDEGEE. Inasmuch as the law was sufficient to land them in jail and they only got out because the President wanted them out, I fail to see why additional legislation is necessary on the subject.

Mr. MYERS. There seems to be a doubt in the mind of some whether the present law is sufficient, and I think it ought to be put beyond doubt. I think at any rate the laws are not stringent or severe enough, and they ought to be plainer and more severe and comprehensive.

Mr. BRANDEGEE. They were stringent enough to land the malefactors in jail. The Senator had better propose an amendment to the Constitution preventing the President from pardoning out all malefactors after the law has once taken its course.

Mr. MYERS. No; I differ from the Senator on that. I say I think the President erred in that he was too good hearted and generous, but the fact that he may have erred does not prevent me from feeling that there should be a more comprehensive, adequate, and stringent law on the subject.

REGISTRY OF FOREIGN-BUILT VESSELS.

Mr. JONES of Washington submitted an amendment intended to be proposed by him to the bill (S. 2733) to authorize the

President to permit, by proclamation, foreign-built vessels registered under the laws of the United States and vessels of foreign registry to engage in the coastwise trade of the United States, which was referred to the Committee on Commerce and ordered to be printed.

WAR REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray was expenses and for other purposes.

Mr. GORE. Mr. President, I desire to offer an amendment to the pending bill. I desire to have it read and printed and then lie on the table.

While I am on my feet, although a discussion of the amendment is out of order at this time, I ask to have printed in the RECORD a brief statement which is the predicate on which the amendment is based, and among other things a brief opinion of Judge Rose in the case of the United States against Baker and others, in which the court instructed the jury to return a verdict of not guilty, the defendants having been indicted for circulating a petition or other literature requesting the repeal of the selective-draft law.

The PRESIDENT pro tempore. The Secretary will read the proposed amendment.

The SECRETARY. It is proposed to add a new section, as follows:

SEC. —. That until Congress otherwise provide, no part of the moneys raised or received under the authority of this act or otherwise shall be accepted, expended, or used, either directly or indirectly, to transport over the seas any citizen of the United States drafted into the military service thereof, unless such citizen shall also have volunteered for such service over the seas.

The PRESIDENT pro tempore. Without objection, the matter sent to the desk by the Senator from Oklahoma will be printed in the RECORD.

The matter referred to is as follows:

STATEMENT WITH REFERENCE TO THE AMENDMENT TO THE WAR REVENUE BILL.

A number of my constituents have requested me to submit a proposal of this character. My principal object, however, in offering the amendment is to stimulate both conservation and efficiency. To conserve, at least for the present, our own man power and to render more efficient the man power of the entente allies. The central allies have a total population of only 140,000,000. This means approximately 28,000,000 of men between the ages of 18 and 45 years. It means 14,000,000 men between the ages of 21 and 30, inclusive. On the other hand, the entente allies, together with the United States, have an aggregate population of 1,200,000,000. This means 240,000,000 men between the ages of 18 and 45. It means 120,000,000 men between the ages of 21 and 30. Excluding the United States there are 110,000,000 men between the latter ages in the entente allied countries. Including the United States there are almost as many men between these ages as there are people of all descriptions in Germany and her allied countries. China, which has just declared war, has 32,000,000 men between the ages of 21 and 30. There is no dearth of man power among the entente allies. What they need most is to make this enormous man power effective on the field of battle. What they need most is not men but munitions, arms, the weapons of war, and other necessary supplies. The United States can furnish these better than China or any other allied country. China, Russia, India, and other countries can spare men better than the United States. President Wilson said that the Nation had volunteered en masse, and each man must do the part for which he is best equipped. Each nation waging war against Germany and her allies should do the part for which it is best equipped. Japan, for some reason, is conserving her man power. She has been in the war three years. She has sent no army to the front. There are no better soldiers in the world than the Japanese. So far Japan has contributed practically nothing but munitions and equipment. Japan and Great Britain have an alliance both offensive and defensive. Japan has conserved both her man power and her "dignity." Is not her example worthy of our consideration, at least for the present, no matter how much the false pride of the jingo may declaim against it. Excluding equipment we could maintain a Chinese army of 5,000,000 men perhaps at less cost than it would require to maintain an American army of 2,000,000. We could send our Regular Army or Navy and the volunteer air fleet as large as the exigencies of war demand, and all the volunteers which Col. Roosevelt or anyone else could raise for foreign service. We could then devote this country, the greatest workshop in the world, more largely to the maintenance or assistance of the vast armies of the entente allies. This would be one of the best guaranties of a short and successful war; of an early, honorable, and lasting peace—that consummation so devoutly to be wished. The first Parliament of Edward III passed the following statute to prohibit compulsory service over the sea. This statute was in harmony with the sixteenth section of Magna Charta, "That no man from henceforth shall be charged to arm himself, otherwise than he was wont in the time of his progenitors, the Kings of England; and that no man be compelled to go out of his shire before real necessity requireth, and sudden coming of strange enemies into the realm; and then it shall be done as hath been used in times past for the defense of the realm." Hallam says that "This statute, by no means of inconsiderable importance, in our constitutional history, put a stop for some ages to these arbitrary conscriptions." "The successful resistance thus made by Parliament appears to have produced the discontinuance of compulsory levies for foreign warfare."—(Hallam's Constitutional History of England.)

Inscribed on Washington's sword at Mount Vernon, the most sacred memorial of American liberty and independence, is the following injunction to the legatees from the Father of his Country: "Not to unsheath them for the purpose of shedding blood except it be for self-defense, in defense of their country and its rights, and in the latter case to keep them unsheathed and prefer falling with them in their hands to the relinquishment thereof."

The following extract is taken from the President's Red Cross speech delivered in the city of Washington on May 12 last:

I say the heart of the country is in this war because it would not have gone into it if its heart had not been prepared for it. It would not have gone into it if it had not first believed that here was an opportunity to express the character of the United States.

The following extract is from the President's peace without victory address to the United States Senate January 22, 1917:

Fortunately we have received very explicit assurances on this point. The statesmen of both of the groups of nations now arrayed against one another have said, in terms that could not be misinterpreted, that it was no part of the purpose they had in mind to crush their antagonists. But the implications of these assurances may not be equally clear to all—may not be the same on both sides of the water. I think it will be serviceable if I attempt to set forth what we understand them to be.

They imply, first of all, that it must be a peace without victory. It is not pleasant to say this. I beg that I may be permitted to put my own interpretation upon it and that it may be understood that no other interpretation was in my thought. I am seeking only to face realities and to face them without soft concealments. Victory would mean peace forced upon the loser, a victor's terms imposed upon the vanquished. It would be accepted in humiliation, under duress, at an intolerable sacrifice, and would leave a sting, a resentment, a bitter memory upon which terms of peace would rest, not permanently, but only as upon quicksand. Only a peace between equals can last. Only a peace the very principle of which is equality and a common participation in a common benefit. The right state of mind, the right feeling between nations, is as necessary for a lasting peace as is the just settlement of vexed questions of territory or of racial and national allegiance.

The following is from President Wilson's book entitled "New Freedom":

I don't want a smug lot of experts to sit down behind closed doors in Washington and play Providence to me.

* * * * * * * *

I will not live under trustees if I can help it. No group of men less than the majority has a right to tell me how I have got to live in America.

—

[In the United States District Court for the District of Maryland. July 11, 1917. Judge Rose, presiding. The United States of America v. Romanus E. Baker and Jacob M. Wilhide.]

REMARKS OF THE COURT IN RULING UPON ADMISSIBILITY OF TESTIMONY.

The COURT. I might as well make perfectly clear what I understand to be the issue in the case.

Every man has a perfect right to any opinion he may see fit to form about any proposed law or about any law that is on the statute books. Any man may do anything, in itself legal, to secure the repeal of any law in force. To that end he may make any argument that commends itself to his reason and judgment against the policy of any particular law, whether it be the law for a selective draft or any other, and he is not answerable for the wisdom of his arguments. He could not very well be put on trial even for the good faith of some of them. I am afraid if he could be, most of the political orators in every campaign would be liable for much they say about the other party. We all of us say more against our political opponents than we really believe. But there is one limit. As long as the law is the law it is the duty of every man to obey it, and he may not, under color or pretense of arguing against the wisdom of the law, or of advocating its repeal, do anything with intent to procure its violation. Now, I have not seen these circulars that were distributed by the defendants; they may be wise or unwise, temperate or intemperate. I do not know a thing about them. But the one thing that the jury is to inquire into is not as to the wisdom or the lack of wisdom of any statements in those

circulars or their truthfulness or their fairness. That is not the question. The one sole question in the case is whether these men, in anything they did, intended to persuade men not to register under the draft, or, after they were registered, to persuade them not to obey the order to come to the colors. That is the one question. So the real inquiry here is, Can the Government show, always beyond a reasonable doubt, that these men were trying to persuade people to disobey the law? Whether they approached candidates for enlistment or persons within the age for enlistment and made any statements to such persons which might naturally make such persons reluctant to obey the law is one of the facts to be taken into consideration by the jury; but the jury can not convict unless they are satisfied, of course, beyond a reasonable doubt, that these men were then engaged in doing something which they purposed and intended should prevent men within the military age from obeying the law. If the jury is satisfied beyond a reasonable doubt, then the case is made out. If they have any doubt about the purpose of these men, they must acquit them, however mistaken the jury may happen to think they were about the policy of the law, or however unfair or extravagant the jury may think their arguments against it were.

(At the conclusion of the Government's case:)

The COURT. I do not think there is anything to go to the jury in this case.

You may have your own opinions about that circular; I have very strong individual opinions about it and as to the wisdom and fairness of what is said there, but, so far as I can see, it is principally a circular intended to induce people to subscribe to a Socialist newspaper and to get recruits for the Socialist Party. I do not think that we ought to attempt to prosecute people for that kind of thing. It may be very unwise in its effect and it may be unpatriotic at that particular time and place, but it would be going very far indeed—further, I think, than any law that I know of would justify—to hold that there has been made out any case here even tending to show that there was an attempt to persuade men not to obey the law.

There is a very lurid description of the horrors of war in that circular, some of it well written, some of it not so well written. But, after all, there is no difference of opinion that war is a terrible catastrophe and involves many terrible things. The circular develops some sort of a theory, not very clearly argued out, that if everybody had voted the Socialist ticket there would have been no war. The circular ends up with an appeal to subscribe to the Socialist paper for 50 cents a year or 25 cents for every six months.

Mr. LATANE. The side of it that appealed to the Government was this, your honor. Of course, we are perfectly satisfied with your honor's determination of the matter, but just in explanation it starts out with the words "Conscription is upon us and the draft law is a fact."

The COURT. That I understand to be a fair and reasonable deduction that from their point of view it all could be avoided if the people earlier had taken this Socialist paper and had voted the Socialist ticket.

Mr. LATANE. The point that occurred to the Government is this: These people are too clever to directly in print attack the draft law, so under guise of advocating the principles of the Socialist Party they give the whole draft proposition a very raw deal.

The COURT. That is possible; but you must prove the intent beyond the possibility of a reasonable doubt.

Mr. LATANE. All we want is to get some judicial determination of the matter.

The COURT. The judicial determination of the matter is that in whatever form they put what they say or do, whether that of advocating the principles of any political party—Republican, Democratic, Prohibitionist, Socialist—or under any other guise whatsoever, it is an offense to do anything with the intent of bringing about a violation of the law; but the commission of that offense must be proved, the intent must be established by evidence which will justify a jury in holding that it was made out beyond a reasonable doubt, and in this case there is no such evidence.

Gentlemen of the jury, you have the instructions of the court to return a verdict of not guilty.

True copy.

Test:

[SEAL.] ARTHUR L. SPAMER, *Clerk.*

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names.

Brandegee	Gronna	Martin	Simmons
Broussard	Hale	Myers	Smoot
Calder	Husting	New	Sterling
Colt	Jones, Wash.	Norris	Swanson
Culberson	Kellogg	Overman	Thompson
Curtis	Kenyon	Page	Trammell
Dillingham	Kirby	Pittman	Underwood
Frelinghuysen	Knox	Poindexter	
Gerry	Lodge	Saulsbury	
Gore	McNary	Sheppard	

Mr. FRELINGHUYSEN. I wish to announce the necessary absence on account of illness of my colleague [Mr. HUGHES].

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent on account of illness in his family. He is paired with the Senator from New Jersey [Mr. FRELINGHUYSEN]. I will let this announcement stand for the day.

The PRESIDENT pro tempore. Thirty-seven Senators only have answered to their names. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. CHAMBERLAIN, Mr. HARDWICK, Mr. JOHNSON of California, Mr. MCKELLAR, Mr. SHERMAN, Mr. SHIELDS, Mr. SMITH of South Carolina, and Mr. SUTHERLAND answered to their names when called.

Mr. KIRBY. I announce the unavoidable absence of my colleague [Mr. ROBINSON]. I ask that this announcement may stand for the day.

Mr. FLETCHER, Mr. NELSON, Mr. RANSDELL, Mr. REED, Mr. HARDING, Mr. BRADY, Mr. ASHURST, Mr. POMERENE, Mr. MCCUMBER, and Mr. BANKHEAD entered the Chamber and answered to their names.

Mr. MARTIN. I desire to announce that the senior Senator from Maryland [Mr. SMITH] is detained from the Senate by illness.

Mr. GERRY. I wish to announce that the Senator from Kentucky [Mr. BECKHAM], the Senator from Utah [Mr. KING], the Senator from Illinois [Mr. LEWIS], and the Senator from California [Mr. PHELAN] are detained on official business.

Mr. SUTHERLAND. I desire to announce the absence of my colleague, the senior Senator from West Virginia [Mr. GOFF], on account of illness. I will let this announcement stand for the day.

The PRESIDENT pro tempore. Fifty-five Senators have answered to their names. There is a quorum present.

Mr. HARDWICK. I offer an amendment to the pending bill. I desire to have it pending and printed.

The PRESIDENT pro tempore. The amendment will lie on the table and be printed.

Mr. THOMPSON. I propose an amendment to the pending bill, which I ask may be printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be printed and lie on the table.

Mr. BROUSSARD. I offer an amendment to the pending bill, which I ask may be read for the information of the Senate and printed.

The PRESIDENT pro tempore. Without objection, the Secretary will read the amendment.

The SECRETARY. On page 88, line 16, insert, after the word "repealed," the following proviso:

Provided, That the Governments of the allies of the United States in the war with the German Empire, or any of them, shall have the right under such rules, regulations, or bonds, as the Secretary of the Treasury may from time to time provide, to import into the United States, free of taxes, such raw sugar as the said Governments may own, to be refined and exported to the territory of such Governments.

The PRESIDENT pro tempore. The amendment will be printed and lie on the table.

Mr. MCCUMBER. I offer the following amendment, which I ask may be printed and lie on the table.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SIMMONS. The Senator from Alabama [Mr. UNDERWOOD] yesterday offered an amendment to section 1105, page 98. The committee had made no amendment to it. The matter covered in the amendment of the Senator from Alabama appears to the committee as a highly necessary and proper thing, and I desire on behalf of the committee to accept the amendment offered by the Senator from Alabama, and I now move——

Mr. HARDWICK. Let us see what it is before consent is given.

Mr. SIMMONS. I offer this amendment to section 1105, on page 98.

The PRESIDENT pro tempore. The amendment will be read.

The SECRETARY. On page 98, strike out lines 9 to 21, inclusive, and insert:

SEC. 1105. That the salaries of all postmasters throughout the United States shall continue to be computed on the basis of existing law and calculated on the basis of postage rates existing on the 1st day of July, 1917, and shall not be increased by reason of additional receipts due to increased postage rates provided for in this act.

Mr. HARDWICK. Mr. President, will the Senator from North Carolina yield for a question?

Mr. SIMMONS. Yes.

Mr. HARDWICK. Has the Senator heard from the department in respect to this matter?

Mr. SIMMONS. No; I have not.

Mr. HARDWICK. Will the Senator defer action for just a moment until I can get some recommendations which the department sent here with respect to this section?

Mr. UNDERWOOD. If the Senator from North Carolina will yield to me for a moment, I should like to make an explanation. I do not think there can be any possible complication in reference to this situation. As the House bill stood, it fixed the status of the postmaster's pay as it stands to-day.

We all know that the pay of the postmaster is dependent on the receipts of the office. If the bill went through as it stood, every office would be graded according to its present receipts. If the receipts fell off, and the office ought to be reduced from a second to a fourth class post office, the law as proposed in the House bill would prevent any change. On the other hand, if there were large increases of receipts, due to many causes, for instance, a cantonment being established at a small town, as I have one in mind, probably bringing 40,000 troops to a small town, it will be necessary to have an increase of postal facilities. Under the existing law the amount of clerical help and the clerical pay, which are to a large extent dependent on the postmaster's salary, going up and down according to the postmaster's salary; but the House bill would block that proposition and hold all postmasters chained to the present salary and the present clerical force.

The amendment which I propose simply provides that there shall be no change in existing law; that the salary of postmasters shall be computed on the basis of the postal receipts as of July 1, 1917, and that no increase shall be allowed because of increased postage receipts due to increasing the rates of postage under this act, or, in other words, if we increase the rate of postage to 3 cents, when it comes to calculating the postage receipts for the purpose of fixing salaries and allowances, the receipts from first-class postage stamps, will be computed on a basis of two-thirds of the total amount, or 2 cents a letter, which is the basis to-day. The amendment which I propose, if adopted, merely leaves the question of fixing postmasters' salaries and the necessary clerical forces that follow postmasters' salaries on the exact basis that it is to-day, without change.

Mr. OVERMAN. I should like to ask the Senator whether that will interfere with the increase of the clerical force?

Mr. UNDERWOOD. Not at all.

Mr. OVERMAN. Where cantonments have been established postmasters will require additional clerical force.

Mr. UNDERWOOD. Certainly; but the House bill would block that absolutely. If my amendment, however, is adopted, there will be no change whatever; the matter will go along under existing law as it is to-day, except if a postmaster's receipts from 3-cent postage stamps amount to $300, two-thirds of that will be taken as a basis, and the receipts will be put at $200, as they would have been if there had been no change in the postal rates.

Mr. HARDWICK. If the Senator from Alabama will yield to me, I think we can get at this matter. The Post Office Department believes that what ought to be done is that the date July 1, 1917, as provided by the House bill ought to be retained. The Senate committee proposes to strike out July; but the department also believes that all after the words "unless compensation," in line 15, ought to be stricken out, and that the section ought to be passed in that form. Is that the effect of the Senator's amendment?

Mr. UNDERWOOD. That is the effect of my amendment, except that my proposition is the simpler proposition. My amendment is simply a proposition that the existing law shall continue; that the basis of pay shall remain on the basis of receipts, as the law is fixed to-day; and that the new tax on postal matter shall not be included in estimating the postmaster's salary. That is all there is to it.

Mr. HARDWICK. That is exactly what the department wants. There is no trouble, then. It is merely stating their proposition in different terms, and there is no objection to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment which has just been offered by the Senator from North Carolina [Mr. SIMMONS].

The amendment was agreed to.

Mr. SIMMONS. Mr. President, on page 71, line 10, in reference to parcel-post packages, I move to strike out the words "weighing more than 4 ounces."

The PRESIDENT pro tempore. The amendment proposed by the Senator from North Carolina to the amendment reported by the committee will be stated.

The SECRETARY. In the committee amendment on page 71, line 10, it is proposed to strike out the words "weighing more than 4 ounces."

Mr. HARDWICK. Mr. President, I am very much in favor of the amendment to the amendment, but even if it be adopted I think the section ought to be stricken out.

Mr. SIMMONS. If the Senator from Georgia will pardon me, I am going to follow that amendment with another amendment to insert after the word "post," in line 11, the words "on which the postage amounts to 25 cents or more."

Mr. HARDWICK. That is right.

Mr. McCUMBER. Mr. President, we are unable to hear on this side of the Chamber just what amendment has been proposed. We are unable to learn, from the little talk the Senator from North Carolina is having with some of his colleagues on the other side of the Chamber, what the proposed amendment is.

Mr. SIMMONS. I will state to the Senator from North Dakota that I have proposed two amendments to that section. One of them is on page 71, line 10, to strike out the words "weighing more than 4 ounces."

Mr. McCUMBER. What is the next amendment?

Mr. SIMMONS. The next amendment is to insert after the word "post," in line 11, the words "on which the postage amounts to 25 cents or more," the effect being that there will be no tax imposed on a parcel-post package upon which the postage amounts to less than 25 cents.

Mr. HARDWICK. Mr. President, I am heartily in favor of both of those amendments, although after the section is perfected I shall move to strike it out.

Mr. SIMMONS. I understood the Senator from Georgia intended to make that motion, and I was simply perfecting the committee amendment.

The PRESIDENT pro tempore. The amendment to the amendment proposed by the Senator from North Carolina [Mr. SIMMONS] will be stated.

The SECRETARY. On page 71, the first amendment is, in line 10, to strike out the words "weighing more than 4 ounces"; and in line 11, after the words "parcel post," to insert the words "on which the postage amounts to 25 cents or more."

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment, which has been offered by the Senator from North Carolina.

The amendment to the amendment was agreed to.

Mr. HARDWICK. Mr. President, I move to strike out the section as amended.

The PRESIDENT pro tempore. The amendment of the committee has not yet been agreed to.

Mr. HARDWICK. I am moving to disagree to it. I am opposing the adoption of the amendment proposed by the committee; in other words, I want to disagree to the committee amendment.

Mr. SIMMONS. Mr. President, I think that motion would not properly come until after the committee amendments are disposed of, because the amendment now is——

Mr. HARDWICK. But I am opposed to agreeing to the committee amendment. The question is on agreeing to the amendment proposed by the committee and to that proposition I am opposed.

The PRESIDENT pro tempore. The Chair is informed that the committee amendment was passed over. The amendments just adopted were to the committee amendment. The question now comes on agreeing to the amendment proposed by the committee as amended.

Mr. SIMMONS. Mr. President, I wish first to perfect the amendment. Did I understand the Chair to announce that the amendments had been agreed to?

The PRESIDENT pro tempore. The amendments to the amendment have been adopted. The question now is on the adoption of the amendment as amended.

Mr. SIMMONS. I assume the motion of the Senator from Georgia is now in order.

Mr. HARDWICK. I am not making any motion, because the question comes automatically before the Senate on the adoption of the committee amendment.

Mr. BRADY. Mr. President——

Mr. HARDWICK. Pardon me just a moment, in order that I may first state the proposal. To that proposition I am opposed, and I am asking now to be heard in opposition to the adoption of the committee amendment as amended. I now yield to the Senator from Idaho.

Mr. BRADY. My understanding is that the Senator is simply opposed to the adoption of——

Mr. HARDWICK. I am opposed to the adoption of the parcel-post amendment as an entirety.

Mr. BRADY. To the adoption of the amendment of the committee?

Mr. HARDWICK. I am opposed to the proposition to tax the parcel post of this country.

Mr. BRADY. And on that question the Senator expects to address the Senate at this time?

Mr. HARDWICK. Yes, sir. That is the idea.

Mr. President, I congratulate the Senator from North Carolina and the committee on the amendments they have offered, because if this proposition is to go through, it certainly ought to go through in the form in which it now stands and not as originally suggested by the committee. I presume the committee had no intention to tax small parcel-post packages of the country weighing a little over 4 ounces, on which the charge amounts to 5, 6, or 7 cents, or something like that, and on which this tax as originally suggested would have been as high as 22 per cent in some instances, according to the estimates of the department.

Mr. SIMMONS. Mr. President, will the Senator permit an interruption?

Mr. HARDWICK. Yes.

Mr. SIMMONS. I will state to the Senator that we did in our amendment exempt packages weighing less than 4 ounces, but it turns out that about 610,000,000 parcel packages weigh 5 ounces or more.

Mr. HARDWICK. That is exactly what I told the Senator when he first brought this proposal in here. Of course, the amendment he has now submitted is in accordance with the suggestion I then made, although, as I then said to the Senator, as he will remember, I did not think that this action ought to be taken. I did not think we ought to put a stamp tax on one of the functions of this Government. I do not think that we ought to increase the parcel-post rates to the people of this country in any such indirect way. If we think, and are prepared to stand on the proposal, that the rates are too low on parcel-post matter, then we ought to raise them directly; but such a proposition, I submit, ought to come from the committee having jurisdiction of postal matters, which has or can acquire full information with respect to these questions. The danger of this sort of proposition coming from other committees is immediately illustrated in this particular matter. The Senate Committee on Finance, which of course does not deal with these postal matters, presented a proposition which not one of them could have supported when they understood it and when it was explained to them; and I think that is a very good reason why proposals to increase parcel-post rates ought not to come from the Finance Committee of the Senate, even on a bill of this character.

The department believes, and I think believes correctly, that that is not the way to increase parcel-post rates, if Congress wants to increase them. The department believes, and I think believes correctly, that if we want to increase the parcel-post rates in this country the question ought to go before the committees having jurisdiction of the subject matter, where hearings may be held and all parties in interest, including the department, be heard on the merits of the proposition, and then increase the rates or decrease them, or do whatever else Congress pleases, after action by the appropriate committees with respect to the matter can be had.

Now, the department submits to me this memorandum——

Mr. JONES of Washington. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Washington?

Mr. HARDWICK. Yes.

Mr. JONES of Washington. Then, may I ask the Senator a question?

Mr. HARDWICK. I yield to the Senator, of course.

Mr. JONES of Washington. I have just read this provision over and do not know exactly how it reads as now amended; but, as I understand, it puts a tax upon packages where the postage is 25 cents or over.

Mr. HARDWICK. Yes, sir; it is a stamp tax paid by the man who sends the package, by the consignor; but, of course, in order to avail himself of the governmental function at the rate fixed by law he must pay 1 cent more in the shape of a stamp tax to the Government for the service the Government renders him.

Mr. JONES of Washington. The thought I had in mind was that a person in a certain zone would pay the tax, while a person living in another zone would not; but, if it is paid by the sender, of course he pays the tax when the parcel goes into certain zones, and does not pay the tax if it goes into other zones.

Mr. HARDWICK. The amendment of the Senator from North Carolina to some extent obviates that, because in all cases, no matter how far the package goes, where the parcel-post charge is as much as 25 cents, then the tax of 1 cent is exacted.

Mr. JONES of Washington. I understand that; but is not the parcel-post charge, however, largely determined by the distance?

Mr. HARDWICK. No matter how it is determined, whether by distance or weight—and both determine it—when the charge reaches 25 cents the stamp tax is imposed, and not until then. So that in one case the charge might be run up as high as 25 cents by distance and in another case it might be run up as high as 25 cents by weight; but, no matter in which way it is run up to 25 cents, whenever it gets there, then this stamp tax of 1 cent would be imposed. Have I made it plain to the Senator? That is as I understand it.

Now, the department submits this memorandum:

At the present time there are approximately 1,025,000,000 parcels handled each year on which the postage is approximately $72,000,000. Approximately 610,000,000 of these parcels weigh 5 ounces or more, and would be taxed 1 cent under the proposed revenue measure—

Of course, that part of it has been remedied by the amendment which the Senator from North Carolina has proposed and to which the Senate has agreed; but this part of it is not changed—

and at least 45,000,000 parcels would be taxed more than 1 cent, as the postage would be in excess of 25 cents.

The parcel post is on a different basis from that of the express companies because the entire profits arising from the Parcel Post Service, estimated to be $10,000,000 or more annually, are turned over to the Government. The Government, therefore, receives the entire profits from this service whereas it receives none from the express companies. The minimum charge for an express parcel is understood to be 25 cents, whereas under the proposed bill on a parcel sent by parcel post weighing 5 ounces but less than 1 pound the postage may vary from 5 to 12 cents, according to the zone to which shipped, and the burden would be the same as on a parcel sent by express where the charge is 25 cents.

Of course, that has been met now by the amendment.

In other words, it would be an increase of from 8 per cent to 20 per cent in the cost of the transportation of these smaller parcel-post packages, whereas it would be only 4 per cent on the minimum express charge.

A tax on parcel post simply adds an additional burden on the large number of persons who reside on the rural and star routes—

Those living in the rural sections of the country—

who have no other transportation facilities than the parcel post. To add an additional tax on these parcels on a service which is already netting the Government a handsome profit simply increases the burden on the farmer and residents of the rural communities and hinders to that extent the transportation of commodities between the producer and consumer, which every effort is being exerted at this time to increase.

Mr. President, in addition to that, the Post Office Department has sent me a number of figures showing the details with respect to the parcel-post business, which I am going to ask permission to have printed in the RECORD, without reading, as part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

Statement showing, by each unit of weight, the estimated number of parcels bearing postage of 25 cents or less mailed at all post offices, together with the total postage collected and the weight in pounds, for the fiscal year 1917.

[June 22, 1917.]

Unit of weight.	Parcels.	Postage.	Weight.
			Pounds.
1 ounce	97,432,620	$974,316	6,089,496
2 ounces	179,397,960	2,260,416	22,424,736
3 ounces	38,154,012	1,056,864	7,153,902
4 ounces	95,834,376	2,405,448	23,958,588
5 ounces	17,101,728	890,556	5,344,440
6 ounces	41,413,908	1,644,132	15,530,280
7 ounces	12,735,516	717,012	5,571,780
8 ounces	49,166,760	2,242,008	24,583,428
9 ounces	6,868,560	449,208	3,863,535
10 ounces	9,952,920	646,944	6,220,572
11 ounces	5,761,944	377,400	4,321,332
12 ounces	9,315,444	597,120	6,986,580
13 ounces	5,075,364	336,492	4,123,803
14 ounces	8,433,468	539,724	7,379,280
15 ounces	7,719,900	488,664	7,237,404
1 pound	76,687,764	4,659,096	76,687,764
2 pounds	111,767,484	9,683,628	223,086,684
3 pounds	66,011,124	7,376,112	198,033,372
4 pounds	47,780,640	5,140,992	191,122,560
5 pounds	35,812,848	4,265,496	179,064,240
6 pounds	15,025,104	1,747,968	90,150,624

Statement showing, by each unit of weight, the estimated number of parcels bearing postage of 25 cents or less, etc.—Continued.

Unit of weight.	Parcels.	Postage.	Weight.
			Pounds.
7 pounds	10,244,764	$1,306,836	71,713,348
8 pounds	8,231,820	1,152,036	65,854,560
9 pounds	5,754,624	869,460	51,791,616
10 pounds	4,770,720	778,176	47,707,200
11 pounds	2,617,680	376,224	28,794,480
12 pounds	2,197,800	337,068	26,373,600
13 pounds	1,462,692	237,228	19,014,996
14 pounds	1,301,304	224,064	18,218,256
15 pounds	1,033,848	185,928	15,507,720
16 pounds	1,017,216	194,640	16,275,456
17 pounds	740,844	148,176	12,594,348
28 pounds	564,180	117,756	10,155,240
29 pounds	476,388	103,524	9,051,372
20 pounds	396,804	88,944	7,936,080
21 pounds	392,892	93,312	8,250,732
22 pounds	37,308	5,964	820,776
23 pounds	30,600	4,896	703,800
24 pounds	28,368	4,812	680,832
25 pounds	23,568	3,996	589,200
26 pounds	21,192	3,804	550,992
27 pounds	16,572	2,976	447,444
28 pounds	16,128	3,060	461,584
29 pounds	14,136	2,676	409,944
30 pounds	15,852	3,168	475,560
31 pounds	10,584	2,112	328,104
32 pounds	9,336	1,956	298,752
33 pounds	7,284	1,524	240,372
34 pounds	7,704	1,692	261,936
35 pounds	8,484	1,860	296,940
36 pounds	7,368	1,992	265,248
37 pounds	5,964	1,368	220,668
38 pounds	6,024	1,440	228,912
39 pounds	4,524	1,080	176,436
40 pounds	3,624	900	144,960
41 pounds	4,188	1,044	171,708
42 pounds			
43 pounds			
44 pounds			
45 pounds			
46 pounds			
47 pounds			
48 pounds			
49 pounds			
50 pounds			
Total	978,931,228	54,773,988	1,525,947,680

Statement showing, by each unit of weight, the estimated number of parcels mailed at all post offices, the postage collected, and the weight, in pounds, for the fiscal year 1917.

[June 20, 1917.]

Unit of weight.	Parcels.	Postage.	Weight.
			Pounds.
1 ounce	97,432,020	$974,316	6,089,496
2 ounces	179,397,960	2,260,416	22,424,736
3 ounces	38,154,012	1,056,864	7,157,992
4 ounces	95,834,376	2,405,448	23,958,588
5 ounces	17,101,728	899,556	5,344,440
6 ounces	41,413,908	1,644,132	15,530,280
7 ounces	12,735,516	717,012	5,571,780
8 ounces	49,166,760	2,242,008	24,583,428
9 ounces	6,868,560	449,208	3,863,556
10 ounces	9,952,920	646,944	6,220,572
11 ounces	5,761,944	377,400	4,321,332
12 ounces	9,315,444	597,120	6,986,580
13 ounces	5,075,304	338,492	4,123,800
14 ounces	8,433,468	539,724	7,379,280
15 ounces	7,719,900	488,664	7,237,404
1 pound	76,687,764	4,659,096	76,687,764
2 pounds	111,767,484	9,683,628	223,086,684
3 pounds	69,580,620	7,907,664	208,741,860
4 pounds	53,123,124	6,829,968	212,492,496
5 pounds	41,340,048	5,868,804	206,700,240
6 pounds	22,085,520	4,024,364	132,513,120
7 pounds	14,923,596	3,060,252	104,465,172
8 pounds	11,543,724	2,594,856	92,349,792
9 pounds	7,999,968	1,958,268	71,972,712
10 pounds	6,545,988	1,745,868	65,459,880
11 pounds	4,901,820	1,393,488	53,920,020
12 pounds	3,994,680	1,161,732	47,936,160
13 pounds	2,706,444	866,244	35,183,772
14 pounds	2,338,896	760,776	32,744,544
15 pounds	1,864,548	653,160	27,968,220
16 pounds	1,701,972	595,992	27,231,552
17 pounds	1,286,604	489,060	21,873,288
18 pounds	961,824	381,108	17,312,832
19 pounds	808,716	334,840	15,365,604
20 pounds	851,184	374,640	17,023,680
21 pounds	392,892	93,312	8,250,732
22 pounds	318,240	79,080	7,001,280
23 pounds	259,344	67,032	5,964,912
24 pounds	242,292	65,196	5,814,768
25 pounds	200,532	55,584	5,013,300
26 pounds	200,520	57,740	5,213,520
27 pounds	140,964	41,724	3,806,028
28 pounds	138,468	42,648	3,877,104
29 pounds	108,540	33,948	3,147,660
30 pounds	119,568	38,448	3,587,040
31 pounds	84,624	28,500	2,623,344
32 pounds	77,796	26,724	2,489,472
33 pounds	60,396	21,192	1,993,068

Statement showing, by each unit of weight, the estimated number of parcels mailed.—Continued.

Unit of weight.	Parcels.	Postage.	Weight.
			Pounds.
34 pounds	66,108	$23,928	2,247,672
35 pounds	54,468	19,860	1,906,380
36 pounds	69,540	26,580	2,503,440
37 pounds	42,576	16,404	1,575,312
38 pounds	45,252	17,964	1,719,576
39 pounds	33,456	13,524	1,304,784
40 pounds	30,240	12,624	1,209,600
41 pounds	32,976	14,004	1,352,016
42 pounds	29,256	12,684	1,228,752
43 pounds	26,244	11,604	1,128,492
44 pounds	24,372	11,040	1,072,368
45 pounds	21,012	9,768	945,540
46 pounds	24,096	11,364	1,108,416
47 pounds	20,820	10,080	978,540
48 pounds	26,640	13,344	1,278,720
49 pounds	29,988	15,504	1,469,412
50 pounds	66,060	33,804	3,303,000
Total	1,024,362,741	71,908,380	1,926,932,904

Mr. CURTIS. Does the department estimate the amount of tax that will be collected on packages the charge for the carrying of which is 25 cents or more?

Mr. HARDWICK. No; they do not.

Mr. CURTIS. As I understand, the Senator desires to disagree to the amendment reported by the committee?

Mr. HARDWICK. I desire to disagree to that amendment. I do not want to agree to the amendment proposed by the committee.

Mr. SMOOT. I will say to the Senator from Kansas that about 46,000,000 packages——

Mr. HARDWICK. Forty-five million packages?

Mr. SMOOT. Nearly 46,000,000 packages will have to pay the tax.

Mr. CURTIS. A tax of 2 cents?

Mr. SMOOT. The tax is 1 cent where the charge is 25 cents for the service and 1 cent additional for each 25 cents or fractional part thereof over that charge. So on 45,000,000 packages the 1 cent would amount to $450,000.

Mr. HARDWICK. The Senator must remember the tax is not in all cases 1 cent.

Mr. SMOOT. I was going to say that in many instances the tax will be a good deal more than that.

Mr. HARDWICK. I think a safe estimate—just guessing now; this is merely my opinion; the department has not estimated that for me—would be about three-quarters of a million dollars.

Mr. SMOOT. It would be more than that.

Mr. HARDWICK. That is my guess.

Mr. SMOOT. I should think it would be all of that and perhaps a little more.

Mr. HARDWICK. It would be at least that. If it were only 1 cent on each one of these 45,000,000 packages, it would be $450,000, and 1 cent more for each additional 25 cents paid in postal charges; so that I think it would be three-fourths of a million dollars or possibly a million dollars. I think that is not an excessive estimate of the amount that will be raised by this tax, which will be taken along the rural and star routes from the pockets of the people in those communities, if this amendment prevails.

Mr. BRADY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Idaho?

Mr. HARDWICK. I do.

Mr. BRADY. I may say that I am in sympathy and in accord with the Senator's views on this matter. I have been wondering, however, whether the figures that he is asking to have printed in the RECORD would give the information that we want to have given at this time, in view of the two amendments that have been adopted?

Mr. HARDWICK. I do not think so, because they were principally gotten up to show how onerous this tax would be on these smaller parcel-post packages; but they will be very interesting to the Senate, and I think to the country, as showing the details of this business and the amount and kind of packages we are carrying; and since they had already been prepared at considerable trouble and some expense, I thought it was best to give the public the benefit of them.

Mr. BRADY. My only thought was that after the discussion we have had on the amendments, and the position that the Senator and I as well expect to take when we come to a vote, they might mislead the very people who ought to have correct information on the subject.

Mr. HARDWICK. No; the figures show for themselves the basis upon which they are made up. If anybody should guess what is in them, he might be somewhat misled; but if you read them you are bound to understand them, and so is anybody else who reads them.

Mr. BRADY. It is entirely satisfactory to me if it is to the Senator.

Mr. HARDWICK. Now, Senators, that is the view of the department. I have read it to you in their own language. I want to indorse it heartily, and I want to ask the Senate to stand by it. I have always been opposed as a matter of principle, as the Senate knows, to too many governmental activities along business lines. The one exception that I have thought could be safely made and ought to be safely made to the proposition that the sole business of the Government was the governing business was the establishment and maintenance of a parcel post in connection with the rural routes of this country and in order to serve the people who reside in the rural sections of this country. The reason is obvious. There is no reason growing out of necessity why we should have established a general parcel post at all for this country generally, because the great express companies serving the cities and towns of this country could have rendered and were rendering that service.

If the objection was urged, as it was urged in this body and in the other House of Congress, that their rates were excessive or their practices were burdensome and oppressive, the answer was that we had exactly the same power to regulate their rates and to control their practices that we had with respect to the railroad companies, and that on the same principle that we control railroad rates and regulate railroad practices we had an equal right to control and regulate express rates and express practices. So that I could see very little reason, when all this agitation was before the country, for the Government embarkation on a general parcel-post project; but I do think, and I have always thought, that the fact was entirely different when it came to the rural sections of this country. There it is impossible for private business to discharge this function. There no adequate arrangement can be made by private business to furnish this service. Not only that, but everywhere throughout the rural sections of the country the Government already had mail routes that were being operated day after day among these people and carrying the mail to them. How easy, how practicable, and how sensible, therefore, it was to provide that these same facilities that the Government already had should be used to give to these people who resided in the rural sections of our Republic this necessary and proper service.

The Congress did it, but the result has been, from a practical standpoint, at least, disappointing up to date. Taking the rural routes of the United States as a whole, Mr. President, the figures show that the people from the country have sent on an average one parcel per day on each route in the United States, and no more, and that the people from the towns and cities where these routes originate have only sent an average of eight parcels per day out to the country from these cities and towns. In other words, the rural parcel post has not been utilized to the extent that it ought to be, nor to the extent that it is destined to be in the development of this great service.

I do not see the reason, the desirability, or the justice of burdening this service—because, just as the department says, that is where this service goes, to the rural communities, along the star routes and rural routes, in the main—with a stamp tax because the express companies may have to pay some sort of a tax under this bill. You can handle that in a perfectly easy way. If your anxiety is to take care of the express companies, the Interstate Commerce Commission can reduce their rates. If their rates are too high when this stamp tax is added to them, they can be lowered; but in my opinion, Mr. President, there is no reason why you should tax a Government service, or tax people before they are allowed to use a great public service that the Government affords them.

I think the department is right. I believe we would make a great mistake to do this at all; and, although in the form that it is now proposed it would be vastly less injurious than it would have been as originally suggested, yet in my judgment it ought not to be done at all. I sympathize with the views of the department and hope the Senate will not agree to the proposal at all.

Mr. SMOOT. Mr. President, I heartily approve of the amendments that have been adopted to the committee amendment. I want to say to the Senators that this amendment was discussed in the Finance Committee for two or three days before it was adopted. The fact was brought to the attention of the committee that by the imposition of a tax upon all express packages, that are carried in direct competition with the Parcel Post System, if there were not a tax imposed upon the parcel-post packages there would be a discrimination against the express companies of this country.

I take it for granted that every Senator knows the financial condition of the express companies of the United States to-day. Some are struggling for existence since the establishment of the parcel post, and if we now discriminate against the express companies by imposing upon them a tax, or imposing upon the individual that uses the express company for transportation a tax as provided in this bill, and do not impose a similar tax upon the parcel post, the discrimination between the two transportation agencies will be even greater than it is to-day.

Mr. HARDWICK. Mr. President, will the Senator yield?

Mr. SMOOT. Yes; certainly.

Mr. HARDWICK. Why could not that situation be met by lowering the express rates?

Mr. SMOOT. I will answer the Senator now. I was going to come to that later, but I might as well do it now.

The committee looked at it in this way, Mr. President: This bill is a temporary measure. If the war ceases within a year, this bill will cease to be in effect shortly after that period, and the tax that will be imposed upon the express companies, and also the tax that will be imposed upon the parcel-post packages as provided in the bill, will cease. That being the case, the committee thought that it was unfair in this revenue bill to undertake to increase the parcel-post rates. In fact, I want to say that, as far as I am personally concerned, I am not in favor of increasing the rates of the parcel-post; but I do believe, in justice to the express companies, that there ought to be an equalization between the two. The committee took that position, and I believe that they are right.

The department, in its statement to the committee, does not distinguish between a postal rate and a tax on the transportation of goods, just the same as the Senator from Idaho yesterday did not distinguish between an excise tax upon a $500 automobile and the imposition of a regular tax upon property.

I want to call the attention of the Senate to the fact that the increase in burden, spoken of by the Senator from Georgia, to the shippers along the rural routes of the country is very small indeed. In the statement by the department showing by each unit of weight the estimated number of parcels mailed at all post offices, the postage collected, and the weight in pounds for the fiscal year 1917, it is shown that under this provision as amended there will be collected about $2,000,000. The total number of packages was 1,024,362,744, and the postage upon those parcels amounted to $71,908,380. One cent upon a package of 25 cents, as imposed in this bill, would be a rate of 4 per cent; and to take off the packages down to 10 ounces, as is shown here by the statement, would leave a postal revenue under the Parcel Post System of about $50,000,000; and 4 per cent on the $50,000,000 would, of course, be $2,000,000, which I estimate will be received under the provisions of this bill.

Mr. President, the number of packages on which more than 25 cents is charged are mostly shipped between cities, and not from rural routes or country districts. If this tax of 1 cent is imposed, which will equalize the burden between the express companies and the parcels post, and which is only temporary, it is to be paid mostly by the shippers from city to city. In fact, the great bulk of it will come from that source; and it does seem to me that no one ought to complain during these war times, when we have to raise so much money, of placing a 1-cent stamp upon a package upon which the charges will amount to not less than 25 cents.

Mr. GRONNA. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. Yes; I yield.

Mr. GRONNA. The Senator just made the statement that these packages which pay more than 25 cents are for the most part packages shipped from the cities. Is it generally understood that the larger shipments by parcels post are made in the same way?

Mr. SMOOT. Yes; all over the United States.

Mr. HARDWICK. Mr. President, let me interrupt the Senator. I do not think that is a fact. The Senator wants to be accurate, I know.

Mr. SMOOT. I do want to be accurate; and I will say this, Mr. President, that all of the testimony presented to the committee upon that very question showed that the greater number of packages originated in the cities and went from city to city.

Mr. HARDWICK. The trouble is, if the Senator will yield again right there, that the Senator did not even hear the Post Office Department people about this thing. I do not know whom he heard except the express company people.

Mr. SMOOT. Mr. President, it is unfair for the Senator to say that.

Mr. HARDWICK. Well, all right. Maybe you did not hear them. I do not know whether you did or not. I thought you did, because they came to see me and I sent them to the Finance Committee and told them that they would have to come to see you, so I suppose they saw the Finance Committee, did they not?

Mr. SMOOT. A number of them called at my office.

Mr. HARDWICK. Well, I say they came before the committee, did they not?

The PRESIDENT pro tempore. The Chair suggests that orderly procedure would require Senators to address the Chair.

Mr. HARDWICK. Each time I ask a question, Mr. President? The Senator yielded, I thought, and I thought I addressed the Chair the first time.

Mr. SMOOT. Yes; I yielded to the Senator.

Mr. HARDWICK. And I am pursuing a colloquy now. If the Senator will yield just a little further, the Post Office Department says, and says it in this statement that I have read, that the burden of this tax will fall on the country people.

Mr. SMOOT. Mr. President, the statement the Senator read was based upon the amendment as it was reported to the Senate. I have a copy of the statement that the Senator has read from the Post Office Department. This statement was sent to the committee; and I also have the figures, I suppose, that the Senator himself presented, because these are the official figures from the Post Office Department, and it was from that source that I received my information.

Mr. HARDWICK. Mr. President, if the Senator will yield again——

Mr. SMOOT. Yes.

Mr. HARDWICK. Not only that, since we have said so much about what the Post Office Department has said, but the fact is that even in sending those figures to the Finance Committee, as they sent them to me, the Post Office Department followed them with a letter addressed to your chairman, in which they stand by the statement made in this report and say this section ought not to be adopted at all, in their judgment.

Mr. SMOOT. Mr. President, I have not made any statement that the Post Office Department claimed that the amendment should be adopted. Of course, the Post Office Department will be opposed to the imposition of any kind of a tax upon the parcel post. It has no special interest in what may happen to its competitors. All it is looking out for is simply the business in which it is interested. I think it is a very small thing for the Post Office Department to object to the imposition of a 1-cent stamp tax upon the transportation of a package, the charge for carrying which is 25 cents.

Mr HARDWICK. Mr. President, let me suggest to the Senator, if he will yield to me just a moment, as long as he has criticized the department just a little—and I do not object to that; it is the right of any Senator to do it—that the Post Office Department has no interest in this matter except the interest of millions of people of the United States, the public interest.

Mr. SMOOT. Nor has the Finance Committee any other interest.

Mr. HARDWICK. No; but the express companies have a different interest.

Mr. SMOOT. Well, we are not considering the interest of the express companies alone.

Mr. HARDWICK. I thought you were.

Mr. SMOOT. We considered the business interests of the country in general and the people in particular. The committee took into consideration all of the circumstances surrounding the case, and so it has in the case of all of the taxes imposed in this bill, and so it will have to do in the case of all of the taxes that may be imposed upon the people of the United States hereafter; and I want to say to the Senator that there will be a great many of them.

Mr. GRONNA. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. GRONNA. The Senator's statement that the larger packages were shipped between cities rather startled me. I have been in Congress for some years, and the demand for an increased weight to be sent by parcel post has always come from the country, from the rural districts. Now, I do not know but that the Senator has given it more thought than I have. I know that he is generally accurate in his statements.

Mr. SMOOT. I will ask the Senator to remember that I stated that the greater number of packages were sent in that way. There is no question but that the rural districts send large-size packages and would perhaps send greater weights if the law would permit them to do so, but I am speaking now of the number of such packages that are shipped.

Mr. GRONNA. Mr. President, may I ask the Senator another question?

Mr. SMOOT. Certainly.

Mr. GRONNA. Did the committee take into consideration the fact that the only means of transportation the rural districts have is the parcel post?

Mr. SMOOT. Certainly.

Mr. GRONNA. If a stamp tax is imposed, of course the sender has to pay that tax. The same is true if it is sent by express. In either case the sender pays the tax. But may it not have this effect: If we impose a tax which I believe is onerous in this case, and compel the people out in the country to have these stamps and put them on the packages before they can be sent, does not the Senator think it may lead to disturbance of business, so that there will be less business transacted, and instead of the Government making $10,000,000 profit, as said by the Senator from Georgia, there may be a great deal less business, and instead of getting revenue from the transportation through parcel post we may sustain a loss? I think that ought to be taken into consideration.

Mr. SMOOT. Mr. President, under the bill there is imposed a 1-cent tax upon packages of express companies. Now, we propose to treat the parcel-post packages just the same as we do with the express packages. A tax of 1 cent upon 25 cents is never going to reduce the number of shipments.

Mr. HARDWICK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Georgia?

Mr. SMOOT. I do.

Mr. GRONNA. There will be trouble in getting stamps.

Mr. SMOOT. The Senator from North Dakota suggests that there will be trouble in getting stamps. No; as the stamps will be for sale at every post office in the United States, there will be no trouble whatever in getting stamps any more than there would be trouble in getting a stamp to send a letter. I yield to the Senator from Georgia.

Mr. HARDWICK. I wish to suggest to the senator that a stamp tax is always troublesome and always has a tendency to reduce the volume of business, because the people do not like to fool with it. The Senator from North Dakota [Mr. GRONNA] made a very sensible suggestion. He said "You may hurt the revenue from this tax more than you will get from this vexatious annoying stamp tax." Besides that, while it is true there is a competitive condition between the express companies and the parcel post on business between the cities and towns of the country, and I can see how the Senator's argument to some extent rests on that basis, yet in your effort to handle that situation you put the same burden on the country people residing along the rural routes and the star routes, where there is no competition and where they must use the Government service; where there is no express company to do business with.

Mr. SMOOT. If the tax is a fair one let it fall where it will. I can not see but what it is a fair tax. If we imposed a tax upon one transportation agency and did not upon the other, then, the very suggestion the Senator made would be to drive the business from the concerns upon which we imposed a tax to one that there is no tax imposed upon, and that I think is unfair. The committe had that in mind.

Mr. NORRIS. Mr. President——

Mr. SMOOT. I yield to the Senator from Nebraska.

Mr. NORRIS. I wish to ask the Senator from Utah one or two questions. The first one is whether it is not absolutely fair to say that this is a tax on transportation?

Mr. SMOOT. It is.

Mr. NORRIS. Does it not follow always that the transportation in the end is paid by the consumer?

Mr. SMOOT. There is no doubt of it; and in this amendment I will say to the Senator we provide that this tax shall be paid by the consignor.

Mr. NORRIS. But in the end the consumer pays it. That is true of all transportation, is it not?

Mr. SMOOT. There is no doubt of it. I call the Senator's attention to the fact that we impose a tax upon transportation over every railroad by a tax on every pound of freight shipped and ticket sold by a railroad in the country.

Mr. NORRIS. There is more than one difference between the express companies and the Government. In the first place, the Government through its parcel post does business and is ready to do business between the country and cities and between different cities, while the express companies are not equipped and do not pretend to cover the same ground the parcel post does. Even if the Senator's arguments were good, it only applies in part to the parcel post. Is not that true?

Mr. SMOOT. There are places in the United States——

Mr. NORRIS. Are there not thousands of them——

Mr. SMOOT. There are places in the United States where the parcel post is taken advantage of that the express companies do not reach. No one questions that.

Mr. NORRIS. If the express companies did cover the whole ground then, I can not see why that argument would not be sound, and why, if they were doing the right kind of business, it would not be necessary to have a parcel post, but we ought not to injure the parcel post.

Mr. SMOOT. We are not going to injure the business of the parcel post by this 1-cent tax.

Mr. NORRIS. Does not the Senator think that the inconvenience as well as the cost will reduce business?

Mr. SMOOT. No; I do not. I will say to the Senator, it is so small that I do not believe that it will ever interfere with the parcel post, and certainly not amount to anything in the loss of revenue. The charges in the parcel post are so low now that people are taking advantage of it, as they ought to do, and the mere imposition of 4 per cent increase on the charges is never going to interfere with the amount of business by the parcel post, in my opinion.

Mr. President, there is just one other suggestion that I want to submit and then I will close. The Government of the United States gets every cent of the money that is paid for the tax upon parcel post. It goes into the Treasury of the United States. Therefore it seems to me that it would have been unwise for the committee to undertake at this time in this temporary revenue measure to impose higher rates on parcel-post packages. Again, the increase is so small by the imposition of the 1-cent tax that it would have been almost impossible to impose an equivalent increase on each zone rate so that it could have been collected. In some cases it would have amounted to only about one twenty-fifth of 1 cent and that is a pretty small amount to collect on small charges.

Mr. GRONNA. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. I yield.

Mr. GRONNA. I dislike to disturb the Senator again——

Mr. SMOOT. It is no disturbance.

Mr. GRONNA. But I think I should call the attention of the Senator to this instance: When we placed a stamp tax on checks, for instance, it seriously affected the banking business. Deposits were withdrawn to such an extent that the bankers became alarmed, and they had to borrow very largely. It was not because the stamp tax was excessive at all; it was the trouble and annoyance to which the people were put. The Senator knows that that will be true of the parcel post which was true of the stamp on bank checks.

Mr. SMOOT. I know at the time the tax was imposed upon bank checks it did have a bad effect upon country banks, but it seems to me that is an entirely different proposition. The people who deposited their money in a bank were entitled to every cent of the money so deposited, and the small depositor objected to the tax, and in many cases withdrew his money rather than pay it. There is a provision in this bill imposing a tax of 1 cent upon every check issued, no matter what the value of it may be, which I shall oppose.

So, Mr. President, it did seem to the committee that the amendment as amended, equalizing the charge between the express companies and the parcel post, and imposing no tax whatever on parcel-post packages the charge on which is less than 25 cents, is a fair and just imposition of a tax, and I sincerely hope the committee amendment will be agreed to.

Mr. NORRIS. Mr. President, to me this tax, although small, is unjustifiable and can not be justified on any ground that in my judgment is reasonable, or at least none that I have so far heard. Briefly stated, it is a tax on transportation. Every man, woman, and child is interested in the cost of transportation. It goes into everything that we eat and drink and wear and use. Although the tax in the first place is paid by the shipper, it is included in the charge that the consumer has to pay when he gets the goods. It is a consumers' tax. I concede that there may come a time, even in this war, when it will be necessary to increase the tax on consumption. I do not believe it has come yet. It never ought to come when an increase should be put upon consumption of the necessaries of life until every income and every profit above a fair living has been taxed and taken by the Government. We have almost reached the limit in the high cost of living. We have absolutely done so as to some classes of people, and now we propose indirectly—it is hardly indirectly—to increase the tax. It is in effect a direct increase of the cost of transportation through the medium of the parcel post.

Yesterday we had before the Senate a provision that would have raised, the committee said, $6,000,000 by a tax on inheritances, mostly raised on large inheritances running into the millions, where those who received them had made no effort to get them, where the men who had accumulated them and were entitled to them had passed away. So that would have been collected without any hardship on anybody. One of the reasons given yesterday for striking that out of the bill by the committee was that it was insignificant and small and would only raise $6,000,000. Here we have a provision to-day that the committee says will raise $2,000,000, although I doubt that very much.

Mr. HARDWICK. One million dollars, I think.

Mr. NORRIS. I understood the Senator from Utah, representing the committee, to say that it would raise $2,000,000. I do not think it would, but I am taking his argument for it—I think he is mistaken about it—that because it is only small and will only be a little bit we had better tack it on. It is to be paid in pennies by the consumers of the country. When the amount is going to be $6,000,000 and be paid by the wealth of the country you want to strike it out because it will not raise much revenue. If it raises $2,000,000 and is going to be paid in pennies by the poor, put it in because the burden is light and they will not notice it.

Mr. President, the report of the Post Office Department given here to-day in this debate shows that a profit has resulted to the department in the parcel-post business of $10,000,000, I believe. I should like to ask the Senator from Georgia whether that is right? Will the Senator from Georgia give me his attention?

Mr. HARDWICK. I beg the Senator's pardon.

Mr. NORRIS. Was it $10,000,000 the Post Office Department said was the profit from the parcel post?

Mr. HARDWICK. Yes, sir; $10,000,000, in round numbers.

Mr. NORRIS. It is true that this money goes to the Government. Any tax less the expense would go to the Government. But if the parcel post is making a profit of $10,000,000, instead of increasing the rates, if we do anything with them, we ought to reduce them. It was never the intention for the Government to make a profit out of its business, although I always contended that we ought to charge enough so that there would be no deficit. However, if there is to be a change, if we are making a profit now of $10,000,000, this proposition, if the Senator from Utah is right, will mean that we will make a profit after it is agreed to of $12,000,000. That is going in the wrong direction. If we want to satisfy the millions of our citizens who wish to get an opportunity to reduce the cost of living, we ought to reduce the profit instead of increasing it.

Mr. SMOOT. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. SMOOT. I fully agree with the Senator that it would be going in the wrong direction if it were not for war conditions and if we did not have to raise billions of dollars for the purpose of paying the expenses of the war.

Mr. NORRIS. As I said a few moments ago, there might come a time when I would favor even this kind of a proposition. I am in favor of carrying on the war to the utmost of our ability and to take the last dollar if necessary, but before I would increase the cost of living, already mounted sky-high, already so high that men and women and children are suffering on account of it—before I would raise it any higher I would want to tax every dollar of profit that there is in incomes or profits. Until we do that, in my judgment, we are not called upon to levy taxes upon consumption.

This is only one item in the bill that, it seems to me, is objectionable on that ground, and while the item itself is small there are dozens of others likewise small that in the aggregate amount to a good deal.

The Senator from Utah defends it on the ground that we ought to levy this tax in order to be fair to the express companies. If the Government was going into the express business like a business man for profit, I would give a good deal of consideration to that argument, but why did the Government go into the parcel-post business? Mainly because of the cry that came up from nearly all the people against the exorbitant charges and regulations of express companies. The Government went into the parcel-post business, and one of the objects was to regulate the express business. Of course the parcel-post business is an express business. But another reason why the Government went into it was because the express companies were covering the country wherever there was a profit. I say this without any faultfinding with the express companies. It was a business proposition with them. They covered the country wherever it was profitable and wherever it was not profitable, through the rural districts, and they could not make money out of it, they stayed out of the business. The Government going into it had to treat all its people alike and make the rate the

same for all. It covers the entire country, both the profitable part and the unprofitable part. So the Government is doing a work that the express companies had never done and never attempted to do, and I presume never would do.

It seems to me that that is something we ought to take into consideration before we undertake to tax the consumers of the country in order to keep the express companies in business. If the express companies had done the work that the parcel post is doing and is destined to do, I presume we never would have had any agitation for a parcel post, and now since the Government has gone into it and has, as I understand the report from the Post Office Department, made a success of it, it is proposed here to tax it, because if we do not tax it its competition will be ruinous to the express companies.

Mr. President, personally I never saw any use in our transportation system by express companies, unless they had gone out farther into the field than they did go. Confining themselves as they did and as they do mainly and principally to operation along railroad lines, it has always seemed to me as though there was no excuse for their existence. The express company is simply an organization within another organization, increasing overhead expenses and doing what the organization of the railroad company ought to do without the interposition of another inside corporation such as the express companies.

So while I have no doubt that any of the express companies, even if they went out of business, would suffer, for they made ample money at least up to the time the Government went into the business, if the Government can do the business even at a profit to the Government, and we must increase that profit to the Government and likewise the burden on the people who utilize the parcel post in order to keep the express companies profitable and alive, it seems to me it would be better and would not be more than fair that the express companies should go out of business and let the Government handle it all through the means of the parcel post.

The Senator from Utah says—and I think it is true, and I have no particular interest in the controversy as to where the bulk of this business is done—that a great deal of the parcel-post business is done between the different cities of the country. I have been interested in the figures given by the Senator from Georgia showing the comparatively small amount—I think the rather disappointing amount—of that business which has been done in the rural districts. To my mind it is immaterial whether this business is done in the rural districts or between citizens of the cities; it is entitled to the same consideration at the hands of Congress. The justice of the proposition, it seems to me, is not decided by whether the business is done in the country or between the inhabitants of different cities.

It is conceded that the present rates are profitable to the Government, or at least I have not heard that statement disputed. I have no personal knowledge as to the matter; I am taking the figures of the department, which I think ought to know, and probably do know. It is profitable now; but every cent of it is paid by the consumers of the country; and whenever you tax that business you increase the burden of the consumer, and you increase to that extent the present high cost of living. If this tax will produce a revenue of $2,000,000 to the Treasury of the United States, it simply means that the already overburdened common people of the country are going to pay $2,000,000 more to live. I can not make anything else out of it. It seems to me, Mr. President, that the amendment ought to be defeated.

Mr. McCUMBER. Mr. President, the Senator from Nebraska is opposed to this amendment because it is a tax upon consumers. I should like to have the Senator from Nebraska or any other Senator or any other man upon the face of the earth give me a single instance in which a tax can be levied that will not ultimately be a tax upon the consumer. If this awful tax, this exorbitant tax of one penny, ought not to be put upon the shoulders of the consumer, then I should like to ask what tax can be levied which would not be in the end at least as exorbitant upon the consumer?

The Senator from Nebraska says that this 1 cent will be charged by the business men to the person who receives the package. That is absolutely true. If 26 cents is charged where now only 25 cents is charged, the consumer will pay that extra penny; that is true; no man can deny it; but has it occurred to the Senator, Mr. President, that when Sears, Roebuck & Co. put a 2-cent stamp on a letter acknowledging the receipt of payment or answering the question of a customer that 2 cents is charged to its customers in general? If Sears, Roebuck & Co. pay to the Government of the United States $200,000 in postage stamps every year, does anyone contend that that $200,000 is not charged to the consumers of the products that are sent by Sears, Roebuck & Co. to those consumers? Would the Senator from Nebraska, Mr. President, then ask that we should not require the payment of 2 cents' postage upon such letters forwarding receipts and conveying information to the customer because it is a tax upon the customer, and, therefore, the Government ought to carry such postal matter free and not charge it to the customer; that it ought never to impose a tax on any parcel-post packages above what the service absolutely costs the Government, because whatever these big concerns pay they charge back directly or indirectly to the consumer?

If we are to attempt to levy a tax for war purposes, every penny of which will not come back upon the consumer—if we are to avoid that dire result—then, Mr. President, we had better give up the attempt to raise any money whatever from taxation. We tax whisky and beer and liquors of all kinds—we levy heavy taxes on them—but does anyone believe that the tax is paid by the brewer or the distiller and is not charged back to the consumer? Can you imagine any tax upon any character of business that will not ultimately reach the consumer? I call attention to this fact, Mr. President, because there has been so much said in regard to taxes that will fall upon the shoulders of the consumer.

Mr. HARDWICK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. I yield.

Mr. HARDWICK. I am very glad to hear the Senator from North Dakota express that sound faith; but I want to remind him just here that it is perfectly applicable to tariff taxes as well as to all others.

Mr. McCUMBER. Generally, yes. In some cases it is applicable to tariff taxes and in some cases it is not. I could go into the tariff question and show the difference, where in some cases the tax would be paid by the consumer and in other cases would not be so paid, depending upon whether there was or was not any competition in the home market on the particular article; but that is a big subject and it is unnecessary to be discussed in relation to this tax, which is not a tariff tax.

I do not believe that the American public are going to complain about a penny being put on the bill for a package that may be worth $20. I do not believe they are going to complain if we add another penny to the postage rates on first-class postal matter. For the individual it is extremely light, and yet in the sum total it amounts to a great deal and will assist very materially in raising the revenue which is required.

So, Mr. President, I want to insist that we can not levy a tax that will not fall upon the shoulders of the consumer in some form, and whether it be done directly or indirectly the final result will be always the same—the consumer will pay it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee as amended.

Mr. TRAMMELL. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. KNOX (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. CHAMBERLAIN]. I will inquire if he has voted?

The PRESIDENT pro tempore. The Senator from Oregon has not voted.

Mr. KNOX. Then I withhold my vote.

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Colorado [Mr. THOMAS]. I transfer that pair to the senior Senator from New York [Mr. WADSWORTH] and vote "yea."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN] and therefore withhold my vote.

The PRESIDENT pro tempore (when Mr. SAULSBURY'S name was called). I have a general pair with the senior Senator from Rhode Island [Mr. COLT] and therefore withhold my vote.

Mr. LODGE (when the name of Mr. SMITH of Georgia was called). I have a general pair with the Senator from Georgia [Mr. SMITH], who is on the committee with me, and as he would vote as I have already voted, in the affirmative, I allow my vote to stand.

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. I understand he has not voted.

The PRESIDENT pro tempore. The Senator from Arkansas has not voted.

Mr. TOWNSEND. Therefore I withhold my vote.

Mr. LODGE (when the name of Mr. WEEKS was called). My colleague [Mr. WEEKS] is absent from the city. He has a general pair with the Senator from Kentucky [Mr. JAMES]. If present, my colleague would vote "yea."

The roll call was concluded.

Mr. DILLINGHAM (after having voted in the affirmative). I have already voted, but I have a general pair with the senior Senator from Maryland [Mr. SMITH], who has not voted. I am informed, however, that if the Senator from Maryland were present he would vote as I have voted. Therefore I allow my vote to stand.

Mr. FRELINGHUYSEN. I have a general pair with the junior Senator from Montana [Mr. WALSH], which I transfer to the junior Senator from Maryland [Mr. FRANCE] and vote "nay."

Mr. WATSON (after having voted in the affirmative). My general pair, the junior Senator from Delaware [Mr. WOLCOTT], not being present, I withdraw my vote.

Mr. FLETCHER. I have a general pair with the senior Senator from New Hampshire [Mr. GALLINGER], who is absent. Therefore I withhold my vote.

Mr. MYERS. I have a general pair with the Senator from Connecticut [Mr. MCLEAN], who is necessarily absent. I transfer that pair to the Senator from Arizona [Mr. SMITH] and vote "yea."

Mr. KENDRICK. I have a general pair with the senior Senator from New Mexico [Mr. FALL]. I transfer that pair to the senior Senator from New Jersey [Mr. HUGHES] and vote "nay."

The PRESIDENT pro tempore. I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the Senator from Colorado [Mr. SHAFROTH] and vote "yea."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Maine [Mr. FERNALD] with the Senator from South Dakota [Mr. JOHNSON];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN]; and

The Senator from Pennsylvania [Mr. PENROSE] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 28, nays 27, as follows:

YEAS—28.

Ashurst	Jones, N. Mex.	New	Simmons
Brandegee	Knox	Page	Smith, Mich.
Broussard	Lodge	Pittman	Smith, S. C.
Dillingham	McCumber	Pomerene	Smoot
Gerry	Martin	Ransdell	Swanson
Hale	Myers	Saulsbury	Thompson
Harding	Nelson	Sherman	Underwood

NAYS—27

Beckham	Gronna	Kirby	Sheppard
Borah	Hardwick	La Follette	Shields
Brady	Husting	McKellar	Sterling
Chamberlain	Johnson, Cal.	McNary	Sutherland
Curtis	Jones, Wash.	Norris	Trammell
Frelinghuysen	Kendrick	Poindexter	Vardaman
Gore	Kenyon	Reed	

NOT VOTING—41.

Bankhead	Hitchcock	Owen	Townsend
Calder	Hollis	Penrose	Wadsworth
Colt	Hughes	Phelan	Walsh
Culberson	James	Robinson	Warren
Cummins	Johnson, S. Dak.	Shafroth	Watson
Fall	Kellogg	Smith, Ariz.	Weeks
Fernald	King	Smith, Ga.	Williams
Fletcher	Lewis	Smith, Md.	Wolcott
France	McLean	Stone	
Gallinger	Newlands	Thomas	
Goff	Overman	Tillman	

So the amendment of the committee as amended was agreed to.

Mr. HARDWICK. Mr. President, I give notice that I shall reserve this question for a separate vote in the Senate, and shall ask a separate vote in the Senate when we have a good attendance of the Senate.

Mr. SIMMONS. Mr. President, I ask that we may take up now the paragraph on page 76 dealing with bank checks.

The SECRETARY. On page 76, after line 3, the committee proposes to insert the following:

7. Bank check, draft, or certificate of deposit not drawing interest, or order for the payment of any sum of money, drawn upon or issued by any bank, trust company, or any person or persons, companies, or corporations at sight or on demand, 1 cent.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee.

Mr. CURTIS. Mr. President, I move to strike out the word "check" on line 4.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The SECRETARY. On page 76, line 4, it is proposed to strike out the word "check" and the comma following it.

Mr. NORRIS. Mr. President, may I ask the Senator from Kansas a question?

Mr. CURTIS. Certainly.

Mr. NORRIS. I think I am in entire accord with the Senator if the amendment will have the effect evidently intended; but would not checks be included in the words "or order for the payment of any sum of money," so that if checks were not specifically mentioned would they not, in fact, be included by the language that follows?

Mr. CURTIS. I am afraid they would, Mr. President.

Mr. STERLING. Why not insert the words "other than checks" at that point, then?

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Kansas yield to the Senator from Utah?

Mr. CURTIS. Certainly.

Mr. SMOOT. May I suggest to the Senator from Kansas that we reject the whole amendment?

Mr. CURTIS. I should be very glad to have it rejected.

Mr. SMOOT. Then there will not be any question about checks or drafts or certificates of deposit or any other evidence of payment, in the form of order or otherwise.

Mr. CURTIS. I will withdraw my amendment to the committee amendment because I believe we can defeat the committee amendment, and this will accomplish the purpose I desire.

The PRESIDENT pro tempore. The amendment to the committee amendment is withdrawn. The question is on the amendment proposed by the committee.

Mr. OVERMAN. Mr. President, I think there is less excuse for this tax than any other tax. The bankers in my State would much prefer to have this additional tax put on them, on their capital, than to have the trouble of each man, just because he takes his money out of the bank, putting a 1-cent stamp on the checks. You might as well tax a man for putting it in and putting it in the channels of trade as to tax him 1 cent for taking it out; and if you taxed him 1 cent to put it in, how many of them would put their money in the banks?

Mr. CURTIS. Mr. President, as stated a moment ago, I withdrew the amendment on the theory that we could defeat the whole committee amendment, and we would accomplish what we desire thereby.

Mr. OVERMAN. I hope the Senator will insist upon his amendment. I am against the whole amendment, as far as that is concerned; but in the case of bank checks, we know how disagreeable it was to the small depositor during the Spanish-American War. The large depositor does not care much about this, but it is the small depositors that feel it. They take their money out of the channels of trade when it ought to go into the channels of trade. You might as well tax me for putting my money in my iron box and taking it out. The depositor puts it there without getting any interest from the bank. It is just for the convenience it affords and for the protection of his money; and you ought not to make him pay this tax of 1 cent just to take his money out of the bank.

Mr. SMOOT. Mr. President, I am a member of the Committee on Finance; and in the committee, when this item was finally agreed upon, I gave notice that I should reserve the right to oppose this part of the bill.

I am utterly opposed to the taxing of bank checks or bank drafts or certificates of deposit.

Some 10 years ago there was an endeavor made on the part of business men in the East to encourage just as much as possible the depositing of small amounts in banks. It had the tendency of creating a spirit of saving among the people; and the country banks, while undertaking this splendid piece of work, never charged in any way for the check books that they issued to the depositor or for any service they might render in assisting the depositor by way of exchange or otherwise. Small banks have been established in towns of as low as 500 population. To-day, where there were only 2 or 3 banks in some of the Western States in former years, we find as high as 20 or 30 banks in counties alone. There is hardly a town with a population of over 500 people now but that has its local bank. There are small places of two or three thousand people that have two banks, and this system has been built up by encouraging the people of those small places to save their money and put it in a safe place. The untold hundreds of millions of dollars that used to be put in boxes and chests at home are now in circulation through the banks and are necessary for the expansion of the business of the Nation. If we undertake now to impose a tax upon every check, whether it be for a dollar or whether it be for $10,000,000, it will only have a tendency to interfere with the splendid work that has been accomplished by bringing into circulation the money that in the past has been held out of circulation. It is for that reason that I am opposed to this provision.

I do not know that it makes very much difference to banks that charge, for every deposit that is under $100, so much per month. Checks issued upon such banks are generally for large amounts. In the great cities of this country, if you compare

the amount of business handled with the amount of business in the little banks, and then compare the amount of checks for that business in the large banks with the amount in the little banks, I will guarantee that there are 100 checks issued on the small bank where there is one issued on the large banks of the country. Therefore it is an unjust tax, and I sincerely hope the amendment will be rejected.

Mr. HARDWICK. Mr. President, I hope the committee amendment will not prevail. We have been through one experience with a tax on bank checks. The tax was vexatious and troublesome and annoying, and hardly paid the cost of collection. I do not know, and I do not undertake to state, the exact results financially, but there was no considerable amount of money realized. I do not think the indirect injury we will do to the business of this country through the withdrawals that we may cause from banks in this country will possibly be compensated by any small amount of money that we might raise by the imposition of this tax. It would not be so hard on rich people who draw large checks and who would care nothing for the small amount of the tax.

Mr. OVERMAN. Mr. President, while the Senator is talking on this subject, I want to give an example of what occurred in the days when we had this tax during the Spanish War. Depositors took their money out of the bank and put it in an iron box, and put the iron box in the vault, and took out their cash from time to time. Instead of letting the money go into the bank, and thus into the channels of trade, they took the money and put it in their boxes in the bank, and took it out themselves, instead of issuing a check for it.

Mr. HARDWICK. Exactly.

Mr. STONE. Where did that occur?

Mr. OVERMAN. Why, it occurred in North Carolina, and in every other State in the United States.

Mr. SMOOT. Why, of course.

Mr. STONE. No; it did not.

Mr. OVERMAN. It occurred in Missouri. It was a common thing.

Mr. STONE. The Senator is mistaken about that.

Mr. HARDWICK. Mr. President, that is likely to occur in most places where there are small bank accounts and small deposits. Of course, it will have no effect on large accounts and on rich men; but the people who have very small bank accounts, and pay their small bills with small checks, will be very much affected by this sort of a tax. After all it is the great aggregate of those small people who make the sum total of the Nation's banking capital. There are so many more of them that they mount up when you consider them in the aggregate.

Mr. President, I can not see, to save my life, why we can not give the bankers of this country some credit for patriotism and common sense; and I do not know a single banker in my State, from the biggest one in it to the smallest one, who has not protested against this tax, although it does not come out of him, because they say, every one of them, that it is unwise and unsound business policy, and has a tendency to keep people from taking their money to the banks and using the banks.

I believe that indirectly this tax will do this country a vast sight of harm, that will more than balance any good that might come from it, or any amount of revenue that we might raise by it. I think it is annoying, provoking, and irritating. I do not think the amount of money that we are likely to raise from it will compensate either for the indirect injury that may flow from it or for the nagging of the people by any such useless tax as this. Therefore, I hope the Senate will strike it out, and not agree to the committee's proposal.

Mr. LODGE. Mr. President, I was one of the members of the committee who voted for this tax on bank checks. We used the stamp tax on bank checks in the Civil War and we used it in the Spanish War. It seemed to me that it was a tax easy of collection, inexpensive to collect, and one that fell only on people who had money, because they all had bank accounts. The amount in each case is very small.

With the argument that there are large classes of people in this country who should pay no taxes at all I have no sympathy, for I think that under a democracy everybody should pay his share, if it is only a few cents a year, just as I believe that those who have the most and make large profits should pay enormous taxes if necessary; but I do not believe it is a sound democratic principle to say that a tax must not be laid because there are a great many voters who will have to pay it.

The argument made by the Senator from Georgia [Mr. HARDWICK] is a much more important argument, and that is that it would tend to decrease the habit of placing small deposits in banks. It is very desirable, of course, I fully admit, that we should encourage in every way taking money from private hoards or private places and putting it in banks and getting it into circulation. It encourages thrift and is an aid to business; but I can not believe that this would have any very large effect in that direction. It is so trifling in amount in each case that I do not believe that it would have much effect in that way. It is the only tax in this bill about which I have had many letters urging its imposition—not from banks, of course, but from people generally.

I have always felt, as I say, that this is a fair tax, and I am unable to see that it is not a reasonable tax, which would fall on people who are entirely able to pay it; and I do not believe that the danger of withdrawals—which would be a serious one if it were real—has much weight. I do not think it would effect withdrawals. If it should cause withdrawals of large amounts from small banks and injure the small banks, I admit that that would be a very serious objection, because I suppose that many of the banks are so small that to pay the stamp tax themselves would be a serious burden; but it appears to me now, as it did in the committee, that it is a reasonable method of raising money. It is estimated that it will raise about $10,000,000.

Mr. KELLOGG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Minnesota?

Mr. LODGE. I do.

Mr. KELLOGG. I should like to ask the Senator from Massachusetts, when the stamp tax was in existence before, if it ever caused the withdrawal of money from banks?

Mr. LODGE. I heard it said, at the time of the repeal of the stamp tax after the Spanish War, that the country banks were against it because they thought it led to some withdrawals. I think the habit of using bank checks is much more deeply fixed now than it was then, however, and I do not believe, as I say, that it would cause any serious withdrawals.

Mr. GRONNA. Mr. President, I agree with the Senator from Massachusetts [Mr. LODGE] that the citizens of this country ought to pay some tax; but I think the Senator from Massachusetts overlooks the fact that this is a flat rate and that the man who is able to draw a check for a million dollars pays the same amount that is paid by the man who draws a check for a dollar or less; so it can not be said to be a just tax.

It is undoubtedly true, as the Senator from Georgia [Mr. HARDWICK] has stated, that to impose a tax upon the people of small means, the people who necessarily do not have to deposit their money in banks because they have no business, would be burdensome to them, and it would discourage depositing money in banks. Of course, any man who knows anything about banking, at least in a small way, knows that that is true. But more than that, Mr. President, the greatest objection I have to this tax is that it discourages thrift. It discourages the man of small means from saving his money and putting it where it ought to be, in the bank, and getting it into circulation. Instead of putting their money into banks they will put it into stockings and it will be lost, or they will squander it in some way. There is nothing, I believe, that will encourage this more than to induce and invite the people to deposit their money in some place where it will pay. We know that by encouraging the people of limited means to deposit their money in commercial banks or postal savings banks it has been one of the greatest means to encourage trade.

That is my main objection to the proposition. I have no objection to taxing bank drafts. I am perfectly willing that a banker should be compelled to pay a tax upon any draft he may issue or upon certificates of deposit. That tax would be paid by the bank and not by the depositor. But I do insist that it is a mistake to impose this tax, small though it may be, upon the man who draws a check for a dollar, or perhaps less than that, and impose the same rate and the same kind of a tax upon a man who does not have to exceed $5 in bank that you impose upon a man who has a million dollars in bank and may draw a check for a million dollars. It is an unjust tax, and I am opposed to it.

Mr. UNDERWOOD. Mr. President, we have had this same tax on bank checks proposed every time a revenue bill has come before the Congress in the last four or five decades. It is true it is an easy way to collect taxes; it is true it is an inexpensive way to collect taxes; but I do not agree, and I have never agreed, with the policy of levying this tax. In the first place, I have always believed that the estimate of the amount of revenue that can be raised under the tax has been exaggerated. My recollection is that when this tax was levied during the time of the Spanish War the amount of tax that actually went into the Treasury was a little rise of a million dollars. Of course the

increased amount of business in the country, the increased policy of the people to use the banks, would increase the amount of tax now to be collected under the pending bill.

I think, though, the estimate of the committee that this tax would bring something in the rise of $7,000,000 is far from a correct estimate. I doubt very much as to whether this tax levied to-day would bring one-half of that sum. I think it has a tendency undoubtedly to prevent the deposit of money in banks. As to how far that tendency will go and how much money it will keep out of the banks I am not able to determine, and I do not know anyone who possesses the information who could actually determine it.

But I have always opposed this proposition, because I regard it as a bad public policy. The effort to levy this tax has always been opposed by newspapers or men who represented the great wealth of the country. I know the great wealth of the country feels that it is being burdened and is going to be burdened with taxation. People with great wealth ought and must bear some of the burdens of government. I agree to that proposition. I believe that every man under the flag ought to do his part, and especially during war conditions.

The idea is given out to the country that this is a tax on wealth. It is not a tax on wealth; it is a tax on a business facility. If it was a tax on wealth, you would provide that a tax of 1 cent should be levied on every $10 that was drawn from a bank. If $10 is drawn from a bank in one check, under the amendment it would be 1 cent; if $100 is drawn from a bank in checks of $10 each, it would be 10 cents; but if it is drawn from the bank in one check of $100 it is only 1 cent. So it is not a tax on wealth; it is a tax on the opportunity to do business in a certain way; that is, to do it through a bank. It is not taxing a man's money. The check drawn for $100,000 pays no more tax than the check drawn for $5. I am not opposing it because it makes the people of small means pay a small tax to the Government—and it is a small tax—but I oppose this proposition because it is a bad public policy.

It has been stated by men of high authority that $1 in bank will pay ten times the amount of indebtedness that $1 in the pockets of the people will pay.

The purpose of that currency is to facilitate business transactions. It is a medium of exchange; it is to facilitate the trade of people and the carrying on of business. It is not only in the interest of the rich but it is manifestly in the interest of the poor; it should be a part of the policy of the Government to grant a ready facility to do business.

When you say to the small depositor that you put your dollar in bank, but when you draw it out you get 99 cents, if it is a $1 check, he becomes alarmed about the situation. But when you say to him, "If you put your money in the bank we take care of it, we keep the thief away, the danger of fire away, and we give it back to you just as you put it in," we encourage him to bring his money to the bank instead of locking it up in his trunk at home.

All recall the argument which was made here when we had the postal savings bank before the Congress of the United States. You recall the accurate statement of Government officials as to the vast amount of money that was held in the pockets of the people and not put in bank. The establishment of the postal savings-bank system was to bring that money out of hiding and out of hoarding and put it where it could be used to facilitate the trade and business of the country. You established a great banking system by the Government of the United States solely for that purpose.

This provision of the bill would reverse the engine on that question. It would turn back the lever and instead of encouraging the masses of the people to deposit their money in banks to facilitate business transactions you propose to put a tax, even small though it be, to stand as a barrier against their doing what has been the policy of the Government ever since we established a banking system.

If you really want to tax the money of the country in the banks, provide a tax of 10 cents on every $10 drawn out, whether drawn in one check or whether drawn in a thousand checks, and you will get some revenue. You will then have a tax on the money of the country, and instead of producing probably three or four million dollars produce forty million dollars. But that would be equally as bad a policy as the policy of this amendment. If you wrote the tax in that way, to tax all men equally in proportion to the amount of money they had in bank, you would hear a protest go up from one end of the country to the other that would sweep such a provision off the legislative field at once.

So I think the part of wisdom undoubtedly is to defeat this committee amendment and keep this tax out of the bill.

Mr. NORRIS. Mr. President, I do not know so much about what the conditions are in cities and in larger banks, but I think I do know what the effect of this amendment, if enacted into law, would be in the medium-sized cities and upon the country banks. It is true that the tax would be easily collected, and that it would be collected without much expense. I think those two things can be said in favor of this kind of a proposition. In my opinion, from my knowledge of the conditions of the country with which I am familiar, I believe the enactment of this amendment into law would interfere very seriously with business transactions and drive a great deal of money out of circulation, and do much more damage than the good that would be accomplished by the collection of this tax.

The tax is small, but it is not graduated so that it is fair at all. I think that must be apparent to everybody, because, as the Senator from North Dakota [Mr. GRONNA] said, the tax on a check of one dollar would be the same as the tax on a check of a thousand or a million dollars.

But I wish to call attention to what to my mind is a serious objection to it. It is that it will drive money out of the banks and hence out of circulation; that it will cause people to cease paying their bills with checks. Throughout the country with which I am familiar at least, banks have been in the habit for several years now of advertising the method and advising the people to do business and pay their bills through the instrumentality of bank checks. You can scarcely pick up a paper in which a so-called country bank has an advertisement but what it will call attention in that advertisement to the desirability of paying bills through the instrumentality of bank checks, calling atention to the fact that the check when a customer gets it back will be a receipt, and that it will avoid difficulty, and they will not be called upon to pay bills twice, because the check preserved would be a receipt for the money received.

There is not any doubt, Mr. President, that these advertisements throughout the country have been the means of millions of dollars being deposited in banks in order that bills may be paid through the instrumentality of bank checks. I know it is a common thing, where I am familiar with the way business is done, for bills to be paid in that way.

Since this bill has been pending I happened to be at a little meeting of people here in Washington where they were discussing this very question. I remember hearing two or three in that discussion express the opinion that if this provision went into the law they would pay no more bills with checks. In the cities with which I am familiar and in Washington it is the custom for people to pay their gas bills, their electric-light bills, or their grocery bills, and all similar bills every month through bank checks. One of those people I heard say at that little gathering—it was not called for any particular purpose, it was accidental—that "if this provision becomes a law it means that I pay no more bills with checks."

Senators may say it will only amount to a small sum. That is true, but you must remember we are confronted now with living expenses that are enormous, and we have been taught, from the White House down through all the Government officials the advice has gone forth, economize, save every penny. Patriotic people are trying to do it, and although to the man of wealth it might seem queer that a man or woman paying bills would for the sake of saving 10 or 15 cents a month walk 3 or 4 miles and keep the money at home instead of in the bank, it will be true nevertheless; thousands and thousands of people will do that very thing.

Now, what does that mean, Mr. President? It means that this money instead of remaining in actual circulation will be locked up 90 per cent of the time. It means that when the small depositor gets $50 which he would ordinarily deposit in a bank he will keep it in his pocket or put it in a box. It means that the banking facilities will not be utilized as they are being utilized now and as they have been for several years past.

This great agitation on the part of the banks always seemed to me was a worthy one, to advise people to pay their bills with checks. It is a good business proposition to always have a receipt when you pay out money, as you always do when you pay it with a check. They have been advised to do that for years; they have been practicing it, and they like that kind of business. It is good economy for them, and it is a good thing for the banks and a good thing for the country, because it keeps the money in active circulation all the time.

It seems to me, as I said, that while this tax could be collected easily it would be a great economical error, a mistake to put this provision in the bill and tax bank checks even though the tax be small.

Mr. SHIELDS. Mr. President, I ask consent at this time to have printed in the RECORD certain letters I have received from newspapers of my State regarding the discriminatory tax proposed to be imposed upon advertising matter and the increase in second-class mail rates.

The PRESIDENT pro tempore. Without objection, the matter will be printed in the RECORD.

The matter referred to is as follows:

THE KNOXVILLE SENTINEL,
Knoxville, Tenn., May 12, 1917.

Senator JOHN K. SHIELDS,
Washington, D. C.

MY DEAR SENATOR SHIELDS: In answer to your courteous letter of the 9th and your telegram of the 11th, before your telegram was received I sent you a wire regarding the proposed war-tax bill.

Please understand at the outset that the Sentinel is perfectly willing to bear its fair proportion of the tax necessary to raise the additional revenue of the Government.

We believe, however, that the tax levied should be at a fixed percentage of the net profits of this and other newspapers, and that no burdens should be placed upon the processes that produce the profits.

As I wired you the other day, the expense incident to the publication of all newspapers has within the past year increased enormously. We are paying more for help in all departments, some of our supplies have doubled and trebled in cost, and the largest item of expense in the way of supplies—that is, newsprint paper—has increased from 60 per cent to 100 per cent. In New York the other day, in discussing the probable price that we would be charged next year for news print, I was led by the manufacturers to conclude that prices would be still further advanced for 1918.

It seems to me that there is every good reason why, under the conditions the newspapers are forced to operate at present, they should not have a tax on advertising, and I understand that this feature of the bill has already been eliminated, and there should be no increase in postage rates, which form of distribution is so vitally essential to a wide circulation of the newspapers.

You will understand, I am sure, that this extra cost can not easily be passed on to the consumer. Our mail subscriptions are all paid for in advance and the rates fixed for the ensuing year. As it happens in the case of the two Knoxville newspapers, perhaps 75 per cent or more of their mail circulation expires in December and January and at that time are renewed for 12 months at very low prices.

To-day we are selling the Sentinel on the rural routes at $3.50 per year. This price just about pays for the white paper and postage. We can not now go to these same subscribers and demand of them that they help share the additional cost of increased postage rates.

Finally, if the newspapers are required to pay double postage rates, in self-defense they must add the increase to the cost of their subscription rates. The higher the price of newspapers, the fewer people who will subscribe to them, and the more restricted their circulation becomes the less efficient the rural routes.

Surely, if the postage rates are doubled, the newspapers wherever they can will use the express companies more largely than they are now doing, and always in preference to the mails, thereby eventually reducing their business with the post office to no inconsiderable degree.

The Sentinel, through the secretary of the Southern Newspaper Publishers' Association, expressed a willingness to donate a liberal quantity of its advertising space, its news and editorial columns to the Government, to be used for the benefit of its recruiting officers, free of all charge. I believe that the rank and file of the newspapers of the country have indicated a willingness to cooperate along these lines and that the Government should not at this time place any onerous burdens upon the press.

It seems to me that the war-tax bill as it relates to newspapers, if not actually confiscatory, is altogether discriminatory. Both Knoxville newspapers in their issues of to-day have editorials upon the subject if you care to read them.

Let us pay a fair percentage of our incomes and profits, but do not double the postage rates, which action would almost, if not quite, put out of business a large number of the smaller newspapers and would result practically in confiscating their property.

Yours, very truly, C. B. JOHNSON.

THE JOURNAL AND TRIBUNE,
Knoxville, Tenn., May 12, 1917.

Senator JOHN K. SHIELDS,
Washington, D. C.

DEAR SIR: The proposed increases of various kinds which would fall on newspapers, as I understand it at present, involve four different expenses—first, increase in postage rates; second, proposed tax of 5 per cent on advertising receipts; third, proposed 10 per cent tariff on paper; fourth, proposed excess profits taxes.

The general and principal reason which applies to all of these items is the fact, which is a matter of common knowledge, that the newspapers have been hit by the war more than any other industry, owing to the abnormal price of paper. I will give you the figures in our particular case.

Last year we purchased paper at $2.20 per hundred pounds delivered at Knoxville, and the paper bill for 1916 was $44,700. Our contract for 1917 has a price of $3.25 at the mill, which, with freight and other onerous conditions which the paper manufacturers have put in their paper contracts, means practically $3.65 delivered in Knoxville, or an increase of 66 per cent, which means, on the basis of the same consumption of paper in 1917 as we used in 1916, an increase expense to us of $29,500.

At that, it is difficult to get enough paper to supply our needs, and prices in the open market are still higher. I inclose you herewith a copy of a telegram received day before yesterday in response to an inquiry for price on two cars, quoting us $4.75 delivered at Knoxville, or more than double last year's price. Paper can not be bought in open market at all at any reasonable price. For a paper of this size you can understand what the increased expense account of this size will amount to.

It is difficult to raise advertising rates, as they are based on circulation, and advertising ceases to become profitable to an advertiser when it costs him more than a certain amount per thousand readers. We have made some slight raises in our subscription price, which only reimburse us a fraction of the above extra paper expense. In addition to this, prices of ink, metal, labor, and all materials going into the construction of a newspaper have also advanced largely.

It is impossible for newspapers to make fluctuations in their circulation and advertising rates, as is the case with the merchant, who can change his prices from day to day according to cost price.

In addition to the above, owing to uncertain war conditions, there is already an indication of contraction of business by retail merchants and a reduction of advertising on account of uncertainty, and we anticipate a great further falling off in advertising receipts. Under present conditions, the question with the average newspaper already is whether or not they can break even during 1917, and the prospects of still further burdens is an appalling one.

It seems to me that if the Government takes its taxes out of the net income of profits which they make, in the same way they do any other business, that they will have gotten a fair portion of taxes from the newspapers without resorting to special and extra taxes on them, which will probably mean that the net income of newspapers will be absolutely eliminated, with a much greater chance that they will show a loss. We fail to understand why newspapers should be treated differently from any other line of business in this respect. We do not object to paying the same proportion of our profits that every other line pays, if we make those profits, but we do object to special taxes on us which will amount to confiscation of all profits and serious danger of heavy losses.

In reference to the proposed doubling of second-class postage rates in the first zone and a further increase in more distant zones, our total postage bill for papers mailed during the year 1916 was $6,238. The proposed new rate would mean an increase to us of more than 100 per cent, as the rate would be double on most of it and triple on part of it. This would mean an additional expense to us of probably $8,000 per annum.

It is impossible to put prices high enough on subscriptions to transfer this tax to the reader. Part of it might be done, and this would mean reduced circulation and reduced advertising rates and a curtailment of newspaper reading by the general public, which would be an injury to the country. We send some papers by express to agents along the railroad lines, and we understand these shipments are also proposed to be taxed.

The tax on such things as theater tickets and hundreds of other proposed taxes can be transferred directly to the consumer by the seller, and will doubtless be done in most cases, but the newspapers are to a large extent powerless to pass this burden along, consequently it puts it in the class of confiscatory class legislation.

The proposed tax of 5 per cent on the gross advertising receipts of the newspapers is something that I have not heard of being proposed in any other line. In many lines, such as the wholesale grocery line, tax of this sort would wipe out the entire profits, as many of them do not make a net profit of 5 per cent on their sales. Why this should be applied to newspaper and not other lines we are also unable to understand.

This tax, based on advertising carried in the Journal and Tribune would cost us in the neighborhood of $7,500 per annum additional, which could not be transferred to the advertiser for the reasons above explained, that advertising ceases to be profitable to advertisers above a certain price per thousand circulation.

Advertising is not an absolute necessity for many merchants, as a number of them do without it entirely, and if this extra charge were put on them they could simply drop out. This is another condition peculiar to the newspaper business, as we are not delivering any necessities which the public must have, and are not in position to place any price on the same which we see fit.

As to the excess profit tax, there does not seem to be much chance of our getting any excess profit, so that it does not worry us much, but as stated above, the income tax and excess profits tax which applies to all lines of business would also apply to us, and we are willing to pay the same as other people are paying, but can not see why we are picked out for slaughter.

In further reference to the postage matter, as I advised you some time ago, I think the sooner we get this on the zone basis the better, as it is manifestedly unfair to charge a publication like the Saturday Evening Post 1 cent a pound to carry their papers from Philadelphia to Los Angeles and charge the Journal and Tribune the same price for an average haul of about 30 miles. In papers of this size the bulk of the circulation is within 75 miles, and if they can hold the postage rate down to the present price to a zone of probably 75 or 100 miles, the burden would not be great and it would be a more equitable way to make the long-haul paper pay the price and the short-haul papers remain as at present.

Another expense, it seems imminent to us, is the 10 per cent tariff on paper. It so happens we are buying our paper in Canada and are contracted with this mill for the year 1917. Will probably have to buy from them also in 1918, as no paper manufacturers have been making contracts except with their old customers, and a price can not be secured from any other. This will mean a probable additional expense to us of $7,000 per year. Our competitor buys in the United States and will be saved this expense.

There are many southern papers in our condition; that is, buying from Canadian mills. The ones that happen to be doing this would be picked out for this additional burden, whereas those that happen to be buying from the American mills would not be touched.

To sum up the matter, the increase of cost of paper, coupled with the proposed various additional taxes and the other increased cost of doing business of all kinds, will amount to a grand total of $50,000 per annum, which is far above the normal average profits of a paper of this size, which makes the whole proposition appear as if the end of newspaper business were in sight.

Trust you will agree with me that it is obvious that the facts and figures in the above statement are correct and hope that the Congress will decide to let the papers pay their share of tax out of profits, if they are allowed to make them, the same as any other line of business.

Respectfully submitted.

I am, sincerely yours, A. F. SANFORD.

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THE CHATTANOOGA TIMES,
May 9, 1917.

Hon. JOHN K. SHIELDS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In to-day's dispatches I notice the new revenue bill contemplates taxing newspapers 5 per cent on their advertising receipts and increasing by 100 per cent the postal rate for newspapers in the first zone, which is within 200 miles of the office of publication. Why newspapers should be singled out among all the business interests in the United States for this extraordinary tax on their receipts is beyond any of us to comprehend. This is class legislation of the most drastic and vicious sort. Of the many hundreds, and I might say thousands, of commercial pursuits in the United States, this bill says to the publisher of the newspaper that you, and you alone, shall pay a direct tax to the Government upon your receipts. It is unfair, unjust, and unreasonable, and can not be defended either in law or in morals. It would be just as fair to single out the business of mining or manufacturing of any sort or a commercial enterprise of any kind and say to any one of these that you shall pay to the Government for the privilege of conducting your business 5 per cent of your entire receipts, and it might say to any one of them in relation to their freight or express charges that you shall pay to the Government 100 per cent additional for the freight or express charges on whatever you may ship, whether you prepay it or not.

No consideration seems to be given to the already increased costs of newspaper publication, which makes the business a perilous and hazardous one to undertake. Increased wages in practically every department, the from 50 per cent to 75 per cent increased cost of white paper, and other added expenses makes the difference between income and expenditure so exceedingly small now that this 5 per cent tax on advertising receipts and the doubling of the postage charge may very easily, in a large number of cases, tip the scale to such an extent that the expenditure will greatly exceed the income, thereby causing a serious loss to the publisher. The fact is that every publisher is now struggling to as nearly as possible equalize the two, as is evidenced in so many instances by the raise in the subscription rate of most all publications. Where formerly there were hundreds of 1-cent newspaper publications in the United States, increased costs have necessitated the raising of the price to 2 cents, which in many instances does not cover the additional cost of white paper alone, so that now the 1-cent newspaper is a rarity.

I certainly hope that when this bill comes before the Senate, if it should still contain the provisions to which objection is here made, that you will oppose them and fight them to the bitter end. The spirit of nagging and revenge for whatever grievances, and they are mostly fancied, is out of place in this time of national trouble and peril, and our representatives in Congress should rise above any such mean or sordid motives and legislate in fairness, in justice, and in reasonableness to all.

May I ask you to give me an acknowledgment to this letter, with a statement, if the asking is not too presumptious, of what position you will take when this bill comes before the Senate?

With assurances of my highest respect and regard, and with my very best wishes to you personally, I am,

Very sincerely, yours, H. C. ADLER.

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THE CHATTANOOGA TIMES,
May 15, 1917.

Hon. JOHN K. SHIELDS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: This morning I wired you as follows, which I now beg to confirm: "Let me suggest that newspaper second-class mail rate remain at present rate where the subscription price for the publication is the same in the country as it is in place of publication, and that where a newspaper cuts its subscription price going by mail it should pay an increased mail rate, say, the rate as in present bill."

There is no doubt that if the mail rate were increased as embodied in the House bill it would be ruinous to a very large number of newspaper publications. At the same time the Government, as an argument on its side as it relates to certain newspaper publications, which, in order to obtain large circulations in the territory adjacent to, but not inside of its place of publication, cut their rates to such an extent that a newspaper which maintains its subscription price is driven out of the field. When a newspaper, in order to obtain its largely increased circulation, cuts its subscription rate from 33⅓ per cent to 50 per cent below what it is charging the people in the city where it is published, it is not entitled to the consideration in this second-class mail rate matter. For instance, I have before me the subscription rates of three newspapers. They are as follows:

	Per year.
No. 1:	
City subscribers	$4.00
By mail	2.40
No. 2:	
City subscribers	5.00
By mail	3.00
No. 3:	
City subscribers	7.50
By mail	4.20

You will observe that there is a vast difference between subscription rates in the cities of publication and by mail. There is no excuse for this difference, and it should not be permitted by the Government, the facts being that the mail subscriber costs more to get than the city subscriber costs, and yet a vast difference as you will observe, is made in the charge to these different classes of subscribers.

It is quite true that the increased cost of newspaper publication in the past 12 months has made this class of business quite a risky one, but that does not serve as an excuse for any newspaper to attempt to deliver to a mail subscriber the publication at a price somewhat less than the cost of the newspaper

amounts to. I give you this information so that when the bill comes to the Senate you may be in a position to take action along the lines suggested, should you desire to do so.

With assurances of my kindest regards and best wishes, I remain,

Very sincerely, H. C. ADLER.

THE COMMERCIAL APPEAL,
Memphis, Tenn., May 24, 1917.

Hon. JOHN K. SHIELDS and
Hon. K. D. MCKELLAR,
United States Senate, Washington, D. C.

GENTLEMEN: I am writing to you in regard to the proposed increase of newspaper postage which is being urged as a war tax, and I shall discuss the question briefly from the standpoint of this paper. What is true of our paper is true of such papers as the Courier-Journal; the Tennesseean, of Nashville; the Journal and Constitution, of Atlanta; the Times-Picayune, of New Orleans; and the Item, of New Orleans; the Dallas News; the Houston Post; and the Little Rock Gazette.

Our business is probably larger than that of any of the newspapers I have mentioned. The papers that would be more seriously burdened than ours are such as the St. Louis papers, the Kansas City Star, the Philadelphia papers, and the Boston papers.

I believe that under the present rate of postage the Government of the United States makes a good profit from hauling our papers. I am sure this is true as to the daily and the Sunday issues. It is probably true as to the weekly.

The Commercial Appeal has a circulation of about 75,000 daily, and the Sunday has a circulation around 120,000, and the weekly has a circulation of around 90,000.

Last year we paid the United States Government $31,000 paper postage. We paid the express companies about $15,000 for paper transportation. At our present circulation this year, under the present rate, we will pay the United States Government about $40,000 and the express companies about $18,000.

HOW OUR PAPER IS TRANSPORTED.

Our daily, which the Government transports, is routed in Government sacks in our own office; it is hauled to the depots in our own trucks and it is loaded into the cars without expense to the Government. Not over 500 papers a day are handled regularly through the post office. As to this daily circulation, all the Government does with about three-fourths of papers tendered to it is to convey them from Memphis to the destination point. At the destination points our agents in three-fourths of the deliveries are present when the train arrives; they take the papers from the depot platforms and then and there begin to make their deliveries. The rest of the deliveries, about one-fourth of the total number of papers handled by the Government, are delivered through the post office.

We have rural route daily subscribers. The route classifications are arranged at this office. If there are three routes from a post office the postmaster finds the papers all bundled for each route. He merely transfers them to the route box, and the rural free-delivery carrier makes the delivery.

The Sunday paper is handled much as is the daily. All the routing, sacking, weighing, and delivering to the train is done in this office. The weighing is the only thing that the Government does before the papers reach the train. More than one-half of our circulation on the daily and on the Sunday goes in bundles. The average number of papers in these bundles is about 25. A great many of the papers for near-by towns and cities are put in bundles of 100 and 200.

Now, as to the daily and Sunday, we are charged $1 per 100 pounds. The express companies convey our papers to any point within our circulation for 50 cents a hundred pounds, but we are required by the express companies to route and to weigh the papers in our office and to make delivery to them at the train. The express companies also expect our agent at the end of the route to take the papers from the train. In other words, the express companies charge us 50 cents a hundred for doing the same service the Government does for $1 a hundred. One might say that the Government gets the more expensive end of the traffic and the express companies the cheaper. It is true that the Government does get more single wrappers than do the express companies, but it is also true that the Government gets as many heavy bundles as do the express companies. The fact is, also, that our daily and Sunday are, for the greater part, delivered within a radius of 200 miles—50 per cent of the mail is delivered within a radius of 100 miles of Memphis.

The amount of the circulation the average American daily newspaper has beyond 250 miles is almost negligible. It is true that certain New York and Chicago papers, with expensively illustrated supplements, do send many papers a great distance, but this number is slight in comparison with the total mailing of these papers. I doubt that any New York paper has 15,000 daily circulation beyond a radius of 150 miles. I doubt that any Chicago paper has 5,000 daily circulation beyond a radius of 150 miles. I doubt that any New York Sunday paper and any Chicago Sunday paper has a Sunday circulation amounting to 25,000 beyond a radius of 250 miles.

I am sure that the Government makes money transporting our daily and Sunday. I am also sure that the Government does not lose money in any great sum on the dailies of New York and Chicago.

We have a weekly; it has a circulation of around 90,000. It is a combination of a newspaper and farm paper. It is a clean, carefully edited paper, which is subscribed for mainly by small farmers. I believe that the paper has been the means of bringing education and matters agricultural into the home life of a great many families. But I am making no claims because of service papers are doing. Service is the duty of every semipublic business and of every good citizen.

The weekly is routed in this office. It does not go through the post office; it is hauled to the trains in our wagons. In order to speedily get the weekly out, we pay the United States Government $8 a week for the time of two Government inspectors, who supervise the weighing of the papers. If we sent the papers to the post office these inspectors would have to do this work at the Government's expense, but we pay the Government for getting the weights upon which we pay freight. The weekly is routed by trains and by States. If we have a half dozen subscribers on a rural free-delivery route, those papers are put into one bundle and addressed to that rural free-delivery route.

On the weekly there is a comparatively small amount of work to be done in the mail cars. Many people in Oklahoma and Texas take our weekly. They are former Tennesseeans and small farmers. Our Texas papers are put in through Texas sacks, but the separation work for distribution is principally done in this office.

So, after all, you will see the Government charges us a dollar a hundred pounds for transporting our papers, and that three-fourths of the Government labor is merely transportation. The express companies do the same work for 50 cents a hundred. It is true that the Government does more business than the express companies do, but it is also true that the Government gets twice as much as the express companies get, and the express companies seek the business. The Government makes a profit on transporting our paper.

WHAT WE DO.

Twenty years ago the Commercial Appeal chartered a train that leaves Memphis every morning at 3 o'clock, and now goes as far as Huntsville, Ala. We guaranteed to the Southern Railway a certain amount of money for that train. The train finally became self-sustaining. But a few years ago, because of the high cost of railroad operation, the Commercial Appeal, in order to keep the train on, agreed to pay to the Southern Railway Co. a fixed amount every month. This we have done; this we are still doing. This train is of general service. It would not run—which we in a way chartered—unless we made up a deficit and we pay the United States Government postage for hauling our papers. The United States Government also takes advantage of this train and sends out an enormouse amount of first-class mail matter and parcel-post stuff. Because of this train the United States Government is enabled to cover out of Memphis all of east Mississippi, much of west Tennessee, and all of north Alabama before noon.

I do submit in this case that we are rendering more service to the Government than the Government is rendering to us.

For many years we maintained a 2 o'clock train from Memphis to Jackson, Miss., a distance of 200 miles. We paid the Government for the privilege of hauling our papers on our own train. The Government used the train for all of its other post-office products; and the communities were served by these trains. Except for the Commercial Appeal neither of these trains would have served as transportation mediums so long.

Under the proposed second-class section, as it came from the House, the "first zone" charge, until November, would be 1⅓ cents a pound; and second and third zones 1⅓ cents a pound.

I believe that the increases for all zones would average an increase of about 1½ cents a pound.

After November 1 the average increase would be 1⅔ cents.

This year we are paying postage to the Government at the rate of $40,000 a year. Assuming that our circulation holds at this figure, under the proposed increase our postage will be from $60,000 to $65,000.

In a word, the Government is increasing one cost element of our manufacturing 50 per cent.

Of course you are entirely familiar with what papers, like other business enterprises, must pay in the way of general

taxes on profits. The Commercial Appeal is now paying a tax on its income. It is also paying a corporation-stock tax at the market value. This corporation-stock tax alone this year, at 50 cents a thousand market value, will cost us about $450.

Our paper is capitalized at $300,000. The fact is that $1,000,000 were put into the paper before it ceased to lose money. Even under present taxing methods the paper is paying to the Federal Government $40,000 paper postage and about $4,000 first-class postage, but I do not claim this to be a tax; but under the law as it stands we are due this year to pay to the Government corporation and income tax, etc., amounting to about $3,500. We have paid it in advance.

The proposed bill as it was originally drafted, exclusive of the 10 per cent tariff tax on white paper, would cost the Commercial Appeal an amount that would turn last year's profit into a deficit.

Under the proposed bill, newspapers, because of the peculiarity of their business, must pay a large sum on telephoning and telegraphing.

The zone system as it stood when it left the House and the initial increase, would put a burden upon American newspapers that I think is unfair and disproportionate to the burdens put upon other business.

My suggestion is this, if the Congress is determined to tax us on a postage schedule: Let the second-class postage remain at 1 cent a pound from the point of publication up to the end of a radius of 250 miles, and then have a gradual zone increase until the extreme zone in the United States is 2 cents.

To be entirely frank, I believe that any periodical of large general circulation could be transported without loss to the Government under these rates: A 2-cent maximum for the extreme zone, granting that it had a large circulation as far west as San Francisco.

TAX ON TRANSPORTATION.

This bill is a war-tax bill. If the newspapers are not paying sufficient postage, the adjustment should come from the Post Office Department.

But if this is a tax measure, I submit that newspapers should not be singled out from any other business enterprises, and a tax placed upon the elements that go into the manufacture of the product. The Government, for taxing purposes, puts us into a class, then, justifying its rate of taxation, it bases this rate upon a transportation charge. The proposition, then, to increase the freight rate on newspapers is outrageously discriminatory against newspapers, because the transportation companies themselves are asking a maximum rate of 15 per cent, and will be content with a maximum rate of 5 per cent.

If this is a matter of transportation, we should not be included in the war-tax measure. If we are in the bill for taxes, we should be there along with every other form of business.

We are willing to be taxed as any other business enterprise, but we ask merely the privilege of being permitted to do business. We are willing to come in along with every other form of business; we are just like any other business enterprise, and, therefore, we insist that we should not be overtaxed upon things that go into the production of our wares. Tax us just like you would the grocer, the banker, or any other corporation, either upon the value of our stock or upon our income, or both.

If this bill had been passed as originally introduced, it would have bankrupted about half the periodicals and newspapers in the United States, if they had persisted in doing business along progressive lines. Within the last two years every element in the production of a newspaper has increased in price.

The Senators themselves attempted to help us in the matter of white paper.

WE CAN NOT SHIFT THE BURDEN.

Some say that we should increase the price of our papers. Papers like the Commercial Appeal are all selling their papers at a rate which, in fairness to our readers, we can not increase.

Some of the papers are criticized because they have run their circulation at a loss in order to have it large, and then place the burden upon the advertiser.

We have always felt that our readers ought to pay a fair price for the paper. We are getting a fair price for the paper—15 cents a week for a single copy. Our circulation returns, therefore, have paid for our white paper, and we do not have to put the burden of this cost upon the advertiser. The advertiser can not afford to pay much more, because it would make his overhead charges too great. There is a point in advertising at which more money for more advertising will not produce a corresponding amount of business.

We are securing a fair rate for our circulation and are selling our advertising at a rate which is not burdensome to the man seeking to increase his business and to sell his wares. We are not a burden to the Government and we are not transferring any burden from the reader to the advertiser; nor are we giving one advertiser an advantage of the other one. Our rates, as are the rates of most American newspapers, are absolutely fixed. Complaint has been made in certain quarters that papers charge much more than their card rates for political advertising. The Commercial Appeal does not seek this sort of advertising, but when it is offered we take it just at the same rate we get for any other advertising.

We can not pass the burden that the Government proposes to put on us either to our readers or to our advertisers. We would have to absorb it, and the result of the absorption would be conducting our enterprise at a loss; and if we are worth anything as a public servant we would thereby reduce our power to serve.

Let us get the business into our office; let us circulate our paper, and then if there is a profit take for the Government whatsoever part of the profit it needs to carry on its business during the war. Newspapers are asking to be fairly dealt with, as are other business enterprises; this much and no more.

Respectfully,

C. P. J. MOONEY,
Managing Editor Memphis Commercial Appeal.

Mr. SIMMONS. Mr. President, I desire to detain the Senate for only a few minutes upon the pending question. I will say frankly to the Senate that the committee were divided upon this question, as indicated by the statement of the Senator from Utah [Mr. SMOOT], who is a member of the committee, and certain members who were opposed to this amendment reserved the right to oppose it upon the floor of the Senate notwithstanding the action of the committee. Other Senators who felt very much like the Senator from Utah did not reserve that right.

It has been stated, Mr. President, that the revenue derived from the tax on bank checks in the Spanish-American War was insignificant. That is a mistake. The tax then imposed was a tax of 2 cents, and that tax, according to the statement of the Treasury Department, yielded about $7,000,000. There was also a tax imposed upon bank checks during the Civil War, from which there was a considerable revenue derived.

The rate proposed in the Senate committee amendment is only half the rate carried in the Spanish War revenue war act. It is estimated that that 1 cent will raise $9,000,000, $2,000,000 more than the 2-cent rate imposed during the Spanish-American War. Of course, the reason for that is obvious to everyone. There has been a great development in the banking business of the country. Clearing house statements show that the increase has been fourfold.

It is stated, and stated correctly, that there was a protest, I might say quite a general protest, on the part of the bankers against this tax, but that protest came chiefly and especially from the smaller banks. They protested because they thought it would result in the falling off of their deposits. I think myself that they greatly exaggerated the effect upon their deposits of this little tax. Especially the larger banks made no such claim as that, but they protested because it would be a matter of inconvenience.

Mr. President, I wish to say in this connection that if we are to strike out of the bill everything in it against which there was a protest, we would have to strike the whole bill out. Of course, we understand that the bill levies very high, exceptionally high, phenomenally high, rates of taxes. The amount of money which the Government must have to meet the present situation is an enormous sum compared with any requirements of the Government in the past, and these demands of the Government can not be met except by unusually high taxes.

The protest against this particular provision probably was no greater than the protest against the average impositions in the bill. I do not say that everybody who is taxed under the bill has protested, but there is hardly a tax here imposed that somebody has not protested against, because, I do not care how strong the patriotic sentiment is, it is a part of human nature, however necessary the taxes may be to meet an exigency or an emergency, to try to avoid taxes so far as they are concerned and throw them off on somebody else's shoulders.

Mr. President, I do not question that this would be some inconvenience to the banks; I do not know but what it may possibly affect the deposits in some of the banks; but in this bill your committee felt that it must ignore some considerations that appealed to it. Otherwise it would have made very little headway in raising the money necessary.

Mr. President, I do not wish to pursue this subject any further. The committee considered it very thoroughly and voted upon it several times. Each time there was a very decided division in the committee. I am perfectly willing to

submit the matter to the judgment of the Senate, and because there is a small attendance this afternoon I shall not call for the yeas and nays upon it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee. [Putting the question.] The noes seem to have it.

Mr. WILLIAMS. I ask for the yeas and nays.

Mr. SMOOT. I am afraid we can not get a quorum.

The PRESIDENT pro tempore. Did the Senator from Mississippi call for the yeas and nays?

Mr. WILLIAMS. I make the point of no quorum, incidentally.

The PRESIDENT pro tempore. The Senator from Mississippi suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hale	McNary	Simmons
Bankhead	Hardwick	Myers	Smith, S. C.
Beckham	Hollis	New	Smoot
Borah	Husting	Newlands	Sterling
Brady	Johnson, Cal.	Norris	Sutherland
Brandegee	Jones, N. Mex.	Overman	Swanson
Broussard	Jones, Wash.	Page	Thompson
Chamberlain	Kellogg	Pittman	Trammell
Colt	Kendrick	Poindexter	Underwood
Curtis	King	Ransdell	Vardaman
Frelinghuysen	La Follette	Saulsbury	Watson
Gerry	Lewis	Sheppard	Williams
Gore	Lodge	Sherman	
Gronna	McKellar	Shields	

The PRESIDENT pro tempore. Fifty-four Senators have answered to their names. There is a quorum present. The question is on the amendment reported by the committee, on which the yeas and nays have been requested. Is the demand seconded?

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WALSH], which I transfer to the junior Senator from Maryland [Mr. FRANCE] and vote "yea."

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Colorado [Mr. THOMAS]. I transfer that pair to the senior Senator from New York [Mr. WADSWORTH] and vote "yea." I ask that this announcement of the transfer of my pair may stand for the remainder of the day.

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. I transfer that pair to the Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. TOWNSEND (when his name was called). Announcing my pair with the senior Senator from Arkansas [Mr. ROBINSON], I withhold my vote.

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the junior Senator from Ohio [Mr. HARDING] to the Senator from Oklahoma [Mr. OWEN] and vote "nay."

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE]. I transfer that pair to the Senator from California [Mr. PHELAN] and vote "yea."

The roll call was concluded.

Mr. MYERS. I have a general pair with the Senator from Connecticut [Mr. McLEAN], who is absent. I transfer that pair to the Senator from Arizona [Mr. SMITH] and vote "nay."

Mr. FLETCHER. I have a general pair with the Senator from New Hampshire [Mr. GALLINGER], which I transfer to the Senator from Colorado [Mr. SHAFROTH] and vote "yea."

Mr. GERRY. I inquire if the junior Senator from New York [Mr. CALDER] has voted?

The PRESIDENT pro tempore. The Chair is informed that that Senator has not voted.

Mr. GERRY. I have a general pair with the junior Senator from New York, which I transfer to the Senator from New Jersey [Mr. HUGHES] and vote "yea."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Maine [Mr. FERNALD] with the Senator from South Dakota [Mr. JOHNSON]; and

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN].

The result was announced—yeas 22, nays 38, as follows:

YEAS—22.

Colt	Jones, N. Mex.	Martin	Simmons
Fletcher	Kellogg	Nelson	Stone
Frelinghuysen	Kendrick	Newlands	Swanson
Gerry	Lewis	Page	Williams
Hale	Lodge	Pittman	
Hollis	McCumber	Saulsbury	

NAYS—38.

Ashurst	Husting	Norris	Smoot
Bankhead	Johnson, Cal.	Overman	Sterling
Beckham	Jones, Wash.	Poindexter	Sutherland
Borah	Kenyon	Pomerene	Thompson
Brady	King	Reed	Trammell
Chamberlain	La Follette	Sheppard	Underwood
Curtis	McKellar	Sherman	Vardaman
Gore	McNary	Shields	Watson
Gronna	Myers	Smith, Mich.	
Hardwick	New	Smith, S. C.	

NOT VOTING—36.

Brandegee	Gallinger	McLean	Smith, Md.
Broussard	Goff	Owen	Thomas
Calder	Harding	Penrose	Tillman
Culberson	Hitchcock	Phelan	Townsend
Cummins	Hughes	Ransdell	Wadsworth
Dillingham	James	Robinson	Walsh
Fall	Johnson, S. Dak.	Shafroth	Warren
Fernald	Kirby	Smith, Ariz.	Weeks
France	Knox	Smith, Ga.	Wolcott

So the amendment of the committee was rejected.

DEATH OF EX-SENATOR JOHN W. KERN.

Mr. NEW. Mr. President, it is with very great personal sorrow that I have to announce to the Senate the death of the Hon. John W. Kern, late a member of this body as a Senator from Indiana.

I wish to say in this connection, Mr. President, that for 40 years, all of my adult life, John Kern and I were the closest and warmest of personal friends. The sharpness and bitterness with which political contests are conducted in Indiana is proverbial. In all the years of our acquaintance Mr. Kern and I belonged to opposite parties and politically were as wide apart as men can be, I presume; but in all those years there was never a word to mar the pleasant—yes, cordial personal relations that existed between us.

I first knew John Kern when he came to Indianapolis from the little town where he was reared, with the bloom of youth on his cheeks and the hopes and ambitions of young manhood in his heart. I saw him and knew him as he struggled through the earlier stages of what was to become a highly successful professional career. I have known him through all the vicissitudes that he encountered in later life. I knew him in all his political struggles; I knew him as an attorney and otherwise; I knew him man to man, and at the end of that 40 years my appreciation of his character and of his friendship was stronger and greater than it had been at the beginning. It is with unusual regret, Mr. President, that I have to announce his death to the Senate.

I offer the resolutions which I send to the desk.

The PRESIDENT pro tempore. The Secretary will read the resolutions.

The resolutions (S. Res. 120) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has learned with deepest sorrow of the death of Hon. John W. Kern, late a Senator from Indiana and as such a Member of this body. He was able and efficient as a Senator, tireless in his devotion to the interests of the public service, and his sterling qualities earned for him the friendship and esteem of his associates.

Resolved further, That the Senate voices its profound regret of his death, and directs that this expression of its respect for his memory be made a part of the record.

Mr. NEW. Mr. President, as a further mark of respect to the memory of Mr. Kern I move that the Senate now take a recess until Monday, August 20, 1917, at 11 o'clock a. m.

The motion was unanimously agreed to; and (at 1 o'clock and 45 minutes p. m., Saturday, August 18, 1917) the Senate took a recess until Monday, August 20, 1917, at 11 o'clock a. m.

SENATE.

MONDAY, *August 20, 1917.*

(Legislative day of Wednesday, August 15, 1917.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gerry	Kellogg	Myers
Bankhead	Hale	Kendrick	Nelson
Brady	Harding	Kenyon	New
Brandegee	Hardwick	King	Norris
Calder	Hollis	Knox	Overman
Colt	Husting	La Follette	Page
Curtis	James	McCumber	Pittman
Dillingham	Johnson, Cal.	McKellar	Pomerene
Fletcher	Jones, N. Mex.	McNary	Ransdell
Frelinghuysen	Jones, Wash.	Martin	Robinson

Saulsbury	Shields	Smith, S. C.	Townsend
Shafroth	Simmons	Smoot	Vardaman
Sheppard	Smith, Ga.	Stone	Weeks
Sherman	Smith, Mich.	Sutherland	

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness. I will state that he is paired with the senior Senator from North Dakota [Mr. MCCUMBER]. This announcement may stand for the day.

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent on account of illness in his family. He is paired with the Senator from New Jersey [Mr. FRELINGHUYSEN]. I ask that this announcement may stand for the day.

Mr. FRELINGHUYSEN. My colleague [Mr. HUGHES] is unavoidably absent owing to illness.

Mr. CURTIS. I desire to announce the unavoidable absence of the Senator from New Hampshire [Mr. GALLINGER]. I will let this announcement stand for the present.

I also wish to announce the absence of the Senator from New Mexico [Mr. FALL] on account of illness in his family.

Mr. MCNARY. I desire to announce the absence of my colleague [Mr. CHAMBERLAIN] on official business.

Mr. SUTHERLAND. I wish to announce the absence of my colleague, the senior Senator from West Virginia [Mr. GOFF], on account of illness. I will let this announcement stand for the day.

Mr. SMITH of Georgia. I desire to state that the senior Senator from Texas [Mr. CULBERSON] is absent on official business.

Mr. KING. I desire to announce that the senior Senator from Oregon [Mr. CHAMBERLAIN], the junior Senator from Kentucky [Mr. BECKHAM], the senior Senator from Illinois [Mr. LEWIS], and the senior Senator from California [Mr. PHELAN] are detained on official business.

The PRESIDENT pro tempore. Fifty-five Senators have answered to their names. There is a quorum present.

FREEDOM OF IRELAND.

Mr. JONES of Washington. I present resolutions adopted at a mass meeting of citizens of Tacoma, Wash., in the nature of a petition, with a request that they be printed in the RECORD. I ask that they be printed in the RECORD without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The resolutions are as follows:

Whereas the only government now in Ireland sanctioned by the mass of the people of Ireland—the provisional government of the Irish Republic—has, through its duly accredited representative, appealed to the Government and people of the United States for their active support of the demand of the Irish people for absolute independence; and

Whereas the joint resolution offered in the House of Representatives by the Hon. WILLIAM E. MASON, formerly Senator and now Congressman at Large from the State of Illinois, is designed to accomplish in practical and efficient form the object of that appeal; and

Whereas it has been announced in the public press, on the authority of the chairman of the House Committee on Foreign Relations, to which committee said joint resolution has been referred, that the same, not being a war measure, will not be reported to the House without direct instructions from the administration—meaning thereby, presumably, the Executive Department of our National Government: Now, therefore, be it

Resolved, That we, citizens of the United States and of the State of Washington, in public meeting assembled in the city of Tacoma on this 9th day of August, 1917, do hereby respectfully petition the Congress of the United States to act favorably on said joint resolution; and we do most respectfully and earnestly urge upon the representatives of this State in the Congress to take such action, separately and collectively, as will secure an early favorable report on said joint resolution and its adoption by both Houses; and be it further

Resolved, That we earnestly and respectfully urge upon the President of the United States that he may recommend to the Committee on Foreign Relations of the House of Representatives that the joint resolution in question be reported favorably at the earliest practicable moment.

MICHAEL DOWD, *Chairman.*
M. J. COSTELLO, *Secretary.*

RECENT TROUBLES IN EAST ST. LOUIS, ILL.

Mr. FLETCHER. Mr. President, bearing on the question of the trouble at East St. Louis, Ill., I have an article written by a distinguished citizen of Florida, a gallant ex-Confederate soldier, frequently referred to as the Nestor of the press of Florida—Hon. Frank Harris. I should like to have it printed in the RECORD. I think it will be instructive.

The PRESIDENT pro tempore. If there be no objection, the article will be printed in the RECORD. The Chair hears none.

The article referred to is as follows:

[From the Florida Record.]

"EDITOR FRANK HARRIS, OF THE OCALA BANNER, WRITES OF THE NEGROES OF NORTH AND SOUTH.

"To the EDITOR ROCHESTER EVENING NEWS:

"A friend living in your city has mailed me a copy of the Evening Times under date July 16, containing a marked article entitled 'Negroes coming North.'

"I confess to you that I was not irritated, and perused the article more in sorrow than in anger, for I can feel but pity for those living either North or South who all their lives are condemned to go through the world nursing a blind, morbid, deep-seated, irrepressible prejudice.

"Just how one can manage to entertain a prejudice against a whole people—a people of his own race and lineage; a people fighting for and under the same flag and worshiping the same God—is beyond my power to analyze or comprehend.

"It seems a mockery that one could seriously entertain the belief that the southern people, or any considerable number of them, should make it either a business or a pastime to 'shoot, hang, or burn innocent negroes.'

"If this were true, this race could not have increased in population from 4,000,000 to four times 4,000,000 within the period of 50 years.

"And how is it possible for you to believe that they are held in a condition little less than slavery when in the same article you quote from the Age that within a period of 50 years the negroes in the South have accumulated farm lands to the amount of $2,000,000,000, farm implements to the value of one and a half billions, and have deposited in southern banks $2,000,000,000, for it is a well-known fact that the negro has yet to learn the lesson of frugality?

"If it be true that they are still held in a condition little less intolerable than slavery, think you that these accumulations were possible?

"You do a whole people an injustice.

"We of the South are not preternaturally a bad, intolerant, overbearing, oppressive, and certainly not a vicious or murderous people.

"If you were to come amongst us and become fairly well acquainted with us, you would find us a very good people; if not loving and lovable, we would at least average with the population of other sections.

"Pardon me for saying it, but we boastingly profess to spring from the loins of the very best stock that has ever landed on these shores, and the strain of our blood is the purest that flows in American veins.

"One ought to know that a section of country that can give birth to such a race of men as Washington, Jefferson, Madison, Monroe, Patrick Henry, John Randolph, Henry Clay, John Rutledge, McDuffie, Andrew Jackson, Winfield Scott, Zachary Taylor, Andrew Johnson, Abraham Lincoln, Woodrow Wilson, and a thousand men like them can not possibly be wholly bad.

"And the sun shines on no more noble women than the women of the South. The mothers of these men prove this assertion.

"It must be confessed that we have a full share of race pride and a love for the pride of ancestry. We feel that we owe something to posterity.

"So believing, we feel it a sacred duty to stand unequivocally for race purity, race integrity.

"Is that a fiendish crime? Is it a crime at all? Is it one for which any race should be ashamed?

"We have only to cast our eyes across the border into Mexico, toward Central America, Cuba, Haiti, or San Domingo to measure the results of race impurity; so we are trying as best we can to avoid a like condition.

"We do not want the South—fair as any spot on God's domain—to become mongrelized. Why blame us?

"Should we be anathematized for that? Is it immoral? Is it un-Christian? Is it in contravention of God's ordinances or the very work of His hands?

"If it is any or all of these things then the whole people of the South need to be born again.

"All of my life I have lived in the South; have traveled through many States, and I make the statement with fingers uncrossed that I have yet to see a sign that reads: 'Negroes and dogs not admitted here.' Nor have I ever seen a person who would say on his honor that he had ever seen such a sign in any part of the South. I can, therefore, regard it but a fabrication.

"As God in his creation differentiated the races, making some white, some black, others red, and yellow, we must believe that he did so for some wise purpose.

"We know that he frowned upon race amalgamation among 'His chosen people' and inculcated among them the doctrine and precepts of race purity. And throughout the ages, in stress and storm, who does not honor the Jew for keeping his race separate and distinct? So we can not be made to believe that in carrying out his omnipotent designs that we are wholly sinful.

"It is true that in the South we have a segregation of the races. We have separate public schools, separate Sunday schools, separate churches, separate public conveyances, and separate hotels and boarding houses.

"The negroes first set the example, and in saying this we are not endeavoring to dodge the issue. They first cut themselves

loose from the white churches and established separate churches of their own, presided over by their own ministers and their own bishops.

"They preferred to do this, and we were glad for them to do so. They felt less embarrassed, more free and independent.

"The establishment of separate schools was done under Republican administration in the South during the reconstruction era, and gave eminent satisfaction to all concerned.

"The separate conveyances for negroes are provided with the same furnishings and conveniences that the conveyances for the whites are provided with. The waiting rooms have identically like provisions.

"Can that just be described as a species of cruelty? It suits them better and it suits us better, and avoids friction, irritation, and at times, perhaps, violence. If they are satisfied with these conditions, and we are satisfied, why should it provoke spleen and ugliness from unconcerned outsiders?

"I make the following quotation from your article:

"As an instance of the wholesale exodus, Rev. A. J. James, of Ocala, Fla., discovered a couple of weeks ago that his entire parish had moved to New York. He followed them, and is organizing them into a church in the metropolis.

"Rev. A. L. James is still in Ocala and is pastor of his flock here.

"So what you say concerning him must be regarded as a fake.

"I am inclosing you a letter under his signature, written to the Evening Star of this city, which I hope that you will spare the space to reprint in your columns. You and your readers will see how far wrong you are.

"It is true, as he says, that he did go North to study conditions, but he returned, and, like Booker Washington, after traveling over the greater part of the world, was convinced that the South is the best place for the negro to work out his destiny—among the people he knows and who know him.

"But, speaking of race prejudice, do you come into the parliament of this discussion with clean skirts? Is not the history of the world the history of race antagonisms? Has it not existed as far back as history and tradition reach?

"Was there not antipathy between the Egyptians and Hebrews? Between the Jews and all other races? Are not whole pages of sacred history a recital of total annihilation or expulsion of races by races? And volumes of profane history tell the same story.

"After the Normans conquered England, did not the prejudices between the conquerors exist for a number of centuries? Was it not for a long time considered a disgrace for the proudest Norman knight to marry the richest Saxon princess? Race hatreds between the ancient population of Spain and the invading Goths lasted for 800 years. Between the Arabs and the Moors there was bitter enmity. Do not race antagonisms still exist in Europe and other parts of the globe?

"On this side of the Atlantic did we not drive the aborigines back and back and back until now they hardly have territory enough upon which to rest their feet? And many of the tribes have become totally extinct.

"Benjamin Lundy was the first one to start a newspaper to create a sentiment for the liberation of the slave. It is a little remarkable that he should have established it in the South, and as long as it remained here he was unmolested, but when he removed it from Jonesboro, Tenn., to Philadelphia it was burned by a mob.

"In 1784 Thomas Jefferson proposed an ordinance that after the year 1800 there should be neither slavery nor involuntary servitude in any of the States. If the Northern States had voted for it, that ordinance would have been adopted.

"Was not William Lloyd Garrison mobbed in the streets of Boston? Was not Mr. Owen P. Lovejoy, a Presbyterian preacher, who next had the temerity to start an abolition newspaper, when he moved it from St. Louis to Alton, Ill., humiliated, and was not his office entered by a mob and his type, presses, and everything connected with it destroyed, and when he purchased a new outfit and in the third attempt, was he not mobbed and his printing plant burned?

"That was a long time ago, but was not the same spirit manifested at East St. Louis, Ill., within the past six weeks?

"And what about the history of Prudence Crandall? She taught the first negro school. It was at Canterbury, Conn. Samuel May, of your own city, was one who volunteered his services as one of her attorneys. The meeting refused to hear him. When her school was finally opened she was arrested for harboring young persons of color and was imprisoned in the county jail. Finally, an act of the legislature was passed prohibiting 'private schools for nonresident colored persons,' and the news of the passage of the act was received in Canterbury by the ringing of church bells.

"But why prolong the story?

"We have but a small community in Ocala, but we are living in comparative peace and harmony. We have but little, if any, friction between the races.

"Our colored population, as will be attested by Rev. A. L. James and others, are never afraid of molestation. They are conducting their businesses in the even tenor of their ways.

"It may be said that they are prospering, too.

"They have their own stores, and they are not mere shacks, either. Some of them are two-story brick buildings. They operate a bank of their own. It is a pretentious three-story brick building. They have a two-story brick hotel and a number of smaller hotels and boarding houses. They have a three-story knitting mill, built by their own efforts and conducted by themselves. It is proposed to be enlarged and will cover an entire block. They have two assembly halls, a gristmill, a moss factory, a moving-picture building, a cotton-ginning establishment, a velvet-bean huller, a large real estate agency, several contracting firms, market stalls, shoe shops, and other enterprises.

"They have their own physicians and dentists and a two-story brick hospital. They have an excellent public school, and 7 miles away is Fessenden Academy, conducted after the style of Tuskegee. They have a number of churches, one a large brick, and they are all nicely furnished. Many of them live in pretentious homes and enjoy the luxury of every modern convenience—electric lights, gas, baths, etc. They ride in automobiles and have their own society and social functions.

"And in this ambition for improvement they have the cordial good will of their white fellow citizens.

"After being clothed with the rights they now possess, Horace Greeley's advice was, 'Now root, hog, or die.' They are not dying.

"I shall close by saying that not a great while ago I was invited to make an address before our State press association, and in closing said:

"I can never forget the loyalty of the 'old slave' and his fidelity to the trust committed to his keeping during our Civil War period. In all civic transactions in our courts of justice I would plead for his race a 'square deal.' His attempts at right living should engage our solicitude and receive our encouragement."

"FRANK HARRIS."

REPORTS OF COMMITTEES.

Mr. NEW, from the Committee on Military Affairs, to which was referred the bill (S. 2701) to provide for the awarding of campaign badges to the members of Dental Corps, United States Army, and fixing the regulations for awarding same, reported it without amendment.

Mr. POMERENE, from the Committee on Interstate Commerce, to which was referred the bill (H. R. 2316) to promote export trade, and for other purposes, reported it with amendments and submitted a report (No. 109) thereon.

COAL, OIL, AND GAS ON THE PUBLIC DOMAIN.

Mr. MYERS. I introduce a bill for my colleague [Mr. WALSH], who is necessarily absent, and ask that it be referred to the Committee on Public Lands.

The bill (S. 2812) to encourage and promote the mining of coal, phosphate, oil, gas, potassium, and sodium on the public domain was read twice by its title and referred to the Committee on Public Lands.

PROPOSED INTERNATIONAL CONVENTION.

Mr. OWEN. I introduce a joint resolution proposing as a war measure an international convention for the purpose of terminating international anarchy, establishing international government in lieu thereof, and coercing the Teutonic military conspiracy by the organized commercial, financial, military, and naval powers of the world. I ask that the joint resolution be printed in the RECORD and referred to the Committee on Foreign Relations.

The joint resolution (S. J. Res. 94) proposing as a war measure an international convention for the purpose of terminating international anarchy, establishing international government in lieu thereof, and coercing the Teutonic military conspiracy by the organized commercial, financial, military, and naval powers of the world was read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Joint resolution (S. J. Res. 94) proposing as a war measure an international convention for the purpose of terminating international anarchy, establishing international government in lieu thereof, and coercing the Teutonic military conspiracy by the organized commercial, financial, military, and naval powers of the world.

Resolved, etc., That it is the opinion of the representatives of the people of the United States assembled in Congress that international government, supported by international force, should be immediately organized to take the place of the existing international anarchy; that competing armaments should be replaced by a noncompetitive international army and navy; that the Teutonic military conspiracy to dominate the world should be overthrown by the combined commercial, financial, military, and naval powers of the world.

That international government should be based upon the following principles:

First. Every civilized nation and informed people should have the unquestionable right of internal self-government, with exclusive control within its own territory over immigration, emigration, imports, exports, and all internal affairs, with the right to make its own political and commercial affiliations.

Second. The oceans and high seas should be free and open under international rules. All international waterways, straits, and canals should be open on equal terms to the citizens of all nations. Equal terms should be arranged for fuel, repairs, and dockage in all ports for the ships belonging to the citizens of all nations.

Third. All inferior nations having no seaports should have the right of shipment of their goods in bond on equal terms and conditions, without tax, through any intervening territory to the seaports of any other nation with equal access to shipping facilities.

Fourth. That there should be established by international agreement an international organization of all civilized nations with an international legislative council to draft rules of international law to be submitted to the several nations for approval. That when such rules of international law are approved by the parliaments or lawmaking branch of the governments of three-fourths of the member nations, representing three-fourths of the total population of all the member nations, such international rules should be binding on all member nations. Such rules should be limited to the powers expressly delegated to such international legislative council and strictly confined to international affairs.

Fifth. The international legislative council should elect and define the duties of a representative international executive cabinet to execute and enforce the rules established as international law.

Sixth. The international legislative council should have representatives from each member nation exercising a voting power according to relative population, relative wealth, and relative governmental development, to be determined by international agreement.

Seventh. The international legislative council should establish and define the duties of an international supreme court, with power to pass upon all questions of international controversy incapable of diplomatic adjustment but with no power to pass on questions affecting the reserved rights of nations.

Eighth. The international legislative council should formulate the method for raising an international army and navy and for establishing an international blockade and other means for enforcing the rights of member nations under international law, such army and navy to be provided and sustained by the member nations pro rata according to relative population and wealth.

Ninth. With the conclusion of the present war the nations of the world should agree to reduce in progressive stages their land and sea forces to a point preferably not to exceed internal or local police purposes and the quota required for the international army and navy.

With progressive disarmament and international peace safeguarded by world government dissatisfied nations now held captive by dominant nations for strategical purposes could be safely given their liberty.

Tenth. That the international army and navy should not be authorized to exercise military force further than to prevent or suppress the invasion of the territorial integrity of any of the member nations and in the blockade and embargo to enforce international law.

Eleventh. That it should be a violation of international law and the highest international crime for any nation on any alleged ground to invade the territorial limits of another nation. The penalty of such invasion should be immediate international blockade of the invading nation, embargo on all mail, express, and freight to or from such nation, and the suppression of such invasion by the international army and navy.

Twelfth. That nations backward in education, industrial and economic development, and in the knowledge of the principles of government should have their rights safeguarded on the principles of freedom, humanity, and justice by international agreement with a view to future self-government.

Thirteenth. It is clearly realized that the program of progressive disarmament or permanent world peace is impossible of attainment until the military forces now ruling the Teutonic people, first, either voluntarily acquiesce in progressive disarmament and international justice as the basis of world peace; second, are forced to do so by the Teutonic people; or, third, are coerced to do so by the combined powers of the world.

Fourteenth. That in order to bring this war to an early termination, the belligerent nations opposing the Teutonic powers should immediately cohere on a plan of international government pledging justice and peace to all member nations and the coercion of the military autocracy of Prussia by the commercial, financial, military, and naval forces of the world, giving assurance, nevertheless, to the Governments of Germany and Austria of their willingness to admit the Teutonic powers as members of the proposed international union on equal terms with other nations when they shall have met the conditions and given satisfactory guaranties.

Fifteenth. In our opinion no reliance should be placed upon the vague suggestions of peace of the Teutonic military autocracy, but that their obscure proposals should be regarded merely as a military ruse. The peace resolution of the Reichstag, while promising well for the attitude of the German people, when they achieve self-government, can not at present be regarded as a proposal binding on or capable of enforcement by the German people, because they do not control their own Government, but are mere subjects and puppets of a military autocracy which has long conspired and still dreams of conquering the world by military force and terrorism. The United States and the nations opposing militarism should strenuously prosecute the war with every available resource, and no separate peace should be made by any of them until the menace of the military autocracy of Germany is removed.

Sixteenth. It is our opinion that if a world-wide agreement can be established on the above principles, and the men now engaged in slaughter and destructive activities can be returned to productive industry, the world could quickly recover the gigantic shock of the present war and would be able without serious difficulty to soon repair the material injuries and losses already suffered.

Seventeenth. The United States does not enter this war for material advantage, for any selfish purpose, or to gratify either malice or ambition. The United States will not approve forcible annexations or mere punitive indemnities, but it will approve a free Poland, the restoration of territory wrongfully taken from France and Italy, and restorative indemnity to Belgium and Serbia and the adjustment of other differences by international conferences. It will favor extending international credits for the restoration of all places made waste by war. The United States enters this war in self-defense; to protect its own citizens and the nations of the world in their present and future rights to life and liberty on land and sea. It does not wish the world to remain an armed camp.

Eighteenth. No peace is desirable until the world can be safeguarded against a repetition of the present war. Competitive armaments must be ended and replaced by international cooperative armaments in order to assure permanent world peace.

Nineteenth. That the President of the United States shall immediately submit the above resolution to the belligerent nations now defending themselves against Prussian military autocracy and invite them and all neutral nations by wire to an international convention for the purpose of considering the above principles and taking affirmative action for the early suppression of the Teutonic military autocratic conspiracy by the combined commercial, financial, military, and naval powers of all nations.

Twentieth. The sum of $400,000 is hereby appropriated to meet the cost of promoting such convention.

WAR REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses and for other purposes.

Mr. JONES of New Mexico. Mr. President, I believe we all realize the importance of the situation which confronts the country. I think it is the belief of everyone that in this great emergency we shall need to utilize all the resources of the country. In such circumstances it is important that the burden shall rest upon him who can bear it best and to whom it will cause the least sacrifice. Thus far that principle seems to have actuated what has been done by the Congress at this session. The selective-draft law contemplates that those who can bear the burden best and most efficiently shall be chosen to perform one of the most important functions of the war. In the administration of that law there is no one but who believes favoritism should not be shown, that everyone of the same class should be treated precisely alike, and the fact that it is expected that that will be done is what has reconciled the country to the operation and administration of the law.

After providing for the raising of the men, designating those who shall bear arms for our country, perhaps the next most important function of Government will be to provide means whereby they may be supported upon the field of conflict. It is just as important that the means of supporting the Army shall provide that the burden shall rest upon him most able to bear it and to whom the sacrifice will be least, the same as we provided for the selection of the soldiers.

Your Committee on Finance for a number of weeks has been wrestling with this problem. The members of that committee have given thorough consideration to all these great questions, and the committee has endeavored to solve the problem upon the basis of the principles which I have announced. While the members of the committee have not been unanimous in reporting all the provisions of the bill, yet honest consideration has been given to each of those provisions.

In mere unimportant matters I feel called upon to support the action of the committee, although I may not be convinced that its action was entirely wise, because in these matters there must at least as to unimportant questions be compromises of judgment. But one important provision of the bill I could not agree to, and in the committee reserved the right to present it to the Senate. It seems to me of such vital importance that I would not be performing my duty as a member of this body did I not present it and let it rest upon the judgment of the body as a whole.

To my mind the bill makes a most radical departure from the principle of bearing the burden equally. It makes a departure which to my mind can not be defended upon this floor or before the people of the country who believe in equal and exact justice so far as it can be obtained.

One of the most important provisions in the bill—I think the most important—is that relating to the income tax. From net incomes, including the present law, it is proposed to raise not less than $1,137,000,000. The bill proposes to raise in addition to the income taxes provided by the present law over $777,000,000 from net incomes. The total amount proposed to be raised by the bill is but slightly in excess of $2,000,000,000. So the $777,000,000, the additional tax proposed to be raised by the bill, is the most important item in the bill.

How necessary, therefore, it is that this provision of the law shall rest equally upon the net incomes of the country! It is my purpose to show that under the existing law the burden does not rest equally upon the net incomes of the country, and that the bill as reported to the Senate not only magnifies but perpetuates what I believe to be a colossal injustice.

In construing a statute we are told that the first thing to ascertain is what the law was before the change was made, the reason for the change, the mischief which existed in the old law and which has been remedied. So now, while we are legislating upon this subject, it is important that we understand the existing law; that we understand how it operates; and if it operates unjustly, seek a remedy and enact the remedy into law.

This will necessitate a short review of the existing law and the manner in which it has operated. I shall be just as brief as possible in order that a clear understanding of the situation may be had.

The existing law necessarily deals with three classes of incomes: Those from individuals, those from partnerships, and those from corporations. In the beginning, I should like to state that I am sorry that it is necessary to make such a division; to have to treat individual income differently from corporate income. We know the prejudice in some sections of the country which exists against corporations. I wish to have it understood that I not only have no such prejudice, but I am sorry that the exigencies of the situation make it necessary to speak of these divisions of income. I wish it were possible for us to ferret out every dollar of net income in the country, whether of individuals or corporations, and to impose upon that dollar precisely the same tax as upon every other dollar.

I do not believe that in this time, when we are seeking to raise revenue upon such a stupendous scale and for such a purpose, there should be any discrimination where it is possible to eliminate the discrimination; but in the existing law corporations are dealt with separately from individuals and partnerships. I shall first direct your attention to the present statute. I shall refer first to the corporation income tax under the existing law.

We find that in the case of all corporations, joint-stock companies, associations, and insurance companies there is a tax of 2 per cent upon the net income. I wish to call attention also to what is meant by "net income." The statute is very carefully framed to define what net income is. It is carefully framed so that no corporation shall be taxed upon a single dollar which is not in truth and in fact a net addition to its capital.

First, from this tax there is exempt—

All the ordinary and necessary expenses paid within the year in the maintenance and operation of its business and property, including rentals or other payments required to be made as a condition to the continued use or possession of property to which the corporation has not taken or is not taking title or in which it has no equity.

Second. All losses actually sustained and charged off within the year and not compensated by insurance or otherwise, including a reasonable allowance for the exhaustion, wear, and tear of property arising out of its use or employment in the business or trade.

In the case of oil and gas wells a reasonable allowance is made for the reduction in the flow of the well and the quantity of oil obtained. In the case of mines a similar provision is made to charge off the net loss to the property.

Then, in regard to every kind of insurance company—life, fire, accident, and marine—careful provision is made to preserve the funds required for reserves and all of the dividends that are paid out to the policyholders. Only to the additional surplus, after caring for all of these provisions of insurance, does the normal tax attach to the funds of an insurance company.

Then, again, is exempted the amount of taxes which are paid any State, county, or municipal government. Again, there is an exemption of all the interest which the corporation may have paid upon its indebtedness. So, upon the whole, under the provisions of existing law there is no income subject to any tax until after all these contingencies are cared for. There is no tax upon any dollar which is not a net addition to the capital of the concern.

Under these circumstances it is difficult to conceive how you can injure vitally a corporation when you tax only its net income ascertained in this manner. It would be impossible, even if you took the whole of it, to injure the institution as such, because it would still have just as much property, just as much capital, as it had before it earned the additional money.

Mr. SMITH of Michigan. Mr. President, will the Senator yield to me for a moment?

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Michigan?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. SMITH of Michigan. The Senator of course appreciates the fact that the statute to which he has just referred was passed when the country was at peace with the world, and at a time when the revenues of the Government were being gathered under the historic and time-honored policy of levying duties upon imports. It served a very good purpose at that time, as the Senator of course knows. I do not know that it goes far enough for the present; but, nevertheless, some of us who were here and voted for that law felt that we had an abundance of revenue from another source much more satisfactory to us and much less burdensome to the people.

Mr. JONES of New Mexico. Mr. President, I am not criticizing the provisions of the present law in respect to the subject which I have just been discussing. On the other hand, the provisions which I have just been presenting are retained in the bill which has been reported to the Senate, and they were retained with my approval, because I believe that when you undertake to put a tax on net income it should be really on net income and that, even in this time of stress, it is not necessary to impose any further restriction upon what may be charged to the expense of carrying on the business. It is not my purpose, and I know it was not the purpose of the committee, to levy even these large taxes so as materially to interfere with the conduct of the business and the prosperity of the country. I am in sympathy with those provisions of the law and want them retained in this bill.

That is the only tax imposed under existing law upon corporate net incomes—a normal tax of 2 per cent.

When we come to the partnership we find that partnerships as such do not pay any income tax, but we find this provision:

Persons carrying on business in partnership shall be liable for income tax only in their individual capacity, and the share of the profits of the partnership to which any taxable partner would be entitled if the same were divided, whether divided or otherwise, shall be returned for taxation and the tax paid under the provisions of this title.

So, Mr. President, as to business carried on by a partnership, whether the net earnings are retained in the business or not, the individual partners must return their share of the net earnings and on them pay an income tax, adding the returns from the partnership to the income from other sources.

Upon individuals there is also levied a normal tax of 2 per cent. If the persons are married, there is an exemption of $4,000 and if unmarried an exemption of $3,000, the tax applying to all incomes above these respective amounts. Provision is made also for the deduction of ordinary expenses for carrying on an individual business, but if the individual retains his earnings in the business he accounts for those earnings, for that income, in making up his return for taxation, and the individual is not entitled to take out of his earnings from his business the personal living expenses of himself or family. If the individual only paid the same normal tax as the corporation, there could be no objection to it; but the law does not stop there.

The first law passed in 1913 provided for a surtax, ranging from 1 to 6 per cent, upon individual net incomes in excess of $20,000. That was modified last year by increasing the surtax from 1 per cent to 13 per cent. These surtaxes are paid by individuals, whether engaged in business in their individual name or through a partnership; but the net incomes of corporations pay no surtax under the existing law.

Mr. SIMMONS. Unless distributed.

Mr. JONES of New Mexico. Unless distributed. I might add—I intended to refer to it a little later, but upon the suggestion of the chairman of the committee I will refer to it now—that the existing law does provide that any net income of a corporation which has been earned subsequent to March 3, 1913, when distributed in dividends to stockholders must be mentioned in the return of the stockholder and he must pay the surtax upon them.

I will discuss the amount of the distribution of the earnings of corporations a little later on, so that we can arrive at knowledge as to how the existing law has operated.

The data regarding the operation of this law are most interesting, and I doubt if many Members of the Senate or many of the people throughout the country understand just how the present income-tax law has operated. It has been very difficult for me to obtain the information which I want to present to the Senate this morning. There is no division of the Government service whose business it is to ascertain the gross earnings and the net earnings of corporations, the amount of dividends which they pay, and the amount of their net income which is retained in the business; but I think I shall be able to present to the Senate information upon those subjects which will at least be accepted as showing approximately the actual conditions.

As I have stated, under the present law—the law of 1913 and the law of 1916—surtaxes were paid upon incomes in excess of $20,000. Only 37,679 people paid any such surtax, but the amount paid was $44,974,817.35. Under the proposed law the lowest amount upon which surtaxes are to be paid is reduced from $20,000 to $5,000; and if that had been the law in the fiscal year 1916 the number of persons paying such tax would have been increased to 208,658. The total number of corporations in the country making returns under the existing law is 335,000, and of that 335,000 only 190,911 returned anything as subject to the income tax, leaving 144,089 corporations making returns which showed themselves not subject to an income tax. The number of individuals in the country making income-tax returns—all of which, of course, showed themselves subject to an income tax—was 336,652; and of the earnings during the calendar year 1915 on which an income tax was paid in the

fiscal year 1916 the aggregate net income of corporations for 1915 was $5,665,359,418. The aggregate net income of individuals for the same year was $2,399,365,798. The aggregate amount of net income of corporations in excess of the individual incomes was $3,265,003,629.

In the calendar year 1916, fiscal year 1917, the incomes of corporations amounted to $9,000,000,000, the incomes of individuals to $3,000,000,000. Corporations paid a normal tax of 2 per cent; individuals paid a normal tax of 2 per cent; and the individuals during the last year paid the surtax graduated from 1 per cent to 13 per cent on incomes over $20,000. Prior to this last year the normal tax was only 1 per cent. That was all that corporations paid. Under the law the first year the individual surtax was graduated from 1 to 6 per cent only, but here is what was paid:

In the fiscal year 1915 corporations paid $39,144,531.71, individuals $41,046,162.09. In 1916 corporations paid $56,972,720.88, individuals $67,953,594.63. For last year, when the normal tax was increased to 2 per cent upon corporations as well as upon individuals, and when the surtax was raised from 1 per cent to 13 per cent, we find that each paid substantially, $180,000,000—almost the same—the net incomes of individuals being $3,000,000,000 and that of corporations $9,000,000,000.

Mr. HARDING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Ohio?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. HARDING. I want to ask the Senator if he would have the Senate infer that some 60 per cent of corporate net incomes was retained as a surplus in the hands of the corporations or whether that difference lies in the small dividends that are not returned for the surtax?

Mr. JONES of New Mexico. I expect to reach just that point a little later.

Mr. HARDING. Very well.

Mr. JONES of New Mexico. I wish to have it understood now that this is upon the total net incomes of corporations before dividends are paid.

Mr. CALDER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from New York?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. CALDER. Has the Senator from New Mexico the income-tax figures and the corporation-tax figures by States?

Mr. JONES of New Mexico. I have not. I will state to the Senator that I reached that figure from the amount of taxes paid by all corporations, as reported by the Secretary of the Treasury, and then ascertained the amount by applying the income tax which they had paid. The income tax paid by corporations is something over $180,000,000 and the tax was 2 per cent. Therefore they must have paid on a little over $9,000,000,000.

Mr. CALDER. I was anxious to have the Senator include the figures by States, if he had them.

Mr. JONES of New Mexico. I have not them for that year. The only year for which I have obtained those figures is the fiscal year 1916, showing the tax collected upon incomes of 1915. That can be found in the report of the Commissioner of Internal Revenue.

Mr. SIMMONS. Mr. President, will the Senator permit me to ask him a question?

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from North Carolina?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. SIMMONS. I should like to ask the Senator if, in his comparison between the incomes of corporations and the incomes of individuals, he has taken into account the fact that the corporation has no exemption, while every individual has an exemption of $5,000 under the present law?

Mr. JONES of New Mexico. The exemption under the present law is not just what the Senator has stated. It is only $4,000 in the case of married persons and $3,000 in the case of unmarried persons.

Mr. SIMMONS. Well, that is true. I should have stated the exemptions as $4,000 and $3,000, respectively. I had reference to the present law.

Mr. JONES of New Mexico. The corporation has no exemption.

Mr. SIMMONS. The point I wish to call the attention of the Senator to, however, is that if that is left out, of course that $4,000 or $3,000, as the case may be, exemption allowed to individuals cuts a very big figure in the aggregate of incomes of individuals.

Mr. JONES of New Mexico. It does, of course, cut a very great figure when it is applied to all of the individuals of the country; but the number of people making a return for the purposes of an income tax in the entire country is only 336,000, and if you were to exempt each one to the extent of $4,000 you would not have such a very stupendous sum.

Mr. KING. Mr. President, will the Senator permit a question?

The PRESIDING OFFICER (Mr. GERRY in the chair). Does the Senator from New Mexico yield to the Senator from Utah?

Mr. JONES of New Mexico. I yield.

Mr. KING. Has the Senator any information that would indicate the number of individuals who pay income taxes who derive their incomes from other sources than profits of corporations? In other words, is it not a fact that nearly all who pay an income tax as individuals pay it out of profits that they have derived from corporations?

Mr. JONES of New Mexico. I, of course, know from general observation that what the Senator has stated is largely true; but as to the exact extent of it I do not know, and I do not know that such information has ever been collected.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from North Dakota?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. McCUMBER. Does not the Senator think it would be more fair, or at least give a fairer understanding of the situation, to take into consideration the fact that the corporation is simply an instrumentality through which the individual earns income, and the stockholder in the corporation in reality pays whatever the corporation pays, and then in addition he must pay an income tax out of his dividends? It does not seem to me that we should treat the corporation as a separate individual, because it is but an institution the stock of which is owned by the individual, and every dollar paid by the corporation is an additional dollar paid by the individual, over and above what he pays as his income tax.

Mr. JONES of New Mexico. Mr. President, the Senator has made a statement which is often adverted to, and which is made by corporations themselves whenever such a position meets their view of the particular question to be considered; but it is often the case that the corporations themselves insist that they are artificial persons, distinct entities, created by law, and therefore entitled to the privileges of the individual. As I will show later, it is impossible for the purpose of meeting this situation so to treat the corporations. The Senator, who is also a member of the Finance Committee, knows that I, perhaps above all others, sought to enforce the very equitable principle which he has just stated, and that it was abandoned solely because the law of the case is such that you can not use that principle in imposing an income tax upon the undistributed earnings of corporations.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Utah?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. SMOOT. Do I understand the Senator to advocate an increase of the normal tax upon corporations?

Mr. JONES of New Mexico. I do not.

Mr. SMOOT. I did not think the Senator did, because if it were increased it would tax a part of the dividends earned by the corporations that would go to stockholders that under the law would not be compelled to pay any income tax whatever, and it seemed to me that to increase the normal tax upon corporations would be unjust to such stockholders, although increasing the normal tax upon corporations, of course, would show a great deal larger tax paid by corporations. I was wondering if the Senator's argument, showing how small an amount the normal tax brought from corporations, was for the purpose of suggesting that that normal tax ought to be increased. I am very glad to hear the Senator say, however, that he does not think it ought to be increased.

Mr. JONES of New Mexico. I will make a statement later on in reference to the provision in the bill as presented by the committee which does increase the normal tax on corporations.

Mr. SMOOT. Four per cent.

Mr. JONES of New Mexico. Yes, sir.

Mr. HARDING. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. HARDING. The Senator agrees, does he not, that the Treasury Department takes into account the surplus of the corporation and assesses the capital stock?

Mr. JONES of New Mexico. It does.

Mr. HARDING. The Senator is also aware that various State governments, most of them at least, levy an excess tax on corporations?

Mr. JONES of New Mexico. I think some of them do, but not all.

Mr. HARDING. And the Senator also admits that excess earnings are taxed universally on the corporations?

Mr. JONES of New Mexico. They are to be so taxed.

Mr. HARDING. I am at a loss to understand, then, how they are escaping the tax we are seeking to place upon everybody who is earning excess profits.

Mr. JONES of New Mexico. I am not asserting that any of these are escaping any tax which has thus far been imposed upon them, but I am undertaking to show that the present law does not reach the incomes of corporations in the same way or to the same extent that it does reach the incomes of individuals.

Mr. SMITH of Michigan. You mean the present bill?

Mr. JONES of New Mexico. The present law.

Mr. HARDING. The proposed law meets it, does it not?

Mr. JONES of New Mexico. I think not, as I shall undertake to show later.

Mr. HARDING. I shall be very much interested in the Senator's statement.

Mr. JONES of New Mexico. Mr. President, I have prepared a table which shows the number of persons who would pay surtaxes under the proposed law within the various brackets if the proposed law had applied to the persons making income-tax return for the fiscal year 1916. I have also here a table showing the surtaxes paid by individuals for the fiscal year 1916 and the amount of surtax which was collected upon the various brackets or graduated sums. I ask leave to insert these tables in the RECORD without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The first table referred to is as follows:

Table showing number of persons who are expected to pay surtaxes within the various brackets of the proposed bill.

	Persons.
$5,000 to $10,000 income	120,402
$10,000 to $15,000 income	34,102
$15,000 to $20,000 income	16,475
$20,000 to $25,000 income	9,707
$25,000 to $30,000 income	6,196
$30,000 to $40,000 income	7,005
$40,000 to $50,000 income	4,100
$50,000 to $75,000 income	4,791
$75,000 to $100,000 income	2,066
$100,000 to $150,000 income	1,793
$150,000 to $200,000 income	724
$200,000 to $250,000 income	386
$250,000 to $300,000 income	216
$300,000 to $400,000 income	254
$400,000 to $500,000 income	122
$500,000 to $1,000,000 income	209
$1,000,000 and over	120
Total	208,658

The second table referred to is as follows:

Table showing amount of income taxes paid for the fiscal year 1916 within the various brackets of the applicable law.

Individual income tax:	
Normal, 1 per cent	$23,995,777.28
$20,001 to $50,000, 1 per cent	6,091,775.71
$50,001 to $75,000, 2 per cent	4,071,361.94
$75,001 to $100,000, 3 per cent	3,623,472.62
$100,001 to $250,000, 4 per cent	10,936,326.15
$250,001 to $500,000, 5 per cent	6,393,858.64
Exceeding $500,000, 6 per cent	12,647,862.91

Mr. JONES of New Mexico. The result is that under the bill as now presented to the Senate it is estimated that the normal income tax of individuals will raise $89,000,000 of revenue in addition to the revenue which will be raised under the existing law. The present bill provides only for revenue in addition to the existing law. The bill provides also for the raising from surtaxes of individuals $330,000,000, making a total amount to be raised from individuals under the bill $419,000,000, and it is expected to raise under the existing law $180,000,000 in addition, making the total income expected to be obtained from individual incomes under the bill and the existing law $600,000,000—to be exact, $599,763,450. The additional tax expected to be derived from the various brackets in the bill are estimated in a table, which I will ask leave to print in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

Additional surtaxes levied under this bill estimated to yield as follows:

$5,000 to $7,500, at 1 per cent	$4,368,440
$7,500 to $10,000, at 2 per cent	5,683,440
$10,000 to $12,500, at 3 per cent	5,987,420
$12,500 to $15,000, at 4 per cent	6,253,170
$15,000 to $20,000, at 6 per cent	13,944,740
$20,000 to $40,000, at 8 per cent	34,352,640
$40,000 to $60,000, at 10 per cent	20,334,300
$60,000 to $80,000, at 12 per cent	15,205,680
$80,000 to $100,000, at 16 per cent	15,896,290
$100,000 to $150,000, at 20 per cent	28,856,100
$150,000 to $200,000, at 23 per cent	$18,404,710
$200,000 to $250,000, at 26 per cent	14,152,320
$250,000 to $300,000, at 29 per cent	12,049,070
$300,000 to $500,000, at 31 per cent	28,761,180
$500,000 and over, at 33 per cent	109,379,450
Total	330,628,950
Estimated surtaxes under present law	120,000,000
Total individual surtaxes, fiscal year 1918	450,628,000

Mr. JONES of New Mexico. Under the existing law and this bill there is expected to be raised from surtaxes, not the normal tax included but from surtaxes alone upon individual net incomes, $450,000,000.

In this bill it is proposed to reduce the exemption from the income tax as to married persons from $4,000 to $2,000 and as to unmarried persons from $3,000 to $1,000. The effect of that reduction is to add to the amount of the net income of individuals just about 50 per cent. So for the present year the total net income of individuals with the exemptions thus reduced is expected to be approximately four and a half billion dollars—$4,456,725,000.

The corporate incomes are estimated for this year, as I have already stated, at $9,000,000,000; but that is the amount of corporate incomes for last year. No estimate is made for increased incomes during the year 1917, but if we allow anything like the increase in the corporate incomes for this year that has actually appeared for the last one or two years—if we have anything like the same ratio of increase on corporate incomes for this year, the corporate incomes for this year will be far in excess of $10,000,000,000. But upon the basis of $9,000,000,000 for corporations and $4,500,000,000 for individuals, under the bill it is expected that from a 4 per cent normal tax the amount realized from individual incomes, including the surtaxes, will be $600,000,000, and that realized from corporations only $360,000,000, making a difference that the individuals will pay upon one-half the incomes that the corporations have, $240,000,000 more than the corporations will pay. If the normal tax upon corporations is increased to 6 per cent as proposed in the bill, that will add an additional $180,000,000 to corporate revenue, but even putting it at 6 per cent, as proposed in the bill, and the surtaxes upon individuals as proposed in the bill, we still have individuals with four and a half billion dollars of income paying $60,000,000 more taxes than corporations with over $9,000,000,000 of income.

Mr. FRELINGHUYSEN. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. FRELINGHUYSEN. I do not want to interrupt the Senator or to harass him at this time, but I should like to ask him whether he has taken into consideration the local taxes paid by these corporations? He has mentioned insurance companies, and I presume he also includes many of the manufacturing corporations which pay a franchise tax. Has the Senator taken into consideration the local taxes paid to the State by these corporations? In the matter of fire insurance they amount practically to 5 per cent, and life insurance, I think, nearly as much. These corporations, before the dividends are paid by them to their stockholders, are paying locally to the State, and as far as fire insurance companies are concerned they are paying to every State practically 5 per cent tax on their incomes. That is what the corporations are now paying locally in the States which individuals do not pay.

Mr. JONES of New Mexico. The Senator is probably right as to his own State and to some other States, but in New Mexico the corporation law does not so provide.

Mr. FRELINGHUYSEN. May I correct the statement as far as New Mexico is concerned in relation to fire insurance companies? New Mexico, I understand, has a local tax of 2 per cent and a license tax on the premium income of fire insurance companies and life insurance companies.

Mr. JONES of New Mexico. That is true as to fire insurance companies, and that tax is used by the volunteer fire companies of the State so as to aid the insurance companies in reducing the amount of their damage in the event of fire.

Mr. FRELINGHUYSEN. As I understand it, that tax has no relation whatever to the volunteer fire tax. It is a tax imposed by the State and is used by the State for its own expenses. The volunteer fire tax is an additional tax. Practically the companies are paying 5 per cent in New Mexico, I believe.

Mr. JONES of New Mexico. I, of course, am willing to accept the Senator's statement always. I was speaking merely from recollection. But assuming that to be true, to my mind it does not change the situation in the slightest. We all know that there are advantages in corporate organizations, and if it were not for those advantages I imagine that the business such as that to which the Senator has referred would not be conducted under those circumstances.

Mr. HARDING. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. HARDING. Does the Senator think the business would be conducted at all? Does he not think it would not be possible to do it?

Mr. JONES of New Mexico. Mr. President, I think that is quite aside from the point which we are discussing. It is difficult for us to speculate as to what might happen or what might not happen.

Mr. HARDING. If the Senator will allow me, I think it is very pertinent to the discussion, because you can follow a policy in levying a burden to such an extent that you very much hamper progress.

Mr. JONES of New Mexico. If the Senator will permit me, I think these corporations feel that they are getting a dollar's worth of benefit for every dollar which they pay for any such purpose, and if they did not feel that they were reaping a benefit commensurate with the amount of the tax they would not engage in the business. Besides, all these expenses are taken into consideration when they fix the amount of the premiums which they charge. This is no justification for exemption from any other just tax.

Mr. SMITH of Michigan. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. SMITH of Michigan. Can the Senator tell us whether the apparent discrepancy disappears and to what extent after the dividends of corporations have been distributed?

Mr. JONES of New Mexico. I purpose to show that a little later, if the Senator will allow me.

Mr. CALDER. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. CALDER. I have been very much impressed with the Senator's interesting statement. Does he propose to deal with the matter of an excess-profits tax in its relations to net corporations profits?

Mr. JONES of New Mexico. Not at all. I did not intend to allude to that in this statement.

Mr. CALDER. Will not the matter of an excess-profits tax levied against corporations and against individuals affect materially this whole matter of net profits that are subject to taxation?

Mr. JONES of New Mexico. I take it the amount of money which will be paid as tax upon excess profits will reduce some of the net incomes of corporations, and of course that will have to be accounted for in the estimate which we make; but I will state to the Senator that the Senate committee has imposed a war-profits tax upon individuals engaged in business precisely the same as corporations.

Mr. CALDER. I so understand.

Mr. JONES of New Mexico. Now, Mr. President, I desire to refer to the suggestion which was made some little time ago by the chairman of the Finance Committee as to the provisions of law regarding the tax upon these earnings by the stockholders when distributed. The law does provide that when distributed the stockholder shall account for the amount received and add it to his other earnings for the purpose of the income tax, provided it were earned by the corporation subsequent to March 3, 1913. There is another provision of the law which was intended to prevent corporations from hoarding their earnings for the purpose of avoiding the payment of the surtax by the individual stockholders were the earnings distributed. But the law as it exists has proven a dead letter. It has not been invoked in a single case, so far as my information goes from the officials of the Treasury Department, and the amount of money retained as surplus by corporations and subsequently distributed is an infinitesimal amount. It is true that occasionally we hear something about the cutting of a melon by these corporations; but with this high war tax, if the individual stockholders who would receive these enormous accumulations in dividends should have to pay the high surtax, my prediction is that the crop of melons will grow even less; this war will be worse than a drought and there will be no harvest.

Mr. President, as to the extent to which these corporations retain their net income after the payment of dividends, as I have stated, there is no official information, and I have been compelled to resort to various sources for the purpose of reaching some conclusion as to the extent of the net incomes of corporations which have paid a normal tax, which are undistributed to stockholders, which are retained by the corporation, and on which no surtax is imposed either by the present law or under the bill as it comes from the Senate committee.

Mr. GRONNA. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. GRONNA. It is the understanding of the Senator that the dividends earned by corporations and paid out to the stockholders are not assessed either under the income tax or under the corporation tax.

Mr. JONES of New Mexico. Under the present law and the law imposed in this bill corporations pay a normal tax upon their total net incomes. The individual stockholders account for what they receive by way of dividends in making up their returns, and where necessary pay a surtax upon the distributed earnings of the corporation received by way of dividends by the stockholders. But the amount of net income which the corporation retains in its treasury, after the payment of dividends, pays no surtax and no surtax is imposed by this bill.

Mr. GRONNA. I think it is generally understood in my section of the country. I think it is the practice and I think I can show that there is a tax paid by corporations upon all the dividends distributed to stockholders.

Mr. JONES of New Mexico. There is a normal tax paid, if the Senator will permit me, and only the normal tax. That normal tax is paid by the corporation, and when the individual accounts for dividends received from a corporation which has paid the normal tax the individual takes credit for the normal tax which has been paid by the corporation.

Mr. SMITH of Michigan. Otherwise it would be double taxation.

Mr. JONES of New Mexico. Yes.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Utah?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. KING. I want to suggest to the Senator—it is not probably quite germane to the theme now being discussed, but it is germane to the question of ascertaining the profits of corporations for distribution—that I notice in the bill and it is also the existing law, that corporations are permitted for the purpose of ascertaining their profits to deduct interest charges. I can not see the reason why such deduction is allowed. I should be very glad to learn from the Senator what defense there is for that provision.

To illustrate—so that I may make the case clear, if I have not done so—suppose the Senator from New Mexico and myself organize a corporation, and we put in $1,000,000; the Senator from Michigan and the Senator from North Carolina organize a corporation, and they put in $500,000 and then issue bonds for a like amount; and these corporations then engage in the same class of business. In the latter instance the Senator from North Carolina and the Senator from Michigan would be permitted to deduct the interest which they paid upon their bonds in determining what the profits were, whereas in the corporation formed by the Senator from New Mexico and myself, in the supposititious case, we would not be permitted to have any deductions, because we have paid in full the capital stock. It seems to me that that is manifestly unjust. If a corporation borrows money, it is merely an augmentation of its capital stock and it ought not to be permitted to have deductions for interest charges in determining what its profits are.

Mr. JONES of New Mexico. Mr. President, the Senator from Utah raises a most interesting question and one which will be discussed in connection with another provision of the bill. He will doubtless find that there is a divergence of view regarding the matter which he has suggested and very forceful argument can be presented along the line the Senator has suggested, and doubtless will be by himself when that question is reached.

Mr. KING. I am not a member of the committee, and so I do not expect to participate in the argument.

Mr. JONES of New Mexico. I was seeking to present the sources of information from which I have obtained the amount of the undistributed net income of corporations after the payment of dividends. You have all been noticing in the newspapers statements about this corporation and the other corporation as to the amount of its net income and net earnings and the amount of dividends declared and the amount retained. Those newspaper articles do give us a little ray of light; they furnish splendid information so far as they go; but unfortunately there is nobody whose business it is to compile such information. I have statements here coming from different parts of the country as to the earnings of some of the copper companies; the amount of money which they have earned and the amounts which they have paid out in dividends and the amount which is being retained. It is interesting to notice this, just as a straw indicates the direction of the wind. I find a newspaper dispatch from New York, dated July 24 of this year, which reads:

> Forty-three strictly copper companies paid $87,897,530 in cash dividends in the first six months of 1917, bringing their total dividends up to $932,608,689. * * *
>
> Against dividends of $87,897,530, paid by the 43 copper companies, their operating profits for six months past exceeded $161,560,000. This

is after deducting income tax, and, in most cases, depreciation, but not excess-profits tax. The dividends paid amount, therefore, to scarcely over half the profits earned.

I might read on a little further. Then I have a newspaper clipping here with regard to the earnings of the Utah Copper Co. and the Phelps-Dodge Co. for the past six months. The Utah Copper Co. is referred to in a clipping dated Salt Lake, August 10.

Net earnings of the Utah Copper Co. for the quarter ending June 30 are quoted at $10,563,541 in the thirty-seventh quarterly report of the company issued to-day. The production for the period is quoted at 56,845,059 pounds. Both production and net earnings were said to be the largest in the company's history. The report shows payment to stockholders for the quarter of $5,685,715, leaving a net surplus for the period covered by the report of $4,877,826.

Almost 50 per cent for a copper company.

During the time the committee was considering this bill various representatives of the interests throughout the country appeared before the committee and interviewed various members of the committee, and among others were some representatives of the American Manufacturers' Association. They filed a brief with the committee. In the brief or attached to it is the financial statement of 10 mining companies, 10 public utilities, 10 railroads, and 10 manufacturing concerns. They undertake to present to us their net earnings during the last six years, with the amount of dividends paid and the amount of surplus retained. According to their own figures, in the way in which they have figured, the amount of net income retained undistributed on the average with these four classes is 37 per cent of the whole.

Mr. GORE. Was that for last year?

Mr. JONES of New Mexico. That is the average for six years.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Nebraska?

Mr. JONES of New Mexico. I yield.

Mr. NORRIS. I think the Senator ought to tell us, if he has the information, how these 10 companies were selected, in order that we may be sure that no unfair methods were employed in their selection.

Mr. JONES of New Mexico. Mr. President, I am not able to enlighten the Senator in that respect, but I think we have the right to assume that the manufacturers who presented this brief selected such companies as they thought would exemplify their contention.

Mr. NORRIS. I think it fair to assume that, unless they disclose the rule by which the companies were selected, they selected those most favorable to their contention.

Mr. JONES of New Mexico. I quite agree with the Senator.

Mr. NORRIS. To have any weight the companies ought to be selected under some form, according to some method or rule by which they would fairly illustrate the condition not only of these 10 companies but of all other companies.

Mr. JONES of New Mexico. I desire to state, Mr. President, that I have examined these tables, and I find in the list several corporations which during these years are reported as having paid dividends out of previous earnings, and that such payments out of previous earnings have been charged against current earnings, thus reducing the amount of the corporate earnings retained and undistributed. When I found out that that was the case, I thought the whole table should be discarded. However, I took the figures presented by these tables as to these four classes of corporations for the year 1916; I added up their net earnings for that year and subtracted the dividends paid in that year, and the amount of the earnings of those corporations undistributed for that year was 49.6 per cent.

Mr. President, during the course of our hearings a most excellent lawyer and a most admirable gentleman from New York called upon me for the purpose of discussing some of the features of this bill. He was interested in showing that corporations under contract or by their charters had obligated themselves to retain certain percentages of their net income in the business, and his argument was that, therefore, the corporation ought not to pay any tax upon the amount so retained. He furnished me a table of 24 miscellaneous companies represented by his office. The table was made up for the purpose of furnishing information upon the question which I have just stated, but I thought it advisable to use the table in this other connection. So I have ascertained the total amount of net income of these 24 corporations and the amount of dividends which they have paid, and I find that the per cent of the net income retained by these 24 corporations was 68.7 per cent plus for the calendar year 1915.

Among these 24 corporations are listed Sears, Roebuck & Co., F. W. Woolworth Co., Jewell Tea Co. (Inc.), National Cloak & Suit Co., Maxwell Motor Co., and the Manhattan Shirt Co. I mention these to show the miscellaneous character of the 24 corporations whose statements are presented in this pamphlet.

The industrious Senator from Wisconsin [Mr. LA FOLLETTE] presented to the Senate with the views of the minority filed by him the names of 95 corporations with the various amounts of their earnings for a number of years, and with the amount of their earnings for 1916. I have taken the trouble to make an estimate as to the 95 corporations, and that investigation shows that of the earnings of those 95 corporations 65.79 per cent of the net income has been retained.

I will state that the table presented by the Senator from Wisconsin as to railroads is inaccurate in this respect: It was made up, as I ascertained from investigation, by referring to what was called in the Railroad Analytical Digest undistributed earnings. In the case of the Southern Pacific Railroad, while that concern paid out in dividends over $16,000,000 and had a net income of over $21,000,000, the dividends were paid out of a preexisting surplus, and the $21,000,000 retained as net income. That was not so bad; but in the case of the Santa Fe Railroad, after the Santa Fe Railroad had paid its dividends, it had about $18,000,000 of undivided surplus earnings; it appropriated on its books $7,000,000 for betterments and extensions, and left only $6,000,000 appearing as the net income retained. I have not used that table so far as it affects the railroads because of this inaccuracy in the source of information.

Mr. President, I have here a list of railroads doing 90 per cent of the transportation business of the country—a table compiled from the reports made by these railroads to the Interstate Commerce Commission. This table shows that the total dividends of all these railroads, doing 90 per cent of the whole transportation business of the country, were $289,310,357. The total net income undistributed was $337,321,865. The amount of net income undistributed was 53.84 per cent, and the amount distributed 46.16 per cent.

Mr. President, I ask leave to have this table printed as an appendix to my remarks.

The PRESIDING OFFICER (Mr. KENDRICK in the chair). Without objection, it is so ordered.

Mr. JONES of New Mexico. Mr. President, I have here a statement regarding the banks of the country.

Mr. KING. Mr. President, before the Senator leaves the subject to which he has just been addressing himself, will he permit an interruption?

Mr. JONES of New Mexico. I am glad to yield to the Senator.

Mr. KING. Has the Senator any figures to indicate what the railroads did with that apparently large percentage of their profits not distributed as dividends? I ask because the information that has been furnished the Senate from time to time indicates that many of the railroads require money for repairs and for betterments, and notwithstanding the reservations of profits which doubtless have gone into betterments, repairs, and new equipment, there is still an inadequate amount of money for that purpose, and they are asking the Interstate Commerce Commission for authority to increase their rates. Obviously, that which they have retained must have been used for some purpose. It certainly can not be in the treasuries of the companies.

Mr. JONES of New Mexico. Mr. President, as I have tried to state, before you call any earnings "net income" you deduct all the costs of repairs and maintenance and depreciation; and if they retain any net income after such deduction it is an addition to capital and is used, of course, either in extensions or in betterments—that is, in adding to the physical properties of the companies. As I shall undertake to show a little later, that money thus used should not escape the income tax or this surtax any more than the income of the individual which is kept in his business.

Mr. President, I do not know the extent of the yearly accumulations of undistributed incomes of the national banks, but I find this statement recently published in the city of New York as to the New York banks. It shows that the New York national banks have capital stocks of $122,825,000 and surpluses and undivided profits of $214,074,200; that the trust companies have capital stocks of $89,500,000 and surpluses and undivided profits of $178,822,000; that the State banks have capitals of $24,050,000 and surpluses and undivided profits of $41,732,300, making a total for the city of New York of all these banks—national, trust, and State—in the way of capital of $236,425,000 and of surplus and undivided profits $434,628,500.

Mr. CALDER. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. CALDER. The Senator, I am sure, is of the opinion that this is a very healthy state of affairs.

Mr. JONES of New Mexico. I quite agree with the Senator.

Mr. CALDER. And he would not discourage the practice of accumulating large surpluses on the part of banks.

Mr. JONES of New Mexico. Not at all. I mentioned these figures to show the strength of the banks of the city of New York with respect to the amount of capital and the accumulated surplus and undivided profits; but the purpose of my so showing is to demonstrate that these banks do retain in their business a considerable percentage, the amount of which I do not know, of their net incomes, which is not distributed to the stockholders, and therefore, under the existing law or the bill now presented to the Senate, is not subject to any surtax.

Mr. CALDER. Mr. President, will the Senator yield again?

Mr. JONES of New Mexico. I yield.

Mr. CALDER. I will say to the Senator that some of these banks have been over 100 years in building up these great, magnificent surpluses which have made them so strong and powerful and so important to the country in time of stress.

Mr. JONES of New Mexico. I am not criticizing what has been done, if the Senator will permit me. I recall quite well the fact that some years ago, in the case of the Chemical National Bank of New York, $100 shares of stock were selling for over $4,000.

Mr. CALDER. The surplus of that bank is more than ten times its capital.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Nebraska?

Mr. JONES of New Mexico. I yield.

Mr. NORRIS. As I understand the Senator, he is not criticizing that, but he is criticizing the proposed law on the ground that it does not reach some of that surplus, which under this system escapes taxation.

Mr. JONES of New Mexico. My point is that under the existing law and the proposed law, if an individual should do precisely the same thing, he would have to pay a surtax upon his income, while the corporation escapes. I am not trying to impose any undue burden upon the corporation, but I am simply seeking to put the corporation upon an equal footing with the individuals of the country.

Mr. FRELINGHUYSEN. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from New Jersey.

Mr. JONES of New Mexico. I yield to the Senator.

Mr. FRELINGHUYSEN. I think the Senator is a bit unfair in his comparison. The individual is not dependent upon his credit for the transaction of any business, whereas the corporation is dependent upon its credit for the transaction of the business which it conducts. It is the surplus of the company which is always looked at as far as credit is concerned. A bank requires a surplus for the expansion of its credit; an insurance company has to have a surplus to meet the lean years, to meet the catastrophies that come to insurance companies—the San Francisco fire, for instance, the Baltimore fire, the San Francisco fire taking $240,000,000 from the insurance corporations, a great plague, an accident hitting the accident insurance companies. Those are the things which make it absolutely necessary, as far as a corporation is concerned, that it build up a surplus. The same is true of a bank. When hard times come, times of necessity, when a panic is impending, it is necessary that they shall have their surpluses. An individual does not have to meet those contingencies; and therefore I think the comparison is somewhat unfair.

Mr. JONES of New Mexico. Mr. President, I must hurry on. I have occupied the floor much longer than I intended, but I want to say this to the Senator: I do not controvert the argument which he has just made, but I do want to assert that if the corporation does that thing, if it uses net income which in the hands of an individual would have to pay a surtax, there is no earthly reason why that money should escape this Federal tax any more than any other Federal tax. The argument which the Senator makes is an argument against all taxation upon incomes of such corporations.

Mr. FRELINGHUYSEN. Not at all, Mr. President.

The PRESIDING OFFICER (Mr. GERRY in the chair). Does the Senator from New Mexico further yield to the Senator from New Jersey?

Mr. JONES of New Mexico. I do.

Mr. FRELINGHUYSEN. I claim that, rather than tax the surplus, direct taxation should be imposed by the Federal Government; if it is 2 per cent or 3 per cent that it should be imposed in that way rather than as a tax upon the surplus that a company accumulates.

Mr. JONES of New Mexico. That proposition I expect to discuss a little later in my remarks.

Mr. FRELINGHUYSEN. I am not against all taxation. I believe the corporations should pay their just share of the taxes.

Mr. JONES of New Mexico. Then I am quite sure the Senator will vote for the amendment which I propose to offer to this bill.

Mr. President, I find from the figures taken from the manufacturers' briefs that the percentage of net income retained was 49.6 per cent. The percentage in the case of the 24 miscellaneous companies referred to in the other document was 68.7 per cent. The percentage in the case of the 95 industrial companies mentioned in the minority report of the Senator from Wisconsin [Mr. LA FOLLETTE] was 65.79 per cent. In the case of the railroads doing 90 per cent of the business of the whole country the percentage was 53.84 per cent. It seems to me that, taking all of that information together, we ought to arrive at pretty nearly the correct result. These thousands of corporations in this country which are not paying any dividends at all, which were organized with watered stock, and are retaining their earnings from year to year with the hope of putting some substance into the shells which they created, are earning net incomes. All these listed concerns are the dividend-paying concerns. When these various factors are considered I think we are safe in coming to the conclusion that the practice of these concerns is a fair one to apply in making an estimate for the country. The average percentage thus obtained is 59.48 per cent, but let us give them the benefit of the doubt. With this evidence which has been accumulated, have you any doubt that the corporations of this country are retaining undistributed, free from any surtax, 50 per cent? I will not call it 59.6 per cent, but 50 per cent. Is not that a safe basis from which to make our calculations? With 50 per cent of their net incomes escaping surtax, if you make the total income only $9,000,000,000—and it was that last year—you have four and a half billion dollars, more than the total incomes of all the individual taxpayers of the country, an income which in the hands of the taxpayers of the country would pay $450,000,000 of a surtax, going absolutely scot free under the present law of the country and under the proposed law.

I might have added also, Mr. President, that the extreme cases were not mentioned in the various tables to which I have referred.

No mention was made there of the Bessemer & Lake Erie Railroad, which last year earned 795 per cent and paid only 150 per cent in dividends.

No mention is made of the Aluminum Co. of America, which does not make any financial report to the commercial concerns of the country, but which is paying 16 per cent dividends. In 1904 it paid 100 per cent stock dividends; in 1909 another dividend of 500 per cent in stock.

The Ford Motor Co. is not mentioned, a concern which was organized in 1903 with $2,000,000 capital stock and no bonds. It has the same $2,000,000 of capital stock to-day and no bonds. In 1912 its total assets were over $20,000,000; in 1916 over $132,000,000. Last year its net revenue was practically $60,000,000. It paid dividends of 60 per cent; but the 60 per cent was only $1,200,000, leaving a net surplus retained in the treasury of $58,794,118 for last year.

These extreme cases are not mentioned among the corporations from which estimates have been made.

No mention is made of the Ford Motor Co. of Canada, which in a few years has declared stock dividends to the extent of 1,300 per cent.

Under all these circumstances are we not justified in saying that the amount retained by these corporations is at least 50 per cent?

Now, as to the amount of these earnings at different times briefly stated——

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from North Carolina?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. SIMMONS. I do not wish to interrupt the Senator, and I have not done so before, but I have interrupted him at this time for the purpose of asking further his view. I understand the Senator to say that he estimates under the present law at least 50 per cent of the earnings of the corporations are undistributed. Am I correct in that?

Mr. JONES of New Mexico. The Senator is quite correct.

Mr. SIMMONS. Under the present law, of course, there is no provision requiring them to make any distribution whatever of their earnings. That is to say, if they fail to make a distribution at all, there is no punishment, there is no tax imposed, there is no power or authority to control their discretion in that regard. That is true, I believe. The Senator will probably not deny that.

Mr. JONES of New Mexico. That is quite true.

Mr. SIMMONS. Under the amendments made by the committee that situation is radically changed. Under these amendments, if they retain in their business an amount of their annual earnings in excess of what are the reasonable requirements of the business, to be ascertained and determined by the Secretary of the Treasury, then they are required to pay a tax of 10 per cent, and that tax may be under certain circumstances increased to 15 per cent by way of a penalty. That is to say, if they retain an amount which the Secretary of the Treasury shall find is reasonably required in that business, they pay a tax of 10 per cent; but if they retain a greater amount than he finds is reasonably necessary in their business, by way of penalty, that tax is raised to 15 per cent. In the present condition they can retain it without any tax, but under this amendment if they retain more than is reasonably necessary in their business they will have to pay a tax of either 10 or 15 per cent.

Mr. JONES of New Mexico. I had intended a little later to discuss the proposal of the committee, and I expect to demonstrate even to the satisfaction of the chairman of the committee that the proposal of the committee will be absolutely inoperative and effect no useful purpose.

Mr. SIMMONS. Mr. President, if the Senator will pardon me right in this connection, by way of compensation to the Government for any amount, whether necessary or unnecessary, in the conduct of the business the committee have for the first time made a differentiation between the normal tax of the individual and the normal tax of the corporation. As it now stands in the corporation income-tax law, and as it has stood from the beginning, the normal tax of the individual and the normal tax, so to speak, of the corporation have been identically the same. In the House bill they are the same, but in the Senate committee bill we have raised the rate upon corporations from 4 per cent, the rate which is applied to an individual's normal income, to 6 per cent, thereby increasing the corporate tax 2 per cent above what it has heretofore been and above what it is in the bill as passed by the House and above what the normal tax of the individual is. We did that chiefly for the purpose of equalizing any possible difference which might exist between the individual and the corporation with reference to surtaxes.

Now, by reason of that increase of 2 per cent we will get from the corporations of this country, upon the basis of the returns of 1916, $180,000,000. I believe that under the restrictions that we have imposed in the bill with reference to the amount that may be retained with the penalty that we have placed upon the retention of more than the necessary amount as found by the Secretary of the Treasury the $180,000,000 will very much more than equal the entire surtax if the whole amount had been distributed.

Mr. JONES of New Mexico. Mr. President, I expect to discuss that question a little later. I believe that while the Senator has stated what the bill provides with respect to this addition to the normal tax of corporations is true, I think I shall be able to show that it is unfair and contrary to all the other equitable provisions of the bill which are exemplified in the graduated income tax and the graduated war-profits tax.

Mr. SMOOT. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. SMOOT. I hope I will not impose upon the Senator unduly, and I would not ask to be recognized at this time if it were not for the purpose of correcting the statement inadvertently made by the chairman of the committee. He stated that there was no law to-day by which a tax can be imposed upon distributed profits. I wish to call attention to the act of September 8, 1916, under title 1, section 3. I ask Senators to follow this language:

For the purpose of the additional tax—

That is, speaking of the additional normal tax—

For the purpose of the additional tax, the taxable income of any individual shall include the share to which he would be entitled of the gains and profits, if divided or distributed, whether divided or distributed or not, of all corporations, joint-stock companies or associations, or insurance companies, however created or organized, formed or fraudulently availed of for the purpose of preventing the imposition of such tax through the medium of permitting such gains and profits to accumulate instead of being divided or distributed; and the fact that any such corporation, joint-stock company or association, or insurance company, is a mere holding company, or that the gains and profits are permitted to accumulate beyond the reasonable needs of the business, shall be prima facie evidence of a fraudulent purpose to escape such tax; but the fact that the gains and profits are in any case permitted to accumulate and become surplus shall not be construed as evidence of a purpose to escape the said tax in such case unless the Secretary of the Treasury shall certify that in his opinion such accumulation is unreasonable for the purposes of the business. When requested by the Commissioner of Internal Revenue, or any district collector of internal revenue, such corporation, joint-stock company or association, or insurance company shall forward to him a correct statement of such gains and profits and the names and addresses of the individuals or shareholders who would be entitled to the same if divided or distributed.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from North Carolina?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. SIMMONS. I understand that while I was out the Senator from Utah stated that I had inadvertently overlooked the act of September 8, 1916.

Mr. SMOOT. Yes.

Mr. SIMMONS. No; I did not inadvertently overlook that act; I did not refer to it, because I think it is generally understood that by reason of the terms of that provision it was not really enforced and it became a dead letter upon the statute books. I think the committee recognized that it was a dead letter upon the statute books, and they therefore substituted a provision which would be effective in accomplishing the purpose that that section had in view. The law was so drafted that it accomplished no purpose at all, and I understand that only two cases were brought up under it.

Mr. SMOOT. The original act, I will say to the Senator, had a provision similar to that, but no action was taken under the act of September 8, 1916. I am informed there are certain cases now under investigation by the department as to imposing the tax under section 3 of the act of September 8, 1916.

Mr. SIMMONS. I think the committee regarded it as inoperative for practical purposes and that it had not accomplished the purpose which its authors probably had in mind.

I do not know whether before I sat down I asked the Senator from New Mexico the question which I really intended in my interruption to ask him. The question which I wanted to ask him was whether, in his opinion, the changes that the committee has made investing the Secretary of the Treasury with the power of ascertaining and determining whether the amount retained by the corporation was excessive or not to meet any reasonable requirement upon its business and imposing a tax of 10 per cent or 15 per cent as the case might be, would not tend to bring about a much larger distribution of corporate assets than under present conditions, and if in his opinion with this change in the law there would be anything like 50 per cent of the earnings of the corporation under this act undistributed?

Mr. JONES of New Mexico. Mr. President, I expect to discuss the provisions of the bill as reported by the Senate committee a little later. I do not believe, if the Senator will excuse me, that I would like to discuss that now, but I propose a little later to show that the result which the Senator has just announced himself to expect will not be realized. The provision of the existing law referred to by the Senator from Utah was referred to by me earlier in my remarks, and I think I stated then substantially what the chairman of the committee has just stated regarding that law.

Mr. SMOOT. But the Senator does not claim that if the Commissioner of Internal Revenue, knowing such a state of affairs to exist, should report it to the Secretary of the Treasury under this section of the law the additional tax could be imposed.

Mr. JONES of New Mexico. Mr. President, as I understand that provision of the law, it was intended to prevent the accumulation of net incomes for the purpose of evading the income-tax law. The Senator will remember that in the committee we had much discussion as to what this thing meant, and I think at least a majority of the committee felt that before the Secretary of the Treasury, under that provision of law, could ascertain what is necessary to be ascertained he would have to find, as a matter of fact, that the purpose of the retention was to defraud the Federal Government of its income taxes, a thing which so far has proven impracticable and which can never prove practicable, and which I will state to the Senator I expect to discuss a little later in connection with the proposal in the present law.

Mr. SMOOT. I will say to the Senator that I do not believe there is a member of the committee or a Member of the Senate who will deny that there are corporations that have taken out the undistributed earnings and purchased bonds with them and purchased stocks of other companies that have no relation whatever to the business in which they are engaged. I can not help but believe that in a case like that the Secretary of the Treasury would immediately hold that it was something outside of the business for which they were organized, and if so there was only one reason for doing it, it was to escape taxation.

Mr. JONES of New Mexico. I hope a little later to make some observations upon the subject which will be interesting to the Senators in view of what the Senator has just stated.

Mr. SIMMONS. Will the Senator pardon me for another suggestion?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. SIMMONS. The Senator is discussing this matter very ably and very interestingly, as he always does. The Senator says that he will later on discuss the subject I was calling to his attention a little while ago. That will be satisfactory to me.

But the Senator has read from certain tables in the minority report showing the amount of surplus retained, undistributed surplus of various and sundry corporations, 95, I think he said, in number. I wish to ask the Senator does he understand the amounts given in this table to represent the undistributed earnings of corporations for the year 1916, and not all the undistributed earnings of corporations, those 95 corporations, whether made in 1916 or in previous years; whether it represents the undistributed part of the earnings of 1916 or the total accumulation of undistributed earnings of the years past, including 1916?

Mr. JONES of New Mexico. I was a little uncertain in my own mind regarding the point which is just mentioned by the chairman of the committee, and so in my office I took occasion to verify the figures. I first ascertained that the figures given there as to railroad corporations were not correct, for the reasons which I stated a while ago. I assumed from that that we could not rely upon the figures as to the 95 corporations, but in the office I had one of my assistants take up that list of corporations and go through Moody's Manual to verify the figures, and while there was a little discrepancy, sometimes one way and sometimes the other, of more than 50 of those corporations, he verified the fact that the figures stated there were not the total surplus, but the surplus of current earnings of the year 1916. The Senator will find, if he will get the information which is furnished in Moody's Manual, that they are not accumulated surpluses in that table. It gives the accumulated surplus of the Santa Fe Railroad, for instance, at $6,000,000. The total accumulated surplus of the Santa Fe Railroad Co. is nearly $100,000,000; the Southern Pacific Railroad Co., $131,000,000; and the New York Central Railroad has investments in unaffiliated companies of nearly $150,000,000. The Ford Automobile Co. has $132,000,000 of assets, practically accumulated earnings, undistributed earnings, but the earnings for the last year were only $58,000,000.

Mr. President, I believe it has been shown that the existing law and the proposed law in this respect work a great injustice. I believe it is shown that the dollar of income of the corporation does not pay over one-half the tax that the dollar of income of the individual must pay. While I do not want to censure anybody who is doing business through a corporate agency, yet I do say that it is the duty of Congress to see that every dollar of income bears the same burden in carrying on this war and that the corporation shall not be favored to the extent of 50 per cent upon their net income.

Mr. President, when I first brought this matter to the attention of the committee I took the view of a corporation suggested by the Senator from North Dakota [Mr. McCUMBER], that the corporation was a mere trustee for its stockholders, that whatever affected the corporation affected the stockholders, and I thought it would be all right if we could in some way consider this undivided surplus or undivided net income as the property of the stockholder and have him pay an income tax upon it; but later insuperable objections arose. In the first place, I ascertained that the question whether under our constitutional provision you can so treat the income of the corporation as the income of the stockholder is involved in litigation now pending in the Supreme Court, and we did not want to put anything in the bill which is of questionable legality. Again, the shares of stock are being traded in from day to day. At what period would the stockholder have to pay the tax? So we found out that the inconvenience in the transfer of the shares was so great that that plan ought to be discarded, and it was discarded.

I want to state—and it is no secret in the committee, because it has been published in the papers—that when this situation was first presented to the Finance Committee every member of the committee but one voted in favor of putting a surtax upon undistributed corporate earnings, and later on when that bill was reported to the Senate it contained a provision imposing a tax of 15 per cent, but making an exemption of 20 per cent of income and exempting to railroads all the money which the Interstate Commerce Commission should say ought to be put into extensions and betterments. I thought they had emasculated it enough, but I concluded to support that provision rather than have none. But, as you all know, the bill was subsequently recommitted at the request of the chairman, and a marvelous change now appears in the bill. So, instead of the 15 per cent tax with the 20 per cent exemption, you find a 10 per cent tax and an exemption of everything required or reasonably necessary for the purpose of carrying on the business of the company, a provision which to my mind is absolutely inoperative and will not produce one dollar of revenue.

I will examine the bill somewhat in detail and I wish to read it. This is an amendment to section 10 of the act of September 8, 1916. It says:

(2) Section 10 of such act of September 8, 1916, is hereby further amended by adding a new subdivision as follows:

"(b) In addition to the income tax imposed by subdivision (a) of this section there shall be levied, assessed, collected, and paid annually an additional tax of 10 per cent upon the amount, remaining undistributed six months after the end of each calendar or fiscal year, of the total net income of every corporation, joint-stock company or association, or insurance company, received during the year, as determined for the purposes of the tax imposed by such subdivision (a), but including the amount allowed as a credit under subdivision (d) of section 12."

That is to be ascertained in the same way that the present taxes are ascertained.

The tax imposed by this subdivision shall not apply to that portion of such undistributed net income which is actually invested and employed in the business or is retained for employment in the reasonable requirements of the business: *Provided*, That if the Secretary of the Treasury ascertains and finds that any portion of such amount so retained at any time for employment in the business is not so employed or is not reasonably required in the business a tax of 15 per cent shall be levied, assessed, collected, and paid thereon, and the finding and ruling of the Secretary of the Treasury in any and all such cases shall be conclusive and final.

Mr. President, under that provision the duty is imposed upon the Secretary of the Treasury to ascertain the reasonable business requirements of every corporation in the United States. It is estimated that next year there will be 400,000 of them, and he is to find out not only what they are doing but whether they ought to do it or not; to ascertain the reasonable requirements of every line of business under the sun, a task absolutely impossible of execution, not only as to the varied classes of business of the country but by reason of the enormous task of doing it. You would have to get experts in every line of business; you would probably have to double the force of the Treasury Department to do it.

It is impossible from another point of view. What are the reasonable business requirements of the corporation? What is the business in which its capital may be employed or for which it may be reserved to be employed? How are you going to ascertain what is the business of the corporation?

Mr. President, there is only one way and that is by reading the charter of the corporation. I have here to-day the charters of a number of corporations of the country which I intended to read but I am not going to take the time of the Senate to do it, because every lawyer in the Senate knows that under the charter of the average corporation you can do almost any business known to man. If you organize a cattle company, if you organize a farming company, if you organize a flouring-mill company, it is the practice of lawyers throughout the country to put into the charter nearly every line of business conceivable, including the buying and selling and the dealing in stocks and bonds. Take the charter of the Carnegie Steel Co. which I have here. It can perform almost any business function conceivable by the human brain. How else can you say that the business of the corporation can be ascertained?

I want to say that if the charters do not contain these provisions they can be made to contain them in 24 hours. Under the laws of New Mexico you can organize a corporation for any lawful purpose. You can by it, under one charter, perform as many lines of business as you may seek to perform. All you have got to do is to pay a small fee upon taking out articles of incorporation. You never have to pay any subsequent franchise tax. So how will you ascertain the business requirements of these corporations? Search the charter. You will find the corporation can employ itself in many avenues; and can you go beyond the charter? If you do, where are you going? What kind of a duty do you impose upon the Secretary of the Treasury when you go beyond the articles of incorporation?

They may not be performing every designated power to-day, but there is no reason why they shall not do it to-morrow. I want to say that if this provision remains in the bill as it is to-day we will not collect one dollar of revenue, but we will jeopardize the collection of $450,000,000 of surtax now imposed upon individual incomes. That is what will happen. If this provision remains in the bill, there is no reason why every individual should not incorporate his business; why every professional man even, every individual engaged in any line, should not incorporate his business within 24 hours and have a

legitimate corporation performing a legitimate business, but a business as varied as the industries of the country. So I say to the Finance Committee and to the Senate that if this provision is put into the bill we run the risk of being deprived of a large share of the $450,000,000 of revenue which it is planned to raise under this bill on surtaxes upon individuals.

Mr. President, the chairman of the committee stated a while ago that the committee had undertaken to compensate in some way for this surtax imposed upon individuals, and had done it by increasing the normal tax upon corporate incomes by 2 per cent. That will raise, without any doubt in my mind, $180,000,000 revenue. It will not equal the surtax which individuals will pay upon just about one-half the money which that 2 per cent will be levied upon. It will raise $180,000,000, whereas the surtaxes on individual incomes are expected to raise $450,000,000. But that tax, even if levied, does not reach the evil inherent in existing legislation and which is proposed to be perpetuated. Why do we put a graduated tax upon incomes of individuals? Because it is thought that those having the largest incomes can more equitably shoulder a greater percentage of the burden. Why do we impose a graduated tax upon war profits under this bill? For the same reason—that the concern that is making a larger percentage of war profits can afford to pay a larger percentage of this tax. That is what we do under the income-tax law upon individuals, and the war-profits tax is imposed upon individuals and corporations alike; but when it comes to getting a substitute for the surtax upon individuals, we find the normal tax increased, violating the very fundamental principle of the graduated tax in other respects.

We shall find the effect of it will be that the business concern which is doing a conservative business, which is retaining in its business a moderate amount of its income, will be taxed upon what it retains a very much larger percentage than is the corporation which retains more. Under the provisions of this bill if a corporation retains all of its net earnings it only pays a tax of 2 per cent; if it retains 90 per cent the tax which it would pay would be only 2.22 per cent of the amount retained. If it retains 80 per cent, the tax gets a little higher; it is 2.85 per cent. If it retains 50 per cent, the tax amounts to only 4 per cent upon the amount retained; but it mounts higher as the percentage retained decreases. If 10 per cent only is retained, the tax is 20 per cent; if 5 per cent is retained, the tax is 40 per cent; if 3 per cent is retained, the tax is 66⅔ per cent; having exactly the opposite effect from that which we want to bring about. It is an encouragement to corporations to retain their entire net income. If they retain it all, they only have to pay the 2 per cent normal tax on it. Take the United Verde Copper Co., which has a capital stock of $3,000,000, paying out annually only $270,000 in dividends, but actually earning, according to every report, from $10,000,000 to $12,000,000 a year. It is owned practically by one man. If he had the $10,000,000 a year as his individual income, under this bill we would take nearly one-half of it; but under the bill as proposed, if he leaves it in the corporation he pays only 2 per cent of it, or $200,000. Will he not do it? That is a copper mining company; I venture to say that the charter of that company permits its board of directors to engage in almost any line of business. It can very well be said that they want to buy other copper properties; that they want to build other smelting plants. How would this matter be controlled or regulated by the Secretary of the Treasury? When you undertake to impose upon the Secretary of the Treasury that duty as to that corporation you must impose it upon him as to the other 400,000 corporations in this country.

Mr. President, what should be done? I think the proposal of the committee is a confession of failure to solve the problem. The problem is here. How shall we solve it?

It has been proposed that we levy a tax of 10 per cent upon the retained and undistributed net earnings of corporations. If the corporations were to retain—not $5,000,000,000 but a little less—four and a half billion dollars, a tax of 10 per cent would produce $450,000,000, precisely the same as the amount which we expect from surtaxes on individual incomes. Just how much tax should be levied no man can say; it is an arbitrary amount to be fixed; but why should not it be put at, say, 10 per cent. Under the bill that was presented here before by the committee an exemption from taxation of 20 per cent of the whole income was provided. I thought with such an exemption a tax of 15 per cent was probably too low, but the committee brought in a tax of 15 per cent. Now, however, that the Senate has to deal with the matter let us see if we can not do something that is right.

The surtax on individuals ranging from 1 to 13 per cent under the old law and from 1 to 33 per cent under the proposed law, makes a total graduated surtax of from 1 per cent to 50 per cent. How can we fix a tax upon these retained corporate earnings which will in some measure equalize this burden? If we impose, as I have said, a tax of 10 per cent, if the corporations of the country retain an income of four and a half billion dollars, then we would get a revenue of $450,000,000, the same as the amount expected to come from individual surtaxes. That 10 per cent would be a flat rate. We can not graduate the tax upon corporate net earnings the same as we do upon individual net earnings without doing some of the large corporations of the country a great injustice. Take the United States Steel Corporation with a net income of over $200,000,000 a year. If we applied the surtax to its income the same as to that of an individual having the same amount of income, the corporation would have to pay almost one-half of it for the income tax alone. In my opinion that would not be right, although it may be that the view will be urged upon the Senate that it is right; it was urged upon the committee, and it may be urged here, but it seems to me that it would be unfair, because these large corporations ordinarily have a considerable number of stockholders who, if the total income were distributed, would not pay any surtax. It would hardly be right to impose the same surtax upon them as upon the most wealthy class of people in the country. But we ought to do something, and so the suggestion is that we impose a tax of 10 per cent upon these incomes.

Objection has been made to that. During the interim between the bringing of the first bill from the Finance Committee and the second bill representatives of corporations from one end of this country to the other appeared in Washington and discussed this question, I presume, with every member of the committee. They tried to have us believe that such a tax would force the corporations to distribute all of their net income in dividends and that that would bankrupt the corporations. The statement was made in the opening debate on this bill by the chairman of the committee that we would bring bankruptcy to these corporations.

Mr. President, these corporations would still have the management of their affairs in their own hands. If they wanted to distribute their earnings so as to evade the tax and commit corporate suicide it would be their sweet privilege to do so, but I do not believe they would do it; I believe that after this tax were imposed it would be found that the managers of these corporations would be just as sane as they were before, and that if they felt it was going to injure the corporation to distribute this fund they would not do it. I do not believe that such action on our part would make suicides of the corporations of this country.

Moreover, it would not be to the interest of the corporation to distribute this money if it needed additional money in its business. To-day first-class railroad bonds bearing 4 per cent interest are selling at 88 cents on the dollar in the general market. There is not a better railroad bond in this country than the first-mortgage bond of the Sante Fe Railroad Co., and yet those bonds are quoted to-day upon the New York Stock Exchange at 88 cents on the dollar. In order for a first-class corporation in these times to obtain new capital it has to issue gilt-edged 4 or 5 per cent bonds. By the issuance of such bonds they would pay annually the 4 or 5 per cent and ultimately would have to repay the principal; but if a corporation retains its net income or if, after the payment of dividends, it adds net income to its capital stock, it obtains new capital without the payment of any interest and will never have to repay the principal. Under those circumstances, do Senators believe that corporations would distribute all their net income? The statement that they would seems to me to be trifling with intelligence. I think the business men of this country have too much at heart the business interests of the country and their own interests.

Some of the directors of corporations appeared before some members of the committee and said that the stockholders would be clamoring for more dividends. I asked one of these gentlemen if he did not believe that a majority of the stockholders should rule. He said "No." I do; and when any number of stockholders are led to believe that if they distribute the corporate income they would bankrupt the corporation, there is no set of stockholders in the country who would advocate any such policy.

Another objection made was that if they distributed these funds the stockholders would get more money than they ought to have; that they would become spendthrifts. Mr. President, I do not believe that we ought to try by a revenue bill to control the conduct of the stockholders of corporations in this regard, while, on the other hand, I think a good many stockholders in the country would like to have the opportunity of handling some of their own funds, which they have not got now. It might be that a few more individual stockholders would want to invest in liberty bonds.

Mr. President, another reason urged for not imposing this tax is, as it is said, that the corporations need the money; that these are strenuous times and we want business to advance. So we do; we do not want unduly to hamper corporations or any line of business; but, Mr. President, do they not need the money which they now pay on account of other taxes just as much as they need every dollar of this money, if it is collected from them and if it is a fair tax? So when they present that argument it is an argument against the imposition of any tax. If you ever admit that any of these corporations should be subjected to the payment of taxes the same as individuals in the country, you can not escape the logic that they should be subjected to the payment of this tax.

Another objection made is that the corporations have made contracts whereby they must create sinking funds. That is true. Individuals also try to create sinking funds with which to pay their debts, but the individuals have to pay a tax upon the income they reserve for any such purpose. The fund will ultimately be used in the payment of debts. Why should not corporations pay a tax upon such funds the same as any individual and the same as upon any other income?

Mr. President, I do not believe the corporations are objects of charity, and yet charity is what they are asking when they seek to escape this surtax. The table which I presented a while ago regarding the banks of the country gave some interesting figures. All the banks of the city of New York have a surplus already accumulated of $434,000,000, while their capital stock is only $236,000,000. Do you think those banks are objects of charity to such an extent that they should have just and fair taxes remitted in their favor? So with the national banks of the whole country. With a capital stock of $1,066,000,000 they have surplus and undivided profits of $1,037,000,000 accumulated already. Are they objects of charity entitled to demand the remission of a just tax?

That is not all. There was a table presented to me which showed the amount of surplus accumulated by a large number of corporations—not accumulated in one year, but what they have and what they carry as surplus to-day. Most of the corporations of the country as they build up a surplus from year to year appropriate that surplus to some betterment or some extension, and it is then no longer called surplus; but the amount carried upon the books as surplus has been stated in this document with this result: Eighty-eight industrial corporations now have an unappropriated surplus of $452,000,000, 43 iron and steel corporations have an unappropriated surplus of $504,000,000, 15 mining corporations have an unappropriated surplus of $99,000,000, 6 motor companies have an unappropriated surplus of $51,000,000, 33 railroads have an unappropriated surplus of $517,000,000, and 185 miscellaneous corporations have an accumulated unappropriated surplus of $1,626,000,000.

Not long since, Mr. President, there was before the Interstate Commerce Commission what is known as the Fifteen Per Cent Rate case. There was in evidence an exhibit regarding railroads doing about 63 per cent of the business of the country. The effort was made to make it appear that the railroads were in very straitened circumstances, and so the facts were gathered and most interesting information was disclosed. Figures as to a number of these corporations are given and the amount of the capital obligations, the property investment according to book value, the unappropriated surplus, the net balance of current assets over liabilities, and the investments in unaffiliated corporations—most interesting and useful information. I will not undertake to read it, but it shows to me—and it showed to the Interstate Commerce Commission—that the railroads are earning enough and that they are able to pay their just taxes to the country.

For the information of the Senate I ask permission to have these tables printed as an appendix to my remarks.

The PRESIDING OFFICER (Mr. KING in the chair). Without objection the request will be granted.

Mr. JONES of New Mexico. Just a few statements in regard to some of these corporations.

The Atchison, Topeka & Santa Fe last year appropriated out of income for investment in physical property $7,000,000, and the accumulated appropriations of this nature as shown in the balance sheet are $64,037,688, which does not include the improvements which may have been included in operating expenses resulting from a liberal maintenance policy. This company in this year paid dividends amounting to $18,690,965. After deducting the $7,000,000 and $18,690,965 above referred to, as well as other charges, it still increased its credit balance in profit and loss from $20,581,222 at the beginning of the year to $26,381,975 at the close of the year.

Another illustration is the Chicago, Burlington & Quincy. It shows in its balance sheet for the year ending June 30, 1916, an accumulated profit and loss credit balance of $105,088,276, which is almost equal to its entire capital stock of $110,839,100, the net increase in this balance in one year being $7,208,622, after it had paid $8,867,128 in dividends, appropriated $4,431,360 for investments in physical property, and had made $8,400,000 miscellaneous appropriations of income.

Among the southern roads, the Louisville & Nashville had in that year a very substantial net income of $14,039,130. It paid $4,320,000 in dividends and tucked nearly all of the remainder away in its surplus, which at the close of the year amounted to $50,172,752.

The Delaware, Lackawanna & Western is another road that would not be prostrated by the proposed 15 per cent tax. It has practically no funded debt. Its surplus is greater than its capital stock. The capital stock is less than the additions which have been made to the property through charges to income and surplus. Its dividend rate was 20 per cent in 1916, and yet there was enough left to make new investments of $2,056,742 and to increase the surplus $5,734,792.

Mr. President, what would these corporations do with this money which ought to be paid into the Federal Treasury as a tax? We can only answer that question by considering what they have done with their net income in the past. For a number of years it was the custom, in the organization of corporations, to put a lot of water into the stock of the company. They would issue bonds about equal to all of the actual cash invested. Later on they would keep putting in the surplus earnings so as to squeeze out the water. Not simply one corporation did that but it was the rule, known to every one of us, with the average industrial corporations, especially, and with the railroad corporations of the country. If corporations are to be thus organized, it is a commendable thing to do. If you agree that the system is right, it is good business to do it.

In 1898 the Santa Fe road was a single-track road, unballasted, across the country, with small rails, small equipment, with its adjustment bonds selling at 65, with its preferred stock selling at 23, with its common stock selling at 11. To-day the adjustment bonds are selling where any 4 per cent second-mortgage bonds should sell, the preferred stock is selling at about par, the common stock has sold as high as 121 and is now selling at par. They have as fine a roadbed as there is in this country. There is no better equipment anywhere; there is no better railroad service in the country and, I think, the best railroad managers in the country. This is what that company has done out of the accumulated net income—a splendid thing—but in order to accomplish it do you think the Federal Government ought to donate just and fair taxes?

The United States Steel Corporation was organized with capital and a bond issue of over $1,400,000,000. The Federal Corporation Commission, upon investigation in 1911, found that the actual value of the assets that went into that concern did not exceed $700,000,000, and to-day the common stock is selling at 125. How has it been done? By retaining its surplus earnings in the business.

I am not criticizing what has been done. I say if they want to do that sort of thing let them do it; but if they use net income in this time of war, let them pay upon that income the same tax that you would impose upon an individual.

Mr. President, I have talked far longer than I intended to talk. I am glad to have had an opportunity to present this question to the Senate, and I offer now an amendment to the bill as reported by the committee, which I will read.

After the formal part, on pages 111 and 112, I move to strike out all of the bill, beginning with line 17 on page 111, down to and including line 15 on page 112, and instead thereof to insert the following:

(2) Section 10 of such act of September 8, 1916, is hereby further amended by adding a new subdivision, as follows:

"(b) In addition to the income tax imposed by subdivision (a) of this section there shall be levied, assessed, collected, and paid annually an additional tax of 10 per cent upon the amount remaining undistributed to stockholders 60 days after the end of each calendar or fiscal year of the total net income of every corporation, joint-stock company, or association or insurance company received during the year, as determined for the purposes of the tax imposed by such subdivision (a) but including the amount allowed as a credit under subdivision (d) of section 12."

The tax imposed by this subdivision shall not apply to (1) sum of $5,000 of such undistributed net income, (2) such portion of such net income necessarily retained by such corporations, joint-stock companies or associations, or insurance companies for the purpose of paying any taxes becoming due to the Federal Government for such calendar or fiscal year.

I should like to offer the amendment, and ask that it may be printed and lie on the table.

The PRESIDING OFFICER. Without objection, the request of the Senator from New Mexico will be complied with.

Mr. JONES of New Mexico. If the Senate should fail to adopt that amendment, then I purpose to modify it by inserting

an exception or exemption from this 10 per cent tax of 10 per cent of the net income. If that should not be accepted by the Senate, then I purpose to offer an amendment increasing the exemption to 20 per cent. If that is not accepted by the Senate, then I purpose to offer an amendment making the tax 5 per cent, without any exemption.

Mr. President, I feel that we have here a problem. I feel that it vitally affects the interests of this country. I do not pretend that I have been able to solve the problem as it should be solved, but I do want to sound the alarm. I do want to call the attention of the Senate to this glaring injustice, that it is jeopardizing $450,000,000 of revenue expected to be raised by this bill from surtaxes upon individual incomes. I want to call the attention of the Senate to this condition, and invite the wisdom of the Senate to take hold of this problem and aid in its solution.

Mr. HOLLIS. Mr. President, will the Senator please inform the Senate whether, in case the amendment he has just tendered is adopted, he would favor reducing the excise tax on corporations as recommended by the committee?

Mr. JONES of New Mexico. Mr. President, the excise tax does not amount to very much, and it might be that we would feel like reducing that, or eliminating it. I have not given that question any particular study.

Mr. HOLLIS. Does the Senator believe that his amendment, if adopted, would produce more revenue than the increase in the excise tax on corporations suggested by the committee?

Mr. JONES of New Mexico. I think it would; very much more.

Mr. HOLLIS. Can the Senator tell how much more?

Mr. JONES of New Mexico. I have estimated here that the corporations would probably retain in their surplus account, after the payment of dividends, from four and a half to five billions of dollars; and a tax of 10 per cent upon that would be four hundred and fifty or five hundred million dollars.

Mr. HOLLIS. And what is the estimate of the majority of the committee that the additional 2 per cent excise tax on corporations would raise?

Mr. JONES of New Mexico. One hundred and eighty million dollars. I did not know just what the Senator had in his mind in regard to the excise tax. We have been using the term "excise tax" with reference to another provision of law; but the tax which the Senator has in mind will produce about $180,000,000.

APPENDIX A.

Certain income account items for all roads reporting railway operating revenues of $10,000,000 or more for year ended Dec. 31, 1916.

[Compiled from reports to the Interstate Commerce Commission.]

These reports of December 31, 1916, are the latest annual figures available and are used in the following statement, which shows certain selected items from the income account. All roads having operating revenues of $10,000,000 or more are listed.

The following explanation of the column headings should be noted:

(a) Total operating income is what is left from operating revenues (shown in column i) after operating expenses and taxes are paid. Operating expenses include maintenance and depreciation charges.

(b) Nonoperating income includes rents received and returns on investments.

(c) Gross income is the sum of (a) and (b).

(d) Net income is what is left from gross income after rentals, interest on funded debt, etc., are paid. This is not necessarily the same as "total net income" of the income tax law.

(e) Dividends are sometimes charged to income and sometimes against profit and loss. The former appear in column (e) and the latter in column (j).

(f) Net income, less dividends paid from income, would be an approximation of the sum upon which the 15 per cent would be levied, but not exactly.

(g) Total taxes includes all classes of railway taxes, including those shown under (h).

(h) Taxes paid to the United States Government include the income tax as well as other United States taxes.

Name of road.	Total operating income. (a)	Non-operating income. (b)	Gross income. (c)	Net income. (d)	Dividend appropriations of income. (e)	Net income less dividend appropriations of income. (f)	Total taxes. (g)	Taxes paid to United States Government. (h)	Railway operating revenues. (i)	Dividends paid from surplus. (j)
EASTERN DISTRICT.										
The Pennsylvania R. R. Co	$55,587,519	$24,662,778	$80,250,297	$52,389,170	$29,952,252	$22,436,918	$8,490,892	$1,131,106	$230,278,533	
The New York Central R. R. Co	70,608,409	21,183,898	91,792,307	45,659,217	12,466,611	33,192,606	9,266,546	236,024	223,261,590	
The Baltimore & Ohio R. R. Co	28,465,597	6,089,680	34,555,277	12,652,675	6,153,101	6,499,574	4,002,735	191,265	116,968,882	$3,798,652
The New York, New Haven & Hartford R. R. Co	23,058,358	7,288,281	30,346,639	5,554,977		5,554,977	3,005,255	114,495	80,432,167	
Pennsylvania Co	20,320,735	13,789,402	34,110,137	14,195,287	6,400,000	7,795,287	4,111,284	499,241	75,569,026	
Erie R. R. Co	15,801,617	3,694,373	19,495,990	5,941,463		5,941,463	1,943,222	86,848	65,976,110	
Philadelphia & Reading Ry. Co	23,816,362	919,606	24,735,968	14,704,180		14,704,180	1,737,717	413,250	60,440,247	6,372,255
Boston & Maine R. R.[1]	10,227,561	828,087	11,055,648	2,722,471		2,722,471	1,407,842	125,632	36,184,752	
Boston & Maine R. R.[2]	4,809,410	356,532	5,165,942	2,145,177		2,145,177	683,246	55,380	19,198,793	
The Delaware, Lackawanna & Western R. R. Co.	20,013,902	1,749,029	21,762,931	14,804,690	8,444,080	6,360,610	2,517,883	47,888	51,580,899	
The Pittsburgh, Cincinnati, Chicago & St. Louis Ry. Co	12,035,745	1,088,256	13,124,001	6,559,439	3,375,590	3,183,849	2,321,764	150,977	50,706,455	
Lehigh Valley R. R. Co	12,279,778	4,233,526	16,513,304	8,002,473		8,002,473	1,804,812	192,295	48,859,909	6,000,880
The Cleveland, Cincinnati, Chicago & St. Louis Ry. Co	13,763,702	1,734,246	15,497,948	8,331,702	374,944	7,956,758	1,686,720	31,905	46,678,240	
The Michigan Central R. R. Co	14,076,169	1,125,550	15,201,719	6,837,372	749,456	6,087,916	1,686,010	38,813	46,418,790	
Wabash Ry. Co	11,671,449	509,772	12,181,221	5,390,908	462,000	4,928,908	1,169,380	56,000	37,721,104	
The Central R. R. Co. of New Jersey	10,385,024	1,438,408	11,823,432	5,897,894	3,292,416	2,760,478	1,830,173	83,399	34,372,348	
The Delaware & Hudson Co	7,823,636	1,231,818	9,055,454	3,338,645		3,338,645	710,001	61,547	26,584,971	3,825,234
Philadelphia, Baltimore & Washington R. R. Co.[3]	4,272,386	890,191	5,162,577	2,548,802	502,760	2,046,042	513,253	64,687	17,615,353	
The Philadelphia, Baltimore & Washington R. R. Co.[4]	1,877,050	682,294	2,559,344	1,541,988	1,057,478	484,510	221,231	23,420	7,931,071	
The Pittsburgh & Lake Erie R. R. Co	11,429,331	1,415,861	12,845,192	10,121,348	3,299,280	6,822,068	836,604	79,332	24,043,163	5,997,600
Pere Marquette R. R. Co	6,267,781	268,691	6,536,452	77,886		77,886	652,835	1,827	22,559,254	
Chicago & Eastern Illinois R. R. Co	2,931,847	1,534,787	4,466,635	127,159		127,159	755,945	16,500	16,874,053	
The New York, Chicago & St. Louis R. R. Co	3,390,977	195,598	3,586,575	1,655,883	524,890	1,130,993	521,970	9,142	15,387,928	
The Long Island R. R. Co	4,156,845	922,340	5,079,185	241,736		241,736	879,047	18,013	14,971,839	
Elgin, Joliet & Eastern Ry. Co	4,730,879	199,539	4,930,418	736,805		736,805	480,447	30,958	14,138,323	400,000
The Vandalia R. R. Co	3,003,125	213,799	3,216,924	1,342,858	584,556	758,302	498,232	40,645	13,339,043	
Maine Central R. R. Co	3,402,597	620,240	4,022,837	1,636,365	872,382	763,983	620,201	20,173	12,824,676	
Buffalo, Rochester & Pittsburgh Ry. Co	3,108,518	1,125,274	4,233,792	2,129,539	390,000	1,739,539	262,000	11,490	12,761,755	495,000
The Western Maryland Ry. Co	4,046,530	283,042	4,329,572	1,319,060		1,319,060	405,540	49,014	11,967,982	
Bessemer & Lake Erie R. R. Co	4,498,120	622,614	5,120,734	3,487,438		3,487,438	354,884	106,284	11,110,685	750,000
The Cincinnati, Hamilton & Dayton Ry. Co	2,242,694	282,230	2,524,924				379,694	4,182	10,217,861	
The Wheeling & Lake Erie R. R. Co	2,630,576	107,756	2,738,332	1,040,134		1,040,134	561,118	20,835	10,003,608	
SOUTHERN DISTRICT.										
Southern Ry. Co	23,399,393	3,789,590	27,188,983	11,812,307	226,068	11,586,299	3,096,724	192,000	75,554,652	
Illinois Central R. R. Co	16,759,239	13,015,831	29,775,070	17,627,202		17,627,202	4,116,065	231,282	73,740,266	8,743,282
Louisville & Nashville R. R. Co	20,439,866	5,250,105	25,689,971	17,062,285		17,062,285	2,427,927	90,908	64,928,121	5,040,000
Norfolk & Western Ry. Co	23,459,266	2,701,306	26,160,572	21,804,074	919,672	20,884,402	2,480,000	408,175	59,449,982	9,144,330
The Chesapeake & Ohio Ry. Co	15,486,677	1,688,581	17,175,258	7,670,939		7,670,939	1,636,604	146,972	49,834,312	1,255,612
Atlantic Coast Line R. R. Co	11,406,237	4,743,954	16,150,191	9,867,635		9,867,635	1,843,410	77,762	37,922,085	4,123,315
Seaboard Air Line Ry. Co	7,428,999	613,150	8,042,149	1,389,809		1,389,809	1,210,691	4,952	28,184,487	
The Yazoo & Mississippi Valley R. R. Co	4,955,773	212,743	5,168,518				692,130	65,491	15,135,124	
Central of Georgia Ry. Co	3,723,686	1,623,303	5,346,989	2,649,651		2,649,651	705,265	64,801	13,725,144	1,150,000
The Nashville, Chattanooga & St. Louis Ry	3,443,995	991,388	4,435,383	3,056,935	1,039,533	2,017,402	343,843	27,195	13,519,588	
Mobile & Ohio R. R. Co	2,813,273	612,720	3,425,993	1,115,534		1,115,534	459,253	28,810	12,229,643	240,672
The Cincinnati, New Orleans & Texas Pacific Ry. Co	3,852,140	999,928	4,852,068	3,402,351	122,670	3,279,681	456,947	70,547	12,019,397	358,800

[1] Period Jan. 1, 1916, to Aug. 29, 1916. [2] Period Aug. 30, 1916, to Dec. 31, 1916. [3] Period Jan. 1, 1916, to Sept. 14, 1916. [4] Period Sept. 15, 1916, to Dec. 31, 1916.

Certain income account items for all roads reporting railway operating revenues of $10,000,000 or more for year ended Dec. 31, 1916—Continued.

Name of road.	Total operating income. (a)	Non-operating income. (b)	Gross income. (c)	Net income. (d)	Dividend appropriations of income. (e)	Net income less dividend appropriations of income. (f)	Total taxes. (g)	Taxes paid to United States Government. (h)	Railway operating revenues. (i)	Dividends paid from surplus. (j)
WESTERN DISTRICT.										
The Atchison, Topeka & Santa Fe Ry. Co.	$42,804,274	$10,429,375	$53,233,649	$38,134,541	$19,022,435	$19,112,106	$5,875,741	$820,171	$121,578,879	
Southern Pacific Co.	38,803,977	30,100,613	69,004,590	29,950,416		29,950,416	6,290,487	925,343	121,481,981	$16,363,018
Chicago, Milwaukee & St. Paul Ry. Co.	31,327,239	3,115,741	34,442,980	16,209,842		16,209,842	5,480,119	349,983	110,600,680	13,979,506
Chicago, Burlington & Quincy R. R. Co.	39,098,988	2,991,317	42,090,305	32,994,726	8,867,128	24,127,598	4,820,197	600,051	109,191,204	
Chicago & North Western Ry. Co.	27,835,731	2,959,173	30,794,904	20,368,924	10,899,615	9,469,309	5,015,527	390,607	97,978,844	
Great Northern Ry. Co.	29,166,772	7,395,792	36,562,564	24,290,045	17,462,435	6,827,610	5,463,906	420,975	83,152,017	
Northern Pacific Ry. Co.	31,532,181	8,672,107	40,204,288	26,948,011	17,360,000	9,588,011	5,505,124	566,269	80,281,343	
The Chicago, Rock Island & Pacific Ry. Co.	20,987,697	2,446,920	23,434,617	8,037,383		8,037,383	3,660,601	196,669	77,482,911	
Union Pacific R. R. Co.	28,276,313	20,013,613	48,289,926	39,403,594	21,765,068	17,638,526	2,981,645	828,800	68,666,374	4,445,832
St. Louis & San Francisco R. R. Co.[1]	12,084,401	1,294,938	13,384,339	2,679,244		2,679,244	1,734,425	11,083	41,709,788	
St. Louis-San Francisco Ry. Co.[2]	3,009,331	213,431	3,222,762	814,955		814,955	363,328	2,217	9,161,309	
St. Louis, Iron Mountain & Southern Ry. Co.	9,986,590	1,295,903	11,282,493	2,298,816		2,298,816	1,702,226	1,665	36,488,928	
Minneapolis, St. Paul & Sault Ste. Marie Ry. Co.	13,749,080	985,091	14,734,171	5,258,595		5,258,595	1,481,412	55,997	34,472,084	2,610,714
The Missouri Pacific Ry. Co.	5,540,123	889,426	6,429,549				1,366,554	708	33,487,884	
Oregon Short Line R. R. Co.	11,896,887	5,368,738	17,265,625	11,417,876		11,417,876	1,672,521	280,626	26,865,974	8,000,000
The Denver & Rio Grande R. R. Co.	9,461,773	1,221,085	10,682,858	4,361,870		4,361,870	1,124,461	58,876	25,464,486	
The Texas & Pacific Ry. Co.	5,530,098	603,537	6,133,635	3,487,379		3,487,379	944,087	29,528	20,858,657	
Chicago, St. Paul, Minneapolis & Omaha Ry. Co.	6,185,981	478,070	6,664,051	3,714,975	2,087,221	1,627,754	1,053,393	54,681	20,855,286	6,307
Missouri, Kansas & Texas Ry.	3,784,330	2,369,328	6,153,658	506,954		506,954	934,444	574	20,811,000	
Oregon-Washington R. R. & Navigation Co.	4,814,338	1,081,307	5,895,645	297,172		297,172	997,378	12,279	18,880,259	
The Chicago & Alton R. R. Co.	4,677,728	335,128	5,012,856	315,644		315,644	595,290	9,567	17,781,279	
Gulf, Colorado & Santa Fe Ry. Co.	3,876,935	449,115	4,326,050	703,740		703,740	700,801	11,755	16,423,226	
Chicago Great Western R. R. Co.	4,292,013	325,560	4,617,573	2,335,369		2,335,369	578,605	45,301	16,131,032	877,358
The Galveston, Harrisburg & San Antonio Ry. Co.	4,549,499	863,795	5,413,294	1,515,481		1,515,481	585,841	38,229	15,248,909	
The Missouri, Kansas & Texas Ry. Co. of Texas.	1,770,597	168,516	1,939,113				498,134	147	14,567,646	
Duluth, Missabe & Northern Ry. Co.	7,823,688	233,325	8,057,013	6,862,169		6,862,169	873,126	144,722	14,389,278	4,112,500
El Paso & Southwestern Co.	5,610,926	2,514,516	8,125,442	3,582,092	1,500,000	2,082,092	502,039	69,345	12,614,004	
Los Angeles & Salt Lake R. R. Co.	4,257,716	113,856	4,371,573	1,536,233		1,536,233	585,220	19,854	11,656,885	
The Minneapolis & St. Louis R. R. Co.	3,196,079	243,594	3,439,673	750,118		750,118	508,243	11,756	10,995,223	
International & Great Northern Ry. Co.	2,559,440	646,627	3,206,067	564,040		564,040	419,883	121	10,766,945	
The Kansas City Southern Ry. Co.	3,552,563	375,013	3,927,576	1,829,699	840,000	989,699	519,853	8,169	10,339,958	
Total				626,632,222	181,113,541					108,196,816

[1] Period Jan. 1, 1916, to Oct. 31, 1916. [2] Period Nov. 1, 1916, to Dec. 31, 1916.

Total net income		$626,632,22
Dividend appropriations of income	$181,113,541	
Dividend paid from surplus	108,196,816	
Total dividends paid		289,310,357
Total net income undistributed		337,321,865
Per cent undistributed		53.84
Per cent distributed		46.16

APPENDIX B.

[Before the Interstate Commerce Commission Ex parte 57. In re application of the railways of the United States for a general advance in freight rates of 15 per cent. The Fifteen Per Cent case. Compiled by the National Shippers' Conference. Funds immediately available of carriers handling two-thirds of the traffic. S. H. Cowan, Clifford Thorne, Luther M. Walter, Graddy Cary, Clyde L. King, committee.]

STATEMENT RELATIVE TO REVISION OF EXHIBIT CARY NO. 1.

In order that there may be no possible confusion about the ultimate showing of this exhibit, we here present a revise of said exhibit to conform to suggestions made by Mr. Nay, the witness for the railroads.

This exhibit as now revised adopts every figure suggested by Mr. Nay with the one exception of a deduction of $35,418,052 for the depreciation of securities of unaffiliated companies held in the treasury of the Union Pacific. We did not make this deduction for the reason that Mr. Nay admitted on cross-examination that $50,000,000 had been appropriated and set aside out of surplus by the Union Pacific in 1913 to cover a depreciation on these very securities. Having been once deducted, it would be an error to again deduct it.

Certain it is that if the above item is deducted from the unaffiliated securities of the Union Pacific it should at the same time be added to the unappropriated surplus of the Union Pacific.

Mr. Lamb, witness for the southern carriers, undertook to point out errors in the exhibit upon the ground that "company figures" and not "system figures" had been used. The exhibit as originally prepared clearly shows "company figures" to have been used, and the figures originally used were and are correct.

Every figure on this exhibit as now offered, with the exceptions above mentioned, has been approved by the carriers in the testimony of their witnesses.

The purpose of this exhibit is to show that the carriers handling two-thirds of the traffic have enormous sums immediately available, that their property investment since 1907 is greatly increased out of earnings, and that if an advance should be granted two-thirds of the total advance would go to carriers whose present financial condition is such that they are not in need of any relief.

The volume of the traffic is handled by carriers now in a prosperous condition, and whose net incomes in the past have not only been sufficient to pay them a handsome return but have enabled them to accumulate out of earnings funds immediately available to more than adequately meet any emergency, even one founded on mere predictions.

EASTERN DISTRICT.

Bessemer & Lake Erie Railroad.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$31,577,000	$32,200,333	$1,172,903
1916	34,630,000	44,913,296	4,672,358
Increase 1916 over 1907	3,053,000	12,712,963	3,499,365

DIVIDENDS DECLARED.

	Per cent.
1909	2
1910	6
1911	6
1912	10
1913	8
1914	8
1915	9
1916	9.36

Ton-miles handled, 1916		2,320,637,556
Percentage of total for all railroads in eastern district, parties to this case		1.26
Net corporate income, 1916		$4,394,484
Total net operating income, 1916		$5,441,924
Percentage on capital stock, 1916		35.16
Percentage on property investment, 1916		12.12
Unappropriated surplus, June 30, 1916		$4,672,358
Available funds:		
Cash	$3,662,194	
Time deposits		
Investment in unaffiliated companies	13,010	
Total amount available		$3,675,204
Net balance current assets over liabilities		5,109,506

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Central Railroad Co. of New Jersey.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$78,963,400	$76,335,651	$6,687,577
1916, June 30, 1916	75,489,800	101,304,921	9,369,032
Increase 1916 over 1907	3,473,600	24,969,270	2,781,455

DIVIDENDS DECLARED.

	Per cent.
1908	7.87
1909	7.87
1910	11.69
1911	11.70
1912	11.68
1913	11.68
1914	11.68
1915	11.68
1916	11.68

Ton-miles handled, 1916		2,650,847,345
Percentage of total for all railroads in western district, parties to this case		1.44

Net corporate income, 1916		$5,957,297
Total net operating income, 1916		$10,201,224
Percentage on capital stock, 1916		20.74
Percentage on property investment, 1916		10.67
Unappropriated surplus, Dec. 31, 1916		$11,546,991
Available funds:		
Cash	$2,155,239	
Time deposits		
Investments in unaffiliated companies	4,708,765	
Total amount available		6,864,004
Net balance, current assets over liabilities		3,500,000

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Delaware & Hudson Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$88,143,450	$83,912,205	$7,824,858
1916, June 30, 1916	128,722,500	111,504,937	18,957,592
Increase 1916 over 1907	40,579,050	27,592,732	11,132,734

DIVIDENDS DECLARED.

	Per cent.
1908	8.74
1909	8.83
1910	8.88
1911	8.63
1912	8.63
1913	8.63
1914	8.63
1915	8.83
1916	8.82

Ton-miles handled, 1916		3,322,996,646
Percentage of total for all railroads in eastern district, parties to this case		1.81
Net corporate income, 1916		$7,178,238
Total net operating income, 1916		$8,767,697
Percentage on capital stock, 1916		12.63
Percentage on property investment, 1916		7.86
Unappropriated surplus, Dec. 31, 1916		$21,046,651
Available funds:		
Cash	$1,166,262	
Special deposits	1,009,563	
Investments in unaffiliated companies	22,500,000	
Total amount available		24,675,825

Net balance current assets over liabilities not shown separately.

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Delaware, Lackawanna & Western Railroad Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$120,660,528	$145,520,801	$28,274,900
1916	140,484,028	203,571,960	43,644,435
Increase 1916 over 1907	19,823,500	58,051,159	15,369,535

DIVIDENDS DECLARED.

	Per cent.
1908	12.46
1909	12.46
1910	39.74
1911	12.91
1912	29.87
1913	13.94
1914	12.41
1915	14.88
1916	12.79

Ton-miles handled, 1916		5,010,072,493
Percentage of total for all railroads in eastern district, parties to this case		2.72
Net corporate income, 1916		$16,900,007
Total net operating income, 1916		$17,339,667
Percentage on capital stock, 1916		19.55
Percentage on property investment, 1916		8.52
Unappropriated surplus, June 30, 1916		$43,644,435
Available funds:		
Cash	$4,112,435	
Time deposits		
Investment in unaffiliated companies	13,511,683	
Total amount available		17,624,118
Net balance current assets over liabilities		8,035,034

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Lehigh Valley Railroad Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$166,553,294	$157,958,024	$13,858,992
1916	191,894,467	192,805,768	22,114,005
Increase 1916 over 1907	25,341,173	34,847,744	8,255,013

DIVIDENDS DECLARED.

	Per cent.
1908	5.79
1909	5.79
1910	5.79
1911	6.83
1912	24.38
1913	9.75
1914	9.75
1915	9.75
1916	9.76

Ton-miles handled, 1916		5,990,465,278
Percentage of total for all railroads in eastern district, parties to this case		3.26
Net corporate income, 1916		$7,666,439
Total net operating income, 1916		$11,040,290
Percentage on capital stock, 1916		12.34
Percentage on property investment, 1916		5.73
Unappropriated surplus, June 30, 1916		$22,114,005
Available funds:		
Cash	$15,026,595	
Time deposits	100,000	
Investment in unaffiliated companies	293,869	
Total amount available		$15,420,464
Net balance, current assets over liabilities		13,351,729

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

New York Central System.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$1,026,569,516	$1,017,406,318	$57,726,490
1916	1,453,422,194	1,441,817,332	103,278,018
Increase 1916 over 1907	426,852,678	424,411,014	45,551,519

DIVIDENDS DECLARED.

	Per cent.
1908	5.14
1909	5.17
1910	6.35
1911	6.07
1912	5.98
1913	5.44
1914	4.90
1915	4.51
1916	4.79

Ton-miles handled, 1916		38,306,463,656
Percentage of total for all railroads in eastern district, parties to this case		20.82
Net corporate income, 1916		$69,984,700
Total net operating income, 1916		$109,364,623
Percentage on capital stock, 1916		18.24
Percentage on property investment, 1916		7.59
Unappropriated surplus, June 30, 1916		$103,278,018
Available funds, Dec. 31, 1916:		
Cash	$24,218,000	
Time deposits	1,934,000	
Investments in unaffiliated companies	48,079,000	
Total amount available		74,231,000
Net balance current assets over liabilities		37,600,000

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Norfolk & Western Railway Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$187,212,800	$164,004,234	$4,012,583
1916	236,759,700	249,069,522	16,990,752
Increase 1916 over 1907	49,546,900	85,065,288	12,978,169

DIVIDENDS DECLARED.

	Per cent.
1908	4.37
1909	4.53
1910	4.59
1911	4.54
1912	5.14
1913	5.45
1914	5.49
1915	5.64
1916	6.54

Ton-miles handled, 1916		11,795,891,557
Percentage of total for all railroads in eastern district, parties to this case		6.41
Net corporate income, 1916		$20,624,058
Total net operating income, 1916		$24,101,200
Percentage on capital stock, 1916		14.61
Percentage on property investment, 1916		9.68
Unappropriated surplus June 30, 1916		$16,990,752

Available funds:		
Cash	$4,961,705	
Time deposits	2,000,000	
Investments in unaffiliated companies	13,894,420	
Total amount available		20,856,125
Net balance current assets over liabilities		9,532,115

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Pennsylvania Railroad Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$1,163,313,471	$1,059,314,444	$69,054,021
1916	1,267,824,606	1,507,857,127	74,168,142
Increase 1916 over 1907	104,511,135	448,542,683	5,114,121

DIVIDENDS DECLARED.

	Per cent.
1908	6.46
1909	6.26
1910	6.53
1911	5.68
1912	6.07
1913	5.67
1914	5.93
1915	6.71
1916	6.09

Ton-miles handled, 1916		44,603,366,875
Percentage of total for all railroads in eastern district, parties to this case		24.24
Net corporate income, 1916		$84,017,123
Total operating income, 1916		$103,489,749
Percentage on capital stock, 1916		13.39
Percentage on property investment, 1916		6.86
Unappropriated surplus, June 30, 1916, as shown on Parmalee exhibit, vol. 2, system figure		$74,168,142
Unappropriated surplus, June 30, 1916, Pennsylvania system roads owning 100 miles or more of line		$35,854,553
Available funds:		
Cash	$29,147,987	
Time deposits	26,322,945	
Investment in unaffiliated companies	112,704,339	
Total amount available		168,175,271
Net balance current assets over liabilities		48,613,853

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte, 57; Carriers' report to stockholders.

Reading System.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$178,410,884	$202,460,106	$6,084,354
1916	182,367,757	227,737,496	8,432,528
Increase 1916 over 1907	3,956,873	25,277,390	2,348,174

DIVIDENDS DECLARED.

	Per cent.
1908	8.22
1909	7.20
1910	7.15
1911	5.51
1912	6.92
1913	6.92
1914	9.06
1915	6.85
1916	7.42

Ton-miles handled, 1916		6,818,086,735
Percentage of total for all railroads in eastern district, parties to this case		3.71
Net corporate income, 1916		$14,536,465
Total net operating income, 1916		$23,030,452
Percentage on capital stock, 1916		14.77
Percentage on property investment, 1916		10.11
Unappropriated surplus June 30, 1916, as shown on Parmalee Exhibit, volume 2, system figure		$8,432,528
Unappropriated surplus, 1916, as shown according to owned mileage		$18,223,101
Available funds:		
Cash	$5,285,443	
Time deposits		
Investment in unaffiliated companies	996,938	
Total amount available		6,282,381
Net balance current assets over liabilities		7,781,762

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

SOUTHERN DISTRICT.

Alabama Great Southern Railroad Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$18,565,950	$16,060,955	$735,144
1916	20,863,493	20,838,892	3,044,052
Increase 1916 over 1907	2,297,543	4,777,937	2,858,908

Dividends declared.

PREFERRED.

	Per cent.
1908	6
1909	6
1910	6
1911	6
1912	6
1913	6
1914	6
1915	6
1916	7

COMMON.

	Per cent.
1909	2
1910	4½
1911	5
1912	5
1913	5
1914	5
1915	5
1916	7

Ton-miles handled, 1916		659,556,493
Percentage of total for all railroads in southern district, parties to this case		2.08
Net corporate income, 1916		$1,460,691
Total net operating income, 1916		$1,681,301
Percentage on capital stock, 1916		13.03
Percentage on property investment, 1916		8.07
Unappropriated surplus, June 30, 1916		$3,644,053
Available funds:		
Cash	$497,207	
Time deposits		
Investments in unaffiliated companies	1,532,089	
Total amount available		2,029,296
Net balance current assets over liabilities		1,142,466

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Atlantic Coast Line Railroad Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$190,979,750	$138,663,345	$9,099,543
1916	212,331,907	178,568,333	33,583,626
Increase 1916 over 1907	21,352,157	39,904,988	24,484,083

DIVIDENDS DECLARED.

	Per cent.
1908	2½
1909	5½
1910	6
1911	6
1912	7
1913	7
1914	7
1915	5
1916	5

In January, 1917, 3½ per cent paid.

Ton-miles handled, 1916		2,146,812,435
Percentage of total for all railroads in southern district, parties to this case		6.76
Net corporate income, 1916		$7,755,536
Total net operating income, 1916		$9,838,805
Percentage on capital stock, 1916		10.27
Percentage on property investment, 1916		5.51
Unappropriated surplus, June 30, 1916		$33,583,626
Available funds:		
Cash	$15,763,640	
Time deposits	446,814	
Investments in unaffiliated companies	1,639,738	
Total amount available		17,850,192
Net balance current assets over liabilities		17,497,977

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Cincinnati, New Orleans & Texas Pacific Railway Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$8,681,159		$739,978
1916	7,743,400	$12,275,286	6,610,039
Increase 1916 over 1907	[1] 937,759	12,275,286	5,870,061

[1] Decrease.

DIVIDENDS DECLARED.

	Per cent.
1908	5
1909	5
1910	5
1911	5
1912	6
1913	6
1914	6
1915	6
1916	6

EXTRA.

1912	5
1913	5
1914	5
1915	5
1916	6
Ton-miles handled, 1916	1,177,933,883
Percentage of total for all railroads in southern district, parties to this case	3.71
Net corporate income, 1916	$2,254,623
Total net operating income, 1916	$3,087,016
Percentage on capital stock, 1916	41.42
Percentage on property investment, 1916	25.15
Unappropriated surplus, June 30, 1916	$6,610,039
Available funds:	
Cash	$2,479,577
Time deposits	587,911
Investments in unaffiliated companies	854,534
Total amount available	3,922,022
Net balance current assets over liabilities	3,150,744

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Florida East Coast Railway Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$14,259,000	$15,217,202	$997
1916	47,300,000	48,207,859	1,050,049
Increase 1916 over 1907	33,041,000	32,990,657	1,049,052

Ton-miles handled, Dec. 31, 1916	281,387,457
Percentage of total for all railroads in southern district, parties to this case	.89
Net corporate income, 1916	$882,889
Total net operating income, 1916	$2,881,418
Percentage on capital stock, 1916	8.82
Percentage on property investment, 1916	5.98
Unappropriated surplus, June 30, 1916	$1,050,049
Available funds:	
Cash	$838,372
Time deposits	
Investments in unaffiliated companies	563,247
Total amount available	$1,401,619
Net balance current assets under liabilities	$2,083,181

Authority: Report of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Illinois Central Railroad Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$224,859,275	$107,578,361	$5,521,145
1916	263,554,232	158,873,132	10,092,236
Increase 1916 over 1907	38,694,957	51,294,771	4,571,091

DIVIDENDS DECLARED.

	Per cent.
1908	7
1909	7
1910	7
1911	7
1912	7
1913	6
1914	6
1915	5
1916	5

Ton-miles handled, 1916	8,514,498,948
Percentage of total for all railroads in southern district, parties to this case	26.81
Net corporate income, 1916	$11,807,565
Total net operating income, 1916	$14,155,087
Percentage on capital stock, 1916	10.80
Percentage on property investment, 1916	8.91
Unappropriated surplus, June 30, 1916	$10,092,236
Available funds:	
Cash	$5,637,521
Time deposits	
Investments in unaffiliated companies	36,741,506
Total amount available	42,379,027
Net balance current assets over liabilities	9,248,702

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Louisville & Nashville Railroad Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$187,932,500	$166,667,129	$20,827,513
1916, June 30	250,242,529	271,683,491	50,172,752
Increase 1916 over 1907	62,310,029	105,016,362	29,345,239

DIVIDENDS DECLARED.

	Per cent.
1908	5½
1909	5½
1910	7
1911	7
1912	7
1913	7
1914	7
1915	5
1916	6

EXTRA.

One per cent in stock of Louisville Property Co. in 1908.

Ton-miles handled, 1916	6,511,946,570
Percentage of total for all railroads in southern district, parties to this case	20.51
Net corporate income, 1916	$14,039,130
Total net operating income, 1916	$18,265,906
Percentage on capital stock, 1916	19.50
Percentage on property investment, 1916	6.72
Unappropriated surplus, Dec. 31, 1916	$56,631,780
Available funds:	
Cash	$20,103,502
Time deposits	3,242,708
Investments in unaffiliated companies	5,450,053
Total amount available	28,796,263
Net balance current assets over liabilities	25,969,793

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Mobile & Ohio Railroad Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$32,805,410	$28,199,709	$2,167,551
1916	38,340,800	45,885,741	5,822,832
Increase 1916 over 1907	5,535,390	17,686,032	3,655,281

DIVIDENDS DECLARED.

	Per cent.
1908	4
1909	5
1910	4
1911	4
1912	4
1913	4
1914	4
1915	4
1916	4

Ton-miles handled, 1916	1,597,736,390
Percentage of total for all railroads in southern district, parties to this case	5.03
Net corporate income, 1916	$853,130
Total net operating income, 1916	$2,925,290
Percentage on capital stock, 1916	14.18
Percentage on property investment, 1916	6.38
Unappropriated surplus, June 30, 1916	$5,822,832
Available funds:	
Cash	$951,044
Time deposits	
Investments in unaffiliated companies	242
Total amount available	951,286
Net balance current assets over liabilities	1,402,317

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Nashville, Chattanooga & St. Louis Railway.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$26,005,000	$28,140,103	$4,312,322
1916	27,041,805	36,496,340	10,932,849
Increase 1916 over 1907	1,036,805	8,356,237	6,620,527

DIVIDENDS DECLARED.

	Per cent.
1908	5
1909	5
1910	6
1911	6
1912	6.5
1913	7
1914	7
1915	5
1916	6.5

Ton-miles handled, 1916		891,137,739
Percentage of total for all railroads in southern district, parties to this case		2.81
Net corporate income, 1916		$2,337,518
Total net operating income, 1916		$2,926,956
Percentage on capital stock, 1916		14.60
Percentage on property investment, 1916		8.02
Unappropriated surplus, June 30, 1916		$10,932,849
Available funds:		
Cash	$1,118,983	
Time deposits	510,000	
Investments in unaffiliated companies	641,000	
Total amount available		2,269,983
Net balance current assets over liabilities		2,961,283

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

WESTERN DISTRICT.

Atchison, Topeka & Santa Fe Railway Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$494,443,780	$493,853,783	$20,066,874
1916	640,088,554	601,394,674	26,681,975
Increase 1916 over 1907	145,644,774	107,540,891	6,615,101

DIVIDENDS DECLARED.

	Per cent.
1908	5
1909	5½
1910	6
1911	6
1912	6
1913	6
1914	6
1915	6
1916	6

Ton-miles handled, 1916		7,844,315,019
Percentage of total for all railroads in western district, parties to this case		6.98
Net corporate income, 1916		$32,825,355
Total net operating income, 1916		$39,732,857
Percentage on capital stock, 1916		9.70
Percentage on property investment, 1916		6.61
Unappropriated surplus, June 30, 1916		$26,681,975
Available funds:		
Cash	$42,553,671	
Time deposits	650,000	
Investments in unaffiliated companies	695,221	
Total amount available		43,898,892
Net balance current assets over liabilities		44,868,227

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Chicago & North Western Railroad Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$269,785,484	$243,904,818	$21,787,208
1916	363,853,807	375,529,534	41,017,807
Increase 1916 over 1907	94,068,323	131,624,716	19,230,599

Dividends declared.

PREFERRED.

	Per cent.
1908	8
1909	8
1910	8
1911	8
1912	8
1913	8
1914	8
1915	8
1916	8

COMMON.

1908	7
1909	7
1910	7
1911	7
1912	7
1913	7
1914	7
1915	7
1916	7

Ton-miles handled, 1916		7,412,265,747
Percentage of total for all railroads in western district, parties to this case		6.60
Net corporate income, 1916		$17,282,510
Total net operating income, 1916		$24,606,707
Percentage on capital stock, 1916		11.32
Percentage on property investment, 1916		6.55
Unappropriated surplus, June 30, 1916		$41,017,807
Available funds:		
Cash	$14,475,623	
Time deposits		
Investments in unaffiliated companies	3,910,576	
Total amount available		$18,386,199
Net balance current assets over liabilities		14,230,257

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Chicago, Burlington & Quincy Railroad Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$279,529,100	$345,281,500	$47,032,730
1916	290,787,600	447,346,163	105,088,276
Increase 1916 over 1907	11,258,500	102,064,663	58,055,546

DIVIDENDS DECLARED.

	Per cent.
1908	8
1909	8
1910	8
1911	8
1912	8
1913	8
1914	8
1915	8
1916	8

Ton-miles handled, 1916		10,687,483,894
Percentage of total for all railroads in western district, parties to this case, 1916		8.98
Net corporate income, 1916		$29,846,270
Total net operating income, 1916		$36,186,894
Percentage on capital stock, 1916		26.93
Percentage on property investment, 1916		8.09
Unappropriated surplus, June 30, 1916		$105,088,276
Available funds:		
Cash	$15,200,768	
Time deposits	12,301,342	
Investments in unaffiliated companies	343,425	
Total amount available		27,845,535
Net balance current assets over liabilities		33,149,107

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Chicago, Milwaukee & St. Paul Railway Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$250,260,000	$259,148,727	$38,862,461
1916	589,436,239	580,467,862	38,749,292
Increase 1916 over 1907	339,176,239	321,319,135	[1] 113,169

[1] Decrease.

Dividends declared.

PREFERRED.

	Per cent.
1908	7
1909	7
1910	7
1911	7
1912	7
1913	7
1914	7
1915	7
1916	7

COMMON.

1908	7
1909	7
1910	7
1911	7
1912	5
1913	5
1914	5
1915	4½
1916	5

Ton-miles handled, 1916		10,043,235,657
Percentage of total for all railroads in western district, parties to this case		8.94
Net corporate income, 1916		$16,860,684
Total net operating income, 1916		$31,222,860
Percentage on capital stock, 1916		7.23
Percentage on property investment, 1916		5.38
Unappropriated surplus June 30, 1916		$38,749,292
Available funds:		
Cash	$12,635,516	
Time deposits		
Investments in unaffiliated companies	316,596	
Total amount available		12,952,112
Net balance current assets over liabilities		19,000,946

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Chicago, St. Paul, Minneapolis & Omaha Railroad Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$57,176,799	$62,408,611	$3,856,211
1916	71,205,946	76,471,861	4,646,942
Increase 1916 over 1907	14,029,147	14,063,250	790,731

Dividends declared.

PREFERRED.

	Per cent.
1908	7
1909	7
1910	7
1911	7
1912	7
1913	7
1914	7
1915	7
1916	7

COMMON.

1908	7
1909	7
1910	7
1911	7
1912	7
1913	7
1914	7
1915	7
1916	7

Ton-miles handled, 1916		1,578,936,405
Percentage of total for all railroads in western district, parties to this case		1.41
Net corporate income, 1916		$3,003,027
Total net operating income, 1916		$5,535,335
Percentage on capital stock, 1916		10.07
Percentage on property investment, 1916		7.23
Unappropriated surplus, June 30, 1916		$4,646,942
Available funds, cash		2,515,826
Net balance current assets over liabilities		1,524,312

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Great Northern Railway Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$257,112,300	$38,026,145	$23,766,719
1916	500,787,604	387,185,029	68,783,782
Increase 1916 over 1907	243,675,304	349,158,884	45,017,063

DIVIDENDS DECLARED.

	Per cent.
1908	7
1909	7
1910	7
1911	7
1912	7
1913	7
1914	7
1915	7
1916	7

Ton-miles handled, 1916		7,809,816,834
Percentage of total for all railroads in western district, parties to this case		6.95
Net corporate income, 1916		$27,625,169
Total net operating income, 1916		$32,234,834
Percentage on capital stock, 1916		11.07
Percentage on property investment, 1916		8.33
Unappropriated surplus, June 30, 1916		$68,783,782
Available funds:		
Cash	$8,280,963	
Time deposits	7,725,000	
Investments in unaffiliated companies	5,672,681	
Total amount available		21,678,644
Net balance current assets over liabilities		16,554,953

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Minneapolis, St. Paul & Sault Ste. Marie Railway Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$76,337,795	$69,238,052	$6,183,096
1916, Dec. 31	115,335,400	115,830,297	19,894,837
Increase 1916 over 1907	38,997,605	46,592,245	13,711,741

DIVIDENDS DECLARED.

	Per cent.
1908	6
1909	6
1910	6½
1911	7
1912	7
1913	7
1914	7
1915	7
1916	7

Ton-miles handled, 1916		3,539,115,548
Percentage of total for all railroads in western district, parties to this case		3.15
Net corporate income, 1916		$6,169,576
Total net operating income, 1916		$14,391,284
Percentage on capital stock, 1916		16.31
Percentage on property investment, 1916		12.42
Unappropriated surplus, Dec. 31, 1916		$19,894,837
Available funds:		
Cash	$7,133,734	
Time deposits		
Investments in unaffiliated companies	30,301	
Total amount available		7,164,035
Net balance current assets over liabilities		9,231,997

Authority: Report of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Northern Pacific Railway Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$443,789,602	$355,684,163	$44,595,707
1916	561,535,500	488,984,795	90,898,737
Increase 1916 over 1907	117,745,898	133,300,632	46,303,030

DIVIDENDS DECLARED.

	Per cent.
1908	7
1909	7
1910	7
1911	7
1912	7
1913	7
1914	7
1915	7
1916	7

Ton-miles handled, 1916		7,017,609,074
Percentage of total for all railroads in western district, parties to this case		6.25
Net corporate income, 1916		$25,729,874
Total net operating income, 1916		$30,493,190
Percentage on capital stock, 1916		10.37
Percentage on property investment, 1916		6.24
Unappropriated surplus, June 30, 1916		$90,898,735
Available funds:		
Cash	$18,305,323	
Time deposits		
Investments in unaffiliated companies	25,001	
Total amount available		18,330,323
Net balance current assets over liabilities		15,159,417

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte, 57; Carriers' reports to stockholders.

Southern Pacific System.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$979,087,050	$717,621,760	$97,098,482
1916	1,282,785,945	939,971,725	159,778,494
Increase 1916 over 1907	303,698,895	222,349,965	62,680,012

Ton-miles handled, 1916		10,400,349,856
Percentage of total for all railroads in western district, parties to this case		9.24
Net corporate income, 1916		$29,950,416.00
Total net operating income, 1916		$46,812,319.00
Percentage on capital stock, 1916		10.98
Percentage on property investment, 1916		4.98
Unappropriated surplus, June 30, 1916		$117,219,274.00
Available funds:		
Cash	$13,528,303	
Time deposits	5,000,000	
Investment in unaffiliated companies	14,708,208	
Total amount available		33,236,511.00
Net balance current assets over liabilities		17,838,976.00

Authority: Reports of Interstate Commerce Commission; Carriers' exhibits in Ex parte 57; Carriers' reports to stockholders.

Union Pacific Railroad Co.

Year.	Total capital obligations.	Property investment (book value).	Unappropriated surplus.
1907	$496,123,710	$403,518,613	$92,977,821
1916, Dec. 31	656,803,905	576,251,771	138,739,916
Increase 1916 over 1907	160,680,195	172,733,158	85,762,095

Dividends declared.

PREFERRED.

	Per cent.
1908	4
1909	4
1910	4
1911	4
1912	4
1913	4
1914	4
1915	4
1916	4

COMMON.

	Per cent.
1908	10
1909	10
1910	10
1911	10
1912	10
1913	10
1914 (in 1914 extra dividend on common of $12 par B. & O. preferred and $22.50 par B. & O. common and $3 in cash)	9
1915	8
1916	8

Ton-miles handled, Dec. 31, 1916		9,510,219,144
Percentage of total for all railroads in western district, parties to this case		8.46
Net corporate income, 1916		$43,183,409
Total net operating income, 1916		$45,056,670
Percentage on capital stock, 1916		13.42
Percentage on property investment, 1916		7.82
Unappropriated surplus, Dec. 31, 1916		$138,739,916
Available funds:		
Cash	$17,170,065	
Time deposits	11,000,000	
Investments in unaffiliated companies	153,179,679	
Total amount available		181,349,744
Net balance current assets over liabilities		27,883,785

Authority: Reports of Interstate Commerce Commission; Carriers' exhibit in Ex parte 57; Carriers' reports to stockholders.

Exhibit Cary.

	Increase in property investment since 1907.	Increase in capital obligations since 1907.	Increase book value (property investment) over capital obligations since 1907.	Increase in unappropriated surplus since 1907.	Total unappropriated surplus 1916.	Net balance current assets over current liabilities.	Funds immediately available. Cash.	Time deposits.	Securities unaffiliated companies.	Ton-miles hauled by carriers in this exhibit in 1916.	Per cent of total ton-miles hauled in district.
Eastern district	$1,141,470,243	$670,190,709	$471,279,534	$107,030,085	$301,626,862	$133,523,999	$89,735,860	$31,366,508	$216,702,024	120,818,828,141	65.67
Southern district	[1] 260,026,984	[1] 164,267,881	[1] 95,759,103	78,454,260	121,908,455	59,290,101	47,389,846	4,787,433	47,422,409	21,781,089,915	68.60
Western district	1,600,747,539	1,468,974,880	131,772,659	338,052,749	694,280,058	199,441,077	151,799,792	36,676,342	178,881,688	75,243,347,178	66.95
Total	[1] 3,002,244,766	[1] 2,303,433,470	[1] 698,811,296	523,537,094	1,117,815,375	392,255,177	288,925,498	72,830,283	443,006,121	217,843,185,234	

[1] Does not include C., N. O. & T. P. (Data not available for 1907.)

Total unappropriated surplus (latest available figures)	$1,117,815,375
Available:	
Cash on time deposits	361,755,781
Investments in unaffiliated companies	443,006,121
Total immediately available	804,761,902

Mr. SIMMONS. Mr. President, the section of the bill that the Senator from New Mexico has been so interestingly discussing is not the immediate question before the Senate. When that is reached I shall supplement what I had to say in my general statement by a brief discussion of the points that have been made by the Senator. At present, however, I do not care to pursue that question further.

Mr. JOHNSON of California obtained the floor.

Mr. KENYON. Mr. President, will the Senator yield to me for a moment?

Mr. JOHNSON of California. Yes.

Mr. KENYON. I rise for the purpose of suggesting the absence of a quorum.

The PRESIDING OFFICER (Mr. KING in the chair). The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Borah	Husting	Nelson	Simmons
Brady	James	New	Smith, Md.
Broussard	Johnson, Cal.	Newlands	Smith, Mich.
Calder	Jones, N. Mex.	Norris	Smith, S. C.
Chamberlain	Jones, Wash.	Overman	Smoot
Colt	Kenyon	Page	Sterling
Culberson	King	Phelan	Sutherland
Curtis	Kirby	Pittman	Thompson
Dillingham	Knox	Poindexter	Townsend
France	La Follette	Pomerene	Trammell
Frelinghuysen	Lewis	Ransdell	Vardaman
Gronna	McCumber	Robinson	Watson
Hale	McKellar	Saulsbury	Williams
Hardwick	McNary	Shafroth	
Hollis	Myers	Sheppard	

Mr. HUSTING. I have been requested to announce the unavoidable absence, on official business, of the senior Senator from Florida [Mr. FLETCHER].

The PRESIDING OFFICER. Fifty-eight Senators have answered to their names. A quorum is present.

Mr. JOHNSON of California. Mr. President, the observations I desire to submit upon this measure are general in character, but none the less, from the standpoint of some of us, quite fundamental.

The design that I have in speaking in general terms to this measure, in voicing my opposition to the rates that are in this measure prescribed under certain captions, is that ultimately we may do that which is best for all the people of the Nation, and that behind the line of trenches which will be ours in the near future we may have a contented people, a people not irritated by any sense of injustice or inequality in taxation, and that finally we may not only conscript the blood of this Nation but we may conscript the part of the wealth of this Nation that is coined out of its blood. It is with this idea in view that I have the temerity to speak upon a measure to which the Finance Committee of the Senate have devoted so much time, so much effort, so much conscientious labor, and on which they have done, indeed, such very great work.

I recognize, Mr. President, just as all Senators and just as all our people recognize to-day, the Herculean and stupendous task which we have undertaken—a task that in all the history of this world never has been undertaken before. Not only do we, the great democracy of the world, go forth to fight the greatest military power on earth, but we have undertaken as well to finance in part every nation at war with this great military power. We have undertaken, too, to supply foods and fuels and munitions to all of those at war with the Teutonic powers. We have undertaken, by embargo against the neutral nations of the earth, to prevent foods, fuels, munitions, and necessities going to any of our enemies; and beyond that we have undertaken, in this great adventure of ours, to augment, when necessary, the waning man power of our allies who are now locked in death struggle with the central powers of Europe—an undertaking, I say again, greater than that which history has yet recorded, an undertaking of more stupendous consequence than any country has ever yet seen fit to enter upon. In this undertaking we require not alone vision of the line of battle, not alone thought concerning what shall be done upon the firing line, not alone to march to the red resentment of the guns, but we require as well steady thought and undimmed vision of our domestic policies. It is necessary, too, that we should remember that this democracy of ours is after all the paramount thing in the struggle in which we now engage, and

naught should be done by the Congress of the United States that will render that democracy, our democracy at home, discontented or irritable, or by any unequal, unjust, or unfair laws cause unrest.

The call to war has been variously described. I read you from a recent poem, which expresses, I think, with a virility no modern American poet yet has approached, this call:

Far and near, high and clear,
Hark to the call of war!
Over the gorse and the golden dells,
Ringing and swinging of clamorous bells,
Praying and saying of wild farewells—
War! War! War!

High and low, all must go;
Hark to the shout of war!
Leave to the women the harvest yield;
Gird ye, men, for the sinister field;
A saber instead of a scythe to wield—
War! Red war!

Rich and poor, lord and boor,
Hark to the blast of war!
Tinker and tailor and millionaire,
Actor in triumph and priest in prayer,
Comrades now in the hell out there,
Sweep to the fire of war!

Prince and page, sot and sage,
Hark to the roar of war!
Poet, professor, and circus clown,
Chimney sweeper and fop o' the town,
Into the pot and be melted down
Into the pot of war.

Women all, hear the call,
The pitiless call of war!
Look your last on your dearest ones,
Brothers and husbands, fathers, sons,
Swift they go to the ravenous guns,
The gluttonous guns of war.

With a boundless enthusiasm, Senators, we conscripted, in a very brief period, the youth of this land. With an enthusiasm that would brook no delay on the part of any Senator upon this floor or of any man in all this Nation we took our youth and sent that youth forth to fight for this Nation, and to die, if necessary, upon a foreign soil. I ask that you have the same enthusiasm for conscripting the wealth of the Nation to-day to stand behind the lads that have gone forth to fight our battle over the seas. In asking this of you I ask naught that interferes with legitimate enterprise or with going business concerns. I ask that you do that upon which in your enthusiasm you insisted when you told us that every boy in this land should be immediately drafted and sent forth to fight for his country—follow the example and experience of our ally over the sea. I ask that you conscript your war profits, and I ask a response as ready to the experience of Britain as you gave in conscripting our youth.

It is with a true vision, we think, of that which is to transpire in the future, with a knowledge of something of that which, by and by, may happen to us here and may happen upon that foreign shore for the preservation—if you wish to use the trite terms so often used—of world democracy, that we would have this wealth conscripted without injury to legitimate enterprise or legitimate business.

Those who coin the blood of war are the ones best able to pay the expense of war. Those who make swollen war profits out of this particular exigency are those who ought to pay for the cost of this war. It is, indeed, to me quite a trivial thing to take from the swollen fortunes that have come from war in the last couple of years the little moiety that this bill, by the majority report, takes; and that we are not, indeed, at variance concerning the purpose of the Nation or whence the revenue should be derived for ultimately permitting this war to be carried on the utterances of the chairman of the Finance Committee and those of the Members who have followed him show very, very plainly.

I quote what was said by the Senator who leads the Finance Committee and who delivered a most remarkable address upon this measure. He said we were "imposing upon the people of this country the greatest burden of taxation ever put upon them." Quite true; but we are imposing upon these people as well greater governmental burdens and greater sacrifices than ever before have been put upon any people upon the face of the earth. We are staggered when we think of the amount of money thus far required this year in this undertaking—$20,000,000,000. I confess that it is infinite to me. In my last days in college, when we were made to wrestle with higher mathematics, I was taught that two parallel lines met in infinity. I never could grasp it, and I never could understand it. To talk of $20,000,000,000 expended or incurred in liabilities before a single shot has been fired, before there have been any actual hostilities upon our part in this great undertaking, is infinity to me and wholly beyond my financial understanding.

Our people can perhaps appreciate it when they recall that the entire cost of the Civil War, four years of internecine strife such as the world never before had seen, was $2,500,000,000, and the sums to-day for which we are liable and the sums for which we may become liable a year hence are so enormous that the imagination halts at the very expression or suggestion of those sums.

I doubt not if we proceed in the fashion in which we are proceeding that a year hence the liability of the United States will exceed the liability possibly incurred in this war by any contending nation. All this we are willing to do. All this our people are willing to do. But in doing it, in accepting not alone the burden placed upon them, a burden greater than was ever placed upon any other people, but also in responding with their best beloved and their blood, they ask that that burden, as much of it as possible, be taken from those who make profit out of this war and out of this crisis.

The chairman of the Finance Committee in speaking of this bill has said:

> In fixing the rates upon incomes and profits to keep in mind the amount derived from these sources would depend upon the activity and prosperity of business and that to impose a tax which would tend to discourage enterprises and check these activities would tend to defeat the legislative purpose by reducing the revenue expected from the tax * * * little margin would be left for future increases * * * to leave resources to draw upon.

I submit that his argument in that behalf is wholly fallacious. The war profits are derived from the war and the war alone. Let the war cease the 1st day of December next, or within the next year, and the war profits then cease. Is it wise statesmanship, therefore, to look to a time in the future when there may be no war profits, with the expectation at that time in the future, when the war has ceased and there are no war profits, to tax these particular swollen fortunes?

I submit to you there can be no future as to these war profits, because they are fleeting, ephemeral at best, lasting alone with the war, with the exigency, with the strife, and with the conflict, ceasing the very moment that the war ceases, the very moment that the conflict is at an end.

So I insist that we proceed to take the largest share of these war profits that it is possible to take in this conjuncture of affairs and to devote those war profits to the prosecution of the particular enterprise which itself makes the war profits.

Again the distinguished chairman of the Committee on Finance said:

> Who can successfully attack the wisdom or equity of the bill? Certainly as applied to this class of corporations which, while it brings to the Government a tax of 44 per cent upon the profits, leaves to the common stockholders—and they are the owners of the property—after all expenses and all taxes have been paid a net return of $50 a share upon stock that represents probably much less than $50 of actual investment.

Pause, please, and see just this argument of the majority of the committee submitted upon this bill. Who can successfully attack the wisdom or the equity of the bill? I pass the encomiums which, of course, will be given to it by the great corporations with their tremendous profits in this war, but the wisdom and the equity of the bill in the amount that it raises will be attacked and will be questioned—justly attacked, legitimately questioned—by the men and the women who give their sons to the cause, and the men and the women who have put upon them a tax on their tea and coffee and their postage and their little things of everyday life, taxed in order that a sum shall be raised that may eke out the great sum from these particular corporations that have profited by the war.

In the portion of the remarks quoted, the Senator, who is chairman of the Finance Committee, was speaking of the figures of the great Steel Corporation, and I refer to this corporation not in an invidious sense at all, but because it has been used by way of example upon this floor again and again in this debate. Just imagine what we do. We give to the Steel Corporation a dividend first upon its preferred stock. Then I use the language of the distinguished Senator who is the chairman of the Finance Committee; we permit it to pay all its expenses and all its taxes, of every kind and every nature, and then we give to this Steel Corporation, in our time of stress and in our time of dire need, when every man's heart is bleeding for his loved ones that go beyond the sea, a dividend equal to more than has been paid in upon its capital stock.

How the people must laugh to scorn a Congress that deals thus tenderly with war profits while dealing with such severity with the common human clay to be put up against the gun! To the Steel Corporation is returned under the bill nearly $300,000,000 war profits for this year; not of ordinary profits, mind you, but of war profits, computed under the terms of this bill. Congress hands to the Steel Corporation, because, forsooth, it has coined the blood and the bone and the sinew of the land into dollars the monstrous sum of nearly three hundred millions.

Can you justify it? Can you justify it particularly at this time, when you demand the maximum of human sacrifice?

The distinguished Senator who is chairman of the Finance Committee says, "But truly this is a war-profits tax." Oh, no; this is no war-profits tax. This is a tax by which you just touch the war profits of those who have grown wealthy out of the conflict. It is but the shadow and the shade of taxation, with profits undreamed of still remaining with the corporation.

I listened upon the floor of the Senate to man after man telling us when we were debating the draft bill how England and Englishmen thought that it was absolutely essential that in the very beginning of this conflict the inexorable and drastic draft be applied to our people. I listened seven different times while I heard eloquent gentlemen tell of the Princess Pat's regiment; how they were mowed down, because, forsooth, they were volunteers and had answered their country's call. They were volunteers, and they went to the front and did their duty and their bit, and many bravely fighting for their country were slain. They are on the highest honor roll of this war. Their organization was presented to us as an argument against permitting men voluntarily to fight for their country.

Again I heard eloquent Senators tell us that in the beginning of this strife here in your free democracy our men must be drafted and drafted at once, and that the dramatic or the emotional should never be permitted to enter into the war. We, as patriotic Senators, believing in the necessity because the Commander in Chief asked it, drafted the young men of this land in the very first instance and gave to the Commander in Chief this great body of our youth. Whence this enthusiasm for taking our blood and the tenderness in protecting the wealth that comes from that blood?

England to-day takes 80 per cent of the war profits there to run the war. Do you realize how much we take based upon the minimum of $3,000,000,000 war profits for the last year? We take additionally under this bill less than 20 per cent and England takes to-day 80 per cent of war profits.

I would not have you follow blindly, of course, the advice either of allies or of neutral nations. I would not of course ask the Senate under any circumstances to follow another nation in taking an undue proportion of war profits merely because that other nation did it. But, oh, how persuasive indeed, how convincing were the arguments of what England did when we dealt with our blood, and how little persuasive and little convincing those arguments are when we deal with our wealth. So I submit, for what it is worth, that England takes 80 per cent of its war profits to-day while under this bill we take less than 20 per cent of our war profits.

The estimated war profits, according to the figures stated by the distinguished Senator who is chairman of the Finance Committee, were $3,000,000,000. He stated that as a minimum sum. The war-profits tax in this bill amounts to $562,000,000, a little less than 20 per cent of the war profits. This year the war profits it is estimated will amount to $4,000,000,000 and more. Oh, think of what they come from, and why it is that they exist at all, and then understanding what makes them, and for such a brief period, why hesitate from taking the very largest portion of those war profits that it is possible to take in order to carry on our great adventure and in order to protect us from financial difficulty in our war?

I speak to you with some degree of emphasis upon this subject because in my humble and my limited way I have a vision concerning this particular conflict. It is a vision, of course, that I can speak of but for myself alone, and which of course binds none but me; but it is after all my vision of this great war, and because it is put in such succinct fashion, in a little brochure called The Menace of Peace, I read it to you:

> It matters infinitely which side shall win and what shall be the vision and the judgment of man as to the issues involved in the war. And the thing that urges and counts is not when the war shall end, but what it shall be seen to mean. For the war to close and the world not know what it has been fighting about would be the supreme catastrophe of history. A compromise between the contending belligerents would be a betrayal of the peoples of every nation and would issue in universal mental and moral confusion. A peace that leaves the nations where they were, that recognizes neither victor nor vanquished, that ignores the conflict's causes and questions, that evades all judgment as to the right or wrong of the matter—such a peace would be the last disaster of mankind. The millions who have died would have died in vain. The lessons of the last 2,000 years would have been written in the sands. The hard ascent of the race, from its beginning until now, would have conveyed no convoking and uniting purpose, no empowering and compelling prospect. The judgment day would have come and gone without our discerning the judgment passed upon us or even knowing we had been judged. The supreme opportunity of man would have proved itself greater than man.

It is because of this kind of vision upon the part of some of us, because we think, although we think only for ourselves and speak only for ourselves, that we believe we understand the underlying philosophy of this great conflict, that we begin now preparing not alone upon the lines far, far away, but preparing at home with the money that is necessary that that line may go to ultimate victory.

I have an abiding confidence in the American people. There has never been a time in all our history when the American people have not risen superior to any crisis and have done their full and their patriotic duty. All they ask is that they shall be treated with equality, with honesty, and with truth in this great cataclysm. The American people, with the burden that has been put upon them, with the sacrifices that are demanded of them, are entitled to equality in every law, to honesty and to truth.

To-day I think that I echo what is in every Senator's heart when I say that that has not been put forth to the American people which should be put forth in clarion tones unto them. The mode in which they are given their publicity now is here stated concretely in a very simple illustration. Recently a Japanese mission came to San Francisco. They arrived there on a certain day last week. Four weeks ago I had the invitation to attend the ceremonies and the various entertainments in behalf of that mission. For three weeks all the newspapers of the city of San Francisco have been exploiting the arrival of that mission and that mission's views; and here in Washington and in the East, although all California has published every detail, we read each day "at a Pacific port."

Can you tell me upon what principle that sort of dealing should be indulged in with a people intelligent and critical, a people patriotic, and a people self-sacrificing? We learn here the Japanese mission landed "at a Pacific port," and then, with the names carefully omitted, the various functions had in their behalf are told us. In my office are the San Francisco papers describing in detail all the dignitaries who were present and all the individuals who participated, and everything in respect to the matter.

It may be that in the peculiar and singular sort of mentality we now and then observe some gentlemen in Washington with a peculiar mental strabismus have thought that thus by saying "at a Pacific port," in Washington or in Brooklyn or in New York or in Boston by that very token we prevented any enemies there from knowing whence this particular delegation came or what was done in its behalf when it reached this Nation.

I mention this very slight example because it is typical, and for those who are striving with all their might, who are going forward with all the force they are capable of, who are, indeed, overflowing with patriotism and desire to serve their land, I ask publicity and truth in this war, nothing more than that, in return for their burden and in return for their sacrifices.

So much for our par-profit taxes. There is no justification, in my opinion, for returning two billions or more of war profits and taking only an additional half billion than there would be for putting all these taxes upon the ordinary man and putting upon that ordinary man every particle of the expenses of government. But more than two billions, under the statement of the chairman of the Finance Committee, are returned to the Steel Corporation, the Bethlehem Steel Co., the Du Pont Powder Works, and the rest—more than two billions of war profits for this year, and next year probably three billions of profits returned to them.

I insist that these rates should be raised so that practically every dollar under this bill may be raised by war-profits taxes, by income taxes, and by the taxes upon alcoholic beverages and the like, and that every consumer's tax that is in the bill, whether it be little or whether it be big, whether it touch one sort or one class or another class, shall be eliminated, and we take the money from where we ought to take it, from the very place where these people themselves are willing we should take it—from the war profits made out of this great conflict!

I have yet to hear any man who has made war profits of this sort object to the very largest conceivable percentage being taken in taxes. Why should we halt and hesitate and falter when we come to take the money from them, when they themselves are substantially willing it should be taken.

There is another feature of the bill—the income tax—to which we may look as well.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from North Carolina?

Mr. JOHNSON of California. Certainly.

Mr. SIMMONS. I wish to correct the Senator from California with reference to two of his assumed facts. One is as to the amount of excess-profits tax as well as to the amount of revenue to be derived from excess-profits taxes. The Senator said it was $562,000,000, I think. The Senator is mistaken about that. The total amount——

Mr. JOHNSON of California. That is what I referred to entirely. If the Senator will permit me, I had no desire to do

other than to suggest that was the additional sum that was taken under the bill.

Mr. SIMMONS. Yes; the total amount taken under the bill. The bill also, as the Senator recalls, repeals an excess-profits tax law that would produce $226,000,000, and the total amount to be raised under the bill for war profits would be $788,000,000. Again, the Senator spoke of the 20 per cent tax.

Mr. JOHNSON of California. I was referring to the excess tax of $562,000,000 as stated.

Mr. SIMMONS. Five hundred and sixty-two million dollars plus $226,000,000. The total amount carried in the bill is $788,000,000, only $562,000,000, however, being in excess of the amount of the present law.

Mr. JOHNSON of California. Certainly.

Mr. SIMMONS. Another correction I wish to make, if the Senator please, is with reference to the war taxes. The Senator seems to be under the impression that the United States Steel Corporation would only pay at the rate of 20 per cent. As a matter of fact, the rate at which the Steel Corporation will pay under the bill is 44 per cent.

Mr. JOHNSON of California. How much on a profit of $500,000,000 will they pay?

Mr. SIMMONS. Upon the basis of their proposed earnings for 1917 they will pay at the rate of 44 per cent.

Mr. JOHNSON of California. It will be about $220,000,000, in round numbers, and I have been using round numbers entirely in speaking of the Steel Corporation. It will be about $220,000,000 in round numbers, computed upon the basis of war profits of $500,000,000 this year. That is correct, is it not? And the remainder, $270,000,000 or $280,000,000, will be returned to the Steel Corporation.

Mr. SIMMONS. The only point I desire to make to the Senator——

Mr. JOHNSON of California. That is correct, is it not?

Mr. SIMMONS. I understood the Senator was estimating that it would be at the rate of 20 per cent upon their war profits of 1917. I simply wanted to say to the Senator that upon a calculation made by the experts it is found that they will pay an average rate of 44 per cent upon their earnings for 1917, as forecast by their actual earnings during the first two quarters.

Mr. JOHNSON of California. The Senator has utterly misunderstood what I have been saying in this regard.

Mr. SIMMONS. Possibly I have.

Mr. JOHNSON of California. I quoted the Senator's figures, given by him and taken by me from the RECORD, that the minimum estimated total war profits would be $3,000,000,000 for the past year. I then quoted that the war-profits tax in this bill in excess would be $562,000,000, and that this is less than 20 per cent of the $3,000,000,000 of war profits. In addition to that, he has estimated $490,000,000 in his remarks as the profits of this year; but, in round numbers, I estimated the profits of the Steel Corporation—and I think I am borne out in that estimate by the figures—at $500,000,000 for this year; and out of this $500,0000,000—and I challenge contradiction of the statement—no greater sum than $220,000,000 or $230,000,000 would be taken; $270,000,000 or $280,000,000, speaking in round numbers, would be retained as war profits by the Steel Corporation under those circumstances. This being so, I say, and I repeat, that there can be no justification when lavishly you take the blood of this land for returning any corporation, even though it is the Steel Corporation, $270,000,000 or $280,000,000 of war profits, to be made now out of the blood of the loved ones of America.

I insist that the rate should be far higher than it is.

Now, turning, as I was about to turn at the time of the interruption of the Senator from North Carolina, to the income taxes that are imposed by the bill, I deal in general figures for the sake of brevity. The figures are before us here, not alone in the very excellent and eloquent speech of the Senator from North Carolina but in detail by the other speeches that have been made upon this measure. If you wish them in particular thousands and hundreds and cents, they are all here before us. I am dealing simply in round numbers and in figures which may be quickly and easily understood.

An interesting and illuminating thing in conjunction with the inheritance tax is the number of people in this Nation who pay taxes upon very large incomes. Before me I have not at the moment the particular rates levied by the bill, but the highest rate in excess levied by this bill—and I speak from memory—is 33 per cent in addition to the levies that are already made by other laws. The highest levy under existing law added to the 33 per cent, according to my recollection, makes 50 per cent, which is the total tax, the maximum, levied upon any income under any circumstances. The total sum levied under this bill is 33 per cent.

Recently, back in May indeed, I addressed a letter of inquiry to the Treasury Department for the purpose of ascertaining the number of people who paid taxes upon large incomes. In addressing that inquiry, of course, I was restricted to asking information that was not wholly confidential. I have, therefore, but the figures as contained in the letter of the acting commissioner, if any Senator shall desire to see that particular authority.

I find that in this Nation in the year 1915 the number of incomes over $1,000,000 and less than $2,000,000 was 93; the number of incomes over $2,000,000 and less than $3,000,000 was 15; the number of incomes over $3,000,000 and less than $4,000,000 was 8; the number of incomes over $4,000,000 and less than $5,000,000 was none; the number of incomes over $5,000,000 and less than $6,000,000 was none; the number of incomes over $6,000,000 and less than $7,000,000 was 1; the number of incomes over $8,000,000 and less than $9,000,000 was none; the number of incomes over $9,000,000 and less than $10,000,000 was 1; the number of incomes over $10,000,000 was 2; and the total number of incomes over $1,000,000 was 120.

This bill in levying a surtax upon incomes stops where? It stops at $500,000, and from $500,000 up to the income of $10,000,000 there is no differentiation in the rate at all. Thirty-three per cent is the rate upon an income of $500,000 a year, and 33 per cent is charged upon an income of $10,000,000 as well, under this bill.

I insist that in this time of stress if there are incomes in this Nation of over $10,000,000 we can take the larger part of such incomes at least, and we can devote them to protecting our land and protecting our Army and protecting our Navy. Thirty-three per cent added to what is already imposed upon these incomes makes the present income tax at its maximum 50 per cent.

Oh, the generosity of the Senate of the United States, that of an income of $10,000,000, in time of stress, we will take $5,000,000 and hand back to the impoverished possessor of that income $5,000,000 as well! What a terrible thing it is, what an assault upon business, what an endeavor to prevent the usual and ordinary currents of trade from proceeding in the usual and ordinary way that we give back to a man with an income of $10,000,000, $5,000,000! Think how cramped he will be in his living in the next year if he has only $5,000,000 upon which he may for himself and his family obtain the necessaries of life. A generous Congress, indeed, it is; tender, indeed, of these incomes, which stops with $500,000 and never puts another cent or another percentage by this bill upon incomes that exceed $500,000.

That I may not be misunderstood and that the Senator from North Carolina may not deem it necessary to interrupt, I say to him that in the other laws than this particular bill which we are now considering percentages of incomes have been taken upon sums far in excess of $500,000.

Of incomes in this time, war profits in this crisis, why should we not take the largest sum that can be taken; the largest amount that it is conceivable may be taken, and not leave, of course, the recipient of the income in rags or in tears or in starvation or in squalor? Why should we not take what we may for the public defense and the public weal? That we should take from these swollen war profits the very highest percentage, even as high as does England herself, it seems to me goes absolutely without saying, and that we should increase our income taxes proportionately is wholly justified.

Again, I advert to the suggestion that we must have a reserve in the future—a reserve of war profits upon which to draw. With war determined overnight, the profits are determined overnight, and the profits then safely remain in the pockets of the men who have made them, and we have not taken from this reserve at all. I submit, Mr. President, this time is one where there must be a tenderness alike for all things, human and material, and where, if it is necessary to do what we have done in respect to human beings—and I assume it to be necessary and I join in doing it because I deem it necessary—I insist that the necessity exists when dealing with money and with property, to have the same inexorable mental attitude which the Senate has displayed in dealing with flesh and blood.

The PRESIDING OFFICER. The Chair will inquire of the Senator from North Carolina to which section of the bill he now desires to direct attention?

Mr. SIMMONS. I desire to inquire of Senators if any other Senator desires to address himself to any particular section of the bill?

Mr. SMOOT. Or the bill in general.

Mr. SIMMONS. Or the bill in general, of course. [A pause.] If no other Senator desires to proceed now, Mr. President, I would be very glad to take up the bill, commencing at the be-

ginning. Temporarily, we passed over Titles I and II relating to incomes and excess profits. If there is any other section of the bill which can be taken up, I would be willing to have that course pursued until the Senator from Wisconsin [Mr. LA FOLLETTE] can return to the Chamber. I desire to inquire if there is any objection to taking up——

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. KIRBY in the chair). Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I yield.

Mr. KING. Mr. President, I desire to state to the Senator in charge of the bill that, if it is within the rules of the Senate to do so, I shall offer a substitute for the entire bill as soon as I can revise it, and I shall desire to address myself to that substitute.

Mr. SIMMONS. Does the Senator desire to address himself to it now?

Mr. KING. Not at present; I hope to be able to do so tomorrow.

Mr. SIMMONS. I would be very glad to have the Senator go on now, as it would be a great convenience to the Senator from Wisconsin, who is really not quite ready to proceed this afternoon.

Mr. KING I myself am not ready to proceed this afternoon, as I have not fully completed as yet some of the schedules of the proposed substitute I am preparing, and if I should attempt to address myself to the schedules now it would necessitate further observations at a subsequent time.

Mr. SIMMONS. Mr. President, to accommodate the Senator from Wisconsin, who is not in the Chamber, I will ask that the Secretary begin reading Title XII, income-tax amendments, with the understanding that upon request any of these amendments may go over.

The PRESIDING OFFICER (Mr. KING in the chair). The Secretary will state the amendment indicated.

The SECRETARY. On page 99, after line 15, the committee propose to insert the following:

TITLE XII.—INCOME-TAX AMENDMENTS.

SEC. 1200. That subdivision (a) of section 2 of such act of September 8, 1916, is hereby amended to read as follows:

"(a) That, subject only to such exemptions and deductions as are hereinafter allowed, the net income of a taxable person shall include gains, profits, and income, derived from salaries, wages, or compensation for personal service of whatever kind and in whatever form paid, or from professions, vocations, businesses, trade, commerce, or sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest in real or personal property, also from interest, rent, dividends, securities, or the transaction of any business carried on for gain or profit, or gains or profits and income derived from any source whatever: *Provided*, That the term "dividends" as used in this title shall be held to mean any distribution made or ordered to be made by a corporation, joint-stock company, association, or insurance company, out of its earnings or profits accrued since March 1, 1913, and payable to its shareholders, whether in cash or in stock of the corporation, joint-stock company, association, or insurance company, which stock dividend shall be considered income, to the amount of the earnings or profits so distributed: *Provided further*, That any distribution made to the shareholders of a corporation, joint-stock company, or association, or insurance company, in the year 1917, or subsequent tax years, shall be deemed to have been made from the net income of the year in which such distribution is made or, if such income is insufficient, from the most recently accumulated undivided profits or surplus, and shall constitute a part of the annual income of the shareholder for the respective years in which earned by the corporation, joint-stock company, association, or insurance company, and shall be taxed to the shareholder at the rate prescribed by law for such years."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the committee.

Mr. JONES of Washington. Mr. President, is this the provision to which I understood the Senator from New Mexico [Mr. JONES] was going to offer an amendment?

Mr. SIMMONS. No; this is not that provision at all.

Mr. JONES of Washington. I saw something in the paragraph in regard to undistributed surplus, and I presumed it was the provision referred to by the Senator from New Mexico.

Mr. SIMMONS. This is not the provision at all. I will inquire where the Secretary stopped reading?

The PRESIDING OFFICER. The Secretary stopped the reading with section 1200.

Mr. SIMMONS. There is very little change, I will say to the Senator, in that section. Down to line 14, on page 100, it is identically the same as the present law. This is a provision simply to amend the present income-tax law. In line 14 the words "earnings or profits so distributed" are inserted in place of the words "of its cash value," which were stricken out. The remainder of that provision is new, but it does not relate to the matter discussed by the Senator from New Mexico.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment passed over.

The SECRETARY. On page 101, after line 2, it is proposed to insert:

SEC. 1201. (1) That paragraphs 2 and 3 of subdivision (a) of section 5 of such act of September 8, 1916, are hereby amended to read as follows:

"Second. All interest paid within the year on his indebtedness except on indebtedness incurred for the purchase of obligations or securities the interest upon which is exempt from taxation as income under this title;

"Third. Taxes paid within the year imposed by the authority of the United States (except income and war-profits taxes) or of its Territories, or possessions, or any foreign country, or by the authority of any State, county, school district, or municipality, or other taxing subdivision of any State, not including those assessed against local benefits";

(2) Subdivision (c) of section 5 of such act of September 8, 1916, is hereby repealed.

Mr. SIMMONS. Mr. President, I think the Senator from North Dakota [Mr. MCCUMBER] desires to be heard upon that particular paragraph, and I will ask that it go over. I will request the Secretary now to suspend the reading, as I am advised that the Senator from New Hampshire [Mr. HOLLIS] desires to address the Senate.

Mr. HOLLIS. Mr. President, I had not intended to address myself to this bill until the Senator from Wisconsin [Mr. LA FOLLETTE] had made his speech in support of the views of the minority submitted by him. I am heartily in favor of the suggestions in the minority views submitted by the Senator from Wisconsin, the Senator from Colorado [Mr. THOMAS], and the Senator from Oklahoma [Mr. GORE]. I wish at this time to make some general remarks indicating what my attitude is upon the bill and the amendments.

Mr. President, there is but one way for a nation to wage war with the greatest efficiency. It must pool its resources like one great family having a single larder and a common purse. Everything in the country, wherever found and however situated, must be appurtenant to the common undertaking. Deep in our hearts we know this. Why not face it man fashion?

We need millions of men. We must take them impartially from city, hamlet, and mountainside, from lonely huts, from loving arms; we must train them into soldiers who will not hesitate to take an enemy life by rifle shot or bayonet thrust; we must take them relentlessly, no matter who they are, no matter whose tears are shed. If some of them perchance prove cowards, they must die a coward's death, lest the contagion of a yellow heart spread throughout the ranks.

For war is a grim business. The nation that is not determined to see that grim business through in a grim way must be content to tread softly, and swallow insult and injury with a pleasant smile.

But we need more than men. We need billions of dollars. These also we must draft resolutely, impartially, relentlessly, no matter whose dollars they are, no matter how lovingly their owner clings to them. We must take them wherever we find them, preferably in large quantities at a time, and we must turn them to the common good. Every dollar in the country is now impressed with the Nation's brand. There are no mavericks.

So far we have gone without substantial dissent. But now a voice rings out, the voice of one who sleeps each night with head pillowed on the Constitution of the United States, to dream of stocks and bonds safely stowed in a safety vault. And his voice is heard to say, "You are preaching rank socialism."

It may be so. We can not be particular about the name. But there must be no mistake about the idea. War is a socialistic undertaking, waged on socialistic lines, each for all, all for each. If any man has anything the Nation needs, he must give it ungrudgingly, asking merely that all of a class be treated alike, and if more than his due shall be taken from him, compensation be awarded to balance the scales.

But let us for the moment take our conservative lover of the Constitution at his word. Let us assume that we are dealing with a purely socialistic State, where everything is owned in common. Let us see how the financial end will work out.

To begin with, in a socialistic State no one would expect to draw more from the common store during a serious war than would be fairly needed to maintain him in good health and in efficient condition. The common defense and general welfare would be the first consideration. The public treasury would be kept fully supplied. If error there be, it must be on the side of safety. Then if a surplus be left at the end of the war, there can be an extra dividend. Nothing has been lost. There has been merely a postponement of enjoyment.

If our socialistic State could not obtain materials from abroad with which to fight the war, its resources would be limited to supplies on hand and current production. It would speed up production; it would enforce economy; it would put every man to work; it would devote nothing to an unproductive use.

Since the State would own everything, it would incur no debt. It would not pretend to borrow from the future. It would produce as fast as it expended its supplies. It could expend no faster than it could produce. We should hear nothing of shifting the burden to succeeding generations.

At the close of the war, it is true, the country might be impoverished. Live stock might be scanty. Fences and buildings might be out of repair. Machinery might be worn out. Supplies of all kinds might be low. These deficiencies must be made good. Everyone would have to do his part to make them good. But there would be no public debt. Every man would have played his proper part. The common property would have been expended for the common good. What was left would belong to all alike. No one would hold any obligations of the Government which would entitle him to exact from others a portion of what they should produce in the years to come.

It is clear, then, that our socialistic state has paid for the war as it has gone along, out of what it had on hand at the outset and what it produced from month to month. It is also clear that it could not borrow from the future if it would. It could not expend a thing in the prosecution of the war until that thing had been produced.

If, now, we should truly govern the United States during the present war on terms of absolute equality—each for all and all for each—we should have no increase in our public debt at the close of the war. So far as soldiers are concerned we have started on a purely socialistic basis. We have taken those men of whom we have had most need. If we should also take such property as we need in the form of taxes, we should wage war as efficiently as possible and leave no legacy to posterity in the shape of an enormous amount of war bonds. It is easy to demonstrate this.

Let us fully realize at the outset that our resources in this war are strictly limited to supplies on hand and current production. We can not get anything from abroad in any substantial amount. We must produce all the food, clothing, supplies, munitions, and ships that we use in the war. We can not borrow a bushel of wheat, a khaki uniform, a rifle, or a submarine from the next generation. Our expenditures are absolutely limited to what we have now on hand and what we produce while the war lasts.

If we should take all these supplies, if we should commandeer them without compensation, we should clearly have no increase in our public debt at the close of the war. Our citizens would produce the supplies, our country would expend them, and we should be in the position of a father who has eaten the berries that his children have gathered.

If we should take the entire product of all citizens we should perform the part of the socialistic state, and we should compensate no one. But the product of our country is so vast that we do not need the entire output to prosecute the war. We have a large surplus left to enjoy as we go along.

Recognizing the right of the citizen whose product we take to be compensated out of the public purse, we can, nevertheless, properly take from people in general sufficient taxes for that purpose. Bearing in mind the analogy of our socialistic state, we realize that everything we use in the prosecution of the war is taken from goods on hand or from current production, and by making proper adjustments, through taxation, it may be paid for out of that part of current production which is not expended for war purposes.

This entirely practicable method of paying in full the expense of the war as we go along is very plain in the case of the socialistic state, but it is somewhat complicated and obscured by our system of private ownership, currency, and taxes. It is further obscured by the use of credits, which usually appear in times of war in the shape of Government bonds.

For the sake of clearness, let us imagine a township, which has spent all the money in the town treasury and is suddenly visited with a cloudburst which washes away roads and bridges. The citizens are not content to wait until the next year's taxes are available. They want the roads and bridges restored without delay. Labor and teams must be procured, food must be furnished to maintain them, and materials must be obtained. If these things were not already in existence as the result of past endeavor, there would be no way to make immediate repairs.

The town officials might persuade the men who have these things to supply them and wait for payment until the next year's taxes are at hand. But the usual way is to borrow money on a town note from a local bank or citizen, pay cash for labor, teams, and materials, and pay the note when the taxes are available. The point to observe is that the labor, teams, and materials are not produced the next year but are already in existence for immediate use. If they had been commandeered by the town without payment the community would have been no richer and no poorer. The burden would have fallen on those alone who had the needful materials. Through the medium of the note and future taxes the burden was merely shifted from those who had the materials to the community in general. By renewing the note or paying it in installments the burden may be distributed over a series of years and eventually paid in full by those who pay the taxes.

In precisely the same way all undertakings are limited by the amount of labor and materials which are on hand at a given time. War itself is so limited. The amount of munitions is controlled by the amount of materials on hand just as surely as the number of soldiers is controlled by the supply of men of military age and efficiency. It is a matter of time to produce more.

The part that money plays in waging war is to pass the title of necessary materials from private owners to the Government. Unless the materials are at hand no amount of money can procure them. When the private owner yields his property to the Government for money he must purchase with that money labor and other materials in order to produce more supplies to sell to the Government in the future.

When the Government has spent what funds are in the Treasury—the proceeds of past taxes—it must wait for additional tax proceeds or borrow just as the town borrowed to restore its roads and bridges. It may therefore sell bonds. With the proceeds it may buy more materials to expend for war purposes. And so it may go on raising money from taxes and loans and buying materials and paying soldiers until the war ends.

But let us remember that taxes produce no materials, that bonds produce no materials. They merely furnish cash, which is a means, a tool, or instrumentality, through which the ownership of materials is passed from a private possessor to the Government.

Cash, then, is a medium through which the ownership of goods is acquired. Bonds are credits or promises to deliver cash at some time in the future. Bonds are sometimes accepted in lieu of cash in exchange for goods. The proceeds of taxes and the proceeds of bonds are nothing but purchasing power in the hands of the Government. They create no materials. They merely serve as legal compensation to private owners when materials are taken for public use from private owners.

But there is a very vital difference between taxes and bonds. Taxes bring to the Government purchasing power without incurring liability for repayment. Bonds bring such purchasing power with an obligation to return a like amount of purchasing power with interest.

When taxes come into the Treasury the country is no richer, it possesses no more materials than before. But the Treasury is enriched, the Government is enriched, while taxpayers are just so much poorer. The payment of taxes is an actual transfer of wealth from private persons to the public representative.

But when proceeds of bonds come into the Treasury the Government is no richer and those who pay the money over are no poorer. The Government has, it is true, added purchasing power, but this asset is exactly offset by a liability to pay the same amount back in the future.

A tax transaction is, therefore, actually profitable to the Government. It is a legal method of taking property from citizens without compensation. A bond transaction, on the contrary, is in no sense profitable to the Government. It merely gives immediate purchasing power. As a business transaction it may be necessary, but it is usually very expensive.

This is clearly perceived when we reflect that the proceeds of bonds are expended for materials at war prices, while the payment for bonds is provided by taxes at peace prices. For example, a part of the proceeds of liberty bonds are spent for steel at a price two or three times above normal. The Government gets 20 or 30 pounds of steel for each dollar expended. When the bonds are paid, 15 or 20 years hence, steel will probably be back at normal prices, and the man who cashes in his bond can buy for each dollar 45 or 50 pounds of steel.

Moreover, taxes in peace times exact from the citizen a certain percentage, varying from year to year, of what he produces. The tax proceeds are used in part to pay current expenses, in part to pay the public debt. While the citizen pays in cash he in effect transfers to the Government so many pairs of shoes, so many tons of steel, so many bushels of wheat, and so on. With prices restored to a peace basis each pair of shoes, each ton of steel, and each load of wheat will discharge fewer dollars of debt than they would at war prices. Consequently it takes the citizen more years to discharge the debt than it would if high prices were maintained. Thus we find that the dollars borrowed in war times produce a small amount of materials, while it takes large amounts of the same materials in peace times to discharge the debt. The citizen, through his Govern-

ment, borrows for public use in war times at a great disadvantage, and he pays his loan in peace times at a great disadvantage.

We can see, too, that the bond method shifts the burden from the man who can best afford to pay, to the man who can least afford to pay. In war times those who profit by war contracts have enormous incomes from which to pay taxes, and corporations of the same class have billions of war profits, which everyone concedes are a proper subject for taxation. If we pay as we go through current taxes we can get most of our revenue from these sources.

But in peace times war profits and war incomes have disappeared, and our tax system has returned to normal. Most of our revenue is thus raised from the tariff and internal revenue, taxes on the average man, on the consumer. By postponing our taxation we permit the man who ought to pay the tax to escape it, leaving the average citizen to stop the gap.

Then, again, the issue of vast quantities of bonds increases the amount of credits in the money market and causes inflation, and even higher prices. With successive issues the rate of interest is likely to increase. The time may come when no more bonds can be sold at any price within reason.

The advantages of taxation over bond issues are thus seen to be so obvious that the objections to paying the major part of war expenses by taxation must be very strong indeed if they are to prevail. Some of these objections will not appeal to the Senate; others must be seriously considered.

The real objection to taxation instead of bond issues, the underlying motive for the fine-spun excuses that are put forward, rests upon the self-interest of those who have funds. These capitalists prefer to loan their money to the Government rather than have the Government take it in the form of taxes. In the first case they get their money back when its purchasing power is greatly augmented. In the second case they yield it to the Government without getting any direct return of any part. We should naturally expect to find capitalists, their friends, agents, and political satellites producing a large bunch of specious reasons to prove that heavy taxation is unwise and advocating a heavy issue of bonds. It is from these bond advocates that we get the suggestion about "passing a part of the burden to the next generation."

The principal reason advanced in favor of raising two billions of revenue instead of three billions under this bill is the danger of causing injury to business. This argument has a familiar sound. It is a stock argument of the standpatter, the man who finds things to his liking and fears to lose his advantage if a change is made. He usually has a quiver full of epithets to launch at the luckless reformer who dares to suggest a change. We heard them all when we had under consideration the tariff bill, the income tax, the Federal reserve act, the shipping bill, and other progressive measures of the past four years. And we heard the prophecies of disaster and calamity that would surely follow their enactment. Needless to say, these direful prophecies have not come true. They will not in this case, as we may easily demonstrate.

In the first place, business can not be bad, or even mildly prosperous, when the Government is spending billions for supplies of all sorts at war prices. Business can do nothing but boom under such conditions.

Imagine, if you can, any American business man refusing to rush his plant at capacity because the Government is going to take a full half of his income, and a full half of the war profits of his corporation in order to help him pay high prices for what he produces. The suggestion is absurd.

I have talked with many business men about the best way to raise revenue in the present emergency. What they fear is a direct tax on their gross sales or on their production so that they may be driven out of business. A tax on automobile manufacturers, for example, would probably close many small factories altogether. A tax on express companies may compel them to stop serving the public.

But if a man is allowed to keep his business going during the war, retain his trade relations with his customers and those who furnish his machinery and materials, hold his office and working force intact, and make enough income to support his family comfortably he will not complain. With the very life of the Nation at stake, with soldiers and their families making sacrifices on every hand, no one can fairly demand more than enough to keep himself and his dependents in good health and efficient condition.

When, however, we permit a corporation to make a normal profit and on top of that retain one-half of its war profit, when we permit every man to keep at least half of his income, imposing a low tax on small incomes, it is ridiculous to say that American business men will lie down in the harness. No one believes it.

So far as war profits are concerned, no man ought to be allowed to retain even one-half. Whatever a man makes out of the war should be treated as a trust fund for the good of the Nation. I would permit war profits to be made for the sake of getting large accumulations of funds where we can readily lay our hands on them. I would consider those who amass huge profits out of the misfortunes of the Nation due to the war as mere collection agencies for the Government and permit them to retain, as a commission for collecting, a reasonable fee of 10 or 20 per cent. I would then thank them for their trouble and relieve them of the remaining 80 or 90 per cent.

England imposes a tax of 80 per cent on war profits. Last year she collected 60 per cent and the year before that 50 per cent. From her experience we learn that the levy of a large war-profits tax does not affect business at all unfavorably. On the contrary, business in England has never been so good as it is now.

England is not so rich a country as ours. Incomes are not so large. Profits are not so large. But England is taxing her citizens this year at the rate of $61 per head. The same per capita tax in the United States would produce over six billions. But the total revenues of this country, if the bill reported by the committee becomes a law, will be only three and one-third billions. We ought to raise twice this amount by taxation.

According to the majority report, the estimated expenditures for the fiscal year are five thousand six hundred millions. But additional estimates of five billions have been received from the Secretary of the Treasury, so that the total estimates of expenditures to July 1, 1918, are over ten billions seven hundred millions. We have already appropriated three billions for loans to our allies, and the Secretary now tells us that four billions more will be needed for that purpose this year. This makes the grand total to be raised for this year nearly eighteen billions.

The estimated revenue for this fiscal year under existing laws is $1,333,500,000; and to this amount the committee proposes to add two billions under the pending bill, a total of three and one-third billions out of eighteen billions appropriations. The prospect of attempting to raise from bonds in a single year the sum of fourteen and two-thirds billions of dollars is appalling.

Our war profits for 1916 were over three billions, and for 1917 they are estimated to be four billions. A levy of a flat 50 per cent tax should be made on these war profits, yielding two billions of dollars.

I believe that the income tax should be largely increased over the committee bill, not making a higher maximum rate but imposing higher rates on the larger incomes above $15,000. The additional income tax to be raised under this bill might easily be increased to a billion without inflicting undue burdens on anyone. But even under the committee bill the estimated additional tax is seven hundred and seventy-seven millions.

The additional tax on wines and spirits under the committee bill is two hundred and seven millions, and on tobacco and its products fifty-six millions, making a total under these two heads of two hundred and sixty-three millions.

It thus appears that over three billions can be readily raised from a flat tax of 50 per cent on war profits, an income tax not exceeding 50 per cent on the highest incomes, and the increased spirits and tobacco tax. These taxes would cause no hardship to anyone.

I am strongly opposed to the present imposition of all the other taxes recommended by the committee, such as the taxes on railroad freights and transportation, automobiles, coffee, tea, cocoa, sugar, and postal facilities. It is argued that it is best to impose these taxes on consumption now and leave the higher rates on incomes and war profits to come later. But when we have fixed the rates on incomes and war profits in this bill business men will insist that they have adjusted their affairs in reliance on these rates, so that we are morally estopped to raise these rates during the fiscal year. It is for this reason better to postpone the consumption taxes to a time when they are inevitable.

Consumption taxes on tea, coffee, cocoa, and sugar are not defensible at this time. The great bulk of such taxes fall on poor people, who are already in desperate straits. While wages have advanced 25 or 30 per cent the cost of living has advanced 50 or 60 per cent, so that labor is getting much less in real wages than it was getting before the war.

Wages never advance as rapidly as the cost of living. The annual reports of the United States Steel Corporation for 1913 and 1916 present an interesting study of the share that the working-

man gets from war profits. The 1916 net income for stockholders was two hundred and seventy-one millions. The total amount paid out in that year for salaries and wages to all employees, high and low, was two hundred and sixty-three millions, actually less than the earnings for stockholders. The net earnings in 1913 were eighty-one millions, and the amount paid for salaries and wages was two hundred and seven millions. That is, the stockholders' profits increased 233 per cent, while the salaries and wages of its employees increased only 26 per cent, or about one-tenth as much as net earnings. It is clear that profits of corporations should be taxed much higher than we now propose before the necessities of the workingman are levied upon.

I understand that there will be offered, as the different amendments come up, amendments that will seek to shape the bill somewhat along the lines of the minority report of the committee. I do not understand that a substitute bill will be offered by the minority if the amendments are adopted to the separate sections. I feel myself that 80 or 90 per cent of war profits might be fairly taken; but I believe that an effort to take more than 50 per cent, either from incomes or from war profits, would be considered in many quarters by very respectable and patriotic men as confiscatory. I should not myself regard this so much, but I feel that it is hopeless to try to get the Senate to agree to impose a tax higher than 50 per cent on any income of a corporation or of an individual. For that reason I feel that the practical limit for the war-profits tax is 50 per cent.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER (Mr. CALDER in the chair). Does the Senator from New Hampshire yield to the Senator from Mississippi?

Mr. HOLLIS. I yield to the Senator.

Mr. VARDAMAN. I desire to ask the Senator if he will state definitely what would be the difference in the profits of the company after the 50 per cent tax shall be levied? What would be the difference to the stockholders between now and normal times?

Mr. HOLLIS. It depends entirely on how much the normal profit of the corporation was. For example, a corporation might have been making 50 per cent profit in normal times and this year it might make greatly in excess of the normal profit. My proposition would be to take 50 per cent of that excess; and I could not tell what difference it would make to the stockholder unless I knew what his normal dividend had been.

Mr. POMERENE. Mr. President——

Mr. HOLLIS. I yield to the Senator.

Mr. POMERENE. In order to get the Senator's view, do I understand from the statement he has made now, that if the corporation had made 50 per cent during the prewar period and made in excess of that now, he would advise exempting the 50 per cent from the operation of this tax?

Mr. HOLLIS. I am very glad to hear the Senator's question and to answer it as it strikes me.

In the first place, whatever a corporation makes belongs to the stockholders; and if the earnings are distributed in the form of dividends we will get a chance to tax those earnings in the hands of the individual through the income tax. Now, there are thousands and hundreds of thousands, probably millions, of small stockholders in large corporations.

Whatever we take from the large corporation in the way of a tax will reduce the dividends of the small stockholder just as much as it reduces the dividend of the large stockholder. In that way a man with a few shares of stock in the Steel Corporation might lose half his income, whereas if we take the money, so far as incomes are concerned, from the individual we only take it from those who get an income in excess of the minimum.

Then, again, the proposition that I understand the Senator from Ohio favors and that has very much to be said for it, would exempt from all taxation 8 per cent of the earnings of the corporation on its capital stock. There are a great many corporations that have much water in them that do not earn over 8 per cent.

Mr. POMERENE. Mr. President, with all due respect, that does not fairly represent my view.

Mr. HOLLIS. Then I shall be very glad to have the Senator's view, because I should like to reach an agreement with him on it.

Mr. POMERENE. I have never said that I believed in an exemption based upon capital stock. On the contrary, I do not believe in it. I believe rather in an exemption based upon the investment of actual capital. Now, we have got to define that in a certain way, and I appreciate the legislative difficulties when it comes to making that definition; but, with all due respect to those who differ from me, I do not think the difficulties we will meet in defining capital invested, and afterward in administering the law, will be in excess of the difficulties which we will meet under the present form of the bill.

I think that fairly states my position with respect to the exemption.

While I am on my feet let me say that the Senator has sought to defend his position with reference to exempting earnings of 50 per cent of a corporation now, if it earned 50 per cent during the prewar period, by stating that this belongs to the stockholders, and when it is distributed to the stockholders it will then be subject to the tax. That is true if it is distributed; but, to take a concrete case, I understand that until a short time ago, for instance, the Bethlehem Steel Co. neither declared nor paid dividends, but its stock went from a very nominal valuation up to six or seven or eight or nine hundred dollars per share. There were enormous earnings all the while; and yet, under the Senator's theory, notwithstanding the fact that there were these enormous earnings during the years 1911, 1912, and 1913, earnings during the current year equal to the average earnings during 1911, 1912, and 1913 would not be subject to this tax. Yet the Government gets nothing from that, because the earnings of the corporation during the prewar period have not been distributed in the form of dividends, so that the Government gets no revenue from it at all.

I do not believe in retroactive legislation as bearing upon this subject; but if a corporation has been making $1,000,000 per year during the years 1911, 1912, and 1913, and makes $1,000,000 during the current year, in all good conscience I do not see any reason why that $1,000,000 should not contribute its share toward the maintenance of the Government during this trying period of our history.

Mr. HOLLIS. I agree with the Senator almost completely. When the Senator is ready with the plan that he advocates in order to effect the object he wishes to effect, I shall examine it with the greatest of interest, and I expect to be able to go with the Senator. At present I have not seen any plan that is satisfactory to me.

We must not forget that the war-profits tax is a war-profits tax. It is what a man makes because there is a war. The other tax is just an income tax, entirely comparable or almost comparable to the income of the individual. Now, in peace times I was not at all satisfied with the amount that was levied on incomes, either of individuals or of corporations. Now, that we are at war, and there is stress, I think that should be increased very largely, and I entirely sympathize with the Senator on that; but if he will work out the plan of exempting an income of 8 per cent to a corporation, he will find that a very large number of the railroad corporations of this country will escape altogether, because they do not earn as much as 8 per cent. Under the war-profits tax, if they average 4 per cent in the prewar period and made 8 per cent during the war period, we would get 50 per cent of the excess.

Mr. POMERENE. Mr. President——

Mr. HOLLIS. I am very glad to yield to the Senator.

Mr. POMERENE. I would not interrupt the Senator——

Mr. HOLLIS. I am very glad to have the Senator.

Mr. POMERENE. But the Senator has referred specifically to railroad corporations. Now, I recognize the fact that when we speak of public-utility corporations, and so on, and so forth, it at once becomes a bone of contention. I do not believe in allowing railroad companies or any other kind of public-utility corporations to earn excessive profits; but in my judgment the Senator himself has furnished the answer to the objection he is making now to my proposition. If he will allow me to explain, I will take a moment of time to explain.

Mr. HOLLIS. I shall be delighted to have the solution, whether it comes from me or from anyone else.

Mr. POMERENE. It does seem to me we ought not to have very much difficulty in getting together on this proposition. When I made the statement a moment ago that if a corporation had a prewar profit of $1,000,000 and now had a profit of a million during the current year the Senator's answer to that objection was this: The capital stock belongs to the stockholders.

Mr. HOLLIS. By way of illustrating the Senator's statement, it is taken out of the poor stockholders as well as the rich stockholders.

Mr. POMERENE. I appreciate that fully. Later on when it is distributed the Government gets it back on the income. But the Senator must agree with me that we must have large corporations, as large railroad corporations. They are a part of our industrial and our material life. They must be fostered as well as anything else.

Mr. HOLLIS. Right there, if the Senator will pardon me, I do not agree that they have a right to capitalize their earnings.

Mr. POMERENE. Not at all. I have not so said at all. They should be kept down by the reduction of freight rates, if necessary, so that there can be a fair return upon their investment.

Mr. HOLLIS. If the Senator will pardon me, he does not catch my point at all. They should be strong and prosperous and build good roads and have good facilities of every kind.

Mr. POMERENE. The Senator and I do not differ on that proposition, but what I am saying is that the stockholders in that corporation have a right to a reasonable return. It may be in the Senator's mind 6 per cent, in another Senator's mind it may be 7 per cent, in another Senator's mind it may be 8 per cent, but we ought to agree upon some recompense to which the stockholder is entitled for the investment he has made. If there is a $10,000,000 corporation, and the earnings are only 6 per cent, though that amounts to an enormous sum, taken as a whole, that is no reason why there should be a tax upon that corporation.

Mr. HOLLIS. But it is.

Mr. POMERENE. But if they have earnings over and above what is a reasonable return, if it is 6 per cent, then it ought to be taxed, unquestionably.

Mr. HOLLIS. The whole basis of the war-profits tax is that they are getting more out of the war than they got in peace times. I do not care whether the corporation was only making 2 per cent in peace times three years before the war and is only making 3 per cent now, if it is making 3 per cent now it is making 1 per cent out of the war, and I want them to contribute half of it to the support of the war. That is the theory of war-profit taxes. When the Senator undertakes to tax the corporation that always made large earnings I am with him if he can find some way to do it that will be satisfactory, and I am therefore in favor of the Jones amendment, which will compel the surplus to be declared in the form of dividends. I think that will satisfactorily reach it.

Mr. POMERENE. There are many things about the Senate committee bill that I like, and I prefer it above many of the provisions in the House bill. I wish that there could be some arrangement made which would look to a just and definite exemption; but under this proposition as it is now if one corporation earned during the prewar period 100 per cent on its capital stock during each of the years 1911, 1912, and 1913, and during the current year earns 100 per cent on that same capital stock, it is exempt from the payment of this war tax.

Mr. HOLLIS. It should be, should it not?

Mr. POMERENE. By no means, in my judgment.

Mr. HOLLIS. Then do not call it war-profits tax. Call it something else.

Mr. POMERENE. When we get a definition that is a practical definition of war profits, then I think the Senator and I can agree.

Mr. HOLLIS. The Senator will permit me to give him the definition.

Mr. POMERENE. Let me go on a little further.

Mr. HOLLIS. If the Senator does not want it I can not give it to him.

Mr. POMERENE. I want it, but I have not finished my suggestion. Take another proposition. We have another corporation that during the years 1911, 1912, and 1913 has made on an average 10 per cent per annum on its capital stock. That is a normal profit. It goes on and it has something of these so-called war profits, and this year it amounts, we will say, to 15 per cent. So we have this anomalous situation, that a corporation which makes this year 15 per cent on its capital stock is taxed under the bill only 5 per cent and another corporation that makes this year 100 per cent escapes. If there is enough genius anywhere to make an explanation that will satisfy the public, I should like to have that explanation.

Mr. SMOOT. Mr. President——

Mr. HOLLIS. First I should like to reply to the Senator from Ohio.

Mr. POMERENE. I would be very glad to be satisfied on that point.

Mr. HOLLIS. If we will agree to discuss war profits now we can come to an agreement very quickly on the rest of it. Assuming that a corporation made 10 per cent during ordinary years and this year it makes 5 per cent for the reason that the war has actually hurt its business, it does not pay any war profit. I do not know if we would try to do exact, equal justice but that we ought to contribute to that corporation just as we contribute to the family of a soldier because he has gone to fight the battles. That is the theory of war profits. A war profit is everything that a man or corporation makes in excess of what he would make if we were at peace.

Mr. POMERENE. If I may interpolate, that is a part of the theory of war tax that does not appear in this bill, and I would not want it to appear.

Mr. HOLLIS. I should like to ask the Senator how he would reach a corporation that made 100 per cent for three years before the war started and makes 100 per cent this year?

Mr. POMERENE. It would not be war profits.

Mr. HOLLIS. Do not call it war profits. Call it something else.

Mr. POMERENE. That is all right. I think the Senator has asked a question which can be fairly answered, and, in my judgment, it comes more nearly solving this problem than the method which is presented.

Mr. HOLLIS. Let me ask the Senator further, Would he suggest it as a substitute for the war tax?

Mr. POMERENE. I will explain it as I go along. I want to make a preliminary remark. My belief is that if any business concern goes through this war and makes on its investment a given per cent, a net profit—it may be 6 per cent, it may be 8 per cent, and in the minds of some it may be 10 per cent—it ought not to hesitate about contributing a very large part of what it earns over and above that for the common defense. So, in my judgment, if we were to adopt some provision here whereby we would say that we will exempt from the so-called war tax this certain per cent on the actual capital invested, and that must be defined—and there are serious difficulties there—you will come more nearly solving this question than by the plan that is proposed.

Mr. HOLLIS. The Senator's idea is to substitute something for war-profits taxes.

Mr. POMERENE. No; something for the exemption. I believe in this graduated tax on the higher earnings. It may be that that plan, so far as the graduated portion of the tax is concerned, in the Senate committee bill is the best that can be devised. I have not studied that carefully, but I would substitute something like the exemption of 6 or 8 or 10 per cent from the profits, whatever they are, instead of a so-called normal tax.

Let me suggest a class of cases. We talk about war profits, and when it comes to war profits as applied to a munition maker or as applied to a steel company, as applied to a copper company, we have a pretty definite notion as to what war profits are, because the rise in prices in the product of each of those companies is very largely, if not altogether, due to the fact that we have a war. But, on the other hand, suppose we take up by way of illustration a company that is manufacturing agricultural implements. We know that the price of the raw material for which they have to pay has been very largely increased. But suppose there is a given profit or net earning over and above the expenses of, say, 10 per cent; I have not seen anybody yet who has told me that he is going to be wise enough to determine what portion of that profit is due to unusual business ability, what portion of it is due to war, what portion of it is due to a new market perhaps for their surplus product in agricultural implements, or what portion of it may be due to a hundred other causes.

Let me take another illustration. Suppose we have a concern that is manufacturing household goods, kitchen ware; it may be parlor furniture, bedroom furniture. The profit of that concern during the current year is 10 per cent. I care not whether the profit during the three years of the prewar period was 5 per cent or 15 per cent; can anyone tell the Senate what portion of that 10 per cent is war profit due to the war and what per cent is not? Yet if that concern during the prewar period made 10 per cent and during the present year made 15 per cent, 5 per cent of it would be taxable on the theory that it is war profits. It may be that it is due to better management; it may be that it is due to the fact that the purchasing agent of that company had more intelligent foresight—it may be accidental foresight—which enabled him to buy his raw material in anticipation of an advance and that alone is the cause of that increased profit. On the other hand, if he has not that foresight and has to pay an increased price, then the situation is different. But we call it all war profits. Profits for the purpose of taxation are a pretty difficult thing to classify, and if it can be classified it will help me to solve the difficulties that I now see.

Mr. SMOOT. Will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Utah?

Mr. HOLLIS. I do.

Mr. SMOOT. The proposition of the Senator from Ohio is nothing more nor less than that contained in the House bill, where the House fixes an arbitrary rate of 8 per cent and assesses all over and above that rate as excess profits. The House provided for an excess-profits tax, whereas the Finance Committee of the Senate has provided for a war tax.

Mr. POMERENE. Oh——

Mr. SMOOT. Just a moment. I want to say to the Senator there is no part of the bill that was considered so carefully and so long as this very tax. It would develop, I will say to the Senator from Ohio, if his proposition was put into law and the arbitrary rate of 8 per cent was established, as he suggested, that there would not be many railroads in the United States which would pay a cent of taxes; the United States Steel Co. would not pay one-third of what they pay under the Senate committee provision.

Mr. POMERENE. Mr. President, with all due respect to the Senator, that is impossible.

Mr. SMOOT. I want to say to the Senator, if he will just take 10 minutes with me, I will show him the statements of the concerns that I speak of, and if I can not convince him it is true I shall not say another word on the floor of the Senate about this provision. Now, is not that a fair proposition?

Mr. POMERENE. I will give the Senator 10 hours to explain it.

Mr. SMOOT. But what I said happens to be true.

Mr. POMERENE. It does not happen to be true for this reason: You grant a certain exemption. I have not said it should be 8 per cent. I do not know what it should be.

Mr. SMOOT. The House bill did that.

Mr. POMERENE. Very well, I have not approved the House bill. The Senate committee bill raises more revenue than the House bill does on this subject. I think I am right in that.

Mr. SMOOT. Yes; the Senator is right.

Mr. POMERENE. In that respect I am in perfect accord with the Senate committee. But the committee has not yet presented any figures to show to me—and I have asked for them, but I have not yet been able to get them—if there is 6 per cent exemption that ought to exempt a given number of millions of dollars. If you are exempting the normal war tax as defined in the Senate committee bill, nobody has yet told me how many millions of dollars will be exempt, and I am a little in the dark as to that. But if some exemption is adopted here, I do not care what you call it—something that is going to be fair and equitable and just—and then you can raise this graduated tax on the higher earnings, I will join hands, because if I have one criticism to make of the graduations which have been adopted here it is that there is not more money raised from the so-called war profits than the Senate committee has raised. But the mistake the committee has made is basic, in my judgment, because it is going to exempt very much of the profits of the very prosperous corporations that ought not to be exempted. I wish I could see my way clear, because my desire is to accept the committee's report. I wish I could see my way clear to set the seal of approval on my own conscience on a bill which exempts a profit of 100 per cent in one corporation because it earned that during the prewar period and taxes 5 per cent of the profits of another corporation because that corporation only earned 10 per cent before the war.

Mr. SMOOT. I know it was unfair for me to interject my statement into the speech of the Senator from New Hampshire.

Mr. HOLLIS. I think it is very illuminating. I am glad the Senator did it.

Mr. POMERENE. I must apologize to the Senator from New Hampshire. I did not mean to take so much of his time.

Mr. HOLLIS. No apology is necessary. I am learning a lot of things.

Mr. SMOOT. Mr. President, the Senator from Ohio says the committee has not given any figures to exemplify the conditions as I have just stated them to be, particularly in relation to the railroads and the United States Steel Corporation. If the Senator will take the speech made by the chairman of the Committee on Finance [Mr. SIMMONS], he will ascertain exactly what I said to be the case. In other words, I want to call the attention of the Senator——

Mr. POMERENE. Oh, Mr. President, I am not doubting that; I did not have that fact in mind; but it is quite true that if we adopt a straight 6 per cent exemption it is going to relieve from the payment of these taxes many corporations whose earnings have been 2 per cent or 3 per cent, or which, perhaps, have had a balance on the wrong side of the ledger. It will exempt all of them, probably.

Mr. SMOOT. No; the Senator is wrong. The bill as we reported it to the Senate provided for all subnormal cases. I desire to say to the Senator, allow the United States Steel Corporation a flat 8 per cent exemption, if you please; then, I say, under the House bill, which provides for an 8 per cent exemption, the United States Steel Corporation would pay only about a third of what it would pay under the provisions of the bill as reported by the Senate committee.

Mr. POMERENE rose.

Mr. SMOOT. Now, I will show the Senator why that is true.

Mr. POMERENE. Let me say that I have not at any time stated that I favored the provision of the House bill.

Mr. SMOOT. No; but the Senator is suggesting the very same thing now.

Mr. POMERENE. No; I am not. I am suggesting the same form of exemption. I am not defending the form of the graduated tax, but I prefer the form as to that feature provided in the bill as reported by the Senate committee.

Mr. SMOOT. Mr. President, the committee gave just as much attention to the question of the administration of the law under a flat exemption as they did as to what the rate should be. The committee ascertained that if they provided for a flat exemption or if the exemption were based upon the capital stock and bonds of the committee, or upon the capital stock only, or upon the actual value, as suggested by the Senator from Ohio, then it would involve the question of the physical valuation, the actual cash valuation of all the property of the corporations of the country; and this war will be over long before that could be accomplished.

I wish the Senator from Ohio would take these things into consideration, and when the reasons for the committee imposing not only the rates they have but adopting the system which they have are explained, I trust he and other Senators will be in their seats to listen. I know, Mr. President, that there are two sides to this question.

Mr. POMERENE. I am glad to hear the Senator from Utah admit that.

Mr. SMOOT. I had better admit, perhaps, that there are two sides to almost every question; but certainly there are to this question. I hope before we vote upon it that both sides may be presented to the Senate, and I should like very well to have them presented at a time when we have a full attendance in the Senate.

Mr. POMERENE. Mr. President, I recognize the difficulties of administration which have troubled everyone who has thought about the matter; there is no question that difficulties abound; but the Senator from Utah has just referred to an 8 per cent exemption under the excess-profits tax. Well, I think the department administered that law.

Mr. SMOOT. Yes.

Mr. POMERENE. They attempted to define what the actual cash capital invested was. I assume that they had some difficulty in doing that, but they did it.

Mr. SMOOT. And upon the basis——

Mr. POMERENE. I know, and I have not any doubt that there were serious mistakes made; but they were mistakes of administration. I recognize the fact that we must take into consideration the difficulties of administration when we are taking up the question of legislation; but whatever mistake was made in that behalf was one rather of administration than of legislation. Now, under the present situation, if this amendment is adopted, the Senator from Utah is going to help to write in the law itself a provision which is going to operate as an injustice. It seems to me that we are making a legislative mistake when we do that.

I am delighted to have the Senator's views on this subject and to exchange thoughts on it, and so forth, with the hope that we may ultimately get together. I want to agree to this report if I can, and I hope and pray that the committee, like Saul of Tarsus, may see a new light on the way to Damascus before we reach a vote.

Mr. SMOOT. Mr. President, I ask pardon of the Senator from New Hampshire, and I am not going to say anything more at present.

Mr. HOLLIS. I am very glad to yield to the Senator.

Mr. SMOOT. I am only too glad, however, to tell the Senator from Ohio at least how I look at the bill. I could do it perhaps better at some other time, but I want to say just a word further.

Every estimate of revenue in this bill which has been given to the Senate, so far as I know—and certainly that is true as to the figures that I have given—is based upon the reports which have been made to the department as to the incomes of the corporations and individuals throughout the country since the year 1909. So it is true, as the Senator has said, that the department has administered the law so far as collecting the taxes is concerned. The statement that I made when I rose and asked to interrupt the Senator from New Hampshire was based upon the

very investments which had been ascertained by the Treasury Department in collecting taxes from the corporations of which I speak.

In relation to the other matter to which the Senator referred, I merely wish to say that the committee had in view the collecting of revenue from war profits. So far as I am personally concerned, I thought the proper thing to do, if a man made a thousand dollars war profit, was to impose a flat tax rate upon it, and if he made $10,000,000 he ought to pay the same rate, because the profits would all be war profits, and they ought to be taxed at the same rate.

So far as I am concerned, however, Mr. President, I have accepted and shall accept the rates of taxation which are imposed by the bill on a graduated scale. In doing so we shall collect in volume of money more from these great corporations of the country than it would be possible to collect in any other way. The Senator and I may disagree as to the graduated taxes to be imposed—that is a question which we can discuss later—whether the taxes imposed in the bill as reported by the committee are too low or too high.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield further?

Mr. HOLLIS. I do.

Mr. POMERENE. I simply want to make a closing observation and to present a new illustration, if I can do so. Suppose that an individual during the prewar period made on an average a million dollars in bucket-shop operations and that he makes another million dollars during the current year in bucket-shop operations?

Mr. HOLLIS. They do not call them bucket-shop operations when a man makes as much as that.

Mr. SMOOT. That would be called high finance.

Mr. POMERENE. I myself do not know very much about that kind of business; but under the theory of this bill that man would not pay any tax on his million dollars' profit. On the other hand, however, if another man was selling Bibles and during each of the three years 1911, 1912, and 1913 made $10,000 a year, and during the current year made $15,000, under this bill the Senate Committee on Finance would call that $5,000 which he made out of Bibles war profits, and he would be taxed on that $5,000, while the man who made a million dollars in bucketshop gambling would not pay one penny. I wish somebody could so explain that rule to me that I could understand it.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from North Dakota?

Mr. HOLLIS. I yield to the Senator from North Dakota, who has been trying to get in for some time.

Mr. McCUMBER. The Senator says the man who made enormous profits in bucket-shop operations would not pay a cent. Would he not pay about 44 per cent income tax?

Mr. POMERENE. Mr. President, I submit to my very good friend from North Dakota that he would pay an income tax; of course, he would; so does everybody else pay an income tax; so does the man who pays the war-profits tax; they all pay the income tax; but we are speaking specifically now of the war-profits tax.

Mr. McCUMBER. Yes; but I want to suggest to the Senator that the language used by him would convey to the Senate the broader impression that the man referred to would pay no tax. Undoubtedly the Senator intended to convey the idea that he would pay no excess war-profits tax.

Mr. POMERENE. That is what I meant, and I am very glad that the Senator called attention to that fact, because I would not want any misstatement of it.

Mr. McCUMBER. I want to call the attention of the Senator to another fact. The Senator, I presume, would base the war-profits tax upon the capital employed. If the Senator making the suggestion and criticizing the method adopted by the committee will at some time sit down, write out, and offer to this bill an amendment which will levy the tax equitably upon any basis of capital stock or capital employed during this year or during the war, I am positively certain that the Committee on Finance will immediately call a meeting and will revise what they have done.

Mr. POMERENE. Well, now, Mr. President——

Mr. McCUMBER. Just a moment. I call the attention of the Senator to the fact that the Interstate Commerce Commission has been laboring for five years to secure a physical valuation of the railways of the country, and they have not even got started in that work as yet. A basis of taxation requiring the physical valuation of the corporate assets of the institutions engaged in business in the United States would require such a length of time to be determined that it would be impossible to employ it. Therefore the committee thought it best, in answer to the general appeal throughout the country that we should impose a tax on war profits, to determine in some way what are war profits, and the only way to determine what the real war profits are is by determining what any institution made prior to the war for a reasonable length of time and then determine what those same concerns have made since. Subtracting the first earnings from the second earnings will give approximately the war profits or at least such profits as have been made since the war. We labored earnestly to find a better method, but that is the only method we have been able to adopt as a basis of taxation of war profits of corporations. There is no——

Mr. POMERENE. Mr. President——

Mr. McCUMBER. Just a moment—there is no question that the other method would be far better, provided we had some way of determining the capital invested in business, but there is no way of ascertaining that fact which, in the opinion of the committee, would be satisfactory.

Mr. POMERENE. Now, Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield further?

Mr. HOLLIS. Yes.

Mr. POMERENE. I recognize the difficulties that confronted the committee, and I do not mean by anything that I have said to question their sincerity of purpose. I know they have all been entirely faithful and I know they have had a giant's task. I think, despite the illustration given by my friend, the Senator from North Dakota, of the railroads and the difficulty of making a physical valuation of their property—and I recognize there is some difficulty in connection with that undertaking—that the obstacle is not insurmountable. It is not necessary that there be an exact valuation to the penny, or anything of that kind. There is a way of getting at these things based upon stock valuation, the market value of stock, and many other side lights that are obtainable. I think they could be fairly taken into consideration, although I recognize the fact that they are not always safe guides.

Mr. McCUMBER. May I say to the Senator that we did consider that, and investigated and applied it, but found that it would not work equitably.

Mr. POMERENE. The fact that the committee has investigated it—and I have no doubt of that fact—demonstrates entirely to my mind that they are not at all satisfied with the plan they have proposed. I have not any doubt that they believed that was the best plan under all the circumstances; but to my mind it is a question which is going to operate so as to bring about a more nearly perfect degree of justice. In my judgment, the plan of exemption along the line I have indicated would satisfy the country better than the other plan. I hope I may be wrong and I hope that that can be demonstrated; but I have not been able to see the demonstration as yet.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from North Carolina?

Mr. HOLLIS. I yield.

Mr. SIMMONS. We will never get anywhere with this question by taking imaginary cases; we have got to take actual cases; we have got to take actual situations.

The Senator from Ohio indicates that he would prefer an exemption based upon the percentage earned on invested capital. There is a manifest infirmity in that method of ascertaining prewar profits.

Suppose you were to take 8 per cent as the basis. That is the House basis. Is it not clear to the Senator that a concern or an industry actually earning during the prewar period only 4 per cent would be allowed as an exemption twice as much as they actually earned, and therefore they would have to make during the war period a profit of 100 per cent more than they made during the prewar period before they would have to pay any tax at all?

That is the identical case with the railroads. The railroads were making, during the years 1911, 1912, and 1913, 4½ per cent. I mean, that was the average that they were making, taking all the roads of the United States. Now, if you were to allow them an exemption of 8 per cent, that would be nearly twice as much as their actual earnings; so that the railroads would have to make a profit of 100 per cent more since the war than they were making before the war before they would have to pay a dollar of this tax.

Mr. POMERENE. Mr. President, of course I see the Senator's theory.

Mr. SIMMONS. That is one side of it. Now let me present the other side.

Mr. POMERENE. Very well.

Mr. SIMMONS. Suppose, on the other hand, that we take the industries of the country, and we find that they were making on an average during the prewar years 16 per cent. They would be entitled under this arbitrary rule to only an 8 per cent exemption, or to an exemption equal to only one-half as much as they were making before the war; so that if, since the war, they should make exactly the same as they made before the war, they would have to pay a very heavy tax. They would have to pay at the rate of 100 per cent, the 100 per cent rate in our graduated scale.

Suppose they were making 16 before the war and make 12 per cent after the war, and were allowed only an 8 per cent exemption. They would have to pay a tax upon 4 per cent, which would mean that a concern that was making 16 per cent before the war, and was making only 12 after the war—4 per cent less upon its investment than it was making before the war—would have to pay an excess-profits tax on this part of its earnings. In other words, its 12 per cent earnings after the war would be regarded as an excess in earnings over its 16 per cent earnings before the war.

So that the Senator can see, taking either side of that question—either the case of the man who was making less than 8 per cent, or the case of the man who was making more than 8 per cent—that a rank injustice would be done in the one case, and a rank favoritism would be done in the other case.

Mr. POMERENE. Mr. President, I understand the Senator's theory about it.

Mr. SIMMONS. Well, is it not a fact? Can the Senator work it out in any other way?

Mr. POMERENE. I think so.

Mr. SIMMONS. It is an absolute fact. It is not a theory. That is what I say—that in this matter we want to deal with facts and not theories.

Mr. POMERENE. It is an absolute fact; but the Senator's logic reduces him to this position: He says that because the individual has $10,000, it may be, invested in railroad stocks——

Mr. SIMMONS. No.

Mr. POMERENE. Well, just wait until I am through. This is what it means when you thoroughly analyze it—that if he has $10,000 invested in railroad stocks, and that corporation during a certain period only earns 4 per cent or 4½ per cent, if that railroad company happens during this year to earn 6 per cent, that corporation shall be taxed only on the 1½ per cent, but if, on the other hand, he has $10,000 invested in another corporation that earned 100 per cent before the war, and that corporation earns 100 per cent during the current year, that corporation shall pay none of this tax. So that in the one instance you are penalizing the stockholder in the railroad company by taxing his so-called surplus earnings of 1½ per cent, though the earnings were only 6 per cent, and in the other instance, when it comes to the $10,000 that he has in the corporation that earns 100 per cent, you will not tax him anything, but you will allow that to be distributed by way of dividends, because it earned 100 per cent before the war and earns 100 per cent now.

I can not see the justice of it.

Mr. SIMMONS. Mr. President, I have said nothing of the kind. I have said none of the things that the Senator attributed to me. All I have said is that if we adopt an arbitrary standard of 10 per cent or 8 per cent, and a concern subject to the tax was making less than that amount before the war, by virtue of giving it an exemption in excess of what it was making before the war, when it made after the war a very much larger profit, as high as 100 per cent, it would escape taxation altogether. I think that must be clear to everybody. I do not think anybody can deny that general proposition.

Mr. POMERENE. Mr. President, there ought not to be any difference between the Senator from North Carolina and myself. I did not say he used the illustration that I did, but I said in substance that the principle for which he is contending would lead him to the conclusion of which I spoke.

Mr. SIMMONS. I had not reached the subject of the principle of the business at all. I was simply discussing the question of selecting an arbitrary standard for ascertaining the profits of the prewar period, and I was attempting to show that if a man was making less than that before the prewar period, it was a matter of favoritism to him to allow him a larger exemption than he was actually making. On the other hand, it would be unjust to the man who was making a larger percentage than the arbitrary rate to cut him down to the arbitrary rate. In the one case the man who was making before the war less than the 8 per cent would have to pay a tax after the war upon a basis of earnings that did not in fact exist. The man who was making a greater per cent before the war than the arbitrary rate would be required to pay a tax in the nature of an excess-profits tax—in the nature of a war-profits tax—when as a matter of fact he was making very much less during the war period than he was making during the prewar period.

The injustice and the absurdity of that, to my mind, is too clear to require argument. That is the infirmity, Mr. President—the necessary, unescapable infirmity—of an arbitrary exemption rate.

Not only that, Mr. President, but we know that in the condition of the inflated stocks of the great corporations of this country, based not upon actual assets but very frequently upon supposed earning capacity, by allowing them an exemption, as would be the case under a flat rate of 8 per cent, or 10 per cent, far in excess of what they would be entitled to if their capital were honest capital and represented the actual investment of the business, they would easily escape taxation.

For instance, take the Steel Corporation, referred to here. Everybody in this country knows that the Steel Corporation is capitalized at about a billion and a half dollars. Everybody in this country knows that there was less than $800,000,000 actually invested in the Steel Corporation. Now, if you allow them a deduction of 8 per cent upon their actual capital as represented by their stock, you give them 8 per cent not upon their investment but upon water as well as upon actual investment.

Mr. POMERENE. Oh, no, Mr. President. There has been no suggestion of that kind here, that there should be an exemption on water. I am as unalterably opposed to that proposition as the Senator himself.

Mr. SIMMONS. If you go upon the basis of capitalization there is absolutely no way in which you can escape allowing these corporations that are overcapitalized, and that have been reorganized and have been put upon what they call a cash basis, the 8 per cent upon their capitalization; and in many instances I say that would be an exemption twice the amount of the actual investment in the business.

Now, if you allow the Steel Corporation an exemption of 8 per cent upon its total capitalization and you allow the railroads of this country in many instances 8 per cent upon their total capitalization, if the Senator will take the statistics and investigate the matter he will see that the great corporations of this country will virtually escape taxation. That is demonstrated by the House bill. The House bill allows that exemption. Then it fixes a rate of 16 per cent, and upon that rate of 16 per cent with that exemption they only get $200,000,000. If you will apply that 16 per cent rate to the basis of exemption provided in the Senate bill, you will get nearly twice $200,000,000. The infirmity is in the exemption.

I think if the Senator will take the minority report, containing a table showing the capitalization and the rate of tax paid under the Senate bill by about 105 corporations, and make his calculation, he will be convinced that what I am stating is true—that upon this 8 per cent basis, by reason of overcapitalization, by reason of the fact that it raises a man's exemption in many instances, in the case of the railroads, to twice the actual profits, a great many of the biggest corporations in this country will escape taxation altogether.

Mr. President, in that situation what is the just thing to do? Your committee reached this conclusion—that an exemption based upon an arbitrary basis is essentially and necessarily an unjust basis of exemption. Why should everybody in this country be treated as having made the same amount of money before the war? And why, if this is to be a war-profits tax or an excess-profits tax, should it be based upon a supposititious case? Why should it not be based upon the actual profits that each individual and each concern was making before the war?

Your committee therefore said that the only true and equitable and logical basis for an exemption is not an arbitrary basis, is not a basis that assumes what is not true—that every concern was making the same amount of money, no more and no less—but the only just and proper and logical basis is one that takes the actual earnings of these concerns before the war and since the war, and deducts one from the other, and ascertains in that way the amount of their excess profits by reason of war conditions.

Mr. President, the question with your committee was, How should we ascertain what were the actual earnings of these corporations before the war? The Senator says show him an equitable way, show him a just and a fair way. I will ask the Senator if there is any better way in this world for ascertaining the profits of business in this country than going to the

books, to the returns that they have made under oath to the Secretary of the Treasury for a given number of years immediately preceding the war and from that sworn statement of theirs ascertaining what profits they were making in their business? That is what the Senate bill does.

What period of years are we to select in order to ascertain that? Some countries have selected three years, some countries have selected five years, some countries have selected as many as six years; but while 12 of the leading countries of Europe to-day have on their statute books a war-profits tax, some of them belligerents, some of them neutrals, of those 12 European countries that three or four years ago put upon their statute books a war-profits tax, 11 out of the 12, every one of them except the one country of Spain, adopted a basis of exemption in principle identical with the one that we have adopted. Not one of them except Spain adopted an arbitrary rule such as is suggested by the Senator from Ohio. They adopted a basis that was founded in the actual experience of the operations of each individual before the war, selecting, as I said, some one period of years and some another period of years for the purpose of ascertaining that fact.

We have sought to do that in this bill. We sought to base the exemption upon the actual facts of the case, giving each individual not an imaginary profit but his own profit, Mr. President, sworn to by himself and given in for the three years immediately preceding the war.

You may extend the years if you want to. I have no objection to making it five. I have no objection to making it as many years as you think are necessary in order to ascertain the normal profits of a concern before the war; but I believe that you can ascertain the normal profits of an industry and every unit of that industry by taking these three years that we have taken—1913, one of the best years we ever had, the best year we ever had before the war in this country; 1912, probably the next best year; 1911, not a good year at all. You can extend it; you can take in two more if you want to; you can take in 1910 and 1909, but the principle is the same. We selected those three, Mr. President, I will say, because, after an investigation by the experts of the Treasury Department, they advised us that those three years seemed to be the most favorable to the business interests of the country, taking the matter as a whole.

Certainly no man can say an injustice is done to him when we allow him his whole profits during that period and when we say, "Unless you are making more than that at this time, you shall not pay any war tax," and when we say, "If you are making more than that now it must be attributable to the war, at least we attribute it to the war," and the Government has a right arbitrarily to do that.

Of course, we have said in a case that is subnormal as a matter of grace we must see that nobody is oppressed and that nobody will have to pay a tax that will be burdensome to him. We have made an arrangement in the bill which any man, by reason of accident, by reason of misfortune, who makes less than something like the average made in the business in which he is engaged, shall be permitted an exemption equal to the average earnings of the industry or of the earnings of similar representative businesses.

Mr. HOLLIS. There is a justification for levying a war-profit tax, there is a justification for levying a high income tax in war times, but there is no logical reason for imposing an income tax on corporations as well as an income tax on individuals. We can illustrate that very easily. Some men own all the stock of a corporation. Take the case of a man who owns all the stock of a corporation. You are taxing him twice when you tax the earnings of the corporation and then tax the man himself. It is precisely similar in the case of corporations where the stock is owned by many people. Under an income tax what you tax is the ability to enjoy. There is no enjoyment of an income until it reaches, through the treasury of the corporation, into dividends and finds the owner of the stock, the man. But it has been found under the financial condition of this country that many corporations were holding in their treasury large surpluses so that the income did not get to the individual where it could be taxed. If we could drive that surplus into the hands of the stockholders where we could reach it by an income tax, there would be no excuse for the income tax on the corporation. That is the reason why I favor the Jones amendment.

Mr. President, I had not intended to find any fault with the majority of the Finance Committee. I think they have done a very remarkable piece of work. I do not like their report as well as that of the minority. It seems to me they have failed to regard many important facts. The minority report shows that there were $5,000,000,000 more of estimates coming in, and since the report was filed those estimates have come in. The minority report called attention to the fact that the $3,000,000,000 provided for to be loaned to our allies was nearly exhausted and $4,000,000,000 more would be needed, and after the report was filed that fact also appeared in the newspapers. The minority report contended that we were not raising enough by taxation, and yesterday there appeared in the Washington Post an item stating that the Secretary of the Treasury thought that a half billion dollars more should be raised under the bill.

Now, when we consider that the Finance Committee is supposed to be a body of conservative men—the very name "Finance Committee" connotes that—when we consider that five years ago we were raising our revenue by taxes on consumption, and when we now consider that the majority of the Finance Committee recommends raising hundreds of millions of dollars out of the income tax and out of war profits, then we see how far we have gone along the road. I am delighted that the majority have gone so far along that road, I congratulate them on it, but they do not go as far along that road as the minority go, and for that reason I shall go along with the minority.

Mr. LA FOLLETTE. I present two distinct and unrelated amendments to the income-tax provisions of the pending bill, and ask that they be printed separately. I shall move the adoption of one or both at the proper time, reserving, of course, the right to modify either before proposing the same for consideration.

I also ask to have printed in the RECORD in connection with and following each of the proposed amendments the tables which have been prepared and are annexed to each amendment. I think these tables will be useful to Senators in considering the amendments when offered.

There being no objection, the amendments were ordered to be printed and to be printed in the RECORD with the accompanying tables, as follows:

Amend by striking out all after line 10, page 2, all of page 3, and lines 1 to 6, inclusive, page 4, and inserting the following:

"One per cent per annum upon the amount by which the total net income exceeds $5,000 and does not exceed $6,000;

"Two per cent per annum upon the amount by which the total net income exceeds $6,000 and does not exceed $7,000;

"Three per cent per annum upon the amount by which the total net income exceeds $7,000 and does not exceed $8,000;

"Four per cent per annum upon the amount by which the total net income exceeds $8,000 and does not exceed $9,000;

"Five per cent per annum upon the amount by which the total net income exceeds $9,000 and does not exceed $10,000;

"Six per cent per annum upon the amount by which the total net income exceeds $10,000 and does not exceed $11,000;

"Seven per cent per annum upon the amount by which the total net income exceeds $11,000 and does not exceed $12,000;

"Eight per cent per annum upon the amount by which the total net income exceeds $12,000 and does not exceed $13,000;

"Nine per cent per annum upon the amount by which the total net income exceeds $13,000 and does not exceed $14,000;

"Ten per cent per annum upon the amount by which the total net income exceeds $14,000 and does not exceed $15,000;

"Eleven per cent per annum upon the amount by which the total net income exceeds $15,000 and does not exceed $16,000;

"Twelve per cent per annum upon the amount by which the total net income exceeds $16,000 and does not exceed $17,000;

"Thirteen per cent per annum upon the amount by which the total net income exceeds $17,000 and does not exceed $18,000;

"Fourteen per cent per annum upon the amount by which the total net income exceeds $18,000 and does not exceed $19,000;

"Fifteen per cent per annum upon the amount by which the total net income exceeds $19,000 and does not exceed $20,000;

"Sixteen per cent per annum upon the amount by which the total net income exceeds $20,000 and does not exceed $21,000;

"Seventeen per cent per annum upon the amount by which the total net income exceeds $21,000 and does not exceed $22,000;

"Eighteen per cent per annum upon the amount by which the total net income exceeds $22,000 and does not exceed $23,000;

"Nineteen per cent per annum upon the amount by which the total net income exceeds $23,000 and does not exceed $24,000;

"Twenty per cent per annum upon the amount by which the total net income exceeds $24,000 and does not exceed $25,000;

"Twenty-one per cent per annum upon the amount by which the total net income exceeds $25,000 and does not exceed $26,000;

"Twenty-two per cent per annum upon the amount by which the total net income exceeds $26,000 and does not exceed $27,000;

"Twenty-three per cent per annum upon the amount by which the total net income exceeds $27,000 and does not exceed $28,000;

"Twenty-four per cent per annum upon the amount by which the total net income exceeds $28,000 and does not exceed $29,000;

"Twenty-five per cent per annum upon the amount by which the total net income exceeds $29,000 and does not exceed $30,000;

"Twenty-six per cent per annum upon the amount by which the total net income exceeds $30,000 and does not exceed $32,500;

"Twenty-seven per cent per annum upon the amount by which the total net income exceeds $32,500 and does not exceed $35,000;

"Twenty-eight per cent per annum upon the amount by which the total net income exceeds $35,000 and does not exceed $37,500;

"Twenty-nine per cent per annum upon the amount by which the total net income exceeds $37,500 and does not exceed $40,000;

"Thirty per cent per annum upon the amount by which the total net income exceeds $40,000 and does not exceed $42,500;

"Thirty-one per cent per annum upon the amount by which the total net income exceeds $42,500 and does not exceed $45,000;

"Thirty-two per cent per annum upon the amount by which the total net income exceeds $45,000 and does not exceed $47,500;

"Thirty-three per cent per annum upon the amount by which the total net income exceeds $47,500."

Income.	War tax.[1]		Existing law.[1]	Total tax.[1]		British tax.	
	Minority.	Majority.		Minority.	Majority.	Earned incomes.	Unearned incomes.
	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.
$1,000 to $3,000	2	2	0	2	2	11½	[2] 15
$3,000 to $5,000	2	2	2	4	4	12½	17½
$5,000 to $6,000	3	3	2	5	5	15	20
$6,000 to $7,000	4	3	2	6	5	15	20
$7,000 to $8,000	5	3	2	7	5	15	20
$8,000 to $9,000	6	4	2	8	6	18¾	22½
$9,000 to $10,000	7	4	2	9	6	18¾	22½
$10,000 to $11,000	8	5	2	10	7	21⅞	25
$11,000 to $12,000	9	5	2	11	7	21⅞	25
$12,000 to $13,000	10	5	2	12	7	29¼	
$13,000 to $14,000	11	6	2	13	8	29¼	
$14,000 to $15,000	12	6	2	14	8	29¼	
$15,000 to $16,000	13	8	2	15	10	30⅝	
$16,000 to $17,000	14	8	2	16	10	30⅝	
$17,000 to $18,000	15	8	2	17	10	30⅝	
$18,000 to $19,000	16	8	2	18	10	30⅝	
$19,000 to $20,000	17	8	2	19	10	30⅝	
$20,000 to $21,000	18	10	3	21	13	32½	
$21,000 to $22,000	19	10	3	22	13	32½	
$22,000 to $23,000	20	10	3	23	13	32½	
$23,000 to $24,000	21	10	3	24	13	32½	
$24,000 to $25,000	22	10	3	25	13	32½	
$25,000 to $26,000	23	10	3	26	13	34⅛	
$26,000 to $27,000	24	10	3	27	13	34⅛	
$27,000 to $28,000	25	10	3	28	13	34⅛	
$28,000 to $29,000	26	10	3	29	13	34⅛	

Income.	War tax.[1]		Existing law.[1]	Total tax.[1]		British tax.	
	Minority.	Majority.		Minority.	Majority.	Earned incomes.	Unearned incomes.
	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.
$29,000 to $30,000	27	10	3	30	13	34⅛	
$30,000 to $32,500	28	10	3	31	13	35⅝	
$32,500 to $35,000	29	10	3	32	13	35⅝	
$35,000 to $37,500	30	10	3	33	13	37½	
$37,500 to $40,000	31	10	3	34	13	37½	
$40,000 to $42,500	32	12	4	36	16	39⅛	
$42,500 to $45,000	33	12	4	37	16	39⅛	
$45,000 to $47,500	34	12	4	38	16	40⅝	
$47,500 to $50,000	35	12	4	39	16	40⅝	
$50,000 to $60,000	35	12	4	39	16	42½	
$60,000 to $80,000	35	14	5	40	19	42½	
$80,000 to $100,000	35	18	6	41	24	42½	
$100,000 to $150,000	35	22	7	42	29	42½	
$150,000 to $200,000	35	25	8	43	33	42½	
$200,000 to $250,000	35	28	9	44	37	42½	
$250,000 to $300,000	35	31	10	45	41	42½	
$300,000 to $500,000	35	33	11	46	44	42½	
$500,000 to $1,000,000	35	35	12	47	47	42½	
$1,000,000 to $1,500,000	35	35	13	48	48	42½	
$1,500,000 to $2,000,000	35	35	14	49	49	42½	
Over $2,000,000	35	35	15	50	50	42½	

[1] Normal rate included in all rates below.
[2] Flat rate imposed upon entire taxable income.

Income.	Rates proposed by minority include normal rates (per cent).	Estimated revenues.				Under rates of the British act.
		War tax under minority rates.	War tax under majority rates.[1]	Total income tax under minority rates.	Total income tax under majority rates.[1]	
$1,000 to $3,000	2	$16,000,000		$16,000,000		
$3,000 to $5,000	2	16,102,700		16,102,700		
$5,000 to $6,000	3	600,000		6,000,000		
$6,000 to $7,000	4	6,432,000		6,432,000		
$7,000 to $8,000	5	7,005,000		7,005,000		
$8,000 to $9,000	6	7,330,000		7,330,000		
$9,000 to $10,000	7	6,936,000		6,936,000		
$10,000 to $11,000	8	6,778,160		6,778,160		
$11,000 to $12,000	9	6,840,000		6,840,000		
$12,000 to $13,000	10	7,118,200		7,118,200		
$13,000 to $14,000	11	7,260,000		7,260,000		
$14,000 to $15,000	12	6,960,107		6,960,107		
$15,000 to $16,000	13	7,020,000		7,020,000		
$16,000 to $17,000	14	7,168,000		7,168,000		
$17,000 to $18,000	15	6,972,337		6,972,337		
$18,000 to $19,000	16	6,804,800		6,804,800		
$19,000 to $20,000	17	6,494,000		6,494,000		
$20,000 to $21,000	18	6,120,000		6,468,444		
$21,000 to $22,000	19	6,080,000		6,400,000		
$22,000 to $23,000	20	5,972,000		6,270,690		
$23,000 to $24,000	21	5,781,090		6,051,380		
$24,000 to $25,000	22	5,698,000		5,957,000		
$25,000 to $26,000	23	5,773,000		6,024,173		
$26,000 to $27,000	24	5,880,000		6,125,000		
$27,000 to $28,000	25	5,908,375		6,144,811		
$28,000 to $29,000	26	6,032,000		6,264,009		
$29,000 to $30,000	27	6,075,000		6,292,592		
$30,000 to $32,500	28	14,208,000		14,819,009		
$32,500 to $35,000	29	12,917,905		13,463,350		
$35,000 to $37,500	30	11,738,350		12,129,628		
$37,500 to $40,000	31	9,143,295		9,438,240		
$40,000 to $42,500	32	9,072,000		9,639,000		
$42,500 to $45,000	33	9,043,650		9,591,750		
$45,000 to $47,500	34	9,032,100		9,563,400		
$47,500 to $50,000	35	9,003,750		9,518,250		
$50,000 to $60,000	35	33,332,250		35,236,950		
$60,000 to $80,000	35	44,349,900		48,151,320		
$80,000 to $100,000	35	30,398,200		33,872,280		
$100,000 to $150,000	35	50,498,175		57,712,200		
$150,000 to $200,000	35	42,410,865		49,681,299		
$200,000 to $250,000	35	19,051,200		22,861,440		
$250,000 to $300,000	35	14,541,975		17,865,855		
$300,000 to $500,000	35	32,472,300		40,822,320		
$500,000 to $1,000,000	35	39,523,750		50,826,250		
$1,000,000 to $1,500,000	35	20,328,000		26,716,800		
$1,500,000 to $2,000,000	35	15,811,250		21,232,250		
Over $2,000,000	35	37,269,750		51,112,800		
Total		658,787,434	$417,763,083	741,683,049	$523,244,750	$1,162,577,817

[1] As the brackets of the majority do not correspond to those of the minority, only the totals at foot of these columns is reproduced to facilitate comparison.
[2] The total as computed by Treasury experts is here produced for comparison.

Amend by striking out all after line 22, page 2, all of page 3, and lines 1 to 6, inclusive, page 4, and inserting in lieu thereof the following:

"Five per cent per annum upon the amount by which the total net income exceeds $15,000 and does not exceed $17,500;

"Six per cent per annum upon the amount by which the total net income exceeds $17,500 and does not exceed $20,000;

"Seven per cent per annum upon the amount by which the total net income exceeds $20,000 and does not exceed $22,500;

"Eight per cent per annum upon the amount by which the total net income exceeds $22,500 and does not exceed $25,000;

"Nine per cent per annum upon the amount by which the total net income exceeds $25,000 and does not exceed $27,500;

"Ten per cent per annum upon the amount by which the total net income exceeds $27,500 and does not exceed $30,000;

"Eleven per cent per annum upon the amount by which the total net income exceeds $30,000 and does not exceed $32,500;

"Twelve per cent per annum upon the amount by which the total net income exceeds $32,500 and does not exceed $35,000;

"Thirteen per cent per annum upon the amount by which the total net income exceeds $35,000 and does not exceed $37,500;

"Fourteen per cent per annum upon the amount by which the total net income exceeds $37,500 and does not exceed $40,000;

"Fifteen per cent per annum upon the amount by which the total net income exceeds $40,000 and does not exceed $42,500;

"Sixteen per cent per annum upon the amount by which the total net income exceeds $42,500 and does not exceed $45,000;

"Seventeen per cent per annum upon the amount by which the total net income exceeds $45,000 and does not exceed $47,500;

"Eighteen per cent per annum upon the amount by which the total net income exceeds $47,500 and does not exceed $50,000;

"Nineteen per cent per annum upon the amount by which the total net income exceeds $50,000 and does not exceed $52,500;

"Twenty per cent per annum upon the amount by which the total net income exceeds $52,500 and does not exceed $55,000;

"Twenty-one per cent per annum upon the amount by which the total net income exceeds $55,000 and does not exceed $57,500;

"Twenty-two per cent per annum upon the amount by which the total net income exceeds $57,500 and does not exceed $60,000;

"Twenty-three per cent per annum upon the amount by which the total net income exceeds $60,000 and does not exceed $62,500;

"Twenty-four per cent per annum upon the amount by which the total net income exceeds $62,500 and does not exceed $65,000;

"Twenty-five per cent per annum upon the amount by which the total net income exceeds $65,000 and does not exceed $67,500;

"Twenty-six per cent per annum upon the amount by which the total net income exceeds $67,500 and does not exceed $70,000;

"Twenty-seven per cent per annum upon the amount by which the total net income exceeds $70,000 and does not exceed $72,500;

"Twenty-eight per cent per annum upon the amount by which the total net income exceeds $72,500 and does not exceed $75,000;

"Twenty-nine per cent per annum upon the amount by which the total net income exceeds $75,000 and does not exceed $80,000;

"Thirty per cent per annum upon the amount by which the total net income exceeds $80,000 and does not exceed $85,000;

"Thirty-one per cent per annum upon the amount by which the total net income exceeds $85,000 and does not exceed $90,000;

"Thirty-two per cent per annum upon the amount by which the total net income exceeds $90,000 and does not exceed $95,000;

"Thirty-three per cent per annum upon the amount by which the total net income exceeds $95,000."

Income.	Comparative rates under—				British unearned total.[1]
	War tax.		Total tax.		
	Minority.	Majority.	Minority.	Majority.	
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
$1,000 to $5,000	2	2	2	2	11¼–15
$5,000 to $7,500	3	3	5	5	20
$7,500 to $10,000	4	4	6	6	22½
$10,000 to $12,500	5	5	7	7	25
$12,500 to $15,000	6	6	8	9	29¼
$15,000 to $17,500	7	8	9	10	30¾
$17,500 to $20,000	8	8	10	10	30¾
$20,000 to $22,500	9	10	12	13	32½
$22,500 to $25,000	10	10	13	13	32½
$25,000 to $27,500	11	10	14	13	34½
$27,500 to $30,000	12	10	15	13	34½
$30,000 to $32,500	13	10	16	13	35–56
$32,500 to $35,000	14	10	17	13	35½
$35,000 to $37,500	15	10	18	13	37½
$37,500 to $40,000	16	10	19	13	37½
$40,000 to $42,500	17	12	21	16	39½
$42,500 to $45,000	18	12	22	16	39½
$45,000 to $47,500	19	12	23	16	40½
$47,500 to $50,000	20	12	24	16	40½
$50,000 to $52,500	21	12	25	16	42½
$52,500 to $55,000	22	12	26	16	42½
$55,000 to $57,500	23	12	27	16	42½
$57,500 to $60,000	24	12	28	16	42½
$60,000 to $62,500	25	14	30	19	42½
$62,500 to $65,000	26	14	31	19	42½
$65,000 to $67,500	27	14	32	19	42½
$67,500 to $70,000	28	14	33	19	42½
$70,000 to $72,500	29	14	34	19	42½
$72,500 to $75,000	30	14	35	19	42½
$75,000 to $80,000	31	14	36	19	42½
$80,000 to $85,000	32	18	38	24	42½
$85,000 to $90,000	33	18	39	24	42½
$90,000 to $95,000	34	18	40	24	42½
$95,000 to $100,000	35	18	41	24	42½
$100,000 to $150,000	35	22	42	29	42½
$150,000 to $200,000	35	25	43	33	42½
$200,000 to $250,000	35	28	44	37	42½
$250,000 to $300,000	35	31	45	41	42½
$300,000 to $500,000	35	33	46	44	42½
$500,000 to $1,000,000	35	35	47	47	42½
$1,000,000 to $1,500,000	35	35	48	48	42½
$1,500,000 to $2,000,000	35	35	49	49	42½
Over $2,000,000	35	35	50	50	42½

[1] Under the British law different rates of income tax are imposed on unearned and earned income up to $12,500; above that figure no distinction is made.

Income.	Estimated revenue under—				Under British act.
	War tax.		Total tax.		
	Minority.	Majority.	Minority.	Majority.	
$1,000 to $5,000	$32,102,700	$32,102,700	$48,100,000	$48,100,000	$210,770,250
$5,000 to $7,500	13,105,323	13,105,323	21,842,205	21,842,205	87,368,820
$7,500 to $10,000	11,345,880	11,345,880	17,018,820	17,018,820	64,820,575
$10,000 to $12,500	9,979,032	9,979,032	13,970,645	13,970,645	49,895,160
$12,500 to $15,000	9,379,755	9,379,755	12,506,340	12,506,340	45,506,031
$15,000 to $17,500	8,529,308	9,747,780	10,966,253	12,184,725	37,569,509
$17,500 to $20,000	8,845,200	8,845,200	11,056,500	11,056,500	31,099,875
$20,000 to $22,500	7,190,505	7,989,450	9,587,340	10,386,285	25,965,710
$22,500 to $25,000	6,939,450	6,939,450	9,021,285	9,021,285	22,553,210
$25,000 to $27,500	7,055,895	6,414,450	8,989,230	8,338,785	21,916,057
$27,500 to $30,000	6,574,680	5,478,900	8,218,350	7,122,570	18,719,325
$30,000 to $32,500	6,643,000	5,110,000	8,176,000	6,643,000	18,310,833
$32,500 to $35,000	6,236,230	4,454,450	7,572,585	5,790,785	15,969,993
$35,000 to $37,500	5,369,175	3,579,450	6,443,010	4,653,285	13,422,937
$37,500 to $40,000	4,719,120	2,949,450	5,603,955	3,834,285	11,009,438
$40,000 to $42,500	4,819,500	3,402,000	5,953,500	4,536,000	11,103,750
$42,500 to $45,000	4,932,900	3,288,600	6,029,100	4,384,800	10,733,625
$45,000 to $47,500	5,047,350	3,187,800	6,109,950	4,250,400	10,847,375
$47,500 to $50,000	5,145,000	3,087,000	6,174,000	4,116,000	10,504,375
$50,000 to $52,500	5,225,850	2,986,200	6,221,250	3,981,600	10,576,725
$52,500 to $55,000	5,313,000	2,898,000	6,279,000	3,864,000	10,263,750
$55,000 to $57,500	5,385,450	2,809,800	6,322,050	3,746,400	9,951,375
$57,500 to $60,000	5,468,400	2,734,200	6,379,800	3,645,600	9,683,625
$60,000 to $62,500	4,545,000	2,545,200	5,454,000	3,354,200	7,726,500
$62,500 to $65,000	4,420,000	2,380,000	5,270,000	3,230,000	7,225,000
$65,000 to $67,500	4,320,000	2,240,000	5,120,000	3,040,000	6,809,000
$67,500 to $70,000	4,340,000	2,170,000	5,115,000	2,945,000	6,587,500
$70,000 to $72,500	4,350,000	2,100,000	2,850,000	2,850,000	6,375,000
$72,500 to $75,000	4,200,000	1,950,000	4,980,000	2,650,000	5,950,000
$75,000 to $80,000	7,750,000	3,500,000	9,000,000	4,750,000	10,625,000
$80,000 to $85,000	7,392,000	4,158,000	8,778,000	5,544,000	9,817,500
$85,000 to $90,000	7,378,800	4,024,800	8,720,400	5,366,400	9,503,000
$90,000 to $95,000	7,254,240	3,840,480	8,534,400	5,120,640	9,067,800
$95,000 to $100,000	7,019,600	3,610,080	8,222,960	4,813,440	8,523,800
$100,000 to $150,000	50,498,175	31,741,710	60,597,810	41,841,345	61,319,213
$150,000 to $200,000	28,007,175	20,005,125	34,408,815	26,408,765	34,008,713
$200,000 to $250,000	19,051,200	15,240,960	23,950,080	20,129,840	23,133,600
$250,000 to $300,000	14,541,975	12,880,035	18,606,825	17,034,885	17,658,014
$300,000 to $500,000	32,472,300	30,616,740	42,677,888	40,822,320	39,530,650
$500,000 to $1,000,000	39,523,750	39,523,750	53,074,750	53,074,750	47,993,125
$1,000,000 to $1,500,000	20,328,000	20,328,000	27,878,400	27,878,400	24,684,000
$1,500,000 to $2,000,000	15,811,250	15,811,250	22,135,750	22,135,750	19,199,375
Over $2,000,000	37,269,750	37,269,750	53,242,700	53,242,700	45,256,125
Total	505,828,241	417,763,083	611,309,918	523,244,750	1,162,577,817

Mr. NEW. I submit two amendments to the pending bill, which I shall call up at the proper time. I ask that they be printed and laid on the desks of Senators for their information.

The PRESIDING OFFICER (Mr. McNARY in the chair). Is there objection to the request? The Chair hears none.

Mr. WEEKS. I have a memorandum relative to a vote cast by my colleague [Mr. LODGE] last Saturday, which he desires to have printed in the RECORD. I ask unanimous consent that that be done.

There being no objection, Mr. LODGE's statement was ordered to be printed in the RECORD, as follows:

"I have a general pair with the Senator from Georgia [Mr. SMITH]. As we are both members of the Finance Committee and support this bill, we had an understanding that each should be at liberty to vote in the absence of the other. Without reflection, I voted in favor of the tax on bank checks on Saturday, to which Senator SMITH was opposed. I ought to have announced his opposition and to have withheld my vote. It made no difference in the result, but I wish to make this statement and to have it appear in the RECORD."

EXECUTIVE SESSION.

Mr. MARTIN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS.

Mr. MARTIN. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock and 12 minutes p. m., Monday, August 20, 1917) the Senate took a recess until to-morrow, Tuesday, August 21, 1917, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 20 (legislative day of August 15), 1917.

ASSISTANT SECRETARIES OF AGRICULTURE.

Clarence Ousley to be Assistant Secretary of Agriculture.

Raymond A. Pearson to be Assistant Secretary of Agriculture.

FEDERAL TRADE COMMISSION.

Victor Murdock to be a member of the Federal Trade Commission.

APPOINTMENTS IN THE NATIONAL ARMY.

GENERAL OFFICERS.

To be major generals.

Brig. Gen. William A. Mann.
Brig. Gen. James Parker.
Brig. Gen. Eben Swift.
Brig. Gen. Edward H. Plummer.
Brig. Gen. Edwin F. Glenn.
Brig. Gen. Augustus P. Blocksom.
Brig. Gen. Henry A. Greene.
Brig. Gen. Francis H. French.
Brig. Gen. Charles J. Bailey.
Brig. Gen. George Bell, jr.
Brig. Gen. Frederick S. Strong.
Brig. Gen. Harry F. Hodges.
Brig. Gen. Clarence P. Townsley.
Brig. Gen. Edwin St. J. Greble.
Brig. Gen. Francis J. Kernan.
Brig. Gen. John Biddle.
Brig. Gen. George T. Bartlett.
Brig. Gen. Henry C. Hodges, jr.
Brig. Gen. Joseph T. Dickman.
Brig. Gen. Charles G. Treat.
Brig. Gen. Adelbert Cronkhite.
Brig. Gen. Henry T. Allen.
Brig. Gen. William H. Sage.
Brig. Gen. Clarence R. Edwards.
Brig. Gen. John W. Ruckman.
Brig. Gen. Chase W. Kennedy.
Brig. Gen. Omar Bundy.
Brig. Gen. Harry C. Hale.
Brig. Gen. Richard M. Blatchford.
Brig. Gen. Samuel D. Sturgis.
Brig. Gen. David C. Shanks.
Brig. Gen. William M. Wright.
Brig. Gen. Robert L. Bullard.
Brig. Gen. Joseph E. Kuhn.
Brig. Gen. Peyton C. March.
Maj. Gen. Charles M. Clement.
Maj. Gen. John F. O'Ryan.

To be brigadier generals.

Col. William J. Nicholson.
Col. Robert C. Van Vliet.
Col. George K. Hunter.
Col. Wilber E. Wilder.
Col. Robert N. Getty.
Col. James A. Irons.
Col. John S. Mallory.
Col. William D. Beach.
Col. Samuel W. Miller.
Col. Lloyd M. Brett.
Col. Frederick S. Foltz.
Col. William C. Rafferty.
Col. James B. Erwin.
Col. William S. Scott.
Col. Charles L. Phillips.
Col. Lyman W. V. Kennon.
Col. Joseph A. Gaston.
Col. Charles H. Barth.
Col. Guy Carleton.
Col. Edward Burr.
Col. George W. McIver.
Col. William H. Allaire.
Col. Thomas B. Dugan.
Col. Ira A. Haynes.
Col. William C. Langfitt.
Col. Samson L. Faison.
Col. Frederick Perkins.
Col. George H. Cameron.
Col. Robert D. Walsh.
Col. George W. Read.
Col. William P. Burnham.
Col. William H. Johnston.
Col. Joseph P. O'Neil.
Col. Stephen M. Foote.
Col. Wilds P. Richardson.
Col. Everard E. Hatch.
Col. Harry Taylor.
Col. Henry D. Styer.
Col. Benjamin C. Morse.
Col. Grote Hutcheson.
Col. André W. Brewster.
Col. John D. Barrette.
Col. Charles H. Muir.
Col. Daniel B. Devore.
Col. Beaumont B. Buck.
Col. William F. Martin.
Col. Robert A. Brown.
Col. Willard A. Holbrook.
Col. Robert E. L. Michie.
Col. Evan M. Johnson.
Col. Lucien G. Berry.
Col. Mason M. Patrick.
Col. John E. McMahon.
Col. Charles T. Menoher.
Col. Benjamin A. Poore.
Col. James H. McRae.
Col. Walter H. Gordon.
Col. Frank L. Winn.
Col. Peter E. Traub.
Col. Charles C. Ballou.
Col. George B. Duncan.
Col. Julius A. Penn.
Col. Edward M. Lewis.
Col. Richmond P. Davis.
Col. Ernest Hinds.
Col. Charles H. Martin.
Col. William Weigel.
Col. Thomas G. Hanson.
Col. Herman Hall.
Col. Marcus D. Cronin.
Col. Charles S. Farnsworth.
Col. James T. Dean.
Col. Edmund Wittenmyer.
Col. Michael J. Lenihan.
Col. Mark L. Hersey.
Col. Frank H. Albright.
Col. Frederic D. Evans.
Col. John L. Hayden.
Col. Henry Jervey
Col. Charles H. McKinstry.
Col. William V. Judson.
Col. James W. McAndrew.
Col. William G. Haan.
Col. William L. Kenly.
Col. Edward F. McGlachlin, jr.
Col. William Lassiter.
Col. George Le. R. Irwin.
Col. William S. McNair.
Col. William J. Snow.
Col. Henry D. Todd, jr.
Col. Clint C. Hearn.
Col. Frank G. Mauldin.
Col. George G. Gatley.
Col. Andrew Hero, jr.
Col. LeRoy S. Lyon.
Col. George Blakely.
Col. Frank W. Coe.
Col. William R. Smith.
Col. Charles P. Summerall.
Col. Henry H. Whitney.
Lieut. Col. James A. Shipton.
Lieut. Col. Gordon G. Heiner.
Brig. Gen. Robert E. Steiner.
Brig. Gen. Walter A. Harris.
Brig. Gen. D. Jack Foster.
Brig. Gen. Henry R. Hill.
Brig. Gen. Hubert A. Allen.
Brig. Gen. Charles I. Martin.
Brig. Gen. Roger D. Williams.
Brig. Gen. Charles D. Gaither.
Brig. Gen. E. Le Roy Sweetser.
Brig. Gen. Louis C. Covell.
Brig. Gen. Frederick E. Resche.
Brig. Gen. Harvey C. Clark.
Brig. Gen. Arthur B. Donnelly.
Brig. Gen. Charles W. Barber.
Brig. Gen. James W. Lester.
Brig. Gen. William Wilson.
Brig. Gen. William V. McMaken.
Brig. Gen. John C. Speaks.
Brig. Gen. Charles X. Zimmerman.
Brig. Gen. William G. Price.
Brig. Gen. Frederick W. Stillwell.
Brig. Gen. Albert J. Logan.

Brig. Gen. Christopher T. O'Neill.
Brig. Gen. John A. Hulen.
Brig. Gen. Henry Hutchings.
Brig. Gen. Cecil C. Vaughan, jr.
Brig. Gen. Charles R. Boardman.
Brig. Gen. William E. Harvey.
Brig. Gen. George H. Harries.
Brig. Gen. Lawrence D. Tyson.
Col. Wilder S. Metcalf.
Col. Albert H. Blanding.
Col. Alexander M. Tuthill.
Col. Richard Coulter, jr.
Col. Edward Vollrath.
Col. Roy Hoffman.
Col. Charles H. Cole.
Col. Edgar A. Wedgwood.
John A. Johnston.
Brig. Gen. Randolph W. Richards.

PROMOTIONS IN THE ARMY.

FIELD ARTILLERY ARM.

To be major.

Capt. Lewis S. Ryan.

To be captains.

First Lieut. Ronald D. Johnson.
First Lieut. Robert S. Donaldson.
First Lieut. Horace H. Fuller.
First Lieut. Belton O'N. Kennedy.
First Lieut. Francis H. Miles, jr.
First Lieut. Herbert A. Dargue.
First Lieut. Avery J. French.
First Lieut. William C. Harrison.
First Lieut. Byron Q. Jones.
First Lieut. Robert N. Bodine.
First Lieut. Stephen M. Walmsley.
First Lieut. John K. Boles.
First Lieut. Richard B. Barnitz.
First Lieut. Paul D. Carlisle.
First Lieut. Casey H. Hayes.
First Lieut. Harvey B. S. Burwell.
First Lieut. Alfred E. Larabee.
First Lieut. Cuyler L. Clark.
First Lieut. John H. Woodberry.
First Lieut. William A. Robertson.
First Lieut. Joseph B. Treat.
First Lieut. Sylvester D. Downs, jr.
First Lieut. Orlando Ward.
First Lieut. John S. MacTaggart.
First Lieut. William S. T. Halcomb.
First Lieut. Walter W. Hess, jr.
First Lieut. Thomas J. Brady.
First Lieut. Herbert R. Corbin.
First Lieut. Joseph D. Coughlan.
First Lieut. Harry A. Harvey.
First Lieut. Norman J. Boots.
First Lieut. Hugh P. Avent.
First Lieut. Leo A. Walton.
First Lieut. Arthur A. White.
First Lieut. Frederick J. Williams.
First Lieut. James A. Pickering.

COAST ARTILLERY CORPS.

To be majors.

Capt. Clifford C. Carson.
Capt. George T. Perkins.
Capt. John B. Murphy.
Capt. Jairus A. Moore.
Capt. Frank B. Edwards.
Capt. Henry C. Merriam.
Capt. Harry W. McCauley.
Capt. Robert W. Collins.

To be captains.

First Lieut. Cecil G. Young.
First Lieut. Carl A. Waldmann.
First Lieut. Paul W. Evans.
First Lieut. Henry A. Wingate.
First Lieut. William C. Washington.
First Lieut. Alfred B. Quinton, jr.
First Lieut. Harold A. Strauss.
First Lieut. Cyril A. W. Dawson.
First Lieut. Walter O. Rawls.
First Lieut. Francis A. Englehart.
First Lieut. William A. Copthorne.
First Lieut. Selby H. Frank.
First Lieut. Robert H. Van Volkenburgh.
First Lieut. Frederick G. Dillman.
First Lieut. Junius W. Jones.
First Lieut. Manning M. Kimmel, jr.
First Lieut. Vern S. Purnell.
First Lieut. Robert M. Perkins.
First Lieut. Lawrence B. Weeks.
First Lieut. William C. Foote.
First Lieut. Stewart S. Gillin.
First Lieut. Ward E. Duvall.
First Lieut. James B. Gillespie.
First Lieut. Francis J. Toohey.

INFANTRY ARM.

Lieut. Col. Joseph D. Leitch to be colonel.
Lieut. Col. Samuel Burkhardt, jr., to be colonel.
Maj. John F. Preston to be lieutenant colonel.
Maj. Frederick G. Lawton to be lieutenant colonel.
First Lieut. Elkin L. Franklin to be captain.
First Lieut. Hubert R. Harmon to be captain.
First Lieut. Weir Riché to be captain.
First Lieut. John F. Goodman to be captain.
Second Lieut. Francis M. Brennan to be first lieutenant.

MEDICAL CORPS.

To be colonels.

Lieut. Col. David Baker.
Lieut. Col. Albert E. Truby.
Lieut. Col. James R. Church.
Lieut. Col. Joseph H. Ford.
Lieut. Col. Percy M. Ashburn.
Lieut. Col. Elmer A. Dean.
Lieut. Col. Francis M. C. Usher.
Lieut. Col. Willard F. Truby.
Lieut. Col. Frederick F. Russell.
Lieut. Col. Edwin P. Wolfe.

To be lieutenant colonels.

Maj. Henry F. Pipes.
Maj. Charles L. Foster.
Maj. John R. Bosley.
Maj. Robert C. Loving.
Maj. Orville G. Brown.
Maj. George F. Juenemann.
Maj. Joseph F. Siler.
Maj. Arthur M. Whaley.
Maj. Theodore Lamson.
Maj. Craig R. Snyder.

To be majors.

Capt. Charles L. Gandy.
Capt. Alexander W. Williams.
Capt. Louis H. Bauer.
Capt. William W. Vaughan.
Capt. John B. Anderson.
Capt. E. Frederick Thode.
Capt. Walter P. Davenport.
Capt. Harry N. Kerns.
Capt. Robert H. Wilds.
Capt. Austin J. Canning.
Capt. Lanphear W. Webb, jr.
Capt. John H. H. Scudder.
Capt. Wilson C. von Kessler.
Capt. John M. Pratt.
Capt. Coleridge L. Beaven.
Capt. William G. Guthrie.
Capt. Henry B. McIntyre.

TEMPORARY PROMOTIONS IN THE ARMY.

CORPS OF ENGINEERS.

To be lieutenant colonels.

Maj. Lewis H. Rand.
Maj. Edward M. Markham.
Maj. Thomas H. Jackson.
Maj. George B. Pillsbury.

To be major.

Capt. George R. Goethals.

PROVISIONAL APPOINTMENT IN THE ARMY.

Enrique Cirilo Roque to be a second lieutenant, Porto Rico Regiment of Infantry.

APPOINTMENT BY TRANSFER IN THE ARMY.

Capt. Charles T. Harris, jr., to be captain of Field Artillery.

TRANSFER TO THE ACTIVE LIST OF THE ARMY.

Capt. Ira L. Reeves to be major of Infantry.

APPOINTMENTS IN THE ARMY.

To be chaplains.

Rev. William Joseph Ryan.
Rev. Clarence R. Rice.

TRANSFER TO THE RETIRED LIST OF THE ARMY.

Chaplain Halsey C. Gavitt with the rank of lieutenant colonel.

PROMOTIONS IN THE COAST GUARD.

Cadet Donald Hoyt MacCollom to be third lieutenant.
Cadet Norvin Cliffe Smith to be third lieutenant.
Cadet Engineer John Anthony Curran to be third lieutenant of Engineers.

SENATE.

TUESDAY, *August 21, 1917.*

(Legislative day of Wednesday, August 15, 1917.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

JUDGE SPEER'S DECISION.

Mr. CHAMBERLAIN. Mr. President, I notice that Judge Emory Speer, of the southern district of Georgia, has just rendered a decision with reference to the selective-draft act, affirming its constitutionality. I do not know whether the whole decision is published in the New York Times of to-day or not, but it purports to be the decision, and I ask that it may be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The decision is as follows:

RULES DRAFT ACT IS CONSTITUTIONAL—JUDGE SPEER DENIES HABEAS CORPUS WRITS TO GEORGIANS WHO DID NOT REGISTER—RIDDLES "SLAVERY" CHARGE—TELLS NEGRO SLACKERS, COACHED BY TOM WATSON, THAT CONGRESS HAS RIGHT TO SEND CONSCRIPTS ABROAD.

ATLANTA, *August 20.*

United States Judge Emory Speer, of the southern district of Georgia, affirmed the constitutionality of the draft act to-day in a decision on the cases of Albert Jones and John Story, who took habeas corpus proceedings in an effort to escape imprisonment for failing to register for military duty.

Jones and Story were guided largely by the advice of Thomas E. Watson, the People's Party candidate for President in 1904, who has been carrying on a furious campaign in his paper, the Jeffersonian, against the draft. Watson appeared in court as one of the attorneys for Story and Jones, who are negroes.

The principal plea made in behalf of Story and Jones was that the draft act was in conflict with the constitutional amendment forbidding slavery or involuntary servitude. Judge Speer held that this argument rested on the assumption that a soldier was a slave, an assumption which he declared to be "abhorrent to the truth." The decision, which was rendered at Mount Airy, Ga., is as follows:

"Arthur Jones and John Story, imprisoned in the Richmond County jail under commitment for unlawfully failing to register for military duty as required by the act of Congress of May 18, 1917, known popularly as the selective-draft law, have made application for writs of habeas corpus. They allege that their imprisonment is unlawful. They charge that the enactment, made to raise a national army, is violative of the Constitution of the United States. It is insisted that the authority exercised by the United States under this legislation is void because the act contravenes the thirteenth amendment. This provides that 'neither slavery nor involuntary servitude, except as punishment for crime whereof the parties shall have been duly convicted, shall exist within the United States or any place subject to their jurisdiction.'

"To agree to this contention we must conclude that a soldier is a slave. Nothing could be more abhorrent to the truth, nothing more degrading to that indispensable and gallant body of citizens trained in arms, to whose manhood, skill, and courage is and must be committed the task of maintaining the very existence of the Nation and all that its people hold dear. The Grand Army of the Republic, the Confederate Veterans, and the Sons of Veterans are not maintained to preserve the traditions of slavery. Nations do not pension slaves to commemorate their valor. They do not 'give in charge their names to the sweet lyre,' nor does—

"Sculpture in her turn
Give bond in stone and ever-during brass
To guard and to immortalize the trust.

CAN'T ESCAPE SERVICE ABROAD.

"The sole additional ground of the petition is that by the common law it was the right of petitioners to 'remain within the realm,' and that this right should now be held to relieve them from military service beyond the borders of the United States. The reply is that the common law—that is, the immemorial English law—can not prevail as to the United States or its people against the explicit provisions of an act of Congress. Nor has a court of the United States power to declare an act of Congress invalid because it is inimical to the common law. The touchstone for such judicial power is the Constitution and nothing else.

"It remains to be determined whether the Constitution has conferred authority on Congress to enact this law. Clause 11 of Article I, section 8 of the Constitution, empowers Congress 'to raise and support armies.' This power is plenary. It is not restricted in any manner. Congress may summon to its Army thus authorized every citizen of the United States. Since it may summon all, it may summon any. Said the Supreme Court in the case of the United States *v.* Tarble (13 Wallace, 408): 'Among the powers assigned to the National Government is the power to raise and support armies. * * * Its control over the subject is plenary and exclusive. It can determine without question from any State authority how the Army shall be raised, whether by voluntary enlistments or forced draft, the age at which the soldiers shall be received and the period for which they shall be taken, the compensation he shall be allowed, and the service to which he shall be assigned.'

"It is urged that by this legislation Congress has taken over and in this way conscripted the National Guard. This, it is said, is the State militia. It is contended under clause 14 of the article and section above quoted that such militia can be used only to execute the laws of the Union, to suppress insurrection, and repel invasion. Since those petitioners are not members of the National Guard, in no event could their rights in this way be affected. But the National Army is not the militia. An army is a body of men whose business is war. (Burroughs *v.* Peyton, 16 Gratt., Virginia, 475.) The militia is 'a body of men composed of citizens occupied temporarily in the pursuits of civil life.' (Idem.)

"As we have seen, Congress in the exercise of the power to raise armies may summon to the colors every citizen. It follows that the States, even if they so desire, can not defeat this power by enlisting such citizens in the State troops or National Guard. Was this possible, it would be also possible for the States to prevent altogether the raising of armies by Congress.

RIGHT TO ANTICIPATE INVASION.

"There remains to be considered the contention that Congress can not employ the National Army to be created by virtue of this legislation in foreign lands or beyond the seas. If this is true, then indeed is our country impotent. Then must its people indeed suffer in their own homes, in their cities, and on their farms all the horrors of invasive war. Its military leaders must ignore the settled principle of their science, that the best defensive is the most vigorous offensive. The keen swords of its sons, instead of flashing over the guard of the enemy and piercing his vitals, must be held immovable, as if on an anvil, to be shattered by the reiterated blows of his hammer. Deprived of our aid in the field, successive defeats will visit and crush our allies. Their lands conquered, their navies taken, we must then in turn, solitary and alone, meet on our own soil the impact of victorious and barbarous legions whose laws do not forbid their service abroad but which inspire their fierce and veteran armies to deeds of conquest in every clime.

"Was this contention maintainable, the misguided men who for their personal ease advance it might all too late discover their fatal error. They would discover it in the flaming homesteads, in the devastated fields, in murdered brethren, in outraged wives and daughters, in their lands, their factories, their merchandise, their stock, their all, coolly appropriated by the conqueror as his own; their institutions destroyed; homeless, landless, and beggars to spend whatever interval of degraded life remains to them in abject slavery to the conqueror.

"But our organic law does not so shackle the gigantic energies of the great Republic. After the enumeration of the powers of Congress, among them, as we have seen, 'the power to raise and support armies.' In clause 17 of Article I, section 8, it provides the power to 'make all laws which shall be necessary and proper for carrying into execution the foregoing powers and all other powers vested in this Constitution in the Government of the United States or in any department or officer thereof.' Here is the greatest reservoir of power to save the national existence.

"It is said that there is no express power to send armies beyond the sea. True; but there is no express power to enact the criminal laws of the United States, none to convey the public domain, to build a transcontinental railroad, nor to construct the Isthmian Canal, nor to create the Interstate Commerce Commission, nor to declare the Monroe doctrine, nor to make the

Louisiana Purchase, nor to buy Alaska, or to take over Porto Rico and the Philippines. This has all been done under the great power to promote the general welfare, just as the selective army will be created under the law here assailed, 'to provide for the common defense,' and beyond and above all is the inherent power of every nation, however organized, to utilize its every man and its every energy to defend its liberty and to defeat the migration to its soil of mighty nations of ferocious warriors, whose barbarous inhumanity for three years has surpassed all others since the death of Attila, the scourge of God. The writs are denied."

PRINT-PAPER INDUSTRY.

The PRESIDENT pro tempore laid before the Senate a communication from the Federal Trade Commission, transmitting the final report of the findings of fact of that commission relative to the book-paper industry, together with conclusions and recommendations, which, with the accompanying paper, was referred to the Committee on Printing.

PETITIONS AND MEMORIALS.

Mr. KNOX presented resolutions adopted at a convention of the Retail Merchants' Association of Pennsylvania, held at Mount Carmel, Pa., favoring the enactment of legislation granting free mailing privileges to the men of the Army and Navy, which was referred to the Committee on Post Offices and Post Roads.

He also presented petitions of sundry organizations in the State of Pennsylvania, praying for the enactment of legislation authorizing the drafting of aliens, except alien enemies, into the military service of the United States, which were ordered to lie on the table.

Mr. PHELAN presented a petition of the Chamber of Commerce of Bellingham, Cal., praying that a labor census be taken and that a system of industrial conscription be put into force and indorsing stringent measures for the suppression of criminal syndicalism, which was referred to the Committee on the Census.

ETHYL ALCOHOL.

Mr. BROUSSARD, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 2660) amending the act entitled "An act making appropriations for the Post Office Department for the fiscal year ending June 30, 1918," reported it without amendment and submitted a report (No. 110) thereon.

BILL AND JOINT RESOLUTION INTRODUCED.

A bill and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BANKHEAD:

A bill (S. 2813) to authorize the Gulf Ports Terminal Railway Co., a corporation existing under the laws of the State of Florida, to construct a bridge over and across the headwaters of Mobile Bay and such navigable channels as are between the east side of the bay and Blakely Island, in Baldwin and Mobile Counties, Ala.; to the Committee on Commerce.

By Mr. TOWNSEND:

A joint resolution (S. J. Res. 95) authorizing the printing of tax laws as a public document; to the Committee on Printing.

WAR REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes.

Mr. NORRIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hollis	McNary	Sheppard
Beckham	Husting	Martin	Simmons
Brady	James	Myers	Smith, Mich.
Brandegee	Johnson, Cal.	Nelson	Smoot
Broussard	Jones, N. Mex.	New	Sterling
Calder	Jones, Wash.	Norris	Sutherland
Chamberlain	Kellogg	Overman	Thompson
Culberson	Kendrick	Page	Tillman
Curtis	Kenyon	Penrose	Townsend
Dillingham	King	Phelan	Trammell
Fletcher	Kirby	Pittman	Vardaman
France	Knox	Poindexter	Weeks
Frelinghuysen	La Follette	Ransdell	Wolcott
Gronna	Lodge	Reed	
Hale	McCumber	Saulsbury	
Harding	McKellar	Shafroth	

Mr. FRELINGHUYSEN. I wish to announce the necessary absence, on account of illness, of my colleague [Mr. HUGHES].

Mr. SUTHERLAND. My colleague, the senior Senator from West Virginia [Mr. GOFF], is detained by illness. I ask that this announcement may stand for the day.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness. I will state that he is paired with the senior Senator from North Dakota [Mr. MCCUMBER]. I will let this announcement stand for the day.

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent on account of illness in his family. He is paired with the Senator from New Jersey [Mr. FRELINGHUYSEN]. I will let this announcement stand for the day.

Mr. KING. I desire to announce that the senior Senator from Arkansas [Mr. ROBINSON], the senior Senator from Illinois [Mr. LEWIS], and the senior Senator from Maryland [Mr. SMITH] are detained on official business.

Mr. GERRY. I wish to announce that the Senator from Mississippi [Mr. WILLIAMS] is necessarily absent on important public business. I ask that this announcement may stand for the day.

The PRESIDENT pro tempore. Sixty-one Senators have answered to their names. There is a quorum present.

Mr. WEEKS. I submit two amendments to the pending bill, which I ask may be printed and lie on the table.

The PRESIDENT pro tempore. It will be so ordered.

Mr. LA FOLLETTE. Mr. President, I shall first discuss the principles which should control in financing a war, and the application of those principles to the pending bill. Before I conclude I shall briefly discuss the amendments I propose to offer to the income provisions of the bill.

The money expended by us in this war will come from one source and be raised by two methods. The money will come from the people of the country. It will be raised partly by taxation and partly by borrowing. There is no other nation in this war-blighted world to-day from whom we can borrow anything. Nations of Europe which were prosperous and wealthy three years ago and eager to buy our securities are to-day impoverished, and some of them almost, if not quite, bankrupt. Whether revolution and repudiation may not follow in some of them no man can now say, but we all know that we can expect no financial assistance from any of them, for years to come; on the contrary, we must bear the financial burdens of several of the Governments in addition to our own. Our problem, then, of financing this war is purely an internal problem. The question is, how shall the burden be divided among our own people; how much shall the Government obtain from each of them; how much shall the Government take as a tax, how much procure as a loan, remembering always that whatever one citizen loans the Government to-day other citizens will have to pay in taxes to-morrow, both principal and interest? We should settle here and now the proportion between the amount of war revenue to be raised by taxation and the amount of war revenue to be raised by loans. The amounts proposed to be raised by us for the purposes of this war, staggering as they must be, without parallel or precedent in all the history of the world, are nevertheless relatively unimportant when compared with the momentous problem of settling correctly the proportion between the amount of taxation and of loans to which the Government will resort.

We know that there is a sharp conflict of interest and of desire as well on this question between the different classes of our people. It is a part of the history of all great wars that wealth has demanded the minimum of taxation and the maximum of loans, while the poorer classes have desired the maximum of taxation and the minimum of loans, and this difference is accentuated now since war profits and excessive incomes are being forced by taxation to contribute some portion of the revenues which war makes it necessary to raise. The reason for this clash of interest is obvious. In the first place, a bond issue means merely the opportunity for a desirable investment by those having money to invest. The bonds must be sufficiently attractive either because of high interest rate, exemption from taxation, or other privileges, so as to divert money from ordinary investment. The bonds must, in the judgment of the purchaser, be as good or a better investment than is offered elsewhere, otherwise the bonds will not be purchased.

Wealth has never yet sacrificed itself on the altar of patriotism in any war. On the contrary, it has ever shown itself eager to take advantage of the misfortunes which war always brings to the masses of the people. That has been true of every war we have had in this country and of every war in Europe of which I have any knowledge, and it is certainly true of the present war. Every bond that is issued must some time be redeemed with interest out of the taxes that the people must pay. Nothing is gained by borrowing except that money for immediate use is

obtained from those who have it to loan, to be repaid to them in the future with interest, out of the taxes largely exacted from those who can ill afford to pay them.

It may be argued that the poor equally with the rich will have the opportunity to purchase war bonds. It is small comfort to have the opportunity to purchase bonds if you have little or no money to invest in bonds. The late "liberty loan" is a good example of bonds sold to the poor, or those of limited means. All of the machinery of the Government was set in motion to sell these bonds to the small investor. Every device of advertising was resorted to. Every pressure was brought to bear by banks upon their customers; employers upon their employees, and every invention of clever salesmanship was employed to sell the $2,000,000,000 bond issue.

Mr. President, to what extent this campaign succeeded in selling these bonds to the small investor I do not know, but we all do know that these bonds were a poor investment to the man of small means, in comparison with the advantages which the owners of large incomes could secure from investing millions of their taxable incomes in these nontaxable bonds. It is shown in the minority report on this bill that by exempting these bonds from taxation, the Government has made them the equivalent of an investment paying from 5 to 9 per cent and more to persons with large incomes who will escape the income tax on every dollar thus invested; while to the wage earner and the man with a salary so small as not to be reached by the income tax, who pinched and saved and sacrificed in order to purchase them, they return but a meager 3½ per cent.

I read just a few lines from the minority report:

> The so-called "liberty loan" bonds bear only 3½ per cent interest, but because exempt from taxation are an excellent investment for the very rich but a bad investment for the poor man, to whom such effort was made to sell them. Mr. Kahn, a New York banker, in an address before the Merchants' Association of New York on June 1, 1917, pointed this out and presented a table showing that on the basis of income taxation proposed by the House bill these bonds because of their tax-exempt feature are the equivalent of an investment yielding a return of 5.2 per cent to a person with an income of $100,000, to 9.21 per cent to a person with an income of $2,000,000 or more.

The result of this discrimination is that these bonds will soon find their way wholly into the hands of the wealthy, if they have not already done so, for whom they are an excellent investment, and the old story will be repeated of bond issues which merely mortgage the many for the benefit of the few.

But this is not all, Mr. President. Paying for a war mainly by selling bonds inevitably forces inflation. Inflation raises prices, greatly increasing the cost of living to the masses. There is no escape from this result. As the Senator from Oklahoma [Mr. GORE] suggests, with sacrifice to the Government also, reason and experience warn us that the policy of financing a war by borrowing the larger part of the money required is in itself one of the severest financial burdens which war brings to the average man.

The borrowing system gives an impression of false prosperity. Where heavy taxation would induce economy, borrowing induces extravagance. The Government must bid against the citizen for supplies. Prices soar, but wages and income do not increase correspondingly. The result is that the ordinary citizen whose income only exceeds his normal expenses by a small margin finds his expenses doubled; his income insufficient to meet his needs, even before the Government has laid a single dollar of taxation upon his necessaries.

It is a fact in the history of war financing, as pointed out by Prof. Charles J. Bullock in the Quarterly Journal of Economics for May, 1917, that "the people are often wiser than the rulers," and he there shows that in the latter years of the Civil War it was the mass of the people that forced Congress and the Secretary of the Treasury to abandon the suicidal policy of borrowing for the more rational one of increased taxation. The experience of this country and others in most wars show that the reasons already mentioned have been sufficient to justify much higher taxation and less borrowing than has usually occurred. But at the present time we have open to us a field of taxation in war profits and excessive incomes, the justice of taxing which all must admit. This is a fact of first importance in determining the proportion which taxation and bond sales shall bear of the expenses of the present war.

Mr. President, the leading economists of the world from Hume, Adam Smith, Ricardo, and John Stuart Mill, down to those of our own time, have, with few exceptions, strongly contended that war should be wholly financed by taxation; that we should in every war pay as we go.

There is to-day in the files of Congress a petition, signed by over 300 of the leading economists of the great universities and colleges of this great country, that is reasoned with a power to appeal to any intelligent man—that petition filed early, almost immediately after the declaration of war, pleads with Congress, not in sentimental phrase but in terms of economic science, to finance this war solely by taxation.

Because I feel that Senators must desire for the future soundness of the finances of the Government to finance this war upon correct economic principles, I repeat that the leading economists of the world, from those who founded the science of political economy down to this hour, with only a few exceptions, which you could number on the fingers of one hand, argue that upon principle, for the good of the Government itself, for the soundness of its financial policy the war should be paid for as we go forward in its prosecution.

Why has it not been done in that way, Mr. President? This is the reason: Wealth is ever potential in government. It has been in every country since the history of the human race began and after society was organized into some form of government. Wealth fattens, sir, upon war loans and war contracts and the speculations with which war is always rife. Hence wealth is always for war. And when it is successful in bringing on a war it is often powerful enough with war ministers and parliaments and congresses to force war loans to the maximum, and by every specious device and argument force taxation to the minimum.

And so with us in this war, within 30 days from the date of the war declaration we had plunged into bond issues upon an unheard-of scale. Morgan came to town, the press urged, the administration recommended, and Congress authorized the issue of five billion nontaxable Government bonds and two billion interest-bearing Treasury notes.

Bad financiering by heavy bond issues and relatively light taxation has always been followed by serious troubles with the Government finances, and severe hardship and suffering for the people, as history amply proves. But we are not dealing with a war of history. This war is so vast, so monstrous in all its possibilities as to render serious mistakes made in conducting any of its operations appalling to contemplate.

The magnitude of its financial requirements are beyond the limits of the largest affairs ever mastered by the experience and wisdom of man. It will be nothing short of the economic crime of all the ages to permit our financial plans to go one hair's breadth further along lines which violate the principles of sound Government finance.

Remember that the solemn counsel of the founders of economic science and the great body of all economic authority, living and dead, urges the policy of paying all the expenses of the war by taxation. Remember that against that unprejudiced advice we have already entered upon a policy which involves us in heavy bond issues. With another four billion bond sale about to be launched, it is time to halt long enough in our headlong plunging to balance bond issues already authorized by taxation before it is forever too late.

Let no one be misled; there is a method behind all this. Our war financiering is being so managed as to commit Congress and the country to a bonded debt five times as large as the amount raised by taxation. Ah, but the majority touch lightly upon the subject by a passing suggestion that at some other time more convenient to the owners of big incomes and huge war profits there will be another tax bill. In the future, sir, at the next session, or in the next Congress—or in the next world—taxes shall be more evenly balanced with bond issues.

But, Mr. President, why not now? Why not now decide upon the proper proportion between taxation and bond issues? Why put it off? Whose interest is to be served by keeping down the rates of taxation on incomes and war profits and mortgaging the masses to the money lenders for an enormous and wickedly unnecessary bond issue? If you will inquire as to that you may be able to locate the interests that are urging this disproportionate bond issue, as compared with the amount of money that ought to be raised by taxation.

No one knows what the future holds for us. The war may end suddenly, as suddenly as it began. Who knows? The whole world was startled with the war declarations that followed fast one upon the other. Possibly the breakdown of this war may come as suddenly as its beginning. Shall it find us with a system of war financing fastened upon us where taxation bears to bond issue a ratio of 1 to 5? It will if you follow the majority members of this committee, and if the war should cease within the next year you would then have allowed the great mass of these war profits to escape taxation. They will have pocketed their war profits, but the people will find themselves saddled with a nine billion debt in the form of war bonds which will already have been issued.

Senators, we have the opportunity now—now, at this time, through this tax bill—to levy a tax upon war profits never before taxed at all in this country or in any other before this war, and to levy a suitable tax upon surplus incomes never taxed

at a rate anything like fair by this Government. This is the great, big controlling issue in the discussion and consideration of this revenue bill.

Mr. President, I am going to quote presently from some economists; and it will be observed, as I quote briefly from a few, that I am quoting from the same men over and over again. I am quoting from the conservative economists. I repeat, in order that some Senators who have come in since I began to talk may get this lodged in their minds, that the overwhelming body of all the economists, from Adam Smith down to the present time, have taken the position that, for the protection of Government finance, war should be paid for by taxation as you go. But, sir, the economists whom I quote belong to that conservative group—and there are but few of them—who stand for financing war by both bond issue and taxation.

It is no answer to the great body of the economists of the world, the men who founded the science, to say that history proves that the great majority of the wars—that all of them, in fact—have been financed by a combination of taxation and bond issues. That has nothing to do with the soundness of the principle.

Mr. President, blind is the man, dull, indeed, the brain, that does not read from the war histories of the world the fact that accumulated wealth has been behind the wars and has been potential enough with all the cabinets and all the war ministers who planned the financing to make the prosecution of the war a financial harvest to it. Sir, that is why the world has had so many wars.

I am going to deal with the few economists who believe in financing a war both by bond issue and by taxation; that is, I am going to give you the only authority that you can find, aside from Dr. Seligman, in that little group.

The most conservative economists admit that the tax rate upon war profits and upon surplus incomes should be as high as consistent with the welfare of industry. He would be a pretty poor patriot who wanted to put war-profits taxes or taxes upon surplus incomes higher than that. Accepting this rule, it can not be denied that these sources of revenue can yield greatly increased amounts over that to be raised by the majority plan. Any tax that may be levied upon war profits and on surplus incomes will burden industry little, if at all. If you took all the war profits, you would still have the normal profits left wholly untouched by a war-profits tax.

Mr. President, upon another amendment which I shall offer at another time with regard to the tax upon war profits I shall have occasion again to beg the indulgence of the Senate while I discuss the question of the ability of these great corporations to pay a war-profits tax and conduct their business with very great advantage to themselves, and to pay war-profits taxes away beyond the average rate named in the bill reported by the majority of this committee.

I say, sir, if you took all the war profits, you would still have the normal profits left wholly untouched by a war-profits tax. If you took 80 per cent of the war profits, the lines of business profiting by the war would still have their normal profits left, and many, many millions besides represented by the remaining 20 per cent of their untaxed war profits. That is, a proposed 80 per cent war-profits tax leaves to the corporations an exemption of 20 per cent of the profits that they are making out of this war untaxed at all, or untaxed by the war-profits tax, untouched by it.

A war-profits tax does not lay the hand of the Government on the enormous profits that these great business institutions were making before the war. I shall have occasion, when we come to deal with that question, to present to the Senate tables showing the profits prior to the war of the great body of the leading industrial corporations and 50 of the leading railroad corporations in this country, doing the great bulk of all the railroad business of the country. They were making enormous profits before the war. You do not touch these profits by a war-profits tax. You lay the hand of the Government only upon the excess which war has added to these enormous profits. The majority of the committee have fixed a graduated tax upon war profits, the average of which is only slightly in excess of 27 per cent. How would it injure industry if you were to take 80 per cent of the war profits and not touch by your tax, except by the increased tax upon incomes, the enormous profits made prior to the war?

All these industries, or substantially all of them, had been piling up surpluses prior to the war that were almost—and I think I can demonstrate that they are—unconscionable in their proportions. They had been paying dividends upon their preferred stock, paying interest upon their bonds, and paying dividends upon their common stock, which, as everybody knows, does not represent investment. Besides that, most of these great corporations had been able, because of the monopoly power they possess, controlling markets and prices, to exact from the American people such prices that, in addition to doing all of those things, they piled up surpluses which made the poor, unfortunate, unprotected public furnish new capital to these great, domineering, market-controlling combinations.

It is some of that hoarded, and I think I will demonstrate unjustifiably collected, revenue from the American people through extortionate prices that has been going on for 18 years building up these surpluses that the Senator from New Mexico [Mr. JONES] seeks to reach and make taxable by his proposed amendment, which he presented yesterday to the Senate in one of the ablest arguments that has been made to this body in the 10 years that I have been here.

Ah, Mr. President, we are going through a period of legislation for which history offers no parallel. We were not elected by the people of this country upon the issues with which we are dealing here. We have no commission, so far as the votes that selected us to come to this body are concerned, which determines for us the views of the people upon these extraordinary questions that are coming up. But, mark you, as sure as the sun shines and God reigns, there will be a review before the people of this legislation, and all of it, such as never occurred before since the history of this Government began, because there never has been such legislation before, and if you do not think that the people of this country are taking account of what is going on here you are not rightly informed.

Who can say as between those who carry the burden of this war, as between the rich and the powerful and the people the great mass of whom compose the army in the trenches, "I have stood under my oath as an impartial judge, and I have dealt as fairly by the people as by wealth"? Who can say that, if you leave these war profiteers more than 20 per cent exempt from any war-profits tax?

But I am not going to discuss that question at this time. I was tempted a little bit aside from what should be the course of my argument here to-day.

I say that such taxes would not discourage industry. When the Senator from Pennsylvania [Mr. PENROSE] or the Senator from Massachusetts [Mr. LODGE] or the Senator from North Carolina [Mr. SIMMONS] talks to this body about not disturbing business just do a little thinking on your own account. They have tiptoed up to this war-profits tax. The war-profits tax proposed in this bill averages approximately 27 per cent. They were afraid business would be disturbed if they did not leave untaxed 72½ per cent of war profits on top of their normal profits.

I say taking 80 per cent of war profits would not discourage business. It is so with surplus incomes. Mind you, we are talking about surplus incomes. It is a little hard to see how any tax levied upon individual incomes in excess of $50,000 a year or more will injure any industry.

Now, Mr. President, with these preliminary observations I wish briefly to review the experience of this country in financing other wars.

Mr. KENYON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Iowa?

Mr. LA FOLLETTE. I do.

Mr. KENYON. I do not think it is very clear to me and those who have not had the opportunity to study closely the bill just what percentage of war profits the Senate committee bill takes. It has been stated by the Senator, I think, at about 27 per cent. Other Senators have stated it at 44 per cent. Can the Senator just make that clear to those who have not had the opportunity of studying the question?

Mr. LA FOLLETTE. If the Senator will just remember, we are now on the income-tax provisions of the bill, and when we come to the war-profits tax provision of the bill I am going to tax the patience of the Senate for a very thorough discussion of that proposition. If I may move along now with my discussion of the income-tax features of the bill, after completing what I want to lay before the Senate and put in the RECORD as to what our experience in war is, I would prefer to defer answering that question to another time.

Mr. KING. Will the Senator permit a question? The Senator suggested a few moments ago that he was going to call attention to a few statements of publicists.

Mr. LA FOLLETTE. I am coming to that immediately.

Mr. KING. I am very anxious to get those views.

Mr. LA FOLLETTE. I come now to lay before the Senate the experience of the United States in war financing, in connection

with which I quote from these economists. It is very instructive, Mr. President.

EXPERIENCE OF THE UNITED STATES IN WAR FINANCING.

The conditions existing during the Revolutionary War, the unstable Government and its lack of credit, makes the experience of that period in raising war revenue of little use to us now.

WAR OF 1812.

The War of 1812, however, has for us a very practical lesson. In that war, out of a total of $70,000,000 extraordinary expenditure caused by the war nearly 10 per cent was financed by taxation. The result of trying to finance the war with this proportion between taxation and borrowing was a failure complete and decisive. The Government's liabilities increased with no corresponding increase in revenue to meet them. The currency was inflated. The cost of everything was greatly advanced. Nothing but the increased taxes levied during the latter period of the war saved the finances of the country from a complete breakdown. It would be the supreme of folly for us to act upon the assumption that our resources and credits now are so great that they will not show the strain of the awful load of the bonded debt to which it is proposed to subject them. The financial columns of any newspaper to-day will show that the bonds of the allies, even the Anglo-French loan at 5 per cent, are only selling at 94, while the 5 per cent bonds of the United States Steel Corporation are selling at 104. Our own "liberty-loan" bonds can now be bought in the market at slightly below par. Let us not deceive ourselves into the belief that we can throw upon the market the many billions of additional bonds it is proposed to issue and maintain at par, except as they carry a high interest rate that our people ought never be taxed to pay.

THE MEXICAN WAR.

Concerning the finances of the Mexican War, Prof. Bullock, in the article previously quoted, says:

By 1846, when the Mexican War began, the lesson of 1812 appears to have been forgotten; but the resources of the country had greatly increased, the war proved a comparatively small affair, which lasted less than two years and occasioned no strain upon our finances. Without levying internal taxes the Government contrived to meet some $14,600,000 of war expenditures out of ordinary revenues while incurring a net indebtedness of some $49,000,000. This time the loan policy had worked well enough, yet its success was due not to its inherent strength but to the short duration and comparatively trifling magnitude of the strain to which it was subjected. Under different conditions there is no reason for supposing that it would have worked any better than it did in 1812.

It will be observed that in the Mexican War about 22 per cent was raised by taxation and the balance by borrowing. All economists, even the most conservative, with whose works I have any familiarity, and financial historians of that war as well, agree that the amount raised by taxation should be proportionately very much larger, and that nothing but the short duration of the war and its small aggregate cost prevented financial disaster following as a result of the policy pursued. (See Prof. H. C. Adams's Public Debts; Prof. D. R. Dewey's Financial History of the United States; Prof. Bullock in the article Financing the War, in the Quarterly Journal of Economics, May, 1917.)

CIVIL WAR.

Of the financing of the Civil War, Prof. Dewey, of the Massachusetts Institute of Technology, than whom there is no better authority in the world, says:

The weakest element in the financiering of the Civil War was the delay in applying effective taxation. * * *

It is easy after the war to blame the Government for its procrastination and lack of vigor in laying taxes, but in 1861 and in the early part of 1862 the way did not appear clear. The blunder of delay was due in part to the fact that a new tariff had just been enacted.

To-day the way is clear. The necessity is apparent. We have no new tariff now from which to expect large income. Delay to provide for adequate taxation now would not be a blunder. It would be something worse. In the Civil War also the war-profits tax was unknown and the income tax was not resorted to for some time. When the income tax was resorted to it yielded little revenue during the war period. The rate never exceeded 10 per cent, and that was upon incomes in excess of $5,000. In 1863 about $2,000,000 was raised from that source; in 1864 about $20,000,000; in 1865 about $32,000,000. The heaviest receipts from the income tax was in 1866-67, after the war, when $72,000,000 and $76,000,000, respectively, was raised from this source. In 1872 the law was repealed. (See Dewey, Financial History of the United States, p. 305.)

Nothing but a complete change of the financial policy of the Government in the second year of the war saved the finances of the Nation from collapse and prevented the success of the Confederacy. The financial policy during the first two years of the war was to use credit as far as possible and assist it by taxation so far as necessary. In 1863 the policy was changed. More than one-third of all expenditures was derived from taxation during the years 1864 and 1865. At least you can say that the policy was modified. Secretary Chase realized that they were rushing every financial business to destruction so far as the Government was concerned if that policy were longer pursued.

And this was done as we have seen, with no assistance from a war-profits tax and with little aid from an income tax. In 1863 Secretary Chase had become convinced of the unsoundness of the theory upon which it had been attempted to finance the war. He had learned by bitter experience that credit should be used to assist taxation instead of placing the principal reliance upon credit. It is to be said also that Congress, and particularly the people, were demanding higher taxation and less borrowing. Accordingly, we find Secretary Chase, in his annual report in 1866 (House Executive Document, vol. 6, No. 3, pp. 10 and 12, 38th Cong., 1st sess.) saying that:

To check the increase of debt must be in our circumstances a commanding object of patriotic solicitude.

That sentiment, I think, should particularly commend itself to us to-day. And in the report the Secretary says:

These statements (referring to estimates) illustrate the great importance of providing, beyond all contingency, for ordinary expenditures and interest on debt, and for the largest possible amount of extraordinary expenditures by taxation, in proportion to the amount raised above the necessary sums for ordinary demands will mean the diminution of debt, the diminution of interest, and the improvement of credit. It is hardly too much—perhaps hardly enough—to say that every dollar raised for extraordinary expenditures or reduction of debt is worth two in the increased value of national securities and increased facilities for the negotiation of indispensable loans.

Prof. H. C. Adams, in his work entitled "Public Debts," in connection with tables published showing the receipts during the Civil War period from taxation and from loans, says:

The criticism which they offer makes its appearance when one asks what would probably have been the financial consequences could the receipts from internal revenue have been moved ahead two years. Suppose, for example, that Secretary Chase could have received from this source $110,000,000 in 1862, $210,000,000 in 1863, and $311,000,000 in 1864; what a change would it have produced upon the course of financial administration? Its moral effect upon the South, working especially through her European sympathizers, would have brought the war to a more speedy termination, the credit of the Government could not have suffered as it did, while the advocates of legal-tender money would have been deprived of the argument of necessity.

Again, he says:

The administration that shrinks from a levy of taxes, lest the war spirit be chilled, shows either a doubtful cause or a weak-kneed Cabinet.

And again, Dr. Adams says:

And, lastly, it is a truth worth remembering that democratic peoples are willing to go all lengths with a government which takes them into its confidence. It is assumed that the purpose of the war is approved, otherwise there is no apology for undertaking it.

Prof. Bullock and Prof. Adams and all the other authorities I have quoted are extremely conservative economists. None of them advocate raising by taxation alone the revenues for a war. But they, in common with all authorities, condemn the unsound financing of the War of 1812, the Mexican War, and the Civil War, because enough revenue was not raised by taxation and too much was raised by loans.

I know of no war in the world's history where it has ever been charged, much less established, that too much of its cost was raised by taxation and too little by borrowing. Fortunately, we escaped in the War of 1812 and the Mexican War from the disastrous financial policy pursued, and in the Civil War we modified that policy in time, but barely in time, to save the Nation. We did not save the people of this country and this Government from untold financial difficulties, from untold sufferings and embarrassments and unnecessary burdens, for a generation of time because of having followed in the Civil War that wrongful policy.

Mr. REED. Mr. President——

The PRESIDING OFFICER (Mr. WOLCOTT in the chair). Does the Senator from Wisconsin yield to the Senator from Missouri?

Mr. LA FOLLETTE. I do.

Mr. REED. Referring to a statement just made by the Senator from Wisconsin that it is claimed that further taxation of war profits may chill the ardor of the war, the enthusiasm for the war, I ask how long does the Senator think it would take us to win the war with Germany if we had to do it with gentlemen whose ardor would be chilled if they did not make great profits out of the war?

Mr. LA FOLLETTE. Well, Mr. President, I do not think the war would end for several years, to say the least, and when it did end, if we had to depend upon those gentlemen, it would end to our everlasting mortification, humiliation, and shame.

But, sir, standing as we are now on the threshold of the greatest, most expensive, and most difficult war that any nation

ever undertook, we can not afford to repeat those mistakes. It would be blind folly for us not to profit by the lessons taught us by our other wars to which I have referred.

The Civil War debt reached its highest point in September, 1865, and the net debt then amounted to substantially two and three-quarter billion dollars. We can get some idea of the character of the debt we are so rapidly saddling upon the country these days when we compare it with what had been heretofore regarded as the enormous debt of the Civil War. We can get some idea also of the mortgage that is being put upon the future of the people of this country by the debt we are now contracting when we remember that after all the principal and interest paid upon our Civil War debt during all these years we had left a debt of about a billion dollars when we entered upon this present war. Yet the Civil War debt was so small in comparison to the debts we are now contracting that an item of that amount might almost get lost in the war bills we are now daily considering. Nothing but the great wealth of our undeveloped resources enabled us to recover even to that extent from the disastrous financiering of the Civil War. We can not hope for the same relative development after the present war that we enjoyed following the Civil War. Moreover, the debts which we will contract for this war, if the bonding plans of the majority of the committee are adopted, will be so great as to lay upon us enormous tax burdens to provide for the interest charge and a sinking fund.

A mistake now may well be fatal. It will certainly cost us untold millions of dollars and thousands upon thousands of lives by unnecessarily prolonging the war.

Mr. President, in this great cataclysm of destruction, when thrones are tottering and cabinets changing almost daily because they do not represent the popular will; when the cry of the distressed and suffering masses is being heard round the world; when Governments are answering with bullets the demands of their people for bread; when the people everywhere are asking for peace while their Governments are demanding war; when our own Government is raising by draft a million men, taken from civil life, eighty-five out of every hundred of whom are protesting against being forced into the Army, I submit, Senators, that this is not a time to adopt a weak, halting, and unjust financial policy for the conduct of the war.

SPANISH-AMERICAN WAR.

The War with Spain in 1898, like our War with Mexico, was of comparatively short duration and made but a slight demand upon the resources of the country, either in men or money. I am not aware that any exact statement of the cost of the Spanish War has ever been published. It is not possible to determine how much of the increased cost of the Army and Navy during the few months that hostilities lasted was caused by the war and how much was caused by the increase in the cost of both the Army and Navy which resulted from the process of upbuilding which had commenced before the war. The figures given by Prof. Dewey in his "Financial History of the United States," pages 466–467, and by Prof. Bullock in his article in the Quarterly Journal of Economics, previously referred to, make it probable that 50 per cent or more of the cost of the war was met by taxation. It is certain at any rate that the Government under President McKinley, profiting by our disastrous experiences in financing previous wars, entered at once upon a vigorous policy of taxation, with the result that one hundred millions of additional revenue was quickly added by taxation to the income of the Government, while a $200,000,000 bond issue at 3 per cent was almost immediately subscribed sevenfold. Over 320,000 bids, aggregating $1,400,000,000 for this $200,000,000 of 3 per cent bonds issued by the Government at that time were sent in by the people.

Mr. SMITH of Michigan. Mr. President, will the Senator from Wisconsin pardon me an interruption?

Mr. LA FOLLETTE. Certainly.

Mr. SMITH of Michigan. The Spanish-American War, so called, was financed by a system of taxation that was neither burdensome nor annoying, but those in authority resolved upon that course firmly at the beginning. Mr. Dingley, who was at the head of the Ways and Means Committee of the other House, would listen to nothing else, and there was not a discordant note from the White House to Congress regarding the policy that this Government should pursue at that time, and at the close of the war, be it said to the everlasting credit of the administration of Mr. McKinley, the Government had more money to its credit than it had at the beginning. We paid as we went along.

Mr. LA FOLLETTE. I thank the Senator very much for contributing that suggestion out of his experience. I remember that he was in a position at that time to know personally the details of matters that were connected with the financing of that war.

I merely repeat that over 320,000 bids, aggregating $1,400,000 for those $200,000,000 of 3 per cent bonds were sent in by the people. Was not that a most extraordinary response? I do not want to try the patience of Senators who may not agree with me on some of the great issues of this time, but I do appeal to you, one and all, to consider the possibility of mistaking conditions and of the importance of so dealing with legislation here as to get the best response from the public for the pressing needs of the Government in this hour of its trial.

I say, sir, that we would do well to inquire why, with our vastly increased wealth and population, the $2,000,000,000 of bonds at the rate of 3½ per cent, exempt from taxation, which were put upon the market by the Secretary of the Treasury were so slow in winning public support. Why, in fact, did it actually require a nation-wide speaking campaign, with appeals from the hustings, the pulpits, and by speakers in the theaters between acts and at the picture shows between reels, to sell these bonds? It behooves us to know why that was necessary. Why was a concerted newspaper campaign and advertisements in the street cars and in the retail stores of the country resorted to, representing Uncle Sam in lurid colors crying aloud for help? And finally why was the iron hand, covered, it may be, by the velvet glove, but none the less the iron hand, felt by the Government clerk, by the bank customer, and the employee of every large employer of labor, gently but very, very firmly applying the pressure to contribute to the so-called "liberty loan"?

Concerning the financing of the Spanish War, Prof. Bullock says:

> In the Spanish War for the first time in its history the United States followed the correct theory of emergency financiering. * * * The war was of such limited scope and duration that the older theories of Gallatin and Chase could have been followed without causing disaster. But the sounder policy which actually prevailed has established a safer and better precedent which should be followed in the present great emergency. It can not be doubted that, in the words of Prof. Adams, "An adequate policy for the management of war finances is—

Now, listen—

> a tax policy assisted by credits rather than a credit policy assisted by taxes."

Such then is the conclusion to which we are conducted by all our experience in war financiering. In the language of Secretary Chase, when he finally found by bitter experience that his policy of borrowing meant ruin to the country—

> We must collect the largest possible amount of extraordinary expenditures [caused by the war] by taxation.

The rule to determine what is the largest possible amount is plain, though its application may not always be easy. We should not tax high enough to cripple industry or impede production. Everyone must accept that. The reason that we should stop at that point is not because of any rights that an individual or corporation may have to a certain income or return on investment but simply because it is wisdom on the part of the Government to leave enough so that the processes of production may continue uninterrupted in order that new taxes for the Government may be produced. This is the iron law of necessity in war time. It is the law that is applied to men; let it also be applied to money.

We are counseled by the highest economic authority, we are admonished by all history, we are commanded by every consideration of justice to the American boys who are marked for slaughter, to the American homes already in the shadow of death, to declare here and now by our votes on this record that the wealth of this country will be taken as mercilessly through the power of taxation as men are taken by force of the draft.

Before passing from this phase of the discussion I wish briefly to call attention to the experience of Great Britain in war finance, both in the present and in previous wars.

EXPERIENCE OF THE BRITISH GOVERNMENT IN WAR FINANCE.

I have had tables prepared from official reports showing the expenditures of the British Government made during its wars in recent years, and the amount of such expenditure raised by taxation and the amount raised by borrowing.

NAPOLEONIC WARS.

These figures show that the Napoleonic Wars cost the English Government £831,446,449. Of this amount there was raised by taxation £391,148,370. In other words, a little more than 47 per cent of the war expenditures were raised by taxation, and a little less than 53 per cent was raised by borrowing.

CRIMEAN WAR.

In the Crimean War, according to the statement of Sir George Lewis, chancellor, on February 13, 1857, there was expended as the cost of that war £76,398,000, of which £40,000,000 were

raised by taxation—that is, 52 per cent was supplied by taxation, as against 48 per cent by borrowing. It is fair to say that the Economist (London) of February 24, 1917—one of the leading financial journals of England—states that a little more than 47 per cent of the cost of the Napoleonic as well as the Crimean War was raised by taxation, but I give the official figures.

BOER WAR.

The Boer War, according to the statement of the chancellor, April 23, 1903, cost £217,000,000, of which £67,500,000 were raised by taxation and the balance by loans. In other words, 31 per cent was raised by taxation and 69 per cent by loans. Great Britain has not been able during the present war to maintain the high percentages of war costs paid by taxation which she maintained in the Napoleonic and Crimean Wars. She has, however, raised a very substantial proportion of her war costs by taxation, even including the early months of the war and before her taxation machinery could be fairly put in operation for war purposes.

The British Government, according to the Economist of April 7, 1917, had from the commencement of the present war up to the close of March 31, 1917, raised by taxation £1,081,953,000. She had borrowed during the same period £3,195,053,000. She has, therefore, raised something about 26 per cent of her expenses by taxation. In these expenses also are included her loans to her allies. Eliminate these and the proportion of her taxation to her borrowings is much larger. The estimate for the ensuing year made by the chancellor of the exchequer provides for the raising by taxation of a still larger proportion of the estimated expenditures. The estimates provide £638,600,000 to be raised by taxation, as against the total £1,651,000,000 to be raised by borrowing. But even this proportion of taxation and borrowing is far too small to suit the mass of the British people and to suit the economic authorities of Great Britain. In Great Britain, as here, wealth is all powerful and is driving hard there, as it is here, to finance the war by big bond issues and as little as possible by taxation.

On this subject the Economist of March 3, 1917, says:

As we pointed out a week ago, the proportion of the war's cost that we are now paying by taxes is a rather pitiful figure in comparison with the 47 per cent of war cost that our fathers paid in taxes in the Napoleonic and Crimean Wars. Taxation is much more easily and beneficially raised in war than in peace, and the extent to which we are financing this war by loan is increasing the cost of it and making its consequences a problem of growing difficulty.

And again, in its issue of May 12, 1917, the Economist says:

When the change of Government came last December we hoped that a new spirit in finance would make a more urgent call on the country's pocket.

This paper is speaking for the good of the British nation. It does not seem to be altogether, as some financial journals are, a publication in the interest of those who invest in bonds.

The Economist says:

Mr. Bonar Law made an appeal, the result of which astonished the world, for a loan. As a tax gatherer he has fallen lamentably behind the low standard set by the late coalition. It at least had the excuse that too great haste in these matters sometimes misses its mark. Mr. Bonar Law has not. He has behind him another year of growing expenditure, of continued private extravagance which is wasting the country's resources, of evidence that the country is more than ever determined to go on with the war until the right end of it is secured, of rising prices, and of consequent dissatisfaction among the working classes, which sometimes has results which do not help to quicken the approach of victory. * * *

Another argument (against high taxes) says that the inequities of the income tax are such that it can not be raised without inflicting great hardship. We quite agree. These inequities are already inflicting great hardship. All the more reason for removing them at once, and then doing fuller justice to the powers of this tax in providing money for the war and stopping wasteful spending.

There is thus a great chance for the House of Commons to reinstate itself in public opinion by coming forward to do its old constitutional duty as guardian of the monetary interests of the people.

We should profit by the mistakes of Great Britain. We should not repeat them.

The people of this country have a right to expect that the Congress of the United States will discharge the same constitutional duty which rests upon it.

WHAT THE MAJORITY CLAIM FOR THE BILL.

Turn now to the bill before us and see how it proposes to meet the most stupendous financial problem ever presented for solution to any body of men. Assume for the purpose of the present argument—but for that purpose only—that it will do all that is claimed for it and raise $2,006,970,000. To that amount may be added the $1,333,500,000 estimated receipts for the current year under existing law, or a total of $3,347,470,000 raised and to be raised by taxation.

What are the obligations we must meet, so far as we are now advised during the ensuing year? We have in the first place the estimate of the Secretary of the Treasury of $10,735,807,000 of current expenses. We have a bond issue already provided for of $5,000,000,000. Of this amount $2,000,000,000 has been sold, but all of $5,000,000,000 must be raised this year. We have an additional amount estimated in the minority report of $4,000,000,000. Since the minority report was issued unofficial notice has been received from the Secretary of the Treasury that he would ask of this Congress a new bond issue of $4,000,000,000. This makes, therefore, a total of $19,735,807,000, which we know must be obtained from the people of this country during the year. How much more will be called for no one can now estimate, but we do know that the amount I have just stated is the minimum. In other words, this bill provides for meeting by taxation less than 17 per cent of the minimum amount of money to be collected from the people of this country this year.

Is it necessary to go further in this discussion in order to make it apparent that this bill must be so modified as to raise vastly more revenue? Unless all our own experience is to be disregarded as well as that of every other nation which ever conducted a great war, this bill should be amended so as to provide for raising by taxation at least a billion and a half more money for the current fiscal year.

I am aware, of course, that a considerable portion of our bond issues are to be used in making loans to the entente allies and that it is expected some portion of such loans will be repaid. They may and they may not be repaid. I suppose no one will contend that loans made on the responsibility of Serbia, Belgium, Montenegro, or Roumania are good business investments. Russia is in the throes of a revolution, and Italy, if reports are correct, is on the eve of one. The borrowing of the British Government up to the 31st of March exceeded by $9,000,000,000 the estimated annual income of her people. France up to the same date had borrowed $11,000,000,000, while the income of her people is estimated at only $6,000,000,000.

In this connection I desire to read a resolution as reported in the Cotton Factory Times of Manchester, England, of July 13 last, purporting to have been adopted by the first military branch of the Workmen's and Soldiers' Council formed in that country. Representatives from eight battalions of the English Army were present at the meeting, according to the report, at which the following resolution was passed:

Resolved, That the issue of paper money and the paying for the war by means of the exchequer bills, loans, and other devices is essentially unsound and almost dishonest. It means that the young men are asked not only to pay the blood price but also the money price.

A further paragraph of these resolutions demanded—

That some of the suffocating influence of the defense of the realm acts and the censorship be removed. Some men at this meeting are in doubt whether they can be put into prison or even shot for voting these resolutions.

The Economist (London), which is no more to be accused of being an alarmist than is the Wall Street Journal, in its issue of April 7 last, referring to the evident timidity of the government in levying sufficiently high taxes, said:

It is no mere academic pedantry that makes us question this feature of our war finance. It has a practical bearing, not only on after-war problems, when the taxation that our great war debt will involve will be an awkward bone of party contention, but on the smooth working of our industrial machinery during the war. The Barrow strike is a lamentable incident. It is easy to accuse the strikers of lack of patriotism. Their patriotism, like everybody else's, is what it has been made by the conditions under which they have lived and seen other people living. And if these accusations are to be made, there are some items in the report of the comptroller and auditor general of the army appropriation account which show that it is not only among the working classes, whose education and lot by no means tended to foster patriotism, that this quality has in some cases been lacking. There have also been a few contractors whose zeal for their country was blurred by other considerations. Industrial unrest is certainly helped by a system of war finance which leaves the comfort of the well-to-do practically unimpaired, while it calls for great sacrifices in the shape of long hours of hard work often under very trying conditions, on the part of those who do the dull, dirty, and uninteresting part of the tasks that are essential to victory. If the cost of the war were met by taxation imposing real sacrifice even on the richest, the sense of injustice, which is at the bottom of so much of what is mistaken for lack of patriotism among the workers, would certainly be sensibly modified, and so would strengthen a serious weakness in our armor.

Mr. President, I pause just long enough to read a letter that came in my mail, and which was put into my hands as I was coming to the Senate floor. I have only glanced it over hastily. I have not been able to read it in its entirety. I believe it contains matter which it is important to lay before the Senate. I think that if considered as it ought to be considered by the Senators on this floor it will be helpful to us in dealing with the problems the responsibility of which belong to the Senate for the time being.

I am not authorized to state the name of the writer of this letter.

AUGUST 15, 1917.

Senators ROBERT M. LA FOLLETTE and WILLIAM J. STONE,
Washington, D. C.

MY DEAR SENATORS: I beg your pardon for intruding upon your limited time and taxed energies, but your very valuable efforts in behalf of peace in the midst of a war-crazed Congress and my passionate desire

to see the world once more sane and above all to see my own native land saved from a deluge of blood and a sanguinary revolution impels me to write and petition you. I am a plain citizen. I am of the working class. I live and move and have my living among them. I know how and what they think; I know their struggle for existence. I am a miner, a member of the United Mine Workers of America. I live in one of the greatest bituminous coal-producing regions in the United States. Let me tell you how my associates feel about this whole program of war and economic plunder that Congress has fastened upon us and permits to be perpetrated against us. I do not care what the kept mistress of the press falsely says in her desire to paint a rosy picture for the powers of an industrial oligarchy; I do not care what some of our false labor leaders say who claim they have safely delivered us into the hands of industrial brigands; I tell you the common people whom I know are opposed to this war. The Mr. Average Man has been bullied into silence. He has had no chance to speak. I know; I am one of them. Let me tell you something solemn, and remember when I speak you are listening to many, many thousands, for I speak what I know they feel but do not speak—yes; but some day they will speak it, not in words but in actions, and then woe be unto those who have plundered and deceived, and this is what I want to say: For the sake of our fair land, its peace and prosperity, work with all your might for a speedy European peace and for an immediate reduction in the cost of living.

The people have never been able to see why our sons should be slaughtered on the battle fields of Europe, except to financially and economically strengthen the house of Morgan. Oh, yes; millions of "patriotic" arguments are submitted in justification, but I tell you we are not convinced. Our heart is not in this war, and it never will be. They may draft and imprison slackers, but that does not change our minds. You Senators know your own selves, in your own bitter experience, what the intrenched, privileged powers can and will do to suppress and vilify a man who stands against this program of war madness for commercial supremacy. If you know, then how heavy must be the hand on us who have little protection. That is why the people are not being heard from; they feel that they dare not speak. But if you will speak the people will be with you, and if you do not speak and a remedy is not found, and that soon, God pity this country. Remember, also, we of the people who work in mine, shop, and factory, we are feeling more and more this awful cost of existence. You men of Congress have pretty good salaries; you appoint committees to investigate; you report; yes, you even pass some laws—but then what? I will tell you. The cost of living still goes up. You Congressmen had better act—act now—not next winter or spring, but now. I know how the people feel. They are not in a mood to stand the pressure much longer. Dear Senators, do not misunderstand my letter. I am not writing a threat. I shall not be responsible for what will happen when fathers and mothers are sorrowed for sacrificing their sons in a war to which they are opposed and, in addition, are driven to destitution by food speculators and gamblers while the great corporations pile up their unprecedented dividends and the rich revel in their luxuries.

In conclusion let me say I am not authorized by anyone to write these things to you. I am voluntarily speaking the voice of my class, out of a mind full of anxiety and with a body worn with the struggle of existence.

Mr. President, I have read that letter with the hope that whatever any Senator may think about the sentiment expressed in it regarding the war it will be weighed as one of the facts of our environment. It is an intelligent and a sincere letter. I state what I believe when I say that I think it represents the views of a great many millions of people in this country. I only bring it to the attention of the Senate at this time in the hope that in dealing with this bill you will have consideration for the class of American people represented by the writer of this letter.

It behooves this Congress, Mr. President, to deal in these times with even-handed justice by the poor and the rich. How the rich shirk and grind not only in times of peace but in times of war, while they prate of patriotism and national honor and democracy! Do not forget that. They are now the loudest advocates of democracy between the two oceans. They who have been serving special interests for from 18 to 20 years, undermining and destroying the democracy of this country, have become the apostles of democracy.

Once in a while you get a bit of evidence on that. I picked up the Post this morning—the Washington Post. It is not often you can quote the Washington Post against any of that ilk, but here is an editorial in the Washington Post. I do not know whether it was written by a citizen of Great Britain. Some of the editorial positions in this fair country of ours are filled not by citizens of the United States but by citizens of Great Britain, as they were before we got into this war, and that fact helped a little to get us in. Just now we have Lord Northcliffe here taking care of the newspaper situation and endeavoring to mold public opinion favorable to England. Here is the editorial in the Washington Post to-day. The editorial is double-columned. It is entitled "The protection of ships." I read a paragraph or two:

THE PROTECTION OF SHIPS.

Great surprise has been expressed by many readers of the Post in regard to the statement by this journal that shipowners refuse to use protective devices which the Government has found to be effective against torpedo attacks, and that no law exists which can compel shipowners to protect their ships. It appears to have been a popular impression that shipowners would be only too glad to adopt any method which would save their vessels.

That impression must have prevailed in the mind of somebody who had not studied the shipowners. The shipowner in the generations that have gone by, like so many other individuals and organizations of wealth, has in the main shown an utter disregard for the safety of his vessel and the safety of the men who sail his vessel. The bottom of the ocean is bedded with hulls that have been sent to sea to be sunk in order that greed might collect the insurance. Sir, if any evidence of that fact needs to be offered, turn to the criminal statutes of every maritime nation of the earth and you find it has been regarded as necessary to write a law into the statute books to punish as a crime the sending of vessels with seamen on board to be sunk for the insurance. In London there stands a statue reared to the memory of a member of the British Parliament who devoted his life to trying to correct the great evil that the unscrupulous shipowners were guilty of toward those who sailed their vessels. Kipling, in one of his great poems, has in immortal verse embalmed the meanness and the greed of the shipowner. It is pretty rare indeed to find Senators standing on this floor uttering one word of criticism of these long-existing wrongs. A little outbreak here and there on the part of labor seeking to get just a bit more for the family will inspire the introduction of a bill or an amendment to jail the strikers or to authorize resort to armed soldiers to deal with them, but down through the centuries the wrongs that wealth and power have imposed upon the great masses of humanity have too often passed unchallenged in any legislative body.

It appears to have been a popular impression that shipowners would be only too glad to adopt any method which would save their vessels.

The fact is, however, that shipowners have refused to go to the expense of fitting their vessels with torpedo-resisting devices, although the Government has called their attention to these devices and to methods of stowing cargo which would help to keep vessels afloat even if struck by torpedoes. Because these devices and methods cost money, the shipowners will not adopt them. They are obtaining fairly cheap war insurance from the Government, and as they are seeking profit and not the welfare of the United States or the allied governments they do not care whether their vessels sink or survive. If the ships sink they collect insurance; if they reach port the owners reap huge profits in the shape of freight rates. The death of crews and the loss of materials badly needed by the allies mean nothing to the shipowners.

The United States can not afford to permit this state of affairs to continue. Shipowners must be forced to do their share toward winning the war.

Ah, Mr. President, all aggregations of capital, all receivers of great surplus incomes, must be compelled. They will not volunteer. Hundreds of thousands of men have volunteered to go into the Regular Army. Wealth has not volunteered anywhere to speak of.

Oh, somebody may say that they have come down here to Washington, the heads of all these great business institutions, and are giving their services free to the Government.

Mr. SHAFROTH. Mr. President——

The PRESIDING OFFICER (Mr. JONES of New Mexico in the chair). Does the Senator from Wisconsin yield to the Senator from Colorado?

Mr. LA FOLLETTE. I do.

Mr. SHAFROTH. If the Senator will yield, I should like to hear him upon a proposition as to curbing this tendency on the part of shipowners by providing that no ship shall sail from a port of the United States that is insured for more than three-fourths its value. Would that not have a tendency to curb the evil which the Senator so graphically describes?

Mr. LA FOLLETTE. I think that would help some.

Mr. VARDAMAN. They can do it now.

Mr. LA FOLLETTE. Is it a law?

Mr. VARDAMAN. No; but they could administer it that way.

Mr. LA FOLLETTE. I have not looked into this matter of insurance.

Mr. SHAFROTH. If the statement the Senator has made concerning the sinking of ships has the facts to support it, it is an alarming condition.

Mr. LA FOLLETTE. I have not made the statement; I have just read from the Washington Post.

Mr. SHAFROTH. I believe a remedy of that kind would take away the incentive to the shipowners to sink ships, and that it would be of great value in preserving life and property.

Mr. LA FOLLETTE. But at the time the seamen's act was pending before the Senate I pointed out many times this special and particular evil, this damning crime on the part of shipowners, together with the other wrongs that they were imposing upon the sailors; and, Mr. President, I want to remind the Senate that there were not very many men rising here volunteering suggestions as to how those wrongs involving human life could be corrected. I am glad that war even may arouse such interest in bringing these wrongdoers to book that there may be some prospect of getting legislation bearing upon this subject.

Mr. TOWNSEND. In this connection, may I ask the Senator if he has any knowledge as to whether the Government, knowing the fact that ships are being sent out and sunk without protec-

tion, is insuring them with the people's money at their full value.

Mr. LA FOLLETTE. I must say that I just saw the editorial this morning. While it did not greatly surprise me, I have not had any opportunity after reading it to make any inquiry as to the facts. I put it before the Senate, and Senators who are interested can pursue the facts.

Mr. President, I resume the current of my discussion.

Even the strongest of the entente allies, England and France, will be in no position to repay loans for a long time, and if this war should still last for several years, what political transformations may occur in any country in Europe no one can foretell.

A man's patriotism is indeed what it has been made by the conditions under which he has lived and seen other people live, just as stated by the London Economist; and I quote those words from the London Economist. Too many people, for the comfort of the ruling classes in the warring countries of Europe, are asking to-day why they should give their all to the Government from which they have received so little, while the favored classes pass through the furnace of war unscathed. All that can be said to a certainty is that no man can tell when, if at all, we will receive back the billions of dollars we are loaning and are about to loan to the Governments of Europe. We may sometime get it all; we may never get more than a part; and its collection may be made at the cost of another war, for the wealth of this country would have power to produce another war if they had the interest to impel them to do it. But this we do know, that the money to make these loans must be collected from our people at the present time. And we know also that as a means of helping to meet the emergencies of the present war the securities we are receiving can aid us little if at all.

If the billions of our people's money which we are now smilingly tossing into the furnace of the European war were all we had to consider, the question would not be so serious. But if this war should last another year or two years, think what it will mean to the financial resources of this country. Remember that we have not yet burned up a single dollar's worth of powder; we have not yet exploded a single shell, the cost of some of which exceed the annual income of the average man. If this war shall last for another fiscal year, our expenditures will not be counted in the billions merely but in tens of billions. We will have to reckon with an expenditure of probably thirty or forty billion dollars for the succeeding fiscal year, if this war continues. Do you know what that means? That is a sixth of the total wealth of the United States. It is not improbable that the entire income of all the people of the country, estimated at $38,000,000,000, will not equal the money cost of the second year of this war. We must face these facts and realize the true situation in the framing of this bill and lay firm the foundation of our financial policy by an adequate and just system of taxation at the beginning.

That brings me to discuss some of the features of this bill.

THE CONSUMPTION TAXES.

Omitting the Virgin Island products, referred to in Title X of the bill, and which is estimated to produce only $20,000 in revenue, Titles V to XI of this bill embrace a class of taxes which we have described as consumption taxes. These taxes are summarized in the minority report and include taxes upon transportation, upon freight or passenger service, upon telephone and telegraph messages, upon automobiles, motorcycles and boats, upon admissions to places of entertainment or amusement, stamp taxes, an excise tax upon tea, coffee, sugar, and cocoa. This last-mentioned tax is to be levied upon the articles already produced or imported, as well as upon those to be produced or imported. There are also taxes upon letters, increasing letter postage and the postal rates on second-class matter, and an additional tax upon publishers. There is also a tax upon medicines and various other articles consumed and used in the homes of the country.

All of the taxes under this head will, if the estimate of the majority of the committee is correct, yield something in excess of $400,000,000 in taxes. In the minority report we state briefly our reasons for omitting these taxes. While some of these taxes could more nearly be defended than others, the minority of the committee proposes to omit them all. As I shall presently show, we can raise more than $1,500,000,000 on incomes in excess of that provided for in the bill and not resort to this class of taxation at all. So long as this war can be paid for by recourse to surplus incomes and war profits without possible injury to productive enterprise and still leave to the possessors of such incomes and profits not only the comforts but the luxuries of life, the necessaries of the poor should not be burdened by any additional tax whatever; and you can not justify such taxes.

Taxes upon the necessaries of life are wrong in principle. Many of the articles taxed in this bill already pay a tax in the form of a tariff duty. They are largely articles the consumption of which is necessary to maintain the health and the well-being of the mass of people. Why stop with taxing tea, coffee, sugar, and medicines of the poor man? Why not levy a tax upon every pound of flour and upon every peck of potatoes and upon every ounce of butter that he buys for his family? The principle is the same. I am aware that taxes of this sort have been resorted to in previous wars. They may have been resorted to in all wars, so far as I know. I am aware also that it has been the history of all wars that the burdens imposed both on life and property have been borne by the masses of the people, while the few have used them as a means of acquiring great fortunes, through which they have dominated the life of the country when peace was restored.

You have but to call the roll of American millionaires to remember how many of them laid the foundation for their fortunes in the Civil War. Jay Gould and black Friday, Morgan and his unsavory munition contracts, which were the subject of a congressional investigation; Vanderbilt, the ship-purchasing agent of the Government, who purchased and sold to the Government condemned and worthless vessels, as the result of which he made unnumbered millions of dollars—all will be readily recalled upon mere mention. Rockefeller, Carnegie, and many others laid the foundations of their great wealth in the necessities of the Government in the Civil War. That was not the patriotism we are commending so highly to-day, which leads a man to shoulder a gun and die in the front rank of battle. But they had cunning and sagacity, and the determination to grow rich out of the opportunities for profit which the war offered, while the great mass of the people were giving their property and their lives to defend and perpetuate our Government. The blackest page in all our history is that which tells this story of the great American fortunes made out of the Nation's needs during the Civil War. But, Mr. President, we had hoped that a new day had dawned, that it would no longer be true that the few should profit and grow wealthy by war while the many bear all its burdens and make its supreme sacrifice.

The fact that in previous wars taxes have always been laid upon the necessaries of the mass of people to support the wars is no more true than that in previous wars "war profits" have not been taxed, nor have excessive incomes been heretofore made to pay anything like a due proportion of war taxes. The very fact that we are now able to segregate and bring under contribution for the purpose of taxation some portion of the profits made by the war, as well as the surplus incomes of the country which it is the Government's principal business to protect, is the very reason why we can afford to relieve the great mass of the people from all direct taxes upon the necessaries of life they have heretofore been obliged to bear. I know of nothing more in keeping with the elevated purpose and lofty ideals for which it is claimed we are engaging in this war than to eliminate these consumption taxes from this bill. And I know of nothing that would more conclusively show that the controlling purposes and ideals in this war are heartless and sordid than by leaving these consumption taxes in this bill. Who will believe that we are waging a war for the oppressed in other countries while we are oppressing our own people with unnecessary and unjust taxation?

It is only very little of the burden of the war that you can shift from the shoulders of the people to the wealth of the country by methods of taxation. Something over $400,000,000 can be so shifted by the changes in this bill we propose. It is not $406,350,000 alone, although that is something. It is an earnest of good faith. It helps keep the promise which has been made that private interests shall not be promoted or selfish ends attained by this war.

Here is something that seems to be quite overlooked by the majority of the committee in framing this bill. Again and again upon this floor during the discussion there has fallen from the lips of the chairman of the committee [Mr. SIMMONS], the Senator from Massachusetts [Mr. LODGE], and others the suggestion that it is a highly proper thing in a war-revenue bill to so distribute the taxes that all the people shall bear their share. Mr. President, before this revenue bill was conceived this war had already laid a tax of 50 to 100 per cent upon every man, woman, and child in the higher cost of war prices for all the necessaries of life. The poor and moderately well to do are paying war taxes amounting to several times $400,000,000 every month in the increase of prices of everything they buy which has resulted from the war. It makes little difference to a man with an income of $25,000 or $50,000 a year or more whether the prices of

the necessaries of life are doubled or trebled, for but a small part of his income goes for the necessaries of life. But it is very different with the man whose annual income is $700, the average income of the wage earner, or the man with an income of $2,000 or $3,000; it is different for them.

In either case his income is substantially all expended for necessaries according to his station in life. Double what he must pay for his necessaries, with no corresponding increase in his earnings, whether wages or salary, and he can not meet his expenses. In most cases he was not able to buy more food or clothing before the war than was necessary for himself and his family according to his position in life; but if the prices of necessaries are doubled he can not buy enough of even the plainest food and clothing, pay the rent, and support his family in the station of life he occupied before. His whole manner of living is disorganized, his production decreased, and the Government in consequence becomes the loser. Here is where the real financial burden of war rests. Here is where the individual is called on for real sacrifice. I am not talking sentimentality to Senators, but put it on the hard, cold basis of self-interest for the Government. It is at this point that the Government, not for philanthropic reasons but to keep unimpaired its own strength and vigor, must see to it that the burden is made as light as possible.

That is precisely what the majority bill does not do. I know of nothing that will more certainly destroy confidence in this war, in its aims and in its purposes, than to attempt to assess a large portion of the war cost upon those for whom the struggle is already too hard, while the possessors of surplus incomes and war profits escape by paying a tax so small as not to deprive them of a single luxury, much less a single comfort.

While this bill proposes to raise $2,006,000,000, and while the taxes which the minority of the committee would strike out amount to $406,350,000 only, anything which by increase of price you add to the burden of the man whose earnings are exhausted by excessive prices is just the crossing of the line where you begin to produce a condition under which the family is badly nourished; where you begin to undermine the national strength. From that standpoint alone you can not afford to do it when you have in your hands these great corporations, these holders of immense surplus incomes, to whom you can have recourse without impairing at all their capital, without touching their capital, by taking only a part—a minor part—of their income, leaving them more than they can possibly use, rather than add by one poor scruple to the burden under which the poor people of this country are already staggering in order to take care of their families.

So long as there is an income to be found in the country so large that it yields to its possessor a surplus over and above what he needs for the comfort or even luxuries of life for himself and family, I am in favor of taking such portion of that surplus income by taxation as the Government needs for war purposes, and if it needs it all I am in favor of taking it all before we take one penny from the slender income of the man who receives only enough to provide himself and family with the bare necessaries of life. So long as a man can be found who is making "war profits"—that is, profits due to war in excess of normal profits—I am in favor of taking such portion of those profits by taxation as the Government needs for war purposes, and if it needs them all, I am in favor of taking them all before one penny is added by taxation to the burden of the man already staggering under the load of high prices caused by the war. This may be a principle new in war finance, but it is the very least that the masses of the people should be asked to accept, and is much less than even-handed justice would demand for them.

They pay the cost of the war, though not directly taxed a dollar for it. They pay it in increased prices and in excessive hours of labor. They pay it in service not only on the battle fields but wherever men and women toil in the dreary occupations of life. More than all, they pay it with their blood and their lives and the greatest sacrifice of all—with the blood and life of their loved ones. Surely, sir, it is not too much to ask that they be relieved of the burdens of war taxation until those who profit by the war and those who live in luxury and security in spite of the war have contributed a substantial portion of their surplus. That, sir, is what the minority of this committee demands. It is all that they demand. I am no prophet, but I am greatly mistaken if the people accept this majority bill. Consumption taxes upon the necessaries of the people will be no longer tolerated in war. That primitive and savage form of taxation is as much out of date as are the primitive weapons of warfare. Unless the plan for financing this war shall recognize that fact, that plan will fail, and, in my opinion, fail disastrously.

I shall at the proper time offer an amendment to the income-tax section of this bill.

In the committee bill, as well as in the amendment I shall offer, the maximum rate of tax plus the rates of the existing law is 50 per cent. The rates are so applied, however, in the amendment I propose to offer as to reach the maximum rate earlier than in the committee bill, and in that way provide for raising substantially larger amounts.

In the proposed amendment the war tax begins to apply at $5,000 and increases 1 per cent for each increase of $1,000 of income until the income exceeds $30,000. From that point until the income exceeds $47,500 the increased taxation is applied for every $2,500 increase in the income. The maximum rate of taxation proposed in the amendment—35 per cent—is reached, therefore, at incomes in excess of $47,500. The following table shows the rates of the committee bill, the amendment I propose, and the rate of the British law as applied to incomes in excess of $50,000 up to incomes in excess of $2,000,000.

Income in excess of—	Committee bill.	Proposed amendment.	British law.
$50,000	16	29	42½
$60,000	19	40	42½
$80,000	24	41	42½
$100,000	29	42	42½
$150,000	33	43	42½
$200,000	37	44	42½
$250,000	41	45	42½
$300,000	44	46	42½
$500,000	47	47	42½
$1,000,000	48	48	42½
$1,500,000	49	49	42½
Over $2,000,000	50	50	42½

The estimated amounts of income which will be produced under this proposed amendment, the committee bill, and the rates of the British law applied to the same incomes, are as follows:

The committee bill is estimated to produce $417,763,083. The proposed amendment would yield $658,787,434. The amount which it is estimated the committee bill will produce, plus the amount produced by the rates of the existing law, is $523,244,750. In the same way, by adding the amounts which it is estimated the proposed amendments will produce to amounts produced under existing law, we get $741,683,049, produced by the amendment which I shall offer. The rate of the British law applied to the same incomes would give $1,162,577,817.

The present corporation tax based on incomes is estimated to yield $360,000,000, added to the amounts above, which it is estimated will be produced by the majority and minority plans, gives a total income tax for the majority $777,763,000 and for the minority $1,018,787,434. We propose no change in the amount of what is called the corporation income tax as provided in the majority bill, because that income when distributed to stockholders becomes taxable as individual income unless it is hoarded as surplus and not distributed. We think that is exactly what the majority bill permits, and by virtually leaving it to the Secretary of the Treasury to say what amount of surplus a corporation may keep, and making his ruling final, the way has been opened for corporations to escape payment of millions of dollars of taxes. When that stage of the bill is reached and the amendment proposed by the Senator from New Mexico [Mr. JONES] comes before the Senate, I shall have some observations to submit on that provision. That provision in the bill is one of its worst features, and while I shall not turn aside now to discuss it, I hope to do so later, and the bill should certainly be amended in this respect before it receives the approval of this body.

The only valid objection that can be made to the income amendment which I propose is that its rates are too low, especially as applied to the larger incomes. The only justification for presenting it now is that, in my opinion, it is the best we can hope to get at this time. If the Senate will adopt it, it will be a long step in the right direction, and no one can charge that it does not treat the recipients of large incomes most generously nor pretend that it will in any way burden industry.

Here are just a few of the larger incomes in excess of $2,000,000. This list was prepared in 1913 during the congressional debates on the income-tax feature of the revenue bill, and was published in the New York World. The list would need to be added to very largely to make it anything like complete at the present time.

Name.	Capital.	Income.
John D. Rockefeller	$500,000,000	$50,000,000
Andrew Carnegie	300,000,000	15,000,000
William Rockefeller	200,000,000	20,000,000
Estate of Marshall Field	120,000,000	6,000,000
George F. Baker	100,000,000	5,000,000
Henry Phipps	100,000,000	5,000,000
Henry C. Frick	100,000,000	5,000,000
William A. Clark	80,000,000	4,000,000
Estate of J. P. Morgan	75,000,000	7,500,000
Estate of E. H. Harriman	68,000,000	3,400,000
Estate of Russell Sage	64,000,000	3,200,000
W. K. Vanderbilt	50,000,000	2,500,000
Estate of John S. Kennedy	65,000,000	3,250,000
Estate of John J. Astor	70,000,000	3,500,000
W. W. Astor	70,000,000	3,600,000
J. J. Hill	70,000,000	3,500,000
Isaac Stephenson	74,000,000	3,700,000
Jay Gould estate	70,000,000	3,500,000
Estate of Mrs. Hetty Green	60,000,000	3,000,000
Estate of Cornelius Vanderbilt	60,000,000	2,500,000
Estate of William Weightman	50,000,000	2,500,000
Estate of Ogden Goelet	60,000,000	3,000,000
W. H. Moore	50,000,000	2,500,000
Arthur C. James	50,000,000	2,500,000
Estate of Robert Goelet	60,000,000	3,000,000
Guggenheim estate	50,000,000	2,500,000
Thomas F. Ryan	50,000,000	2,500,000
Edward Morris	45,000,000	2,250,000
J. O. Armour	45,000,000	2,250,000

What does a tax of 50 per cent mean upon incomes like these? What, for that matter, does a tax of 40 per cent mean upon incomes of $50,000 or $60,000, or 42 per cent upon incomes of $100,000, or of 45 per cent upon incomes of $250,000? It leaves the principal untouched, which will produce the same or larger amounts the next year. This is not conscripting wealth at all. It is merely taking a percentage, all too small, of surplus income. In no respect can it be compared with the conscription of men. Every comfort and every luxury that mortal man could desire is still within the reach of the possessors of these incomes after every dollar has been taken which my proposed amendment would take.

Remember that the rule to be applied alike to taxation for war purposes and to the conscription of men for the same purpose is simply what is best for the State. If a widow has two sons upon whom she is dependent for support and the draft takes one and leaves the other, it is not, as we have been repeatedly advised by the rules promulated by the War Department, because of any tenderness for the widow and mother that one son is left. It is merely because to draft both into the Army would mean that the widow would be left without support and become a public charge, to the injury and detriment of the State. The same rule applied to incomes would take all the surplus income. Suppose all incomes were taken and it became necessary for our citizens of great wealth to use a little of their capital to live on, it would do no harm to the State. It might even result in forcing the members of this class to a little wholesome industry whereby the State would greatly benefit.

Turn the question as you will, there is no valid argument against taking as large and, I think, a much larger portion of incomes than is proposed in the amendment which I shall offer when we consider the millions of our people who are sacrificing the comforts and necessaries of life, and even life itself, for their country's sake. Always remember that the high prices already upon us have taxed the common people of this country for the support of this war to a much greater extent than the wealthy class would be taxed if every dollar of income of the members of that class were taken by taxation.

When bread lines shall be a familiar sight in every city of this land, as they are bound to be if the present price of the simple necessaries of life is maintained during the coming winter, when cold and hunger are daily visitors in many thousands of homes which have known only comfort heretofore, a condition certain to exist during the coming winter months unless relief from present prices can be found, it will be small satisfaction, I think, to the Members of this Congress to realize that they have contributed to the want and suffering of the mass of people by refusing to place even an approximately fair portion of the financial burden of this war upon the rich.

I am aware that it is said that a further tax bill will be presented to the next session of the Congress. A further tax bill perhaps will be presented to meet further demands for money to prosecute the war, but in this bill we are dealing with the demands already made. We are raising money for purposes already known, and we should raise it now from those to whom the taxes will be the least burden. But more than that, as I have before pointed out, any attempt at the next session to increase the taxes upon large incomes and war profits will be met by the combined opposition of the wealthy and powerful interests of the country. They can argue, and argue with force, that business has adjusted itself to the burden of taxation imposed by this bill. If it is difficult to-day to levy anything like a fair tax upon those interests, it will be a doubly difficult thing to-morrow.

When the section of the bill is reached involving the subject of war profits I shall submit amendments materially increasing the rate of taxation proposed in the majority bill upon war profits. Those amendments if adopted, taken with the proposed increase in the tax upon incomes, will so increase the revenues to be provided by this bill as to permit of the elimination of all consumption taxes proposed to be levied in Titles V to XI, inclusive, and still raise a billion and a half dollars or more than it is proposed to raise by the committee bill.

Mr. WEEKS obtained the floor.

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Borah	Hale	Lodge	Sheppard
Brady	Harding	McCumber	Sherman
Brandegee	Hollis	McKellar	Shields
Broussard	Husting	McNary	Simmons
Calder	James	Myers	Smith, Md.
Chamberlain	Johnson, Cal.	New	Smith, Mich.
Culberson	Jones, N. Mex.	Norris	Smoot
Curtis	Jones, Wash.	Overman	Sutherland
Dillingham	Kellogg	Page	Trammell
Fletcher	Kendrick	Penrose	Vardaman
France	Kenyon	Phelan	Weeks
Gerry	King	Pittman	Wolcott
Gore	La Follette	Saulsbury	
Gronna	Lewis	Shafroth	

Mr. CURTIS. I desire to announce the absence of the junior Senator from Connecticut [Mr. McLEAN] on account of illness. I will let this announcement stand for the day.

The PRESIDING OFFICER. Fifty-four Senators have answered to their names. A quorum is present.

Mr. WEEKS. Mr. President, the Senator from Wisconsin [Mr. LA FOLLETTE] has been discussing with his usual enthusiam one of the vital sides to the proposition for regulating the method of raising the wherewithal to conduct a great war. There is reason in some of the things which the Senator from Wisconsin has been discussing, but I do not agree with his conclusions. Neither do I entirely agree with the conclusions of the Committee on Finance, although, taking a very unpromising bill, they have worked out a proposition which, it seems to me, justifies the support of the Senate.

It is regrettable that in discussing a bill of this kind the Senator from Wisconsin persists in arraying class against class; in creating those animosities which are harmful to the public. In this particular instance his attack on wealth seems to me to be particularly unjustified. He repeats what has been said so frequently, that it is the result of the activities of wealth which has brought on this war. It seems to me that an answer to that may be made conclusive—that is, this country has been extremely prosperous during the past three years; that wealth has been adding to its accumulations more rapidly perhaps than ever before, so that now there is a certainty that a considerable part of that accumulation, or a considerable part of the revenues of wealth during the period of the war, must be used for the Government's purposes, and, therefore, that the net result to wealth, because we are in a state of war, must be less than would be the case if we were solely providing for the needs of other belligerents. If that is the case—and I think there is no answer to it—what folly it would be for wealth in this country to have precipitated the country into war!

Neither do I think it is fair or reasonable to claim that wealth and those connected with wealth are not doing their fair share in the physical as well as in the material requirements of the Government. I was told by the commandant of the Marine Corps the other day that in one day 40 students from the University of Minnesota enlisted as privates in the Marine Corps; and that is only typical of what has been going on all through this country. The best of our young men have been as ready to respond to the country's call in this war as any class of citizens ever were; and in my judgment it is a scandalous libel to suggest, even, that wealth and men connected with wealthy classes are not doing their full duty in this emergency.

Then there is one other point made by the Senator from Wisconsin which I want to bring to the attention of the Senate, and that is his reading from this morning's Washington Post

an article relating to shipping and shipowners failing to equip their ships with apparatus which would prevent their destruction by torpedoes. This was used as a reflection on shipowners and to suggest their willingness that their ships should be sunk so that they might collect the insurance.

Of course, there is a complete answer to that proposition. In fact, the Senator from Wisconsin did not introduce it for any other reason than to create prejudice in the minds of those who heard the editorial read. He had no information on the subject; and when the Senator from Colorado [Mr. SHAFROTH], ever ready for an investigation, suggested that an investigation be made, the Senator from Wisconsin replied that he had no knowledge of the facts in the case.

The real facts are, Mr. President, that the Government is insuring most of these ships on a basis equivalent, I understand, to about one-half of the value of the ship; that the real value of the ship in these times, based on the rates which the Government itself is paying, is probably at least three times the cost of the ship in the first instance if it were built before the war, and that any sinking of a ship to-day means an irreparable loss to the owner of the ship. There can not be anything in that kind of a contention. It simply shows a disposition to embarrass and to involve the differences which naturally exist between those who have made the majority and the minority reports on this bill.

Now, I am going to try to answer some of the general propositions which have been made by the Senator from New Hampshire [Mr. HOLLIS], the Senator from California [Mr. JOHNSON], and the Senator from Wisconsin [Mr. LA FOLLETTE], who support the minority report.

To my mind there are many vital reasons why we should not take all of the income of the country and why we should not take all of the surplus revenue earned as a result of the war, and it is those reasons which I wish to bring to the attention of the Senate. Lest I forget it, or those who are here now may not be later, I want to suggest that while in this bill we are raising substantially the same proportion of the annual cost of the war to ourselves that England is doing, which is the highest proportion of any country in the world, that England has reached this stage of taxation after three years, and that makes a radical difference to the business of the country. Business wishes to look ahead and see where it is going to end. It wants a terminus in plain view; and if it has that terminus, then it has confidence, and we have good business in this country. Therefore if we can raise taxation sufficient for our necessities this year based on a plan which is fundamentally sound, we can undoubtedly raise a larger amount based on exactly the same plan next year without any more embarrassment to the payers of the taxes than the embarrassment which they will meet by paying a lesser amount this year.

I hope I have made that plain—that if, through a term of years, we can gradually increase the rate of taxation based on the same general plan, we are not going to add to the difficulties of raising the money.

One of the most difficult problems which this Congress has had—and it has had a multiplicity of them—has been to face the raising of a sufficient amount of money to prosecute the present war without injuring or seriously affecting any business interest in our country. I want to call to the attention of Senators the fact that the financing of war to-day and the financing of war a hundred years ago, even taking into account the difference in the wealth of countries in the two periods, is a very different and a much more difficult proposition. The whole expense of war has enormously increased per man engaged, so that while we raise a billion dollars to-day with perhaps as much ease as we did a hundred millions during the Civil War period, relatively speaking we raise for war, based on population or even wealth, very much more to-day, taking into account the number of men engaged, than ever before. Taxation should not be levied for the purpose of attacking an industry or for the promotion of socialistic policies by evening up the relative wealth of individuals, for, necessarily, if a source of revenue is harmed by the imposition of unreasonable taxation, it makes the obtaining of sufficient revenue in the immediate future all the more difficult. If the war continues indefinitely the country may be bled white to pay the cost. This burden is unescapable, but if we are bled scientifically it may lead to the purification of our blood. If we are bled wrongfully, it may lead to pernicious anemia.

If we can finance the war on the right basis, so far as possible putting the burden on future and unpledged savings of the country, and if we can keep our manufacturing and merchandising and agricultural communities supplied with money and credit, and let the war demands intensify business activities, we can prevent superimposing upon the inescapable miseries of the war the entirely preventable miseries of panicky, hard times. Therefore, assuming that the war will continue indefinitely, it becomes necessary to provide the required revenue for one year, and equally essential that this be done in such a way that increased revenue can be collected next year without materially changing the system from which it is obtained.

The more I study this subject the more convinced I am in the correctness of the theory that not only should the civil expenses of the Government and the interest on the public debt be provided by taxation, but that a sufficient amount, in addition, should be produced from the same source to guarantee that the cost of the war will be liquidated by the present generation. There is no soundness to the theory that those of to-day should not only fight the war but pay the bills. We are not fighting exclusively on our own account; we are fighting for future generations as well, and there is every reason why those who will receive these benefits should bear at least a proportional share of the financial cost of the war. They can not assume the physical cost; that must be borne by the present generation. If I could dictate the taxation policy of the Government, I would add to the two primary reasons for laying additional taxation the requirement that an amount equal to one-twentieth of the cost of the war should be raised by taxation each year, so that at the end of 20 years the entire indebtedness of the war would be liquidated.

It is very difficult to find on any subject a greater lack of knowledge on the part of those discussing the question than that of war finance. In the final analysis we are not going to gain materially—in fact, not at all—by reviving and putting into operation schemes of taxation which have, time and time again, been demonstrated as unwise, unsound, and unproductive. The experience of the war has pretty clearly demonstrated what can and can not be done.

One of the greatest fallacies existing is the theory held by a few people that the cost of the war should be entirely obtained from bond issues. If there is a greater fallacy it is the one that the larger part of the cost of the war should be obtained from direct taxation. That is the popular view to take, popular on the assumption that taxes are to be levied against the rich and that the poor are going to escape; in other words, that it is as legitimate to commandeer money as it is to draft men. The people who make this argument fail to remember that the draft applies to the rich and poor alike; in fact, it includes all classes of citizens, and one of the fundamental excuses for imposing conscription is that it is absolutely democratic. If an examination were made of the result of the draft being imposed it would be found that it has been absolutely impartial in its selections, although undoubtedly it will be shown that the wage earner will escape much more frequently than those who do not belong to that particular class, because men of that class engaged in certain occupations may be exempt.

Moreover, wealth has a great variety of uses, not necessarily selfish and personal but from the public standpoint, and it is some of those uses I shall wish to point out in my argument limiting the amount of money to be raised from taxation. I have said that the experience of the world should teach us a course we can safely follow. That experience may be obtained from our own financial operations as well as those of European countries, and more particularly the experience of the nations of Europe, especially England and France, because they have financed more wars and have financed them better than we have done. Our own experience in this direction is not an appealing one. Neither in the War of 1812 or the Civil War did we establish a precedent which can be wisely or safely followed, and the financial operations connected with the Spanish-American War were so small in comparison with what will be required during the present war that they do not furnish a suitable example; but, on the other hand, we may safely follow European precedents as far as they apply to our conditions. The fact is that during the Spanish-American War we raised but $25,000,000 during the year 1898 from internal-revenue taxes in addition to what we had previously raised, and during the year 1899 we raised $125,000,000; and the proportional part of the cost of the war raised from taxation was not greater than is proposed in the present bill.

Germany can not be used to the same degree for this purpose that other European countries can, because the policy of the Imperial German Government has been quite different from that of other nations. It is probably true that Germany has issued more bonds in proportion to the cost of the war than have other countries, but they have done so because Germany has maintained from the beginning, and does now—in fact, it has stimulated its own people with this declaration—that in the final analysis indemnities will be levied against the nations at war with the German Government, and the cost of the war will be paid by Germany's enemies. Therefore, instead of levying

unusual taxes Germany has issued bonds, assuming that they will be paid by the conquered.

No other country engaged in this war has taken that position and not one of them would even suggest that such a course should be taken when hostilities cease. There are other and better methods of financing than forcing a crushed enemy to pay the cost of your own military operations. In France and England the situation is different. France has been peculiar for many years in its policy of distributing bonds among its people, even the poorer classes. They have been issued in small denominations, and in no other country in the world has there been anything like the large number of bondholders in proportion to the population as in France.

The same general result has been obtained in Great Britain; and while wealth must furnish the larger part of the money required in bond issues it can be demonstrated from the experience of France and England, and equally well demonstrated when the facts of our own experience are all known that directly and indirectly there is a very widespread interest in the bonds issued by the respective Governments. This may not be as apparent in the case of individuals as it is in an indirect way in the subscriptions made by corporations, savings banks, insurance companies, and other similar combinations. These subscriptions, while comparatively few in number, really represent tens of thousands of individuals. Especially is this true in the case of savings banks and insurance companies.

What I particularly wish to demonstrate is the fallacy of reaching a conclusion that it is safe or wise to take an excessive amount of surplus income at this time, making it, in effect, conscription. Those who advocate such a policy, it is true, will use England as an example and say that the amount of income taxes raised before the war was not over $250,000,000, and the amount to be raised this year will be a billion, but they must remember that that figure has been reached after three years of war and by a gradual process of extension of the law already in operation. In no case, however, has the income tax in England exceeded 35 per cent.

The income tax in France has not exceeded 10 per cent, and there is no income tax whatever in Canada. I want to call attention to what seems to be the far-seeing wisdom which is being displayed by our Canadian neighbors, a policy which will surely react on our prosperity after the war if we do not give it some consideration. Imposing no taxes on one side of the line and having an excessive, almost drastic income tax levied on the other will necessarily drive capital from the United States to Canada. There has been a very marked tendency to construct branch manufactories and even place original investments in Canada for manufacturing and other purposes during the last few years, and as surely as the time arrives, if we impose excessive and what I would term burdensome income taxes on our people while the Canadians do not impose any, we will find the tendency to follow this course will be very pronounced when the war ends.

Neither is it fair or sane to say that if a man has a million dollars income it is not confiscation for the Government to take one-half of it. Of course it is not confiscation which materially affects the individual. He will be the least concerned, or should be, if such a policy is followed, because he will certainly have enough to supply all of his needs and very much more; but it is the kind of confiscation which reacts on the general community and which is sometimes so obscure in its effect that it is difficult for the average person to understand why conditions are not satisfactory.

Who provided the hundred millions of dollars which was raised for the Red Cross? Was that done by the average citizen, or did it come from the surplus revenues of those who will pay the income taxes which will be imposed by this bill? Right in the midst of placing the liberty loan we were asked in that one way to give $100,000,000. Who provides the very large amounts of money given every year to educational and charitable institutions? Who has provided for the research investigations carried on by the various Rockefeller endowments? Those things can not be done unless there are large accumulations of capital, and they come as a result of these large accumulations.

I think I might as well put into the RECORD right here, Mr. President, some comments which I want to make on the question of new securities and gifts and donations. I am reading from the New International Yearbook of 1916, relating to gifts and bequests:

"The total amount of donations and bequests to charity, educational and religious institutions, art, music, and the public welfare in general in the United States during 1916 probably reached nearly $1,000,000,000. * * * The increases by corporations to employees in wages and bonuses amounted to nearly $400,000,00. Christmas charitable organizations and Good Fellows added about $80,000,000 to the grand total. * * * The donations and bequests for various purposes amounted to $764,000,000. These include only large sums which have been publicly announced. Of this total donations amounted to $623,000,000 and bequests to $140,815,000. To charities were given $657,000,000, to educational institutions $72,612,000, to religious institutions $20,000,000, to museums, art galleries, and municipal benefits $11,479,000, and to libraries $2,717,000."

Now I ask, considering that total, amounting to something like $2,000,000,000 for purposes which are beneficial to every community which is the recipient of a gift, what is going to happen if we take all the income of individuals and all the surplus earnings during this war from these educational, eleemosynary institutions, libraries, and schools? Where are they going to get the money to carry on their institutions? Already there is an amendment pending here asking that gifts be relieved from the provisions of the bill. Every educator is appealing to those who have been in the habit of giving not to withhold any considerable part of their usual gifts, and every educational institution is going to be embarrassed by this condition.

Then, again, we have a development policy in the United States. Every year a large part of the surplus earnings of the country goes into development. I wrote not long ago to a very well-posted bond man and asked for figures on the amount of securities issued in the United States last year. I received this letter in reply:

The total of bonds issued in 1916 was $853,000,000.
The total notes issued was $337,000,000.
The total of stock issued was $634,000,000.
The grand total new securities issued—stocks, bonds, and notes—was $1,864,000,000.

Of this total, $951,000,000 was represented by new securities of industrial companies; $542,000,000 was represented by securities of public-utilities corporations; and $371,000,000 represent new railroad securities.

Up to May 31 last there have been issued in 1917 a total in new securities of $945,575,000, divided as follows

In bonds	$417,000,000
In notes	293,000,000
In stock	234,000,000

There is, so far as I know, no definite measure ascertainable as to the amount of money raised by new securities which represent new capital raised.

I have for years used a rule of the same method which has been adopted by others in financial work with very satisfactory results, the gist of which is to regard 30 per cent of new securities issued as representing the financing of maturing obligations and 10 per cent as invested in fixed forms, leaving 60 per cent as additions to the aggregate working capital of corporations.

Applying this rule to the figures above quoted, it would mean that in 1916, approximately $1,302,000,000 was actually new money invested in corporation activities, of which $1,116,000,000 represented new working capital invested in the business and $187,000,000 new capital invested in fixed forms.

I ask the Senator from Wisconsin or any other Senator where is this money coming from to keep the public-service corporations of this country up to a reasonable standard to serve the public, or what is going to be done for money to add to the industrial activities of the United States. If we can not do those two things, then necessarily the public is not going to be well served by public-service corporations, and necessarily a great many men who would be employed in the additions which are built to industrial concerns will fail to obtain employment. In other words, if we take all this surplus revenue for the Government then there is none remaining for these very important matters.

This writer goes on to say:

On the same basis of computation, it would mean that an additional $661,000,000 has been invested either in fixed forms or in working capital in financing corporation activities in the first five months of 1917.

These figures here given are subject to modification for the purpose of your letter in that they represent par value in most instances. Where securities of no par value are issued, the offering price is used as the basis of computation, but in any event a reduction by 10 per cent to represent the bankers' underwriting profit, or the expenses of doing the business, would be ample, leaving 90 per cent of the amount above indicated as actually paid to the corporation.

I wish to bring to the attention of the Senate one or two instances of the receipts of money showing more conclusively that they come from surplus revenues. For instance, the Chicago University last year received in gifts from Mrs. George B. Eckels, $10,000; from the General Educational Board, for medical schools, $1,000,000; by La Verne W. Noyes, $190,000; by the Rockefeller Foundation, $1,000,000; by various donors, names not given, $1,000,000; by Mr. and Mrs. Julius Rosenwald, $500,000; by Hobart Williams, $2,500,000; a total of something like $7,000,000 from a comparatively few people who had evidently had surplus incomes, and therefore they were enabled to make these gifts. In other words, these great gifts which maintain our educational and similar institutions come from those who have accumulated a considerable surplus wealth, and in their passing, or, better still, during their lives they provide

the means for making investigations, and for the education of the youth of the country.

Another and very substantial diversion of surplus earnings may be found in building construction each year. To indicate the extent of the requirements for this purpose I insert a table—it is a compilation made by the American Contractor—showing the building operations in 113 cities during the month of May, 1916 and 1917. There has been a falling off in building operations of about 35 per cent, which is one of the important results of the propaganda to economize, and it is also affected by the high cost of building material. The building trade of the country is one of our largest industries, and a reduction of 35 per cent in its volume is most important, because it necessarily means, or will eventually mean, the throwing of a very considerable number of men out of employment.

This particular table refers to but 113 cities, and applying to them alone it would indicate that the total capital required for this purpose in these cities for the year 1916 was $1,368,000,000. If the May rate continues during 1917, it will require for that purpose in these 113 cities $900,000,000; but this is not a large part of the total construction operation in the United States. I notice that in this list there are but nine Massachusetts cities. There are nearly four times that number in the State, several of more than 100,000 population, like Lowell, Somerville, and Cambridge, not included in the list, so that I think it would be safe to say that, while Boston is included in the list, building operations in other Massachusetts cities, without including towns, would be equal to the volume referred to in this list. The cities which are not included would double the amount of business done by those which are included. In other words, it is probable that the building operations of the country would be twice the amount indicated in this list, or at least $2,000,000,000 a year.

If all surplus earnings were to be taken for the purposes of the war, it would greatly embarrass such operations; in fact, it would practically destroy any activity along these lines. Considerable revenue would be obtained from those engaged in construction of this kind under the excess-profits tax and in other ways, and it is one of the pertinent examples of what will happen unless taxation is so laid that business will not be jeopardized; in fact, it should be so laid that business will be speeded up rather than reduced, as is indicated by the table, which I will insert without reading, if I have unanimous consent to do so.

The PRESIDING OFFICER (Mr. LEWIS in the chair). If there is no objection, it is so ordered.

The table referred to is as follows:

City.	May, 1917.		May, 1916.		Per cent.	
	Number of buildings.	Estimated cost.	Number of buildings.	Estimated cost.	Gain.	Loss.
Akron, Ohio	663	$1,689,940	468	$921,527	83	
Allentown, Pa	44	170,582	54	452,640		62
Altoona, Pa	69	55,789	105	111,740		50
Atlanta, Ga	187	373,171	272	386,585		3
Atlantic City, N. J	128	105,687	124	202,056		48
Baltimore, Md	360	583,042	191	356,077	64	
Berkeley, Cal	87	110,000	115	154,100		29
Binghamton, N. Y	344	130,043	408	134,235		3
Birmingham, Ala	368	112,087	348	120,998		7
Boston, Mass., and vicinity	427	5,859,000	606	5,969,000		2
Bridgeport, Conn	170	514,025	201	562,468		9
Brockton, Mass	59	62,899	78	256,905		75
Buffalo, N. Y	477	892,000	584	1,155,000		23
Canton, Ohio	155	441,190	194	396,850	11	
Cedar Rapids, Iowa	30	144,000	69	170,000		15
Charlotte, N. C	22	96,465	15	28,350	240	
Chattanooga, Tenn	181	72,155	245	446,416		84
Chicago, Ill	619	6,552,800	1,207	13,707,100		52
Cincinnati, Ohio	1,248	2,303,730	1,569	1,013,345	126	
Cleveland, Ohio	1,470	3,185,500	1,586	2,688,080	18	
Colorado Springs, Colo	25	31,125	40	37,269		16
Columbus, Ohio	245	500,310	368	1,030,650		51
Dallas, Tex	85	415,335	146	337,488	23	
Davenport, Iowa	90	194,913	67	86,418	125	
Dayton, Ohio	178	514,183	186	441,251	16	
Denver, Colo	251	290,940	259	443,400		34
Detroit, Mich	1,627	4,191,935	1,759	5,146,945		18
Des Moines, Iowa	495	1,256,047	294	971,694	29	
Dubuque, Iowa	15	40,820	29	106,625		62
Duluth, Minn	207	278,762	247	7,272,845		96
East Orange, N. J	61	215,075	69	137,486	56	
East St. Louis, Ill	35	71,260	48	88,155		19
Elizabeth, N. J	46	118,934	60	203,658		42
Erie, Pa	157	855,176	186	214,800	298	
Evansville, Ind	120	77,047	189	127,175		39
Fort Wayne, Ind	79	255,541	102	796,225		72
Fort Worth, Tex	52	265,701	91	146,132	82	
Grand Rapids, Mich	140	245,804	277	253,970		3
Harrisburg, Pa	38	103,930	41	142,845		27
Hartford, Conn	99	535,934	173	1,118,240		52
Hoboken, N. J	22	$43,913	27	$24,640	78	
Holyoke, Mass	18	45,075	29	304,945		85
Huntington, W. Va	58	181,035	92	104,351	73	
Indianapolis, Ind	545	640,198	772	860,030		25
Jacksonville, Fla	38	150,677	55	213,307		29
Kansas City, Kans	48	196,670	64	57,866	240	
Kansas City, Mo	346	1,252,020	416	1,220,900	3	
Lawrence, Mass	30	67,305	30	77,900		14
Lincoln, Nebr	39	142,180	73	278,310		49
Los Angeles, Cal	478	782,651	635	1,379,691		43
Louisville, Ky	145	136,310	221	342,620		60
Manchester, N. H	76	58,168	159	166,623		65
Memphis, Tenn	150	240,175	237	279,535		14
Milwaukee, Wis	434	1,263,870	565	1,109,131	14	
Minneapolis, Minn	736	917,750	950	3,055,800		70
Newark, N. J	276	1,131,920	280	815,368	39	
New Bedford, Mass	48	842,825	122	1,209,900		30
New Britain, Conn	60	159,120	51	107,832	47	
New Haven, Conn	140	281,902	135	489,320		46
New Orleans, La	99	295,845	98	420,190		29
New York City:						
Borough of Manhattan	454	2,744,845	431	18,346,722		85
Borough of the Bronx	381	1,468,783	448	2,359,470		38
Borough of Brooklyn	1,155	2,533,929	1,516	5,140,611		51
Borough of Queens	705	781,095	905	2,369,803		67
Borough of Richmond	121	244,464	182	299,765		18
Niagara Falls, N. Y	72	193,314	50	108,952	77	
Norfolk, Va	43	230,590	60	118,225	95	
Oakland, Cal	236	465,430	309	414,407	12	
Oklahoma City, Okla	104	310,567	72	171,940	81	
Omaha, Nebr	142	1,008,787	192	961,240	5	
Pasadena, Cal	91	111,614	137	154,851		29
Passaic, N. J	35	670,125	40	234,525	185	
Paterson, N. J	134	169,694	158	281,073		40
Peoria, Ill	37	72,921	64	186,050		61
Philadelphia, Pa	971	3,558,355	1,524	4,791,255		26
Pittsburgh, Pa	489	1,433,432	515	1,120,675	28	
Portland, Me	48	82,948	75	143,820		42
Pueblo, Colo	60	214,264	16	33,624	537	
Quincy, Mass	70	101,064	125	217,116		53
Reading, Pa	66	71,875	80	206,675		65
Richmond, Va	108	1,021,095	159	471,471	116	
Rochester, N. Y	297	746,171	394	982,216		24
Sacramento, Cal	97	121,959	80	158,815		23
Saginaw, Mich	41	36,480	38	49,435		26
Salem, Mass	32	49,862	59	93,215		46
Salt Lake City, Utah	91	329,410	119	396,754		17
San Diego, Cal	106	63,125	151	302,310		79
San Francisco, Cal	645	2,589,585	590	1,629,527	77	
San Jose, Cal	46	160,416	30	30,309	429	
Savannah, Ga	33	64,925	58	111,469		42
Scranton, Pa	61	280,543	84	148,827	88	
Seattle, Wash	687	1,014,070	769	504,365	101	
Sioux City, Iowa	68	809,167	71	173,460	366	
South Bend, Ind	160	189,653	111	187,260	1	
Spokane, Wash	112	476,310	130	139,305	242	
Springfield, Ill	62	89,535	90	207,760		57
Springfield, Mass	158	495,140	203	1,158,215		57
St. Joseph, Mo	53	81,563	78	63,945	27	
St. Louis, Mo	783	1,039,241	838	988,540	5	
St. Paul, Minn	296	1,389,694	268	1,360,322	2	
Stockton, Cal	34	106,869	52	81,220	31	
Superior, Wis	137	75,125	108	54,749	37	
Tacoma, Wash	92	117,549	137	88,815	32	
Tampa, Fla	76	66,989	123	275,455		76
Terre Haute, Ind	49	27,875	72	164,752		83
Toledo, Ohio	493	706,560	633	1,275,117		44
Topeka, Kans	46	87,155	70	223,815		61
Trenton, N. J	61	160,332	91	242,021		34
Troy, N. Y	54	66,590	86	81,064		18
Utica, N. Y	57	165,395	92	258,590		94
Washington, D. C	443	1,805,200	480	1,304,363	38	
Wichita, Kans	94	194,685	35	307,625		37
Wilkes-Barre, Pa	54	18,205	117	173,741		89
Wilmington, Del	75	178,363	125	433,936		59
Worcester, Mass	200	310,527	255	871,102		64
Youngstown, Ohio	218	474,805	145	559,209		15
Total	26,479	75,168,153	31,955	114,331,891		34

Mr. WEEKS. Another important outlay which is a part of our annual expenditures relates to the purchase of new machinery and the repair or renewal of old machinery. Last year, according to the census reports, which are the best obtainable, we put about $2,000,000,000 into this one development or industry. Any action on the part of the Government which will lessen and especially stagnate the manufacturing interests of the country would necessarily reduce, if not practically destroy, this demand for new machinery. Hundreds of thousands of men are employed in this industry, so not only will their interests be affected but any probable increase in our capacity to supply the needs of the country would be prevented. A lessening in the supply of machinery in this country would be so far-reaching that its effect could not be estimated in dollars and cents;

but this is simply another illustration of the necessity of keeping industries employed at their maximum capacity.

The reserves of the country not only go into these two important activities but into many others. It is impossible to give a complete list of them or of their importance from a monetary standpoint, but they are easily indicated by a study of the census report, and those to which I have made reference indicate that between six and eight billion dollars are expended for educational and eleemosynary purposes, for new machinery, for building purposes, and for the general purposes incident to those purposes. If we are going to take all the surplus revenue for the Government, of course every one of those industries and activities is going to languish.

It can not make any difference to a Rockefeller, who may have an income of $25,000,000 a year, whether he gives a quarter or a half or even three-quarters of his revenue to the Government. It makes a difference to others, and necessarily so. What does the man who has a surplus income do with it? Let us take the example of a man who has $100,000 income. I notice in the House debate it was stated that that is all the income which should be left to any individual. That statement was made by two or three speakers in general terms. What does a man with $100,000 of income do with that income? He may spend $25,000 of it for living expenses. Does he bury the other $75,000? If he did of course it would be extremely harmful to the community; but, as a matter of fact, he devotes that other $75,000 to the very purposes which I have been indicating. He invests some of it in the bonds, perhaps, of a public-service corporation, enabling that corporation to extend its line or improve its facilities. He may invest some of it in bank stocks, enabling the bank in the community where he lives to better serve the community by so doing. He may invest it in any one of the dozens of ways which may occur to any Senator, but as a matter of fact he does invest all of it in some form. He either buys securities, the net result of which is going to benefit the community, or else he gives the money to something or to somebody that will receive a measurable benefit from the gift, and therefore the Government, by taking the surplus money, simply prevents that individual from doing the things which he has done in the past.

As I said, it makes a vast difference to the community whether the beneficial uses to which that money is being put are continued or stopped. Moreover, if surplus incomes were not invested in eleemosynary ways, they would be invested in securities, which would result in building up the industrial and public-service corporations of the country. It is surplus income which makes such provisions, and without surplus incomes there would be an absolute stagnation in the construction of all those facilities which combine to keep our industrial life at the highest possible tension.

We should not levy taxation for the purpose of venting spite or prejudice against localities or enterprises or individuals, but to obtain revenue and at the same time keep every wheel turning at its full capacity; in other words, keeping everybody employed. In the final analysis, if the war is of any considerable length, that policy will in itself produce the greatest amount of revenue through excess war taxes and other similar ways.

Incidentally, while I have no brief to do so, I want to say a word for New York City and that section which is so generally the target of the unthinking and the envious. The reports seem to indicate that this community has subscribed for $800,000,000 of the liberty bonds just issued, or two-fifths of the entire issue placed. That is not because two-fifths of the wealth of the United States is located in New York City; it has not been done because of the attacks made on this particular community nor because any attention has been paid to the unthinking statements made when this bond issue was about to be placed that banks and bankers were not to be consulted; and it has not been because the people of New York City are any more patriotic than those of other parts of the country, or any less patriotic, but because there is located the financial heart of the United States. There is the concentrated capital; there is where the surplus earnings of the country gravitate, and that is the place where they are invested. There have been attempts in recent years, made in connection with the various investigations of the Money Trust and other foolish and irresponsible undertakings and declarations, to restrict what has been termed the "power of New York City," but it would be just as practicable to attempt to restrict within a limited space the flow of a mighty river or to make water run up hill as to divert by artificial means the trend of monetary transactions to New York. The envious and unthinking having failed to change this natural course, we find that those accumulations come to the rescue of the Government and provide now, as they will in the future, much more than New York's share of the cost of conducting this war.

The press is prone to criticize Congress for delay in passing war legislation, and yet few people would have believed five months ago that within that time war would be declared, legislation providing for the enrollment of 10,000,000 men would be enacted and the enrollment an accomplished fact; that a loan of three billions of dollars to the allies would have been made and partially paid; that a bond issue of two billions of dollars, bearing 3½ per cent interest, would be authorized and sold in this country; that all the deficiency revenue bills developing as a result of the war would have been promptly acted upon and become laws; that $500,000,000 would have been appropriated for the construction of ships, a large number of which have been contracted for; that $640,000,000 would be appropriated for aviation purposes; and that we would actually have troops in France on or near the firing line; all this in addition to passing food bills and much other legislation incident to the war—certainly a remarkable record. The consideration of all this legislation has not been tinged with partisanship, and in no respect nor for any reason has this legislation been unduly delayed.

I wish to repeat that, because it has been so frequently said that Congress has not been acting promptly, and so frequently has been the misstatement made that time is being wasted, for which reason the administration would be embarrassed by the action of Congress, and especially of the Senate. I do not believe there is a scintilla of evidence or fact to substantiate that statement.

We are now about to take practically the last step in laying the foundation for the prosecution of the war—providing for war taxation—and it is of vital importance that this step be most wisely taken, so sufficient revenues for the Government may be obtained without any material harm coming to the business of the country. Money must be obtained from those sources having surplus funds in cash, or practically so; it can not be obtained from surpluses invested in real estate or other property. Therefore it is essential that the plan adopted by the Senate Committee on Finance be incorporated in the bill; that is, to obtain the larger part of our needed revenues from incomes and excess war profits.

In this connection it may be well to call attention to the prevailing sentiment relative to prices and the possibilities which may result from unwise price fixing. Apparently those furnishing supplies to the Government are to be asked to do so with a small percentage of profit added to the actual cost of the goods. Lately it has been intimated that these prices should apply also to similar supplies furnished the allies, and that the general public should also be given the same price as the Government. Logically there is no reason why this should not be done. The Government is the public organized; the individual buyer is the public unorganized, and fundamentally there is no reason why the public organized should be given any preference over the public unorganized. Moreover, I am fearful of the sentiment which prevails relating to what is termed "profiteering." Why do men go into business? There is but one answer to that question—for the purpose of making profits. If they do not make profits, how can they support those dependent on them; how can they maintain establishments employing large numbers of our citizens unless there is a commensurate profit in proportion to the risks taken? If we are going to screw down the producer so that his profits are nominal, or even normal in war times, we must not only take the chance of destroying individual initiative and enterprise but if we do not do that we will certainly destroy the ability of such people to contribute to the expenses of the Government through income taxes and war-revenue taxes.

Very frequently we hear comments about excessive profits made by the United States Steel Co., and they are very large and I am willing to say excessive. But we are going to receive, according to the estimate I have recently seen, more than $125,000,000 of the $530,000,000, which it is estimated will be raised under the provisions of the bill from excessive war taxes, from the United States Steel Co. If the Government is going to compel the Steel Corporation to sell to the Government and to the allies and to individuals at a nominal price above cost, we are certainly going to lose the benefit of this large tax, and in addition we are going to lose any incentive on the part of the managers of such companies to extend and enlarge their business.

Moreover, we must be moderate in the amount of income we take, because substantially the same people who will pay this war taxation are the same ones who will subscribe most largely to the war loans and other activities connected with the war, like the Red Cross, and so forth. Then, when money is taken from these sources for taxation, for war loans, or for other similar purposes, it is not going to be available for use in the general improvements ordinarily connected with business activities. It can not be put into brick, stone, and mortar, or that kind of

development; it can not go into the development of mines or other enterprises which give employment to labor. Our national wealth is not available for income purposes, our national wealth is invested in railroads, in mines, in manufacturing plants, and in all the multitudinous enterprises in which our people are engaged. Those things are not available for revenue purposes; only surpluses can be used for revenue, and, therefore, we are almost bound to limit ourselves in our taxation plan to one at least similar to that reported by the Finance Committee.

I think I ought to say, Mr. President, that many of the details of the bill worked out by the committee seem to me to be most satisfactory. I am not entirely in approval of all the features of the bill, and I have offered several amendments which I shall discuss later, but which I shall not take the time to discuss now. The Finance Committee is entitled to credit for having taken a proposition which I think was distinctly unsound and whipped it into shape so that it meets the approval of a large percentage of those who are familiar with the conditions. I want particularly to thank the chairman and the members of the committee for the care and patience which they have used in the consideration of the bill. I do not know what the experience of other Senators has been, but mine has been that any matter which I brought to the attention of any member of the Finance Committee has received his earnest and prompt attention, not always his favorable action, which, of course, was impossible; but certainly the members of the committee have tried to work out something which will meet the approval of Congress.

I have noticed statements made by those in very high authority to the effect that we would have no trouble in selling our bonds or in raising revenue because we had annually an increase in wealth of $50,000,000,000; but $50,000,000,000 does not represent our increase in wealth, it is the aggregate of the earnings of capital and labor combined. It is not an increase in wealth, it is a transferral of wealth, and the net increase may be only a small percentage of that amount. Naturally the larger part of this great sum is consumed in living expenses, and it is simply transferred from one hand to another.

In a word, the most important question connected with this laying of taxation is that relating to the conservation of the sources of revenue we will tap. If we do this wisely, we will be in position at the end of the war to effectively maintain our competition with foreign countries; but to do it wisely we must adopt the selective-draft system we have applied to the raising of an army; that is, we must draft from sources presumably less actively employed in all of the affairs of life, so that their expenditure will not be as keenly felt as would the expenditure of men of a different age. Presumably young men are not in as important employments or positions as those 10, or 20, or 30 years older, and therefore the draft applies to a limited age. In the same way the draft should be applied to limited sources for the revenue needed to finance the war, and I think, on the whole, the Senate committee has provided admirably for this purpose.

More important than any other reason against a policy of excessive taxation is that it will produce a hesitation or failure to undertake new ventures, for the Government will be taking revenue needed for other purposes and which usually goes to other activities. This would very quickly throw a cold blanket over the business activities of the country. The only immediate revenue that should be taken, in the final analysis, for the conduct of the war is that necessary for the normal governmental expenses and the surplus revenue not needed for extensions of business or the ordinary usual governmental, State, municipal, and charitable expenditures. When we take a penny beyond that amount we cripple something somewhere; and in the general adjustment that takes place, including the throwing of a man out of employment who can perform service where he has been employed better than elsewhere, we lessen the efficiency of our whole business structure.

Mr. President, during the discussion to-day the Senator from Wisconsin referred to the condition of the working man and the difficulty which he was having in making both ends meet. When there is a material increase in prices of commodities at any time somebody is pinched. Wages can not be raised in exactly the same ratio as other prices, exactly at the same time. If it were possible to do so, marking up wages as other products are marked up, at the same time, no harm would come to the working man or anyone else from an increase in the cost of living. The results of living are not the amount of money which a man receives for his employment but the net amount that he has at the end of the year. If that is a fair basis, it does not seem that the claims which are made that the laboring man is having an especially difficult time can be substantiated.

My judgment is that those who are living on small salaries, belonging to what we may term the "clerk class," are having infinitely more difficulty than are the men ordinarily classed as laborers. Labor has succeeded, and very properly so, in increasing its wages during the war as the cost of living has increased, at least in many cases. Other employees, like those of the clerk class, have not succeeded in doing so. So I think they are the worst sufferers.

I have referred, Mr. President, many times to the Massachusetts savings banks report, because I think those banks are the best indication of what the average laboring man in the United States is doing. I refer to Massachusetts simply as a type of all those States which have mutual savings banks, as the best indication that there is in the United States of what the average man is able to do at any definite time. The figures in the report made by those banks do not lie; they are the actual facts. In Massachusetts they particularly well represent the conditions because under our law a Massachusetts savings bank can only receive $1,600 from any one person. When the deposit of a person reaches $1,600 interest on the deposit stops.

Mr. GORE. In all of the banks?

Mr. WEEKS. In the savings banks.

Mr. GORE. But he may place an account in another bank?

Mr. WEEKS. Oh, yes.

Mr. President, Massachusetts has about 3,800,000 people; they are very largely interested in manufacturing industries; they live in urban communities. I think it is fair to say that probably nineteen-twentieths of the people of the State live in cities and towns of more than 2,500 people. Some of those communities are devoted exclusively to manufacturing industries.

Senators will recall that a few years ago there was a violent attack made on the management of the mills in the city of Lawrence. There were strikes which were accompanied by great disorders in that city. I think I ought to say that those strikes were fomented and carried on by the very same class of people who are now causing trouble in the Far West. Those strikes did not have the approval of the American Federation of Labor; they were opposed by that organization and by all other laboring men who really labor.

I should like to say here, Mr. President, in speaking of the labor question, that on the return of our mission to Russia recently they passed through Seattle, where there are in progress street car strikes and other strikes attended with considerable violence, which have completely tied up the transportation lines of both Seattle and Tacoma for two or three weeks. That agitation is backed by the Industrial Workers of the World and not by Federation of Labor. The situation was so serious that when our mission to Russia passed through Seattle Mr. James Duncan, the head of the Granite Cutters' Union, a member of the commission, and a resident of the city of Quincy, Mass., was asked to make an address defining his views from the labor standpoint of what should be done. Mr. Duncan is one of the vice presidents of the American Federation of Labor and his advice was exactly the advice which was given to our laboring people in this country by a party of Englishmen who came here this summer with the British mission; that was to stand pat on controversial matters until the war was over; that it was the duty of labor to aid the Government in every possible way; and that anything that related to a strike about a matter which was not of all importance was harmful rather than beneficial to the Government. I wish to state that because there has been an indication here to defend those men who have been instrumental in creating the disorders in the far West. My judgment is that not only are they not entitled to a defense from what may be termed capital, but that they are not entitled to it and do not get it from what is known as organized labor, the labor which really does do the work of the United States.

Now, to return to the city of Lawrence, which at present probably has a population of about 90,000. In the city of Lawrence there are three savings banks, and I want to give the condition of those banks as compared with last year. In the Broadway Savings Bank, where the deposits aggregate $5,100,000, the number of depositors increased last year by 650. There are 10,332 depositors in that bank and their average deposit is $493.62.

In the Essex Savings Bank of Lawrence—the largest savings bank in the city—the number of depositors is 29,783 and the average deposit is $454.61. The increase in the number of deposits last year was 1,954. The Essex Savings Bank has deposits aggregating $13,539,000.

The Lawrence Savings Bank, with deposits of $6,186,000, has 14,635 accounts averaging $422.73. The total increase of depositors in these three banks last year was 4,337; and in a total population of 90,000 in the city of Lawrence, which was dragged before the public as being a place where labor was not fairly remunerated, there are 55,000 persons having savings-bank deposits aggregating a total of more than $25,000,000, and averaging for each depositor more than $460.

We should do everything we can for real labor in this country; and that is what real labor is doing. It is what it did last year and what I assume it is doing this year; but the labor that is represented by the Industrial Workers of the World never does anything but harm, and I deprecate any man's standing on the floor of the Senate and defending the kind of outrages which are perpetrated by such people.

I instance the case of the Massachusetts savings banks because, as I said in the beginning, I think it demonstrates better than anything else the conditions which obtain in manufacturing communities in the United States. The sole industries in the city of Lawrence are woolen and cotton manufacturing.

I have here a page from the Boston Evening Transcript of recent date which indicates some of the activities in which communities have to engage—I should have introduced it at an earlier period—and to which those who have surplus incomes make contributions.

Here is a whole page [exhibiting] of what are termed "Practical and deserving charities that need the helping hand." Some of them have been in existence 100 years, like the Massachusetts Charitable Eye and Ear Infirmary, which "furnishes free medical attendance to the poor, saving the sight and hearing of many babies and adults every year. Last year it treated in the wards 3,646 patients, and there were 67,626 outvists. There is urgent need of increasing the work of the social-service department."

I could go on and read this whole list, but I will not bore the Senate by so doing. However, the Massachusetts Charitable Eye and Ear Infirmary is simply typical of the institutions referred to on this page, and it might be supplemented by many pages reciting similar activities which are carried on in the city of Boston—and Boston is not peculiar in that respect, for they are carried on in every community of any size—and which are maintained by the surplus revenues of those who have surplus revenues. If you take all of the earnings of our people for governmental purposes, what is going to happen to charitable institutions such as the one I have brought to your attention by way of illustration? Of course, they are going to stop their activities and a great many people are going to suffer as a result.

The Senator from Wisconsin quoted very freely from a group of economists, for at last there has been found a small group of economists who seem to think that all of the expenses incident to a war should be borne by the people who are actually doing the fighting at the time. I desire to make some comment on the statement that these economists have emitted. I am referring in such remarks as I make exactly to the same matter to which the Senator from Wisconsin referred to-day, and from which he read rather liberally.

It is contended by these economists that the policy they advocate will prevent the price inflation which may result from large bond issues; that it will increase the efficiency of the Nation, and that it is demanded by social justice.

Let us take the first of these contentions, that taxation will prevent price inflation. It is well known that the prices of many articles are much lower abroad than in the United States; yet our debt increase since the beginning of the war has been nominal, while the debt increases of European governments have been enormous. We have seen prices in the United States in many articles double and treble without any change whatever in our national indebtedness and without any material change in interest rates or any considerable change in our circulation.

Naturally, when business is greater than normal, bank loans are increased; in other words, credits are increased; but that condition has not been so pronounced in the United States that it has materially changed interest rates, which would be the result if credits had been extended beyond the ordinary capacity of the banks. Prices are not necessarily based on the inflation of credit, though they may be affected by it, and they are not necessarily affected by the amount of the circulating medium, though they may be affected somewhat by it: in fact, we assume that we now have a banking system which will regulate the circulating medium to the actual business needs of the country. I assert that there is no proof whatever that the present high level of prices in Europe and in America is primarily due to war bonds, as has been claimed, but, on the contrary, that it is primarily due to the question of supply and demand and to the speculation and greed which are always incident to war.

An illustration of the correctness of this conclusion is found in the following instance, perhaps as well as in any other: During the spring there was a strike among the fishermen sailing from Massachusetts ports. These fishermen supply the larger part of the fish used in the Atlantic coast section. Necessarily the price of fish advanced as a result of this strike. When it was adjusted the fishermen immediately went to sea, had good weather, and returned with a substantial catch, since which time fish on the Atlantic coast have sold at normal summer prices. We would naturally expect that sales might be at somewhat higher than the normal summer prices because of the additional cost of production. Wages and other conditions have changed, making the cost greater, but, as a matter of fact, the price of fish is normal. There are many other products too numerous to mention for which substantially the normal price only can be obtained.

If high prices were due to inflation, they would as effectively apply to fish, bananas, small fruits and vegetables, or any other products now bringing normal prices as to wheat and some other products which are relatively very high, simply because the demand has greatly exceeded the supply.

These economists further urge that the inflation of prices works a greater burden upon the wage earner and salary receiver than it does upon others. I will agree that it does place a greater burden on salary receivers, but I do not agree that it necessarily rests chiefly upon the wage earners. The statement of the Massachusetts savings-bank commissioner, made as of the year ending October 31, 1916, indicates that last year the deposits in the Massachusetts savings banks were twice as great as in any previous year in the history of the State. Those deposits come nearer representing the savings of the working people of a community than any other means of obtaining such information; and yet it would seem that, notwithstanding the high prices of the things they have to buy, that the mill workers, the laborers, and the people of small means in Massachusetts had twice as prosperous a year in 1916 as ever before, because prosperity is based on net results and not on large pay or large consumption cost. I have cited the Massachusetts savings-bank report as my basis for this conclusion.

These economists go on to claim that the bond policy increases bank credits and in that way produces inflation in prices. If a man purchases a Government bond and does not do so out of his surplus wealth, he will naturally have to borrow in order to pay for his purchase. He would have to do the same thing if he purchased any other kind of a bond, and he would have to do the same thing if he borrowed without furnishing collateral. In either case it increases bank credits. How does it add to the bank's credit to any greater extent if a man buys a thousand-dollar bond and borrows with that bond as collateral than it does if he pays a thousand-dollar tax and borrows the money from his bank with which to do so? The bank credit is increased in exactly the same amount and in exactly the same way; there is no escape from that conclusion; so if you tax individuals or corporations more than their surplus they will have to borrow of their banks—that is the only source of supply—and the bank credits will increase to whatever the borrowing necessity requires.

These advocates of extreme taxation go on to claim that if a man is giving up his money in taxes he would cease to compete with the Government and other buyers of the commodities of labor to the extent of the tax paid, but when the Government gives him a bond for his payment he is still enabled to compete to the extent of $800. They, in effect, urge that competition is not wholesome and desirable in business life, and that the only competition developed should be based entirely on cash transactions. If that were the case, the volume of business of the country would be so greatly reduced that the greatest hardship would result.

Moreover, purchasing a Government bond does not in any way differ from purchasing any other bond if the purchaser has not the entire purchase price; neither does it differ from any other transaction where credit is involved. Suppose a farmer finds it necessary to construct a new barn. Would it be wise for him to leave his stock and crops exposed until he had saved enough money to build the barn rather than use what surplus he has for that purpose and borrow the balance? Certainly it would not be businesslike either from his standpoint or from the standpoint of the community, and his failure to make a loan would lessen the food supply, would mean irreparable losses to himself, and would mean stagnation in ordinary business life.

These economists go on to say that it is likely that the Federal reserve banks will buy liberty and other Government bonds in a wholesale way by giving the Government checking accounts to the extent of the bonds. They should know that the Federal reserve banks can not buy any considerable quantities of these bonds and maintain the reserves, which they must do under the law.

There are many provisions in the law which are designed to keep the issue of notes within reasonable limits, including a reserve to be kept against them of 40 per cent in gold; but, in the final analysis, the issue is entirely within the control of the

Federal Reserve Board, which may grant the request for them in whole or in part or reject it entirely.

Two or three months ago the Secretary of the Treasury wished to raise temporary funds to reimburse the Treasury, and he practically forced the Federal reserve banks to take $200,000,000 Treasury notes on a 2½ per cent basis. Of course, those notes could not be resold, because the rate of interest which they bore was materially below the market rate. The transaction reduced the reserves of the Federal reserve banks from 12 to 15 per cent. That illustrates, in itself, to what a small extent the Federal reserve banks could supply a market for Government bond issues. In other words, Mr. President, it would not be safe for the Federal reserve banks to invest a hundred million dollars in the liberty loan or any other issue of Government bonds if they proposed to hold them.

As a matter of fact, these Treasury notes should not have been sold to Federal reserve banks at all; neither should they buy other Government bonds, except under very unusual circumstances. It is the first province of the Federal reserve banks to supplement other banks, rediscount their short-term paper, and in other ways assist them when they require assistance but not to finance as an original proposition either the Government or anyone else. The slightest investigation of the operations of the Federal reserve banks will show the absolute fallacy of the suggestion that the Government could sell them bonds, enabling them to inflate their currency 100 per cent, because it does not give any consideration to the reserves which they must maintain.

One other point about the selling of a Government bond to a purchaser who will find it necessary to borrow, using it as collateral, is that there may be cases of this kind which will necessitate borrowing and possibly using these bonds as security, but that would not be a normal transaction, because the rate which liberty bonds carry is lower than the market rate for money. Therefore there would be no purpose in purchasing them and holding them to use as collateral when the borrowings would bear a higher rate than the 3½ per cent the bond carries. The prudent financier under such circumstances being able to sell his bonds at par would do so and save the difference in the interest rate.

Again it is claimed that having sold bonds to Federal reserve banks the Government might then draw on their bank accounts and, in order to pay such drafts, the banks would recoup themselves by retailing bonds to the public, leaving the inflation, it is claimed would exist, outstanding. It is difficult to follow this reasoning, and certainly it is not a practical operation which could be maintained because of the requirements of the law relative to reserves to be held by the Federal reserve banks and the reserves which are required against note issues. Those who make such contentions seem to have failed to notice these requirements and have come to their conclusion without giving them any consideration.

The second general contention that taxation is demanded by social justice seems to me to be especially untenable. It is claimed that it gives property a preference over life. If there were any basis for such a contention, it might have been made under the policy of the past; that is, when we depended entirely on volunteers for our military service, and when it was possible for a man of wealth to employ a substitute to fight for him, but certainly not under the democratic policy which has been established and on which the draft is based. Up to this time it has been true that a larger percentage of volunteers, as is always the case in the beginning of a war, come from the ranks of what might be termed the moneyed and highly educated classes than from any other source. More than half the students of many of our colleges have voluntarily gone into the service, and the slightest examination of the records will demonstrate that there has been no shifting of the burdens of this war from the rich to the poor or from any one class to another; but the question is asked, if it is right to draft men, why is it not right to draft money? That is exactly what we do when we impose taxes; but the way we impose those taxes is of vital concern to the Government and to the community and of much greater concern to them than it is to the individual taxed, assuming that he has independent resources.

Presumably, every citizen is sharing in the burden of the war, for taxes will be imposed to meet the requirements of the Government; and if we take the wise course this taxation will be so levied that no business will be harmed. It may be said that no tax can offset the chance the citizen takes with his life when he goes into the military service. That is true from the dollars and cents standpoint, but what kind of a life can it be that must have the consciousness for all time that it has failed to perform its national duty. We draft men of a certain age. It is the obligation of youth to fight our battles; it is the obligation of everyone to pay for the financial expense of the war in proportion to their ability, but there is no reason why that should be paid in one year or in five years; in fact, there is every reason why it should not be done. The soldiers and sailors of to-day are fighting for worldwide liberty, but the benefits they will gain will not only be enjoyed by those of the present day but by all future generations. Therefore, why should the man of to-day pay all the bills when the victory won by our soldiers and sailors will be of equal value to the man of to-morrow. The sailors of our Regular Navy do not believe in the contentions of these economists. They are in the service to fight and, if need be, sacrifice their lives that their country may live; and yet they did their bit in a financial way by subscribing to something like $3,000,000 of liberty bonds.

Incomes should be conscripted up to the requirements of the Government, it is true; but it is the height of folly to conscript it in such a way that the source of supply is dried up.

The third contention of those urging unusual taxation is that it will increase the world's efficiency. If they mean by this that it will prevent injustice to any considerable class, quite likely there is reason in that contention. But no particular class subscribes for bonds; indeed, there were more than three millions of people out of one hundred millions who subscribed to the liberty loan, and many who did not do so will subscribe for the next bond issue. And, after all, the payment of taxes, or at least the larger part of them, falls on relatively few people, and it makes no vital difference to them whether they are giving their surplus income to the Government or spending it for charitable or educational purposes or for the development of industries which will in turn increase the employment of labor. How can any argument be made to sustain such a position which will not apply with equal force in the case of issuing municipal bonds, State bonds, or corporation bonds? The money all comes from the same general source, it is true, and you may borrow in one community money which will be expended in another community in the same country; but all that indebtedness is held within the United States, and if a pay-as-you-go policy in this time of war is logical it would have been logical to have paid for the Panama Canal during its construction or paid for the Spanish-American War at the time it was fought or paid the Civil War requirements at the time, a course which would have been impossible in the latter case, or to pay for the building of the Erie Canal or for any of the multitude of other things which are requirements of civilization and are constructed by municipalities and local communities. Almost every community issues bonds with a sinking-fund requirement for the purpose of building schoolhouses. If a pay-as-you-go policy is a correct one, why do this? Why not wait until sufficient revenue has been provided before building the schoolhouse? The same reasoning will apply to waterworks, sewerage systems, and to various other forms of construction.

The theory loses sight of the fact that while the payment of the indebtedness comes from within our own borders in one case, it means a radical and violent change of credits, so radical and violent that it would destroy many industries. Our business system is so complicated and so interdependent that you can not destroy or injure any part of it without affecting the whole system; and if we try to produce from taxation ten or fifteen billions of dollars in one year, the amount we will probably spend and which we will have to raise by some means, it would be impossible to levy taxes in such a way that they will not bear with crushing weight on many occupations and industries, and the result would be a total financial collapse; indeed, it is hard for me to conceive that the small number of scientific men and small part of the press making these contentions have given any consideration to the experience of the world, our own experience in the United States in other wars, to our everyday policy of issuing bonds, or to the probable results of taking any such radical and unusual course.

I am in agreement, however, with the suggestion that a tax may properly be levied which takes a substantial part of special war profits; that there should be a material lowering of the present income-tax exemption and a high consumption tax on luxuries, if consumption taxes are to be levied.

Now, Mr. President, I want to take up a comparison of what has been done by other countries since the beginning of the war relative to taxation and bond issues, because, in my judgment, it will completely demonstrate that the Congress, in levying the taxes proposed under the pending bill, are going as far as they should in taxation this year.

The figures I intend to present to demonstrate my theory relative to the relation taxation should bear to bond issues in war expenditures are not strictly accurate, even in the countries with which we are in closest communication, and in some of the nations engaged in the war most of this information is unobtain-

able; but the evidence I can submit, it seems to me, is sufficient to conclusively show that any revenue over and above 25 per cent of the Nation's expenditures raised by the pending legislation will be in excess of the country's requirements, will be greater in proportion to the total amount which must be raised through bond issues and taxation than in any single year of our existence and greater than that raised by any country engaged in the war.

GREAT BRITAIN.

The nation with which we are most closely associated financially, and which furnishes the best example, in my judgment, of a correct system of war finance, is Great Britain. This country has not changed its well-known free-trade policy in any respect, notwithstanding the agitation in favor of doing so; but it has always obtained receipts at the customhouse and these receipts have substantially doubled since the beginning of the war; even under present conditions, however, they are comparatively a small part of the increased revenues which have been raised. Moreover, the proportional part of the cost of the war provided by taxation is greater in England than in any other country. This has been true in other wars. In those fought during the latter part of the eighteenth and early part of the nineteenth century, especially the Napoleonic wars, the expenditures produced by taxation were even greater in proportion to the total amounts raised than they are at the present time, this undoubtedly being due to the inability to float bond issues with the same readiness developed by the present generation and organization of business.

I ask unanimous consent to insert at this point a table showing the revenue raised by Great Britain each year since the beginning of the war, and also a table showing the increase in the bonded indebtedness during the same period.

The PRESIDING OFFICER (Mr. HOLLIS in the chair). Without objection, it will be so ordered.

The matter referred to is as follows:

TABLE No. 1.—*Revenue—Great Britain.*

Taxation.	1913-14	1914-15	1915-16	1916-17
Customs	£35,450,000	£38,662,000	£59,606,000	£70,561,000
Excise	39,590,000	42,313,000	61,210,000	56,380,000
Estate duties	27,359,000	28,382,000	31,035,000	31,232,000
Stamps	9,966,000	7,577,000	6,764,000	7,878,000
Land tax and house duty	2,700,000	2,530,000	2,650,000	2,580,000
Income tax (including super tax)	47,249,000	69,399,000	128,320,000	205,033,000
Excess profits duty			140,000	139,920,000
Land-value duties	715,000	412,000	363,000	521,000
Total	£163,029,000	£189,305,000	£290,088,000	£514,105,000
United States equivalent	$793,380,628	$921,252,782	$1,411,713,252	$2,501,891,982
Revenue departments:				
Postal service	£21,190,000	£20,400,000	£24,100,000	£24,350,000
Telegraphs	3,080,000	3,000,000	3,950,000	3,350,000
Telephones	6,530,000	6,250,000	6,450,000	6,400,000
Crown lands	530,000	545,000	550,000	650,000
Receipts from Suez Canal, etc	1,579,972	1,276,632	2,431,854	8,055,817
Miscellaneous	2,303,925	5,917,448	9,796,970	16,516,765
Total	£35,213,897	£37,389,080	£46,678,824	£59,322,582
U. S. equivalent	$171,368,429	$181,953,957	$227,162,496	$288,693,345
Grand total	£198,242,897	£226,694,080	£336,766,824	£573,427,582
United States equivalent	$964,749,057	$1,103,206,749	$1,638,875,748	$2,790,585,327

TABLE No. 2—*Great Britain.*

	Total revenue.	Total expenditures.	Bonded indebtedness.
1914-15	£226,694,080	£498,359,980	£271,665,900 ($1,320,306,274)
1915-16	336,766,824	1,559,158,377	£1,222,391,553 ($5,941,002,947)
1916-17	573,427,582	2,198,112,710	£1,624,685,128 ($7,905,969,722)

Mr. WEEKS. These tables indicate that the amount raised by taxation the first year of the war by Great Britain was, in round numbers, $793,000,000; in the second year, $921,000,000; in the third year, $1,411,000,000; this year, $2,501,000,000; and that the bond issues for these years aggregate almost exactly four times the amount raised by taxation in practically the same ratio each year. It is noticeable in this statement of revenue that while the customs receipts have exactly doubled, practically all of the additional increase in England's revenue has come from the income tax and the excess-profits tax, but that the income tax is not over 35 per cent in England even under present conditions.

If we applied what England is doing to-day, after three years of war, to our own conditions and expenditures, assuming that we will require $14,000,000,000 this year, it would mean raising three and a half billion dollars by taxation. But we raised under the ordinary laws which were on the statute books $1,330,000,000, in addition to which the post-office receipts—and they are included in the English figures—were $331,000,000, making a total of $1,660,000,000 from post-office receipts and ordinary sources of revenue. This bill, according to the estimates of the committee, will provide for something over $2,000,000,000. My judgment is that they have greatly underestimated the amount of money that will be received from the excess-profits war taxes and from the income tax, and that instead of raising $2,000,000,000 this bill, if it were passed in its present form, would raise nearer two and a half billion dollars. But even assuming that it raises only two billions, adding that to the one billion six hundred and sixty millions, we would have more than 25 per cent of the fourteen billions which it is supposed we are going to spend, or as much as England is raising in the third year of the war.

Earlier in my remarks I tried to point out why it was desirable to try to gradually increase this taxation instead of jumping into a system of taxation which might be applicable in two or three years.

Mr. President, I submit herewith a table showing the revenue collected by France during the calendar years 1914, 1915, and 1916, and other matters relating to the French financial system, which I ask to have printed.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to is as follows:

FRANCE.

Revenues for the calendar years 1914, 1915, and 1916.

Source of revenues.	1914	1915	1916
	Francs.	*Francs.*	*Francs.*
Direct taxes	1,007,871,000	862,431,200	892,630,700
Registration dues	615,011,000	463,594,500	524,617,000
Stamp dues	195,952,000	146,167,500	157,638,000
Tax on stock transactions	5,718,500	1,312,000	2,342,000
Tax on the income derived from securities	157,782,000	153,340,000	181,432,500
Customs receipts (salt, sugar, mineral oils excepted)	764,144,000	577,613,000	1,399,421,000
Indirect taxes (salt, sugar, mineral oils, and monopolies excepted)	477,099,000	562,108,000	472,902,000
Tax on the manufacture of raw mineral oils	227,000	1,455,000	462,000
Salt	3,624,000	3,912,000	30,954,000
Sugar	11,909,000	22,371,000	173,097,000
State monopolies	837,570,300	931,061,400	942,643,400
Income from State domains and miscellaneous	13,625,500	3,482,600	240,204,100
Total	4,150,503,300 ($801,017,136.90)	4,828,848,200 ($931,967,602.60)	5,018,343,700 ($968,540,334.20)

Total expenditures from Aug. 1, 1914, to June 30, 1917.

Year.	Amount in francs.	Value in dollars.
1914	8,898,583,901	$1,717,426,692
1915	22,804,486,525	4,301,267,899
1916	32,635,943,250	6,297,737,047
1917	18,570,956,650	3,581,194,633
Total from Aug. 1, 1914, to June 30, 1917	82,909,973,326	16,001,624,851

Mr. WEEKS. The figures in this table which I have just presented demonstrate that the people of France have only been taxed about 14½ per cent of the total expenditures during the war. In other words, 85½ per cent of the required revenue has come from bond issues. If we limited ourselves to the same proportion of revenue obtained from taxation and it were assumed again that we would spend during the next fiscal year $14,000,000,000, we would only have to provide for the raising of $600,000,000 under the provisions of this bill.

One of the peculiarities of the taxation imposed by France, at least as compared with that imposed in Great Britain, may well be brought to the attention of the Senate. Direct taxes in France, on which England depends and on which we are to depend for the entire increase of our revenues, have not increased, relatively speaking, but have actually decreased in almost every item. On the other hand, the great importations into France, probably due to the destruction of so many of her industries located in the northern part of the country, have

produced very largely increased revenues at the customhouse, so that for the year 1916 they were 75 per cent greater than the year before the war.

CANADA.

In Canada conditions are not very unlike our own; but it is quite apparent that Canada is looking to the future in the imposition of taxes, for it is receiving the larger part of its revenues from customs and excise dues; in fact, substantially all of its revenue, except that from the post office and government-owned railroads, has come from these sources. The total civil expenditures for the year 1916 were $130,350,726 and the revenues from taxes for that period were $172,147,838, leaving a surplus of very nearly $42,000,000. I wish to insert herewith a table showing the total debt of Canada, the net debt, and the interest paid.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

CANADA.

Debt and interest on debt.

Year.	Total debt.	Net debt.	Interest paid on debt.	Rate of interest on gross debt.
1913	$483,232,555.24	$314,301,625.68	$12,695,882.48	2.61
1914	544,391,368.86	335,996,850.14	12,893,504.95	2.37
1915	700,473,844.37	449,376,083.21	15,736,742.94	2.24
1916	943,839,433.92	615,156,171.02	21,421,584.86	

Mr. WEEKS. The Canadian gross debt increased during the year 1916 $243,355,618, and the total expenditures were that amount plus the civil expenses of the Government, which I have given. As the interest charges were between twenty-one and twenty-two millions, it would seem that the revenue raised in Canada was only sufficient to pay the civil expenses, the interest on the public debt, and about $20,000,000 in excess of that amount, or not very far from one-twelfth of the bonds issued.

If we provided for the civil expenses of the Government, as we have done, for the interest on the public debt, which will not be more than $230,000,000, estimating that the ten billions of bonds which may be issued are outstanding six months in the first year, and we raise an additional amount equal to one-twelfth of the ten billions we may need to raise, it would not be necessary to provide in the pending bill for more than $3,000,000,000 to make a showing comparable to that made by Canada in the third year of the war.

GERMANY.

Take the case of Germany. It is extremely difficult to obtain accurate information as to the expenditures or the taxation in Germany since the beginning of the war, but I submit herewith a table showing the estimated imperial budget for the years 1913, 1914, and 1915, the figures being given in marks.

The PRESIDING OFFICER. Without objection the table will be printed in the RECORD.

The matter referred to is as follows:

Revenues of Germany in 1913, 1914, and 1915 (in marks).

Source.	1913	1914	1915
1. Post and telegraph	833,314,600	881,286,500	881,569,500
2. Printing office	15,742,800	13,885,000	13,885,000
3. Railroads	158,580,200	162,246,000	162,246,000
4. Various administrative receipts	91,565,600	81,961,000	79,822,700
5. Taxation:			
Customs	679,321,800	712,930,000	712,930,000
Tobacco	11,415,000	10,876,000	10,876,000
Cigarettes	42,099,300	39,202,000	39,202,000
Sugar	173,745,700	163,252,000	163,252,000
Salt	62,386,300	61,144,000	61,144,000
Spirits	193,774,700	193,995,000	193,995,000
Vinegar	799,100	825,000	825,000
Wine	9,511,300	9,970,000	9,970,000
Lamps and bulbs	15,672,100	15,866,000	15,866,000
Matches	20,130,700	21,035,000	21,035,000
Beer	130,005,300	128,950,000	128,950,000
Cards	2,603,800	2,033,000	2,033,000
Stamp tax on bills	19,615,500	19,100,000	19,100,000
Stamps (general)	235,034,500	250,085,000	264,085,000
Increment tax	15,322,900	100,000	100,000
Inheritance	46,356,800	50,000,000	50,000,000
Miscellaneous	2,084,700	1,919,000	1,919,000
6. Contributions for defense	820,600	393,820,900	327,740,900
7. Contributions from the States	51,940,800	51,940,800	51,940,800
8. Miscellaneous	383,155,300	138,755,300	104,593,600
Total	3,194,399,400	3,405,178,400	3,323,081,400

Mr. WEEKS. During these three years there were raised from all sources of revenue $2,282,211,516. I submit herewith a table showing an aggregate issuance of bonds amounting to $14,596,000,000, including the loan made in March of this year.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD.

The matter referred to is as follows:

GERMANY.

War loans.

	Amount raised, including conversions of floating debt.	Number of subscribers.
First loan, September, 1914	$1,090,339,325	1,177,235
Second loan, March, 1915	2,215,717,450	2,694,053
Third loan, September, 1915	2,944,962,475	3,966,418
Fourth loan, March, 1916	2,620,124,600	5,259,645
Fifth loan, September, 1916	2,603,334,175	3,810,696
Sixth loan, March, 1917	3,107,260,250	
Total	14,596,336,775	

Votes of credit.

1. Aug. 4, 1914	$1,216,625,000
2. Dec. 3, 1914	1,216,625,000
3. Mar. 22, 1915	2,433,250,000
4. Aug. 31, 1915	2,433,250,000
5. Dec. 24, 1915	2,433,250,000
6. June 9, 1916	2,919,900,000
7. Oct. 30, 1916	2,919,900,000
8. Feb. 23, 1917	3,649,875,000
Total	19,222,675,000

Mr. WEEKS. This would seem to indicate, if the years given in the two tables I have submitted were the same, which is not true, and therefore the comparison can not be entirely accurate, nor have I information as to the beginning or end of the fiscal year of the Imperial German Government, that the proportional part of the expenditures of the Government raised by taxation were slightly less than 15 per cent. It will be noticed that the German policy is not very different from that followed in France in the relationship which the amount of money raised from taxation bears to the total expenditures.

The largest financial operations in which the United States has engaged up to this time, at least in proportion to the resources of the country, were those of the Civil War period, and while one can not take any particular pride in the results of the financial policy followed at that time, which I do not wish to discuss other than to say that the policy of the earlier days of the war was such that it brought about a condition which the better methods followed in the latter days of the war could not entirely correct; yet they may be some guide to what should be done at this time in imposing additional taxes. I am therefore submitting a table showing the ratio which the amount raised by taxation bore to the total expenditures for the years of the war.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD.

The matter referred to is as follows:

Ratio of taxation to total expenditures during the Civil War.

	1862	1863	1864	1865
Total tax	$51,920,000	$112,680,000	$264,600,000	$333,700,000
Total expenditures	565,660,000	899,810,000	1,295,540,000	1,906,450,000
Ratio of taxation to expenditures (per cent)	9.17	12.52	20.42	17.51

Mr. WEEKS. It will be noticed that the highest proportion of revenue to expenditures was 20.42 per cent. If we are to raise fourteen billions this year, and 20.42 per cent of that is to come from taxation, it would only be necessary to provide about $1,400,000,000 in this act.

No criticism was made of the issuing of the Spanish War loan at the time of the Spanish-American War; and, by the way, we have recently, by almost unanimous vote of the Senate, renewed $68,000,000 of Spanish War bonds, which had been running 20 years, for a further period of 50 years. Neither was there any particular criticism of issuing bonds to pay for the Panama Canal, although under the policies of the administrations of Presidents Roosevelt and Taft the canal was practically built out of surplus revenues; and especially was there no protest made against issuing these bonds by those who are now advocating raising the major part if not the entire cost of the war from taxation. If there is any logic in the manner of issuing Spanish War loans or Panama Canal bonds or any of the municipal and State bonds to which I have referred in my remarks before, there certainly is logic in issuing bonds for

at least as large a proportion of our present war costs as are so raised by Great Britain.

There is one point about the taxation of Great Britain, which I did not include when I was referring to that nation, which I should like to put in the RECORD. As I have stated, Great Britain is a nation which we may very properly follow in imposing a system of taxes, because they have had wide experience in imposing taxes under war conditions. It is particularly noticeable that the taxes which they imposed in the earlier days of the war were very moderate compared with those which are being imposed to-day. Some who advocate the course proposed by the minority in this matter argue that because Great Britain is taking 80 per cent of the excess profits or war profits for taxation purposes we should do so at once. I have already called attention to the undesirability of jumping into the same position which has finally been reached by a country having wide experience in such matters and which it has required three years to reach.

We should take the opportunity of partially adjusting ourselves to war conditions before we impose the additional taxes which we may have to impose if the war continues. Our trade with the countries with which we are now at war ceased at least two years ago, or practically so, and we have been carrying on our trade with other foreign countries under war conditions; so we are ready for a higher rate of taxation, if it is necessary, than that imposed by European countries at the beginning of the war.

The income tax and the excess-profits tax, as I have stated, are the main reliance of the British taxation systems. In the case of the former, only those having less income than $650 are exempt, and that is one point in this bill which I particularly commend—that the basis has been made, in my judgment, a proper one, not only from the standpoint of the revenue, but from the standpoint of the distribution of the burdens of government among the people of the country. Nothing will be brought to the attention of Congress or of an administration any quicker than the imposition of a tax among a very large class of people if they feel that it is a direct tax and that it is being unjustly levied. But Great Britain has abatements which are not included in the present bill and which I think might well be given consideration by the Finance Committee, relating to the number of children, although I am not sure but that that has been included now in the bill.

Mr. SIMMONS. That has been included in the bill, allowing $200 for each dependent child.

Mr. WEEKS. I think that is a very wise action.

It is well worth noting that the English rate of taxation on incomes—and it is my judgment that in this respect the English policy is preferable to the one proposed in the legislation which we are considering—differentiates between an earned income and an unearned income. The lowest rate of tax on an earned income in Great Britain is 11¼ per cent on incomes less than £500. The tax on unearned incomes of the same amount is 17½ per cent. It seems to me particularly fair and desirable that there should be a differentiation between an earned income and an inherited income.

I do not at this time want to take any more of the attention of the Senate. I have some other matters which I shall want to bring to the attention of the Senate when the amendments which I have introduced to the bill are in order for consideration; but I am confident that after five hours of talk the Senate will be glad to be relieved of any further discussion.

Mr. GERRY. Mr. President, I offer the amendment which I send to the desk to the income-tax title of the pending bill.

The PRESIDING OFFICER (Mr. HOLLIS in the chair). The Secretary will state the amendment.

The SECRETARY. On page 4, after line 3, it is proposed to strike out the remainder of the section and to insert:

> Thirty-five per cent per annum upon the amount by which the total net income exceeds $500,000 and does not exceed $750,000.
>
> Forty-five per cent per annum upon the amount by which the total net income exceeds $750,000 and does not exceed $1,000,000.
>
> Fifty per cent per annum upon the amount by which the total net income exceeds $1,000,000.

The PRESIDING OFFICER. Does the Chair understand that the Senator from Rhode Island asks to tender the amendment for action at this time?

Mr. GERRY. Yes, sir.

The PRESIDING OFFICER. Is that agreeable to the chairman of the committee?

Mr. SIMMONS. That is entirely agreeable to me. I do not think we should vote upon the amendment this afternoon, because there are few Senators present, and I think there was a general understanding that we would not vote upon the amendments to these sections until to-morrow. For that reason I will now ask that the bill be temporarily laid aside, with the understanding that this will be the pending amendment when the bill is taken up to-morrow.

Mr. GERRY. That is entirely satisfactory to me, Mr. President.

The PRESIDING OFFICER. Without objection, the revenue bill will be temporarily laid aside, with the understanding that the amendment tendered by the Senator from Rhode Island [Mr. GERRY] will be in order to-morrow morning.

EXPORTATION OF COTTON.

Mr. SMITH of South Carolina. Mr. President, some days ago the senior Senator from Massachusetts [Mr. LODGE] had incorporated in the RECORD a statement intimating that cotton was finding its way to Germany and quoting figures to show that certain neutral countries were receiving in excess of their prewar receipts. I took occasion to investigate this matter to find out whether or not my section of the country, producing the world's supply of cotton, was unconsciously contributing to the supplying of munitions to Germany. Of course I have no way of knowing, any more than the Senator from Massachusetts has, whether or not cotton is finding its way from certain neutral countries to Germany; but what I do know is that the figures quoted by him are entirely wrong and misleading. They emanate from a source that would cause suspicion to be attached to them, because they emanate from the great mill center of New England, and cotton is high; and I do not think it comes with good grace to have incorporated in the RECORD certain insinuations that are not borne out by the facts.

Now, Mr. President, I am going to quote to you——

Mr. WEEKS. Mr. President, before the Senator gets away from that point, I will state that I shall want to make some comments about what he is saying now; but I should like to ask him at this point why he considers it a subject of suspicion that manufacturers who may be located in New England have brought to the attention of the Government the fact that cotton seems to be going into enemy territory?

Mr. SMITH of South Carolina. I just want to show that it does not seem to be going there. That is what I am after; and I also want to show——

Mr. WEEKS. But the Senator reflected on those who are supposed to have prepared these figures. I did not submit the figures; my colleague did; but the Senator seemed to reflect on the origin of those figures, or the makers of those figures.

Mr. SMITH of South Carolina. Yes; because there is a reflection on the section where the cotton originates. The South no more wants high-priced cotton at the expense of the honor of America than New England.

Mr. WEEKS. But, Mr. President, this is not a question of high-priced cotton. This is a question of the destination of the cotton.

Mr. SMITH of South Carolina. No, no; the insinuation was that the high price offered was the inducement. Now, Mr. President, I want to call attention to the figures.

Prior to 1914–15, before demoralization had disrupted all the channels of commerce to the great German port of Bremen 3,000,000 American bales were exported. That was a distributing point. She redistributed to the Netherlands, to Holland, Sweden, Norway, and Denmark, and it did not appear in the exportation from this country to those counfries.

The first effect of the war was to close the great cotton port of Bremen. Hence on account of the tremendous crop made in 1914, the largest crop on record in the history of America, when we made 16,000,000 bales of cotton, there were bankruptcy and ruin threatened to certain cotton growers in this country. England had not at that time declared cotton contraband and we were seeking any port through which we could get the surplus cotton abroad. Hence some of these ports that did not appear in the record before as receiving any great amount of cotton for those years did receive what seemed to be an astonishing amount; but from the cotton year of 1914–15, which means from August 1, 1914, to August 1, 1915, these lesser ports did receive an unusually large amount of cotton. From August 1, 1915, to August 1, 1916, there was still a large exportation, but to these minor points it was diminished. From August 1, 1916, to August 1, 1917, the present cotton year, these very ports received nothing above the normal and in some cases below the normal of the prewar receipts.

I wish to put in the RECORD the actual figures furnished me by the Census Bureau, showing the exportation of American cotton to the ports complained of from August 1, 1916, to August 1, 1917. England received 2,793,385 bales against a normal of 3,500,000 bales.

Let me say in passing that Liverpool was a great port to which we exported cotton and from which was reexported cotton to the smaller nations, and those smaller ports did not appear

in our tables of exportation. With the difficulty of getting cotton into Liverpool it is reasonable to suppose that the amount of cotton received by these minor ports was greater than appeared in the prewar or the ante bellum exportation notice in our tables from America.

So England received this year 2,793,388 bales against a normal of only 3,500,000. France received this year 1,023,127 bales against a normal of 1,023,000 bales. So France received this year exactly what she received in the prewar time.

Italy received 660,571 bales against a normal of 636,000 bales, which was just about the prewar receipts. Italy was one of the countries that answered the statement put in the RECORD by the Senator from Massachusetts by saying it was preposterous to think that she would import cotton for the purpose of selling it to Austria-Hungary to be converted into powder to shoot her own soldiers with. I clipped the statement of the ambassador, and thought I had it among my papers to incorporate into my remarks. I have it not, but I will at a later time put it in the RECORD as evidence showing how they feel in reference to this matter.

Spain received this year 366,263 bales, against a normal of about the same amount.

Russia received 46,556 bales, against a prewar receipt of 112,262 bales.

The Netherlands received 59,092 bales this year, against a normal of about 35,000 bales.

All other countries of Europe received 173,679 bales, against a prewar receipt of 83,821 bales.

Canada is just normal; Mexico about normal. All other countries received 118,071 bales against 145,000 bales prewar receipts, showing total receipts in Europe of something like 4,000,000 less than the prewar receipts, for the reason that Germany before the war broke out had a normal importation of 3,000,000 bales of cotton. She, of course, according to these tables received none, and Austria-Hungary, which had received about a half-million bales, of course received none.

Now, Mr. President, the milk in this coconut can be given according to the statement of Mr. Rogers, of the Census Bureau. I quote his exact words in his communication to me transmitting these figures:

> The world's production of commercial cotton, exclusive of linters, grown in 1916, as compiled from published reports, documents, and correspondence, was approximately 18,365,000 bales of 500 pounds net, while the consumption of cotton (exclusive of linters in the United States) for the year ending July 31, 1916, was approximately 21,011,000 bales of 500 pounds net. The total number of producing cotton spindles, both active and idle, is about 148,500,000.

In other words, the consumption of American cotton has outstripped production in the period indicated 3,00,000 bales; that is, we have consumed the surplus, because in 1915 we only made 11,060,000 bales, and in 1916 11,360,000 bales, while during these two years the consumption of American cotton was approximately 14,000,000 bales each year. So the surplus carried over from 1913–14 has been consumed in 1915–16 until the world is face to face with a cotton famine. There is not much more than a normal supply for America and her allies, and as her allies are easier to reach and there is a greater incentive to give it to them the statistics show that they are getting it hardly normal.

In addition to that, for the first time in the history of America we are manufacturing in the cotton-growing States and in the North approximately 7,000,000 bales of cotton. The exact figures are 6,801,188 bales. The cotton States are converting 3,901,413 bales annually; all the other States 2,899,775 bales, making a total approximately of 7,000,000 bales.

Our exports to Europe before the war were 11,000,000 bales, as many bales as we made in 1915. Our exports to Europe from August 1, 1916, to August 1, 1917, were 5,739,129 bales, a falling off of 5,000,000 bales since the war began.

Mr. President, I have put these figures in the RECORD to show that the neutrals are not getting at the present time as much cotton as they got before the war. With all the demand for textiles, with the high price that is now existing, what incentive would there be for them to risk the dangers incident to getting contraband into Germany when the price that they can get outside of Germany shows a splendid profit?

We all know that the difference between the price of the raw material and the finished product is the margin of profit. I have heard no man here indicate that cotton manufactured goods were being smuggled into Germany. Yet in spite of the fact that cotton is twice as high as it has been since 1868–69, and the mills of the North and the South are paying from 25 to 27 cents a pound for their cotton, they have declared the largest dividends in the history of cotton mills. The price of cotton is high, but the price of the finished product has gone beyond any reason. Some mills of the South, I have been informed, are declaring 100 per cent dividends and paying 27 cents a pound for cotton.

I think it is in the RECORD, placed there by the Senator from Massachusetts, that it cost but 10 cents a pound to grow a pound of cotton. We do not count in estimating the cost of a pound of cotton the education of the family, of those who produce it, the depreciation in farm implements, the necessary interest on their land, and, above all, a living wage for those who produce it. We do not speak of the overhead charges in relation to the farm as we do in relation to manufacturing concerns. We take it for granted that the average cotton producer must be satisfied with a few scanty clothes and his food. Nothing is reckoned for schools, for comfortable homes, for an investment to enlarge his acres and to improve them. He must be satisfied with the actual skeleton of cost. How much fertilizer did he put in the ground? How much did he pay? How much did it cost to work it? How much did it cost to gather it; how much did it cost him in absolute dollars and cents to put it on the platform f. o. b. without any reference to the things that go to make the ordinary charges in reference to other business?

Mr. President, I want to say in conclusion that as a cotton grower of the South I would be willing to see every cotton seed destroyed during the time of this war if I thought that by the growing of cotton we could furnish our enemies with the munitions of war to inflict death upon the American troops who are going to vindicate our flag and the honor and right of our country to haul our cotton on the high seas, because the thing that actuated me more than any other to vote for war was because the Imperial German Government assumed the right to deny the open seas to the American flag and to the American people. But if the growing of cotton and the selling of it even in American markets meant that it could reach Germany, there is not a true American cotton grower who would not be willing to forego the planting and sale of cotton notwithstanding what it means to the South.

In answer to these insinuations that this is a time for the South to show her patriotism I say she will show it, and whenever it is proven that cotton goes to Germany she will take the initiative and ask for an embargo.

I have submitted these figures to show that there is no reason to believe that cotton is reaching Germany, and until that is done, whenever we ascertain that production is being used to our destruction, it is time enough for us to act. Take the exportation during the period I have called attention to, and take the present situation, which is that there are 4,000,000 bales less being exported now than there were during the early stages of the war and the prewar period.

The fact of the business is that there is a famine in cotton, and let alone the law of supply and demand within the neutral countries and America and the allies would justify a much higher price than is now obtained, and the price of textiles made out of it now justifies a much higher price than is being paid to the man who produces it.

If this question is discussed further, I shall bring in the price list of certain cotton articles and weigh them pound for pound and compare the cost of conversion from the raw cotton to the finished product and show the profit that the mills are getting, both north and south.

I am a little afraid that some gentlemen are so very anxious about the honor of the section they do not belong to that they would like to have that section contribute a little more to the fat profits they are getting.

Mr. WEEKS. Mr. President, I suppose the Senator from South Carolina was referring to something that was put in the RECORD by my colleague. I did not happen to see it, and I do not know exactly what it was. But I am familiar with the general line of complaint that was made in that particular insertion, and I shall say to the Senator from South Carolina, who seems to be supersensitive on the subject of cotton whenever anybody refers to cotton, that it had nothing whatever to do, in my judgment, with the price of cotton or whether the southern planter should receive more for his cotton or was receiving too much for it. It simply brought to the attention of the State Department or the administration the fact that apparently more cotton was going to Geneva and to Rotterdam than was sent there in normal times and more than the mills which were tributary to those ports ordinarily used.

Mr. SMITH of South Carolina. I understand that, Mr. President.

Mr. WEEKS. That was the whole purpose.

Mr. SMITH of South Carolina. I understand that; and the Senator is repeating the same very beautiful, plausible argument that we ought then to place an embargo on cotton, to con-

fine its export to one or two ports, and allow the American mills to get it all.

Mr. WEEKS. Well, Mr. President, I should be glad to see the American mills manufacture every pound of cotton that is produced in the United States; but that is not the question. The question is whether we are furnishing cotton by some indirect method, some indirect course, for our enemies to make munitions to use against our men.

Mr. SMITH of South Carolina. All right.

Mr. WEEKS. That is the only question that has been raised.

Mr. SMITH of South Carolina. That is all right; and it was as to that question that I was attempting to show there was no basis for the charge, because there is not being exported from America any more cotton than the countries complained of received before the war. Furthermore, about 4,000,000 bales less are exported than were exported before the war.

What I was complaining of, however——

Mr. WEEKS rose.

Mr. SMITH of South Carolina. If the Senator will allow me just a moment—was that this clamor comes from the center of the cotton-manufacturing industry. What would be the result if the State Department should become alarmed, or if they had just reason to believe that cotton was being sent to Germany? They would then place an embargo on its exportation to certain places, thereby preventing the export of cotton. That would increase the domestic supply and decrease the price of cotton, but it would not affect the price of manufactured goods. That is the milk in this coconut.

Mr. WEEKS. Mr. President, I do not think there is any milk at all in the coconut to which the Senator from South Carolina has been referring.

Mr. SMITH of South Carolina. I hope there is not.

Mr. WEEKS. I want to ask the Senator if it is not true that more cotton has gone into the port of Genoa during the last year or two years than ever before?

Mr. SMITH of South Carolina. I have not before me the figures for that port; the reporter has the table; but——

Mr. WEEKS. Then I will excuse the Senator from answering that question, and ask if there is more cotton going into that port than heretofore, where is it going?

Mr. SMITH of South Carolina. I want to state that only 24,000 bales of cotton more than the prewar requisite have gone into all the ports and receiving stations of Italy. What would 24,000 bales of cotton amount to when—and I suppose the Senator is as informed, confidentially, as I am—we consider the amount of cotton it takes to manufacture explosives for one shell?

Mr. WEEKS. Mr. President, the only purpose of raising this question at any time has been the fear that by some means some American cotton was getting into the hands of our enemies. If the Senator from South Carolina can dispel that fear, then he may remove any doubt which exists in his mind about somebody making a little more or a little less money on the domestic manufacture of cotton.

Mr. SMITH of South Carolina. Let me ask the Senator a question. He stated a moment ago—and that was the basis of the statement of his colleague—that more cotton had gone into certain ports than ever before——

Mr. WEEKS. Yes; and I named the ports.

Mr. SMITH of South Carolina. Exactly, and I can name some other ports where in 1914–15 and in 1915–16 more cotton went than previously but where in 1916–17 there did not go as much. We were trying to export cotton to Germany before we declared war in April. There was no crime or sin about that. We were doing our best to get cotton there and were sending it by every hook or crook; but since we have declared war, and for four months antedating our declaration of war, the exportations dropped off below the normal to the neutral countries. Those are the figures which I have put in the RECORD and which have been received from the Census Department and the Agricultural Department.

Mr. WEEKS. I do not want to prolong this discussion, Mr. President, but the Senator from South Carolina has hardly answered my question. I hope he will take the trouble to investigate the question as to whether or not more cotton has gone into Genoa than in other years; and if so, where that cotton has gone.

Mr. SMITH of South Carolina. I answer the question by saying that only 24,000 bales in excess of the prewar amount have gone into all Italy.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER (Mr. POMERENE in the chair). Does the Senator from Massachusetts yield to the Senator from Georgia?

Mr. WEEKS. I do.

Mr. SMITH of Georgia. If the Senator will permit me, I desire to say that last year the exports of cotton were not larger or perceptibly larger than they were prior to the war. The demand has been greater in Italy, because Italy has made part of her own munitions. Prior to the Italian declaration of war, shipped through Genoa into Austria. I personally had knowledge of such shipments and know they were going on; but I do and prior perhaps to 1916, there was a vast amount of cotton believe, eliminating the years prior to Italy's entering the war and coming down to more recent time, it will not be found that such exports have been larger.

I do not believe the Senator from Massachusetts would seek to press the proposition solely to injure cotton or solely to help the mills.

Mr. WEEKS. Of course that is not my purpose.

Mr. SMITH of Georgia. I do not believe that it is, and I am only making this statement to call his attention to what my own investigation of the facts leads me to conclude. I believe that a confusion in these figures has grown out of the fact that it is absolutely true that in the winter of 1914–15 we shipped from the United States nearly 3,000,000 bales of cotton to Germany through Genoa, through Holland, through Denmark, through Norway, and direct to Bremen. I believe that by separating the years and considering the last 6 or 12 months disconnected with prior years it will be found that there is no cotton going to Germany now; and, so far as I have been able to find out, I am satisfied none is going there now.

Mr. WEEKS. Mr. President, the figures that were furnished me indicated that more cotton was going to Genoa than ever before. I sent the figures to the State Department and asked for an investigation, and I assume that the motive which moved my colleague in putting these figures into the RECORD was the same as is mine. We do not care anything about the price of cotton or of cotton goods, but we do care if cotton of American production is getting into the hands of our enemies.

Mr. SMITH of South Carolina. Before this matter is concluded I want to read into the RECORD what the Italian ambassador has said about the very point made by the Senator from Massachusetts. His statement is as follows:

> The Italian ambassador has authorized an emphatic and sweeping denial of published reports that large quantities of American cotton are finding their way across the Italian borders into Austria. He states that there is not the slightest foundation for any such charge, which appears to be based entirely upon the fact that the importations of American cotton into Italy have greatly increased in the past year.
>
> The ambassador explains this increase as due to the demands of the Italian Army and Navy, which are using all this cotton for the manufacture of smokeless powder or cloths for uniforms for the men.
>
> All of the Italian factories not engaged in the manufacture of war material or that absolutely required for the maintenance of the civil population have been closed in order that every energy and resource may be concentrated on strengthening the military and naval forces. The ambassador says that it is absurd to suppose that the Government would permit cotton to go to the enemy to be made into powder to kill Italian soldiers.

AIR STATION SITE FOR THE NAVY.

Mr. SIMMONS obtained the floor.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from New Jersey?

Mr. SIMMONS. I yield to the Senator.

Mr. FRELINGHUYSEN. I ask unanimous consent for the present consideration of the bill (S. 2437) to provide for the acquisition of an air-station site for the United States Navy.

The PRESIDING OFFICER. The Senator from New Jersey asks unanimous consent for the present consideration of the bill named by him. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Naval Affairs with amendments, on page 2, line 1, after the word "acres," to insert "or such enlarged area for which he may be able to contract within the appropriation"; and in line 6, after the words "sum of," to strike out "$175,000" and to insert "$150,000: *Provided*, That the Secretary of the Navy shall authorize the payment of no part of this sum, except for perfecting the title and dredging Cold Spring Harbor and the entrance thereto, in order to make it more available for naval purposes: *And provided further*, That the Secretary of the Navy be, and he is hereby, empowered in his discretion to acquire, if possible, additional acreage without increased cost, and to exact guarantees for the maintenance of the electric railway now running through the above-described land; and power is hereby conferred upon the Secretary of the Navy to condemn land for naval, aviation, and kindred purposes on the New Jersey coast adjacent to Cold Spring Harbor; and the Secretary of the Navy is hereby directed, in conducting his negotiations with the Cape May Real Estate Co., to maintain intact the obligation existing

between the United States and the Cape May Real Estate Co., executed by the said company June 25, 1917; and that this contract shall not be regarded as a waiver of either the obligation of the company or the rights of the United States," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to acquire, by purchase or condemnation, including all easements, riparian and other rights appurtenant thereto, for use for naval purposes, the tract of land situate at Cape May, N. J., lying between Princeton and Kansas Avenues and the water front and Cape May Avenue, comprising, exclusive of Pennsylvania Avenue, which intersects the tract and is to remain a public thoroughfare, approximately 57.73 acres, or such enlarged area for which he may be able to contract within the appropriation, and there is hereby appropriated, to be paid out of any money in the Treasury not otherwise appropriated, for the acquisition of said property and of all easements, riparian and other rights appurtenant thereto, the sum of $150,000: *Provided*, That the Secretary of the Navy shall authorize the payment of no part of this sum, except for perfecting the title and dredging Cold Spring Harbor and the entrance thereto, in order to make it more available for naval purposes: *And provided further*, That the Secretary of the Navy be, and he is hereby, empowered in his discretion to acquire, if possible, additional acreage without increased cost, and to exact guarantees for the maintenance of the electric railway now running through the above-described land; and power is hereby conferred upon the Secretary of the Navy to condemn land for naval, aviation, and kindred purposes on the New Jersey coast adjacent to Cold Spring Harbor; and the Secretary of the Navy is hereby directed, in conducting his negotiations with the Cape May Real Estate Co., to maintain intact the obligation existing between the United States and the Cape May Real Estate Co, executed by the said company June 25, 1907; and that this contract shall not be regarded as a waiver of either the obligation of the company or the rights of the United States.

The amendments were agreed to.

Mr. FLETCHER. Mr. President, I should like to inquire of the Senator if the bill has been recommended by the department?

Mr. FRELINGHUYSEN. It has been recommended by the department; the Secretary of the Navy has written a letter to the Naval Affairs Committee requesting the passage of the bill. The measure has been considered by the Committee on Naval Affairs, and a subcommittee have inspected the ground, have approved the location, and have made a favorable report.

Mr. FLETCHER. I understood that the Navy Department was probably making investigations in various portions of the country for the purpose of establishing aviation stations, but I did not know that they had selected this site for any particular reason for what they call an "air station."

Mr. FRELINGHUYSEN. They have not only selected this site, but they have a great deal of their equipment and material already on the ground; a marine station has been established there, and I think about 200 naval reserves are also there at the present time.

Mr. FLETCHER. I have no objection to the bill.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until 11 o'clock to-morrow.

The motion was agreed to; and (at 4 o'clock and 35 minutes p. m., Tuesday, August 21, 1917) the Senate took a recess until to-morrow, Wednesday, August 22, 1917, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

TUESDAY, *August 21, 1917.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou who art ever ready to hear the prayers of those who seek Thee in faith and confidence, hasten the day, we beseech Thee, when pure and undefiled religion may find its way into every heart, when men of all climes and of all creeds shall worship Thee as Father, that brotherly love shall reign supreme, that the prophecy of old may be fulfilled, when "He will judge between the nations and will decide concerning many peoples; and they shall beat their swords into ploughshares, and their spears into pruning hooks; nation shall not lift up sword against nation, neither shall they learn war any more"; that the peace which passeth understanding may fill all hearts; in Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, August 17, 1917, was read and approved.

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, the bill (S. 2477) to authorize the construction of a building for the use of the Treasury Department was taken from the Speaker's table and referred to the Committee on Public Buildings and Grounds.

ADJOURNMENT.

Mr. GARNER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 4 minutes p. m.) the House, under its previous order, adjourned until Friday, August 24, 1917, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of artificial waterway from Lake Erie, at or near Toledo, Ohio, to the southerly end of Lake Michigan by way of Maumee River and the city of Fort Wayne, Ind., or other practicable route (H. Doc. No. 343); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

2. A letter from the Secretary of the Treasury, transmitting copy of a communication of the Secretary of War, submitting a clause for inclusion in the pending deficiency appropriation bill (H. Doc. No. 344); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Acting Secretary of the Treasury, transmitting copy of a communication of the Secretary of the Interior, submitting estimates of appropriations for the service for the fiscal year ending June 30, 1918 (H. Doc. No. 345); to the Committee on Appropriations and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. GORDON: A bill (H. R. 5818) for the relief of Cuyahoga and Hamilton Counties, Ohio, by payment of fees due said counties for the custody of Federal prisoners in the county jail; to the Committee on Claims.

By Mr. COPLEY: A bill (H. R. 5819) granting the consent of Congress to the city of Elgin, Ill., to construct, maintain, and operate a bridge across the Fox River at Elgin; to the Committee on Interstate and Foreign Commerce.

By Mr. ANTHONY: A bill (H. R. 5820) to provide for the award of medals of honor and distinguished-service medals; to the Committee on Military Affairs.

By Mr. LUNDEEN: Joint resolution (H. J. Res. 143) directing the President to seize sufficient coal supplies for home consumption; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES: A bill (H. R. 5821) granting an increase of pension to George H. Kimball; to the Committee on Invalid Pensions.

By Mr. GORDON: A bill (H. R. 5822) granting a pension to Edward V. Andrews; to the Committee on Pensions.

By Mr. KETTNER: A bill (H. R. 5823) for the relief of George H. Finnegan; to the Committee on the Public Lands.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ANTHONY: Petition of Rev. Charles M. Sheldon and other citizens of Topeka, Kans., for legislation to prohibit use of food products in manufacture of intoxicating liquor; to the Committee on Agriculture.

Also, petition of Lillian Lewis and other citizens of Horton, Kans., for national prohibition; to the Committee on the Judiciary.

By Mr. CARY: Petition of the Progressive Farmer Co., Birmingham, Ala., opposing the adoption of the zone system; to the Committee on Ways and Means.

Also, petition of the Wisconsin Association of Optometrists, urging the passage of the standard-price bills, House bills 212 and 44; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Sprague Publishing Co., Detroit, Mich., opposing the tax on second-class matter as proposed in the war-revenue bill; to the Committee on Ways and Means.

Also, petition of B. Loewenbach & Sons Co. (Inc.), Milwaukee, Wis., protesting against the provisions of the war-revenue bill which tax mailed catalogues, booklets, pamphlets, etc.; to the Committee on Ways and Means.

Also, petition of the Wisconsin Humane Society, Milwaukee, Wis., urging that Societies for the Prevention of Cruelty to Children and organizations engaged in animal protection be exempted from the operations of the war-revenue bill; to the Committee on Ways and Means.

Also, petition of the Litchfield Manufacturing Co., Waterloo, Iowa, in re the excess-profits tax; to the Committee on Ways and Means.

By Mr. DARROW: Resolutions of Tiogo Tribe, No. 358; Wawatam Tribe, No. 63; Mohave Tribe, No. 320; Teocco Tribe, No. 343; Seminole Tribe, No. 30; Minonk Tribe, No. 451; and Tonawanda Tribe, No. 81, Improved Order of Red Men; Windom Council, No. 93, Sons and Daughters of Liberty; Resolution Council, No. 6, Fraternal Patriotic Americans, all of Philadelphia, Pa., in behalf of Senate joint resolution 84; to the Committee on Military Affairs.

By Mr. FOSS: Petition of the William McKinley Camp, No. 12, Department of Illinois, United Spanish War Veterans, urging that aliens be made subject to the draft law; to the Committee on Military Affairs.

By Mr. GRIEST: Petition of Otto H. Lehman, Lancaster, Pa., favoring the exchange of censored news between parties living in the United States and those within the territory of the central powers; to the Committee on the Post Office and Post Roads.

Also, petition of John G. Zook, Lititz, Pa., urging the conscription of incomes above $3,000 per year; to the Committee on Ways and Means.

Also, petition of General Cameron Council, No. 851, Mount Joy, Fraternal Patriotic Americans; Tangascootac Tribe, No. 215, Christiana, Improved Order of Red Men; Otsego Tribe, No. 59, Mount Joy, Improved Order of Red Men; Marietta Tribe, No. 292, Improved Order of Red Men; Manheim Council, No. 32, Order of Independent Americans; Mountville Council, No. 65, Fraternal Patriotic Americans; Tribe No. 65, Conestoga, Improved Order of Red Men; Conestoga Council, No. 22, Lancaster, Order of Independent Americans; Canassatego Tribe, No. 203, Lancaster, Improved Order of Red Men, all of Pennsylvania, favoring the enactment of Senate joint resolution 84, authorizing the drafting of aliens into the military service of the United States; to the Committee on Military Affairs.

By Mr. SCULLY: Petition of the Home Defense League of Perth Amboy, N. J., favoring the drafting of aliens; to the Committee on Military Affairs.

Also, petition of the Interstate Sportsmen's Protective Association, headquarters Kansas City, Mo., protesting against the passage of the pending migratory-bird treaty act; to the Committee on Foreign Affairs.

Also, petition of the New Jersey State Dental Society, urging the passage of such a bill as will modify the status of the Dental Corps of the United States Army as to increase the efficiency of the dental service to the Government; to the Committee on Military Affairs.

Also, petition of New Jersey Branch National Woman's Party, Newark, N. J., urging the immediate passage of the Susan B. Anthony Federal suffrage amendment as a war measure; to the Committee on the Judiciary.

Also, petition of the National Council Junior Order of United American Mechanics, in national session, urging a restriction of immigration; to the Committee on Immigration and Naturalization.

Also, petition of the New Jersey State Bar Association, favoring an increase of the salary of Federal judges; to the Committee on Appropriations.

By Mr. SIMS: Petition of sundry citizens of Decatur County, Tenn., urging the repeal of the conscription law; to the Committee on Military Affairs.

SENATE.

WEDNESDAY, *August 22, 1917.*

(Legislative day of Wednesday, August 15, 1917.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

EXPORTATION OF COTTON.

Mr. HARDWICK. Mr. President, I desire to present and ask the Secretary to read a memorial of the House of Representatives of the Georgia Legislature respecting the proposed embargo on cotton. After it is read I desire to say just a word about it.

The PRESIDENT pro tempore. If there be no objection, the Secretary will read the memorial. The Chair hears no objection.

The Secretary read as follows:

"Whereas there seems to be danger of Federal interference with the movement of the South's cotton crop; and

"Whereas there seems to be grave danger of an embargo being placed on cotton; and

"Whereas such interference and such embargo would largely affect and lower the price of said crop: Therefore be it

"*Resolved*, That the House of Representatives of Georgia do most earnestly and insistently protest the placing of cotton under Government control in any manner whatsoever.

"*Resolved, second*, That a copy of this resolution be furnished Georgia Senators and Representatives in Congress, hereby urging them to fight to the last any such effort.

"In House. Read and adopted August 15, 1917.

"E. B. MOORE, *Clerk of House.*"

Mr. HARDWICK. Mr. President, I desire to say just a word in reference to this resolution. My own sentiments are very much in accord with those so well expressed on this floor yesterday afternoon by the Senator from South Carolina [Mr. SMITH]. I do not believe that the Legislature of Georgia nor the cotton planters of Georgia would object to any necessary movement in order to prevent the use of any part of their cotton for explosives by Germans or any other forces engaged in war against our country. No matter what the financial loss to the cotton producer might be from such a transaction, their patriotism is such that they would readily submit to it without any murmur. But any attempt based on any other reason and for any other purpose except that is utterly unjust and entirely unnecessary, and I hope may not be undertaken.

Mr. VARDAMAN. Mr. President, there is no argument that can be added to what the able Senator from South Carolina [Mr. SMITH] stated on yesterday and the learned Senator from Georgia [Mr. HARDWICK] stated this morning on the question of putting an embargo on cotton. My constituents are largely interested in the cotton industry, and of course are vitally concerned about any measure that might be enacted by Congress the effect of which would be to lower the price of cotton. The Senator from Georgia a few minutes ago voiced my sentiments thoroughly on this subject. The people of Mississippi are devoted, patriotic Americans, and if necessary to make the sacrifice they would not hesitate to sacrifice every bale of cotton and every bushel of corn, together with the precious lives of their fathers, sons, and husbands in the successful prosecution of this war for the honor of their country. If they thought this commodity was transported to the enemy and used against us in this war, the sacrifice, I repeat, would be made with alacrity. But permit me to indulge the hope that before any action may be taken by the President or Congress which would result in lowering the price of cotton the matter shall be thoroughly investigated, so that we can act upon the truth rather than an apprehension which the war-distracted mind may conjure or imagine in this time of stress. Speaking for the people of Mississippi, I want to say that we will not knowingly permit cotton to go to neutral countries which may ultimately find its destination in the enemy's country, regardless of how attractive the prices may be. It might not be out of place for me to observe that the people of Mississippi did not desire this war, but now that war is on they will do their bit patriotically in the prosecution of it to a triumphant end. Whatever mistakes may have been committed in the beginning, since their country is involved in war they will not falter in their devotion.

The farmers of Mississippi have suffered sorely for the last three years from the blighting effects of war. In 1914, on account of the war in Europe and the failure of the National Government to help the cotton growers in the time of stress, cotton dropped from 13 cents to less than 6 cents per pound—less than the cost of production. The embargo put on cotton by England to the neutral countries, in violation of international law, in 1915 caused a loss of $20 per bale to the struggling, impecunious cotton growers of the South. On the crops of these two years alone the people of the South lost three-quarters of a billion dollars. Last year the crop was short, and with the high price they have had to pay for everything they bought the result to them has been very disastrous. It would be inexcusable, bordering onto crime, if Congress or the President should take any action looking to a reduction in the price of cotton, unless it should be necessary to do it in order to keep cotton from reaching the enemy's country.

Mr. President, I am going to venture the suggestion that in the investigation of this question it would be prudent for Senators to look thoroughly into the matter. We all understand that at this season of the year the manufacturers are interested in lowering the price of cotton so they may get cheaper raw material for their mills. And that is true of the American spinner as

well as the European manufacturer. In this age when the dollar is the god and commerce the religion with so many people, it is not regarded as a crime for a man to use such methods as the "cry of cotton going to the enemy's country" in order that the price may be lowered. I am afraid that the real source of alarm or apprehension is not that the "cotton is going to the enemy's country," but that the manufacturers of cotton may be forced to pay the farmers a fair price for their product. It may be that this is another piece of sinister selfishness committed in the name of patriotism—patriotism which is too often "the refuge of the scoundrel."

I do not know that anything of this kind is being done, but I want to warn Senators who desire to see justice done against the wiles of the cunning financier.

Mr. PENROSE. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hollis	Nelson	Smith, Mich.
Beckham	Husting	New	Smith, S. C.
Brady	James	Norris	Smoot
Brandegee	Johnson, Cal.	Overman	Sterling
Calder	Jones, Wash.	Page	Stone
Chamberlain	Kendrick	Penrose	Sutherland
Culberson	Kenyon	Pittman	Swanson
Curtis	Kirby	Poindexter	Tillman
Dillingham	Knox	Ransdell	Trammell
Fletcher	La Follette	Robinson	Underwood
Frelinghuysen	Lodge	Saulsbury	Vardaman
Gerry	McCumber	Shafroth	Weeks
Gore	McKellar	Sheppard	Wolcott
Hale	McNary	Sherman	
Harding	Martin	Shields	
Hardwick	Myers	Simmons	

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent on account of illness in his family. He is paired with the Senator from New Jersey [Mr. FRELINGHUYSEN]. I will let this announcement stand for the day.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness. I will let this announcement stand for the day.

Mr. SMITH of Michigan. My colleague [Mr. TOWNSEND] is unavoidably detained from the Senate this morning on official business.

Mr. HUSTING. I desire to announce that the senior Senator from Illinois [Mr. LEWIS], the senior Senator from California [Mr. PHELAN], and the junior Senator from Utah [Mr. KING] are detained on official business.

Mr. CHAMBERLAIN. I desire to announce that the Senator from Mississippi [Mr. WILLIAMS] is detained on important public business. I ask that this announcement stand for the day.

Mr. SUTHERLAND. I desire to announce the unavoidable absence of my colleague, the senior Senator from West Virginia [Mr. GOFF], on account of illness. I ask that this announcement stand for the day.

The PRESIDENT pro tempore. Sixty-one Senators have answered to their names. There is a quorum present.

Mr. LODGE obtained the floor.

Mr. GORE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Oklahoma?

Mr. GORE. Will the Senator yield to me for a couple of minutes?

Mr. LODGE. Yes. I desire to go on with a short speech, but I will yield to the Senator.

Mr. GORE. Mr. President, I merely want to second what has just been said by the Senator from Georgia [Mr. HARDWICK] and the Senator from Mississippi [Mr. VARDAMAN] and what was said yesterday by the Senator from South Carolina [Mr. SMITH].

My State is one of the leading cotton States in the Union. It produces something like a million bales a year. The people of my State desire a short and successful war and an early, honorable, and lasting peace. They would not, either directly or indirectly, contribute to the strength, efficiency, or resources of the enemy.

The cotton planters of my State are willing to make any financial sacrifice, any contribution necessary to the national defense and for the success of our national arms. But they think that their sacrifice and contribution ought to be just, ought to be reasonable, and ought to be apportioned to the sacrifices and contributions of other citizens and other classes of our citizenship. They would, of course, protest, as they would have a right to protest, against any unfair and disproportionate exaction. An embargo on cotton is unnecessary. It would prove injurious, if not disastrous, to the entire cotton section. We should not needlessly implant in the minds of the cotton producers a sense of injustice. It is to be feared that the wheat producers already have too much reason to believe that an injury, not to say an injustice, is being inflicted upon them. Psychology is one of the most important resources of war, and it ought to be conserved.

I thank the Senator from Massachusetts for his courtesy.

WAR REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses and for other purposes.

Mr. LODGE. Mr. President, for the past two months my time and thought, with slight exceptions, have been wholly occupied with the consideration of the bill now before the Senate, and I desire to speak upon it at no great length to the Senate. I have not yet done so. I have only spoken briefly on one or two amendments and I desire now to say something about the general principles upon which the bill was framed.

The Committee on Finance, Mr. President, devoted a great deal of time and thought and patient work to the framing of this bill. I have had a somewhat long experience in this body. I have had a share in the making of some tariff bills, and in framing immigration bills, and I had a chief part in framing the Philippine organic act, so that I can speak with some knowledge of work upon important bills. I have never seen any committee which has worked so hard and so faithfully and so disinterestedly as the Committee on Finance upon this measure. We had the assistance of officers of the Treasury Department, Mr. McCoy, Mr. Boyd, Mr. Beaman, Mr. Talbot, and Mr. West, five of the best experts possible, familiar with all the details of legislation, and I think we were well informed. We saw and talked with the people affected all over the country and also had hearings on the interests involved.

What is true of the committee, Mr. President, is particularly true of the chairman, who not only gave all his days to the bill, but who worked also at night upon it, and brought to his task a constructive ability, a perfect disinterestedness, and a determination to make the bill on the best economic principles for the best interests of the country and the war without regard to sectional or party desires.

Mr. President, this bill turns on two principles, as the Senator from Wisconsin [Mr. LA FOLLETTE] said yesterday when he began his speech. Those two vital questions, beside which everything else is unimportant, comparatively speaking, are the proportion of expenditures to be raised by taxation and that paid for by loans and the imposition of taxation in such a manner as to maintain business in the highest state of productivity and activity. I shall speak first of the proportion of expenditures to be raised by taxation and by loans, respectively.

It is, I think, obvious that between John Trumbull's often-quoted line, "What is posterity to us," and the proposition to raise all the expenditures by taxation a just mean must be found. It would be bad financiering in the highest degree, in my opinion, to raise our entire expenditures by loans. It would be equally bad financiering—in fact, I think it would be destructive and impossible almost—to attempt to raise $11,000,000,000, which are our expenditures actually appropriated for and estimated, by taxation in a single year. It would paralyze the country and break down the entire financial system. It would be absolutely ruinous, in my judgment, to the part the United States must take in this war if it is to be won. That fact alone is sufficient to condemn it.

Reasonably heavy taxation in war times is the great bulwark of the credit of the country. That it should be so is sound in every respect. But there must also be loans, and it may be said in passing that future generations have as great a stake in this war as the present generation, and to put the entire sacrifice, both of life and treasure, upon the present generation would not only be grossly unjust but helpful to our enemies. My own opinion is that we have adjusted the relation between the amount to be raised by taxation and the amount to be raised by loans as accurately and as fairly as it can be done.

The Senator from Wisconsin [Mr. LA FOLLETTE] cited the cases of the Napoleonic wars and of the Crimea. I think during the Napoleonic wars economic conditions were so very different in every respect that it is hardly a parallel case. The Crimean War was so far removed from this war in magnitude that it is difficult to make a comparison with it. The same may apply to our own Civil War; but it is well to remember that in 1864 and 1865 for the first time we adjusted our taxation, as I believe it should have been adjusted from the beginning, by raising 30 per cent, or perhaps a little over, of the annual expenditures by taxation, and that has remained, I think, a rather high record.

Mr. President, the economists and statesmen of Great Britain are certainly well informed on such a subject as this, and I think that it is worth while to look at what they have done since the war began. From August 1, 1914, to March 31, 1915, they raised by revenue £171,000,000 sterling, and they borrowed £404,000,000 sterling. The percentage of expenditure raised by taxation was 34½ per cent.

For the year ending March 31, 1916, they raised £336,000,000 sterling—I give only the millions—of revenue, and their new borrowings were £1,164,000,000 sterling, the percentage of expenditures raised by taxation being 31.6 per cent.

For the year ending March 31, 1917, the revenue was £573,000,000 sterling; the new borrowing was £1,625,000,000 sterling, and the percentage of expenditures raised by taxation, 28.35.

From April 6 to July 31, 1917, the revenue was £128,000,000 sterling; the new borrowing was £595,000,000 sterling, and the percentage of expenditures raised by taxation was 17.6 per cent.

The total amount raised by revenue from August 1, 1914, to July 7, 1917, was £1,210,000,000 sterling; the new borrowing was £3,792,000,000 sterling. The percentage of expenditures raised by taxation during the whole period of the war has been 24.3.

Mr. REED. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Missouri?

Mr. LODGE. I do.

Mr. REED. Can the Senator tell us what proportion of the moneys charged as expenditures were in fact moneys advanced to England's allies, and for which she received some kind of return?

Mr. LODGE. The amount advanced to her dominions was £142,000,000 sterling, and to the allies £828,000,000 sterling.

Mr. REED. Are those sums included in the amounts from which the Senator draws his percentages?

Mr. LODGE. These figures are taken from the London Economist, and I assume those amounts are included in the totals of the borrowings. But even if we assume that the entire amount lent to the Dominion and other allies was secured, England's proportion of taxation to expenditures was only a trifle over 43 per cent.

Mr. President, this bill was based upon the estimates furnished on the 2d of July of the expenditures for the ensuing year. The estimate was $5,653,000,000. Of that we propose to raise by taxation $1,300,000,000 under existing law, and $2,000,000,000 by the new taxation in this bill, making in all $3,300,000,000 of the $5,653,000,000 of the estimated expenditures with which we had to deal. The Senate will see that 58 per cent is the proportion of taxation to loans.

After the bill was completed, on the 24th of July, to be exact, 22 days later, we were informed by the Secretary of the Treasury that there were estimates for new expenditures amounting to $5,000,000,000 and over. It was decided by the committee, after careful consideration, not to carry the taxation at this moment beyond the point of supplying the money actually appropriated. The money for the new estimates has not yet been appropriated; it is not yet a charge on the Treasury. It was impossible to tell beforehand what the actual appropriations would be as compared with the estimates, the estimates, I think, including the enormous increases for the Army, which I believe made up about $5,000,000,000 of the amount. Adding the estimates of from $150,000,000 to $200,000,000 for the Navy, I think it would probably have reached five and a half billion dollars. Those estimates, as I have said, are not yet appropriated for. I understand that the House appropriation bill which is now approaching completion will carry, in round numbers, about four and a half billion dollars.

No reductions have been made, I think, for any expenditures which are required at the moment, which are needed now or which will be needed within the fiscal year; but some reductions were made where authorizations were necessary, but where the money would not be called for until after the close of the fiscal year. Adding that amount of four and a half billion dollars to the expenditures estimated for on July 2, we get, in round numbers, $10,000,000,000; and this bill, together with existing taxation, carries over 30 per cent of expenditures for the year, both those appropriated for and those estimated, as large a percentage as the highest of the Civil War and nearly as large as the English percentage.

Mr. President, it seems to me that that is a fair balance between loans and taxation. We shall have to increase taxes; we shall be obliged to increase them very soon, either now or in December when Congress meets again. It seemed desirable, therefore, to construct a bill upon which increases could be placed easily and without disturbance of existing conditions, and, as I have said, I believe this has been done.

I now come, Mr. President, to our second proposition—the maintenance of business in the highest state of productivity. The great bulk of the taxes proposed to be raised by this bill are taken from two sources, incomes and war profits, and both those taxes, though different in form, come from the same fund. Under the present law we raise from individual incomes, normal and surtaxes, and from the corporation tax $360,000,000; in the House bill additional $615,000,000, and, according to the Senate bill, additional $777,000,000. Under the present law we raise from the war-profits tax $226,000,000; the House added $200,000,000; and the Senate bill adds $562,000,000.

Taking the whole of the taxation, the whole of the $3,300,000,000, we raise $1,925,000,000 from those sources, and in the additional taxation we raise $1,613,000,000 out of $2,000,000,000. If we now add liquor and tobacco taxes we find that from the total, $3,300,000,000 imposed by taxes, $2,582,000,000 are taken from war profits, incomes, liquor and tobacco, leaving in round numbers about $700,000,000 to be raised from other sources.

The existing tariff, I think, supplies about $240,000,000 of that $700,000,000. The remainder is derived from general taxes, some known as consumption taxes and others as nonconsumption taxes. Those taxes fall on the entire population of the United States, not on the poor man alone—far from it. They fall on everybody, and in some instances, as in the case of sugar, for example, the rich or the well-to-do pay a much heavier proportion of the sugar tax than persons of more limited means. The amount of sugar consumed conforms very largely to the general scale of expenditures of the household, and a large proportion of the sugar consumed is in the form of candies, which I think may be denominated luxuries.

The consumption taxes which have been attacked in this bill are on tea, coffee, cocoa, and sugar. They are very moderate taxes. Tea, coffee, and sugar are taxed and have practically always been taxed by every civilized nation in the world. We are an exception in not imposing taxes on tea and coffee; in that respect we stand almost alone. The way that came about was this: We had the taxes on tea and coffee at the time of the Civil War. As time went on we began to produce a surplus of revenue under our tariff system, which was a protective system in those days. It seemed desirable to reduce the surplus revenue collected, and the protectionists then in control of the Government took off the duties on tea and coffee, those articles not being produced in this country and that action being in accord with the protective principle, and put forth the ingenious claim to popular favor that they were giving the country a "free breakfast table." Although it was a protective cry, it was communicated to the Democratic Party, and they have become as sensitive about the "free breakfast table" as we ever were.

These commodities are absolutely legitimate sources of revenue. We propose to raise but a small amount of revenue from them. I have had letters by the thousands, nearly, and so has every other member of the committee, in connection with nearly everything in this bill; but I have not had one letter of objection from any consumer in regard to the taxes on tea and coffee. The objection to them comes solely from politicians—I ought to say public men and statesmen—it has not come from the consumers of the country. There have been some objections, I think, about the floor tax from dealers in those articles; but, as to sugar, I have not had a single objection from anybody except the producers of the commodity. There has been no popular opposition to these taxes visible. The fact is the amount of tax when distributed to the individual is so trifling that the average man does not feel concerned with it at all.

Mr. President, I do not admit the soundness of the doctrine that any class of people in this country should be exempted as such from their share in paying taxes. Those who have large incomes, and whose business makes large earnings, of course must pay and should pay the great bulk of the taxes; but I believe under a democracy that just as every man is bound to offer his services for the defense of the country in time of war, every man is bound to make his contribution to the expenses of the Government, if it is not more than 10 cents a year. I do not think you can carry on a democracy in a wholesome way on any other basis.

But, Mr. President, I have been led off to speak about the consumption taxes. My proposition is, and the figures bear it out, that the amount raised from those sources is trifling. If you will analyze the taxes which make up that $380,000,000 in this bill, the number of real consumption taxes is very small.

There are taxes on amusements, from which a considerable revenue is expected. I can not see why people who have money to spend purely on amusements should not spend a portion of that money for the benefit of the country. If they have the money to spare for amusements, they can spare an additional cent or two in taxes.

I do not regard a tax on automobiles as a tax on one of the necessaries of life. The great mass of the automobiles are used for pleasure. The man who can afford to use an automobile, no matter how cheap the car may be, puts himself in a position where his expenses must be elastic in the maintenance of the car.

There are the stamp taxes, to which no objection is made, and to which no objection should be made, and which fall very generally upon all the people of the country.

There are small taxes on freights, telegraph messages, and tickets of passage on railroads or steamboats, very small in each case, but yielding a large sum in the aggregate. I do not think any of those are consumption taxes, strictly speaking, and I think they are all justifiable.

There is a tax raising a comparatively small amount of money placed on such things as rackets, lacrosse bats, and all that sort of thing, which are merely for games and sports.

There is also a tax on perfumes and cosmetics, and a further tax, only 2 per cent, on the gross sales—although the committee did not approve the principle of gross-sales taxes—on what are known generally as patent or proprietary medicines, but which include all sorts of things of that kind which operate under a patent or trade-mark. The amount to be raised is not very large. I think it is an extremely just tax. These people, nearly all of them, have a monopoly to begin with—a monopoly granted by the Government. It is an industry in which huge fortunes have been made, in which the articles are sold at an enormous profit, the materials being very cheap, and the profit which is possible under a trade-mark or patent correspondingly large. They have been called the poor man's medicines. As medicines they are not cheap; they are expensive. They have an alcoholic value which of course adds to the charm of many of them, from "Hot Drops," for instance, with an alcoholic content of 60 per cent, and "Peruna," with an alcoholic content of 40 per cent, the sale of which, I was told by the Senator from Colorado, has increased one hundredfold in his State since it has gone "dry." They do furnish in those cases, I suppose, a very cheap form of stimulant, but I have never understood the tenderness for that particular industry. As I have said, enormous fortunes have been made out of it. They make great profits, and the product is of no special benefit to anybody except those who are fortunate enough to own the successful patent.

Then there are the taxes through the post office. Those are not consumption taxes, but they are general taxes. In the first place, there is the increase on first-class mail. It falls with the greatest weight on the people who write the most letters. The people who write the most letters are naturally the great corporations, the great business houses, people engaged in business in a large way. With the average man the tax paid a cent at a time is not noticed and it can be collected without one additional dollar of expense to the Government. It costs no more to sell a 3-cent stamp than it does to sell a 2-cent stamp. The machinery is all there. It is pure gain to the Government.

That leaves the consumption taxes on practically the four articles of which I have spoken. The amount of tax in each case is very small, although the amount to be raised by them all is considerable—$87,000,000. I think, Mr. President, that a taxation measure which draws $2,582,000,000—for I must include all the year—out of war profits, income taxes, liquor, and tobacco is not an ill-balanced bill. It seems to me very moderate in the amount raised from other sources than those I have mentioned.

Mr. President, I wish to speak briefly now in regard to the war-profits tax.

In the first place, as to the much-contested basis of exemption: At one of the earliest meetings of the committee the proposition to abandon what seems to me the extremely crude method of the House bill and of the now existing law was brought forward by the Senator from Colorado [Mr. THOMAS], whose absence I greatly regret, and the cause of his absence still more. He brought it forward and presented it with great force, and after much discussion I think the committee, with hardly an exception—I do not know of one—agreed as to the superiority of that basis of exemption in raising the war-profits tax.

"Excess profits" really means nothing. It is almost impossible of determination. If you lay down an arbitrary line of 8 per cent, you name a profit which is probably far too low for the ordinary risks of ordinary business, which is certainly far too low if men are to be encouraged to enter any business, especially, for instance, the mining business, where the hazards are great. "Excess profits" may be anything. What seems excess to one person and in one business may be only reasonable to another. But if you segregate the war profits—whether or not they are directly owing to the war, in any event all of them have been additions to the normal profits of peace times made during the war period—you get a body of profits, and a very large body of profits, which you can at once segregate and define.

The committee determined to adopt as the basis of exemption the normal profits in each case made by individuals, partnerships, and corporations in the prewar period. All the belligerent and neutral countries, with the exception of Spain and Canada, have adopted this system. They have all retained it, and none has abandoned it. I think when we take that aggregate of opinion it is not to be lightly dismissed. Those countries have been anxious to raise as much money as possible and to get it out of the profits of the war as largely as possible, and they have adopted this method as the one which causes fewer injustices and fewer inequalities than any other. There is no method on earth which can be devised for imposing this war-profits tax—which we recognize must be our chief source of revenue—in which there will not be inequalities and injustices.

I can go to work now, standing on my feet, and give real and imaginary cases which seem, and perhaps are, evidence of injustice or inequality which might arise under this bill. What we aimed to do was to get a system which, on the whole, produced fewer inequalities and injustices than any other and raised more revenue from that source than any other. This is particularly true when a heavy tax is to be levied and on a large scale.

After long discussion we adopted for a normal the English basis of the three years immediately preceding the war. We compared it carefully with the German provision for five years, throwing out the highest and lowest and averaging the remaining three, and we found that on the whole the basis of the three years prior to the war was the most lenient to the taxpayer, and on the whole the justest.

We were then met by the difficulty of the corporations which had either made no money, or which were new corporations that had no prewar profits, and for those we established an exemption to be determined by the average profits of corporations engaged in like business during the prewar period. I can see nothing fairer than that.

Mr. WOLCOTT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Delaware?

Mr. LODGE. Certainly.

Mr. WOLCOTT. I should like to ask the Senator what his view is concerning what should be done with respect to this sort of situation: I think I could name some businesses the representative concern in which, during the prewar period, would be doing what we might call a subnormal business.

Mr. LODGE. I was just coming to that, if the Senator will allow me.

Then came up the next difficulty, and the most serious difficulty, of the subnormal profits, to which the Senator from Delaware has referred. We worked over that a long time. We ended by giving them the same exemption that we gave to those who had made no profits—that is, an exemption of the average profit of like businesses.

Mr. WOLCOTT. Mr. President——

Mr. LODGE. But it was felt by the committee, and I believe the chairman proposes to offer an amendment to that effect, that there should be added to this a proviso that the exemption of the average of like business should not fall below 6 per cent.

Mr. WOLCOTT. That answers my question.

Mr. LODGE. I think myself it would be well to make our limit 8 per cent. The committee voted 6 per cent. That seemed to us to cover new corporations, corporations that made no profits, and corporations that made subnormal profits. I ought to say also that we have carefully provided for cases where there has been an increase or a decrease of stock in a corporation.

The arbitrary exemption, drawing the line of the House and imposing a flat rate, would lead to very gross inequalities indeed. For instance, if we took the House exemption of 8 per cent and applied it we should practically exempt every railroad in the country.

Under the House provision, as has been shown by the table furnished by the chairman of the committee, which I will not repeat, it will be seen that, proceeding on the profits of the year 1916, the House took $21,000,000 from the United States Steel Corporation, and our bill took $76,000,000 under our system. I believe estimates have been made of their profits for this year. If their profits for this year are what the first six months indicate, we shall take, I think, in the neighborhood of $200,000,000 from that corporation alone. I have heard estimates given that

the four great steel companies of the country alone will pay a very large proportion of the entire tax.

Mr. SIMMONS. Will the Senator pardon me?

Mr. LODGE. Certainly.

Mr. SIMMONS. The Senator is speaking of the Steel Corporation?

Mr. LODGE. Yes; I am speaking of that.

Mr. SIMMONS. I think it will pay an excess-profits tax of $148,000,000, based upon their earnings for the first two quarters of this year. That is their estimate.

Mr. LODGE. Then there is their 6 per cent normal.

Mr. SIMMONS. Yes; they pay that.

Mr. LODGE. That does not include the 6 per cent normal.

Mr. SIMMONS. No.

Mr. LODGE. But the war profits alone.

Mr. SIMMONS. The war profits alone.

Mr. LODGE. If you add the 6 per cent normal, it will come very near to $200,000,000.

Mr. SIMMONS. Very near to $200,000,000.

If the Senator will pardon me in this connection, in a colloquy had with the Senator from California [Mr. JOHNSON] a few days ago I stated inadvertently that this company, as I was advised it was estimated, would pay 44 per cent upon their earnings by way of excess profits. I was mistaken about that. An expert of the Treasury has made a thorough calculation, and he advises me that instead of 44 per cent it will be on an average of 48 per cent.

Mr. BORAH. That is, 48 per cent of their profits?

Mr. SIMMONS. Of their war profits, their net earnings during the war period.

Mr. BORAH. Their peace profits in 1913 were $71,000,000. Then, there is $71,000,000 you add to that, and it is 54 per cent war profits, and you take 54 per cent of it.

Mr. SIMMONS. The Senator has in mind the estimate for the three quarters.

Mr. LODGE. May I say a word? Their capital in round figures is about $1,000,000,000.

Mr. SIMMONS. One billion seven hundred million dollars.

Mr. LODGE. Their net earnings for the three prewar years averaged about $70,000,000. The Senator can calculate what the interest is and how much of it you get on the 8 per cent flat rate.

Mr. BORAH. I am not arguing for an 8 per cent flat rate.

Mr. LODGE. No; I did not think the Senator was.

Mr. SIMMONS. The average is around $70,000,000. In 1916 their earnings were $71,000,000, and it would leave their war profits $200,000,000.

Mr. BORAH. What would be the profit of the United States Steel Co. for the year 1916 after you had deducted the amount which you propose to deduct by your bill?

Mr. SIMMONS. Two hundred and seventy million dollars.

Mr. BORAH. That would be their profit?

Mr. SIMMONS. For 1916. Now, if the Senator will pardon me, they made about as much during the first two quarters of this year as they made during the whole of the year 1916. Their profit based upon the first three quarters, as I recall it, was $568,000,000, as against $271,000,000 last year. After deducting their prewar profit from that amount there will be left, according to the Wall Street Journal, for this year $490,000,000, representing their war profits.

Mr. LODGE. I have the same respect for the arithmetical power of the Senator from Idaho as I have for his legal power, but when he said 64——

Mr. BORAH. Yes; I was wrong as to that, but I finally arrived, by the assistance of the Senator from North Carolina, at what their profits would be for the year 1916.

Mr. LODGE. There is no doubt of it.

Mr. BORAH. That is what I was seeking to get at. The details of my figures were incorrect, but the sum total——

Mr. LODGE. They are less than 52 per cent.

Mr. BORAH. I accept that.

Mr. SMOOT. The average prewar period Steel Corporation profits were $63,587,777.

Mr. LODGE. They would very largely escape under the House provision.

Mr. SMOOT. Under the 8 per cent House provision they would.

Mr. LODGE. They get off with $21,000,000.

Mr. SMITH of Michigan. An average for what years?

Mr. SMOOT. For the years 1911, 1912, and 1913. In fact, I can give the exact earnings of the company for each year. In 1916——

Mr. WEEKS. Mr. President——

The PRESIDENT pro tempore. The Chair thinks the Senator from Massachusetts had better indicate to whom he yields. There are four or five Senators on the floor.

Mr. LODGE. I will yield to the Senator from Idaho and then to my colleague and then I shall be glad to go on. I have nearly finished.

Mr. BORAH. I wish to ask, while we have a mathematician on the floor, how much would be the earnings of the United States Steel this year after you have deducted the amount which you deduct under the bill? What would be its earnings to be distributed among its own stockholders after it paid its tax under the bill?

Mr. SMOOT. I can not give the exact figures because it would take me a little time to figure it, but, in round numbers, it would be $252,000,000 after the excess profits or war tax was deducted.

Mr. LODGE. You would have to deduct the normal.

Mr. SMOOT. Of course; I was going to do that. If the profits continue the third and fourth quarters of this year on the same ratio that they were for the first and second quarters, the profits of the United States Steel Co. would be $490,000,000, and under the excess-profits tax we deduct 48 per cent and a fraction as war profits. Besides that, before the war-profits tax takes effect, we also deduct the normal tax of 6 per cent, which would be $2,000,000 more. So, in round numbers, it will be as I stated.

Mr. LODGE. That is 6 per cent on the whole net income?

Mr. SMOOT. Yes; that is on the whole net income. So, in round numbers, I should say it would be about $250,000,000.

Mr. BORAH. The profits then retained by the steel company after all these deductions would be about $250,000,000?

Mr. SMOOT. About $250,000,000.

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. The reporter is quite unable to hear what is going on. To whom does the Senator from Massachusetts yield?

Mr. LODGE. I was going to say something myself.

The PRESIDENT pro tempore. I think the Senator from Massachusetts has the floor.

Mr. LODGE. I was going to say, it is to be remembered also that a large portion of those earnings which escape the war profits will be divided among the stockholders and will all pay an income tax and surtax. I yield to my colleague.

Mr. WEEKS. I wish to suggest that the discussion of the profits which have been earned by the United States Steel Co. is a pertinent one, but when you leave that to enter into the realm of speculation, if the purpose of the administration is carried out to regulate profits not only for our Government but for the allies and for individuals to cost and a small profit, there will not be any excess profits for the United States Steel Co. or the Government hereafter, and we shall have to look to some other source for this $200,000,000 of revenue which we are now getting.

Mr. LODGE. Mr. President, the point I made was the superiority of the basis adopted by the committee to the arbitrary and flat-rate basis proposed by the House. Its immense superiority as a revenue raiser is beyond question. Look at the table presented by the Senator from North Carolina and look at the table in the minority report—I think on page 95—a very elaborate and valuable table of corporations, and you will find the same result. Now, as to its justice. I do not mean to say it in any but the pleasantest way, but if Senators had given to this question, as the committee has, over two months of really hard work, they would have found that the difficulties and injustices and inequalities were far greater in any flat rate and arbitrary exemption than in the one proposed by the committee. It is very easy to imagine hard cases. As I have said already, I could bring forward some myself. Hard cases make bad laws. The only way in which the committee could proceed was to get a system which, on the whole, would produce the fairest general results, a system which, as I have said already, has behind it the opinion of every economist of every country now engaged in war and of every neutral country except Spain.

Mr. UNDERWOOD. Will the Senator from Massachusetts allow me to ask him a question?

Mr. LODGE. I yield.

Mr. UNDERWOOD. The Senator has just stated that the basis of the committee report on excess profits has behind it the system of every country in the world except Spain.

Mr. LODGE. And Canada.

Mr. UNDERWOOD. I have carefully read the statutes of every one of those countries since the bill has come before the Senate. I do not find a single country except Spain that has a basis for levying a war-profits tax that is in accord with the report of the committee at all.

Mr. LODGE. If the Senator will allow me, I will give him the results of the researches of the committee.

Mr. UNDERWOOD. I am talking about the basis of the taxes, not the fact that they tax war profits. I mean the basis on which they attempt to tax war profits.

Mr. LODGE. The chairman of the committee placed in his speech, and it represented the figures which were derived from the investigations of the Treasury experts and our own, a statement which I think was fairly careful:

Great Britain allows the average profits of two prewar years out of three; France three prewar years, exactly as ours; Italy two prewar years, 1913 and 1914— "

Italy did not enter the war until after 1914—

Russia two prewar years; Germany three of five prewar years, excluding the best and the worst; Austria three of five prewar years, excluding the best and the worst; Denmark two of the three, 1912, 1913, and 1914; Norway, two years; Sweden, two years; and Holland three years, just as ours. The only two countries out of the 14 countries, one at war and the other a neutral—one in Europe and the other on this continent—imposing a war-profits tax upon any other than the base provided in this bill, are Spain and Canada.

Mr. UNDERWOOD. If the Senator will allow me, of course I have read what he has stated, and as far as it goes that is undoubtedly correct, but England took the three prewar years and then allowed——

Mr. LODGE. England allows a choice of two years.

Mr. UNDERWOOD. Surely. That is what I was going to say.

Mr. LODGE. The committee, if I may be pardoned, did not overlook it, and some of us voted for it in committee.

Mr. UNDERWOOD. The basis of the tax is entirely different from what the English tax is. This is not a tax; it is an exemption.

Mr. LODGE. If the Senator will allow me, it is not different except in the fact that England allows a choice.

Mr. UNDERWOOD. But the Senator does not go to the text of his own bill.

Mr. LODGE. Perhaps I do not.

Mr. UNDERWOOD. At least as I understood the Senator.

Mr. LODGE. I am ready to be instructed.

Mr. UNDERWOOD. If I am not correct I would be glad to have the Senator correct me now, because I do not care to be misled by my own reading of the Senator's bill. If the only proposition involved in this controversy was a question of taking a prewar basis for the assessment of the taxes, or rather the allowance of this exemption, because it is an allowance of exemption, England and France and European countries have tried to obtain what your committee is trying to obtain in this bill. If the basis of your exemption was fixed on a prewar period for a certain number of years, I grant you you would be in accord with what most of the European countries have done. But you do not stop there, and you do not go as far as they do. The attempt in the Eurpean countries was to avoid the taxation of normal profits and to fix a basis that would be assured. Each one of those countries after they fix the prewar period for the allowance of an exemption say that there shall be exempt in any event, some of the countries say 8 per cent, some 5 per cent, some 6 per cent. If my recollection serves me aright, I think in Great Britain it is 6 per cent. At any rate it varies.

Mr. LODGE. It was 6 per cent, and it has been raised to 9 per cent.

Mr. UNDERWOOD. They stabilize it, and put everybody on the same basis of exemption. Now, the committee in reporting this bill strikes out that stabilizing feature which aids the man who did not make any profit in prewar days and aids to help put him on an equal basis with the man who has made a prewar-period profit. But the real error in the committee's report, the point of danger that I see in the committee's report that will lead to many inequalities, is the fact that it may take the surplus of these corporations and inject it into the proposition in trying to determine the basis of exemption.

Now, I am not in favor of eliminating surplus. I know the necessity of the corporation carrying a surplus, but when you drag into the basis of an exemption not a taxation the question as to whether a corporation has accumulated a large surplus, the corporation that has profits in the prewar period, especially the immediate prewar period since starting the war in Europe, the munitions corporations, that are more likely to have a surplus than the ordinary corporation that was doing ordinary business, would be exempt, and the real basis of your exemption in this and in many cases is going to turn on that surplus that you put in this bill as a basis of calculating your exemption.

It is for that reason a corporation like the United States Steel Corporation and many of that kind of large corporations in this country are almost entirely exempt from not all taxation but from the taxation under this excess-profits provision.

Now, I am in accord with the view of the committee in attempting to eliminate from this excess-profits tax the ordinary business profit and levy a tax on corporations that are making their profits out of the war, but I say that your committee in writing your report, especially by bringing in this surplus tax, abandoned the English basis, you have abandoned the French basis, you have abandoned the basis of every nation in Europe that levies its taxes, and you reach a basis where you are going to aid some man who has been exceedingly prosperous from war conditions and penalize the man who has suffered from war conditions.

Mr. LODGE. Mr. President, I still think that I understand the bill. We have reached precisely the same result in a different way as that desired by the Senator from Alabama. The great body of the corporations, of course, were making normal profits before the war. By deducting in each case their entire normal profits there is no difficulty to be encountered at all. The difficulties only come when you reach the subnormal; and that we have covered precisely as England has covered it. We have also covered the no profits, as I have pointed out, and the new business.

Mr. SIMMONS. Will the Senator pardon an interruption?

The PRESIDING OFFICER (Mr. KNOX in the chair). Does the Senator from Massachusetts yield to the Senator from North Carolina?

Mr. LODGE. Certainly.

Mr. SIMMONS. The Senator from Alabama [Mr. UNDERWOOD], as I understood, took the position that the English Government has safeguarded the case of a man who is making a subnormal profit against excessive taxation by allowing him an exemption, which should not be less than 6 per cent in any case. The Senator from Massachusetts said we were taking care of that as England has taken care of it. We have taken care of it, but in a different way. We have taken care of it by permitting the corporations with a subnormal profit during the prewar period to have the tax levied on the average profits made during six years by representative concerns in like business.

Mr. LODGE. Mr. President, what I have been saying thus far has been in an attempt to give my reasons for believing that the committee has adopted the proper basis of exemption in calculating war profits. I want to say one other thing as to a difficulty which we have tried to minimize—the difficulty of the flat-rate exemption of 8 per cent, as proposed by the House of Representatives. On what is that 8 per cent to be calculated? You at once open a perfect tangle of questions in every case that comes up. On what is the 8 per cent earned? What is the capital? Of what does it consist? How much must you allow for patents? How much must you allow for good will? How much must you deduct for water? Endless questions arise. The more the committee considered the matter the more it seemed to them to be "no thoroughfare"; and we came to the conclusion that the only method to follow is to take the profits of the company as they are shown at the time and as they are calculated at the time, as they are required, in the case of the railroads at least, to be calculated, to show net profits according to the books, and tax them on the profits as they appear.

Mr. President, I have taken much longer than I meant to, but I wish now to come to the question of amount. I have not the slightest desire to protect wealth from taxation; I wish to take from it by taxation all that we possibly can with safety to the other demands which must fall upon what is called wealth; but I have no insane hatred of wealth; I do not think honest business success a crime; I wish to treat it in such a way as will be most helpful to the success of the country in war. The income tax and the war-profits tax both come out of the same fund. They come out of the earnings of the country, directly or indirectly. I believe we have gone to the limit of safety in the taxes imposed for the first year. As the war goes on we must raise those taxes very high, as England has done. I am speaking of this year; we may have to do it in less than three months from now; but at present I think we have gone to the limit of safety in what we have imposed.

What does that fund have to provide? As my colleague [Mr. WEEKS] pointed out yesterday, it provides for practically all the resources of every educational, philanthropic, and charitable institution in the country, and if wealth is overtaxed all these great charities, all our institutions of learning would be crippled. But what must it provide from the public point of view alone? In the first place, it must provide the surplus necessary to carry on business. The times are abnormal. Corporations, in order to develop and carry on their business and keep it to the point where it should be can not go into the loan market, which the United States is preempting, and get money as they could before. That is impossible. Even the strongest of them find great difficulty at this moment in borrowing money at high rates of interest. We must allow a reasonable surplus in order to keep

business in the highest state of productivity and prosperity, for if business fails and the war profits go down the profits taxes go down with them and the income taxes go down, and then we shall have but one resource, and that is consumption taxes of the heaviest and most burdensome kind, which I desire by all means that we shall avoid.

We are likely to have our war profits and our income taxes go down in any event, because the Government apparently is going arbitrarily to fix prices on everything which in any manner can be held to relate to the war. Apparently "bare living profits" is their idea. If you cut down the industries of the country to "bare living profits," the question of a war-profits tax will need no argument. We can not get a war-profits tax unless there are war profits from which to take it. I am ready to raise them to the highest practicable point, but I do not want to be left without money by their failure from arbitrary fixing of prices.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Idaho?

Mr. LODGE. Yes.

Mr. BORAH. In connection with the point which the Senator from Massachusetts is now making, I desire to make this suggestion, in order that I may have the Senator's view of it: England is now taking 80 per cent of such profits and this is the third year of England's war.

Mr. LODGE. Yes.

Mr. BORAH. England took 50 per cent or 40 per cent—there seems to be a dispute about that; I understood it was 50 per cent, but I have heard the statement that she took 40 per cent the first year and 60 per cent the second year——

Mr. LODGE. I think England took about 40 per cent the first year.

Mr. BORAH. And 80 per cent the third year. We have now had two years of war profits which have gone untouched; there has been no assessment of taxes in the way of war profits. Those profits have been stored away; they belong to the people who have earned them. Would it not be, as a business proposition, quite as safe for us to take 80 per cent, after the people who control the industries have had the advantage of two years, as for England to take 80 per cent after her industries have been taxed from 40 to 60 per cent for two years?

Mr. LODGE. I have not found that England has undertaken to fix low prices for her Government, her domestic consumers, and also for foreigners. She has sold her commodities with the full market profit to her own people for domestic consumption, also to foreign nations. Moreover, I am going to take up the matter of the accumulated surplus in a moment, if the Senator will allow me.

In addition, these funds must pay the bulk of the taxes. I believe the rate will be 60 per cent in a short time, and will reach 80 per cent if the industries are allowed to make money. It may be that we shall take all excess profits, but if there are no such profits to take, the revenue will not amount to much.

However, I come now to the question of accumulated surplus and what to me is the central point in this whole problem. We must have loans. We have issued one loan of $2,000,000,000; we must have $3,000,000,000 more, which has been authorized by a previous bill, to meet our loans to the allies. We have been told on high authority that we should probably have to raise $8,000,000,000 in loans before the first day of the new year.

To the same fund that supplies incomes and war profits we must look to supply our loans. There is nowhere else to look; there is nobody in the world to-day able to lend us a dollar. The allies borrowed from us in the early years of the war—not to a large extent, perhaps, but they borrowed several hundred million dollars. They also had great quantities of American and other securities which they could cash in, the proceeds of which they could put into their own loans. We have no such resources; we have nobody in the world to whom we can sell our securities. If we turn around and throw securities on the market in the effort to sell them to each other, we shall bring on a financial panic which will shake credits throughout the country. We must look to the accumulations, to the surplus, to the excess over the taxes to have our loans taken. There is absolutely no other source for taking up those loans to be found on the planet.

Those loans if they fail will shake the credit of the United States, and the credit of the United States is the great pillar of the war to-day. Imperil the credit of the United States and you imperil the entire war against Germany. It is to our credit above everything else that the world must look to continue this war to complete victory, as I believe it will be continued.

Mr. President, I should not hesitate one moment to take 80 per cent or 90 per cent or all the war profits and put them into taxes if it were not for the other drains upon that same fund. I think it is very important to maintain business activity; I think it is enormously important that all incomes and war profits shall be in a position to yield large returns; but we must remember that to that surplus, whether of income or of earnings, we must look to sustain our credit. That which the individual can save out of his income he will put into the bonds of the United States; if he can not save anything because all his surplus is taken in taxes, the United States is deprived of that resource.

Mr. SMITH of Michigan. Mr. President, will the Senator permit me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Michigan?

Mr. LODGE. Yes.

Mr. SMITH of Michigan. I should like to suggest to the Senator that in the recent bond issue the public did not take the bonds with any alacrity; they were taken very largely by the banks of the country, and in scores of cases, amounting to millions and millions of dollars, the money with which the bonds were bought was furnished by the Government. They were received as security for loans at practically the same rate of interest as the bonds themselves now bear. They have not been absorbed by the general public. It is difficult to have the public absorb them, and the thing that I dread most in this entire situation is that ultimately we may ask the public to take a larger amount of bonds.

Mr. LODGE. Mr. President, there were difficulties about the liberty loan, but they ended by its being subscribed a billion dollars over what was called for. I have the utmost confidence in the people of the United States that they will take the loans if they have anything with which to take them, and that they will make sacrifices in order to take them.

The total wealth of this country to-day is estimated roughly by economists to be about $300,000,000,000, and the margin of safety in loans on that amount is estimated to be, I believe, about $40,000,000,000. I do not know whether or not we shall be called on for that enormous amount in addition to the taxes, but I do know that the first thing to be considered in all our taxes and in all our arrangement of taxes is the credit of the United States. For that reason taxes ought to be heavy; they ought to raise a very large percentage of the total revenue, as large as we can safely undertake; but behind it all stands the credit of the United States. My one controlling standard is the war. If I thought taking all profits would bring success in war most quickly I would take them. But, as I am of opinion that our credit is the most vital element in winning the war, I wish to reserve a portion of our wealth for that prime object.

Mr. President, it is idle to guess how long this war will continue, but we are suffering sorely now because we failed to prepare for this war. In the two years or more that elapsed between the declaration of war in Europe and our entry into it we made practically no effort to get ready. We plunged into war unprepared, thus involving enormous expenditures and all the cost which haste is sure to bring. Do not let us make another such mistake. We ought to prepare for a long and trying war, and we ought to push our preparations with the speed which we should wish if we believed we could end it in six months. We must not let the continuance of the war find us unprepared; and the greatest preparation is to maintain in full strength and vigor the credit of the United States.

Mr. President, I have believed from the beginning that this war could have but one end. I believe that now all the more strongly since my own country has entered upon it. We have as a Nation an enormous stake in this war. If Germany had been victorious in the first rush we should have been the next victim. We are fighting primarily against becoming a tributary and subject people; we are fortunate, as we have to make this fight, in having others to fight with us; but that is what is at stake for us—our peace, our security, our right to live our own national life in our own way in the future.

The only peace which is worth having is a peace that will last. A peace on the status quo ante bellum would convict every man who voted for the declaration of war and the President who advised it of the blackest of crimes. To enter this war, to shed the blood of our young men, to burden ourselves and posterity with enormous taxes and enormous debts in order to find ourselves at the end with the situation just as it was in the summer of 1914 would be unbearable. We not only should have fought in vain, but we should have fought without reason; we should then be in a position where we should have to spend countless millions in preparing for the next war, which a distinguished German general has just said they must make ready for now.

Mr. President, we are fighting to carry this war through to the end for our own safety in order that we may have our own

independence uninterfered with. It is quite true that our victory means the victory of freedom and democracy everywhere, and also the victory of civilization over organized and scientific barbarism; but the democracy which we have first to consider is our own. Our own safety and our own independence are at stake.

Therefore, Mr. President, every sacrifice that is necessary will, I know, be made by the American people; but they will ask in return that for all their sacrifices they have a peace worth having, and we can have no peace without a complete victory. That such a victory will come I am as sure as that I stand upon this floor at this moment, for I do not believe it is written that German victory is possible, because if it were it would make this world a place not worth living in.

Mr. TOWNSEND. Mr. President, owing to enforced absence I have not been able to hear all of the arguments which have been presented on this bill.

I want first to pay my compliment of respect to the chairman of the Committee on Finance, who has been uniformly courteous and fair, and has given every member of the committee an opportunity to express and impress himself upon the legislation which is proposed. I have never known a man to exhibit more patient industry. I feel myself that the members of that committee have been conscientious in their work, and have done the very best they could to bring forth a bill which would meet the exigencies of the situation. I regret, however, that it seems necessary for me to depart in some particular respects from the conclusions of the majority.

On almost all of the subjects and almost all of the efforts of the committee there has been practical unanimity of purpose and action. I think all of the committee were agreed that an emergency exists, and that large sums of money must be raised, either by taxation or by a bond issue, or both, and that that levy should be made in such a way as to disturb business as little as possible. They felt that the maintenance of commercial and industrial enterprise was absolutely essential to the successful prosecution of the war. We differed, however, as to the amounts to be raised by taxation and as to the particular sources from which it should be raised at this time, and it is upon those questions that I desire to express myself briefly.

I have listened this morning to the argument of the senior Senator from Massachusetts [Mr. LODGE], and I confess that I have been at a loss to harmonize his philosophy with the conclusions he reaches. For instance, he insists during the latter part of his argument that the credit of the United States must be maintained, and that in some way it can be maintained better by a large bond issue than by paying as you go. The money to be raised for this war must be obtained either from taxation or from bond issues, and it is axiomatic that the more you raise from one source the less you have to raise from the other source; it is the same money, whether obtained by taxation or from a bond issue. A bond issue may ultimately increase the money to the bondholder, but it is the same to the Government when it is obtained.

Mr. President, I am no enemy of wealth. I do not think there is any particular virtue either in wealth or in poverty. Neither of them is an attribute of manhood. I believe that honest wealth is absolutely essential to the country. I recognize with great respect the man who has the genius which I do not possess, to see, and has the courage to undertake and the ability to accomplish, the things which are necessary for the prosperity and progress of the world. Indeed, the world would be a waste if it were not for the ability of some men to do things in the world. But I am favorable to wealth at this time because I believe it has an opportunity and the special ability to do a great service to the country. Without government there can be no such thing as property. Property exists simply as a creature of law. A man owns his home or his business because the government protects him in that ownership; and if we are to believe gentlemen on the floor of the Senate and elsewhere that our country is in danger, that our institutions are threatened, then it becomes of the utmost importance that those most directly interested should take a very active part in preserving the government which sustains those institutions.

Mr. President, I feel that now is the time to impose the largest tax consistent with going business upon those who hold and control surplus wealth. There is in the House bill a provision which is retroactive. It taxes last year's profits. Without exception, I believe, the members of the Committee on Finance voted that out because they believed it was unjust. Every man who had anything to be taxed under that provision objected to it.

Now it is proposed that these profits which exist at the present time, which are the greatest in the history of the world, shall not be taxed until possibly next year or the year after. I say to you, Mr. President and Senators, that they can not be reached at that time without much greater difficulty than they can be reached now.

I think an exceedingly large tax levy at this time should be made. The world recognizes us as the richest nation on earth. Germany understands, as does the rest of the belligerents, that the United States is financing this war; yet shall we say now to Germany, our enemy, that we can not raise money except by mortgaging the future; that our reputation for wealth is false and we have not the cash to put up to stop this war? It seems to me, Mr. President, that it is a mistake for us to enlarge the bond issue and diminish the tax levy.

I think we could better afford at this time, after two years of the greatest profits this country has ever known, to make a levy of 75 or 80 per cent upon war profits and still leave to their owners greater profits than the average mind can comprehend untouched by this particular clause of the bill. Therefore I have said that from these sources at this time, and for the purposes of this emergency tax, we should levy a much larger percentage upon profits and incomes than this bill proposes to do. If the war shall fortunately end at the end of a year, then nothing further than present profits will be materially disturbed. If it shall not end, then indeed will we need to have paid the debts of this year and to have made our accounts as nearly current as it is possible for us to do.

I agree with my colleague [Mr. SMITH of Michigan] that you are going to have difficulty in floating your future bond issues. I know it has been reported, as stated by the Senator from Massachusetts, that this liberty bond loan was oversubscribed nearly a billion dollars. I doubt it. I do not believe it was oversubscribed to any such extent. But at what terrific effort was the subscription obtained! Are we sure such effort can be successfully repeated?

Mr. President, I have voted, and am willing still, to vote money sufficient to finance this war so far as it appears to be our duty to do so, although I should feel a good deal better if I knew just what was going to be done with the money. I was discouraged when the Congress of the United States, yielding to Executive coercion, did not exercise the power of supervision, or rather of report upon the expenditure of the large appropriations which we have made. The President is supreme, and my protest is unavailing. I am opposed to including many of these irritating items of taxation in the bill, and that produce small revenues, because of their effect upon the patriotism of the people, which at this time, in my judgment, is not at the highest flood.

It may be unpopular for me to say it, but I speak the truth: This is not a popular war. I believe now it is a necessary one—that now it is, and that we must carry it through to the successful finish. But it is not popular; and we ought to be exceedingly careful, in dealing with this financial question, that we are not discouraging patriotism. Patriotism is not created by Executive declaration or by oratorical effort; it is a quality of soul and not of sentiment.

It is true that many of the taxes in the bill are inconsequential in comparison, because now we are dealing in billions, which the ordinary mind can not understand at all; but we pronounce the word as glibly as we pronounced "thousands" a few years ago. We are dealing in billions, and these little taxes of $400,000,000 do not amount to much; but they furnish good talking points, and they do come home to a great many people. There are some of those to which I do not object, but to some of them I do strenuously object.

I do not believe that we ought to increase the first-class letter postage and not settle the whole postal question squarely on its merits. There are people in this country who believe that certain other classes of postal matter do not pay their proper share of the expenses of the operation of the Post Office Department. We do practically nothing in this bill to equalize those conditions, but every time a man puts an extra stamp upon his letter he is reminded of the fact that he is called upon to pay three times what the service costs, while other classes of mail, even under this measure, will not pay more than a fraction of what their product costs the Government, and also that there are billions of war profits in this country made out of the war and because of the war that go untouched.

I do not believe this law will be more popular with the people when they have to buy tickets on railroad trains or pay freight bills which have been increased lately by the Interstate Commerce Commission. I do not believe it will be popular for the consumers of this country to be obliged to pay an extra price for sugar when the retail price of that article is already almost beyond their reach.

Other items in the bill ought to be eliminated at this time. If we continue in the war for three years, we may have to reach

them, but it will be time enough to handle that question when it arrives. It has not yet arrived.

Therefore, Mr. President, I have felt that we ought to raise a much larger sum by taxation than this bill proposes. It will not lessen the ability of the people to buy bonds, because there will not be so many bonds needed. Do you tell me that if we pay a billion dollars in taxes now we are going to cripple the credit of the country when by doing so we simply make it unnecessary to issue an additional billion dollars of bonds later? We have wiped out that account when we pay the bills.

Why, Mr. President, to me it is simply a proposition to pay cash as far as we are able. The time may come when we can not do that; but there is not a provision in this bill, even if you increase your rates, that would interfere with legitimate business. We have avoided carefully, or tried to avoid, infringement upon business capital actually invested, and I felt, and I feel now, that it is a mistake to lessen the tax levy and increase the bond issue.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from Michigan yield to the Senator from Oklahoma?

Mr. TOWNSEND. Yes.

Mr. OWEN. If we issue bonds instead of paying in cash now, will not those bonds, when they are paid in times of peace, represent a much larger amount of property taken from the people?

Mr. TOWNSEND. The Senator is quite correct.

As I said at the beginning, I tried to follow the philosophy of the Senator from Massachusetts [Mr. LODGE], for whose ability I have great respect, but I confess I was unable to do it. It seems to me that every argument he made might have been better made in favor of a larger tax levy and against an increased bond issue.

Mr. President, when the committee was considering this bill it was most courteous to all the business interests of the country. They came before us in large numbers and expressed themselves uniformly as satisfied with the hearing that they had been accorded. I think you will search the hearings in vain to find the case of a single man who did not insist that he was willing that Congress should take all of his profits, if necessary, if you would leave him his capital.

There is not an exception that I can recall. The committee took a small portion of these profits. Then a great many of these gentlemen afterwards wanted still more concessions, not all of them, and I think it is but just to the majority of the business men of this country to say that they are willing that we should take the larger per cent of their profits, if necessary to the successful prosecution of the war.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Mississippi?

Mr. TOWNSEND. I yield.

Mr. VARDAMAN. I wish to ask the Senator if he knows of any instance where the payment of this tax will reduce the normal profits, or rather the profits of corporations below the normal in time of peace?

Mr. TOWNSEND. Not a single instance.

Mr. VARDAMAN. Then, as a matter of fact, these corporations are making no sacrifice whatever to meet this emergency?

Mr. TOWNSEND. The Senator is absolutely right.

Mr. VARDAMAN. Everybody else is doing it.

Mr. TOWNSEND. According to their own admission that is true. But, Mr. President, the war profits are not an unmixed blessing. I am satisfied that the great profits which certain munitions factories and other concerns in this country have made out of our allies have caused more than any other one thing the exorbitant prices which the common people have to pay. Let us take coal and iron, for instance. The operators of coal fields stated to our committee, one person after another, "that while the prices we are getting for coal are exorbitant and more than reasonable yet there are great concerns in this country that have contracts for goods to be sold abroad at prices beyond all reason and all conscience, who come to us and say, 'We will pay you any price for coal,' and they offer us $7, $8, and $9 a ton. Coal is an incident in the war manufacturing business, and yet this war business fixes the price of coal and steel and copper. To the war babies are attributable much of high prices. They pay any price and thus try to corner the market and take the goods.

I confess it is a test of a man's patriotism to sell steel for $56 a ton when somebody stands ready to pay him $140 a ton for it. Who can pay $140 a ton for steel or $9 a ton for coal? A man who is making great war profits. Nobody else can afford to pay it.

So I say, Mr. President, I am not enamored with war profits. If I could have my way about it there would be no war profits in this country that were not devoted to the war expenses of the Government. If they were not sufficient to meet the cost, then I would go to a consumption tax or any other tax that could be equally distributed over the country, and I would expect to have a more prosperous and a more patriotic country.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Nebraska?

Mr. TOWNSEND. I do.

Mr. NORRIS. May I suggest to the Senator right in this connection, that if we finance the war by bonds instead of increased taxation the bonds must be paid, together with their interest, at a time when there will be no war-profits tax.

Mr. TOWNSEND. Absolutely. I so answered the Senator from Oklahoma. But the Senator must remember that these bonds are bearing interest every minute. Bonds already issued must have their interest paid twice a year. Burdens are going to constantly increase, but inasmuch as we would not disturb the credit or lessen the ability of the country to pay by drawing largely from surplus profits and unusual profits we ought out of the greatest surplus our country has ever known to pay what we reasonably can. It seems to me in fairness not only to our credit, but in fairness to prosperity, we should adopt the honest method of levying and paying a large tax.

Furthermore, Mr. President, a bond issue simply encourages extravagance. It furnishes an opportunity for manipulation by those who deal in bonds. We should avoid it at this time as much as possible.

We have been living for many years, for a generation, in an age of extravagance, almost criminal extravagance. I do not want to do anything to further encourage it, but I would like to discourage it.

Oh, Mr. President, if war profits were relied upon entirely to carry on this war I would rather abolish them with all their attendant train of evils and rely upon other sources of revenue, because we would have a more patriotic people, a stronger Government respected for its strength and character by the world.

I regret that the committee could not report unanimously. I would like to dispose of the question and have it settled, but to me, Mr. President, the matter is of such gigantic importance that I could not consent simply to vote against the measure without expressing my reasons for casting it so. I hope that we can increase the amount of money that is to be raised by taxation. I hope we may be able to amend the measure. Never in all the history of our country will we again come to a time when we can spare the money so well as we can now.

Mr. BORAH. The Senator is a member of the Finance Committee. I should like to ask his opinion as to the amount of the war profits which we should incorporate in the bill, in his judgment.

Mr. TOWNSEND. We can without shock to business raise $3,000,000,000 by taxation. This is my honest opinion about the matter. I would like to confine the taxes to income, war profits, cigars, tobacco, liquors, and certain other items. I do not object to a tax on amusements. I do not object to a tax on automobiles. That is a tax I have to pay. Keep everything that proposes a levy on luxuries. I do not object to those taxes, but I would eliminate all these vexatious things which simply challenge a man's criticism every time he meets up with it. I would do it for the good of my country and for the success of the war in which we are now engaged.

I am tempted to divert and talk about some other things, but I shall not do it at this time, because I have tried to deal with the question as dispassionately as I could and with a firm belief that I am talking for the good of my country in the expression of the views which I have submitted to the Senate.

Mr. LA FOLLETTE. I ask leave to present an amendment to the income-tax provisions of the bill. I ask to have it printed, and I shall offer it at the proper time.

The PRESIDING OFFICER. Without objection, the amendment will be printed.

Mr. SIMMONS. The pending amendment is the amendment offered by the Senator from Rhode Island [Mr. GERRY].

The PRESIDING OFFICER. That is the pending amendment, and it will be read.

The SECRETARY. On page 4, after line 3, strike out the remainder of the section and insert:

Thirty-five per cent per annum upon the amount by which the total net income exceeds $500,000 and does not exceed $750,000.

Forty-five per cent upon the amount by which the total net income exceeds $750,000 and does not exceed $1,000,000.

Fifty per cent per annum upon the amount by which the total net income exceeds $1,000,000.

Mr. GERRY. Mr. President, I introduced this amendment because I believed that it was a more logical and equitable carrying out of the theory of the bill. As to what the amendment does, it raises the surtaxes on the last bracket carried in the bill from 33 to 35 per cent, and then adds two additional brackets on an increased scale, simply imposing a higher rate of tax on the very large incomes.

I am informed that this tax will be paid by something like 160 people who are very well able to pay it. It will raise over $40,000,000 in additional revenue.

This title as reported raises $777,700,000. If amended as suggested, it would raise $817,900,000. The estimated revenue under the present law is $360,000,000. If this amendment is agreed to, the total income-tax revenue would be estimated at $1,177,900,000. The tax paid by all individuals with incomes greater than $500,000 under the present law is $47,752,960, and under the bill as reported $147,106,710. Under the amendment it would be $187,330,000, and the total tax collected would amount on these high incomes to about 52 per cent.

I believe that this is a logical tax and one that is just and should be levied.

Mr. SMOOT. Mr. President, I am in full accord with the amendment offered by the Senator from Rhode Island [Mr. GERRY]. I wish simply to call attention to the rates of each bracket that will, when this amendment is made, apply to incomes falling within those brackets.

Incomes exceeding $500,000 and not exceeding $750,000 under the existing law carry a rate of 14 per cent. Under the amendment offered by the Senator from Rhode Island there will be added to 14 per cent 35 per cent, or a total percentage of 49 per cent on incomes of that class.

On amounts over $750,000 and not exceeding $1,000,000 the present law provides a rate of 15 per cent. Add to that the rate provided in the pending amendment of 40 per cent and it would make a total tax upon such incomes of 55 per cent.

On all incomes exceeding $1,000,000 the present law is 15 per cent and the proposed increase offered by the Senator from Rhode Island is 50 per cent, making a tax upon all incomes over $1,000,000 of 65 per cent.

Mr. President, I wish to state that that is the highest income tax that was ever imposed in all the world. I do not believe that at any time in the history of the world there has ever been a tax of that magnitude imposed upon incomes. In fact, I have looked carefully and I have been unable to find one.

As the Senator from Rhode Island said, with this amendment there will be an increase in the income tax as provided for in the bill over and above the incomes from which we are now receiving a tax of $40,375,200.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. I yield.

Mr. BORAH. This amendment is offered by a member of the committee and seems to be indorsed by another member of the committee. I take it that it is satisfactory to the committee.

Mr. SMOOT. I can not say as to that. The committee held no meeting. I talked with the Senator from Rhode Island last evening about it. I can not say whether it is favored by the committee or not. The committee has held no meeting. That increase, when added to the amount that is already to be collected under the provisions of the bill as reported to the Senate, makes $817,000,000 to be collected from incomes alone, over and above the present income collections.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Minnesota?

Mr. SMOOT. I yield.

Mr. NELSON. How much increase is this over the provision of the bill for which it is a substitute?

Mr. SMOOT. Forty million three hundred and seventy-five thousand two hundred dollars.

Mr. NELSON. By making this change, then, you add $40,000,000 to the revenue?

Mr. SMOOT. That is correct.

Mr. NELSON. On those three items?

Mr. SMOOT. On incomes above $500,000 per year.

Mr. President, as I stated, I hope the amendment will be agreed to.

Mr. BORAH. May I ask the Senator a question? How much will we then raise by this bill from the income-tax provisions alone?

Mr. SMOOT. Eight hundred and seventeen million nine hundred thousand dollars.

Mr. BORAH. How much is England raising at present by incomes?

Mr. SMOOT. Of course, this is in addition to the amount we are already raising under existing law.

Mr. BORAH. That is not the question I asked the Senator. The Senator misunderstood me. How much is England raising by an income-tax law?

Mr. SMOOT. I thought the Senator had reference to this bill.

Mr. BORAH. No.

Mr. SMOOT. Something over a billion dollars.

Mr. BORAH. What is the amount that England is raising this year under her law?

Mr. SMOOT. I thought I had the estimated amount with me, but I have not. However, I will say to the Senator it is a less amount than we will raise under this bill and existing law.

Mr. BORAH. England is raising, according to my recollection, although I am never certain as to my figures, something over a billion dollars.

Mr. SMOOT. It is over a billion.

Mr. BORAH. England has about 42 per cent of our population; she has about $80,000,000,000 of wealth and we have about $220,000,000,000 to $300,000,000,000. So even with the figures which are submitted with this amendment we are not yet by any means raising the amount of income tax which England is raising.

Mr. SMOOT. I will say to the Senator I do not believe he himself would approve of the plan of raising incomes that England is following. We have a greater exemption than England has. England begins on her smaller incomes and imposes greater taxes upon them than this bill provides, and upon small incomes is where she gets a greater part of her revenue.

Mr. BORAH. But England has not so many large incomes from which to draw or perhaps she would change her program.

Mr. SMOOT. I think that, in proportion to the number of business concerns and her population, England has as great a percentage of large incomes as are found in the United States.

Mr. BORAH. I do not care to argue against this amendment, because I am in favor of it. My only objection to it is that it does not go far enough.

Mr. SIMMONS. I desire to say to the Senator from Idaho that England raises £205,000,000, equal to about $1,000,000,000. We will raise under this bill and the existing law $1,177,000,000 from incomes.

Mr. BORAH. When you take into consideration the wealth of England and compare it with the wealth of the United States we are not by any means reaching the income tax which England imposes. The Senator from Utah said it was the largest income tax ever imposed. As to a particular rate upon a particular amount that may be true, but in dealing with it as a whole it is not true by any means.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. I yield.

Mr. GRONNA. I simply want to add to what the Senator from Idaho stated that the best authority I have been able to find estimates that the incomes in England are about $12,500,000,000 anually, while in this country they are over $50,000,000,000.

Mr. SMOOT. I take it for granted the Senator from Idaho understood the statement I made when I stated that 65 per cent was the highest rate of income tax imposed in any country in the world, and that implied all incomes over $1,000,000 as provided for in this bill.

Mr. BORAH. It is not 65 per cent.

Mr. SMOOT. Yes; it is 65 per cent over a million dollars. It is a tax to be imposed upon all incomes in the United States if the amendment is adopted, and the highest rate imposed in England is 42½ per cent.

Mr. NELSON. Mr. President——

Mr. SMOOT. I yield to the Senator from Minnesota.

Mr. NELSON. As I understand it, the incomes over $650 in England are subject to an income tax.

Mr. SMOOT. They are.

Mr. NELSON. All incomes.

Mr. SMOOT. All incomes; and not only that. I will say to the Senator that the higher rates begin upon the lower incomes of England, and that is where she raises the great bulk of her incomes, while with the bill and this amendment added to it the great bulk of the incomes will come after the income reaches $50,000 a year.

Mr. FLETCHER. Mr. President——

Mr. SMOOT. I yield to the Senator from Florida.

Mr. FLETCHER. May I ask the Senator this question? The difference is that England begins to tax her incomes of $650 and the rate on her taxation of income below an income, say,

of $600,000 is greater than our rate, and she gets her money largely by taxing the smaller incomes. Does it not appeal to the Senator as being wiser to put this tax on greater incomes?

Mr. SMOOT. That is what we are doing. We are putting a greater taxation on larger incomes, and we say all incomes over a million dollars shall pay 65 per cent.

Mr. FLETCHER. The point that the Senator makes seems to be that it is the highest income tax ever levied by any country, but it only applies to incomes exceeding this amount.

Mr. SMOOT. One million dollars per annum.

Mr. FLETCHER. One million dollars per annum.

Mr. SMOOT. As I stated.

Mr. FLETCHER. The high rate imposed by this bill does not apply to the smaller incomes.

Mr. SIMMONS. If the Senator will pardon me, as stated by the Senator, under the English system they begin by levying a tax at $650. The normal income tax in England is 25 per cent. The surtax is very small compared with the normal. They raise the bulk of their income tax in England upon the smaller incomes instead of upon the larger incomes, as we propose in this bill. Then, there is another difference and a very striking one to me. In this country we have subdivisions. We have 48 great subdivisions, and most of those subdivisions tax the incomes of the people. In England they have no such subdivision in which taxes on incomes are imposed.

Mr. LEWIS. Mr. President, I have very great respect for the report made by the majority of the committee. I have, of course, very high appreciation of the efforts of the minority, and I know the patriotism which stimulated their work and the recommendation that can be said to be in opposition to the majority report.

Mr. President, this committee, as has been observed by many Senators, went about their work without any partisan chart. They sought to accomplish the result without any stimulus of political opposition or political advantage. To the work of all this committee there must go, of course, a high degree of appreciation and an unstinted expression of approval for their patriotism. If errors have been made, as necessarily they must have been made, they have been made for lack of information or as a result of misinformation that frequently comes to a committee from those who ask hearings and deliberately mislead. There are classes of people who get hearings under the flattering consolation to themselves that they have some form of ingenuity by which they may trick the hearer and mislead the result. The ordinary man who comes to a committee who is engaged in some occupation or business flatters himself that he is so skilled in that particular line that he will be able to convince against the wisdom of the committee or to achieve in the particular purpose he has covertly to accomplish.

Then, sir, there are those who add to this the flattering unction to themselves that they are the sole possessors of all knowledge upon the question, and the committee being "lawyers," public men, "politicians," are essentially ignorant of these matters. In this way, sir, it is impossible for the majority or the minority of a legislative committee to be correctly informed. Yielding to their constituents and to that presumption of honesty, which the representative should ever do, the committeeman finds himself greatly imposed upon, deliberately betrayed, designedly tricked.

Mr. President, on no subject has that performance been more repeatedly dramatized than in the matter of representations as to incomes. There has been more ingenious lying deliberately perpetrated to the face of the representatives on the Finance Committee from time to time by men touching their incomes than could be conceived as could come from men of honor or men of business standing. Men who would shrink from petty lying in the ordinary affairs of their lives and who hold themselves up as worthy of the approval of their fellow man in the communities where they live, who sedately march in solemn procession behind the collection plate through the aisles of the holy church of God, carrying with them the atmosphere of, "Behold, how much holier I am than thou," will promptly come from that Sunday service to this body of men, and, under the guise of business necessity, justify a form of lying which in other forums would subject them to the charge of perjury and to the pains and penalties thereof.

Mr. President, it is because of that condition that errors have been made by both the majority and the minority of the committee. The men serving in these public bodies are trying to give this country all the taxes they can give them, consistent with the welfare of business; conscious that the country has to bear a great burden and that the burden of taxation that may be laid, however heavy, is justified.

Mr. President, I may startle you to tell you that there in the Treasury Department at this hour while I am speaking is the established proof of $300,000,000 swindled out of this Government by perjury, fraud, deception, and different forms of commercial and personal trickery under the income-tax returns. Had there been common honesty on the part of that set of men who prated loudly about the "honor of the Republic" and cried in tones of echo throughout the world for war, there would not have been the necessity for the committees on both sides in their honest endeavors to levy this burden that is now apparently justified.

The eminent junior Senator from Michigan [Mr. TOWNSEND] said he would find a greater satisfaction in supporting one form or the other of the taxes proposed if he could but be content in his mind as to the manner in which the money is to be expended. Mr. President, had there been more fidelity to law and more patriotism displayed by a certain set of very wealthy individuals in this country, and had they, as a result of such action paid their just proportion under the income-tax law, we would have been able to have had by this time such preparation for national defense that the eye of the Senator from Michigan or that of any other Senator from any State could have beheld it gratified at the result.

Mr. President, the junior Senator from Rhode Island [Mr. GERRY] tenders an amendment, being himself a member of the committee, increasing the income tax of individuals. He has conferred with Senators as to the amendment, and he has given the subject his personal investigation. The eminent chairman of the committee has refused to lay his hand or voice, in his official capacity, against the independent judgment of any Senator either of the committee or of the body, and in matters of this kind has expressed himself everywhere that it is a question of individual opinion guided by the sense that each Senator feels to his constituency and to his oath of duty. In the pursuit of what I feel to be my duty, I want to support the amendment tendered by the Senator from Rhode Island and to support the proposed increase of the tax on incomes.

I trust the junior Senator from Rhode Island will pardon the personal reference when I say it is but fair to him to have the attention of the country called to who he is. The scion of a family of great wealth, it is known, as a matter of history, that he himself, by inheritance and otherwise, the results of his own business industry, can be said to be one of the men who will suffer most—if "suffer" is to be the word—by the very amendment he tenders. His household and family, collateral and direct, will be among those who must contribute as the result of the very amendment tendered by the Senator from Rhode Island. I should like to commend this example to another class of rich men who have done all they could to avoid the tax. I wish that they might behold the public representative who himself will have to pay and of those who bear affinity to him, presenting the example of not only voluntary contribution but of an effort to have the law so adjusted that even his collaterals may not escape it.

Mr. President, the increase of the income tax will accomplish two purposes I assure you very necessary in this hour: First, as the proposed increase does not lay its burden upon the small income, and surely levies no increased income tax upon incomes less than $100,000, a man realizing an income from his industry, from his undertaking, that is ordinary or small will feel that he has not been subjected to a discriminating tax, and will feel that the large interests have not been made exempt; he will behold that the very large profits coming out of him who is engaged in undertakings are being taxed, and taxed to the very great volume necessary in the equity of government; he will feel somewhat content; he will feel composed; and if he should feel that the profits were not being reached to the full extent that he might hope hereafter they should be, he will harbor to himself the consolation that they will be reached later when the necessities require, and will have the present satisfaction of knowing that private incomes of large wealth that he sees luxuriously and extravagantly dissipated on the nonessentials of life are at last being laid hold of by a Government that permitted their possessors the methods by which they earned it, and are being taxed to maintain the soldiers in the field, the Government at home, and to pay the burdens and expenses of the encounter upon which we have entered.

Mr. GERRY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Rhode Island?

Mr. LEWIS. I do.

Mr. GERRY. Mr. President, I appreciate the argument of the Senator from Illinois concerning the feeling of the man paying a tax on a small income as to the effect of this amendment, namely, that he is receiving a square deal, but I should also like to say to the Senator that, while I appreciate very much the complimentary things he has said about me, I can not claim such

wealth as he imputes to me, or any credit that might come to me for voting for this tax, as it will not touch me personally.

I introduced the amendment because I thought that it was sound and just, but I do not think, in all honesty, I can claim the credit which has been given me by the Senator from Illinois.

Mr. LEWIS. It may be, Mr. President, that the Senator from Rhode Island does not wish to have it appear that he would take a personal credit to his people for doing his duty, nor was it my intent that that should be capitalized by him or anyone else politically. I was tendering what is a common well-known fact here, that, while the Senator is too delicate a gentleman to make a boast or allow one to be made concerning his personal possessions, it is in evidence to a great many men that here in this public body, so oft maligned and abused, are the evidences from both sides of the Chamber of a patriotism that ever consents to submit itself to the burden of government, while those on the outside, who slander the body, are ever willing by the methods of perjury to avoid their responsibility. Only for that, sir, did I make the allusion at all.

Mr. President, I was saying not only will we by passing this amendment console the man of small income with the feeling that he has not been discriminated against, but we shall also make him feel that those larger incomes have been laid hold of and made to bear the burden of government which he has so long been forced, by something of a discriminating policy of government, to have wholly to bear.

Mr. President, two things will follow to this Government if we do not heed the effect that would be caused by even an inadvertent exemption of large fortunes: First, the Senator from North Carolina [Mr. SIMMONS] appropriately made an allusion to those 48 bodies of this Republic where each sovereignty has the right to levy an income tax, as many of them are doing, and as many others of them are levying an inheritance tax. If we, for any reason sufficient to ourselves, allow these incomes the exemption which the people of the States feel are unjust, they will summon their local legislatures and levy the burden of tax upon these possessors of wealth who live within those States. They will put it upon two grounds: First, upon the ground of their sovereign control of the money within the realm of each State; second, upon the recognition of their local State council of defense for the defense of the State, having a right to prepare, now that all the States are in war, to the full extent that the sovereignty of the State will permit in the maintenance of its militia in provision for national defense and defense against State invasion.

Let no man flatter himself that any court would come to the rescue of the subjects of the law under the specious advocacy of "unconstitutionality." That tent of refuge has been availed of too long and in too many questionable instances not to have awakened the contempt of a large and sensible element of our multitude.

Second, sir, there is in this community to-day a great distrust awakened because of the conduct of the possessors of certain of the necessary raw materials of human existence—coal, iron, steel, and lumber. These, with other essentials at this time so necessary to the welfare of this country and so in demand for the just and proper prosecution of this war, will be laid hold of by strong and forcible hands if we allow the possessors of them and who obtain large incomes from them to escape taxation or to escape what the country feels is a fair taxation. Conscious that it may not remedy our error, but carrying in their bosoms a resentment against us, and with the knowledge that only at an annual election from time to time they will have opportunity to express that antagonism, the people will summarily rise, and in some form, either through their State organizations or by some voice through this congressional body, seize with a violent hand these great properties in this country of coal, lumber, iron, steel, and oil, and, sir, by proper form of law appropriate them for the uses of the Government, leaving only the provision of a form of compensation that will be adjusted by a jury in the respective localities where these particular commodities are found.

While we respect the jury system and regard it as a great fundamental security and one of the great fundamental guaranties of government, let us not be blind to the plain fact that juries, inheriting the prejudices prevailing in their communities against such institutions who have held up their country and its citizens by such exorbitant prices, will not do justice—not, sir, that they are unjust by nature, but their verdict would be a mere response to the popular feeling in the community from whence that jury is drawn, and the amount given to the owner of the property will not be just compensation under such atmosphere.

While we would punish the monopolist and execrate him with our indignation for the injustice he does his country in raising prices to where he would deprive it of its independence and its sovereignty by denying it the opportunity of the defense in its hour of trial and travail, we still, sir, true to our oaths and to the doctrine of the law, would not wish to confiscate the property nor allow it to be confiscated by an agency that may take the name even of a jury.

Mr. President, in order to avoid what seems to me—and I speak for my own self only, of course—the approaching condition that is coming hourly upon this Republic, when the populace will rise through the agencies through which they speak and seize with force and violence these instrumentalities of raw material necessary for the welfare of the Republic, in order to prevent the owners through extortionate rates from depriving the Republic of the means of self-defense, we should adopt the method that is now proposed by laying a tax upon the incomes—the swollen incomes, the excessive incomes—born to these who possess this kind of property and its cognate kind, who draw their incomes from the contributions of the people who must pay such high prices for their necessities; we should levy this tax and obtain a fund sufficient to meet the objects of the Government; then, sir, we have accomplished the two things which I beg again respectfully to invite to the attention of my colleagues: We appease the plain mind; we quell its revolt; we satisfy the sense of justice on the part of the medium and plain intermediate citizen; we likewise, sir, give security to the property of these people who take their incomes from such substances by levying these taxes upon their incomes, and, if they are too blind to see it now, they will learn it hereafter. Finally, sir, we do a great deal in an hour like this to steady the Government upon the constitutional base upon which it is erected, and still maintain that sovereignty of law without which this Government nor any other can long endure.

For the reasons, sir, that I have given, the security this increase of the tax on large incomes will give the popular mind, the justice it will give to property, and the defense it will give to the Nation, I support the amendment of the Senator from Rhode Island.

Mr. BORAH. Mr. President, I desire to ask a question before this amendment is disposed of with reference to the parliamentary situation. Do I understand that the committee amendments have been disposed of?

Mr. SIMMONS. No, Mr. President, I will state to the Senator that the committee amendment to this section is pending, and this is offered as an amendment to the committee amendment.

Mr. BORAH. If the amendment that is being offered to the committee amendment is adopted, does that leave it still open to amendment?

Mr. SIMMONS. Certainly.

Mr. BORAH. So that other amendments can be offered?

Mr. SIMMONS. Undoubtedly.

The PRESIDING OFFICER. The question is on the adoption of the amendment offered by the Senator from Rhode Island to the amendment reported by the committee.

Mr. KENYON. Mr. President, I take it, from the inquiry, that an amendment to the amendment would not now be in order?

The PRESIDING OFFICER. It would not.

Mr. KENYON. I had intended to offer, Mr. President, and shall offer at some time when the parliamentary situation arises when it can be done, an amendment to increase the per cent provided in the Gerry amendment from 35 per cent, in line 1, to 60 per cent; from 45 per cent, in line 4, to 70 per cent; and from 50 per cent, in line 7, to 90 per cent. I do not know just how that parliamentary situation may arise.

Mr. SIMMONS. Mr. President, if the Senator will pardon me, if the amendment of the Senator from Rhode Island is adopted, then, of course, he could offer an amendment to the bill as amended.

Mr. KENYON. But I can not offer an amendment to the amendment?

Mr. SIMMONS. No.

The PRESIDING OFFICER. The question is on the adoption of the amendment offered by the Senator from Rhode Island.

Mr. JONES of Washington. I should like to have the amendment read.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 4, after line 3, it is proposed to strike out:

Forty-one and twenty-five one-hundredths per cent per annum upon the amount by which the total net income exceeds $500,000 and does not exceed $1,000,000.

Forty-five per cent upon the amount by which the total net income exceeds $1,000,000.

And insert:

Thirty-five per cent per annum upon the amount by which the total net income exceeds $500,000 and does not exceed $750,000.

Forty-five per cent upon the amount by which the total net income exceeds $750,000 and does not exceed $1,000,000.

Fifty per cent per annum upon the amount by which the total net income exceeds $1,000,000.

Mr. JONES of Washington. Mr. President, a parliamentary inquiry. As I understand, this amendment is offered as a substitute for the committee amendment?

The PRESIDING OFFICER. No.

Mr. JONES of Washington. If the substitute comes to a vote and is adopted, then is it open to amendment as in Committee of the Whole?

Mr. SIMMONS. Mr. President, the amendment is not offered as a substitute.

Mr. JONES of Washington. It is offered as a substitute for certain provisions.

Mr. SIMMONS. No; there is no provision in the committee amendment like the one offered.

The PRESIDING OFFICER. It is an amendment to strike out and insert.

Mr. JONES of Washington. It is an amendment to strike out and insert.

Mr. SIMMONS. Yes; it is to strike out two brackets and insert three brackets in place of it.

Mr. JONES of Washington. Mr. President, I desire to ask if this amendment is adopted, then will an amendment increasing the amount provided in the amendment be in order?

The PRESIDING OFFICER. As the Chair understands the situation, this is an amendment to an amendment on the part of the committee as the bill came from the House. It is an amendment to the amendment offered by the committee. The motion on the part of the Senator from Rhode Island is to strike out and insert. If his amendment shall be adopted, then the question will be on the amendment offered by the committee as amended by the amendment of the Senator from Rhode Island, and then that amendment will be open to amendment.

Mr. JONES of Washington. Including the provision presented by the Senator from Rhode Island?

Mr. PENROSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Lewis	Robinson
Bankhead	Hale	McKellar	Saulsbury
Borah	Harding	McNary	Shafroth
Brady	Hardwick	Martin	Sheppard
Broussard	Hollis	Nelson	Sherman
Calder	Husting	New	Simmons
Chamberlain	James	Norris	Smith, Md.
Colt	Johnson, Cal.	Overman	Smoot
Culberson	Jones, N. Mex.	Owen	Sutherland
Curtis	Jones, Wash.	Page	Swanson
Dillingham	Kendrick	Penrose	Townsend
Fletcher	Kenyon	Phelan	Trammell
France	Kirby	Pittman	Vardaman
Frelinghuysen	Knox	Poindexter	Watson
Gerry	La Follette	Pomerene	Wolcott

The PRESIDING OFFICER. Sixty Senators having answered to their names, a quorum is present.

The Chair desires to say to the Senator from Iowa that his attention has been called to the fact that the amendment presented by the Senator from Rhode Island is not an amendment to strike out the committee amendment. The committee amendment has not been adopted. The amendment offered by the Senator from Rhode Island is an amendment to strike out the original text of the bill as it came from the House, and therefore the amendment is open to amendment.

Mr. NORRIS. Mr. President, a parliamentary inquiry. Is there not a standing unanimous-consent agreement that the committee amendments must all be disposed of first, before Members have the right to offer amendments?

The PRESIDING OFFICER. There was such an agreement; but with the consent of the chairman of the committee and by unanimous consent the Senator from Rhode Island [Mr. GERRY] was allowed to offer this amendment, so that it is pending.

Mr. NORRIS. That was done by unanimous consent?

The PRESIDING OFFICER. The Chair is so informed.

Mr. BORAH. No, Mr. President; there was no unanimous consent.

Mr. SIMMONS. The Chair is mistaken about that.

The PRESIDING OFFICER. The Chair has only the information which he gets from the clerks at the desk.

Mr. SIMMONS. The standing order of the Senate, as I understand, is that the committee amendments shall be first considered; but when a committee amendment is being considered under that order it is my understanding that the committee amendment can be amended.

Mr. NORRIS. Oh, yes; I understand that; but this is not an amendment to a committee amendment, Mr. President.

The PRESIDING OFFICER. The Chair so ruled after an examination of the text.

Mr. BORAH. This is an amendment to the original bill.

The PRESIDING OFFICER. It is a motion to strike out and insert.

Mr. SIMMONS. The committee amendment to this income-tax schedule begins on page 3, and it amends the House bill in every schedule down to line 6 on page 4, and then it strikes out lines 7 and 8 of the House bill. I take it that those are the committee amendments.

Mr. BORAH. Mr. President, I understand that the Chair has ruled that this is not an amendment to the committee amendment, but it is an amendment to the original bill.

The PRESIDING OFFICER. The amendment reads as follows:

On page 4, after line 3, strike out the remainder of the section and insert certain matter.

The committee amendment as reported to the Senate proposes, on line 1, to strike out "thirty-seven and five tenths" and insert in place thereof "thirty-one," and also, on line 4, to strike out "forty-one and twenty-five one hundredths" and insert "thirty-three"; but the amendment of the Senator from Rhode Island strikes out all the lines of this section as reported from the House. Therefore it is a motion to strike out and insert his amendment in lieu of the matter that came from the House. Therefore it is open to amendment.

Mr. NORRIS. Then, Mr. President, it follows that it is not an amendment to the committee amendment, and on its face it strikes out part of the House bill; so it is not an amendment to the committee amendment.

Mr. SIMMONS. The committee amendment is the bracket, beginning on line 4, by striking out "forty-one and twenty-five one hundredths" and inserting "thirty-three."

Mr. NORRIS. Yes.

Mr. SIMMONS. Now, this is an amendment, as I understand, to that part of the committee's amendment in the nature of a motion to strike it out and insert.

Mr. NORRIS. But the Senator will notice that the very next lines, line 5 and line 6, down to and including $500,000, the committee does not pretend to amend, and this amendment strikes that out as well as what the committee has changed.

Mr. SIMMONS. Line 7 the committee did amend by striking it out.

Mr. NORRIS. Yes; and line 8. But I am calling the Senator's attention to line 5 and the first half of line 6, which the committee does not pretend to amend, and which the amendment of the Senator from Rhode Island strikes out.

Mr. BORAH. Mr. President, why would not the Senator from Rhode Island, in order that the parliamentary rights of all parties may be protected, be willing to withdraw his amendment until the committee amendments are disposed of?

The PRESIDING OFFICER. The Senator from Rhode Island does not propose to amend the committee amendment. He proposes to amend the House text.

Mr. NORRIS. That is not in order under the unanimous-consent agreement.

Mr. NELSON. Mr. President, this is an amendment to substitute for amendments made by the committee. We can not dispose of these paragraphs in the bill without acting upon the committee amendments; and so, when we come to act on the committee amendments, we have a right to amend those amendments under the rule that we have adopted. This is an amendment to or a substitute for the committee amendments, and hence it is properly before us.

Mr. BORAH. Mr. President, this is a proposal to amend a part of the original bill. It does not confine itself to the committee amendment, but it amends the original bill also. The result of the situation is going to be that other amendments are going to be shut out hereafter, under the ruling of the Chair. Now, there is no necessity for that.

The PRESIDING OFFICER. Under the ruling of the Chair, they are not shut out.

Mr. NELSON. Mr. President, this involves amendments made by the committee, and we can not dispose of those amendments without amending them by this amendment. If the Senator can not offer it when these amendments are up, he can not offer it until we get out of the Committee of the Whole.

Mr. BORAH. Mr. President, we have an agreement here that the committee amendments shall be first disposed of. Now we are proceeding to amend the original bill before that is carried out. In my judgment, that is not in accordance with the unanimous-consent agreement.

Mr. SIMMONS. There has been no unaniomus-consent agreement.

The PRESIDING OFFICER. The Secretary will read the RECORD of yesterday, showing the unanimous consent given without objection.

The SECRETARY. On page 6220 of the CONGRESSIONAL RECORD of August 21, the following appears:

Mr. GERRY. Mr. President, I offer the amendment which I send to the desk to the income-tax title of the pending bill.

The PRESIDING OFFICER (Mr. HOLLIS in the chair). The Secretary will state the amendment.

The SECRETARY. On page 4, after line 3, it is proposed to strike out the remainder of the section and to insert:

"Forty-five per cent per anum upon the amount by which the total net income exceeds $500,000 and does not exceed $750,000.

"Forty-five per cent per annum upon the amount by which the total net income exceeds $750 000 and does not exceed $1,000,000.

"Fifty per cent per annum upon the amount by which the total net income exceeds $1,000,000."

The PRESIDING OFFICER. Does the Chair understand that the Senator from Rhode Island asks to tender the amendment for action at this time?

Mr. GERRY. Yes, sir.

The PRESIDING OFFICER. Is that agreeable to the chairman of the committee?

Mr. SIMMONS That is entirely agreeable to me. I do not think we should vote upon the amendment this afternoon, because there are few Senators present, and I think there was a general understanding that we would not vote upon the amendments to these sections until to-morrow. For that reason I will now ask that the bill be temporarily laid aside, with the understanding that this will be the pending amendment when the bill is taken up to-morrow.

Mr. GERRY. That is entirely satisfactory to me, Mr. President.

The PRESIDING OFFICER. Without objection, the revenue bill will be temporarily laid aside, with the understanding that the amendment tendered by the Senator from Rhode Island [Mr. GERRY] will be in order to-morrow morning.

Mr. HOLLIS. Mr. President, I should like to state the situation as it occurred.

I was in the chair at the time the matter came up, and I had in mind the fact that the chairman of the committee had asked unanimous consent that committee amendments should be first considered. I therefore asked him if this was agreeable to him. Then I was very careful to state that, without objection, this would be the pending amendment to-morrow, because I thought it should be done by unanimous agreement, and that is now the situation; but I do not understand that that goes beyond this particular amendment.

Mr. BORAH. Precisely; but the RECORD does not show any unanimous-consent agreement. It shows an understanding upon the part of the chairman and the Senator offering the amendment.

Mr. HOLLIS. But it was stated that, without objection, that would be done, and there was no objection.

Mr. BORAH. Precisely; but that does not constitute a change of a unanimous-consent agreement. You can not change a unanimous-consent agreement in that way. Indeed, you can not change it at all.

Mr. HOLLIS. Mr. President, a unanimous-consent agreement to consider committee amendments first, I understand, can be changed by unanimous consent.

Mr. NORRIS. Mr. President, may I ask the Senator from New Hampshire a question?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. HOLLIS. I yield.

Mr. NORRIS. When the Senator was in the chair, and this amendment was offered, did he understand that it was an amendment to the committee amendment?

Mr. HOLLIS. I did understand that it was an amendment to the committee amendment.

Mr. NORRIS. Then, if that be true, Mr. President, it seems to me it makes everything consistent, because it develops now that it is not an amendment to the committee amendment, so it would not have the effect, if that was the understanding at that time, of changing a unanimous-consent agreement that even the chairman of the committee has no right to set aside.

Mr. HOLLIS. Yes; but the trouble with that is this: If it were an amendment to the committee amendment, no unanimous-consent agreement was necessary; but the occupant of the chair, without knowing the exact parliamentary situation, because he had not looked it up and no one had drawn attention to it, was careful to put it in such form that it was done by unanimous consent, as the Chair understood it.

Mr. NORRIS. It was done with the understanding, however, as I understand the Senator, that it was an amendment to a committee amendment, which it now develops it was not.

Mr. HOLLIS. If it had been, it would not have been necessary to have unanimous consent to consider it. The Chair did it in that way so that everyone's rights would be saved, and it would be done by unanimous consent.

Mr. BORAH. Mr. President, in view of the fact that we have a new method of getting unanimous consents of the Senate, may I submit this question to the Chair: Is this amendment now open to amendment?

The PRESIDING OFFICER. The Chair has so ruled.

Mr. KENYON. Mr. President, I offer to this amendment the following amendment:

Strike out, on line 1, the word "thirty-five" and insert the word "fifty."

Strike out, on line 4, the word "forty-five" and insert "seventy."

Strike out, on line 7, the word "fifty" and insert the word "ninety."

The purpose of the amendment is to this effect: That where incomes exceed $500,000 and do not exceed $750,000 there shall be taken 50 per cent of those incomes above the $500,000. The second provision—and these are all interwoven, so I think it should be one amendment—would mean that in the case of incomes above $750,000 and up to $1,000,000, the part above $750,000 would be taxed 70 per cent. The third provision would mean that where the income exceeds $1,000,000, 90 per cent of the amount above $1,000,000 would be taken in taxes.

I do not propose to discuss this at all. I think every Senator has his mind pretty well made up.

Mr. SIMMONS. Mr. President, will the Senator pardon me?

Mr. KENYON. Certainly.

Mr. SIMMONS. Does the Senator realize that this is merely an additional tax which will be added to the present normal income tax and the surtax, so that the last rate would be over 100 per cent?

Mr. SMOOT. Mr. President, I want to call the Senator's attention to the fact that the rates, if his amendment were adopted, would be as follows:

On incomes exceeding $500,000 and not exceeding $750,000, if the amendment of the Senator from Iowa were adopted, there would be imposed a tax of 64 per cent. There is 14 per cent imposed already under existing law.

On incomes exceeding $750,000 and not exceeding $1,000,000, the tax under the amendment of the Senator from Iowa would be 85 per cent.

On incomes of $1,000,000 and over, the 90 per cent, with the present tax added, would amount to a total of 105 per cent. Of course, you can not take more than 100 per cent.

Mr. KENYON. Well, Mr. President——

Mr. PENROSE. Mr. President, it shows the profound investigation with which these amendments are offered.

Mr. KENYON. Mr. President, the sarcastic suggestions are well received. I had, it is true, overlooked the present tax of 15 per cent. The present amendment is so worded as to be ambiguous. The Senator from Wisconsin [Mr. LA FOLLETTE] has worked out an amendment more carefully than this has been worked out, and will offer it later, so I think I will withdraw this amendment for the present. Otherwise, I will change the figures to 80 instead of 90.

I, however, withdraw my amendment at this time.

Mr. PENROSE. Mr. President, let the amendment stand as a monument in this discussion to an effort to take 5 per cent more than the total income of an individual.

Mr. KENYON. Mr. President, the amendment was offered with no such purpose, of course, and attempts no such thing. I concede that perhaps it should have been more carefully considered. The amendment was offered for the purpose of placing the Senate on record, at least, as to whether or not these tremendous incomes are to bear a fairer proportion of taxation than has been provided by the committee. I contend, and did at the time of the conscription bill, that where we conscripted boys in this country to go to war, we ought to conscript the great wealth of this country and the great incomes of this country, and I stated at that time that I should offer an amendment at the proper time to conscript all incomes over $100,000 during the period of this war. I propose to do that before we get through with this bill if opportunity arises. My only purpose in offering this amendment was to put the Senate on record. I had no thought of its passage. There has been so much confusion, however, as to this Gerry amendment and its parliamentary situation that I prefer to withdraw it.

Mr. LA FOLLETTE. Mr. President, I should like to understand the parliamentary situation.

I have some amendments which I desire to offer to the income-tax provisions of this bill. I do not wish to be excluded from the opportunity of offering them and having a vote upon them. I had supposed that the order of considering the bill required first a disposition of the committee amendments. I understand that the amendment proposed by the Senator from Rhode Island [Mr. GERRY] amends the provisions of the House bill for which the committee amendments are a substitute.

I have three amendments, one after another, which I propose to offer, if I can bring them within parliamentary procedure here, to the income-tax provisions of this bill; and I want at this time to ascertain, if I can, whether I shall have that opportunity, provided a vote is taken upon the amendment offered by the Senator from Rhode Island.

Mr. CURTIS. Mr. President, I desire to ask the Chair, in order to help the Senator from Wisconsin to get an answer, notwithstanding the fact that we have agreed to vote upon the committee amendments first, where the committee moves to strike out and insert, if under Rule XVIII the matter to be stricken out is not amendable now and if amendments to that part should not be taken up first?

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from Rhode Island. That amendment is now open to amendment, the Chair has held.

Mr. CURTIS. Mr. President, that does not answer the question of the Senator from Wisconsin; and the question I propounded was if, under Rule XVIII, the Senator could not, after this amendment is disposed of, offer an amendment to any part of the bill that is stricken out by committee amendment?

Mr. NORRIS. Mr. President, I should like to submit an inquiry to the Chair that in my judgment will cover the situation. I think we are all anxious to have it cleared up properly. I ask this question: After the committee amendments are disposed of, not only in this section but in all the others, would it then be in order, when we come to individual amendments, for a Senator to offer an amendment changing the schedule of the income-tax provisions of the bill?

The PRESIDING OFFICER. If it tends to strike out and insert, surely, under Rule XVIII, you may strike out the whole section. That is provided for under the rule.

Mr. NORRIS. To strike out and insert a new set of rates?

The PRESIDING OFFICER. Under Rule XVIII; yes.

Mr. LA FOLLETTE. Then, Mr. President, I think that answers my question—that after the committee amendments to the House bill have been disposed of and perfected and the work of the Senate completed upon them, I would then have a right to move to strike them out and substitute another provision for them.

The PRESIDING OFFICER. If the Senator moved to strike out the whole section; yes.

Mr. LA FOLLETTE. Well, I do not——

The PRESIDING OFFICER. You can not amend the committee amendment, but you can move to strike out and insert, under the rule.

Mr. JONES of Washington. Mr. President, I want to suggest that in the interest of fairness, and to avoid any misunderstanding or any suggestion that an attempt is being made to shut off amendments, the Senator from Rhode Island withdraw his amendment and put us back in the status we were in before it was offered, because it evidently was not the idea of many Senators that a unanimous censent was being given last night. Furthermore, this is an amendment that is different from anything that we have ever had, at least in my experience here. It takes up two or three committee amendments and proposes to strike them out, and substantially amends other parts of the bill which are then proposed as substitutes. Now, then, if we were to take this up in the regular order, we would take up the amendment on line 4, page 4, to strike out "forty-one and twenty-five one hundredths" and insert "thirty-three," and pass upon that. That is one committee amendment. Then here is another committee amendment, in line 6, to strike out "and does not exceed one million dollars." That is one committee amendment. We would pass on that, and then the next committee amendment is to strike out lines 7 and 8. That is another committee amendment. Now, here is a sort of blanket proposition to act upon three or four different committee amendments, and strike out a part of the substance of the bill and insert another one.

I want to say that it does not look just exactly right to me. I do not know how it does to others. In the interest of fairness, and to have no misunderstanding, I suggest that the Senator from Rhode Island withdraw his amendment, and let us start out on these committee amendments under the unanimous-consent agreement that we have made and that everybody supposed we were following.

Mr. SIMMONS. Mr. President, the Senator from Rhode Island [Mr. GERRY] offered this amendment yesterday afternoon with the understanding that his amendment to these different brackets constituted practically one amendment, and that it would be competent for him to offer his amendment in the form that he did offer it. It now develops, under the ruling of the Chair, that each of these brackets is to be taken as a separate and independent section for the purposes of amendment. Under the order under which we are operating the committee amendments are to be first disposed of. I have been exercising the privilege ordinarily accorded to the chairmen of committees to take up these amendments somewhat out of their order, and I suggest that we take up the amendment on page 4, beginning with line 4, and consider that at this time. The amendment of the Senator from Rhode Island can be easily framed so as to make it an amendment to that section.

I want to say, Mr. President, that I have no purpose and no thought of trying to crowd out the amendment of the Senator from Wisconsin. I knew the Senator was going to offer an amendment, and I told him that I thought we would get to a vote on those amendments to-day. I certainly would not want to take advantage of any parliamentary situation that would interfere with his offering his amendment. Under the ruling of the Chair, I understand he would have to offer his amendment to each one of these brackets as we reach them, and he could not offer it as an amendment to the several brackets.

The PRESIDING OFFICER. The Chair has ruled that he could move to strike out all the section and offer a substitute under Rule XVIII.

Mr. FLETCHER. Mr. President, if I may interrupt the Senator, I think there would be no difficulty about the situation if the Senator from Wisconsin would offer that portion of his amendment that applies to this particular provision in the bill. The Senator from Rhode Island has offered an amendment to the bill covering the provisions from line 4 to line 8, inclusive, of page 4. The Senator from Wisconsin has offered an amendment which includes that portion of this bill. For instance, on page 6 of his amendment, beginning at line 16, he could offer that portion of his amendment as a substitute for the amendment of the Senator from Rhode Island and get a vote on it. I inquire of the Senator from Wisconsin whether or not he would care to do that?

Mr. LA FOLLETTE. I prefer to offer my amendment as a whole. Of course, I can stand it, if the Senate can, to have a roll call on every one of the percentages which I propose in the amendment, in order to get them all before the Senate and a record on all of them; but that would consume unnecessary time.

Mr. FLETCHER. That could be done, and perhaps it would be better to do that; but it would be entirely in order for the Senator to offer his amendment beginning in line 16, page 6, to the amendment now pending, and take a vote on it as a substitute for the proposal of the Senator from Rhode Island.

Mr. SMOOT. Mr. President, may I make a suggestion to the chairman of the committee? I do not believe there will be any objection to it at all, because every Senator here wants to arrive at the same object.

The Senator from Wisconsin desires to offer, and I think he is right in that, a substitute for Title I. Of course, under Rule XVIII, he has a right to do that, and he wants a vote upon that as a whole; but before doing that, the House provision as amended by the Senate ought to be perfected. Now, why not ask unanimous consent that the amendment offered by the Senator from Rhode Island be voted upon at this time? That is a way of perfecting the House provision, and I do not believe any Senator would object to voting upon that right at this time.

Mr. SIMMONS. Mr. President, I think it would be a very much simpler way to vote upon the amendment offered by the Senator from Wisconsin en bloc, because it affects a dozen sections of the bill, and I think it would conserve time to vote on it en bloc. That is the way I had supposed we would do, but under the ruling of the Chair I doubt whether we can do that. Now, the amendment of the Senator from Rhode Island perfects two of these brackets. I had supposed that we would vote upon that as one proposition, but under the ruling of the Chair I do not know whether that can be done or not. In that situation, it may be that the best solution of the matter would be the unanimous consent which the Senator from Utah suggests. Another solution of it would be to act upon the committee amendments, perfect all of them, and then let this amendment be acted on by the Senate.

The PRESIDING OFFICER. The Chair suggests that as the Senator from North Carolina states, that will be the result anyway. Therefore, if the Senator would divide it, we could go on with the committee amendments as they are offered and perfected, and then the amendment would be in order. That is only a suggestion from the Chair, however.

Mr. SMOOT. Mr. President, allow me to call the Chair's attention to the fact that if we adopt the committee amendment, on page 4, line 4, where it strikes out "forty-one and twenty-five one-hundredths" and inserts "thirty-three," then, if we should undertake to amend that after we had adopted it, it could not be done until the bill reached the Senate. Therefore it seems to me that the proper thing to do is to ask unanimous consent that the Senate vote now upon the amendment offered by the Senator

from Rhode Island. That will clear it up, and then you can commence with your amendments.

Mr. SIMMONS. I make that request. I ask unanimous consent that the Senate now vote upon the amendment offered by the Senator from Rhode Island.

The PRESIDING OFFICER. It does not require any unanimous consent. It is before the Senate to be voted upon unless some one offers an amendment to it.

Mr. LEWIS. In the meantime, may I ask the chairman of the committee if there is any understanding by which the Senator from Wisconsin [Mr. LA FOLLETTE] would be displaced from any position that he had by agreement by presenting the Gerry amendment?

The PRESIDING OFFICER. The Senator from Wisconsin will be fully protected by the rules of the Senate.

Mr. LEWIS. I understood the Senator from North Carolina to make some allusion to the Senator from Wisconsin, and I know the Senator from North Carolina has no desire to displace him.

Mr. SIMMONS. The Senator from Wisconsin did not offer his amendment to the bill until this morning.

Mr. LA FOLLETTE. I have not offered it at the present time.

Mr. LEWIS. We will then vote on the Gerry amendment.

Mr. LA FOLLETTE. It seems to me that the orderly way to proceed would be to follow the course which has been pursued ever since the bill has been before the Senate, of perfecting the committee amendments first. There is no occasion for undue haste for a vote upon the amendment of the Senator from Rhode Island as far as I can see, and I do not see any reason why we may not go on and perfect the committee amendments and then take up the other propositions in their order.

Mr. SIMMONS. I will say to the Senator that under the ruling of the Chair that is all we can do. The question, then, is on the amendment offered by the Senator from Rhode Island.

Mr. LA FOLLETTE. No; that is not the question, with all deference to the Chair.

Mr. GRONNA. I wish to call attention to the fact that unless this amendment comes from the committee, any Member of the Senate can object to the consideration of it now, and it will be necessary, as the Senator from Utah suggested, to ask unanimous consent to consider the amendment now.

Mr. LA FOLLETTE. It is not a committee amendment.

Mr. GRONNA. It is not a committee amendment.

The PRESIDING OFFICER. As stated by the Senator, the amendment pending by unanimous consent is the amendment offered by the Senator from Rhode Island. If the Senator from Rhode Island will withdraw it, that will be the end of it.

Mr. JONES of Washington. I ask unanimous consent that the amendment offered by the Senator from Rhode Island may be withdrawn and that the Senate proceed to the consideration of the committee amendments under the regular rule of the Senate.

Mr. NELSON. I shall object to that.

Mr. GERRY. I move to strike out the words "thirty-three" in page 4, line 4, and insert in lieu thereof the words "thirty-five."

Mr. FLETCHER. All that comes up on the action of the committee.

The PRESIDING OFFICER. The Chair understands the Senator from Rhode Island to withdraw his amendment and offer another amendment.

Mr. GERRY. Yes.

Mr. GRONNA. Before that is done may I have the attention of the Senator from Rhode Island? It is not my intention to object to unanimous consent. If the Senator from Rhode Island will ask unanimous consent to have his amendment considered, I shall not object, but I do insist that in order to get the amendment before the body he must ask unanimous consent.

Mr. NELSON. Mr. President, I trust the Senator from Rhode Island will not withdraw his amendment. It is properly before the Senate and we are entitled to vote upon it unless somebody wants to debate it. It does not require any unanimous consent, and unless somebody wants to debate it we must vote.

Mr. GERRY. Mr. President, I ask unanimous consent for the consideration of my amendment so as to settle all questions about it.

Mr. JONES of Washington. I object.

The PRESIDING OFFICER. Under the unanimous consent stated by the former occupant of the chair yesterday afternoon, that the amendment of the Senator from Rhode Island should be pending this morning, by unanimous consent the amendment is now pending. The question is on the amendment offered by the Senator from Rhode Island.

Mr. NELSON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. GALLINGER], which I transfer to the Senator from New Jersey [Mr. HUGHES] and vote "yea."

Mr. CURTIS (when Mr. GALLINGER's name was called). I desire to announce the unavoidable absence of the senior Senator from New Hampshire [Mr. GALLINGER]. Were he present he would vote "yea."

Mr. PENROSE (when his name was called). I am paired with the senior Senator from Mississippi [Mr. WILLIAMS]. As I am informed that he is absent from the Chamber, I will withhold my vote.

Mr. STERLING (when his name was called). I have a general pair with the Senator from South Carolina [Mr. SMITH], and therefore withhold my vote. If at liberty to vote, I would vote "yea."

Mr. SHAFROTH (when Mr. THOMAS's name was called). I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness. I will state that he is paired with the Senator from North Dakota [Mr. MCCUMBER], and that if my colleague were present and permitted to vote he would vote "yea."

Mr. LEWIS (when Mr. TILLMAN's name was called). I desire to announce the absence of the Senator from South Carolina [Mr. TILLMAN] from the Chamber. He is paired with the senior Senator from West Virginia [Mr. GOFF]. If the Senator from South Carolina were present and privileged to vote, he would vote "yea."

The roll call was concluded.

Mr. CURTIS. I have been requested to announce the pair of the Senator from Maine [Mr. FERNALD] with the Senator from South Dakota [Mr. JOHNSON].

Mr. MCCUMBER (after having voted in the affirmative). I have a general pair with the senior Senator from Colorado [Mr. THOMAS], but, understanding that he would vote upon this amendment the same way that I have voted, I will allow my vote to stand.

Mr. MYERS. I have a pair with the Senator from Connecticut [Mr. MCLEAN], who is necessarily absent on account of illness. I transfer that pair to the Senator from Alabama [Mr. BANKHEAD] and vote "yea."

Mr. STERLING. I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from New Mexico [Mr. FALL] and vote. I vote "yea."

Mr. SUTHERLAND (after having voted in the affirmative). I have a pair with the junior Senator from Kentucky [Mr. BECKHAM]. As he is not present, I withdraw my vote.

Mr. CURTIS. I desire to announce that the senior Senator from New Mexico [Mr. FALL] is absent on account of illness in his family. This announcement may stand for the day.

Mr. HUSTING. I was requested to announce the unavoidable absence of the junior Senator from Kentucky [Mr. BECKHAM].

Mr. FRELINGHUYSEN. I have a general pair with the junior Senator from Montana [Mr. WALSH]. Not knowing his attitude upon the amendment, I withhold my vote. If permitted to vote, I would vote "yea."

The result was announced—yeas 72, nays 0, as follows:

YEAS—72.

Ashurst	Hollis	Myers	Shields
Borah	Husting	Nelson	Simmons
Brady	James	New	Smith, Ga.
Broussard	Johnson, Cal.	Norris	Smith, Md.
Calder	Jones, N. Mex.	Overman	Smith, Mich.
Chamberlain	Jones, Wash.	Owen	Smoot
Colt	Kellogg	Page	Sterling
Culberson	Kendrick	Phelan	Stone
Curtis	Kenyon	Pittman	Swanson
Dillingham	Kirby	Poindexter	Thompson
Fletcher	Knox	Pomerene	Townsend
France	La Follette	Ransdell	Trammell
Gerry	Lewis	Reed	Underwood
Gore	Lodge	Robinson	Vardaman
Gronna	McCumber	Saulsbury	Wadsworth
Hale	McKellar	Shafroth	Watson
Harding	McNary	Sheppard	Weeks
Hardwick	Martin	Sherman	Wolcott

NOT VOTING—24.

Bankhead	Frelinghuysen	King	Sutherland
Beckham	Gallinger	McLean	Thomas
Brandegee	Goff	Newlands	Tillman
Cummins	Hitchcock	Penrose	Walsh
Fall	Hughes	Smith, Ariz.	Warren
Fernald	Johnson, S. Dak.	Smith, S. C.	Williams

So Mr. GERRY's amendment was agreed to.

Mr. SIMMONS. Now, I wish to begin with the title "War Taxes" and have the Senate act upon the amendments of the committee as they are reached.

The PRESIDING OFFICER (Mr. HOLLIS in the chair). Under the previous unanimous-consent agreement that will be done. The Secretary will state the first amendment.

Mr. BORAH. Do I understand now that the chairman of the committee is going to proceed with the committee amendments?

Mr. SIMMONS. Yes. I understand that the Senator from Wisconsin proposes to offer a substitute for the section, but I suppose he will not do that until the committee amendments are perfected.

Mr. BORAH. We can proceed upon the theory now that we will dispose of the committee amendments before other amendments will be taken up.

Mr. SIMMONS. Of course, when the committee amendments are acted upon I shall have no objection to the Senator from Wisconsin offering his substitute.

Mr. BORAH. Precisely; but until the committee amendments are disposed of we will not take up other amendments.

Mr. SIMMONS. I would prefer not.

The SECRETARY. The next amendment of the Committee on Finance passed over is under the head of "Title I.—War-Income Tax," in section 1, on page 2, line 9, after the word "every," to strike out "individual" and insert "individual, a citizen or resident of the United States," so as to make the section read:

SECTION 1. That in addition to the normal tax imposed by subdivision (a) of section 1 of the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916, there shall be levied, assessed, collected, and paid a like normal tax of 2 per cent upon the income of every individual, a citizen or resident of the United States, received in the calendar year 1917 and every calendar year thereafter.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. CALDER. Is it in order now to offer an amendment to the end of the amendment just agreed to?

The PRESIDING OFFICER. The Chair will rule that the committee amendment has been adopted. If the amendment to the committee amendment had been offered before it was adopted, it would have been in order. Now it will not be in order until all the committee amendments have been passed upon. The Senator might make a motion to reconsider, which would doubtless be granted.

Mr. CALDER. I move to reconsider the vote by which the committee amendment was agreed to for the purpose of offering the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from New York asks unanimous consent that the vote by which the committee amendment was adopted may be reconsidered so that his amendment may be offered.

Mr. POINDEXTER. Does the record show that the committee amendment was adopted?

The PRESIDING OFFICER. Yes.

Mr. POINDEXTER. I was present here at the time and voted for the amendment of the Senator from Rhode Island, but I heard no vote or announcement of a vote after that. That was not a committee amendment, but was an individual amendment.

The PRESIDING OFFICER. If the Senator will permit, the Chair will state that the committee amendment on page 2 has just been adopted. The Senator from New York asked unanimous consent to reconsider the vote by which the committee amendment was adopted on page 2, line 1. The Secretary will read the amendment to the amendment.

The SECRETARY. The Senator from New York offers the following amendment: At the end of line 3, page 2, insert a proviso——

The PRESIDING OFFICER. The Chair will rule that that amendment has nothing to do with the committee amendment which has just been adopted, and it will be in order after the committee amendments are acted upon. The Secretary will proceed.

The Secretary resumed the reading of the bill on page 2, line 4, and read as follows:

SEC. 2. That in addition to the additional tax imposed by subdivision (b) of section 1 of such act of September 8, 1916, there shall be levied, assessed, collected, and paid a like additional tax upon the income of every individual received in the calendar year 1917 and every calendar year thereafter, as follows,

Mr. TOWNSEND. Has not the bill been read once?

The PRESIDING OFFICER. It is now being read for committee amendments, and whenever an amendment of the committee is reached it will be considered.

Mr. TOWNSEND. I realize that, but I thought it had been read, and I could not understand why it was necessary to read it again.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that the Secretary merely read the part where changes are proposed by the committee?

Mr. TOWNSEND. I do not know whether there is any objection to that course. I can see no objection to proceeding with the committee amendments.

Mr. NORRIS. The amendments come right along there, and we will get a better understanding of the amendments if the text of the bill is read. It was not heretofore read. It went over.

Mr. SIMMONS. It is my understanding that this part of the bill has not been read.

The PRESIDING OFFICER. The Chair is informed that this part of the bill has been read once, but there evidently will be objection, and so the Chair will not state a unanimous-consent request. The Secretary will proceed.

The Secretary continued the reading, as follows:

One per cent per annum upon the amount by which the total net income exceeds $5,000 and does not exceed $7,500;

Two per cent per annum upon the amount by which the total net income exceeds $7,500 and does not exceed $10,000;

Three per cent per annum upon the amount by which the total net income exceeds $10,000 and does not exceed $12,500;

Four per cent per annum upon the amount by which the total net income exceeds $12,500 and does not exceed $15,000.

The next amendment passed over was, in section 2, page 2, line 23, before the words "per centum," to strike out "Five" and insert "Six," so as to make the clause read:

Six per cent per annum upon the amount by which the total net income exceeds $15,000 and does not exceed $20,000.

The PRESIDING OFFICER. The Chair will state that according to the opinion of the present occupant of the chair if this amendment is adopted no other amendment may be received to this particular section, but that later an amendment may be received to strike out and insert a new section for the entire section. The question is upon agreeing to the committee amendment.

Mr. NORRIS. So that there may be no misunderstanding, I understand that the ruling by the present occupant of the chair conforms with the ruling of his predecessor.

The PRESIDING OFFICER. The Chair does not understand that the rulings are different. The Chair understands that they are exactly the same.

Mr. NORRIS. Does the Chair mean by that that if this particular amendment, which strikes out "Five" and inserts "Six," is agreed to it will not be in order thereafter to change "Six" to any other number unless the amendment includes the entire section?

The PRESIDING OFFICER. That is the ruling of the Chair.

Mr. NORRIS. That will extend to page 4 at the end of line 8.

The PRESIDING OFFICER. Yes; that is the understanding of the Chair, and that is in accordance with the plain rule of the Senate.

Mr. NORRIS. I wanted an understanding only. I do not know that I care particularly.

Mr. LA FOLLETTE. Mr. President, just one inquiry further. I understand that when we reach line 8, page 4, in perfecting this section of the committee report, then it will be in order to move to strike out that section and submit a substitute therefor. Now, then, after a vote upon that substitute, assuming that it is voted down, am I correct in assuming that it will then be in order to offer another and different substitute?

The PRESIDING OFFICER. Yes; that is clearly covered by the rule.

Mr. LA FOLLETTE. I so understood the rule, but with the varying occupants of the chair we may get a different construction upon our rules, and I wanted to be sure for a few moments.

The PRESIDING OFFICER. It is plainly provided in the rule that a motion to strike out and insert having been rejected a new motion to strike out and insert different matter may be entertained. The question is on striking out the word "Five" and inserting the word "Six" in line 23, page 2.

The amendment was agreed to.

The next amendment passed over was, on page 3, line 1, before the words "per cent," to strike out "Six" and insert "Eight," so as to make the clause read:

Eight per cent per annum upon the amount by which the total net income exceeds $20,000 and does not exceed $40,000.

The amendment was agreed to.

The next amendment passed over was, on page 3, line 7, before the words "per cent," to strike out "Thirteen and seventy-five one-hundredths" and insert "Twelve," so as to make the clause read:

Twelve per cent per annum upon the amount by which the total net income exceeds $60,000 and does not exceed $80,000.

The amendment was agreed to.

The next amendment passed over was, on page 3, line 10, before the words "per cent," to strike out "Seventeen and five-tenths" and insert "Sixteen," so as to make the clause read:

Sixteen per cent per annum upon the amount by which the total net income exceeds $80,000 and does not exceed $100,000.

The amendment was agreed to.

The next amendment was, on page 3, line 14, before the words "per cent," to strike out "Twenty-one and twenty-five one-hundredths" and insert "Twenty," so as to make the clause read:

Twenty per cent per annum upon the amount by which the total net income exceeds $100,000 and does not exceed $150,000.

Mr. JONES of Washington. I wish to ask the chairman of the committee why the committee reduced this amount in line 7 instead of increasing it slightly, as they did in the other cases?

Mr. SIMMONS. Mr. President, the committee originally accepted the rates as they were in the House bill as reported by the Ways and Means Committee to that body. On the floor of the House what is known as the Lenroot amendment was offered and agreed to. That amendment raised the original rate of the bill as reported by the Ways and Means Committee on all incomes in excess of $40,000 by a flat increase of 25 per cent. Your committee did not accept that increase by the Lenroot amendment. These rates that are stricken out are the rates of the Lenroot amendment—that is, the rate of the Ways and Means Committee plus 25 per cent provided in the Lenroot amendment. The committee struck those out and substituted the rates of the Ways and Means Committee.

Mr. PENROSE. If the Senator will permit me, I think he ought to add that the Finance Committee adopted the original rates of the Ways and Means Committee.

Mr. SIMMONS. I stated that.

Mr. PENROSE. I beg the Senator's pardon. I was out of the Chamber for a moment.

Mr. JONES of Washington. Of course I assume that the committee reduced the House rates because they thought they ought to be reduced and not simply because they adopted the rates that were reported by the Ways and Means Committee. It seems to me it would have been better to have followed the apparent judgment of the House than to have accepted the judgment of the Ways and Means Committee.

Mr. SIMMONS. What I meant to say to the Senator is that we finally raised the House rate beginning at incomes of $20,000. We raised all the House rates, but we did not raise them beginning with incomes of $40,000 as high as the Lenroot amendment. The Lenroot amendment begins to operate on line 7. The Senator will see we have a rate there of 12 per cent, and the rate immediately before that is 10 per cent. We have kept up the same proportion of increase we started with, but not carrying the rate so high as the Lenroot amendment.

Mr. JONES of Washington. I wish to ask the Senator a question. I am not especially interested in the Lenroot amendment. I think I would be in favor of that all right, but I want to know whether the committee considered 13.75 per cent on the amount from $60,000 up to $80,000 too high?

Mr. SIMMONS. The committee did regard that rate as too high.

Mr. JONES of Washington. And also the rate in the paragraph beginning in line 10?

Mr. SIMMONS. The committee regarded all the rates of the Lenroot amendment, and they are the rates beginning with line 7, as being too high.

Mr. LA FOLLETTE. If the Senator will yield, I just want to say at this point that the committee was not unanimous in that view, but a number of members of the committee voted to retain the House amendment known as the Lenroot amendment, myself among the number.

Mr. JONES of Washington. I want an opportunity to vote against the committee amendment here striking out the amount provided by the House and inserting the lower rate, and while we have passed over the amendment in line 7 I ask unanimous consent that that be reconsidered.

The PRESIDING OFFICER. The Senator from Washington asks unanimous consent that the vote by which the committee amendment in line 7, page 3, was adopted may be reconsidered. Is there objection? The Chair hears none, and the vote will be reconsidered. The amendment will be stated.

The SECRETARY. The committee proposes to strike out, on page 3, line 7, the words "Thirteen and seventy-five one-hundredths" and to insert "Twelve."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. JONES of Washington. All I am going to ask, as far as I am concerned, is simply that it be put to a viva voce vote with the idea that possibly a substitute will be offered that will take care of the proposition better. I shall not ask, as far as I am concerned, that the vote shall be taken by yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee. [Putting the question.] The Chair is in doubt and will ask for a rising vote. [After a pause.] There are, on a division, ayes 13 and noes 11. So the amendment is adopted.

Mr. KENYON. I ask if a vote of 13 to 11 does not disclose the absence of a quorum?

The PRESIDING OFFICER. It does. Does the Senator from Iowa raise that point?

Mr. KENYON. I do not, unless the record raises it.

Mr. SIMMONS. I believe the statement of the Chair would have to go into the record, and that statement would raise the question.

The PRESIDING OFFICER. I think that is true.

Mr. SIMMONS. I make the point of no quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Brady	Hollis	Myers	Simmons
Broussard	Husting	Nelson	Smith, Mich.
Calder	James	New	Smoot
Chamberlain	Johnson, Cal.	Norris	Sterling
Colt	Jones, N. Mex.	Overman	Tillman
Curtis	Jones, Wash.	Page	Townsend
Dillingham	Kellogg	Penrose	Trammell
Fletcher	Kendrick	Phelan	Underwood
France	Kenyon	Poindexter	Vardaman
Frelinghuysen	Kirby	Ransdell	Wadsworth
Gerry	Knox	Reed	Watson
Gore	La Follette	Robinson	Weeks
Gronna	McKellar	Sheppard	Wolcott
Hardwick	McNary	Sherman	

The PRESIDING OFFICER. Fifty-five Senators have answered to their names. There is a quorum present. The call for a division disclosed the absence of a quorum, and the Chair will now restate the question. The question is on the adoption of the committee amendment, on page 3, line 7, which the Secretary will state.

The SECRETARY. On page 3, line 7, before the words "per cent," the Committee on Finance proposes to strike out the words "Thirteen and seventy-five one-hundredths" and insert the word "Twelve," so as to make the clause read:

Twelve per cent per annum upon the amount by which the total net income exceeds $60,000 and does not exceed $80,000.

The PRESIDING OFFICER. The question is on the amendment of the committee.

Mr. SMOOT and Mr. SIMMONS called for the yeas and nays, and they were ordered.

The Secretary proceeded to call the roll.

Mr. FLETCHER (when his name was called). I make the same announcement as to my pair and its transfer as before and vote "nay."

Mr. FRELINGHUYSEN (when his name was called). By arrangement with the junior Senator from Wyoming [Mr. KENDRICK] I transfer my pair with the Senator from Montana [Mr. WALSH] to the senior Senator from New Mexico [Mr. FALL] and vote "yea." I ask that this announcement may stand for the day.

Mr. KENDRICK (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. FALL], but by arrangement with the junior Senator from New Jersey [Mr. FRELINGHUYSEN] I transfer that pair to the junior Senator from Montana [Mr. WALSH] and vote "nay."

Mr. MYERS (when his name was called). I make the same announcement as to my pair and its transfer as on the last vote and vote "yea."

The roll call was concluded.

Mr. PENROSE. I voted "yea" when my name was called, and I shall allow my vote to stand, because I am informed that the senior Senator from Mississippi [Mr. WILLIAMS], with whom I am paired and who is absent, had he been present, would have voted to sustain the committee on this amendment.

Mr. LODGE (after having voted in the affirmative). I have voted, and I shall allow my vote to stand, because the Senator from Georgia [Mr. SMITH], with whom I am paired, if present, would have voted to sustain the committee on this question.

Mr. McCUMBER (after having voted in the affirmative). I transfer my pair with the senior Senator from Colorado [Mr. THOMAS] to the senior Senator from Connecticut [Mr. BRANDEGEE] and will allow my vote to stand.

Mr. CURTIS. I am requested to announce the unavoidable absence of the senior Senator from New Hampshire [Mr. GALLINGER]. Were he present, he would vote "yea."

Mr. UNDERWOOD (after having voted in the affirmative). I have a general pair with the junior Senator from Ohio [Mr. HARDING]. In his absence I withdraw my vote.

The result was announced—yeas 31, nays 35, as follows:

YEAS—31.

Calder	Kellogg	New	Smith, Mich.
Colt	Knox	Page	Smoot
Dillingham	Lewis	Penrose	Swanson
France	Lodge	Ransdell	Wadsworth
Frelinghuysen	McCumber	Saulsbury	Watson
Gerry	Martin	Shields	Weeks
Hale	Myers	Simmons	Wolcott
James	Nelson	Smith, Md.	

NAYS—35.

Ashurst	Hardwick	McKellar	Sheppard
Borah	Hollis	McNary	Sherman
Brady	Husting	Norris	Smith, S. C.
Broussard	Johnson, Cal.	Phelan	Sterling
Chamberlain	Jones, Wash.	Poindexter	Thompson
Curtis	Kendrick	Pomerene	Townsend
Fletcher	Kenyon	Reed	Trammell
Gore	Kirby	Robinson	Vardaman
Gronna	La Follette	Shafroth	

NOT VOTING—30.

Bankhead	Goff	Newlands	Thomas
Beckham	Harding	Overman	Tillman
Brandegee	Hitchcock	Owen	Underwood
Culberson	Hughes	Pittman	Walsh
Cummins	Johnson, S. Dak.	Smith, Ariz.	Warren
Fall	Jones, N. Mex.	Smith, Ga.	Williams
Fernald	King	Stone	
Gallinger	McLean	Sutherland	

So the amendment of the committee was rejected.

The PRESIDENT pro tempore. The Secretary will state the next amendment of the committee.

Mr. HOLLIS. Mr. President, as I understand, the committee amendment in line 7, on page 3, has been reconsidered and has been rejected, but the amendment in line 10, on the same page, has been adopted. So, if the Senator from Washington wants the same action taken as to that amendment, I think he will have to move a reconsideration of the vote whereby it was agreed to.

Mr. JONES of Washington. I ask unanimous consent that the vote by which the amendment in line 10, page 3, was adopted may be reconsidered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The Secretary will state the amendment proposed by the committee.

The SECRETARY. On page 3, line 10, before the words "per cent," the Committee on Finance proposes to strike out the words "Seventeen and five-tenths" and to insert "Sixteen," so as to read:

Sixteen per cent per annum upon the amount by which the total net income exceeds $80,000 and does not exceed $100,000.

Mr. SMOOT. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FLETCHER (when his name was called). I make the same announcement as to my pair and its transfer as before and vote "nay."

Mr. CURTIS (when Mr. GALLINGER's name was called). I announce the unavoidable absence of the senior Senator from New Hampshire [Mr. GALLINGER]. If present, he would vote "yea."

Mr. UNDERWOOD (when his name was called). I have a general pair with the junior Senator from Ohio [Mr. HARDING]. He is absent on this roll call, and I therefore withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce the same transfer of my pair as on the last vote and vote "yea."

Mr. CURTIS. I desire to announce the temporary absence of the junior Senator from Maryland [Mr. FRANCE] on official business.

Mr. SUTHERLAND (after having voted in the negative). I have a general pair with the Senator from Kentucky [Mr. BECKHAM], who is absent. I therefore withdraw my vote.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of sickness, and to say that he is paired with the senior Senator from North Dakota [Mr. MCCUMBER]. If present, my colleague would vote "nay."

Mr. SIMMONS. I desire to announce the unavoidable absence of the Senator from Mississippi [Mr. WILLIAMS]. He is paired with the Senator from Pennsylvania [Mr. PENROSE]. If the Senator from Mississippi were present, he would vote "yea."

Mr. SUTHERLAND. I desire to announce the unavoidable absence of my colleague, the senior Senator from West Virginia [Mr. GOFF] on account of illness. He is paired with the senior Senator from South Carolina [Mr. TILLMAN]. If present, my colleague would vote "yea."

The result was announced—yeas 26, nays 37, as follows:

YEAS—26.

Brandegee	James	New	Swanson
Calder	Kellogg	Page	Wadsworth
Colt	Knox	Penrose	Watson
Dillingham	Lodge	Saulsbury	Weeks
Frelinghuysen	Martin	Simmons	Wolcott
Gerry	Myers	Smith, Md.	
Hale	Nelson	Smoot	

NAYS—37.

Borah	Hollis	Norris	Smith, Mich.
Brady	Husting	Phelan	Smith, S. C.
Broussard	Johnson, Cal.	Poindexter	Sterling
Chamberlain	Jones, Wash.	Ransdell	Thompson
Culberson	Kendrick	Reed	Townsend
Curtis	Kenyon	Robinson	Trammell
Fletcher	Kirby	Shafroth	Vardaman
Gore	La Follette	Sheppard	
Gronna	McKellar	Sherman	
Hardwick	McNary	Shields	

NOT VOTING—33.

Ashurst	Harding	Newlands	Thomas
Bankhead	Hitchcock	Overman	Tillman
Beckham	Hughes	Owen	Underwood
Cummins	Johnson, S. Dak.	Pittman	Walsh
Fall	Jones, N. Mex.	Pomerene	Warren
Fernald	King	Smith, Ariz.	Williams.
France	Lewis	Smith, Ga.	
Gallinger	McCumber	Stone	
Goff	McLean	Sutherland	

So the amendment of the committee was rejected.

The PRESIDENT pro tempore. The Secretary will state the next amendment reported by the committee.

The SECRETARY. On page 3, line 13, the committee proposes to strike out "Twenty-one and twenty-five one-hundredths" and to insert "Twenty," so as to read:

Twenty per cent per annum upon the amount by which the total net income exceeds $100,000 and does not exceed $150,000.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. SIMMONS. Mr. President, while I am in accord with the committee amendment, and hope that it will be adopted, I shall not call for the yeas and nays upon the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was rejected.

The PRESIDENT pro tempore. The Secretary will state the next amendment reported by the committee.

The SECRETARY. On page 3, line 16, it is proposed to strike out "Twenty-five" and to insert "Twenty-three," so as to read:

Twenty-three per cent per annum upon the amount by which the total net income exceeds $150,000 and does not exceed $200,000.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was rejected.

The PRESIDENT pro tempore. The Secretary will state the next amendment reported by the committee.

The SECRETARY. On page 3, line 19, it is proposed to strike out "Thirty" and insert "Twenty-six," so as to read:

Twenty-six per cent per annum upon the amount by which the total net income exceeds $200,000 and does not exceed $250,000.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was rejected.

The PRESIDENT pro tempore. The Secretary will state the next amendment reported by the committee.

The SECRETARY. On page 3, line 22, it is proposed to strike out "Thirty-three and seventy-five one-hundredths" and to insert "Twenty-nine," so as to read:

Twenty-nine per cent per annum upon the amount by which the total net income exceeds $250,000 and does not exceed $300,000.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was rejected.

The PRESIDENT pro tempore. The Secretary will state the next amendment reported by the committee.

The SECRETARY. On page 4, line 1, it is proposed to strike out "Thirty-seven and five-tenths" and to insert "Thirty-one," so as to read:

Thirty-one per cent per annum upon the amount by which the total net income exceeds $300,000 and does not exceed $500,000.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. NELSON. Mr. President, that paragraph has been agreed to, and a substitute amendment has been adopted, as I understand.

The PRESIDENT pro tempore. The Chair is informed that that paragraph was not included in the amendment offered by the Senator from Rhode Island. The question is on agreeing to the amendment reported by the committee, on page 1, line 4.

The amendment was rejected.

Mr. SIMMONS. Mr. President, I desire to say that I did not ask for the yeas and nays on these amendments, because it is perfectly evident to me that the Senate favored what is known as the Lenroot amendment as against the rates proposed by the Finance Committee. Therefore, I thought it was unnecessary to take the time of the Senate in calling for the yeas and nays.

Mr. LA FOLLETTE. Has section 2 been completed?

Mr. WADSWORTH. Mr. President, may I ask the Secretary to read the next paragraph as it now appears in the bill, commencing on line 4?

The PRESIDENT pro tempore. The Secretary will read as requested.

The Secretary proceeded to read, as follows:

Thirty-five per cent per annum——

Mr. SHIELDS. Mr. President——

Mr. WADSWORTH. Mr. President, may the Secretary read the paragraph?

Mr. SHIELDS. I will ask the Senator to allow me to make a correction before proceeding. I came into the Chamber while the yeas and nays were being concluded on the amendment on page 3, line 7, proposing to reduce from 13.75 per cent to 12 per cent the tax upon the amount by which the total net income exceeds $60,000 and does not exceed $80,000, and I voted "yea" inadvertently. I voted nay on the other amendments following that, and would have voted nay on the one referred to if I had fully understood its purport. I wish to make this statement in explanation of my vote.

Mr. LA FOLLETTE. Mr. President——

Mr. WADSWORTH. May the Secretary proceed with the reading of the paragraph as it now appears in the bill?

The PRESIDENT pro tempore. The Secretary will read the closing paragraph of the section.

Mr. LA FOLLETTE. Of section 2?

The PRESIDENT pro tempore. The closing paragraph of section 2 as amended.

Mr. GERRY. I will ask unanimous consent——

Mr. WADSWORTH. I ask that the Secretary read the paragraph.

The PRESIDENT pro tempore. The Secretary will proceed with the reading which has been requested and ordered.

The SECRETARY. Following the paragraph at the top of page 4, ending in line 3, the Senate, as in Committee of the Whole, have adopted an amendment which reads as follows:

Thirty-five per cent per annum upon the amount by which the total net income exceeds $500,000 and does not exceed $750,000.

Mr. WADSWORTH. Mr. President, I simply desire to make the observation that if this provision is not corrected the surtax imposed upon incomes in excess of $500,000 will be less in rate than the surtax imposed upon incomes less than $500,000.

Mr. GERRY. I ask unanimous consent that that be changed from 35 per cent to 40 per cent.

The PRESIDENT pro tempore. The Senator desires to have reconsidered the vote by which the amendment was agreed to?

Mr. GERRY. I ask that the vote be reconsidered.

Mr. LA FOLLETTE. Mr. President, I am constrained to object to that, for the reason that I have been waiting here to offer a substitute for the whole section, and I have been at some pains to prepare the proposed substitute so as to conform to the amendment offered by the Senator from Rhode Island, which has already been adopted. I have that now worked out and am having computations made upon it, and I prefer to have the opportunity to offer my substitute to this section just as it stands now if I can do so.

The PRESIDENT pro tempore. Objection is made.

Mr. LA FOLLETTE. I do that because I think we will be able to substitute a well-constructed section for this conglomeration.

Mr. HARDWICK. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Georgia?

Mr. LA FOLLETTE. I do.

Mr. HARDWICK. The Secretary has not quite finished reading the amendment.

Mr. LA FOLLETTE. I thought the reading of section 2 had been completed. Am I mistaken?

Mr. HARDWICK. I do not think it has been. I did not hear him read the last paragraph.

The PRESIDENT pro tempore. The reading of section 2 has been completed. The Senator from New York [Mr. WADSWORTH] requested the reading of a portion of the amendment which has been adopted, and, as the Chair understands, the Secretary had completed the reading.

Mr. HARDWICK. I ask the Secretary to read the entire amendment.

The PRESIDENT pro tempore. At the request of the Senator from Georgia the Secretary will complete the reading of that section as amended.

The SECRETARY. On page 4, after line 3, the Senate, as in Committee of the Whole, agreed to the following amendment:

Thirty-five per cent per annum upon the amount by which the total net income exceeds $500,000 and does not exceed $750,000.

Forty-five per cent per annum upon the amount by which the total net income exceeds $750,000 and does not exceed $1,000,000.

Fifty per cent per annum upon the amount by which the total net income exceeds $1,000,000.

Mr. LA FOLLETTE. Mr. President, I offer a substitute for the entire section, which I send to the desk and ask to have read.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. It is proposed to strike out all after line 10, page 2, all of page 3, and lines 1 to 6, inclusive, of page 4, and to insert in lieu thereof the following:

One per cent per annum upon the amount by which the total net income exceeds $5,000 and does not exceed $6,000.

Two per cent per annum upon the amount by which the total net income exceeds $6,000 and does not exceed $7,000.

Three per cent per annum upon the amount by which the total net income exceeds $7,000 and does not exceed $8,000.

Four per cent per annum upon the amount by which the total net income exceeds $8,000 and does not exceed $9,000.

Five per cent per annum upon the amount by which the total net income exceeds $9,000 and does not exceed $10,000.

Six per cent per annum upon the amount by which the total net income exceeds $10,000 and does not exceed $11,000.

Seven per cent per annum upon the amount by which the total net income exceeds $11,000 and does not exceed $12,000.

Eight per cent per annum upon the amount by which the total net income exceeds $12,000 and does not exceed $13,000.

Nine per cent per annum upon the amount by which the total net income exceeds $13,000 and does not exceed $14,000.

Ten per cent per annum upon the amount by which the total net income exceeds $14,000 and does not exceed $15,000.

Eleven per cent per annum upon the amount by which the total net income exceeds $15,000 and does not exceed $16,000.

Twelve per cent per annum upon the amount by which the total net income exceeds $16,000 and does not exceed $17,000.

Thirteen per cent per annum upon the amount by which the total net income exceeds $17,000 and does not exceed $18,000.

Fourteen per cent per annum upon the amount by which the total net income exceeds $18,000 and does not exceed $19,000.

Fifteen per cent per annum upon the amount by which the total net income exceeds $19,000 and does not exceed $20,000.

Sixteen per cent per annum upon the amount by which the total net income exceeds $20,000 and does not exceed $21,000.

Seventeen per cent per annum upon the amount by which the total net income exceeds $21,000 and does not exceed $22,000.

Eighteen per cent per annum upon the amount by which the total net income exceeds $22,000 and does not exceed $23,000.

Nineteen per cent per annum upon the amount by which the total net income exceeds $23,000 and does not exceed $24,000.

Twenty per cent per annum upon the amount by which the total net income exceeds $24,000 and does not exceed $25,000.

Twenty-one per cent per annum upon the amount by which the total net income exceeds $25,000 and does not exceed $26,000.

Twenty-two per cent per annum upon the amount by which the total net income exceeds $26,000 and does not exceed $27,000.

Twenty-three per cent per annum upon the amount by which the total net income exceeds $27,000 and does not exceed $28,000.

Twenty-four per cent per annum upon the amount by which the total net income exceeds $28,000 and does not exceed $29,000.

Twenty-five per cent per annum upon the amount by which the total net income exceeds $29,000 and does not exceed $30,000.

Twenty-six per cent per annum upon the amount by which the total net income exceeds $30,000 and does not exceed $32,500.

Twenty-seven per cent per annum upon the amount by which the total net income exceeds $32,500 and does not exceed $35,000.

Twenty-eight per cent per annum upon the amount by which the total net income exceeds $35,000 and does not exceed $37,500.

Twenty-nine per cent per annum upon the amount by which the total net income exceeds $37,500 and does not exceed $40,000.

Thirty per cent per annum upon the amount by which the total net income exceeds $40,000 and does not exceed $42,500.

Thirty-one per cent per annum upon the amount by which the total net income exceeds $42,500 and does not exceed $45,000.

Thirty-two per cent per annum upon the amount by which the total net income exceeds $45,000 and does not exceed $47,500.

Thirty-three per cent per annum upon the amount by which the total net income exceeds $47,500 and does not exceed $50,000.

Thirty-four per cent per annum upon the amount by which the total net income exceeds $50,000 and does not exceed $60,000.

Thirty-five per cent per annum upon the amount by which the total net income exceeds $60,000 and does not exceed $80,000.

Thirty-six per cent per annum upon the amount by which the total net income exceeds $80,000 and does not exceed $100,000.

Thirty-seven per cent per annum upon the amount by which the total net income exceeds $100,000 and does not exceed $150,000.

Thirty-eight per cent per annum upon the amount by which the total net income exceeds $150,000 and does not exceed $200,000.

Thirty-nine per cent per annum upon the amount by which the total net income exceeds $200,000 and does not exceed $250,000.

Forty per cent per annum upon the amount by which the total net income exceeds $250,000 and does not exceed $300,000.

Forty-one per cent per annum upon the amount by which the total net income exceeds $300,000 and does not exceed $500,000.

Forty-two per cent per annum upon the amount by which the total net income exceeds $500,000 and does not exceed $750,000.

Forty-five per cent per annum upon the amount by which the total net income exceeds $750,000 and does not exceed $1,000,000.

Fifty per cent per annum upon the amount by which the total net income exceeds $1,000,000.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, if Senators attended upon the reading of the amendment by the Secretary, they will observe that I offer as a substitute a graduated tax upon incomes based upon graduated steps or additions of $1,000 at 1 per cent additional tax for each additional $1,000 of income. It is worked out upon that principle to the point where the income is in excess of $30,000. From that point to where the income reaches $50,000 1 per cent of tax is added for each $2,500 increase in income. From $50,000 incomes to incomes of over $1,000,000 the steps are graduated the same as in the committee bill as modified by the amendment of the Senator from Rhode Island [Mr. GERRY]. As the Senate has accepted the rates of the amendment of the Senator from Rhode Island for incomes in excess of $500,000, I thought it best to adjust my amendment to the action of the Senate in that respect. Otherwise, Mr. President, the amendment works out an evenly graduated tax on incomes, raising the rate of 1 per cent for every gradation of additions to the income.

Mr. President, the total amount of revenue estimated to be collected under this proposed amendment I would have been able to state accurately except for the modifications in that amendment made necessary to adjust it to the amendment offered by the Senator from Rhode Island. As I had worked it out up to that point I had computed the exact amount of revenue that would be derived under the rates for each of the brackets and the total amount of revenue derived from all of the brackets, but my computations are thrown somewhat off by the fact that the last three brackets have been so modified by the Senate as to destroy the calculation at that point.

But I can say to Senators, I think, with the utmost confidence, that if you should give your support to the amendment which I have offered you will have a much more consistent, a much more just and fair graduated income tax, than you would if you were to adhere to the committee provisions as modified by the amendment of the Senator from Rhode Island. In saying that, I am not pointing my argument especially to large incomes, but I am saying that where the graduated steps in a progressive income tax are wide apart, a somewhat unjust application of the higher rate to an income results at the point of separation, whereas if the gradations are more numerous—a mere thousand dollars apart, for instance—and the percentage of increase at each step is small—1 per cent—then, when you pass from one rate to another, you do not subject the taxpayer who falls in the higher class to such a great and wide difference between his tax and the tax of the class just below him as you do where there is a wide spread between the points at which the different tax rates are applied or a wide spread between the tax rates.

Let me say here something to which I believe the Senate has not had its attention called and which I am inclined to think many Senators may overlook. It is this fact:

When, according to the system of income taxation which we have adopted in this country, you fix a given rate for, say, an income of $10,000, and then a different rate for all of the incomes over $10,000 and not exceeding $12,500, and then a different rate for all of the income over $12,500 and not exceeding $15,000, you are too prone, in looking at the rates fixed in each bracket, to conclude that the entire income up to that point pays the tax rate named in that particular bracket. That is not so. If we applied the flat-rate principle, then the tax rate of a particular bracket would attach to all of the income, but under our system you pay income tax at a lower rate of per cent on that portion of your income which falls within the lower brackets, so that the average amount of your income tax is a very much lower per cent than that fixed in the law.

I have had some computations made to illustrate the workings of our system. I will illustrate by giving to the Senate the amount of money required to pay income taxes at the rates of the bill upon taxable incomes of $10,000, $20,000, $100,000, $500,000, $1,000,000, and $10,000,000, respectively. In doing so I will state the several rates named in the law, the highest combined rate, the amount of money that you would pay under it, then the equivalent flat rate.

First, I will trace it through according to the majority report and then according to the minority report.

Taking the majority plan of taxation, you would pay, upon a $10,000 income, a 2 per cent normal tax under the present law, a 2 per cent normal tax added by the present bill, and a 2 per cent war surtax added by the proposed bill. In other words, if you add together the several rates of per cent you pay a total of 6 per cent tax; but, as a matter of fact, when you have paid at the various stages below $10,000, the rates fixed in the law, instead of paying 6 per cent on a $10,000 income, as a matter of fact you pay 3.55 per cent. That is, you pay the same amount that you would pay if the income tax were a flat tax of 3.55 per cent.

We are likely, from taking the rates named in the bill, to get the idea that the owners of great incomes in this country are going to be assessed a very much higher rate than they are actually assessed upon their incomes. If you can once get fixed in your minds the deductions that must be made for the amounts paid at the lower rates at every bracket and get the equivalent flat tax, then you will see that, as compared with the British income tax, our tax is a very low one indeed.

Take an income of $20,000: Under the majority plan as reported it would pay an existing normal tax of 2 per cent, which with the war normal and war surtax makes a total of 14 per cent.

We are not taxing at that rate. When you have worked out what the recipient of an income of $20,000 will pay upon it after he pays the lower percentages on the lower brackets of his income, instead of coming to 14 per cent he pays what would be the equivalent of a flat rate of 6.2 per cent.

We never have had the slightest approach to an income tax that was fair in this country. We never have had anything like the income tax of Great Britain. It is true, as suggested here on the floor, that Great Britain has levied upon the lower incomes higher taxes than are proposed here; but she has levied higher taxes upon the great mass of the big incomes that fall between, say, $20,000 and $500,000, where the amendment of the Senator from Rhode Island begins to attach—and that is where you get the great bulk of big incomes, and it is from those incomes that you will secure a great income-tax return, if that is what is desired.

It is all very well to flourish an amendment of 50 per cent on incomes of $1,000,000 or more. We have not very many of them. There are only a few people to wince under it. Only a limited amount of revenue would be derived from it. But when you come to incomes of $100,000, $200,000, $250,000, $300,000, $350,000, $400,000, and $500,000 you find a vast number of such incomes; and as this bill is being built up here, as reported from the committee, and as changed by the adoption of the high rates inserted in the amendment of the Senator from Rhode Island, you are giving the public the impression that you are applying very, very high rates in your income-tax bill. You are doing nothing of the kind. You are applying these rates to a few incomes, and only a few incomes; but the great body of big incomes—so big that they ought to be made to pay their part of supporting this war—have built around them, under the provisions in this bill as reported from the committee, even as modified by the Gerry amendment, a stone wall that protects them against any large payment of income taxes.

Now, Mr. President, go a step further with me in seeing how these rates really work out when you apply them as they will be applied when you come to pay your tax and collect your tax from others.

I gave you the case of a $20,000 income. Take a $60,000 income. A $60,000 income, as proposed in the committee bill, will first take its 2 per cent normal tax under the existing law. Then it will take a 3 per cent surtax under the existing law. Then, when we come to the provisions of this bill, it will have applied to it a second normal tax of 2 per cent. It will then have applied to it what you would call a war surtax, a temporary surtax of 12 per cent, like the temporary additional normal tax, that is to last as long as the war. The total of this is 19 per cent, and it may be said that you are assessing incomes of $60,000 19 per cent. You are doing nothing of the kind. Here is what you are doing: You are assessing them the equivalent of a flat rate of 11.1 per cent.

I wonder if I succeed, in this maze and intricate recital of percentages, in making myself clearly understood by the Senate? If I do, I am sure you will vote to adopt an amendment commensurate with the needs of the country, an amendment that lays no burdens upon these incomes that they ought not to volunteer to pay, let alone wait to be compelled by law to pay.

As you get to the higher incomes, then the combined rates of the different steps or gradations more nearly approach the combined highest rate named in the bill. For instance, take an income of $1,000,000. An income of $1,000,000 in the bill here, as I remember, is assessed 48 per cent. Now, then, in the bill as reported and under consideration the tax which such an income would pay would be the 2 per cent rate of the existing law, the 11 per cent surtax of the existing law, and then a 2 per cent war normal proposed in this bill, and then added to that a 33 per cent surtax, aggregating all told 48 per cent.

Now, you would expect, of course—and I think perhaps Senators have been bearing the computation in their minds—that incomes of a million dollars pay 48 per cent. They pay nothing of the kind. When they have paid what each bracket calls upon them to pay, you get as a total amount that they contribute out of their incomes, the equivalent of a flat rate of 40$\frac{8}{9}$ per cent in-

stead of 48 per cent. But, as I said, as you reach the higher grades the differences are not so great.

Mr. President, I have tried to make that as clear as I could to the Senate in the hope that Senators here are going to consider not the misleading figures that are quoted, not intentionally quoted for the purpose of misleading, but not explained as they ought to be; that they are not going to assume from those statements or the recitals of the bill that you are to assess these incomes at the high rate applicable to the brackets in which the incomes fall.

Mr. SMOOT. Will the Senator yield?

Mr. LA FOLLETTE. I would prefer to have the Senator interrupt me when I am through, but if it would please any of the Senators here to have me yield now I will yield now. I am quite willing to yield to the Senator from Utah.

Mr. SMOOT. I was going to say to the Senator——

Mr. LA FOLLETTE. I know in that report you have figured out some statement of it.

Mr. SMOOT. I wanted the Senator to know and he does know that the committee has not tried to misrepresent——

Mr. LA FOLLETTE. Oh, no; and I said just before the Senator interrupted me that there was no intention to mislead.

Mr. SMOOT. Because on page 23 of the report the figures that have been quoted now by the Senator are set out plainly, showing exactly what each bracket pays under the bill.

Mr. LA FOLLETTE. Mr. President, I had not intended to say anything here to make any member of the majority wince. I had said expressly in a sentence or two preceding that there had been no intention to mislead. It has been assumed, and I suppose the majority had the right to assume, that every Senator would study those brackets and work out for himself the facts; that he ought to know before he votes on these rates that the rates named in the bill are not the rates the whole income within each bracket will have to pay. Yet I undertake to say that probably not a half dozen Senators on this floor have either seen that table or worked out the fact that I am trying in my imperfect way to lay before you, and I think it ought to be laid before you because it is a fact that ought to bear with weight upon your votes.

Whatever we may do here in the swift hours that speed legislation under the pressure of our great emergency we should remember that by the fireside and in the study the people of this country are going to take more time than we working out in all its details and applying the legislation that we are enacting.

So, Mr. President, I felt warranted in taking a little time to lay before the Senate what seemed to me to be an important fact for Senators to consider before voting upon the amendment which I have offered.

Mr. THOMPSON. Will the Senator allow me to ask him a question? Does the amendment of the Senator from Rhode Island increase or decrease the computation of the Senator from Wisconsin?

Mr. LA FOLLETTE. It increases it, because it raises the last two brackets; but it makes different brackets.

Mr. THOMPSON. The estimate of the Senator from Wisconsin will be a little less than the real amount?

Mr. LA FOLLETTE. It will be less than the amount that will be raised by the changes that have been made by adopting the amendment of the Senator from Rhode Island.

Now, if the Senate please, the total estimated to be collected as an additional war-income tax under my pending amendment would amount to $723,616,848. The amount of additional income under the committee's proposed bill aggregates $417,763,083. These estimates do not include the corporation tax. I am now just dealing with individual incomes. My amendment does not touch on the incomes of corporations. We have no business to have swelled the total amount to be gathered by an income tax to over a billion dollars by adding the corporation tax when we are just considering individual incomes.

You have been told here that the income tax to be collected under the Gerry amendment would be $1,000,100,000 or more. That is not the tax collected on incomes of individuals. They have added to the amount to be collected on individual incomes the added taxes of $360,000,000 to be collected from corporations. The Senate is considering this afternoon the tax upon individual incomes. In the first line of the amendment there is, I believe, a 2 per cent additional tax upon corporations.

Mr. SIMMONS. I will state to the Senator my understanding is that the amount collected in addition is $490,000,000.

Mr. LA FOLLETTE. I have the tables figured out by Mr. McCoy here which do not give that result.

Mr. SIMMONS. That includes the amendment submitted by the Senator from Rhode Island.

Mr. LA FOLLETTE. That includes the amount made by the Senator from Rhode Island. I stand corrected on that.

Mr. SIMMONS. Both the Gerry and the Lenroot amendments.

Mr. LA FOLLETTE. I understand that, but as the bill was reported the additions made to the tax that would be paid by individuals is $417,763,083. If the amendment which I have just offered is adopted raising by a graduated income tax, graduated at the stages of $1,000 and $2,500, until the largest incomes are reached, it would raise a total of $723,616,848, as against $417,763,083 in the bill as reported by the committee. That is the total tax on incomes for the period of the war.

Now, if you want the total tax that the majority would collect under their bill as compared with the totals that they would collect under the provisions of the amendment I have offered, these are: Under the bill as reported by the committee the total income tax would be $523,244,750, as against a total income tax, if you will accept the graduations I make and the percentage that I have offered in this amendment, of $806,512,463.

Mr. President, I will ask permission to print in connection with my remarks the tables which I have used which apply to this amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Comparison of individual income tax rates and estimated revenues under committee bill and La Follette amendment.

Income in excess of—	Plan of proposed amendment.					Majority plan.					War tax under rates of amendment.	Total income tax under rates of amendment.
	Existing law, normal.	Existing law, surtax.	Proposed rates.		Total tax.	Existing law.		Proposed rates.		Total tax.		
			War, normal.	War, surtax.		Normal.	Surtax.	War, normal.	War, surtax.			
$1,000 and not in excess of $3,000			2		2			2		2	$16,000,000	$16,000,000
$3,000 and not in excess of $5,000	2		2		2	2		2		2	16,102,700	16,102,700
$5,000 and not in excess of $6,000	2		2	1	5	2		2	1	5	6,000,000	6,000,000
$6,000 and not in excess of $7,000	2		2	2	6	2		2	1	5	6,432,000	6,432,000
$7,000[1] and not in excess of $7,500	2		2	3	7	2		2	1	5		
$7,500[1] and not in excess of $8,000	2		2	3	7	2		2	2	6	7,005,000	7,005,000
$8,000 and not in excess of $9,000	2		2	4	8	2		2	2	6	7,330,000	7,330,000
$9,000 and not in excess of $10,000	2		2	5	9	2		2	2	6	6,936,000	6,936,000
$10,000 and not in excess of $11,000	2		2	6	10	2		2	3	7	6,778,160	6,778,160
$11,000 and not in excess of $12,000	2		2	7	11	2		2	3	7	6,840,000	6,840,000
$12,000[1] and not in excess of $12,500	2		2	8	12	2		2	3	7		
$12,500[1] and not in excess of $13,000	2		2	8	12	2		2	4	8	7,118,200	7,118,200
$13,000 and not in excess of $14,000	2		2	9	13	2		2	4	8	7,260,000	77,260,000
$14,000 and not in excess of $15,000	2		2	10	14	2		2	4	8	6,960,107	66,960,107
$15,000 and not in excess of $16,000	2		2	11	15	2		2	6	10	7,020,000	7,020,000
$16,000 and not in excess of $17,000	2		2	12	16	2		2	6	10	7,168,000	7,168,000
$17,000 and not in excess of $18,000	2		2	13	17	2		2	6	10	6,972,337	6,972,337
$18,000 and not in excess of $19,000	2		2	14	18	2		2	6	10	6,804,800	6,804,800
$19,000 and not in excess of $20,000	2		2	15	19	2		2	6	10	6,494,000	6,494,000
$20,000 and not in excess of $21,000	2	1	2	16	21	2	1	2	8	13	6,120,000	6,468,444
$21,000 and not in excess of $22,000	2	1	2	17	22	2	1	2	8	13	6,080,000	6,400,000
$22,000 and not in excess of $23,000	2	1	2	18	23	2	1	2	8	13	5,972,000	6,270,600
$23,000 and not in excess of $24,000	2	1	2	19	24	2	1	2	8	13	5,781,090	6,055,380
$24,000 and not in excess of $25,000	2	1	2	20	25	2	1	2	8	13	5,698,000	5,957,000
$25,000 and not in excess of $26,000	2	1	2	21	26	2	1	2	8	13	5,773,000	6,024,173
$26,000 and not in excess of $27,000	2	1	2	22	27	2	1	2	8	13	5,880,000	6,125,000
$27,000 and not in excess of $28,000	2	1	2	23	28	2	1	2	8	13	5,908,375	6,144,811

Comparison of individual income tax rates and estimated revenues under committee bill and La Follette amendment—Continued.

Income in excess of—	Plan of proposed amendment.					Majority plan.					War tax under rates of amendment.	Total income tax under rates of amendment.
	Existing law, normal.	Existing law, surtax.	Proposed rates.		Total tax.	Existing law.		Proposed rates.		Total tax.		
			War, normal.	War, surtax.		Normal.	Surtax.	War, normal.	War, surtax.			
$28,000 and not in excess of $29,000	2	1	2	24	29	2	1	2	8	13	,032,000	$6,264,000
$29,000 and not in excess of $30,000	2	1	2	25	30	2	1	2	8	13	6,075,000	6,292,592
$30,000 and not in excess of $32,500	2	1	2	26	31	2	1	2	8	13	14,308,000	14,819,000
$32,500 and not in excess of $35,000	2	1	2	27	32	2	1	2	8	13	12,917,905	13,463,350
$35,000 and not in excess of $37,500	2	1	2	28	33	2	1	2	8	13	11,738,350	12,129,628
$37,500 and not in excess of $40,000	2	1	2	29	34	2	1	2	8	13	9,143,295	9,438,240
$40,000 and not in excess of $42,500	2	2	2	30	36	2	2	2	10	16	9,072,000	9,639,000
$42,500 and not in excess of $45,000	2	2	2	31	37	2	2	2	10	16	9,043,650	9,591,750
$45,000 and not in excess of $47,500	2	2	2	32	38	2	2	2	10	16	9,032,100	9,563,400
$47,500 and not in excess of $50,000	2	2	2	33	39	2	2	2	10	16	9,003,750	9,518,250
$50,000 and not in excess of $60,000	2	2	2	34	40	2	2	2	10	16	34,283,000	36,188,300
$60,000 and not in excess of $80,000	2	3	2	35	42	2	3	2	12	19	47,878,444	50,679,864
$80,000 and not in excess of $100,000	2	4	2	36	44	2	4	2	16	24	33,603,760	36,077,840
$100,000 and not in excess of $150,000	2	5	2	37	46	2	5	2	20	29	56,269,395	63,483,420
$150,000 and not in excess of $200,000	2	6	2	38	48	2	6	2	23	33	48,468,520	55,739,964
$200,000 and not in excess of $250,000	2	7	2	39	50	2	7	2	26	37	22,317,120	26,127,360
$250,000 and not in excess of $300,000	2	8	2	40	52	2	8	2	29	41	17,450,290	20,774,170
$300,000 and not in excess of $500,000	2	9	2	41	54	2	9	2	31	44	39,394,540	48,244,560
$500,000 and not in excess of $1,000,000	2	10	2	42	56	2	10	2	33	47	49,686,900	60,989,400
$1,000,000 and not in excess of $1,500,000	2	11	2	43	58	2	11	2	33	48	26,126,000	32,524,800
$1,500,000 and not in excess of $2,000,000	2	12	2	44	60	2	12	2	33	49	20,780,500	26,201,500
Over $2,000,000	2	13	2	45	62	2	13	2	33	50	50,046,950	63,890,000
Total											723,616,843	806,512,463

[1] The brackets $7,000 to $8,000 and $12,000 to $13,000 of the proposed amendment in this table are divided on $7,500 and $12,500, respectively, to show where the brackets break in the committee bill and to make accurate comparison.

Mr. LODGE. May I ask the Senator to state about what those averages would be under his proposed amendment? I ask just for the purpose of comparison.

Mr. LA FOLLETTE. I have not that worked out, I will say to the Senator from Massachusetts, for the amendment which I am now speaking to. I have two other amendments. The table from which I have given these computations was prepared a couple of days before I got to the amendment which I offered to-day. When I come to the other amendment, if this amendment should not be accepted by the Senate, I will then be able to give the Senator those computations. I am having them worked out now, and I may be able to put them into the RECORD, not only for these incomes but for all the incomes and all the grades. I will ask leave now to incorporate, if I can complete it in time for the RECORD to-night, the table of figures which will show the actual amount paid on every income under the amendment which I have offered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMITH of Michigan. May I ask the Senator a question? I have not yet been able to understand how much the figures which he has given as the result of the House bill with reference to section 2 and the Gerry amendment will yield.

Mr. LA FOLLETTE. I give the figures that the committee report. I, of course, worked out my tables under the amendment as the bill was reported and it does not include the additions that have been made by the adoption of the Lenroot and the Gerry amendments.

Mr. SMITH of Michigan. Then the Senator is not able to give the total?

Mr. LA FOLLETTE. I can not; but I will say that I am confident it will raise somewhat more money and will certainly raise it in a much more scientific way, because the steps at which the rates change are shorter while it advances by stages which makes it more just to the payer of incomes, far more just.

Mr. President, I think that is all I care to say.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

Mr. SMOOT. Mr. President, since the Senator has been speaking I have analyzed his amendment, and I want to call the attention of the Senate now to what the amendment really proposes and the rate of taxation upon each bracket that, if adopted, would apply to incomes hereafter.

The first bracket that is under the La Follette amendment imposes an additional tax of 1 per cent. The bill as reported by the Senate committee proposes the same tax of 1 per cent. The present law is 2 per cent, making the tax upon an income exceeding $5,000 and not exceeding $6,000 3 per cent.

The next is the 2 per cent bracket, under the La Follette amendment and under the amendment of the Senate committee it is 1 per cent, making 3 per cent under the Senate committee and 4 per cent under the La Follette amendment on incomes exceeding $6,000 and not exceeding $7,000.

On net incomes exceeding $7,000 and not exceeding $8,000 under the La Follette amendment there will be a tax of 7 per cent. Under the Senate committee amendment there will be a tax of 6 per cent. On incomes exceeding $8,000 and not exceeding $9,000 under the La Follette amendment there will be a tax of 11 per cent.

Mr. LA FOLLETTE. No; the Senator is mistaken. The tax is 8 per cent, if he will permit me to correct him.

Mr. SMOOT. Excuse me, I took the wrong bracket.

Mr. LA FOLLETTE. The Senator is mistaken.

Mr. SMOOT. The Senator is right. I took the bracket below. I wish the Senator would follow the figures closely that I may not misstate them, because I figured them out while the Senator was speaking.

Mr. LA FOLLETTE. I have a table which I will put in the RECORD, which will show the figures accurately.

Mr. SMOOT. I think I can give the Senate the information now.

On incomes exceeding $6,000 and not exceeding $9,000 the tax under the La Follette amendment is 8 per cent. Under the Senate committee provision it is 6 per cent.

Mr. NORRIS. Mr. President, may I ask the Senator a question there?

Mr. LA FOLLETTE. The Senator is mistaken again in saying $6,000.

The PRESIDENT pro tempore. To whom does the Senator from Utah yield?

Mr. LA FOLLETTE. The Senator from Utah asked me to correct him if he made a mistake.

Mr. SMOOT. That is right.

The PRESIDENT pro tempore. The Senator from Nebraska addressed the Chair.

Mr. LA FOLLETTE. I took it from that that he yielded to me. I will now address the Chair and if the Senator from Utah desires to have me correct him, I should like to be considered not out of order.

The PRESIDENT pro tempore. The Chair calls the attention of the Senator from Utah to the fact that the Senator from Nebraska requested the privilege of interrupting him. That was the remark of the Chair. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. Certainly; I yield.

Mr. NORRIS. The only thing I want to do is to call the attention of the Senator to what I believe was an error in his statement. That has already been corrected by the Senator from Wisconsin, as I understand it, although I did not understand what the Senator from Wisconsin said. The error was in going from $6,000 to $9,000.

Mr. SMOOT. It should have been from $8,000 to $9,000. On incomes exceeding $9,000 and not exceeding $10,000, under the La Follette amendment the tax would be 9 per cent; under the Senate committee amendment it is 6 per cent.

Mr. LA FOLLETTE. Mr. President, if the Senator will permit me, of course, it does not mean that there will be a flat tax of 10 per cent.

Mr. SMOOT. No. When I get through with all of these percentages I shall then explain just exactly what the Senator from Wisconsin has already explained and shall also explain precisely the way in which England and France and Germany and all countries which have a graduated tax impose the tax and estimate the amount of taxes.

Mr. NORRIS. Mr. President——

Mr. SMOOT. If the Senator from Nebraska will allow me to proceed with this, I shall later answer the question.

Mr. NORRIS. I want to make a suggestion. I do it without any spirit of contention; I only do it as a matter of fairness. Of course I know the Senator was not trying to mislead anyone, but yet if the language is taken just as he gives it it would create an impression which I know the Senator from Utah does not wish to create. The Senator said the tax would be 9 per cent, but the tax would be 8 per cent. As I understand, he does not mean the tax would be that much, but he means that it would go as high as that on a part of the income.

Mr. SMOOT. That is exactly what the Senator from Utah means; that on this bracket, and only so far as this bracket is concerned, the rate is 9 per cent.

Mr. LA FOLLETTE. That is, on $1,000 it would be 9 per cent.

Mr. SMOOT. This is the bracket covering incomes between $9,000 and $10,000.

Mr. LA FOLLETTE. The rate is 9 per cent on the difference between $9,000 and $10,000. It would be 9 per cent on $1,000 and no more.

Mr. SMOOT. The income below the amount specified is assessed according to other rates imposed in each bracket. All income taxes are written in the same way. For instance, the Senator provides in this bracket:

> Five per cent per annum upon the amount by which the total net income exceeds $9,000 and does not exceed $10,000.

It is not 5 per cent upon the $10,000 but 5 per cent upon whatever there is over and above the minimum named in the bracket in addition to the taxes imposed in preceding brackets. The Senator understands it, and I thought that every Senator understood it. So I will say to the Senator from Nebraska [Mr. NORRIS] that when I say the rate will be 10 per cent under the La Follette amendment, I mean as to that particular bracket, over and above the lower sum named and not exceeding the higher sum.

Mr. GRONNA. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. I yield.

Mr. GRONNA. Am I right in assuming that the maximum tax will be upon the last thousand dollars and that it will be 1 per cent less for each $1,000 below that?

Mr. LA FOLLETTE. Yes.

Mr. SMOOT. It will be exactly 1 per cent if the brackets increase only $1,000.

Mr. GRONNA. But it will be less?

Mr. SMOOT. It may be less.

Mr. LA FOLLETTE. It is 1 per cent on these brackets. The Senator is right.

Mr. SMOOT. Of course, Mr. President, there is no question but that the system followed in the amendment of the Senator from Wisconsin and the system followed in the bill as reported to the Senate are exactly the same; and it is the same system adopted in England, in Germany, in France, and in every other country which does not have a flat rate of taxation.

Mr. GRONNA. I simply desire to know from the Senator from Utah if I am right in understanding that the maximum tax is simply upon the last $1,000. Is that correct?

Mr. SMOOT. It is, wherever the lower amount named in the bracket increases but $1,000. If the amount of increase is $1,000, the La Follette amendment provides for an increase over the preceding bracket of 1 per cent on the increase. If the increase is $20,000 it is 1 per cent upon $20,000, and if it is $50,000 the increase is 1 per cent upon $50,000.

Mr. GRONNA. But in the last bracket named by the Senator it would not be 9 per cent upon the whole amount. It is, however, very easily misunderstood by a person reading the RECORD unless that is explained.

Mr. SMOOT. Mr. President, I thought all the Senators understood that.

Mr. GRONNA. But there are others who read the RECORD.

Mr. SMOOT. Mr. President, on incomes exceeding $10,000 and not exceeding $11,000, under the La Follette amendment the tax is 10 per cent, and under the Senate committee amendment it is 7 per cent. On incomes exceeding $11,000 and not exceeding $12,000 the tax under the La Follette amendment is 11 per cent, and under the Senate bill it is 7 per cent.

On incomes exceeding $12,000 and not exceeding $13,000, under the La Follette amendment the tax is 12 per cent, and under the Senate amendment it is 8 per cent.

On incomes exceeding $13,000 and not exceeding $14,000, under the La Follette amendment the tax is 13 per cent, and under the Senate amendment it is 8 per cent.

On incomes exceeding $14,000 and not exceeding $15,000, under the La Follette amendment the tax is 14 per cent, and under the Senate amendment it is 8 per cent.

On incomes exceeding $15,000 and not exceeding $16,000, under the La Follette amendment the tax is 15 per cent, and under the Senate committee amendment it is 10 per cent.

On incomes exceeding $16,000 and not exceeding $17,000, under the La Follette amendment the tax is 16 per cent, and under the Senate amendment it is 10 per cent.

On incomes exceeding $17,000 and not exceeding $18,000, under the La Follette amendment the tax is 17 per cent, and under the Senate amendment it is 10 per cent.

On incomes exceeding $18,000 and not exceeding $19,000, under the La Follette amendment the tax is 18 per cent, and under the Senate amendment it is 10 per cent.

On incomes exceeding $19,000 and not exceeding $20,000, under the La Follette amendment the tax is 19 per cent, and under the Senate amendment it is 10 per cent.

On incomes exceeding $20,000 and not exceeding $21,000, under the La Follette amendment the tax is 21 per cent, and under the Senate amendment it is 13 per cent.

On incomes exceeding $21,000 and not exceeding $22,000, under the La Follette amendment the tax is 22 per cent, and under the Senate amendment it is 13 per cent.

On incomes exceeding $22,000 and not exceeding $23,000, under the La Follette amendment the tax is 23 per cent, and under the Senate amendment it is 13 per cent.

On incomes exceeding $23,000 and not exceeding $24,000, under the La Follette amendment the tax is 24 per cent, and under the Senate amendment it is 13 per cent.

On incomes exceeding $24,000 and not exceeding $25,000, under the La Follette amendment the tax is 25 per cent, and under the Senate amendment it is 13 per cent.

On incomes exceeding $25,000 and not exceeding $26,000, under the La Follette amendment the tax is 26 per cent, and under the Senate amendment it is 13 per cent, or just one-half.

On incomes exceeding $26,000 and not exceeding $27,000, under the La Follette amendment the tax is 27 per cent, and under the Senate amendment it is 13 per cent.

On incomes exceeding $27,000 and not exceeding $28,000, under the La Follette amendment the tax is 28 per cent, and under the Senate amendment it is 13 per cent.

On incomes exceeding $28,000 and not exceeding $29,000, under the La Follette amendment the tax is 29 per cent, and under the Senate amendment it is 13 per cent.

On incomes exceeding $29,000 and not exceeding $30,000, under the La Follette amendment a tax is imposed of 30 per cent, while under the Senate amendment it is 13 per cent.

On incomes exceeding $30,000 and not exceeding $32,500, under the La Follette amendment the tax is 31 per cent, and under the Senate amendment it is 13 per cent.

On incomes exceeding $32,500 and not exceeding $35,000, under the La Follette amendment the tax is 32 per cent, and under the Senate amendment it is 13 per cent.

On incomes exceeding $35,000 and not exceeding $37,500, under the La Follette amendment the tax is 33 per cent, and under the Senate amendment it is 13 per cent.

On incomes exceeding $37,500 and not exceeding $40,000, under the La Follette amendment the tax is 34 per cent, and under the Senate amendment it is 13 per cent.

On incomes exceeding $40,000 and not exceeding $42,500, under the La Follette amendment the tax is 37 per cent——

Mr. LA FOLLETTE. It is 36 per cent.

Mr. SMOOT. And under the bill as reported to the Senate by the committee it is 17 per cent.

On incomes exceeding $42,500 and not exceeding $45,000, under the La Follette amendment the tax is 38 per cent, and under the Senate amendment it is 17 per cent.

Mr. LA FOLLETTE. Under my amendment it is 37 per cent, if the Senator would like to make the correction.

Mr. SMOOT. On incomes exceeding $45,000 and not exceeding $47,500, the tax under the La Follette amendment is 39 per cent, and under the Senate amendment it is 17 per cent.

Mr. LA FOLLETTE. Under my proposed amendment it is 38 per cent.

Mr. SMOOT. On incomes exceeding $47,500 and not exceeding $50,000, under the La Follette amendment the tax is 40 per cent, and under the Senate amendment it is 17 per cent.

Mr. LA FOLLETTE. According to my computation, the rate under my amendment is 39 per cent.

Mr. SMOOT. On incomes exceeding $50,000 and not exceeding $60,000, under the La Follette amendment the tax is 41 per cent, while under the Senate amendment it is 17 per cent.

On incomes exceeding $60,000 and not exceeding $80,000, under the La Follette amendment the tax is 43 per cent, while under the Senate amendment it is 25.75 per cent. That is based on the amendment to that bracket agreed to to-day.

On incomes exceeding $80,000 and not exceeding $100,000, under the La Follette amendment the tax is 45 per cent, while under the Senate amendment it is 26.5 per cent.

Mr. LA FOLLETTE. Mr. President, does the Senator care to have me make the corrections which I think should be made in the figures he has given, or does he prefer not to be interrupted? I do not wish to interrupt the Senator if he prefers not to be interrupted.

Mr. SMOOT. If there is anything wrong in the figures I have given, I should like to be corrected now.

Mr. LA FOLLETTE. According to the computations that have been made by me, there have been four or five figures given in succession by the Senator that are inaccurate; but I do not care to break in on the Senator's remarks.

Mr. SMOOT. The Senator's figures in those cases are perhaps 1 per cent less.

Mr. LA FOLLETTE. They have been made——

The PRESIDENT pro tempore. The colloquy between the Senators may be very interesting, but, under the rules of the Senate, other Senators are entitled to hear it.

Mr. LA FOLLETTE. I thought the Senator from Utah had yielded to me some time ago to make corrections as he made his statement; otherwise I would not have remained on the floor.

Mr. SMOOT. On net incomes exceeding $100,000 and not exceeding $150,000, under the La Follette amendment the tax is 47 per cent, while under the bill as reported to the Senate, with the amendment adopted to-day, it is 21.25 per cent.

On incomes exceeding $150,000 and not exceeding $200,000, under the La Follette amendment the tax is 50 per cent, while under the Senate amendment it is 37 per cent.

On incomes exceeding $200,000 and not exceeding $250,000, under the La Follette amendment the tax is 53 per cent, while under the Senate amendment it is 44 per cent.

On incomes exceeding $250,000 and not exceeding $350,000, under the La Follette amendment the tax is 56 per cent, while under the Senate amendment it is 49.75 per cent.

On incomes exceeding $300,000 and not exceeding $500,000 under the La Follette amendment the tax is 59 per cent, while under the Senate amendment it is 55.5 per cent.

On incomes exceeding $500,000 and not exceeding $1,000,000 under the La Follette amendment the rate is 65 per cent, while under the Senate committee amendment as amended it is 65 per cent, the rate being exactly the same.

I understand that the Senator from Wisconsin in his amendment—I have not a copy of it—has made the other brackets conform to the amendment offered by the Senator from Rhode Island, and therefore the remaining rates are exactly the same.

Mr. CURTIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Kansas?

Mr. SMOOT. Certainly.

Mr. CURTIS. May I ask the Senator if the figures he has given are based upon the Senate bill as amended a little while ago, adopting the House rates in certain brackets?

Mr. SMOOT. I give the figures for the brackets as they have been amended in accordance with what is known as the Lenroot amendment. I have included those increases in the figures I have given.

Now, I call the attention of the Senate to the fact that the great increases which will be provided by the amendment offered by the Senator from Wisconsin will come on incomes beginning with $12,000 up to and including $40,000. For instance, I call the attention of the Senate to the fact that it is a graduated tax by steps of $1,000. Beginning with incomes exceeding $11,000 and not exceeding $12,000, there is only a difference between the Senate bill and the La Follette amendment of 4 per cent; but when we reach the bracket covering net incomes exceeding $35,500 and not exceeding $40,000 there is a difference of 21 per cent. On incomes between $11,000 and $37,500 is where the great bulk of the increase will fall. That is the substance of the amendment offered by the Senator from Wisconsin.

The Senator stated that the tax percentages are entirely different from the income tax imposed in England; that when we impose a tax in a certain bracket of 34 per cent it does not mean 34 per cent upon the full net income of $37,500. That is true, because beginning with the lowest bracket the amount of income upon which the tax is imposed is that above the lowest amount named in that bracket. So with the second bracket, the third bracket, the fourth bracket, down to and including the last bracket in the bill. Mr. President, that is exactly the same system as is provided under the British law.

I wish to call the attention of the Senate now to the rate of taxation and the exemptions under the British law and under the French and under the German law, to see to what length of taxation on incomes we are going as compared with the imposition of income taxes by those countries which have been in war for three years.

I will take the English law of 1917, passed this year. We all know that the increases were considerable; in fact, the English papers in discussing them thought that they were exorbitantly high. Now, I want the Senate to follow me while I discuss the taxes England imposes upon incomes of citizens of that country.

First, I want to call attention to the exemptions.

On incomes exceeding $650 and not exceeding $2,000 there is an exemption of $650.

On incomes exceeding $2,000 and not exceeding $3,000 there is an exemption of $500.

On incomes exceeding $3,000 and not exceeding $3,500 there is an exemption of $350.

On incomes exceeding $3,500 there is no exemption at all.

I have taken pounds sterling and converted them into dollars all the way through, so that Senators will not have to convert pounds into dollars while I am calling attention to the rates.

Now, the rate of taxation, first, on unearned incomes: England has one tax for unearned incomes and a different tax on earned incomes, and I will call attention to the difference. I will take first unearned incomes.

Not exceeding $1,500, 15 per cent.
Exceeding $1,500 and not exceeding $2,500, 15 per cent.
Exceeding $2,500 and not exceeding $5,000, 17½ per cent.
Exceeding $5,000 and not exceeding $7,500, 20 per cent.
Exceeding $7,500 and not exceeding $10,000, 22½ per cent.
Exceeding $10,000, 25 per cent.

Now, on the earned incomes.

Mr. WATSON. Mr. President, will the Senator explain what is meant by "unearned incomes"?

Mr. SMOOT. Incomes coming from interest on bonds, interest on notes, and dividends from corporations—an income the individual did not earn himself. It was earned by somebody else or in some other way.

Now, as to earned incomes:

Not exceeding $2,500, 11¼ per cent.
Exceeding $2,500 and not exceeding $5,000, 12½ per cent.
Exceeding $5,000 and not exceeding $7,500, 15 per cent
Exceeding $7,500 and not exceeding $10,000, 18¾ per cent.
Exceeding $10,000 and not exceeding $12,500, 21⅜ per cent.
Exceeding $12,500, 25 per cent.

In the law of 1917 they have imposed a surtax on incomes, and the following are the rates:

There is no surtax below $12,500.
Exceeding $12,500 and not exceeding $15,000, 2½ per cent.
On incomes of $15,000 and not exceeding $20,000, 5⅛ per cent.
On incomes of $20,000 and not exceeding $25,000, 7½ per cent.
On incomes of $25,000 and not exceeding $30,000, 9½ per cent.
On incomes of $30,000 and not exceeding $35,000, 10⅞ per cent.
On incomes of $35,000 and not exceeding $40,000, 12½ per cent.
On incomes of $40,000 and not exceeding $45,000, 14½ per cent.
On incomes of $45,000 and not exceeding $50,000, 15⅞ per cent.
On incomes of $50,000 and all above, 17½ per cent.

Mr. President, you can take the highest rate imposed upon earned incomes or unearned incomes, and add the highest rate and the supertax on incomes imposed by Great Britain, and the total is 42½ per cent. I want the Senate to understand that that 42½ per cent means exactly what the 42½ per cent would mean upon any bracket of the amendment proposed by the Senator from Wisconsin or by the committee itself. The only difference is in the number of steps that may be taken or the brackets that are found in the two laws.

Mr. SMITH of Michigan. Mr. President, will the Senator tell us what lesson we are to draw from that comparison?

Mr. SMOOT. I understood the Senator from Wisconsin [Mr. LA FOLLETTE] to say that if we would figure the rates of the British income tax on the basis that the majority members of the committee reported to the Senate in their report, the rates

provided in the Senate amendment would not be so high as the income tax rates imposed by Great Britain.

Mr. SMITH of Michigan. Mr. President, if it will not annoy the Senator, I should like to ask whether, under that scheme of taxation, Britain is able to get along in the present situation; whether she is able to pay her expenses; whether she has not had a good friend somewhere near that could make up the difference between what she is collecting under her scheme of taxation and what she is obliged to expend?

Mr. SMOOT. There is no question but that England is borrowing money from this country; but I want to say to the Senator that England has not borrowed nearly the amount of money from America that she has loaned to her allies.

Mr. SMITH of Michigan. Yes; but where will America borrow her money? In what country will America be able to borrow money if her scheme of taxation is insufficient?

Mr. SMOOT. Why, Mr. President, America is going to borrow the money from Americans, and no one else in the world, because there is no other power on earth that has money to loan.

Mr. SMITH of Michigan. Certainly. This is the only place to which we can go, and the only market for our securities. Now, if we take chances of not being able to sustain ourselves in a crisis like this through loans, we must resort to taxation; and the thing that has impressed me very seriously during this entire discussion has been whether we should wait, in our resort to taxation, until these vast profits have been distributed or whether we should get them now or such proportion of them as the country feels it should have.

Mr. SMOOT. Mr. President, in answer to the Senator, I think the proper way to do is to raise the necessary expenses of the Government from both sources—by the issuing of bonds and by the imposition of taxes. When we come to the question of war profits I shall call attention—and I think it has already been called to the attention of the Senate by the junior Senator from Massachusetts [Mr. WEEKS]—to the fact that the amount of taxes we are collecting to-day, or propose to collect for the fiscal year ending June 30, 1918, is a greater percentage of the appropriations made for the fiscal year than has been collected by any other Government involved in the present war.

Mr. SMITH of Michigan. Mr. President, will it annoy the Senator if I interrupt him again?

Mr. SMOOT. Not in the least, Mr. President.

Mr. SMITH of Michigan. There are only two sources of revenue for the Government. One is taxation and the other is pledging its credit. If our credit is pledged and not accepted, or if the bonds of the Government depreciate in the open market, that is calculated to weaken the credit of the Government and seriously impair its internal and domestic affairs, extending down to the humblest borrower. The taxation method, however, is only calculated to embarrass temporarily those who are amply able to meet it. Now, I think there ought to be somewhere a happy medium, which would not jeopardize the credit of the country, between those two extremes. I am not altogether clear that the suggestions of the Senator from Wisconsin [Mr. LA FOLLETTE] solve the matter appropriately. I notice, by running through the figures, that the amendment proposed and adopted at the suggestion of the Senator from Rhode Island [Mr. GERRY] gives us an additional income of $46,225,000 That was a wholesome amendment and was adopted unanimously. By restoring the Lenroot brackets in the House bill, which the Senate has done with practical unanimity, no roll call being ordered on many of those provisions, $26,175,000 will be yielded to the Government. Now, that is certainly helpful legislation in this crisis, is it not? Does the Senator take issue with that statement?

Mr. SMOOT. Not at all. I voted for the amendment.

Mr. SMITH of Michigan. Exactly. That is a helpful thing. But can we not, without any great injustice, obtain more of the ready profits not yet distributed and avoid by just so much the necessity of going on the open market with our bonds and the possibility of their falling below par, and the possibility that they will not be absorbed by the people of the country?

I should like to hear what the Senator has to say about that, for I have great confidence in him, and I know how absolutely disinterested and patriotic he is, and how thorough he is. I have great confidence in him, and I should like it very much if he would give us his views without reserve upon that point.

Mr. SMOOT. I want to say to the Senator that I do not think he need have any apprehension that a 3½ per cent Government bond bearing no taxation whatever is ever going to go begging on the American market.

Mr. SMITH of Michigan. Why, it is below par to-day. It has been below par in the last day or two.

Mr. SMOOT. I am sure the Senator is mistaken. When we take into consideration the taxes that are going to be imposed, no matter what bill passes the Congress, at this session, I call the Senator's attention to the fact that if you take the income-tax rates adopted recently by the House bill and add to the 3½ per cent interest on the liberty loan such percentage as you would have to pay on taxable securities, you would get some astonishing results. Let me call the Senator's attention to some of them.

For instance, if an individual had an income of $100,000 per annum, and was taxed under the rates that will be imposed, no matter what bill passes, even if the House rates prevail without the additions made to the House bill by the Senate, he could just as well afford to invest in liberty bonds at 3½ per cent as he could afford to buy a gilt-edged mortgage note bearing a rate of interest of 5.2 per cent. If his income was $150,000, it would be equal to 5.38 per cent. If it was $200,000, it would be equal to 5.93 per cent.

Mr. LODGE. That is, if the bonds are not taxable.

Mr. SMOOT. That is what I said. I made that statement in my opening remarks.

On an income of $250,000, it would be equal to 6.45 per cent.
On $300,000, it would be equal to 7.7 per cent.
On $500,000, it would be equal to 7.82 per cent.
On $1,000,000, it would be equal to 8.75 per cent.
On $1,500,000, it would be equal to 8.97 per cent.
On an income of $2,000,000, it would be equal to 9.20 per cent.

And as the incomes increase, Mr. President, so would the advantage increase in purchasing Government bonds.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. NORRIS. Does not the Senator think, if he carries out that analysis, that if we should have a lot more bonds like those it would get us into a very unhealthy financial condition, without any money to tax? Would we not have to tax all the absolute necessaries of life, and have a tax on consumption instead of on the wealth of the country?

Mr. SMOOT. Whatever rate of interest may be carried by the bonds that are issued, if it is a low rate of interest, it falls that much lighter upon the consumers of the country and the people generally. That, the Senator must admit.

Mr. NORRIS. Yes; but every dollar that is invested in these bonds is taken out of taxation, and we can not tax it. If the Senator has some more bonds like those issued, and makes them so inviting that it results in practically an income of 9 per cent, will not the result be that all the property of the country will be invested in those bonds, and we will have nothing left to tax except necessaries?

Mr. SMOOT. I will say to the Senator, as he refers to bonds already issued, that being nontaxable did not meet my full approval. I do not believe there will be another Government bond issue during this war that will be exempt from taxation. Not only that, but I say now that in my opinion all the bonds that have already been issued exempt from taxation will be redeemed before there is another bond issue; and when that bond issue comes I have no doubt but that there will be Federal taxes imposed upon it.

Mr. SMITH of Michigan. Will not these bonds carry a higher rate of interest, then, if they issue any others?

Mr. SMOOT. Of course, they can afford to carry a higher rate when they are taxed under the revenue bill that we are going to pass, either at this session of Congress or at any other session of Congress; but the rate that will be imposed under this bill will be the very lowest rate that will maintain during this war.

Mr. BRANDEGEE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Connecticut?

Mr. SMOOT. I yield to the Senator.

Mr. BRANDEGEE. The suggestion is made by the Senator from Nebraska that the money invested in the purchase of bonds would escape taxation. Does not the proceeds of the sale of the bonds go right back? Is it not spent by the Government, and put right back into the business of the country, where it is subject to taxation?

Mr. SMOOT. Certainly, I took it for granted that the Senator was referring only to the ultimate payment of the bonds, and that would have to come from taxation imposed on the people.

Now, Mr. President, what do we find in France? France has stood a great part of the brunt of this world war. She has drawn from every source that she thinks it is possible to draw from and yet maintain her productivity and activity in business, in order to secure sufficient money to meet her war expenses. She, too, resorted to an income tax, and it is interesting to know at what rates. Senators, I call your attention to them now,

because it is generally understood that France is nearly at the end of her resources and must be assisted by the United States in order to continue her effective work in the defeat of Germany. Yet in the latter part of 1916, when she passed her income-tax law, she imposed only the following taxes:

On incomes between $600 and $1,600, 1 per cent.
Sixteen hundred dollars to $2,400, 2 per cent.
Twenty-four hundred dollars to $3.200, 3 per cent.
Thirty-two hundred dollars to $4,000, 4 per cent.
Four thousand dollars to $8,000, 5 per cent.
Eight thousand dollars to $12,000, 6 per cent.
Twelve thousand dollars to $16,000, 7 per cent.
Sixteen thousand dollars to $20,000, 8 per cent.
Twenty thousand dollars to $30,000, 9 per cent.

All over $30,000, 10 per cent. There is no tax imposed that amounts to 10 per cent on incomes in France, as her rates are under the bracket system. Then what are her deductions? On one dependent 5 per cent; on two dependents 10 per cent; on three dependents 20 per cent, and each additional dependent 10 per cent, until the deductions shall reach not to exceed 50 per cent.

Mr. SMITH of Michigan. When was that?

Mr. SMOOT. The latter part of 1916. I have not the exact date. Now there are further exemptions in France: A married person, $400; a dependent person, $200; up to five dependents, each dependent person, $200; each after the five, or, in other words, if there are six dependents, five of them will be at $200 and one at $300, and if there are seven, two will be at $300, and if eight, three at $300. That is what France thinks is the very limit that she can go and maintain her business in the most productive manner possible.

Mr. SMITH of Michigan. Is she maintaining it?

Mr. SMOOT. I think that she is. France has borrowed money, and every other country with the exception of Japan and America, has borrowed money on account of the war, and they will have to borrow more money, and the United States will have to do the same thing. When this war is over, I frankly admit, and I have said so upon the floor of the Senate, that if it continues a year from now our bonded indebtedness will be even greater than that of Great Britain.

Mr. WEEKS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. SMOOT. I yield.

Mr. WEEKS. I understand the Senator from Utah mentioned that the total taxes to be raised in France from the beginning of the war average 14½ per cent of the total expenses of that country in the war.

Mr. SMOOT. I will say to the Senator that some one asked me that question. I told him when the war-profits title is under discussion I intended to show the percentage of taxes collected by every Government involved in this war as compared with the amount of bonded indebtedness, both covering the expenses caused by the war.

Mr. President, we must know that Germany will impose all taxes possible to meet her present conditions. I can not take the time of the Senate to read all the brackets that are in the German income-tax law. I have not even counted them, but I will say offhand that there are over a hundred brackets in the German income-tax law. It begins with incomes of $250 and the tax is sixty-six one-hundredths of 1 per cent. It increases up to and including 3.15 per cent on incomes over and above $2,261, and then it proceeds, as I stated, in a great many brackets. I am not going to take the time of the Senate, as it is now after 5 o'clock, to name the rate of tax imposed upon each bracket.

Mr. STERLING. Will the Senator give an illustration of the income tax, say, taking incomes of $10,000?

Mr. SMOOT. I will say in the German income tax there is a certain rate imposed upon individuals, and there are other and different rates imposed upon limited liability companies and upon unlimited companies; that is, there are two kinds of companies incorporated under different laws in Germany, and they are taxed at a different rate of taxation.

In other words, the highest rate on the individual is 25 per cent; the highest rate on a limited liability company is 40 per cent, and the highest rate on an unlimited company is 50 per cent. The rate on individuals increases from sixty-six one-hundredths of 1 per cent to 25 per cent, the maximum on limited liability companies 40 per cent, and unlimited liability companies 50 per cent.

Mr. STERLING. That is on an income of $10,000?

Mr. SMOOT. It is graduated. No matter what the income may be, that is the lowest and the highest, and they are graduated from $214 in Germany to an unlimited amount.

Mr. STERLING. I wondered if the Senator could give the rate of taxation against an individual income of about $10,000, approximately.

Mr. SMOOT. I will state just what they are up to that amount. On incomes of the individual exceeding $285 and not exceeding $714, 5 per cent. Exceeding $714 and not exceeding $2,499, 10 per cent.

Exceeding $2,499 and not exceeding $4,879, 15 per cent.

Exceeding $4,879 and not exceeding $7,140, 20 per cent, and all over and above $7,140, 25 per cent.

Now, take Canada. There is no income tax in Canada. Canada is in this war and borrowing money to pay the expenses of the war. Canada thinks it unwise to impose an income tax. She is conscripting her citizens and they are offering their lives.

Mr. SMITH of Michigan. It is a good protective tariff.

Mr. SMOOT. If I had had my way, I will say to the Senator, we would have provided in this bill for the collection of $200,000,000 from the increase in tariff rates.

Mr. SMITH of Michigan. If I had my way, I would vote the same way as the Senator from Utah.

Mr. SMOOT. But I am not going into a discussion of that now.

Mr. SMITH of Michigan. It is a disagreeable one.

Mr. SMOOT. It is not a disagreeable one to me. I will say to the Senator I have no apology to offer for a protective-tariff system, and before the debate closes I am going to show just how I feel in relation to the same. I want to tell the Senator and the Senate if there ever was a time in the history of America, now is the time to provide for a protective-tariff law, so that when the war ceases and normal conditions are again established in all the world, when the competition will be the keenest that was ever known in the history of the world, when the reconstruction period begins, the readjustment of wages in this country takes place—I say that every American citizen will wish from the bottom of his heart, and particularly every laboring man in this country, that we had provided a protective tariff that would at least protect them against the unknown and severe competition that is going to take place in the different countries of the world when the war ceases.

The people, Mr. President, who are now fighting in the trenches must have employment when the war ends; they must live, they must procure enough to eat and wear, and in order to do that they have got to find employment, and when they are employed goods must be made for exportation; and where is the best market in all the world? Where is the only market, I may say? America. We may think we have had competition in the past, but I want to say to Senators now it will only be a fleabite compared with what we are yet to have.

Mr. President, I do not care to say anything more upon this question to-night; it is getting late and I am a little tired. I will ask the chairman of the committee if he will take an adjournment or a recess at this time.

Mr. SIMMONS. I will make a motion for a recess after the Senator from Wisconsin has made a statement.

Mr. SMOOT. I did not know that the Senator from Wisconsin wished to make a statement.

Mr. LA FOLLETTE. Mr. President, I did not wish to delay the Senate, but the chairman of the committee has consented that I might take two or three minutes to just put into the RECORD for the consideration of Senators a comparison between the British rate and the rate in the proposed amendment. The Senator from Utah, after stating the rates and the proposed amendment in comparison with the very low rates in the committee's reported bill, passed to the presentation of other matters and finally came to quote from the British income-tax law its rate, but it was so removed from the statement of rates as quoted from his figuring on the amendment which I propose that I wish to bring them together and state them in juxtaposition.

Upon incomes of $1,000 and not in excess of $3,000 the rate in the proposed amendment is 2 per cent; the British rate is 11¼ per cent.

On the next bracket—and I will put it in that way to shorten the statement—the proposed amendment is 2 per cent and the British rate 12½. On the next bracket 5 per cent, and the British rate 15 per cent.

Mr. SMITH of Michigan. What bracket did you start with?

Mr. LA FOLLETTE. I started with $1,000. If you would like to have the rate on $5,000, not exceeding $6,000, the rate under the proposed amendment is 5 per cent, the British rate is 15 per cent.

On $6,000 to $7,000, my rate—if I may speak of it in that way to make it short—is 6 per cent, the British rate, 15 per cent.

From $7,000 to $7,500, 7 per cent, as against the British rate of 15 per cent.

From $7,500 to $8,000, 7 per cent, as against the British rate of 18⅓ per cent.

On $8,000 to $9,000, 8 per cent is the proposed amendment. The British rate is 18⅓ per cent.

On $9,000 to $10,000, I propose a rate of 9 per cent. The British rate is 21⅞ per cent.

On $10,000 to $11,000, the rate which I propose is 10 per cent. The British rate is 21⅞ per cent.

On $11,000 to $12,000, the rate which I propose is 11 per cent. The British rate is 21⅞ per cent.

On $12,000 to $12,500, the rate which I propose is 12 per cent. The British rate is 21⅞ per cent.

On $12,500 to $13,000, I propose 12 per cent. The British rate is 29 per cent.

On $13,000 to $14,000, I propose 13 per cent. The British rate is 29 per cent.

On $14,000 to $15,000, I propose 14 per cent. The British rate is 30⅝ per cent.

On $15,000 to $16,000, I propose 15 per cent. The British rate is 30⅝ per cent.

On $16,000 to $17,000, I propose 16 per cent, and the British rate is 30⅝ per cent.

Mr. STERLING. If the Senator will excuse me, by the 12 per cent referred to in the Senator's amendment, it means 12 per cent additional tax?

Mr. LA FOLLETTE. Yes.

Mr. STERLING. Taking the normal tax and the surtax, it would amount to more than 12 per cent, of course. It would probably be 16 per cent.

Mr. LA FOLLETTE. The 12 per cent additional includes all the other rates excepting the rates of the existing law, and it includes the war normal and the surtax.

Mr. STERLING. While the rate quoted as the British rate is the total.

Mr. LA FOLLETTE. It is the total, and when you have added that rate you will only have added 2 per cent normal up to $20,000. We do not add any surtax in our law below $20,000. It is a very small matter.

On $16,000 to $17,000, 16 per cent, and the British rate is 30⅝ per cent.

On $17,000 to $18,000, I propose a rate of 17 per cent. The British rate is 30⅝ per cent.

On $18,000 to $19,000, 18 per cent, against the British rate of 30⅝ per cent.

On $19,000 to $20,000, 19 per cent, against the British rate of 30⅝ per cent.

On $20,000 to $21,000, I propose a rate of 21 per cent. The British rate is 32½ per cent.

On $21,000 to $22,000 the rate which which I propose is 22 per cent. The British rate is 32½ per cent.

On $22,000 to $23,000, 23 per cent, as against the British rate of 32½ per cent.

On $23,000 to $24,000, 24 per cent, as against the British rate of 32½ per cent.

On $24,000 to $25,000, 25 per cent, as against the British rate of 32½ per cent.

On $25,000 to $26,000, 26 per cent, as against the British rate of 34½ per cent.

On $26,000 to $27,000, 27 per cent, as against the British rate of 34½ per cent.

On $27,000 to $28,000, 28 per cent, as against the British rate of 34½ per cent.

On $28,000 to $29,000, 29 per cent, as against the British rate of 34½ per cent.

On $29,000 to $30,000, 30 per cent, as against the British rate of 34½ per cent.

On $30,000 to $32,500, 31 per cent, as against the British rate of 35⅝ per cent.

On $32,500 to $35,000, 32 per cent, as against the British rate of 35⅝ per cent.

On $35,000 to $37,500, 33 per cent, as against the British rate of 35⅝ per cent.

On $37,500 to $40,000, 34 per cent, as against the British rate of 37½ per cent.

On $40,000 to $42,500, 36 per cent, as against the British rate of 37½ per cent.

On $42,500 to $45,000, 37 per cent, as against the British rate of 39½ per cent.

On $45,000 to $47,500, 38 per cent, as against the British rate of 40⅝ per cent.

On $47,500 to $50,000, 39 per cent, as against the British rate of 40⅝ per cent.

On 50,000 to $60,000, 40 per cent, as against the British rate of 42½ per cent.

From that time on the British rate remains at the flat rate of 42½ per cent, while the rates in my proposed amendment advance for each bracket 2 per cent, up to where the amendment offered by the Senator from Rhode Island takes effect. It must be borne in mind that I have stated the sum of the rates applicable at each bracket and have not attempted to give the flat equivalent rate, which would be lower than the rates as I stated them.

Mr. President, that is all I care to say to-night.

Mr. SIMMONS obtained the floor.

Mr. BRANDEGEE. Mr President——

The PRESIDENT pro tempore. The Senator from North Carolina has been recognized. Does the Senator from North Carolina yield to the Senator from Connecticut?

Mr. SIMMONS. I yield to the Senator.

Mr. BRANDEGEE. I presume the Senator from North Carolina is going to move an adjournment or a recess?

Mr. SIMMONS. I rose for the purpose of moving that the Senate take a recess, but, if the Senator desires, I will withhold the motion.

Mr. BRANDEGEE. I wish to call the Senator's attention, if he will withhold his motion one moment, to a matter in order that he may give it some consideration, if it deserves any. I notice in the portion of the bill increasing the income tax a provision on page 2, line 3, and again in line 9, that this tax shall be levied during the year "1917 and every calendar year thereafter." I presume from the title of the bill, which is, "To provide revenue to defray war expenses, and for other purposes," that the intention was to have these taxes limited to the period of the war; but on examination of the bill I find nothing in the other parts of the bill limiting the operations of the bill to the period of the war. Neither do I find in any other part of the bill the provision that the taxes shall be imposed "every calendar year thereafter." I want to submit to the Senator if it would not be wise either to provide that the language should read "every calendar year during the existing war," or else to provide that the entire bill shall terminate at the conclusion of the war?

Mr. SIMMONS. Mr. President, I will not stop to discuss that now. All of these taxes are spoken of as "war taxes." There is not in the bill any provision that the bill shall cease to be operative at the end of the war. It was thought best by the committee to leave that matter to the action of subsequent Congresses.

Mr. BRANDEGEE. Again, I call the Senator's attention to the fact that entirely different language is used in describing the imposition of the income tax from any other tax in the bill, because that distinctly says——

Mr. SIMMONS. I will be very glad to examine that, I will say to the Senator.

Mr. BRANDEGEE. It distinctly says it shall be imposed every calendar year hereafter.

Mr. SIMMONS. I will be very glad to examine that, and I thank the Senator for his suggestion.

Mr. PENROSE. Mr. President, I think the point made by the Senator from Connecticut is well taken. I certainly recall on more than a dozen occasions during the discussion of this bill in the Finance Committee that the opinion was expressed that the bill should expire with the war, and I thought, until the Senator from Connecticut called my attention to it, that there was a provision in the bill that it should be inoperative after the war. I hope that the correction will be made, so that all men may know that these very burdensome taxes will expire with the close of the war.

Mr. SMOOT. Mr. President, if the Senator will remember, the bill was written so that it could be repealed at any time and not interfere with the present law. Particular pains were taken to accomplish that result.

Mr. BRANDEGEE. That may be so, and yet I call the Senator's attention to the fact that if it is so, the bill should not provide that income taxes shall be levied every year hereafter at the figures stated and not make similar provision with reference to any other tax.

Mr. SIMMONS. Mr. President——

Mr. PENROSE. Mr. President, I merely desire to add another word, and then I shall be through. The Senator from Utah is entirely right. As I understand, this bill is only for the war; it then drops off the fiscal statutory system, like a shell, and leaves intact the basic existing law. I for one expect after the war that the whole system shall be revised, and I hope to see a protective tariff adopted as the first source of revenue; but I think the time when this proposed statute shall terminate ought to be made a little more plain, as the Senator from Con-

necticut has suggested, and I have no doubt the chairman of the committee will be willing to have that done.

Mr. SIMMONS. Mr. President, every section in this bill declares it to be a war-tax measure. Whether the Senate desires to put in the bill a provision terminating it automatically when the war closes is a matter that we can take up later. I do not care to discuss that this afternoon.

Mr. FRELINGHUYSEN. I offer an amendment to the pending bill, which I ask to lie on the table and be printed.

The PRESIDENT pro tempore. The amendment will lie on the table and be printed.

PROPOSED INTERNATIONAL CONVENTION.

Mr. OWEN. Mr. President, I ask permission at half past 4 o'clock to-morrow to address the Senate on Senate joint resolution 94. I do not wish to interrupt the proceedings on the pending bill. I do not want to inject my remarks in the middle of a debate on another subject, but the Senate is ordinarily weary at that time, and Senators who then might desire to retire to the cloakroom or to their homes could do so and not be out of order so far as I am concerned if the permission I seek is granted.

Mr. PENROSE. Mr. President, I did not hear the subject to which the Senator desires to address himself.

Mr. OWEN. It is Senate joint resolution 94——

Mr. PENROSE. I do not know these resolutions by number.

Mr. OWEN. It is a joint resolution which I introduced several days ago proposing an international convention as a war measure.

Mr. SIMMONS. Mr. President, would it not serve the Senator's purpose just as well to make the hour half past 5 and let us go on with this bill until that hour?

Mr. OWEN. I should be glad to make it half past 5 if that would be agreeable.

Mr. PENROSE. Make it 5.30, and then the Senator can take all the rest of the evening if he desires.

Mr. OWEN. I will make it 5.30 o'clock; that will be agreeable to me.

Mr. SIMMONS. I move that the Senate take a recess——

Mr. BRANDEGEE. Mr. President, has the consent requested by the Senator from Oklahoma been obtained?

The PRESIDENT pro tempore. The Chair did not understand that the Senator was doing more than giving notice.

Mr. BRANDEGEE. No; he asked unanimous consent.

Mr. OWEN. I asked unanimous consent.

The PRESIDENT pro tempore. Then the Chair will put the request. The Senator from Oklahoma asks unanimous consent that at 5.30 to-morrow evening he may be permitted to address the Senate upon Senate joint resolution 94.

Mr. PENROSE. I object to any unanimous consent during the pendency of the revenue bill, but I think the Senator from Oklahoma can have every reasonable assurance that he will be able to go ahead at 5.30 o'clock to-morrow and continue indefinitely until the next meeting of the Senate.

Mr. OWEN. I will take the floor in my own right at some convenient hour to-morrow.

WAR WITH GERMANY.

Mr. GORE. I ask unanimous consent to have printed in the RECORD without reading, amongst other things, the Pope's peace note and the opinion of Attorney General Wickersham with respect to the use of the militia in foreign countries.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter refered to is as follows:

TEXT OF POPE'S PEACE APPEAL AS OFFICIALLY ANNOUNCED IN LONDON.

"LONDON, *August 15.*

"The foreign office to-night issued the French text of the letter from the Pope to the King, inclosing a copy of his appeal to the heads of the belligerent peoples. The Pope's appeal is accompanied by the following letter from Cardinal Gasparri, papal secretary of state:

"'Your Majesty, the holy father, anxious to do everything he can in order to put an end to the conflict which for the last three years has ravaged the civilized world, has decided to submit to the leaders of the belligerent peoples concrete peace proposals exposed in a document which I have the honor to attach to this letter. May God grant that the words of his holiness will this time produce the desired effect for the good of the whole of humanity.

BRITAIN TO DELIVER NOTE.

"'The holy see, not having diplomatic relations with the French Government or with the Government of Italy or the United States, I very respectfully beg Your Majesty to be good enough to have handed a copy of his holiness' appeal to the President of the French Republic, to His Majesty the King of Italy, and to the President of the United States. I also beg to add 12 other copies, which I request Your Majesty to be good enough to hand to the leaders of the nations friendly to the allies, with the exception, however, of Russia, Belgium, and Brazil, to whom the document has been sent direct.

"'In expressing to Your Majesty my sincere thanks for this extreme kindness I am happy to take the opportunity to offer you the homage of sentiment, a very profound respect with which I have the honor to sign myself Your Majesty's very humble and devoted servant.

"'GASPARRI.'

TEXT OF POPE'S APPEAL.

"The appeal follows:

"'To the leaders of the belligerent peoples:

"'Since the beginning of our pontificate the horrors of a terrible war let loose on Europe, we have in view above everything three things to preserve: Perfect impartiality toward all belligerents, as is suitable for Him who is the Common Father and who loves all His children with equal affection. Continually to attempt to do all the good possible, and that without exception of person, without distinction of nationality or religion, as is dictated to us by the universal law of charity whicl. the supreme spiritual charge has confided to us with Christ.

"'Finally, as our pacific mission also requires to omit nothing as long as it was in our power which might contribute to hasten the end of this calamity by trying to lead people and their leaders to more moderate resolution to hasten a serene deliberation of a peace just and durable.

HAS URGED PEACE BEFORE.

"'Whoever has followed our work during those three painful years which has just passed has been able easily to recognize that if we had always remained faithful to our resolve of absolute impartiality and to our attitude of benevolence we have not ceased to exhort the peoples and the belligerent brothers again to become brethren, although publicity has not been given to all that we have done to attain this very noble aim.

"'Toward the end of the first year of the war we addressed to the nations in conflict most lovely exhortations, and more we indicated the part to be followed to arrive at a stable and honorable peace for all. Unfortunately our appeal was not heard and the war continued desperately for another two years with all its horrors.

"'It became even more cruel and extended over the earth, over the sea, and in the air, and one saw desolation and death descend upon the cities without defense, upon peaceful villages, and on their innocent population, and now no one can imagine how the sufferings of all would be increased and aggravated if other months or, worse still, other years are about to be added to this sanguinary triennium.

POPE'S INTERVENTION IMPLORED.

"'Is this civilized world to be nothing more than a field of death? And Europe so glorious and so flourishing, is it going as if stricken by a universal madness to run to the abyss and to lend its hand to its own suicide?

"'In such a terrible situation as in the presence of a menace so serious we who have no particular political aim, who do not listen to suggestions or to the interests of any of the belligerent parties, but are solely compelled by a sentiment of our supreme duty as the common father of the faithful, by the solicitation of our children who implore our intervention and our pacifying work.

"'Through the voice even of humanity and of reason we once more emit the cry of peace, and we renew a pressing appeal to those who hold in their hands the destinies of nations.

BASIS OF JUST PEACE.

"'But in order no longer to speak in general terms as the circumstances had counseled us in the past, we now wish to make a more concrete and practical proposal and to invite the governments of the belligerents to come to an agreement upon the following points which seem to be a basis of a just and durable peace, leaving to them the task of analyzing and completing them.

"'First of all, the fundamental points must be that the material force of arms be substituted by the moral force of right, from which shall arise a fair agreement by all for the simultaneous and reciprocal dimunition of armaments, according to the rules and guarantees to be established, in a measure necessary and sufficient for the maintenance of public order in each State.

"'Then in the substitution for armies the institution of arbitration with its high pacifying function, according to the rules to be laid down and the penalties to be imposed on a State

which would refuse either to submit a national question to arbitration or to accept its decision.

"'Once the supremacy of right has thus been established all obstacles to the means of communication of the peoples would disappear by assuring, by rules to be fixed later, the true liberty and community of the seas which would contribute to the numerous causes of conflict and would also open to all new sources of prosperity and progress.

WOULD FORGIVE DAMAGES.

"'As to the damages to be repaired and as to the war expenses, we see no other means of solving the question than by submitting as a general principle the complete and reciprocal condonation, which would be justified, moreover, by the immense benefit to be derived from disarmament, so much so that no one will undertake the continuation of a similar carnage solely for reasons of an economic order.

"'If for certain cases there exist particular reasons, they should be deliberated upon with justice and equity, but these pacific agreements, with the immense advantages to be derived from them, are not possible without reciprocal restitution of the territory at present occupied.

"'Consequently, on the part of Germany, the complete evacuation of Belgium, with the guaranty of her full political, military, and economic independence toward it.

"'The evacuation of French territory. On the part of other belligerent parties similar restitution of the German colonies.

EQUITY FOR TERRITORIAL ISSUE.

"'As regards the territorial questions, as, for example, those which have arisen between Italy and Austria and between Germany and France, there is reason to hope that in consideration of the immense advantages of a durable peace with disarmament, the parties in conflict would wish to examine them with a conciliatory disposition, taking into consideration, as we have said formerly, the aspirations of the peoples and the special interests and of the general welfare of the great human society.

"'The same spirit of equity and justice ought to be followed in the examination of other territorial and political questions, notably those relative to Armenia and the Balkan States and territories making a part of the ancient kingdom of Poland, whose noble and historical traditions and sufferings which it has endured, especially during the present war, ought to conciliate the sympathies of nations.

"'Such are the principal bases whereupon we believe the future reorganization of the peoples ought to be built. They are of a nature to render impossible the return of similar conflicts and to prepare a solution of the economic question so important for the future and for the material well-being of all belligerent States.

"'Therefore in presenting to you, who directs at this hour the destinies of the belligerent nations, we are animated to see them accepted and to see thus the conclusion at an early date of the terrible struggle which more and more appears a useless massacre.

HONOR OF ALL SAFE.

"'The whole world recognizes that the honor of the armies of both sides is safe. Incline your ears, therefore, to our prayer. Accept the fraternal invitation which we send you in the name of the Divine Redeemer, the Prince of Peace. Reflect on your very grave responsibility before God and before man.

"'On your decision depends the repose and the joy of innumerable families, the life of thousands of young people; in a word, the happiness of a people for whom it is your absolute duty to obtain their welfare.

"'May the Lord inspire your decision in conformity to His very holy will. May God grant that while meriting the applause of your contemporaries you will also obtain in the future generations a splendid name of pacificators.

"'As for us, closely united in prayer and in penitence with all those faithful souls which sigh for peace, we implore for you the light and counsel of the Divine Spirit.

"'BENEDICT.

"'At the VATICAN, *August 1*.'"

"MURDER IS NOW BLAMED FOR WAR—BAR ASSOCIATION DECIDES THAT ONE MURDER THAT WAS EASILY SUSCEPTIBLE OF ADJUDICATION HAS COST THE MURDER OF MILLIONS, AND THEY DECIDE TO SECURE INTERNATIONAL PEACE.

[By a staff correspondent of the Associated Press.]

"LONDON, *August 15*.

"Desire to assist in formulating 'a practicable plan in accordance with the principle of the league of nations to maintain international peace and justice after the war' was expressed in a resolution adopted by a conference of lawyers recently held here.

"Lord Parmoor, in his opening address, said he would like to see the question directly considered as to which of the nations at war are prepared to adopt some common international arrangement in order to prevent, as far as possible, any recurrence of such a war as the present one. This, he said, would be a fairly effective test of the real position.

"Baron Buckmaster, of Cheddington, formerly lord high chancellor, said it was exactly three years ago since Austria delivered the ultimatum to Serbia which had led to the conflagration in which the world was being fast consumed. It arose out of a murder which was easily susceptible of adjustment by a body of fair-minded men. Yet that one murder had cost the murder of millions, and millions more would yet be led to the sacrifice. Out of this welter of strife, in which no single point of agreement seemed capable of being reached, there was one point, he said, on which all were agreed, and that was when this war ended we must make conditions which would prevent it ever recurring. If any power imagined this security could be gained by crushing its adversaries, it was doomed to pitiable failure. The peoples, he said, would universally accept the idea of a league of nations.

"Lord Shaw expressed the opinion that armaments beyond those necessary for the maintenance of order within the State and for the national quota toward the international force should be an offense against the executive power of the league.

"Other speakers discussed the machinery of an international tribunal which should have authority to decide international questions and to enforce its decisions.

"Sir Walter Phillimore hoped there would be a Geneva convention or a Hague conference on a much larger and better scale, and that a league would be formed in which every nation that was a party to the treaty would at least have the opportunity of joining, and to which those few nations not necessarily parties to the treaty might accede."

"AMERICAN UNION AGAINST MILITARISM—WAR-TIME PROGRAM.

"With America's entry into the war we must redouble our efforts to maintain democratic liberties, to destroy militarism, and to build toward world federation. Therefore our immediate program is:

"1. To oppose all legislation tending to fasten upon the United States in war time any permanent military policy based on compulsory military training and service.

"2. To fight for the complete maintenance in war time of the constitutional rights of free speech, free press, peaceable assembly, and freedom from unlawful search and seizure. With this end in view the union has recently established a civil liberty bureau.

"3. To organize legal aid and advice for all men conscientiously opposed to participation in war.

"4. To demand publication by the Government of all agreements or understandings with other nations.

"5. To demand a clear and definite statement of the terms on which the United States will make peace.

"6. To develop the ideal of internationalism in the minds of the American people to the end that this Nation may stand firm for world federation at the end of the war.

"Officers: Lillian D. Wald, chairman; Amos Pinchot, vice chairman; L. Hollingsworth Wood, treasurer; Crystal Eastman, executive secretary; Charles T. Hallinan, editorial director; Roger N. Baldwin, director civil liberties bureau.

"Executive committee: Jane Addams, Illinois; Emily G. Balch, New York; A. A. Berle, Massachusetts; Herbert S. Bigelow, Ohio; Frank Bohn, New York; Sophonisba P. Breckenridge, Illinois; William F. Cochran, Maryland; Max Eastman, New York; John Lovejoy Elliott, New York; Zona Gale, Wisconsin; John Haynes Holmes, New York; David Starr Jordan, California; Paul U. Kellogg, New York; Agnes Brown Leach, New York; Alice Lewisohn, New York; Owen R. Lovejoy, New York; Frederick Lynch, New York; John A. McSparran, Pennsylvania; James H. Maurer, Pennsylvania; Henry R. Mussey, New York; Scott Nearing, Ohio; Norman Thomas, New York; Oswald Garrison Villard, New York; James P. Warbasse, New York.

"Headquarters, 648 Munsey Building, Washington, D. C. New York office, 70 Fifth Avenue.

"The American Union Against Militarism, impressed by the gross abuse of the undoubted rights of law-abiding citizens recently reported from all parts of the country, has established a civil liberties bureau for the maintenance in war time of the rights of free press, free speech, peaceable assembly, liberty of conscience, and freedom from unlawful search and seizure.

"It is the object of this bureau to act as a clearing house of free information, advice, and legal aid to citizens whose constitutional rights are assailed by reason of the war.

"In undertaking this responsibility we depend on the fullest cooperation of all citizens who care enough for their country to insist that, war or no war, civil liberty must be maintained in America.

"If you are one of these, send us your name and a contribution for the civil liberties defense fund.

"CIVIL LIBERTIES BUREAU,
"*American Union Against Militarism,*
"*70 Fifth Avenue, New York.*"

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"FROM ENGLAND NEWS HAS JUST COME OF THE TERMS OF A PEACE SETTLEMENT SUGGESTED BY THE UNION FOR DEMOCRATIC CONTROL. THIS CLEAR EXPRESSION OF THE VIEWS OF A LARGE AND INFLUENTIAL GROUP OF ENGLISH LIBERALS IS OF IMPORTANCE AND VALUE AT THIS TIME AS SHOWING THE TREND OF OPINION IN ENGLAND AND AS PROVIDING AN AUTHORITATIVE BASIS FOR DISCUSSION. THIS STATEMENT, WHICH IS HERE REPUBLISHED BY THE AMERICAN UNION AGAINST MILITARISM, WAS RECEIVED DIRECT FROM THE UNION FOR DEMOCRATIC CONTROL IN LONDON BY THE NEW YORK CALL AND WAS EXCLUSIVELY PUBLISHED IN THAT PAPER ON JULY 30.

"A stage in the war has been reached when the democracies of all the belligerent countries are beginning to work toward a peace based on the same general principles. The frankest statement of those ideas is contained in the declaration of the Russian democratic government in favor of:

"'Peace without annexations and without indemnities on the basis of the right of nations to decide their own destiny.'

"The Russian Government further declared:

"'The Government deems it to be its duty to declare now that free Russian does not aim at the domination of other nations, at depriving them of their national patrimony, or at occupying by force foreign territories, but that its object is to establish a durable peace on the basis of the rights of nations to decide their own destiny. The Russian nation does not lust after the strengthening of its power abroad at the expense of other nations.'

"On behalf of Great Britain, on May 23, Lord Robert Cecil, replying in the House of Commons, declared that:

"'Our aims and aspirations were dictated solely by our determination to secure a peace founded on national liberty and international amity, and that all imperialistic aims based on force and conquest were completely absent from our program.'

"President Wilson, in his recent message to Russia, declared:

"'No people must be forced under a sovereignty under which it does not wish to live. No territory must change hands except for the purpose of securing those who inhabit it a fair chance of life and liberty. No indemnities must be insisted on except those that constitute payment for manifest wrong done. No readjustments of power must be made except such as will tend to secure the future peace of the world and the future welfare and happiness of the peoples.'

"The German chancellor declared in the Reichstag on May 17:

"'We did not go to war and we are not fighting now against almost the whole world in order to make conquests, but only to secure our existence and firmly to establish the future of the nation.'

"We have here the common principles by which all the governments now profess to be guided.

"The frame of mind of the various nations is now such that no government can afford to lay itself open to the charge of prolonging the war for the purpose of annexing new territory, either in Europe or outside Europe.

"In consequence of this unanimity of profession the executive committee of the Union for Democratic Control has considered what these declarations mean in terms of practical politics and makes the following suggestions, which are not final nor incapable of modifications, but as a suitable basis for further examination and discussion.

"The settlement arrived at when the war concludes will necessarily be imperfect. The stability of peace will depend quite as much on the methods adopted for dealing with new international difficulties as they arise and the existence of international machinery for meeting racial, economic, and other rivalries in the future as upon the immediate wisdom of the settlement. Machinery for making international changes without war is one of the indispensable conditions of permanent peace.

"NO FORCIBLE ANNEXATIONS.

"As a preliminary to any rearrangement of territorial boundaries it ought to be made perfectly clear that all claims based on conquest, imperialistic ambition, or strategic considerations, such as a German demand for a revision of strategic frontiers in Belgium and elsewhere, an Italian demand for an Italian Dalmatia, or a Russian demand for Constantinople, are ruled out on principle. There must be a complete acceptance of a policy of 'no annexations.'

"Our suggestions are as follows:

"(a) Belgium:

"The complete reestablishment of the sovereign independence and integrity and the economic restoration of Belgium must be absolutely secured.

"(b) France:

"The invaded districts of France must be evacuated.

"(c) Serbia, Montenegro, and Roumania must be evacuated and their independence restored.

"(d) Alsace and Lorraine:

"The disposition of Alsace and Lorraine should be decided on the principles of the right of the population to control its own destiny. The decision would not necessarily imply the allocation of the whole of both Provinces to either France or Germany. Neither should the policy of autonomy be excluded.

"In this, as in other cases where the views of a population are subject to dispute, the question ought to be decided by a plebiscite or otherwise, under the supervision of an impartial international commission and free from the interference of occupying armies.

"(e) Trentino:

"The claims of Italy to Trentino or other 'unredeemed' districts ought to be decided by the same process.

"(f) Poland:

"Poland should be free and independent. The population of Austrian Poland and the Polish districts of Prussia should decide whether they wish to become part of Poland.

"(g) Austro-Hungarian Empire:

"An unfortunate impression was created by the allied note to President Wilson of January 10 that it is the fixed determination of the allies to break up the Austro-Hungarian Empire into independent States. This intention ought to be explicitly repudiated by all the allies, as it has been by the Russian democracy. But it must be made clear that freedom for the component population of that empire can be obtained by self-government within that empire, as it can be secured for the Finns in Russia and for the Irish within the British Empire.

"(h) Other problems:

"There are very complicated problems, such as Polish claims on Dantzig, Bulgaria's claim on Macedonia, Roumania's claim on Transylvania, and the future status of Persia, which obviously can not be settled by any military decision, but which ought to be referred to an international commission appointed with the cooperation and authority of the nations of Europe.

"(i) Turkey:

"Russian democracy has repudiated the imperialistic policy of the Czar to annex Constantinople. The way is therefore open for a proposal to neutralize or internationalize the city and the straits. It is against the interest of the world that the great trading waterways of the world should be in the hands of single powers.

"The policy of international control over the Ottoman Empire should be maintained and extended so as to provide full security for the Christian peoples and freedom of development for other races under the suzerainty of the sultan.

But no immediate settlement of the Turkish Empire can be regarded as final. The arrangements would necessarily have to be revised from time to time by the league of nations. The maximum of freedom for the various nationalities and freedom of trade between all the parts and equality of economic opportunity for the nationals of all European powers should be the policy followed.

"(k) German colonies:

"Great Britain should repudiate definitely any claim to annex German colonies by right of conquest.

"As recently as 1885, by the general act of the conference of Berlin, an assignment of sovereign rights in Africa was made by the great powers. A shifting of the political frontiers in existence before the war has become inevitable. It may be that such territorial readjustments will involve political changes under which some part of the African territory hitherto administered by Germany may be transferred.

"The principle of no annexations, however, requires a frank recognition that in the interests of a lasting peace Germany is not less entitled than other great powers to organize and develop oversea dependencies.

"The great zone of tropical Africa should be neutralized under an international guarantee and absolute freedom of enterprise established there.

"A less exclusive trade policy enforced throughout Africa by international arrangement would greatly facilitate the adjustment of national territorial claims.

"Under a general rearrangement of territories the Pacific islands might be dealt with as well as Africa.

"NO PUNITIVE PENALTIES.

"Belgium is entitled to special relief from Germany owing to the circumstances under which she was forced into war.

"No indemnities should be demanded in the sense of payments to recover the expenses of the war, but there should be a common fund provided by all the belligerent nations to assist the recovery of the parts of the world most seriously devastated by the war. An international commission should decide the allocation of the common funds.

"GUARANTIES OF PERMANENT PEACE.

"The foundation of all future hopes of permanent peace lies in the establishment of a league of nations. That will become a reality only in so far as all the peoples are led to see that such a league offers better hope of national security than the old system of competitive armament. We can not hope to destroy militarism so long as there is a chance of governments being able to persuade their people that the only means of national security lies in preponderant military power. Our first task is to convince the masses of every country that in a league of nations they may find a means of defense which renders their old militarism unnecessary.

"Such a league of nations, with a common undertaking to submit disputes to arbitration and to form an international council or parliament for dealing with international problems as they become critical has been proposed by President Wilson on behalf of the United States and accepted in principle by the British, French, Russian, Austro-Hungarian, and German Governments.

"The second condition indispensable to permanent peace is to persuade the German and Austrian populations that their right to equal opportunity for economic expansion and for access to raw materials will be secure without their being obliged to fight for them. To secure this, the nations should agree to reciprocal equality of commercial opportunity in all their dependencies. Upon the breaking down of commercial exclusiveness depends the good will of the future. The policy of economic warfare laid down by the Paris conference should be repudiated as being opposed to international peace.

"The disappearance of secret diplomacy is essential to permanent peace. Secret treaties should be prohibited by international agreement and should be regarded as void. All treaties should be sanctioned by the national parliaments and subject to periodical revision.

"The largest measure of agreement for the reduction of armaments on land and sea should be obtained at the settlement.

"We suggest that while the removal of the motive for arming among nations will prove to be the only real guaranty for an effective reduction, a method might be adopted by means of international inspection of armament establishments for controlling the execution of any agreement for immediate reduction which may be reached by the settlement.

"Nations should agree to abolish private enterprise in the production of armaments.

"This question should be surveyed in the light of the infraction of the rights of neutrals in time of war and of the security of economic opportunity for all nations in time of peace.

"The executive committee of the Union for Democratic Control: Norman Angell, J. A. Hobson, F. W. Pethick Lawrence, E. L. Morel, Philip Snowden, M. P., Charles Trevelyan, M. P., Charles Roden Buxton, F. W. Jowett, M. P., J. Ramsay MacDonald, M. P., Arthur Ponsonby, M. P., Helena M. Swanwick, and Irene Cooper-Willis."

"The Russian Government on May 19, 1917, issued the following proclamation:

"'The Provisional Government, reorganized and reenforced by representatives of the revolutionary democracy, declares that it will energetically carry into effect the ideas of liberty, equality, and fraternality, beneath the standards of which the great Russian Revolution came to birth. The Provisional Government is united as to the fundamental lines of its future action, as follows:

"'First. In foreign policy the Provisional Government rejecting, in concert with the entire people, all thought of a separate peace, adopts openly as its aim the reestablishment of a general peace which shall not tend toward dominion over other nations, the seizure of their national possessions, or violent usurpation of their territories—a peace without [forcible] annexation or [punitive] indemnities and based on the right of nations to decide their own affairs.'"

"The United States Congress on July 30, 1917, was asked by the American Union Against Militarism to act on the following resolution:

"'Whereas the democratic government of Russia has declared in favor of an early general peace on a basis of no forcible annexations and no punitive indemnities; and

"'Whereas the German Reichstag on July 19, by a vote of 214 to 116 declared in favor of a peace without forced acquisitions of territory and without political, economic, and financial violations; and

"'Whereas the Congress of the United States has made no declaration of the terms on which this country would be willing to enter into peace negotiations: Therefore be it

"'*Resolved*, That the Congress of the United States hereby declares its sympathy with democratic Russia's attitude toward the war and its willingness to enter into peace negotiations with the Russian formula as a basis, recognizing, however, that independent Belgium will be entitled to special restitution from Germany owing to the circumstances under which she was forced into the war, and recommending that the disposition of certain much-disputed borderlands should be determined by plebiscite under the supervision of an impartial international commission on the principle of the right of the population to control its own destiny.

"'That the Congress of the United States welcomes the German Reichstag peace resolution as an attempt on the part of the German people to express their desire for a peace of reconciliation without annexation and without indemnity.

"'That the Congress of the United States calls upon the Parliaments of England, France, Italy, and our other allies which, since the entrance into the war of the two great Republics, Russia and America, have given no indication of the terms on which they would make peace, to adopt resolutions expressing their willingness to enter into peace negotiations with the Russian formula as a basis.'"

"AUTHORITY OF PRESIDENT TO SEND MILITIA INTO A FOREIGN COUNTRY.

"The Constitution, which enumerates the exclusive purposes for which the militia may be called into the service of the United States, affords no warrant for the use of the militia by the General Government, except to suppress insurrection, repel invasions, or to execute the laws of the Union, and hence the President has no authority to call forth the Organized Militia of the States and send it into a foreign country with the Regular Army as a part of an army of occupation.

"DEPARTMENT OF JUSTICE,
"*February 17, 1912.*

"SIR: I have the honor to respond to your note of the 8th instant, in which you ask my opinion upon the following question:

"'Whether or not, under existing laws, the President has authority to call forth the Organized Militia of the States and send it into a foreign country with the Regular Army as a part of an army of occupation, especially should the United States intervene in the affairs of such country under conditions short of actual warfare?'

"From very early times, in both England and this country, the militia has always been considered and treated as a military body quite distinct and different from the Regular or Standing Army, governed by different laws and rules, and equally different as to the time, place, or occasion of its service. One of the most notable points of difference is this: While the latter was in the continued service of the Government and might be called into active service at all times and in all places where armed force is required for any purpose, the militia could be called into the actual service of the Government only in the few special cases provided for by law. Their service has always been considered as of a rather domestic character, for the protection and defense of their own country and the enforcement of its laws.

"This has always been the English doctrine, and in some instances acts of Parliament have expressly forbidden the use of the militia outside of the Kingdom.

"Our ancestors, who framed and adopted our Constitution and early laws, got their ideas of a militia, its nature, and purposes from this, and must be taken to have intended substantially the same military body, with the same limitations of the occasion and nature of their service. If they had intended to enlarge this they would have said so, just as they have when they intended to further limit or restrict the occasion or nature of their service.

"When the Constitution gives to Congress the power 'to raise and support armies,' and to provide 'for calling forth the militia to execute the laws of the Union, suppress insurrections, and repel invasions,' and makes the President 'the Commander in Chief of the Army and Navy of the United

States, and the militia of the several States when called into the actual service of the United States,' it is speaking of two different bodies—the one the Regular Army, in the continuous service of the Government, and liable to be called into active service at any time, or in any place where armed force is required; and the other a body for domestic service, and liable to be called into the service of the Government only upon the particular occasions named in the Constitution. And acts of Congress relating to the Army and the militia must have the same construction.

"It is certain that it is only upon one or more of these three occasions—when it is necessary to suppress insurrections, repel invasion, or to execute the laws of the United States—that even Congress can call this militia into the service of the United States, or authorize it to be done.

"As 'insurrection' is necessarily internal and domestic, within the territorial limits of the Nation, this portion of the sentence can afford no warrant for sending the militia to suppress it elsewhere. And even if an insurrection of our own citizens were set on foot and threateningly maintained in a foreign jurisdiction and upon our border, to send an armed force there to suppress it would be an act of war which the President can not rightfully do.

"The term 'to repel invasion' may be, in some respects, more elastic in its meaning. Thus, if the militia were called into the service of the General Government to repel an invasion, it would not be necessary to discontinue their use at the boundary line, but they might (within certain limits, at least) pursue and capture the invading force, even beyond that line, and just as the Regular Army might be used for that purpose. This may well be held to be within the meaning of the term 'to repel invasion.'

"Then, too, if an armed force were assembled upon our border, so near and under circumstances which plainly indicated hostility and an intended invasion, this Government might attack and capture or defeat such forces, using either the Regular Army or the militia for that purpose. This, also, would be but one of the ways of repelling an invasion.

"But this is quite different from and affords no warrant for sending the militia into a foreign country in time of peace and when no invasion is made or threatened.

"The only remaining occasion for calling out the militia is 'to execute the laws of the Union.' But this certainly means to execute such laws where, and only where, they are in force and can be executed or enforced. The Constitution or laws of the United States have no extra territorial force and can not be compulsorily executed beyond or outside of the territorial limits of the United States.

"It is true that treaties made in pursuance of the Constitution are, equally with acts of Congress, the supreme law of the land; but their observance, outside of our own jurisdiction, can not be enforced in the same way. The observance and performance, outside of our own jurisdiction, of treaty stipulations and obligations are left much to the honor, good faith, and comity of the other contracting party, reenforced at times by a regard for the consequences of a breach. We can not send either the Regular Army or the Militia into a foreign country to execute such treaties or our laws. Such an invasion of a foreign country would be an act of war.

"Outside of our own limits 'the laws of the Union' are not executed by armed force, either regular or militia.

"The Constitution had already given to Congress the unlimited power to declare war at any time and for whatever cause it chose. It did not, in this provision, attempt the useless thing of giving to Congress an additional power to declare war or to afford an additional ground for doing so.

"What is certainly meant by this provision is that Congress shall have power to call out the militia in aid of the civil power for the peaceful execution of the laws of the Union wherever such laws are in force and may be compulsorily executed, much as if a sheriff may call upon the posse comitatus to peacefully disperse a riot or execute the laws.

"Under our Constitution, as it has been uniformly construed from the first, the military is subordinate and subservient to the civil power, and it can be called upon to execute the laws of the Union only in aid of the civil power and where the civil power has jurisdiction of such enforcement. Even the Regular Army can be thus called upon only on such occasions; and, certainly, the militia can not be thus called upon at any other.

"Then, as the civil power is without force in a foreign country, and as even the Regular Army can not be sent into another country to there execute the laws of the Union, it follows that the Constitution confers no power to send the militia into a foreign country for the purpose stated in the question here considered. On the contrary, by its specific enumeration of the only occasions for calling out the militia, it clearly forbids this.

"In all this I am not unmindful that nations sometimes do make hostile demonstrations and use armed force to compel the observance by another nation of its treaty obligations, and sometimes send armed forces into another country to protect the lives and rights of its own citizens there.

"I shall briefly notice these in their application to our own country, its Constitution and laws. It will be observed, and as controlling and conclusive of the present question, that in case of a hostile demonstration against or a forcible attack upon another nation to enforce its treaty obligations, or to punish their infraction, there is no question involved of executing the laws of the invading nation, for such laws have no force or existence there. While the Constitution makes itself and the laws and treaties, in pursuance thereof, the supreme law of the land, it is only in our own land where such laws are supreme or of any force. As to the other contracting party, a treaty is a mere compact, depending for its observance upon the good faith, comity, or other moral considerations. The Constitution can not make itself or the treaties or laws made under it the supreme law of any other nation or give to either any force or existence beyond our own borders. So that when an armed force is used to compel the observance of treaty obligations or to punish or obtain compensation for their violation, there is no question of executing any law of the Union, for there is no such law there. It is but the forcible compelling of the observance of an agreement or compensation for its breach. The provision referred to does not warrant the use of the militia for this purpose.

"Just so it is when in troublous times an army of occupation, large or small, is sent into a foreign country to protect the lives and the rights of our own citizens. Here, too, no law of the Union is being executed by such invasion, for no law of the Union exists or can be enforced there.

"While it is the duty of every nation to afford proper protection to foreigners who are lawfully within its borders, yet this is not because of any law of the nation of which such foreigners are subjects, for no such laws exist or have any force there. No one can say, in such a case, that we are executing or enforcing any law of the Union. We are but aiding or compelling the foreign government to execute its own laws and to perform its own duty. As no law of the Union is being executed by such invasion, the militia can not be called out under this provision to take part in it. As no law of the Union can exist or be in force in any foreign country, the militia can not be called out to enforce any such law there.

"The plain and certain meaning and effect of this constitutional provision is to confer upon Congress the power to call out the militia 'to execute the laws of the Union' within our own borders where, and where only, they exist, have any force, or can be executed by anyone. This confers no power to send the militia into a foreign country to execute our laws which have no existence or force there and can not be there executed.

"If authority is needed for the conclusion here reached, the following may suffice:

"In Ordronaux, Constitutional Legislation, page 501, it is said:

"'The Constitution distinctly enumerates the three exclusive purposes for which the militia may be called into the service of the United States. These purposes are: First, to execute the laws of the Union; second, to suppress insurrection; and third, to repel invasions.

"'These three occasions representing necessities of a strictly domestic character, plainly indicate that the services required of the militia can be rendered only upon the soil of the United States or of its Territories. * * * In the history of this provision of the Constitution, there is nothing indicating that it was even contemplated that such troops should be employed for purposes of offensive warfare outside the limits of the United States. And it is but just to infer that the enumeration of the specific occasions on which alone the militia can be called into the service of the General Government was intended as a distinct limitation upon their employment.

"'Being the ministers of the law to enforce its commands, they can only be summoned by the law-making power to act within the extent of its jurisdiction and in the manner prescribed by the Constitution. They can not, consequently, be used to invade the territory of a neighboring country or to enforce any public rights abroad. * * *

"'The militia of the States, restricted to domestic purposes alone, are to be distinguished therefore from the Army proper of the United States, which, whether in the form of regular troops or volunteers, may be used to invade a foreign country as well as to repel the attack of foreign enemies.'

"And in Von Holtz, Constitutional Law, page 170, it is said, 'the militia can not be taken out of the country.'

"In Kneedler *v.* Lane (45 Pa. St., 238, 276) Judge Strong, speaking for the court, said:

"'Apart from the obligations assumed by treaty, it was well known that there are many cases where the rights of a nation and of its citizens can not be protected or vindicated within its own boundaries. But the power conferred upon Congress over the militia is insufficient to enable the fulfillment of the demands of such treaties or to protect the rights of the Government or its citizens in those cases in which protection must be sought beyond the territorial limits of the country.'

"And see Houston *v.* Moore (5 Wheat., 1) and Martin *v.* Mott (12 Wheat., 19, 27).

"It is true that the act of January 21, 1903, as amended by the act of March 27, 1908 (35 Stat., 400) provides:

"'That whenever the President calls forth the Organized Militia of any State, Territory, or of the District of Columbia to be employed in the service of the United States he may specify in his call the period for which such service is required, and the militia so called shall continue to serve during the term so specified either within or without the territory of the United States, unless sooner relieved by order of the President.'

"But this must be read in view of the constitutional power of Congress to call forth the militia only to suppress insurrection, repel invasions, or to execute the laws of the Union. Congress can not, by its own enactment, enlarge the power conferred upon it by the Constitution; and if this provision were construed to authorize Congress to use the Organized Militia for any other than the three purposes specified it would be unconstitutional. This provision applies only to cases where, under the Constitution, said militia may be used outside of our own borders, and was doubtless inserted as a matter of precaution and to prevent the possible recurrence of what took place in our last war with Great Britain, when portions of the militia refused to obey orders to cross the Canadian frontier.

"I think that the constitutional provision here considered not only affords no warrant for the use of the militia by the General Government, except to suppress insurrection, repel invasions, or to execute the laws of the Union, but, by its careful enumeration of the three occasions or purposes for which the militia may be used, it forbids such use for any other purpose; and your question is answered in the negative.

"Respectfully,

"GEORGE W. WICKERSHAM."

EXCLUSION OF SECOND-CLASS MAIL MATTER.

Mr. BANKHEAD. I ask to have printed in the RECORD a communication from the Postmaster General relative to the exclusion of certain publications from the mails.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., August 21, 1917.

HON. JOHN H. BANKHEAD,
United States Senate, Washington, D. C.

MY DEAR SENATOR: On August 17, 1917, Senator HARDWICK introduced Senate resolution 119, which appears on page 6109 of the CONGRESSIONAL RECORD, and is as follows:

"*Resolved*, That the Postmaster General be, and he is hereby, requested and directed, if not incompatible with the public interest, to furnish to the Senate the following information:

"First. Whether or not, since the passage of the so-called espionage law, any newspapers, magazines, or other publications have been excluded from the mails or denied second-class mail-matter privileges under the provisions of said act, or otherwise.

"Second. If so, the names and post offices of entry of such publications.

"Third. The particular provisions of the law which the department claims to have been violated by such publications.

"Fourth. In what matter, specifically and particularly, the department claims such law has been violated by such publications, and by each of them."

I inclose for your consideration in connection with this resolution a copy of the adverse report of the House Committee on the Post Office and Post Roads, under date of July 23, 1917, House resolution 115, introduced by Mr. LONDON. The London resolution is essentially the same as the Hardwick resolution, and is as follows:

"*Resolved*, That the Postmaster General furnish the House with the following information:

"Has any print, newspaper, circular, periodical, or other publication been denied the privileges of the mails in the enforcement of the espionage law (Public act No. 24, Sixty-fifth Congress, 'An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes')?

"If any print, circular, book, publication, periodical, or newspaper has been or have been so denied the privileges of the mails, the name or names of such print, circular, book, publication, periodical, or newspaper, and the date or dates when the privileges of the mail were denied to such publications.

"Has any reason been assigned to the publisher or publishers, writer or writers of any of the said publications at the time the privileges of the mails were denied, and if any such reason has been assigned, information as to the reason or reasons so assigned?

"Has any instruction or have any instructions been issued by the Postmaster General or the Post Office Department to local postmasters relative to the enforcement of the espionage law? What are these instructions, if any such have been issued?

("The correspondence between the Post Office Department and other departments of the Government relative to the enforcement of the espionage law, the disclosure of which correspondence is not incompatible with the public interest.")

Attached to the committee report on the London resolution will be found my letter to the chairman of the committee with reference thereto, as follows:

"Referring to House resolution No. 115, introduced by Mr. LONDON on the 10th instant and now before your committee and with regard to which you ask my views, I have to advise you that I feel this resolution should be reported adversely to the House.

"The act approved June 15, 1917 (espionage law), made certain matter nonmailable. The Post Office Department is proceeding to enforce this law. Certain newspapers and periodicals as well as circular matter have been declared by this department to be nonmailable under this act, and the department is considering various other similar matter upon which action is being taken.

"It appears that the second paragraph of the resolution, calling for a list of publications and other matter which have up to this time been declared nonmailable, must be read and considered in connection with the third paragraph, which reads as follows:

"'Has any reason been assigned to the publisher or publishers, writer or writers, of any of the said publications at the time the privileges of the mails were denied, and if any such reason has been assigned information as to the reason or reasons so assigned?'

"With respect to the third paragraph, I have to advise you that the postmasters at the places of publication of newspapers and periodicals, and the postmasters who submit other nonmailable matter, are advised (where the matter is found to come within the prohibited classes under the law) that it is nonmailable under the act of June 15, 1917 (espionage law). Postmasters are being instructed to notify each publisher promptly when his publication is held at the post office pending a ruling from the department as to its mailability. These cases were disposed of as quickly as possible here. Postmasters submitting such publications are advised by telegraph of the action of the department and the publishers promptly notified by them of the result.

"In view of certain information in the possession of the Government and investigations now being conducted with respect to some publications which have been declared nonmailable, as well as others now under consideration, I deem it incompatible with the public interest to disclose any further matter called for in the second and third paragraphs of the resolution.

"I also deem it incompatible with the public interest to disclose at this time the instructions issued by this department to or any correspondence with local postmasters with respect to matters growing out of the enforcement of this law or the correspondence between the Post Office Department and other departments of the Government relative to the matter, as called for in the fourth and fifth paragraphs of the resolution.

"I will state generally with respect to the action of the department that no newspaper or periodical has been denied the privilege of the mails as such. Particular issues of certain publications have been found to contain matter which would interfere with the operation or success of the military or naval forces of the United States or to promote the success of its enemies, or cause insubordination, disloyalty, mutiny, or refusal of duty in the military or naval forces of the United States, or obstruct the recruiting or enlistment service of the United States, or matter advocating or urging treason, insurrection, or forcible

resistance to some law of the United States, and therefore nonmailable under the act in question. Publishers have been so advised whenever they have asked the department for the reasons for declaring their publications nonmailable.

"In the administration of this law nothing has been done by this department to suppress free criticism, right or wrong, of the Government, nor has the department attempted in any way to interfere with the legitimate expression of views which do not coincide with those of the Government in the matter of the war with Germany or any other matter.

"Any publisher who may question the validity of the rulings of the Post Office Department has the courts open to him for a review of any action which may have been taken under the law. A publication called The Masses has already filed a bill in the Federal court for the southern district of New York asking an injunction to restrain the execution of an order of the department to the postmaster at New York City to treat its August issue as nonmailable.

"Attached will be found a copy of the very recent remarks of Judge Rose in the Federal court at Baltimore, which will doubtless be of interest to your committee, although made in a criminal case where the matter in question did not pass through the mails."

With regard to the exclusion from the mails of the particular publication mentioned by Senator HARDWICK in his remarks at the time the Senate resolution was introduced by him, I beg to state that this matter is now pending in the courts of the United States, and there is inclosed for your information a copy of the opinion of Judge Hough, of the circuit court of appeals, rendered in passing upon a motion to stay the execution of the order of Judge Hand, referred to by Senator HARDWICK in the case of The Masses Publishing Co. Your attention is also requested to the charge to the jury by Judge Rose, which is attached to the committee report upon the London resolution.

My letter to Hon. JOHN A. MOON, chairman of the House Committee on the Post Office and Post Roads, with respect to House resolution 115, above quoted, is applicable in its entirety to Senate resolution 119, and I wish to reiterate what is there said with reference to the advisability of making these matters public at this time in view of existing conditions throughout the country, which are now worse than they were at the time that letter was written.

Referring specifically to the statements of Senator HARDWICK, at pages 6109 and 6110 of the RECORD for August 17, I wish to state that the article in The Masses assailing the President was not the basis for declaring the August issue of that publication nonmailable or the subsequent revocation of the second-class mail privilege of The Masses. The Senator has evidently accepted as true one of the false and misleading statements published for the purpose of creating a sentiment against the execution of this law.

Senator HARDWICK is equally in error, into which he has permitted himself to be led in the same way, when he says that the Post Office Department, after excluding an issue of this publication as nonmailable—

"* * * Turned to another provision of the law and said to the publisher, 'Well, you can not continue to use the mails because you have not been going regularly through the mails at the time you were prevented from doing so by our order.'"

In order for any publication to have the second-class privilege it must, among other things, be issued regularly at stated intervals, and in order to be permitted to the mails under any classification it must be mailable under the law.

All of the publications, including The Masses, which have had the second-class privilege withdrawn on account of violations of the espionage act, have lost that classification primarily for the reason that they were publishing matter which made their issues nonmailable under any classification, and hence are not newspapers or other periodical publications within the meaning of the law governing second-class mail matter.

For many years this department has held publications not to be "regularly issued" in contemplation of law when any issue has contained nonmailable matter; and when the second-class privilege has been withdrawn under such circumstances the formal notice of withdrawal has contained the statement that the second-class privilege had been revoked on both of the grounds stated.

As a matter of fact, in the case of The Masses and other publications covered by the Hardwick resolution, following the usual practice of the department, not only have the particular issues which have been declared to be nonmailable, but various other issues of the publications have been taken into consideration in determining their right to the second-class privilege, so that the final action was necessarily based principally on other and very much broader grounds than a break in the continuity of the publication.

On the 15th instant there was filed in the Federal court for the southern district of Georgia a suit similar to that of The Masses Publishing Co. against the postmaster at Thomson, Ga., by Thomas E. Watson, publisher of the Jeffersonian, of that place. Several issues of that publication had been declared nonmailable in June and July last, and after notice and due hearing by this department this publisher was notified on the 11th instant that the second-class mail privilege had been withdrawn by me. The hearing before the Federal court in this case will be concluded next Saturday, August 24.

The final decisions of the courts in these cases and others likely to follow at an early date, as well as decisions in certain criminal cases, will in a short time clearly define the legal situation.

From matter received at this department from various sections of the country, I find that there is an organized propaganda to discredit and handicap in every way the Government in the prosecution of this war, with the clear and unmistakable purpose of defeating the objects for which the Government is spending billions of dollars and will probably be called upon to sacrifice thousands of lives. The publications forming a part of this propaganda in many cases so guard their utterances as the editors think will keep them out of prison. They are nevertheless united in publishing the same class of matter, whether it be true or half true or wholly false, and are daily accomplishing results clearly in violation of the act of June 15, 1917 (espionage law). Prominent among these publications stand The Masses and the Jeffersonian. Their respective editors are leaders in the movement. Their writings and speeches are quoted with approval by the press of this character throughout the country, as well as in circular matter emanating from the same soufces.

In my opinion, any such course as that contemplated by the Hardwick resolution is much against the public interest and public welfare at this time. I deem it incompatible with the public interest to disclose the information called for by the resolution and trust that it will be reported adversely by the committee, as was done with a similar resolution introduced by Mr. LONDON in the House.

Publications of this class have from week to week contended that the so-called draft act recently passed by Congress is unconstitutional, and under the pretense of legitimate argument have actually discouraged enlistments, obstructed the execution of the draft act, and prevented subscriptions to the bonds issued to raise money to carry on the war.

In this connection I inclose for your information a copy of the opinion rendered by Judge Spear, of the Federal court for the southern district of Georgia, in the cases of Albert Jones and John Storey, in which the constitutionality of the draft act is sustained. I also inclose a copy of the order revoking the second-class mail privilege of The Masses, which gives the reason for the action taken by the department in that case.

Very truly, yours,

A. S. BURLESON,
Postmaster General.

(Inclosure.)

[House Report No. 109, 65th Cong., 1st sess.]

MATTER ALLEGED TO BE UNMAILABLE UNDER THE ESPIONAGE LAW.

Mr. MOON, of the Committee on the Post Office and Post Roads, to which committee resolution No. 115 was referred, reports the resolution by order of the committee back to the House with the recommendation that the resolution be not agreed to and that the same lie on the table, together with the letter of the Postmaster General attached as an exhibit thereto and made a part of this report.

The Postmaster General, in reply to the request for information on the resolution, has given all of the information which he deems compatible with the public interest. Congress has no right to exact more from another coordinate branch of the Government.

In view of the treasonable utterances of many newspapers and others seeking to embarrass the Government in the enforcement of the war measures, it can be readily seen that it would be unwise for the department to enter into a full discussion of all of its plans and conduct to suppress opposition to the enforcement of law. Since the courts of the country are open to the speedy redress of any injustice that may possibly occur by action on the part of the postal authorities, it is clear that all persons who are aggrieved should be remitted to their remedy in the courts.

EXHIBIT A.

POST OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., July 21, 1917.

Hon. JOHN A. MOON,
Chairman of Committee on the Post Office and Post Roads, House of Representatives.

MY DEAR MR. MOON: Referring to House resolution No. 115, introduced by Mr. LONDON on the 10th instant and now before your committee, and with regard to which you ask my views, I have to advise you that I feel this resolution should be reported adversely to the House.

The act approved June 15, 1917 (espionage law), made certain matter nonmailable. The Post Office Department is proceeding to enforce this law. Certain newspapers and periodicals as well as circular matter have been declared by this department to be nonmailable under this act, and the department is considering various other similar matter upon which action is being taken.

It appears that the second paragraph of the resolution, calling for a list of publications and other matter which have up to this time been declared nonmailable, must be read and considered in connection with the third paragraph, which reads as follows:

"Has any reason been assigned to the publisher or publishers, writer or writers, of any of the said publications at the time the privileges of mails were denied, and if any such reason has been assigned information as to the reason or reasons so assigned"?

With respect to the third paragraph, I have to advise you that the postmasters at the places of publication of newspapers and periodicals, and the postmasters who submit other nonmailable matter, are advised (where the matter is found to come within the prohibited classes under the law) that it is nonmailable under the act of June 15, 1917 (espionage law). Postmasters are being instructed to notify each publisher promptly when his publication is held at the post office pending a ruling from the department as to its mailability. These cases were disposed of as quickly as possible here. Postmasters submitting such publications are advised by telegraph of the action of the department and the publishers promptly notified by them of the result.

In view of certain information in the possession of the Government and investigations now being conducted with respect to some publications which have been declared nonmailable, as well as others now under consideration, I deem it incompatible with the public interest to disclose any further matter called for in the second and third paragraphs of the resolution.

I also deem it incompatible with the public interest to disclose at this time the instructions issued by this department to or any correspondence with local postmasters with respect to matters growing out of the enforcement of this law or the correspondence between the Post Office Department and other departments of the Government relative to the matter, as called for in the fourth and fifth paragraphs of the resolution.

I will state generally with respect to the action of the department that no newspaper or periodical has been denied the privilege of the mails as such. Particular issues of certain publications have been found to contain matter which would interfere with the operation or success of the military or naval forces of the United States or to promote the success of its enemies, or cause insubordination, disloyalty, mutiny, or refusal of duty in the military or naval forces of the United States, or obstruct the recruiting or enlistment service of the United States, or matter advocating or urging treason, insurrection, or forcible resistance to some law of the United States, and therefore nonmailable under the act in question. Publishers have been so advised whenever they have asked the department for the reasons for declaring their publications nonmailable.

In the administration of this law nothing has been done by this department to suppress free criticism, right or wrong, of the Government, nor has the department attempted in any way to interfere with the legitimate expression of views which do not coincide with those of the Government in the matter of the war with Germany or any other matter.

Any publisher who may question the validity of the rulings of the Post Office Department has the courts open to him for a review of any action which may have been taken under the law. A publication called The Masses has already filed a bill in the Federal court for the southern district of New York, asking an injunction to restrain the execution of an order of the department to the postmaster at New York City to treat its August issue as nonmailable.

Attached will be found a copy of the very recent remarks of Judge Rose, in the Federal court at Baltimore, which will doubtless be of interest to your committee, although made in a criminal case where the matter in question did not pass through the mails.

Very truly, yours,

A. S. BURLESON,
Postmaster General.

EXHIBIT B.

[By Judge Rose.]

[In the United States District Court for the District of Maryland. July 11, 1917. The United States of America v. Romanus E. Baker and Jacob M. Wilhide.]

REMARKS OF THE COURT IN RULING UPON ADMISSIBILITY OF TESTIMONY.

The COURT. I might as well make perfectly clear what I understand to be the issue in the case.

Every man has a perfect right to any opinion he may see fit to form about any proposed law or about any law that is on the statute books. Any man may do anything, in itself legal, to secure the repeal of any law in force. To that end he may make any argument that commends itself to his reason and judgment against the policy of any particular law, whether it be the law for a selective draft or any other. And he is not answerable for the wisdom of his arguments. He could not very well be put on trial even for the good faith of some of them. I am afraid, if he could be, most of the political orators in every campaign would be liable for much they say about the other party. We all of us say more against our political opponents than we really believe. But there is one limit: As long as the law is the law, it is the duty of every man to obey it, and he may not, under color or pretense of arguing against the wisdom of the law, or of advocating its repeal, do anything with intent to procure its violation. Now, I have not seen these circulars that were distributed by the defendants; they may be wise or unwise, temperate or intemperate. I do not know a thing about them.

But the one thing the jury is to inquire into is not as to the wisdom or the lack of wisdom of any statements in those circulars, or their truthfulness or their fairness. That is not the question. The one sole question in the case is whether these men, in anything they did, intended to persuade men not to register under the draft, or, after they were registered, to persuade them not to obey the order to come to the colors. That is the one question. So the real inquiry here is, Can the Government show, always beyond a reasonable doubt, that these men were trying to persuade people to disobey the law? Whether they approached candidates for enlistment or persons within the age for enlistment and made any statements to such persons which might naturally make such persons reluctant to obey the law, is one of the facts to be taken into consideration by the jury; but the jury can not convict unless they are satisfied, of course, beyond a reasonable doubt, that these men were then engaged in doing something which they purposed and intended should prevent men within the military age from obeying the law. If the jury is satisfied beyond a reasonable doubt, then the case is made out. If they have any doubt about the purpose of these men, they must acquit them, however mistaken the jury may happen to think they were about the policy of the law, however unfair or extravagant the jury may think their arguments against it were.

(At the conclusion of the Government's case:)

The COURT. I do not think there is anything to go to the jury in this case.

You may have your own opinions about that circular; I have very strong individual opinions about it, and as to the wisdom and fairness of what is said there; but so far as I can see, it is principally a circular intended to induce people to subscribe to Socialist newspapers and to get recruits for the Socialist Party. I do not think that we ought to attempt to prosecute people for that kind of thing. It may be very unwise in its effect, and it may be unpatriotic at that particular time and place, but it would be going very far indeed, further, I think, than any law that I know of would justify, to hold that there has been made out any case here even tending to show that there was an attempt to persuade men not to obey the law.

There is a very lurid description of the horrors of war in that circular, some of it well written, some of it not so well written. But, after all, there is no difference of opinion that war is a terrible catastrophe and involves many terrible things. The circular develops some sort of a theory, not very clearly argued out, that if everybody had voted the Socialist ticket there would have been no war. The circular ends up with an appeal to subscribe to the Socialist paper for 50 cents a year, or 25 cents for every six months.

Mr. LATANE. The side of it that appealed to the Government was this, your honor: Of course, we are perfectly satisfied with your honor's determination of the matter, but just in explana-

tion, it starts out with the words "Conscription is upon us, and the draft law is a fact."

The COURT. That I understand to be a fair and reasonable deduction that from their point of view it all could be avoided if the people earlier had taken this Socialist paper and had voted the Socialist ticket.

Mr. LATANE. The point that occurred to the Government is this: These people are too clever to directly, in print, attack the draft law, so under guise of advocating the principles of the Socialist Party, they give the whole draft proposition a very raw deal.

The COURT. That is possible, but you must prove the intent beyond the possibility of a reasonable doubt.

Mr. LATANE. All we want is to get some judicial determination of the matter.

The COURT. The judicial determination of the matter is that in whatever form they put what they say or do, whether that of advocating the principles of any political party—Republican, Democratic, Prohibitionist, Socialist—or under any other guise whatsoever, it is an offense to do anything with the intent of bringing about a violation of the law, but the commission of that offense must be proved, the intent must be established by evidence which will justify a jury in holding that it was made out beyond a reasonable doubt, and in this case there is no such evidence.

Gentlemen of the jury, you have the instructions of the court to return a verdict of not guilty.

True copy.

Test.

[SEAL.] ARTHUR L. SPAMER, *Clerk.*

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., August 15, 1917.

POSTMASTER,
New York, N. Y.:

Upon the issuance of a citation to the publisher of The Masses to show cause why the authorization of admission of that publication to the second class of mail matter should not be revoked, and upon receipt and consideration of the written response thereto, and after a hearing accorded the publisher's attorney on August 14, 1917, the department, upon consideration of all the facts before it, hereby determines, and you will so inform the publisher, that The Masses is not entitled to transmission in the mails at the second-class rates of postage, because it appears from the evidence in possession of the department that the publication is not a "newspaper or other periodical publication" within the meaning of the law governing mail-abel matter of the second class, and, furthermore, is not regularly issued at stated intervals as a newspaper or other periodical publication within the meaning of the law, it being in conflict with the provisions of the law embodied in section 481½, Postal Laws and Regulations.

Therefore, the authorization heretofore issued for the acceptance of The Masses for mailing at the second-class rates of postage is hereby revoked, and you are requested to enter that fact upon the records of your post office.

A. S. BURLESON,
Postmaster General.

[United States Circuit Court of Appeals, Second Circuit. Masses Publishing Co. *v.* Thomas G. Patten, postmaster, etc.]

Motion to stay injunction pendente lite, granted by order entered in southern district of New York and appealed from by defendant.

E. B. Barnes, assistant United States attorney, for motion.

G. E. Roe, for plaintiff, opposed.

Hough, C., as judge:

This motion will be considered under the following heads:

I. The practice under the statute.

II. The present condition of this litigation as to its object and subject matter.

III. The fact findings of the district court and the conclusions there drawn therefrom.

IV. The law as suggested to me by those facts.

V. The propriety of this motion under the circumstances thus developed in respect of—

(1) The rights of parties.

(2) The public interests.

I.

After considerable experience in appellate practice, and such recent inquiry as I have been able to make, no other instance (under No. 129, Judicial Code) of application to a judge of the appellate court to stay on appealed order of this nature is known to me.

Such stays, granted by the trial judge, are not uncommon—I have myself awarded not a few; they rest on the belief that doubtful questions of law or difficult contests of fact (or both) are presented by the record, and that the relations of the parties or exigencies of business are such that—perhaps by the giving of security—no injury will result from letting matters remain in statu quo—except for opinion filed—until decisive action can be had in the court of appeals.

There can be no difference in principle between such an application to the trial judge and a similar one addressed to a member of the appellate court. Indeed, I think a somewhat stricter rule should justly apply.

The trial judge may and often does feel that his findings of fact, reached with travail of conscience, may not be unassailable in the view of others equally capable; yet having done his best he expresses no misgivings, though they exist and strongly move him to grant the stay.

But one who did not hear the case fully tried and argued has, I think, small right to base action on facts. Except in the extremest cases the facts must be assumed as reported from the lower court, whether through judge or jury. Any other attitude on the part of the judge ad quem would convert the motion into a species of irregular and often indecent new trial.

For these reasons it is held that for present purposes the propriety of granting the stay asked rests on a case whose facts are literally as found by the district court. And by facts I mean not only facts physical—phenomena seen or heard—but mental conditions or intents so far as definitely stated.

II.

This action relates only to an alleged property right; that is, the claim of a New York corporation to have certain second-class matter forwarded to destination through the United States mail. Equity is resorted to solely to prevent irreparable pecuniary damage. Defendant justifies under an order of the Postmaster General, and the Department of Justice defends—but all this does not prevent the suit from being one between private parties—in the same sense as that phrase is true of actions against collectors of internal revenue for illegal exaction of taxes. The action is not against the sovereign—technically.

What the bill demanded, therefore, was that the mail aforesaid—namely, sundry copies of The Masses—should be sent forward, and the district court so ordered on July 26.

It now appears that on the day before (decision being known) plaintiff requested defendant to give back the withheld magazines and not forward them, other arrangements for distribution having been made.

This means that plaintiff no longer desires the only avowed object of action; the business foundation of the suit has dropped out. But it remains true that the obligation to distribute this particular issue of The Masses has a most important bearing on any postmaster's duty to forward future or similar publications. Therefore, as long as the prayer of the bill is unfulfilled plaintiff has a legally real subject of litigation, although it further appears that plaintiff is not now exposed to any loss not coverable by damages already liquidated or ascertainable.

Defendant's situation, however, is quite different. The order appealed from, if complied with, fulfills the whole object of suit. If reversed, no restitution or restoration of status quo is possible, and, in my judgment, the appeal becomes a futility, presenting to the appellate court nothing but an interesting moot point.

A court may hold a case sub judice until it becomes moot. The Supreme Court did so lately in the well-known habeas corpus taken out by Hon. H. Snowden Marshall. But could it be pretended that the Supreme Court should or would have taken cognizance of that appeal if brought on for argument after the expiration of the Congress which proceeded against Mr. Marshall? I think not, and therefore strongly incline to the view that this is the rare instance in which an appeal without a stay is not only futile but legally impossible, yet the statute gives the absolute right of appeal.

III.

The facts found may be imperfectly but sufficiently summarized thus: Taking certain pictures and articles in this magazine especially objected to by defendant and drawing no inference from the general tone and previous issues of the periodical—the books now lying undelivered in the post office and the sole subject of this suit—assert that the laws of the United States passed for the creation of military forces and the prosecution of war violate "the fundamental rights of any free people"; that conscription especially "is the destruction of youth, democracy, and labor and the desolation of the family"; that the United States has attempted to "ensnare" Russia into "a continuance of war for purposes prejudicial to true democracy"; that persons (naming them) who have defied and resisted the laws having military success as their object and been duly con-

victed or otherwise punished for such offenses are worthy of "admiration" and "possible emulation."

It is further found that these specified writings and pictures "may interfere with the success of the military forces of the United States," because this publication and its kind "enervate public feeling at home (which is their chief purpose) and encourage the success of the enemies of the United States abroad (to which they are usually indifferent)."

But all these statements of plaintiff are not "of fact"; they are "within the range of opinion and of criticism; they are all certainly believed to be true by the utterer."

Upon these findings, and the assumption that what is unlawful under the act of June 15, 1917, is unmailable, is based the conclusion of law that the act "forbids anyone from willfully causing insubordination, disloyalty, mutiny, or refusal of duty in the military and naval forces of the United States" and that "to arouse discontent and disaffection among the people with the prosecution of the war and with the draft tends to promote a mutinous and insubordinate temper among the troops." But "if one stops short of urging upon others that it is their duty or their interest to resist the law, one should not be held to have attempted to cause its violation."

Therefore, because no writing or picture of those specifically objected to by the defendant on the hearing (without any reference to the rest of the magazine or its history or environment) "directly advocated resistance" to (especially) the conscription act, the order appealed from was granted.

The foregoing only follows through the findings and conclusion on one subdivision of the act; but that is enough for present purposes.

IV.

The Postmaster General has found as a fact (inter alia) that The Masses sought to promote a mutinous, disloyal, and insubordinate spirit among troops; I think the district court did not disagree as to that. But it was held that because the plaintiff stopped short of urging resistance the law was not violated.

The questions presented, or some of them, are: (1) Is such view of the law correct? (2) Is it so clearly correct that the courts should interfere—for it is admitted that the Postmaster General held that such indirect incitement to disloyalty, etc., as the court found in the magazine, did amount to resisting and therefore violating the law?

This second query must be first answered, for courts do not interfere, except in the clearest cases, with the action of one of the great executive departments in interpreting law affecting that department (Smith *v.* Hitchcock, 226 U. S., at 58). In my opinion, it is very difficult to answer this question in the affirmative.

As to the second query, it is at least arguable whether there can be any more direct incitement to action than to hold up to admiration those who do act. Oratio obliqua has always been preferred by rhetoricians to oratio recta; the beatitudes have for some centuries been considered highly hortatory, though they do not contain the injunction, "Go thou and do likewise."

At all events, it is a point plainly suitable for the attention of the appellate court.

Behind and beyond these questions of statutory construction, and of how far discretionary action (and all injunctions pendente lite are discretionary) by the judicial department may interfere with executive discretion, lies a fundamental inquiry as to the nature of the Postal Service.

In respect of the mails the United States is certainly not a common carrier; it is pursuing a high governmental duty (Searight *v.* Stokes, 3 How., at 169; Ct. Re Debs, 158 U. S., at 583), and it is at least arguable whether any constitutional government can be judicially compelled to assist in the dissemination and distribution of something which proclaims itself "revolutionary," which exists not to reform but to destroy the rule of any party clique or faction that could give even lip service to the Constitution of the United States.

V.

(1) So far as the parties are concerned, the present and actual situation is such that any wrong suffered by plaintiff can be wholly redressed by damages, apparently only measured by the expense of the different transportation arrangements now confessedly perfected.

(2) So far as the public interest is concerned, enough has already been said, except to point out that the circuit court of appeals for this circuit has not closed its term; it can be convened at any time on the summons of the senior judge.

The existing stay will be continued on terms specifically set forth in the order filed herewith.

CHAS. M. HOUGH,
United States Circuit Judge.

Dated August 4, 1917.

[United States Circuit Court of Appeals for the Second Circuit. Masses Publishing Co. *v.* Thos. G. Patten, postmaster of the city of New York.]

Upon the return of an order herein requiring plaintiff to show cause why any and all action on its part under and pursuant to the interlocutory order or decree herein—now appealed from—and entered in the United States District Court for the Southern District of New York on the 26th day of July, 1917, should not be stayed until the hearing and decision of said appeal, argument was duly had on August 2, 1917, and due deliberation also having been had it is—

Ordered, That the operation of and all acts or actions under said order of July 26, 1917, on the part of the plaintiff be, and the same are, hereby stayed until the hearing and determination of the appeal taken by defendant from said order, or until the further order in the premises of this court, or of the undersigned:

Provided, That within five days of the filing of this order defendant execute and file in this court a good and sufficient bond with surety to the plaintiff, conditioned to pay said plaintiff on demand all such damages and costs as may in this cause and action be awarded to said plaintiff by the District Court of the United States for the Southern District of New York, or on appeal by this court, or by both courts or either. The said bond shall be in and for the sum of $10,000; i. e., it shall cover and protect costs and damages or either or both to the amount of $10,000; further

Ordered, That the giving of said bond is a specific condition of this stay, and that if said bond be not executed and filed as hereinabove required the stay hereinabove granted shall ipso facto, terminate and be held for naught.

If after and within three days of the filing of said bond the plaintiff excepts to the form or sufficiency thereof or to both form and sufficiency, such exceptions shall be heard by the clerk of this court, with right of appeal forthwith from his decision to any judge of this court.

C. M. HOUGH,
United States Circuit Judge.

Dated August 4, 1917.

[In the District Court of the United States for the Southern District of Georgia. Petitions for habeas corpus. John Story *v.* H. W. Perkins, deputy United States marshal, and M. G. Whittle, jailer. Albert Jones *v.* H. W. Perkins, deputy United States marshal, and M. G. Whittle, jailer.]

"L. D. McGregor, Thomas E. Watson, J. Gordon Jones, attorneys for John Story and Albert Jones.

"Erle M. Donalson, United States attorney, for defendants.

"Decided August 20, 1917, at Mount Airy, Ga.

"Speer, Judge:

"Albert Jones and John Story, imprisoned in the Richmond County jail under commitment for unlawfully failing to register for military duty as required by the act of Congress of May 18, 1917, known popularly as the selective-draft law, have made application for writs of habeas corpus. They allege that their imprisonment is unlawful. They charge that the enactment, made to raise a national army, is violative of the Constitution of the United States. It is insisted that the authority exercised by the United States under this legislation is void because the act contravenes the thirteenth amendment. This provides that 'neither slavery nor involuntary servitude, except as punishment for crime whereof the parties shall have been duly convicted, shall exist within the United States or any place subject to their jurisdiction.' To agree to this contention we must conclude that a soldier is a slave. Nothing could be more abhorrent to the truth, nothing more degrading to that indispensable and gallant body of citizens trained in arms, to whose manhood, skill, and courage is, and must be, committed the task of maintaining the very existence of the Nation and all that its people hold dear. The Grand Army of the Republic, the Confederate Veterans, and Sons of Veterans are not maintained to preserve the traditions of slavery. Nations do not pension slaves to commemorate their valor. They do not 'give in charge their names to the sweet lyre,' nor does—

"Sculpture in her turn
Give bond in stone and ever-during brass
To guard and to immortalize the trust.

"The sole additional ground of the petition is that by the common law it was the right of petitioners to 'remain within the realm,' and that this right should now be held to relieve them from military service beyond the borders of the United States. The reply is that the common law—that is, the immemorial English law—can not prevail as to the United States or its people against the explicit provisions of an act of Congress. Nor has a court of the United States power to declare an act of Congress invalid because it is inimical to the common

law. The touchstone for such judicial power is the Constitution and nothing else. It remains to be determined whether the Constitution has conferred authority on Congress to enact this law. Clause 11 of Article I, section 8, of the Constitution empowers Congress 'to raise and support armies.' This power is plenary. It is not restricted in any manner. Congress may summon to its army thus authorized every citizen of the United States. Since it may summon all, it may summon any. Said the Supreme Court in the case of The United States *v.* Tarble (13 Wallace, 408): 'Among the powers assigned to the National Government is the power to raise and support armies. * * * Its control over the subject is plenary and exclusive. It can determine without question from any State authority how the army shall be raised, whether by voluntary enlistment or forced draft, the age at which the soldiers shall be received, and the period for which they shall be taken; the compensation he shall be allowed, and the service to which he shall be assigned.'

"It is urged that by this legislation Congress has taken over and in this way conscripted the National Guard.

"This, it is said, is the State Militia. It is contended under clause 14 of the article and section above quoted that such militia can be used only to execute the laws of the Union to suppress insurrection and repel invasion. Since these petitioners are not members of the National Guard, in no event could their rights in this way be affected. But the National Army is not the militia. An army is a body of men whose business is war, Burroughs *vs.* Peyton, 16 Gratt., Virginia, 475. The militia is 'a body of men composed of citizens occupied temporarily in the pursuits of civil life but organized by discipline and drill, and called into the field for temporary military service when the exigencies of the country require it.' Idem.

"As we have seen, Congress in the exercise of the power to raise armies may summon to the colors every citizen. It follows that the States, even if they so desire, can not defeat this power by enlisting such citizens in the State troops or National Guard. Was this possible, it would be also possible for the States to prevent altogether the raising of armies by Congress.

"There remains to be considered the contention that Congress can not employ the National Army to be created by virtue of this legislation in foreign lands or beyond the seas. If this is true, then indeed is our country impotent. Then must its people indeed suffer in their own homes, in their cities and on their farms, all the horrors of invasive war. Its military leaders must ignore the settled principle of their science, that the best defensive is the most vigorous offensive. The keen swords of its sons, instead of flashing over the guard of the enemy and piercing his vitals, must be held immovable as if, on an anvil to be shattered by the reiterated blows of his hammer. Deprived of our aid in the field, successive defeats will visit and crush our allies. Their lands conquered, their navies taken, we must then in turn, solitary and alone, meet on our own soil the impact of victorious and barbarous legions whose laws do not forbid their service abroad, but which inspire their fierce and veteran armies to deeds of conquest in every clime.

"Was this contention maintainable the misguided men, who for their personal ease advance it, might all too late discover their fatal error. They would discover it in the flaming homesteads, in the devastated fields, in murdered brethren, in outraged wives and daughters, in their lands, their factories, their merchandise, their stock, their all, coolly appropriated by the conqueror, as his own; their institutions destroyed; homeless, landless, and beggars to spend whatever interval of degraded life remains to them in abject slavery to the conqueror. But our organic law does not so shackle the gigantic energies of the great Republic. After the enumeration of the powers of Congress, among them as we have seen, 'the power to raise and support armies,' in clause 17 of Article I, section 8, it provides the power 'to make all laws which shall be necessary and proper for carrying into execution the foregoing powers and all other powers vested by this Constitution in the Government of the United States or in any department or officer thereof.' Here is the great reservoir of power to save the national existence.

"It is said that there is no express power to send armies beyond the sea. True, but there is no express power to enact the criminal laws of the United States, none to convey the public domain, to build a transcontinental railroad, nor to construct the Isthmian Canal, nor to create the Interstate Commerce Commission, nor to declare the Monroe Doctrine, nor to make the Louisiana Purchase, nor to buy Alaska, or to take over Porto Rico and the Philippines. This has all been done under the great power to promote the general welfare, just as the selective Army will be created under the law here assailed, 'to provide for the common defense,' and beyond and above all is the inherent power of every nation however organized to utilize its every man and its every energy to defend its liberty and to defeat the migration to its soil of mighty nations of ferocious warriors, whose barbarous inhumanity for three years has surpassed all others since the death of Attila, the scourge of God. The writs are denied."

ARTICLE BY OTTO H. KAHN.

Mr. SUTHERLAND. I ask unanimous consent to have printed as a public document an article by Otto H. Kahn on Americans of German origin and the war. I believe it will be very helpful to the German-Americans of this country, and I believe it will be well to have it widely distributed.

The PRESIDENT pro tempore. The Senator from West Virginia asks unanimous consent that the paper he has sent to the desk be printed as a public document.

Mr. SMOOT. I thought the Senator asked that the matter be referred to the Committee on Printing.

Mr. PENROSE. Let it go to the Committee on Printing.

Mr. SUTHERLAND. Very well.

The PRESIDENT pro tempore. Without objection, the article will be referred to the Committee on Printing.

DISTRICT ARMORY.

Mr. CURTIS (for Mr. GALLINGER) introduced a bill (S. 2814) to provide for the erection of an armory in the District of Columbia, which, with the accompanying papers, was referred to the Committee on Public Buildings and Grounds.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL.

Mr. CURTIS (for Mr. GALLINGER) submitted an amendment proposing to transfer the plot of land known as reservation 26, in the District of Columbia, to the Commissioners of the District for playground purposes, etc., intended to be proposed by him to the urgent deficiency appropriation bill, which was ordered to be printed and, with the accompanying papers, referred to the Committee on Appropriations.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m., Wednesday, August 22, 1917) the Senate took a recess until to-morrow, Thursday, August 23, 1917, at 11 o'clock a. m.

SENATE.

THURSDAY, *August 23, 1917.*

(Legislative day of Wednesday, August 15, 1817.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

I. W. W. MENACE.

Mr. MYERS. Mr. President, I have received a copy of the Helena (Mont.) Independent, a highly reputable and independent daily newspaper in Montana, of the 19th instant, which contains a very comprehensive article about the activities of the Industrial Workers of the World in Montana and conditions arising therefrom. The owners of the Independent, I am sure, are in no wise financially interested in any mines or smelters, sawmills, lumber camps, or other industrial institutions, and therefore I believe the paper is in a position to speak advisedly and disinterestedly of those conditions. I ask to have put in the RECORD three extracts from that article.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

"'Sabotage,' according to William D. Haywood, head of the I. W. W., originally meant 'to push back, pull out, or break off the fangs of capitalism.'

"Whatever it may have meant in the beginning of the so-called I. W. W. movement, which aimed its work of destruction at capitalism, 'sabotage' has come to mean nothing more nor less than a threefold conspiracy against organized society.

"First, the I. W. W. would 'push back, pull out, or break off the fangs of capitalism,' as Haywood says, or rather destroy all industries which they could not take over and operate for their own profit and abolish the wage system.

"Second, the I. W. W. conspire against the various crafts unions, well organized and recognized everywhere, in its mad determination to be the 'one big union.' The I. W. W. is the actual enemy of organized labor and considers a union man who remains loyal to his contract with his employer as big a 'scab' as the man who belongs to no union at all. And they call him a 'scissor-bill.'

"Third, the I. W. W. conspire against the Government of the United States of America and its people by its open efforts to

'keep the soldiers so busy in the western industrial centers they will have no time to fight Germany.'

"Thus 'sabotage' has come to mean a threefold conspiracy against organized society—it is the slogan of the enemies of our industries, the battle cry of those who would crush organized labor and force it to come under the sway of the I. W. W. and it is the watchword of men who every day commit actual treason against the United States and who in any other era would be shot as traitors to the country which has given them life and liberty."

—

THE I. W. W. PREAMBLE.

[Adopted at the second convention, I. W. W., held in Chicago, September, 1906.]

The working class and the employing class have nothing in common. There can be no peace as long as hunger and want are found among the millions of working people and the few, who make up the employing class, have all the good things of life.

Between these two classes a struggle must go on until the workers of the world organize as a class, take possession of the earth and the machinery of production, and abolish the wage system.

We find that the centering of the management of industries into fewer and fewer hands makes the trade-unions unable to cope with the ever-growing power of the employing classes. The trade-unions foster a state of affairs which allows one set of workers to be pitted against another set of workers in the same industry, thereby helping to defeat one another in wage wars. Moreover, the trade-unions aid the employing classes to mislead the workers into the belief that the working class have interests in common with their employers.

These conditions can be changed and the interest of the working class upheld only by an organization formed in such a way that all its members in any one industry, or in all industries, if necessary, cease work whenever a strike or lockout is on in any department thereof, thus making an injury to one an injury to all.

Instead of the conservative motto, "A fair day's wage for a fair day's work," we must inscribe on our banner, "Abolition of the wage system."

It is the historic mission of the working class to do away with capitalism. The army of production must be organized, not only for the every-day struggle with the capitalists but also to carry on production when capitalism shall have been overthrown. By organizing industrially we are forming the structure of the new society within the shell of the old.

—

I. W. W. TACTICS OR METHODS.

[From The History, Structure, and Methods of the I. W. W., by Vincent St. John, published by the I. W. W. Publishing Bureau, New Castle, Pa.]

As a revolutionary organization the Industrial Workers of the World aim to use any and all tactics that will get the results sought with the least expenditure of time and energy.

The tactics used are determined solely by the power of the organization to make good their use. The question of "right" and "wrong" does not concern us.

No terms made with an employer are final. All peace, so long as the wage system lasts, is but an armed truce. At any favorable opportunity the struggle for more control of industry is renewed.

The Industrial Workers realize that the day of successful long strikes is past. Under all ordinary circumstances a strike that is not won in four to six weeks can not be won by remaining out longer. In trustified industry the employer can better afford to fight one strike than he can six strikes that take place in that period.

The organization does not allow any part to enter into time contracts with the employers. It aims, where strikes are used, to paralyze all branches of the industry involved when the employers can least afford a cessation of work—during the busy season and when there are rush orders to be filled.

The Industrial Workers of the World maintain that nothing will be conceded by the employers except that which we have the power to take and hold by the strength of our organization. Therefore we seek no agreements with the employers.

Failing to force concessions from the employers by the strike, work is resumed and "sabotage" is used to force the employers to concede the demands of the workers.

During strikes the works are closely picketed and every effort made to keep the employers from getting workers into the shops. All supplies are cut off from strike-bound shops. All shipments are refused or missent, delayed, and lost if possible. Strikebreakers are also isolated to the full extent of the power of the organization.

Interference by the Government is resented by open violation of the Government's orders, going to jail en masse, causing expenses to the taxpayers—which is but another name for the employing classes.

In short, the I. W. W. advocates the use of militant "direct-action" tactics to the full extent of our power to make good.

Mr. MYERS. I ask leave to furnish and have put in the RECORD, in addition, a few extracts from official declarations and literature of the I. W. W.

Mr. SMOOT. Mr. President, I am not going to object at all to the articles going into the RECORD.

Mr. MYERS. They are short, and I make them a part of the brief remarks I am going to make.

Mr. SMOOT. I am not going to object, I say to the Senator; but I suggest to the Senator—it seems to me that if we are going to do anything with the I. W. W. proposition at all, we ought to act instead of paying attention to newspaper articles. We can fill the RECORD every day with articles from all the papers of the United States and from individuals upon this question, and it will not assist one iota. If Congress is to act in the matter, we ought to act by law; if a State is to act in the matter, it ought to put its laws into force, and not do so much talking. I wanted to say that much to the Senate.

Mr. MYERS. The further clippings which I ask to be inserted in the RECORD I now send to the desk and ask that they be here inserted in my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

Sabotage is to this class struggle what the guerilla warfare is to the battle. The strike is the open battle of the class struggle. Sabotage is the guerilla warfare, the day-by-day warfare between two opposing classes. (Sabotage.)

The I. W. W. is fast approaching the stage where it can accomplish its mission. This mission is revolutionary in character. (The Revolutionary I. W. W.)

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We are not satisfied with a fair day's wage for a fair day's work. Such a thing is impossible. Labor produces all wealth. Labor is therefore entitled to all wealth. We are going to do away with capitalization by taking possession of the land and the machinery of production. We don't intend to buy them, either. The capitalist class took them because it has the power to control the muscle and brain of the working industry. Organized, we the working class, will have the power. With that power we will take back that which has been stolen from us. We will demand more and more wages from our employers. We will demand and enforce shorter and shorter hours. If we gain these demands, we are diminishing the profits of the boss. We are taking away his power. We are gaining that power ourselves. All the time we become more disciplined. We become self-reliant. We realize that without our labor power no wealth can be produced. We fold our arms. The mills close. Industry is at a standstill. We then make our proposition to our former masters. It is this: We, the workers, have labored long enough to support idlers. From now on he who does not toil, neither shall he eat. (Revolutionary I. W. W.)

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By the "working class," which is waging war upon society and which hopes to institute "the future society," is meant the "proletariat," and the proletariat is thus defined: "We mean a class of laborers, possessing neither property nor specialized skill, who sell their labor power in the open market to the highest bidder, and are able to sell that power only so long as it will produce a profit for the purchaser." (The Advancing Proletariat, p. 14.)

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Property—either material or in the form of specialized skill—has ceased to exist for the proletariat; access to the machine is the sole basis of his life. And, following the loss of the property idea, comes a complete revolution in the mental attitude of the worker. Man becomes the dominant factor and all his problems are again translated in terms of human rights. He thinks in the terms of a class, for he now realizes his class position and knows that only as such can he hope to survive. He finds that he must attack the structure of a society based on private property and his point of attack is at the point of production, the point where he daily meets his enemy. His whole attitude is one of opposition—opposition to the property of the master class—an attitude utterly subversive of all modern ethics, morals, religions, and laws—an utterly revolutionary attitude. (The Advancing Proletariat.)

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Craft unionism can not survive. (The Advancing Proletariat, p. 13.) Any economic system built upon the rights of property is a confiscatory system. (Ibid., p. 13.) Stripped of his property the "aristocrat of labor" sinks to the level of the common herd. (Ibid.)

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Two facts stand prominently in an examination of modern society: First, the proletariat is the subject class; and, second, the special function of the State is to keep the proletariat in subjection. Therefore any organization of the proletariat as a class must at once be considered a menace to the privileged classes and be declared illegal. All the activities of the proletariat furthering its program for a new society must necessarily be revolutionary and be beyond the law. Therefore the Socialist politicians' "legal revolution" idea is regarded as absurd. (Ibid.)

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There is but one bargain that the I. W. W. will make with the employing class: Complete surrender of all control of industries to organized workers. (The I. W. W., Its History, Structure, and Methods.)

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The I. W. W. disclaims any nationality. (The Revolutionary I. W. W.)

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The Industrial Workers of the World is an international movement, not merely an American movement. We are "patriotic" for our class—the working class. We realize that as workers we have no country. The flags and symbols that once meant great things to us have been seized by our employers. To-day they mean naught to us but oppression and tyranny. As long as we quarrel among ourselves over differences of nationality, we weaken our cause, we defeat our own purpose. (The Revolutionary I. W. W.)

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Sabotage is defined by official I. W. W. publications in several ways as follows:

"Any conscious and willful act on the part of one or more workers intended to slacken and reduce the output of production in the industrial field, or to restrict trade and reduce the profits in the commercial field, in order to secure from their employers better conditions or to enforce those promised or maintain those already prevailing, when no other way of redress is open.

"Any skillful operation on the machinery of production intended not to destroy it or permanently render it defective, but only to temporarily disable it and to put it out of running condition in order to make impossible the work of scabs and thus to secure the complete and real stoppage of work during a strike."

Elizabeth Gurley Flynn, the noted I. W. W. agitator, describes sabotage under several heads, the principal among which are:

"Adulteration.
"The slowing down of work
"A general reduction of efficiency.
"Placing kerosene in ovens to make food unfit to eat.
"Intimidation, coercion, and any means necessary to gain the end."

Mr. MYERS. Mr. President, I take the remarks of the Senator from Utah for what they are worth when he says we should not do so much talking. They can not apply to me. I am not one of those Senators who have consumed an enormous amount of the time of this body and caused Congress to be in session on this 23d day of August when we might have completed all necessary business long ago. I offer these extracts as a part of some remarks that I intend to make at this time. I think the subject is worthy of them and that there is cause for them.

Mr. SMOOT. The Senator did not understand that I object to the articles going into the RECORD. I simply wanted to say to the Senator that, as far as I am concerned, I do not care for talk; I am perfectly willing to act. I think that that is the only thing that will ever in any way, shape, or form lessen the evils that are existing to-day through the labors of that organization.

Mr. MYERS. I agree with the Senator that we should act. He can not favor action any more than I.

Mr. PENROSE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Pennsylvania?

Mr. MYERS. With pleasure.

Mr. PENROSE. I am not going to object. I have on more than one occasion referred to the absurdity of making the RECORD a newspaper-clipping exhibit, but if Senators choose to persist in it and feel that they are the only people who read the newspapers and the rest of the Senate ought to have these newspaper clippings called to their attention, let them go ahead.

Mr. MYERS. Mr. President, I have the floor, and under the rules am entitled to it. I intend to exercise my right to make some remarks, and my remarks will not be shortened by such interruptions as that of the Senator from Pennsylvania. I am the judge of my conduct here. Each of the other Senators has received a copy of the newspaper to which I have referred, and if it is not beneath their dignity to learn something of I. W. W. conditions in Montana and other Western States, I commend the article to their attention as being a comprehensive review of those conditions which constitute a serious menace to the country.

The I. W. W. is a criminal organization, devoted to avowedly and professedly criminal objects, and it is a menace to the country. For a number of years it has been a growing menace, and never has it been a greater menace than it is now in this serious crisis, when the Government needs the devoted support, loyalty, and fidelity of all its citizens.

The clippings which I have furnished as a part of my remarks show something of the object, nature, and tendencies of this organization. I have in my possession extracts from other literature of the organization, showing its attitude on other matters of public concern. Its references to the Almighty and to religion are so exceedingly blasphemous and vile that I would not repeat them or have them printed.

A few months ago Montana was never more prosperous. All of its industries were flourishing. Mining, lumbering, agriculture, the production of everything produced in the State was at a high tide of prosperity. Everybody who would work had work. Everybody who wanted work could get work at the highest wages which had ever been known in the State.

The lumber industry, which had gone through a long period of depression for a number of years, was revived and was in full operation and there was a demand for all the products of the State, when suddenly, last spring, about the time of our entrance into the war, the State was invaded by a horde of I. W. W. agitators from the east and from the west. Some came from Minnesota and North Dakota, to the east; others came from the States of Washington, Oregon, and Idaho, to the west, and suddenly upon their advent there was a change in the industrial conditions of the State. Nearly every lumber camp and sawmill in the State was closed down, and some men who wanted to work at good wages were thrown out of employment. The mines were affected by total or partial strikes of their workmen. There were strikes in other lines of industry and still other strikes were threatened. It is reported it was threatened that unless farmers paid extortionately high prices for farm work the crops would be burned and destroyed.

This condition of affairs came about suddenly and simultaneously with the invasion of the State by I. W. W. agitators, one of whom was Frank Little, a notorious and confessed I. W. W. agitator, who came into the State from Arizona, where widespread strikes had been instituted, and he indulged in such inflammatory language and disloyal utterances that he was lynched, presumably by people who were exasperated by his utterances of disloyalty to the Government and his abusive denunciation of the soldiers and other instruments of authority.

Even prior to that time, at the time the draft was to be put into effect, there was a disloyal parade in the city of Butte, which bore a banner with the words "Damn the war" on it, and soon thereafter, with the advent of Little, the strike in Butte spread to an alarming extent and became a very serious menace to the copper production of the State, which is vitally necessary to the Government in the conduct of the war. I have described what followed the advent of outside I. W. W.'s into Montana.

Now, it has been openly charged in the Halls of Congress, I am sorry to say, that this deplorable situation in Montana was due to Mr. John D. Ryan, a highly reputable and respected citizen of Montana, who is president of the Anaconda Copper Mining Co., the principal mining company of Montana. Never was a more untrue or unjust charge made in this country. I am not spokesman for Mr. Ryan. I have not seen him for months. I have not heard a word from him in regard to this cruel and unjust charge. He is now devoting a great part of his time and energies to Red Cross work of the Government, without compensation, and thus serving his country in its time of need to the best of his ability.

All these disturbances in Butte, including a disloyal procession and rioting and lynching, have been charged to Mr. Ryan, when there is not a particle of foundation for such a charge. It is absurd and monstrous to bring such a charge against Mr. Ryan, who has the esteem of the great body of the people of Montana and is a highly respectable citizen of that State. He is president of a mining company employing many men, but until the present strike his company had never had a strike of its employees.

Three years ago there was a serious labor disturbance in Butte, but it arose from two contending factions of the miners' union, each striving to gain mastery of the union, and involved no dispute with the mine owners or the employers, and that was amicably settled, and the miners returned to work and prosperity ensued. Mr. Ryan's company, in all its history, until this strike, so far as I have heard, had never had any open trouble with its workmen. It has paid the equivalent of the highest wages prevailing in the mining industry, as high as any, and its general reputation has been that of fair dealing with its employees.

It is my understanding that the American Federation of Labor is in no wise connected with this strike and is giving it no support, moral or otherwise.

And now it has been suggested in the Halls of Congress that on account of this condition of affairs, brought about, it seems to me, by the invasion of the State by I. W. W., the Government should take hold of the copper mines of Montana. The time may come before the war is over when it would be legitimate, justifiable, and proper and in the interest of the prosecution of the war for the Government to take over the copper mines of the country, but I do not believe it has yet come, and I do not believe it should be done on account of an invasion of the State by I. W. W.

It is true that the strike to which I referred started when there was a fire in a mine in Butte, and a large number of miners lost their lives, but that lamentable and deplorable catastrophe did not occur in one of the mining properties owned by the company of which Mr. Ryan is president. Neither he nor his company is responsible for that fire; they had nothing whatever to do with it. It is unjust and unfair to hold Mr. Ryan responsible for all the disorders, disturbances, and strikes and all the labor unrest in Montana. I believe the most of them grew out of the invasion of the State by I. W. W. agitators, who have made many well-meaning and honest workmen dissatisfied with their condition. There may have been some just grievances, but if so, I believe they were aggravated and inflamed by agitators from outside the State.

Mr. NORRIS. May I interrupt the Senator?

Mr. MYERS. With pleasure.

Mr. NORRIS. I think it would be gratifying to the Senate—I know it would be to me—if the Senator would state just what the dispute is now in that particular company between the company and its workmen.

Mr. MYERS. I am not authoritatively advised of that. I understand that it has come from a number of different sources; I can not speak with authority, but from all that I can learn the chief complaint of the striking miners is of what is known as the rustling-card system. Also they want, I understand, or some want, higher wages and better conditions. There are a number of reasons assigned, but as far as the rustling-card system is concerned, which seems to be the chief complaint, it had prevailed for quite a number of years and had caused no strikes before I. W. W. agitators invaded the State, so far as I ever heard.

Mr. NORRIS. Will the Senator explain just what that is?

Mr. MYERS. I am not conversant with the working details of it, but it is a system by which anyone who desires employment in the mines must file his application and give certain information on a card about himself, to be signed by him. I am not versed in the details of the practice or working of it, but it seems to me, in these serious times, that any employer, whether a mining company or a farmer, is entitled to know something about the character of the people who want to work for it or him. It seems to me that that is a privilege of an employer, unless it be abused. I suppose any privilege may be abused. I do not know whether this one has been abused or not. It is claimed that it has been. Others claim that it has not been.

It seems to me in these serious times it is essential for a mining company to know something of the character of the men who apply to work for it. One applicant for work out of 10,000 might be a man with a malevolent intention or disposition, who, by planting a fuse or something of that kind, could cause an explosion that would destroy millions of dollars' worth of property and hundreds of innocent lives of honest workingmen.

Now, as I have said, I believe that the most of these conditions and disturbances have been brought about by the agitation of nonresident I. W. W. members, who have invaded Montana and stirred up trouble not only in Butte but in other parts of the State. I do not believe that the resident workingmen of Montana, who as a rule are men of good intentions and good faith, are responsible for these conditions. I believe they are a part of the I. W. W. menace which is threatening the entire country in this crisis.

Mr. NORRIS. Mr. President, can the Senator tell us what wages they have been getting and how much they are demanding?

Mr. MYERS. I understand that miners in the mines of Butte are getting, as a rule, $5 or $5.25 a day; I think some as high as $5.75 perhaps. There may be some cause for dissatisfaction; I can not say and I do not say there is not, but I think such cause as there may be, if any, would be greatly lessened and would be much more speedily settled if the pernicious and disloyal activities of the I. W. W. were suppressed.

Now I come to the point that the Senator from Utah spoke of, and I am in accord with him about it, and I have talked longer than I expected. I did not expect to consume more than a few minutes. I have had some interruptions, and I am about to close. I believe there should be legislation directed at the disloyal and pernicious activities of the I. W. W. menace in this country. It appears there is not adequate legislation. It will require legislation to rid the country of this menace, and I have introduced a bill which is aimed at that object. The Senator from Utah [Mr. KING] has introduced two other bills on the same subject. Of course, we expect to do nothing on the subject while the revenue bill is before the Senate, and can do nothing until it is disposed of. I am in hope that these bills of which I make mention will be speedily enacted and put in force, and if so I believe they will very much better the situation.

My idea in these few extemporaneous remarks has been to call the attention of the Senate in a preliminary way to the necessity for legislation and to the menace as it exists in the West, and to call particular attention to the newspaper article of which I made mention. If legislation be enacted to suppress the pernicious and disloyal activities of the I. W. W., I believe that any honest differences between the mine owners and the miners who want work at good wages can be speedily settled, to the benefit and welfare of the country, and that satisfactory industrial relations throughout the West will be resumed.

Mr. KENDRICK. Mr. President, I present a brief letter from the chairman of the Wyoming State Council of National Defense, which has a direct bearing upon the proposed legislation which has been introduced by the Senator from Montana [Mr. MYERS]. I should like to have the letter printed in the RECORD without reading.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

WYOMING STATE COUNCIL OF NATIONAL DEFENSE,
Cheyenne, Wyo., August 17, 1917.

Hon. JOHN B. KENDRICK,
United States Senator from Wyoming,
Washington, D. C.

DEAR GOV. KENDRICK: In accordance with the request made by the Johnson County Council of National Defense, the State Council of National Defense of Wyoming asked that the chairman petition you as follows:

"Since the labor situation in Wyoming has grown acute and we need many men to help harvest the increased crop acreage planted this year, there is a shortage of men, due to Wyoming's large enlistment in the Army service; and it being impossible to get many men from outside because the demand for labor is heavy all over the country, it is recommended that since there are a large number of homesteaders on dry lands in this State who are raising little or nothing on their own lands but who can not leave their homesteads and help those who need them because of the necessity of complying with homestead laws as to residence, steps should be taken to support a bill for special relief by Congress excusing all homesteaders in Wyoming from residence on their homesteads from now until December 30."

The State council respectfully petitions that you take especial interest in this matter so that we may have some relief.

Sincerely, yours,

HENRY G. KNIGHT, *Chairman.*

DEATH OF EX-SENATOR JOHN W. KERN.

Mr. NEW. Mr. President, I send to the desk, and ask unanimous consent to have printed in the RECORD without reading, an account from the Roanoke World News, of Virginia, of the funeral of Hon. John W. Kern, late a Member of this body, and also editorials concerning him which appeared in the leading Indianapolis newspapers the day following his death.

The PRESIDENT pro tempore. Without objection, it is so ordered.

[From the World News, Roanoke, Va.]

IN THE EVERLASTING HILLS.

The burial of John W. Kern at Kern Cliff on yesterday was in keeping with the character of the man.

One for whom over 6,000,000 of his fellow men had cast their vote for the second highest office in their power to bestow; whom his own State had ever delighted to honor; who had for four years been the leader of his, the dominant, party in the Senate; who had through a great world crisis been the intimate friend and trusted counselor of the President; and who had measured up to the full stature of a man under every test which high office and trying times could apply to him, was laid to rest in the presence of a few friends and neighbors and with a burial service of a sweet and beautiful simplicity appropriate to the strength and gentleness of his exalted character.

Had time and circumstances permitted it, the Nation would have chosen to give a patent expression to its sense of loss; his former colleagues and followers in the Congress would have wished to pay the tribute of their presence, and his casket would have been covered with a profusion of flowers from the thousands who had learned to love as well as honor him.

But his brief last illness was not known to many, and even to these his sudden death was a sad surprise. So when it was decided to bring his body to his summer home in Carvins Cove for burial only a few friends made during his occasional brief stays in Virginia and his neighbors there in the mountains had opportunity to attend his funeral.

These, numbering about 200, assembled at the Kern Cliff home, where the services were conducted under the direction of Dr. George Braxton Taylor, minister at the near-by Enon Baptist Church, and in conformity with the Senator's well-known love of simple and unpretending things. A passage from the Scriptures read by a young man, friend and tutor to his sons; a prayer by Dr. Taylor, the singing of "Abide With Me" and "Come Ye Disconsolate" by a few of the ladies from Hollins, a few words from the heart of his friend, Mr. Lucien H. Cocke, telling of his life and its great service, followed by the removal of the body to the grave, where Mr. Joseph A. Turner closed the service with appropriate prayer, and the body of John W. Kern was laid to its last and perfect rest.

It was at sunset, above the waters of Carvins Creek, on one of the western foothills of Tinker Mountain that he was buried. There his father and his grandfather had lived; there he himself had spent many of the years of his early youth; there he had hoped to find an age of rest from his long life of generous and untiring service to his country; and there he sleeps to-day.

"I lift up mine eyes to the hills from whence cometh my strength," says the Psalmist. So in all ages have said the nations of the world in their hours of trial. The strength of those great mountains woven into the warp and woof of his sturdy ancestry was John Kern's heritage; the serene peace of their silent places was typified in the quality of calmness which was so marked in him; in his heart was the low, deep music of their murmuring waters, and in his soul the majesty of those everlasting hills.

A sweet, a gentle, and withal a masterful life has come to its close, a nation has lost a leader and a statesman, a family has lost a father and a friend, and in the quiet peace of that secluded valley lies his weary body now at rest, but the influence of his great, strong, simple, unpretentious manhood can not die.

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[From the Indianapolis News, Aug. 18.]

JOHN WORTH KERN.

The death of Mr. Kern, which occurred yesterday, will bring sorrow to thousands of people in Indiana, for he was widely known as a man of friendly and kindly nature. Though a strong partisan, he had many admirers among Republicans. For many

years Mr. Kern had been prominent in politics. Twice his party's candidate for governor under conditions that made election impossible, and once its candidate for Vice President when success was out of the question. Mr. Kern fought three losing battles in such a way as greatly to strengthen his hold on the people. As Senator he had the confidence and respect of his colleagues, who gladly accepted him as majority leader of the Senate. President Wilson had no more steadfast supporter in that body.

He was, as all know, a man of integrity and character. He made no money out of politics. On the contrary, his participation in public life cost him much. His ambition was to serve the people to the best of his ability. But it is of Mr. Kern as friend and neighbor that the people of Indiana are to-day thinking. To many his death will bring the feeling of personal loss. For even those who met him but casually felt that they knew him, and that he was their friend. He had a keen, though kindly, sense of humor. There was no bitterness in his make-up. Even those who differed with him could not help liking him. He never allowed political antagonisms to degenerate into personal enmity.

There was no selfishness in him, and no trace of commercialism. On the contrary, Mr. Kern, throughout his public life, fought those interests by whose help others have risen to power. The people of Indiana will sympathize with his family in its great affliction, an affliction in which many of them will feel that they share.

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[From the Indianapolis Star, Aug. 19.]

JOHN WORTH KERN.

In the death of John Worth Kern Indiana loses one of her favorite sons, whose name probably was familiar to more homes than that of any of his contemporaries. He was one of the conspicuous men of his own State for many years, but it must be said for him that he never assumed any superiority; for in spite of the prominence he attained as the Democratic nominee for the Vice Presidency and the distinction won as floor leader of the United States Senate throughout the first administration of President Wilson, he was not given to boasting of his own achievements. In fact, his great and enduring popularity with the masses in his own State was due more largely to his simplicity of character, his gentle and kindly attitude toward people, than to any quality of leadership and statesmanship he developed.

He loved his State and was a distinct credit to it. No man could be as active as he was for 30 or 40 years in public life without arousing antagonism and criticism, but in both parties he had warm personal friends. He was an intense partisan, and for a long period of years he was at the front fighting the battles of his party. The varying fortunes of the latter were reflected in the life of Mr. Kern. He took to politics naturally, becoming a candidate for the legislature in Howard County when he was barely of voting age. He was ever ready to champion the principles for which his party stood, and because he was defeated twice for governor and for the Vice Presidency he became known as a "leader of forlorn hopes."

A man of less cheerful and optimistic frame of mind would have become discouraged by defeat and would have dropped out of politics, but Mr. Kern accepted his defeats philosophically. His reward came in 1910 when a break in the Republican Party enabled him to win a seat in the United States Senate. His election as floor leader was a great honor that came to him unexpectedly. It is not unlikely that his elevation to that position was due in a great measure to the fact that he was so constituted mentally that it was easy for him to get along with his associates without friction. He was not a party boss in any sense, but he was loyal to his chief and faithful to the obligations imposed upon him.

He was always a man of the people, and in the closing years of his life was known as a stanch champion of labor. Though he was a devoted follower of William J. Bryan, he was loyal to President Wilson and was a Democrat of the most intense, unchangeable type. Whatever differences his opponents may have had with him, no one could take from him the high regard in which he was held by thousands of people who loved him simply as John Worth Kern, a man of sweet and gentle impulses. By them his loss will indeed be felt. It is decidedly to his credit that he made his own way in life so successfully; that he broadened his vision as he grew older; and that in the face of poor health he never attempted to shirk his responsibilities.

WAR REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes.

The PRESIDENT pro tempore. The question before the Senate is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. CURTIS. Mr. President, I present a letter from Mr. Charles S. Keith, of Kansas City, Mo., in favor of the so-called Bankhead amendment to the pending revenue bill, which I should like to have printed in the RECORD without reading.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CENTRAL COAL & COKE CO.,
Kansas City, Mo., August 20, 1917.

Hon. CHARLES CURTIS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I am in receipt this morning of your favor of the 16th instant relative to the war-revenue bill, and I appreciate very much, indeed, the kindly attitude that you have taken in connection with my suggestions to you on this matter.

In this connection I am sending you a compiled statement of the earnings of 28 sawmill companies, having a production of one-seventh of the total yellow-pine production of the South, wherein you will note the earnings of these companies, by years, for 1912, 1913, 1914, 1915, and 1916, and from which you can readily see that the taking of any particular set of years as a basis for the assessment of war taxes might work very much of a hardship upon us.

I would direct your especial attention, as an illustration of what I mean, to the earnings of 1914 and 1915. Assuming that this same condition had applied in 1911 and 1912—and, if you will notice, 1911 and 1912 show red-ink figures for 7 out of the 24 months—these companies would have lost over $5,700,000, or an average loss of approximately $2,800,000 per annum.

Now, if the tax were to be assessed as at present contemplated on 1916 earnings—when these same companies earned $4,206,000—using as a basis the loss of $2,800,000, as above mentioned, these companies would be paying a tax of 50 per cent on $7,000,000, or $3,500,000, and this would leave them only $700,000 profit to carry on their business and renew their properties, on a production of 2,500,000,000 feet of lumber.

I think you can readily appreciate that this would be manifestly unfair. Now, if, on the other hand, we would make exempt from the surtax 8 per cent of the cash value of the assets of these companies at the beginning of the accountancy period for which the tax was to be assessed, and then make the surtax apply over and above that, with a normal tax on the 8 per cent, it seems to me that that would be a fair, honest, and reasonable way of handling this tax.

Unfortunately the lumber and coal business in the United States during the period which it is proposed to take as a basis for these taxes were extremely unprosperous. As a matter of fact, conditions following the anthracite strike of 1902, bringing on an extremely prosperous year in 1903, so speeded up development and improvements that the production has largely exceeded since that time the consumption of the product. The situation in the Southwest has been better than the situation east thereof, but the State of Illinois, for instance, has had capacity enough, and has it to-day, to produce in five months as much coal as the State will consume in 12 months. This resulted in 1914 in the idleness of 40,000 men in the State of Illinois, and if the car situation were such to-day that the production could be put out, Illinois would still be producing more coal in 7 months than the State would consume in 12 months. All of this for the purpose of indicating that the effect of supply and demand upon market conditions and market prices has resulted in extremely unfavorable conditions in the coal business since 1903.

After the panic of 1893 the lumber business continued on the down-hill grade until 1897, at which time the consumption of the United States caught up with the production of lumber and resulted in rising values, which, during the period of exploitations in the early nineties and the building of more railroads and cars brought about an extremely heavy consumption of lumber and a very large increase in production and development, so that since the panic of 1907 up to the last three-quarters of the year 1916 there has been an overproduction of lumber and a consequent reduction of values. Under present conditions, with a shortage of labor and the extraordinarily heavy demand for lumber for Government cantonments and shipbuilding material, factory consumption, and other sources, the situation is more prosperous; but if you take the years 1911, 1912, and 1913 as the basis for the assessment of these war taxes you catch a most unprosperous period for both the lumber and the coal business and will work a direct hardship on them if they are forced to pay a surtax based on earnings over and above the average earnings for those particular years. The

fact of the case is, as I have tried to set out in the above, until very recently the lumber and coal business have not been prosperou since the panic of 1907.

With personal regards, I am,

Respectfully, yours, CHAS. S. KEITH, *President.*

Realization—Lumber.

Date.	Shipments.	Receipts.	Average per M.	Cost.	Cost per M	Profit.
1912.	*Feet.*					
January...	106,695,537	$2,271,181.66	$13.02	$2,413,318.01	14.4774	[1]142,136.35
February..	162,372,590	2,283,046.62	14.06	2,351,732.93	14.4774	[1]67,683.31
March.....	160,658,575	2,298,267.89	14.31	2,325,889.57	14.4774	[1]27,621.68
April.....	177,769,472	2,548,319.89	14.33	2,573,639.72	14.4774	[1]25,319.83
May.....	213,222,339	3,104,537.55	14.56	3,089,905.11	14.4774	17,032.44
June.....	177,298,862	2,723,245.21	15.35	2,565,826.52	14.4774	156,418.69
July.....	192,843,580	3,055,089.09	15.84	2,791,873.65	14.4774	263,215.44
August....	194,445,638	3,101,040.33	15.95	2,815,067.31	14.4774	285,973.02
September	150,230,834	2,617,665.94	16.75	2,261,816.22	14.4774	355,849.72
October...	174,775,195	3,051,629.79	17.46	2,530,289.18	14.4774	521,340.61
November.	168,678,011	2,934,121.27	17.75	2,442,019.02	14.4774	552,102.25
December.	163,767,184	2,927,619.95	17.88	2,370,922.97	14.477	556,696.98
Total..	2,108,755,727	32,975,764.99	15.637	30,523,330.21	14.4774	2,445,464.78
1913.						
January...	205,347,055	3,660,913.98	17.83	3,102,073.86	15.108	558,840.12
February..	177,741,103	3,237,996.59	18.21	2,685,437.11	15.1 86	552,559.48
March.....	198,600,393	3,601,547.86	18.13	3,009,533.71	15.1087	600,954.15
April.....	199,405,588	3,459,675.66	18.12	2,875,780.94	15.1087	573,894.72
May.....	200,702,115	3,603,799.28	17.95	3,032,348.12	15.1087	571,451.16
June.....	164,233,651	2,911,588.53	17.72	2,481,357.10	15.108	430,231.43
July.....	182,687,187	3,023,612.51	16.53	2,760,165.95	15.108	263,526.55
August....	198,903,903	3,151,957.80	15.84	3,005,179.35	15.108	146,778.45
September.	188,351,380	2,913,411.17	15.47	2,845,744.50	15.108	67,666.67
October...	199,231,248	2,991,872.15	15.02	3,010,125.49	15.108	18,253.34
November.	188,724,201	2,752,946.25	14.69	2,851,377.32	15.1087	98,431.07
December..	179,334,834	2,570,142.55	14.33	2,709,516.15	15.108	139,373.60
Total..	2,274,232,657	37,876,544.30	15.6548	34,360,699.60	15.1087	3,515,844.70
1914.						
January...	205,181,491	2,833,959.23	13.81	2,974,269.84	14.4958	[1]140,310.61
February..	185,688,505	2,591,584.90	13.94	2,691,703.50	14.4958	[1]100,118.60
March.....	194,971,414	2,810,506.48	14.42	2,826,266.56	14.4958	[1]15,760.08
April.....	208,187,145	2,979,969.07	14.32	3,017,549.37	14.4958	[1]37,580.30
May.....	216,191,839	3,028,792.86	14.01	3,133,873.67	14.4958	[1]105,080.81
June.....	215,738,167	2,980,538.30	13.82	3,127,297.22	14.4958	146,758.85
July.....	229,853,628	3,168,030.03	13.78	3,331,912.25	14.4958	163,822.15
August....	209,970,972	2,810,834.86	13.78	2,959,722.39	14.4958	145,887.50
September	186,083,943	2,570,251.08	13.81	2,697,435.58	14.4958	127,184.50
October...	174,502,285	2,303,014.40	13.20	2,529,550.15	14.4958	[1]226,535.75
November.	164,166,336	1,955,080.59	11.91	2,379,722.43	14.4958	[1]424,641.84
December.	174,887,521	2,045,377.52	11.70	2,534,409.16	14.4958	[1]489,031.64
Total..	2,359,353,246	32,077,999.44	13.5961	34,200,712.12	14.4958	[1]2,122,712.68
1915.						
January...	178,090,248	2,111,825.52	11.86	2,581,212.72	14.4958	[1]469,387.20
February..	164,831,914	2,037,224.09	12.35	2,389,370.46	14.4958	[1]352,145.77
March.....	195,935,906	2,420,528.83	12.35	2,840,247.62	14.4958	[1]419,718.79
April.....	197,006,718	2,448,081.62	12.43	2,856,039.73	14.4958	[1]407,958.11
May.....	206,067,559	2,581,190.71	12.53	2,987,114.12	14.4958	[1]405,923.41
June.....	202,665,947	2,575,204.06	12.71	2,937,804.60	14.4958	[1]362,600.54
July.....	227,042,876	2,880,315.18	12.69	3,282,168.12	14.4958	[1]401,852.94
August....	206,218,604	2,608,894.61	12.94	2,989,303.64	14.4958	[1]380,409.03
September	233,431,646	3,007,487.75	12.88	3,383,778.45	14.4958	[1]376,290.70
October...	243,148,037	3,211,108.08	13.21	3,524,625.31	14.4958	[1]313,517.23
November.	241,051,817	3,437,112.29	14.26	3,494,238.93	14.4958	[1]57,126.64
December.	194,957,243	3,047,799.38	15.63	2,826,061.20	14.4958	221,738.18
Total....	2,490,484,479	32,427,372.72	13.0205	36,092,564.90	14.4958	[1]3,665,192.18
Total for 4 years.	9,232,826,119	135,357,681.45	14.65	135,183,276.83	.....	74,404.62
1916.						
January...	181,813,052	2,953,397.29	16.2442	2,688,644.86	14.7880	264,752.43
February..	165,910,624	2,748,823.45	16.5681	2,481,782.42	14.9585	267,041.03
March.....	203,931,089	3,423,276.88	16.7864	2,871,409.80	14.0803	551,867.08
April.....	210,712,377	3,555,273.78	16.8774	2,949,930.83	13.9993	606,342.95
May.....	204,187,220	3,400,878.52	16.6557	2,813,080.43	13.7773	587,798.09
June.....	174,272,673	2,779,412.79	15.9495	2,512,839.90	14.4190	266,572.89
July.....	174,224,684	2,667,807.73	15.3037	2,584,061.49	14.8233	83,746.24
August....	252,251,656	3,708,998.35	14.9414	3,348,002.27	13.2725	420,996.08
September	190,721,177	2,912,777.99	15.2724	2,725,508.42	14.2905	187,269.57
October...	172,132,408	2,696,870.59	15.6674	2,560,176.96	14.8733	136,693.63
November.	181,697,270	2,956,573.08	16.2719	2,597,443.49	14.2954	359,129.59
December.	216,989,935	3,658,227.98	16.8590	3,183,477.32	14.6711	474,750.66
Total....	2,328,944,165	37,523,318.43	16.1117	33,316,358.09	14.3053	4,206,960.34

[1] Loss.

NOTE.—The cost as used for the year 1915 is the average cost as compiled from data furnished by these various companies for the year 1914, no cost figures having been assembled for the year 1915.

Mr. CURTIS. I also present a telegram from the governor of Kansas in reference to the increased rates proposed on first and second class mail matter in the pending revenue bill, which I should like to have printed in the RECORD without reading.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

TOPEKA, KANS., *August 21, 1917.*

Hon. CHARLES CURTIS,
Washington, D. C.:

Publishers will cheerfully contribute any percentage of profits that may be levied upon business in general, but any increase in postal rates will only tend to cripple a great industry already seriously hampered by enormous increases in cost of production. The Government needs as never before the assistance of the farm press. I urge that present postage rates be undisturbed.

ARTHUR CAPPER.

Mr. TRAMMELL. Mr. President, since the revenue bill which is now before the Senate was reported from the committee and I became familiar with its provisions, I have been firmly impressed that the bill should be so amended as to more equitably impose the tax burdens upon the wealth of this country upon those who are more able to bear them and thereby eliminate from this measure provisions which seek to reach and burden the great rank and file of the people of this country by consumption or direct taxes. I do not agree with the policy of the measure which seeks to exempt a very large part of the war profits from taxation and at the same time shift the burden upon the man in this country who is a consumer. I do not believe that we should exempt 70 to 90 per cent of the war profits, and, in order to make up the deficit on account of that exemption, then in turn impose a tax upon tea and coffee and sugar and molasses and other articles that are consumed by the great masses of this country, also a tax on every shipper of freight, on every person who purchases a railroad ticket, a tax on every person who mails a letter and who uses the parcel post.

I believe, Mr. President, that we should impose a greater tax upon incomes. I do not believe that the percentages as fixed in the measure as reported to the Senate impose such a tax as should be imposed upon the fabulous incomes of this country under the impending necessity. Therefore, Mr. President, I am in favor of amending the bill so as to raise a greater amount of the revenue necessary by increasing the tax upon large incomes.

I am also in favor of increasing the tax upon excess war profits. I believe in this way we can raise a substantial part of the necessary revenue; and by raising the necessary revenue through these sources we can eliminate the tax suggested upon coffee, tea, sugar, and molasses, the tax suggested upon the parcel-post package, and the tax suggested upon the shipper of freight and express and purchasers of railroad tickets. I do not believe that a proposition which favors the exemption of a large percentage of excess war profits, and on account of that exemption shifts the burden to people, for instance, who are patronizing the parcel post, who necessarily have to patronize the railroad companies, is right in policy or in principle at this time.

We have said to the young manhood of this country from 21 to 31 years of age, "We ask of you, if need be, that you sacrifice your lives upon the altar of your country; that pending this conflict your opportunity of building for the future, your opportunity of gathering together any little accumulations which may assist you in success in after years shall at least be suspended, if you survive this war, during the period in which we are engaged in the conflict."

By drafting our young men and calling them to arms for their country as the necessity has required we have eliminated their opportunity even of making an income or even of acquiring meager accumulations during this period. Therefore, I feel that if it is right to conscript them, to call upon them to sacrifice their service and, in a great many instances, their lives in behalf of their country, we can not with proper grace plead here for exemption against conscripting the wealth of the country. Our young men of military age are patriotic; they are loyal to the flag; they are responding nobly to their country's call. I do not mean, Mr. President, that we should go so far in taxing incomes or that we should go so far in taxing war profits that we would impose unnecessary hardships upon those who, perchance, are so fortunate as to have those incomes and to reap those profits, but it is my opinion that we can easily raise the amount of taxes upon incomes and upon excess war profits without inflicting any great hardship upon the people of this country who are able to pay them.

What do you think, Mr. President, the young manhood of this country, who are going forth to rally around our flag and to fight to defend the honor of this country, will say if you tell them that you had such solicitous feeling in regard to large incomes, although you have demanded and required of them their services, you propose to allow a man who is receiving, say, fifty thousand, one hundred thousand, five hundred thousand, or a million dollars a year income a very large exemption on that income? It is just as necessary, Mr. President, to raise the revenue to carry on this war as it is to have the men to fight

the battles. It is the policy of the country to select its young manhood to carry on the actual fighting upon the firing line, and I say, Mr. President, I am firmly convinced that it is also right and proper to say to those who are holding the wealth of this Nation, those who are able to pay the taxes, "Now that we have called upon the stalwart manhood of our country to fight our battles upon the firing line, we are going to call upon you, who are able, to bear our financial burdens; to bear that part of the hardship which war necessarily inflicts." Our manhood's patriotism should not wane in bearing the Nation's arms; it shall not. Let the wealth of the country also be patriotic and be willing to bear their burdens of this war.

I think that this measure contains a number of provisions which should be eliminated. I think we should eliminate the provision imposing a tax upon coffee, tea, sugar, molasses, or sirups, and other articles of consumption, and I think we should not impose the income tax upon a single man receiving only $1,000 per year and on a married man receiving only $2,000 per year, as is provided by this bill. Certainly, the people of our country who are only making a reasonable living should have a larger exemption, and the bill should be so amended.

Take the tax in this measure levied upon molasses. It is a direct tax upon the producer of this country—a direct tax upon the farmer. It is the only instance in the bill that I recall where it is sought to tax directly the producer. It provides that 2 cents per gallon shall be paid upon molasses and sirups by the importer or the producer. We all know, Mr. President, that the molasses and sirup which are consumed in this country are not imported, but that they are of our own production.

I have not been able to become reconciled to the position of the committee and of a number of the other distinguished Senators who are so solicitous in behalf of having the inheritance tax eliminated, and at the same time favor and urge that a tax, for instance, should be imposed upon parcel post and upon commodities of consumption. I believe, Mr. President, that the inheritance tax on large estates should not have been eliminated. I do not know of any property upon which a tax can be more justly applied.

Of course, it was argued that we should leave this source of revenue to the States. Much more aptly, I say, Mr. President, could it have been contended that the annual excise tax which is imposed upon the user of automobiles could have been left to the States. When we attempt to impose a tax upon the user of automobiles, then most assuredly we invade the field of taxation of the States of the Union.

We know that excise or occupation taxes, as they are designated in the States, upon automobiles are one of the customary and familiar means of raising revenue. I voted, Mr. President, against imposing a direct tax upon the users of automobiles in this country. I felt the manufacturers who have enjoyed splendid profits, or a great many of whom at least have enjoyed even exorbitant profits during the last few years, many of them having amassed enormous fortunes out of the business, should have the tax imposed upon them, and that it should not be imposed upon those who use the automobiles and who, under the present policy of the States and the cities of the country, are already required to pay a considerable tax as an occupation or a license tax upon the use of the automobile.

I do not favor the policy in the bill regarding the exemption of the profits of corporations under the method prescribed for ascertaining the war profits by first determining the prewar profits. As I analyze that feature of the bill, it seems to me it places a premium upon the business concerns which during the prewar period sought to make enormous and abnormal profits out of the people with whom they were doing business. The portion of the bill to which I now refer provides that corporations shall have an exemption equal to their prewar profits and that such profits shall be ascertained by reference to the basic years of 1911, 1912, and 1913. Therefore, Mr. President, the corporation that made enormous profits during those years shall have as an exemption unreasonable profits, while the corporation which was making a resonable profit shall only be exempt to that extent. The measure is discriminatory in its application. This rewards the corporation which was charging exorbitant prices and making exorbitant profits prior to the war, but penalizes the industries of this country which were satisfied with moderate profits, or perchance, were not making any income upon their investment. I think that the tax should be based upon the war-profit earnings and not upon the system as suggested in this measure. The measure, as proposed by the Senate committee, would make large exemptions to companies making abnormal profits prior to the war.

Entertaining these ideas, Mr. President, and believing that there is no necessity at the present time for inflicting unnecessary tax burdens upon the consumers of the country in the nature of the various taxes which I have heretofore enumerated, because we can, by amending this bill, provide the necessary revenue by imposing proper taxes upon the wealth of the country, which is amply able to bear the burden, without inflicting any hardship upon them. I am heartily in favor of amending the measure so as to bring about these results.

I may not agree in every detail with the amendment now pending before the Senate, but entertaining as I do these views, that the tax burden should be borne by those who are amply able to bear and capable of carrying the burden, instead of by shifting it to those who are already enduring hardships, those who are already feeling the weight of their burdens, I propose to support the amendment which is now pending before the Senate providing for an increase in the tax imposed on large incomes. The people of this country who are receiving a normal or possibly a meager wage, the people of this country who enjoy but small or moderate incomes are not in a position to profit during this war. Instead of their opportunity to build for the future being enhanced, instead of their opportunity for accumulating being greater, instead of their opportunity being increased for bringing about a greater degree of happiness in their homes it is lessened. Then why, sir, unnecessarily impose upon them a burden which can be borne by the wealth of the country? The poor people of this country are patriotic. In the hour of the Nation's peril they will always fearlessly and loyally do their duty as American freemen. To tax the man of moderate means when his earnings are so small a hardship would be imposed upon himself and his family. A larger tax upon the rich, upon the swollen fortunes of the country, will impose no hardships, will not deprive any citizen or his family of their comforts and luxuries.

I shall support, Mr. President, the amendment that is now pending before the Senate.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Wisconsin.

Mr. VARDAMAN. Mr. President, in times like these statesmen can afford to be honest with themselves and candid with their constituents. In war times the individual and all he possesses belong to the Government, if the Government needs him and it, in the prosecution of the war. The Congress is now engaged in the arduous and difficult task of raising revenue with which to defray the expenses of the Government in conducting this war, and of course the thing needful to be done must be done.

Men between 21 and 31 years of age have been conscripted to do the fighting. They were not consulted about that. They must give their lives in defense of the Nation's flag whether they will or not. The strong iron autocratic hand of conscription has been laid upon them and the sovereignty of private citizenship has been transferred to the Chief Executive of the Republic. It was an unfortunate departure from the time-honored custom of this Republic, from the days when the private citizen was the ruler and the officeholder but the people's hired man, but under the pressure of the autocratic spirit, which seems to be in the ascendancy throughout the world to-day, the Congress yielded and this unfortunate piece of legislation was put upon the statute books. It now becomes the duty of the Congress to raise the necessary money with which to pay the bills of the war. The amount demanded staggers the conscience and strains the imagination, so great the magnitude. The far-reaching influence of this enormous tax levied upon the generations living and those yet to come will be felt in all the walks of life, falling most heavily upon the people who toil. It is my judgment, Mr. President, that the most just and the least burdensome of all taxes that can be levied upon the people of America at this time, or at any time, is a tax upon incomes and excess profits. Under that system of taxation a man pays in proportion to what he has, and from what he has received from society for his services.

Mr. President, I think the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE], if somewhat modified or extended, is a good law in time of peace, and I regard it as a most excellent law in time of war. I would amend the amendment proposed by the able Senator from Wisconsin by increasing the tax on the larger fortunes; but, taking it as it is, it is far preferable, in my judgment, to the measure proposed by the majority of the committee. It must not be forgotten that the system of income taxes and taxes on excess profits and the further tax on liquors which are embraced in the scheme proposed by the minority of the Finance Committee will take the place of the tax upon the necessaries of life carried in the bill reported by the majority of the committee. Upon whom will fall the burden of taxation which this so-called La Follette amendment imposes if enacted into law? Who and what character of men are protesting through the newspapers and other-

wise against the enactment of this proposed amendment? I think if Senators will consult their memories and indulge in a little retrospection, they will find that it is that peculiar type of gentleman known for the last three years as the patriotic advocate of "preparedness," the man who paid for the bunting that decorated the houses, who paid the bills for the bands that furnished the music for the preparedness parades, who bought the flags that were flaunted in the air by the hired claquers along with the real patriots who marched in the parade, who rented the screens in the moving-picture theaters to show the necessity for organizing a great army and a great navy and to demonstrate our utter unpreparedness for defense. That class of men who capitalize their pretended patriotism and who have made fabulous fortunes out of war contracts are the men who are now protesting against the enactment of the La Follette amendment or similar legislation.

It should not be forgotten, Mr. President, that these same patriots for pelf are now trying to make it appear that those of us who are endeavoring to put the burden of the expenses of this war upon that class of men who have profited by the war are guilty of disloyalty to the administration. But that is in keeping with the policy of certain Senators and newspapers. I shall not animadvert upon their conduct, rather preferring to leave to time and trial the determination of the question as to who is right in this controversy. I am willing to submit to the judgment of the American people the wisdom and unselfishness of my course, since it has the unqualified approval of my own conscience and sense of duty. But, O God, I do hope the patriotic white voters of this country may wake up and take notice. The hope of the future of this Republic lies with the patriotic plain man who will not sell his ballot for money or barter his manhood for place.

I confess that I am unable to find an objectionable feature in the proposed amendment save those that I have mentioned. Increase the tax on swollen fortunes and the amendment will be practically perfect. The suggestion that the income and excess-profits taxes should be held in reserve for another levy of taxes strikes me as being rather thin and flimsy, without sufficient spissitude to fool anybody. If the war ends, there will be no excess profits, and therefore no taxes can be levied upon them, because the result will be that the patriots who were influential in bringing on the war will get away with their booty, and we all know it will be utterly futile to talk about enacting a law that will be retroactive in its effect. But the plain, patient toiler, the men of moderate means, are always here, and therefore subject to taxation. Would it not be prudent to hold them in reserve and only tax them when the other method fails? Congress can lay its hands on the excess profits now, which amount to more than $6,000,000,000—the value of the cotton crop of America for seven years, and I submit that it should be conscripted before it gets away. Let this money, coined of the blood of the soldiers and the tears of the women and children, be compelled to pay a part of the expenses of war.

Mr. President, revenue is needed now, just as soldiers are needed, and all patriotic men who have more wealth than they need to meet the responsibilities of their homes and those dependent upon them will not object to these taxes. If a man is a traitor who refuses to give his life in the defense of the flag, what character of monster is the man who will decline to give a part of his wealth—wealth which he does not need for the necessaries of life—what sort of monster is he who will decline to give his surplus wealth for the defense of his Nation in time of war? Are the dollars of the munition manufacturers more sacred and holy than the precious son of a loving mother or the devoted husband of a faithful wife? I want to say, Mr. President, that the citizen who will take advantage of the exigencies of the war to grow rich on the misfortunes of his country and the unhappy state of his countrymen is the most despicable and undeserving of all citizens. He is the basest and most abandoned of all traitors.

Mr. President, it is generally understood that this war was brought about and entered upon without my approval or consent; but we are in it, and we are in it to win. At this or any other time when the opportunity presents itself I should like to have the President of the United States extend to the nations involved in this brutal, inhuman conflict—which I have on other occasions characterized as an impeachment of our Christian civilization and gives the lie to our pretended faith in the Prince of Peace—an opportunity to come to some understanding whereby honorable peace could be restored. The people of Europe are not permitted to speak their honest thoughts and will not so long as the war continues. They are under the command of a military despot and dare not give expression to their views. But it is my judgment that if the people of Germany were permitted to act as freemen, they would dethrone the Kaiser in 24 hours. Even in free America the strong hand of the censor has been laid upon certain editors who, while they may have been indiscreet, are nevertheless exercising their constitutional rights in criticizing their public servants. I, perhaps, more than any other man in public life have been the victim of a mendacious and slanderous press, but I prefer to suffer that injustice rather than muzzle the press. Their lies will do no harm as long as truth is free to combat them. Certainly it could not do any harm to give the belligerent nations a chance to consider a proposition for peace, and if it should hasten the day for the restoration of peace it might be the means of saving millions of men and billions of dollars, together with broken hearts and the blighted lives of the loved ones of those who may fall in the forefront of battle.

But if the war must be carried on—and I see no way around it, unless the President, as I suggest, should end it—it must be done effectively, with verve, vigor, and relentless determination. But, let the duration of the war be long or short, I do most heartily desire that the policy of our Government be such in the levying of taxes as to remove all taint or suspicion of war for financial conquest or pecuniary gain.

No nation on earth was ever confronted with the situations such as this country is confronted with at this moment. The problems which we are called upon to solve are unique in character and far-reaching in their consequences, and I fear will be exceedingly difficult to handle. We are fighting a country 3,000 miles away across the seas—seas that are infested with the rapacious submarine—and it has fallen to our lot, it seems, to furnish men and money with which to carry on the war until the common cruel enemy shall be exhausted. We went into this war side by side with autocratic Russia. At that time a Czar ruled with an iron hand, the people were, as dumb cattle, driven to the slaughter. Democratic Russia grew tired of fighting, as they had a right to do. I wish the people of Germany would do likewise. The people of Russia were not consulted about going into the war, and therefore they felt that they were not in honor bound to carry on the war. It is my belief, and has been all the time, that Russia will not be able to rally her forces for the further continuation of the war; but, for the good of America, I hope she may be able to restore order and carry her part of the war to a successful issue. All of this, Mr. President, shows the danger and unwisdom of the United States forming entangling alliances with the kingdoms of Europe, whose rulers never consult the wishes or the interests of their people. It further shows how profoundly wise and patriotic were those incomparable statesmen, Washington and Jefferson.

It is all right for us to furnish money to our allies; but, do you know, the thought of hiring anybody to do the fighting for the United States does not set well on my constitution. I recall, Mr. President, the contempt in which I was taught in my youth to hold the man who hired another man to represent him in doing a citizen's duty on the field of battle—in other words, hiring a substitute. I can not conceive of anybody or any character more contemptible—a creature who more completely disgraces the image of his Maker—than a man who would hire another to do his fighting in time of war. There are a few survivors of the period of the Civil War who took advantage of the exigencies of that war between the States to feather their nests while their substitutes were fighting for them on the field of battle. That class of men are now very impatient with anybody who dares to make a suggestion of bringing about an early peace or hasten the end of the war. I would not trust such a creature under any circumstances. Treachery is the gush of his genius, and the price of his soul is the thing he wants. I am decidedly in favor of America doing a man's part in this war if she is to do anything at all. And from the outlook she is going to do it.

Mr. President, I expect our boys at the front, God bless them, to do their duty. Patriotism with the American citizen is a common attribute. The coward and the slacker are exceptions to the rule. I will be pardoned if I suggest just at this point, that it is my judgment that every man who volunteered—mark you, I said volunteered—his services in this war, this morning desires to go to the front. They are all patriotic. Every white American soldier will do his duty, whether he be a conscript or a volunteer. There is no question, I repeat, about the patriotism and courage of the American youth. If permitted, they would have offered their services without compulsion, but another method was employed for raising an army, and I do not desire to be understood as criticizing anybody at this time for it. But I shall never consent that conscription shall be the established

policy of this Government. I was made very happy a few days ago to have the assurance from my boy, who has recently received a commission in the volunteer service, that it is his desire to go where the shot and shell fall the thickest. I should have been disappointed if I had found that he felt any other way about it. I am sure his comrades share his thoughts and aspirations on the subject. While I deprecate the war, and I wish that I had been able to have averted it, but since it has come and my country is involved, I would to God that my circumstances were such that I might go with the young men, and share their hardships and their sacrifices. But, Mr. President, that privilege will be denied me. I must be content to do my bit in some other way.

In the matter of levying taxes, let us put the burden upon those most able to bear it. Let us take the tax off of the breakfast table and the other necessaries of life. Do not, for God's sake, tax the food that sustains the starving babe, that nourishes the tired and poorly clad mother and the overworked laborer, whose toil keeps the wheels of commerce rolling, while there are billions of excess profits hoarded in the coffers of the corporations of this country. Let the wealth of the present generation, as largely as possible, pay the expenses of this war. Do not put the burden upon posterity. Do not require the men who are fighting our battles and their children and childrens' children in the years to come to pay the debts that this generation ought to bear. Let us not, for God's sake, bequeath this legacy of disaster to our children. They will have enough troubles of their own, and I submit that it is cowardly and unjust for the present generation to impose upon the future generations those burdens that we ourselves should carry. It is my thought that if war expenses could be fixed upon the generations that bring about war it would be a strong incentive for world peace. There is no doubt but that war contracts are a potential influence in creating public sentiment favorable to war. We have seen that demonstrated. I do not charge that that is the sole cause of this war, but I do charge, without the fear of successful contradiction, that some of the largest fortunes ever amassed by man have been made out of this war. And those same men are the ones who are now trying to escape taxation and put the burden of the expense of this war upon posterity. If the sufferings, the sorrows, and sacrifices which war imposes were forced upon the leaders, the rulers of the world, we would have no more wars. And America is not an exception to that rule.

Now, in conclusion, I repeat, Mr. President, let us not require the children of the young men who are doing battle at the front, and who must tote the load and suffer the almost infinite sacrifices of this war, to pay the larger part of the expenses of the war.

Mr. SIMMONS. Mr. President, the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE] is in the nature of a substitute for the income-tax rates carried in the bill as reported to the Senate by the Finance Committee.

The Finance Committee is composed of 17 Senators, the great majority of them Senators who have had long service in this body, who have been returned often to this Chamber by the vote of their constituents. As has been stated before by myself and others, the Finance Committee gave many weeks of consideration to this bill, especially to the first two titles of this bill, because they are away and beyond the most important provisions of the measure.

As has been stated before, during all of these deliberations there was no open manifestation in that committee, absolutely no evidence, that anybody there was seeking to lift burdens off of one class of the people of this country and place them upon another class. There was no evidence that anybody around that board desired to protect especially any industry of his section. I think I can say with absolute safety, Mr. President, that if any mistakes have been made by the committee they did not grow out of any purpose on the part of any member of the committee to distribute improperly the burdens and the expense of war.

Of course, I understand that it is a very easy matter for gentlemen who have not had to wrestle with these questions, who are opposed to the final action of the committee, or who for any other reason do not like the method which is recommended by the committee for raising this money, to try to call to their aid certain well-known class prejudices in this country. There is not, in my opinion, one line or one provision in this bill that justifies the charge that some Senators have seen fit to make against the bill that it attempts to impose unduly the burdens of this war upon men of small means while dealing lightly with men of large means.

I want now to make a solemn appeal to Senators on this side of the Chamber who have not read or studied this measure that they carefully read and study this bill and the reports thereon.

I am satisfied that if they will put themselves in possession of the information and the facts, understanding thoroughly the provisions of the bill in its application of these facts, they will reach a conclusion that this committee has dealt equitably and fairly with all interests in the imposition of these taxes.

Mr. President, if the income-tax rates contained in the Senate committee bill as it was amended here yesterday are unjust to the men of moderate means in this country, if they display favoritism to the men of large incomes in the country, then the amendment or the substitute which the Senator from Wisconsin has offered in tenfold degree deals unjustly with the men of moderate means and in tenfold degree deals favoredly with the men of large incomes.

Gentlemen say they want to support the amendment of the Senator from Wisconsin because they want the swollen fortunes, the great incomes, the profits of the millionaires, to bear the burden and not the small incomes of men of moderate means.

There never has been written and proposed to a legislative body as ingenious a scheme to lift the burden from the big incomes and put it on little incomes as the amendment offered by the Senator from Wisconsin. If his ingenuity had been ten times as great as it is, if he had called to his assistance the sinister cunning of all those who deal unjustly with men of small incomes, he could not have written to more successfully accomplish that purpose.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I yield.

Mr. SMOOT. In this connection I simply want to ask any Senator if he can justify the proposition, as it will be found in the fact that under the amendment offered by the Senator from Wisconsin on incomes exceeding $13,000 and not exceeding $15,000 there is to be collected $144,220,197 out of the total tax in those two brackets?

Mr. SIMMONS. Mr. President, there are those who do not believe in this stupendous war in which we are engaged. They are not in sympathy with the Government in its entrance in that struggle. They are not in sympathy with any of the measures which the Government has seen fit and necessary to take in order to bring the conflict to a successful issue. I make no personal application, but I do say, Mr. President, that that class of people in this country—I am not speaking about the Senate now—have been demanding, first, that we pay all the expenses of the war by taxation, and that this year and this generation shall bear the whole burden. They are exceedingly sensitive about placing even a small fraction of it upon future generations. Their conscience is punctured to the very core at the suggestion that the men who are to come 50 years from now, when these bonds become due, may have to pay some of the expenses of the war. They want it all placed upon the burdens of the people of this country now, right now—$10,000,000,000—$12,000,000,000—raise it by larger taxation.

Mr. President, I charge no man with wrong, but I do charge that the inspiration of that suggestion when carried to the extent that it has been carried by some in this country finds its genesis in hostility to the war itself, in a desire to make that war as unpopular as is possible. We all know that people, neither in peace times nor in war times, like taxes. We all know that you can not make a cause more unpopular in this country or in any other country than by imposing upon the people a burdensome and oppressive rate of taxation. For that reason, not only in our wars but in the wars of other countries, not only to-day but in past generations throughout the whole history of man, wars have been paid for generally more largely by the issuance of bonds than by taxation.

Yet, Mr. President, the demand comes from some sources that practically all this money shall be raised by taxation, and where the circumstances are such as to make that sort of an appeal obnoxious to the common sense of the body to which it is made it is somewhat changed, and it comes in the form of an appeal that two-thirds or three-fourths of the money shall be raised by taxation. There is no desire to spare the people who live here now. There is no desire to spare the people who are furnishing their sons to the cause, no desire to spare the people who are burdened and laboring under the load that this war has necessarily imposed upon them. Pile it higher and higher upon them. In Heaven's name, however, do not allow any portion of it to be passed on to those who are to come after us, and who are to enjoy the benefits of our success in this war, if we shall win it, as much as we shall.

Mr. President, I want to say this about the amendment proposed by the Senator from Wisconsin before I begin to analyze it. If you want to make this bill unpopular with the masses of the people of this country, the people of small and moderate incomes, if you want to make the load that is imposed upon them already heavier and heavier, if you want to exact from them an unfair proportion of the expenses of this war, then you can do it and do it very effectively by adopting the amendment of the Senator from Wisconsin.

If we should undertake to raise all the money for this war by taxation it would make it an unpopular war. If we shall undertake to raise a part of the money in a way that will be oppressive to the man of small income and light upon the man with a large income, that would be unpopular in this country. I say the bill as presented by the Senate Committee does not do that, and I do say that the amendment presented to this body by the Senator from Wisconsin does do that and nothing else but that. You could not write into this bill a provision that would make it more unpopular, a provision that would tend more to shift the burden from wealth and put it on moderate incomes, small incomes, than by the adoption of this amendment.

Mr. President, let us look at the amendment. The amendment deals with individual incomes. We have not reached corporate incomes yet; we are dealing with individual incomes. Under the bill every man in this country, every woman in this country, who has an income in excess, under the bill, of $2,000 is subject to this income-tax law; subject to it, however, in different degrees according to the income. When your committee was considering the bill in order that it might bring about equality of burdens, in order that it might call upon the whole resources of the United States for its equitable contribution to the expenses of the war, when it reached the excess profits of the bill it radically changed the House scheme, which applied that law only to corporations and copartnerships by bringing in and making subject to the law the income from the business of all individuals and citizens of the country. So, Mr. President, the individuals who are subject to this income-tax law are also subject to the excess-profits tax law. The individual first must pay the rate prescribed in that section of the bill running from 12 per cent up to 50 per cent, according to the amount of earnings, a tax upon whatever he may earn on the farm, in the mines, in the factory, in the storehouse, wherever he is engaged in carrying on his business. Whatever income he earns over and above the exemption which is allowed to individuals he must pay his excess-profits tax upon it at this rate, and after he has paid that excess-profits tax he must then pay his income tax upon the balance. It is not subject to one tax only, as it has been heretofore. It is not subject only to the income tax, but before it reaches that stage of taxation it must bear the additional burden which has been placed upon the individual.

Taking all this into consideration your committee thought that the amounts that it had prescribed for the income tax, especially in view of the fact that the individual had been made subject to the excess-profits tax, were quite high enough.

Mr. President, another thing, too. In imposing this income tax, these additional rates on the incomes after they had been subjected to the excess-profit tax, we thought that we ought to deal gently, if you will permit me to use that word, with a man of small income, that we ought not to impose upon him a tax bearing anything like the proportionate tax that we impose upon the large income. So we begin our surtaxes at $5,000, and then we run it up by good leaps where the incomes are small, and by small increases, and as the incomes grow large and larger the increases grow large and larger so as to make it light upon the man at the bottom and heavy for the man at the top.

Now, the Senator from Wisconsin has reversed that process and has laid the burden of his increase upon the small income. The Senator has explained to you this step proposition. He said if you wanted to be equitable and fair, bring your steps close together. Mr. President, if you want to make a burden heavy, you will bring your steps close together, too.

What has the Senator done? He has started with $5,000. The first increase in the tax of 1 per cent begins there, and then every time he goes up a thousand dollars he adds another per cent to the tax rate. He follows that scheme. Every time the income increases a thousand dollars he adds another 1 per cent to the surtax until he reaches incomes of $30,000. When he reaches incomes of $30,000 he has reached a maximum rate of 25 per cent increase in the surtax.

His total increase is 45 per cent, I believe, upon incomes of over a million dollars and yet of this 45 per cent increase 25 per cent is levied upon incomes of less than $30,000. He has, therefore, laid more than half the burden of his increases not upon the highest possible incomes, not $1,000,000, not $10,000,000, not $20,000,000, but he has added more than one-half of the increase that he makes upon all those incomes upon incomes of less than $30,000.

Mr. President, when the Senator was dealing with these low incomes, these incomes below $30,000, he went by very close steps; he only skipped a thousand dollars at a time, and he added another per cent for each thousand; but when he got above $30,000, when the income began to get a little bigger, he began to make his steps a little bit higher, a little bit wider, a little bit longer.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. SIMMONS. I hope the Senator from Idaho will not divert me.

Mr. BORAH. I was going to ask if the Senator makes that objection to the amendment would he be willing to add an increase himself?

Mr. LA FOLLETTE. After the amount of income gets above $30,000.

Mr. SIMMONS. What increase?

Mr. BORAH. After the income gets above $30,000, would you prefer an increased rate?

Mr. SIMMONS. I prefer the increases reported by the committee and I agree to the increases made by the Senate yesterday. I think they are just and equitable and have been worked out fairly.

Mr. BORAH. The objection which the Senator makes to this amendment is that the increase of the rate after the income reaches $30,000 is not sufficient?

Mr. SIMMONS. No; that is not the objection I am making to it. The objection I am making to it now, and the sole point I am making now is, that by the scheme which the Senator has devised it places the burden of this tax more heavily upon low incomes than it does upon the high incomes. That is the point I am making.

Mr. BORAH. It is precisely——

The PRESIDENT pro tempore. The Chair understood the Senator from North Carolina to decline to yield.

Mr. SIMMONS. No; I did not decline to yield.

The PRESIDENT pro tempore. Then the Chair misunderstood the Senator and begs the Senator's pardon.

Mr. BORAH. The Senator from North Carolina, then, in order to remedy that situation, would certainly favor increasing the per cent on incomes after they reach $30,000?

Mr. SIMMONS. I might do that; but, if the Senator from Idaho will pardon me, I would rather not be diverted from the matter which I am now discussing. When I get through with that I will take up the question which he suggests.

Mr. BORAH. Very well.

Mr. SIMMONS. Mr. President, when the Senator gets to the $30,000 income let us see how he deals with that. Then, instead of jumping a thousand dollars at a time, he proceeds to jump $2,500 at a time and makes just the same increase—1 per cent every time he jumps. He continues to make that jump of $2,500, adding 1 per cent for every $2,500 on these higher incomes in place of 1 per cent on $1,000, as on the lower incomes, until he reaches $50,000. When he reaches $50,000, Mr. President—and $50,000 is not a very big income—the Senator deals much more leniently with incomes ranging between $30,000 and $50,000 than he does with incomes ranging between $5,000 and $30,000; when he gets to $50,000—not a very big income, I repeat—the rate which he fixes is 33 per cent; in other words, Mr. President, in a total increase of 45 per cent in these surtaxes the Senator from Wisconsin, in the name of the common people, but I think in the interest of the rich, at least in the interest of making this an unpopular measure—in a total increase of 45 per cent the Senator puts 33 per cent of that on incomes below $50,000. All except 12 per cent, just three-fourths of the total increase under the amendment of the Senator, is upon incomes less than $50,000, and the other fourth is upon incomes running from $50,000 to $10,000,000 or more. It is said we want to fix it so that a man will pay according to his ability to pay; yet the Senator, the great tribune of the people in this body, would take 33 per cent out of the incomes of $50,000, from which there is perhaps not so much to spare, and would only take 45 per cent out of the incomes of the Rockefellers and the Goulds and the Vanderbilts.

Well, having reached that stage, the Senator gets a little more severe upon the man of small income and a little more kind to the man of larger income. He now changes his step again, and starting there he jumps $10,000 at a time; in other words, the tax on a $10,000 income that lies in between $50,000 and $60,000 is increased 1 per cent, but if that $10,000 income

lies at the bottom of the schedule it is increased 10 per cent. Then the Senator goes on until he reaches incomes of $80,000.

Mr. LA FOLLETTE. Mr. President——

Mr. SIMMONS. Leaping——

Mr. LA FOLLETTE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Wisconsin?

Mr. SIMMONS. Mr. President, I yield to the Senator.

Mr. LA FOLLETTE. If you do, then that is what I wanted to ascertain—whether you would yield.

Mr. SIMMONS. I think the Senator should have addressed me in a more courteous tone of voice.

The PRESIDENT pro tempore. Senators must address the Chair.

Mr. LA FOLLETTE. I did address the Chair. I simply wanted to know whether the Senator was willing to receive a correction.

Mr. SIMMONS. Yes.

Mr. LA FOLLETTE. He said that the increase from $50,000 to the next bracket above was 1 per cent, and that the increase below that was 10 per cent.

Mr. SIMMONS. No.

Mr. LA FOLLETTE. The increases below are 1 per cent for each bracket and the increase——

Mr. SIMMONS. I did not say that.

Mr. LA FOLLETTE. That is exactly what you said.

Mr. SIMMONS. It is exactly what I did not say.

Mr. LA FOLLETTE. It is exactly what you did say, for I took it down as you said it.

Mr. SIMMONS. I will let it stand at that, then.

Mr. LA FOLLETTE. That is the reason why I thought you would want it corrected, because it is not in accordance with the facts.

Mr. SIMMONS. If I said that, I did not mean that; and I do not think I did say that.

Mr. LA FOLLETTE. That is what you said, and I thought you would desire to have it corrected.

Mr. SIMMONS. What I did say was this——

Mr. LA FOLLETTE. The increase in the next bracket is 2 per cent instead of 1 per cent.

Mr. SIMMONS. The increase is from 33 to 34, from 34 to 35, from 35 to 36; that is the way it is written in the copy I have.

Mr. LA FOLLETTE. Very well; I will take care of that matter when I come to follow the Senator.

Mr. SIMMONS. I was absolutely right; I repeat it; that the $10,000 income that lies between $50,000 and $60,000 under the Senator's amendment gets an increase of 1 per cent, but if that $10,000 lies at the base of the bill, beginning with the $5,000 income, that same $10,000 would get 10 per cent increase under the Senator's amendment. He goes on at that rate of increase, Mr. President, jumping $10,000 at a time, and only adding 1 per cent. In the beginning he jumped $1,000, and when he was dealing with low incomes he added 1 per cent every time, and then when he gets to $30,000 he jumps $2,500 and adds only 1 per cent; and then when he gets to $50,000 he leaps $10,000 at a time and adds only 1 per cent.

He then leaps $20,000—from $60,000 to $80,000. The incomes that pass $60,000 can go on and on until they reach $80,000 and only get an increase of 1 per cent; but if it was at the bottom of this bill, that same $20,000 would get an increase of 20 per cent.

Mr. HARDWICK. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. SIMMONS. Yes.

Mr. HARDWICK. I notice that the bill as reported by the committee makes a few leaps in a good many multiples of $10,000. How does the Senator defend that?

Mr. SIMMONS. It does make leaps, and leaps are right when they are made fairly and equitably; but when those leaps are made in the interest of the big income and against the interest of the little income they are not fair. When the leap on a $1,000 increase, on an income from $5,000 to $6,000, is charged 1 per cent and the leap from $60,000 to $80,000 is charged only 1 per cent, or one-twentieth as much on each $1,000 as is charged to the man of low income, I leave it to the conscience and common sense of this body to say whether that is just to the poorer man.

Now, Mr. President, we have finally reached incomes of $100,000. Under this amendment there seems to be something very sacred about a hundred thousand dollar income, because as soon as the Senator leaves a hundred thousand dollars—he reached 36 per cent when he got to a hundred thousand dollars—he is within 9 per cent of his maximum; he is within 9 per cent of the increase he is going to apply to the great fortunes of the rich. When he has reached a hundred thousand dollars he puts a surtax on that $100,000 of 36 per cent. The next leap is $50,000, I believe. He jumps from $100,000 to $150,000, and only adds 1 per cent. How lightly that $50,000 gets off compared with the $5,000 and $10,000 income.

He is now at 37 per cent on an income of $150,000. Then he goes on from $150,000 to $200,000, and then he goes on another $50,000 to $250,000. Then he goes on another $50,000 to $300,000. So that between $100,000 and $300,000 he has increased his rate 1, 2, 3—just exactly 4 per cent. The first $100,000 increase carries with it a surtax under the Senator's substitute of 36 per cent. The next $100,000 increase—now, we are getting to the fortunes of the very wealthy class—the next $100,000 increase only carries an additional increase of 2 per cent.

Now, finally, we get to $300,000, and then there is a jump to $500,000, a leap of $200,000, and only 1 per cent is added. Then there is a jump from $500,000 to a million dollars, and only another 1 per cent is added. Then there is a jump from a million dollars to $1,500,000, and only another 1 per cent is added. Then there is a jump from $1,500,000 to $2,000,000, and only another 1 per cent is added.

On the first $100,000 the rate is 36 per cent. That vast chasm between $100,000 and $2,000,000—a chasm so broad that the mind of man can hardly comprehend it—only bears an increase, Mr. President, in all of 8 per cent more than the $100,000 income. Incomes lying between $100,000 and the maximum income taxable under the amendment only are subject to 9 per cent additional; and yet, Mr. President, when you start with the beginning of the Senator's amendment the increase that he makes on the first $9,000, after deducting the $5,000 that is exempt, is 9 per cent. So that the per cent of the surtax is the same upon that $9,000 income as the per cent which represents the increase from $100,000 to incomes of over $2,000,000.

Mr. President, that is held up here to this body as an amendment to lift the burdens of this income tax off the shoulders of the poor man and off the shoulders of the man of moderate income and to put it upon the man of large income.

The Senator from Wisconsin is an adroit logician; he is an analyst of great power; but I defy his brilliant intellect, I defy his trained mind to demonstrate that his amendment does lift the burden off the poor man and put it on the rich. I assert—and I think my analysis of this amendment confirms and demonstrates the truth of my proposition—that his amendment is an ingenious scheme—I do not mean to say intentionally so, but it nevertheless is an ingenious scheme, Mr. President, of lifting the burden of this income tax off the big fortunes and placing it, in larger proportion, upon the small fortunes.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the Senator for just a moment?

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Oregon?

Mr. SIMMONS. Yes.

Mr. CHAMBERLAIN. I desire to ask the Senator if he has made any estimate as to how much money will be raised in the whole country on incomes of $100,000 or less, and how much altogether will be raised on incomes of $100,000 and over up to the limit under the amendment of the Senator from Wisconsin?

Mr. SIMMONS. No; I have not.

Mr. CHAMBERLAIN. The Senator from North Carolina claims that the burden is shifted to the lesser incomes, and I wanted to know what total would be raised on incomes of $100,000 and less and what amount would be raised on incomes of $100,000 and more.

Mr. SIMMONS. I have not made those calculations. The Senator from Wisconsin did not present his amendment until late yesterday evening.

Mr. BORAH. Mr. President, the same question would be interesting with reference to the committee bill as to how much would be raised on incomes below $100,000 and how much on incomes above.

Mr. CHAMBERLAIN. I should like to add that to the question I asked the Senator and request him to furnish information on that subject.

Mr. SIMMONS. Mr. President, in conclusion let me say that your committee was asked to raise revenue to meet the estimated expenditures, which at the time of its original report amounted to something over about five billions of dollars. I am not now prepared to say the exact amount. Your committee has in this bill, together with the other revenue legislation, provided for raising that amount of money. Under existing law, taxes have been levied estimated to raise $1,357,000,000. It is estimated that this bill as it was presented to the Senate will raise something over two billions of dollars, making $3,366,000,000. There has been authorized to be sold, specifically to

meet war expenses, two billions of bonds, and about three hundred and ninety millions in addition to that.

When the Secretary of the Treasury sent his estimate to us before we framed the bill, his estimate was that the House bill, which raised one billion nine hundred and forty-odd millions of dollars, would not raise enough to meet the estimated expenditures of that time. As I have shown by the figures I have just given, we presented a bill that not only raises the additional amount that the Secretary said was necessary but raises some forty-odd millions of dollars, probably sixty-odd millions, in addition to that amount. In other words, Mr. President, we have provided for these estimates. We have not provided for certain estimates that have only recently been presented, but for which no appropriations have yet been made. When the Secretary sent those estimates up to our committee, we considered them and said: "No appropriations have been made for these estimates, and it would be probably an unprecedented thing to levy taxes upon the people to pay an indebtedness that the people have not yet approved and for which Congress has not yet appropriated." When that statement was made to the Secretary, he made no further insistence.

Mr. President, we have therefore provided for the payment of every dollar that has been appropriated by the Congress, and we have provided that of these five billions six hundred and ninety-three millions of dollars which the people are to pay this year three billions three hundred and sixty-six millions shall be paid by taxation. I undertake to say that the history of all the nations at war to-day will not show as great a percentage of annual expenditure raised by taxation. I undertake to say that the history of this country will not show any such percentage, and I undertake to say that the common sense of mankind will approve this distribution as a very liberal part for the present generation to pay—more, in my judgment, than it ought to pay. I think we should pay one-half of the expense of this war by taxation, and pay another small part of it by small serial bonds, to be spread out for 8 or 10 years, so that it will be a debt to be paid by this generation, but so as to give the people of this country 10 years in which to pay it instead of making them pay it all in one year, and let the balance, which I think ought to be at least one-third, be provided for by bonds to be paid by our posterity.

Mr. President, the blessings that are to come to this country from success in this war, the woe that is to come if we fail, will be known of our descendants. History will tell the story, and they will be worthy descendants of the people of this day. They will not hesitate, Mr. President. They will not regard it as a wrong done them by their ancestors when they are called upon to contribute their mite to the glory and to the perpetuity of their country and its institutions.

Mr. President, in the life of a man 50 years is a long time, but in the life of a nation it is but a brief span. The men who are to come after us, and to pay these bonds which we do not provide shall be paid by this generation, will reap a benefit as great as we will reap, without any of the other burdens, discomforts, and calamities to which, in these troubled times, we are subjected.

The plea, Mr. President, is a specious plea. It never has been made in this country before with the persistence and the vehemence with which it is being made to-day; and why, Mr. President? Because there was not the motive to make it that there is to-day.

Oh, Mr. President, tell me who the people are who are making this demand that we shall place the burden of all these expenses upon the people of this day and this year. Some of them are in favor of this war, but a great many of them have no sympathy with it. A great many of them have no sympathy with our taxation schemes, Mr. President, because they do not sympathize with the cause. There are men in this country to-day who are trying in every way in their power to make this war a failure, who are trying in every way in their power to embarrass this administration. I hope to God that that sentiment and that purpose and that motive will not find a lodgment in the hearts and minds of the United States Senate and control this great representative body of the people.

Mr. LA FOLLETTE. The Senator from North Carolina [Mr. SIMMONS] has sought to discredit those who have, as he says, been demanding that we pay all the expenses of this war by taxation. In order to disparage those who favor paying for the war as we go he strongly intimates, if he does not distinctly assert, that they belong to a class who are opposed to the war in which we are engaged, who desire to make the war as unpopular as possible.

Mr. President, I know of no body of men in this country who favor paying all the expenses of this war by taxation, excepting about 350 of the greatest economists in America, connected with the leading universities and colleges of the country. They believe that it would insure sound government finance for and promote justice as between classes, both now and in the generation to follow ours, if we should pay for this war as we go by taxation. I am advised of this by the fact that I found in the files of the Ways and Means Committee of the House of Representatives a petition in which they have joined, urging Congress to provide by taxation for paying the expenses of the war as we proceed.

Mr. President, in the minority report filed with the Senate a part of that petition is quoted. It was in the files of the Committee on Ways and Means of the House, and has been printed in the CONGRESSIONAL RECORD, which was the only reason for not publishing it in its entirety in the minority report. It is a very strongly reasoned petition from men who have devoted their lives to the study of economics and of government finance; and it is entitled to the respectful consideration of the United States Senate without there being lodged against the signers by any Senator an impeachment of the loyalty of these university professors to this Government.

Personally, I happen to know some of the signers of that great petition. Out of the 350 professors of political economy who signed that remarkable memorial I know of but one, sir, who was opposed to a declaration of war against Germany; and yet the chairman of the Committee on Finance proceeds to put under suspicion as to his loyalty every one of these university professors who is devoting himself strictly to the ideals and principles of the science which he has made his life work. Indeed, this is the lot of everyone who does not accept the majority report, which was so discredited in this body yesterday that it may, in part, account for the extraordinarily bitter speech to which we have listened here to-day. It is a common practice with some lawyers to seek at the outset—by casting suspicion upon the motives of the opposition—to destroy the soundness of the arguments and the value of the testimony presented by that side.

Mr. President, I might retaliate. I might say that loyalty to this Government is not devotion to the owners of big incomes and the producers of immense war profits. Devotion to this war against Germany, I say to the Senate, is not the making of a revenue bill that will place the burden of paying for the war upon the wage-earners and allow the rich and powerful to escape paying their just share of that cost.

The Senator from North Carolina, so tender of the incomes of gentlemen in this country who get $30,000 a year without drawing upon their principal, might have saved some of his sentiment for those from whom will be exacted $86,000,000 by his tax on tea, coffee, and sugar. To relieve great wealth, he, with others acting with him, imposed that tax upon these necessaries of life used by all the people of this country. He might have reserved some of his sympathy expressed so strongly for those with incomes that ranged from $20,000 to $100,000 for the people who, under the provisions of the bill that he and the group of the Finance Committee who acted with him reported to the Senate, are to pay $70,000,000 in higher transportation charges by reason of the imposition of a tax upon freight rates.

He might have reserved a bit of his tenderness of feeling for the people who are to pay $50,000,000 additional to put 3-cent stamps on their letters instead of 2-cent stamps. So on through the list of consumption taxes amounting to $406,350,000, imposed upon people already burdened with excessive war taxes in the form of war prices for the necessaries of life. And why is this unjust tax imposed upon the poorly paid and poorly fed, as the great mass of the people are at this time? Are they so well able to pay this tax of over $406,000,000 as the owners of surplus incomes and fat war profits? It is pretty late for gentlemen who agreed to that report to come before the Senate and the country and pose as the defenders of people of small and moderate incomes. It will be difficult for them to establish or maintain themselves as the friends of the poor and the people of moderate means when they favor taxing swollen fortunes at the lowest possible amount and force through these consumption taxes. I will read a few of the figures:

Seventy-seven million five hundred thousand dollars on freight rates.

Thirty-seven million five hundred thousand dollars on passenger rates.

Seven million dollars on telephone and telegraph messages.

Two million dollars voted by the Senate into this bill increases the parcel post in order to protect the express companies of the country.

I am glad to know that the Senate will have another opportunity, under the notice served by the distinguished junior Senator from Georgia [Mr. HARDWICK], to vote again upon that

amendment when the bill reaches the Senate. Before it reaches that stage I shall tender to the Senate for its consideration a substitute bill cutting out all these taxes to which I am now calling attention and increasing fairly and justly, as it seems to me, the taxes upon incomes and war profits by such an amount as will render it unnecessary to levy these consumption taxes, imposed upon the great mass of the people, and which are so ardently defended by the Senator from North Carolina.

Eighty-six million dollars on tea, coffee, cocoa, and sugar.

The total of all these taxes which will be paid directy by the people will amount to $406,350,000.

Now, Mr. President, I come to take up the amendment, which has been subjected to the severe denunciation of the Senator from North Carolina, who is the sponsor for this bill, that proposes to levy such a meager tax upon war profits as has already condemned the bill before the country and I think before the Senate. The Senator, who stands for raising the meager sum on incomes as a whole provided in the bill under the criticism of the people of the country who have made any study of it, admits its inadequacy. As evidenced by the vote taken in the Senate yesterday, the bill was rejected in the form in which it was presented to the Senate.

Now, Mr. President, I want to take up this amendment which I have proposed, and if Senators will give me their attention I am confident they will be convinced of the reasonableness of these rates. Mr. President, this amendment is not by any means a perfect assessment of taxes upon incomes. I made the rates as high upon the high incomes as I dared to and offered it with the hope that the Senate would adopt it. It does not, in my judgment, tax the large incomes at as high a rate as they should bear.

Now, let us see what it really does, for I am prepared to tell you exactly how much money a man with a given income under the amendment which I have offered will have to pay and what per cent it is of his income.

A man with a $3,000 income will have to pay $20 under the amendment as I have proposed it, and I shall ask leave now to print this table in connection with the amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table referred to is as follows:

The amount of tax a married person would pay at each bracket upon a given income under the proposed amendment, showing the rate per cent upon each income compared with the British rate.

Income.	Total tax.	Per cent.	Rate under the British law.	
			Earned.	Unearned.
$3,000	$20	0.66	12½	17½
$5,000	80	1.60	15	20
$6,000	130	2.17	15	20
$7,000	190	2.71	15	20
$8,000	260	3.25	18¾	22½
$9,000	340	3.78	18¾	22½
$10,000	430	4.30	21¾	25
$11,000	530	4.82	21¾	25
$12,000	640	5.33	21¾	25
$13,000	760	5.85	29½	
$14,000	890	6.36	29½	
$15,000	1,030	6.87	30½	
$16,000	1,180	7.37	30½	
$17,000	1,340	7.88	30½	
$18,000	1,510	8.39	30½	
$19,000	1,690	8.89	30½	
$20,000	1,890	9.45	32½	
$21,000	2,100	10.00	32½	
$22,000	2,320	10.54	32½	
$23,000	2,550	11.09	32½	
$24,000	2,790	11.62	32½	
$25,000	3,040	12.16	34½	
$26,000	3,300	12.69	34½	
$27,000	3,570	13.22	34½	
$28,000	3,850	13.75	34½	
$29,000	4,140	14.23	34½	
$30,000	4,440	14.80	35½	
$32,500	5,215	16.05	35½	
$35,000	5,815	16.61	37½	
$37,500	6,840	18.24	37½	
$40,000	7,690	19.22	39½	
$42,500	8,590	20.21	39½	
$45,000	9,513	21.14	40½	
$47,500	10,465	22.03	40½	
$50,000	11,440	22.88	42½	
$80,000	15,540	25.90	42½	
$80,000	24,140	30.17	42½	
$100,000	33,140	33.14	42½	
$150,000	56,140	37.76	42½	
$200,000	81,140	40.57	42½	
$250,000	106,640	42.66	42½	
$300,000	133,140	44.38	42½	
$500,000	243,140	48.63	42½	
$750,000	383,140	51.08	42½	
$1,000,000	533,140	53.31	42½	
$1,500,000	863,140	57.54	42½	
$2,000,000	1,198,140	59.91	42½	

Mr. LA FOLLETTE. A man who has a taxable income of $3,000 will pay $20 tax, which amounts to two-thirds of 1 per cent upon his taxable income. Under the British law such an income would pay 12½ per cent.

Upon a $5,000 income he will pay 1.6 per cent, or $80. Does that seem to Senators here like an unreasonable income tax to pay upon an income of that amount?

Upon an income of $6,000 he will pay the sum of $130 to help support this war. That is, the total tax that he will pay amounts to 2.17 per cent, as against an English rate of 15 on earned and 20 per cent on unearned incomes of like amount.

Mr. TOWNSEND. To make it clear, may I ask the Senator if this is the additional tax that he will pay?

Mr. LA FOLLETTE. No; it is the total tax that he will pay.

Mr. VARDAMAN. May I ask the Senator a question in order to make his proposition thoroughly understood? The Senator's amendment takes the place of other taxes levied in the majority bill?

Mr. LA FOLLETTE. Proposed to be levied by the majority bill.

Mr. VARDAMAN. It takes the place of the taxes in the brackets?

Mr. LA FOLLETTE. Yes, sir. It is contemplated that if we shall add sufficiently to the war-profits tax and to the individual income taxes when we come to consider that question in this connection, with this we will be able to eliminate all consumption taxes.

Mr. VARDAMAN. That is the point I wanted the Senator to make.

Mr. LA FOLLETTE. Then we could strike from the bill all taxes included in the bill from Title V to Title IX, inclusive, and Title XI.

Mr. VARDAMAN. It takes the place of the taxes on the necessaries of life and on freight rates——

Mr. LA FOLLETTE. All those taxes that have been under discussion here.

Mr. VARDAMAN. On parcel-post packages and all?

Mr. LA FOLLETTE. Yes, sir.

Mr. BROUSSARD. Will the Senator yield for a question?

Mr. LA FOLLETTE. Certainly.

Mr. BROUSSARD. The Senator speaks of a tax on an income of $3,000. I understand that incomes of $3,000 are exempt from the tax.

Mr. LA FOLLETTE. Under the old law, but not by the bill as reported by the majority, and so I have followed the majority with regard to taxing those incomes.

Mr. BROUSSARD. A further question. What amount of money is exempt from taxation under the bill of the majority?

Mr. LA FOLLETTE. Incomes of $1,000 or below for unmarried men, and incomes of $2,000 or below for married men.

Mr. BROUSSARD. Does the $3,000 income referred to in the first statement made by the Senator mean $3,000 above the exemption fixed?

Mr. LA FOLLETTE. If I understand the Senator.

Mr. BROUSSARD. I am not clear in my mind as to that. As I understand the bill of the majority, there is an exemption of $1,000 for single men and $2,000 for married men. Is the $3,000 upon which the Senator calculates the tax the amount of money in excess of the exemption or does it include the tax upon the entire amount?

Mr. LA FOLLETTE. No; it is just the amount over and above the $2,000 that pays that percentage.

Mr. SMITH of Georgia. Let me ask the Senator a question, as I am not very sure about the tax proposed.

Mr. LA FOLLETTE. If the Senator will just let me add one sentence, let me say that upon incomes up to $5,000 the amendment as I have proposed it carries exactly the same rate per cent as the committee amendment. I have made no increase until I reach incomes of $5,000 and over. Now I will be glad to yield to the Senator from Georgia.

Mr. SMITH of Georgia. The committee bill does not impose a tax on incomes of $3,000 of $200 or $150, as I understand it.

Mr. LA FOLLETTE. Oh, no.

Mr. SMITH of Georgia. As I understand it, it is only 2 per cent for a married man on the $1,000 between the $2,000 and the $3,000, which would really be only $20.

Mr. LA FOLLETTE. Yes.

Mr. SMITH of Georgia. And this new tax of 2 per cent starts at $2,000.

Mr. LA FOLLETTE. For married people.

Mr. SMITH of Georgia. Yes; that is what I mean. It would then be only $40 for the $2,000 between $2,000 and $4,000.

Mr. LA FOLLETTE. The amendment which I propose makes no changes in the committee report up to $5,000. I would like to get that straight.

Mr. HOLLIS. I think the Senator is in error there. There is no change until it reaches $6,000.

Mr. LA FOLLETTE. Above $5,000 and up to $6,000.

Mr. HOLLIS. No; above $6,000. At $6,000 the majority plan taxes 5 per cent, and so does the Senator under his plan. From $6,000 up the Senator would increase it.

Mr. LA FOLLETTE. That is true. I did misstate myself there. My tables show that at above $5,000 and not exceeding $6,000 the rate is the same as the total rate of the committee.

Above $6,000 and not exceeding $7,000, my rate is 6 per cent and their rate is 5 per cent. There is where the line of departure occurs. I had made the division here wrong.

If Senators will be so kind as to follow me I should like it, because a statement of the amounts paid in the proposed amendment and the rate at which they are paid is a complete answer to the argument made here by the Senator from North Carolina that this proposed amendment is unjust.

On an income of $7,000 the amount paid is $190 and the rate is 2.71 per cent.

On a taxable income of $8,000 under the amendment the amount paid is $260 and the equivalent rate is 3.25 per cent.

On $9,000 the tax paid is $340 and the rate is 3.78 per cent.

On $10,000 the tax paid is $430 and the rate is 4.3 per cent.

On $11,000 the tax paid is $530 and the rate is 4.82 per cent.

On $12,000 the total tax paid is $640 and the rate is 5.33 per cent.

On $13,000 the amount paid is $760 and the rate is 5.85 per cent.

On $14,000 the total tax paid is $890 and the rate is 6.36 per cent.

Mr. SMITH of Georgia. May I ask the Senator a question there, so as to understand his figures a little better? Does that mean that the total income is $14,000, or that the income in excess of the exemption is $14,000?

Mr. LA FOLLETTE. It means where the total income is $14,000.

On $15,000, under my amendment, he would pay $1,030, or 6.87 per cent.

On $16,000 he would pay $1,180, or 7.37 per cent.

On $17,000 he would pay $1,340, or 7.88 per cent.

While a little later I shall state the British income tax, I pause just here to say that I should like Senators to know that where our normal rate is 2 per cent the British normal is 25 per cent, attaching to all incomes over $12,500, and then they add a supertax on top of that. Now I am talking about an income of $17,000, which pays $1,340, or 7.88 per cent, including the normal of the existing law and the war normal and the war surtax. The British income normal upon that amount would be 25 per cent, and with the supertax the British rate on an income of $17,000 is 30⅝ per cent. Yet the chairman of the Finance Committee shouts his denunciation of a proposed amendment that would levy a tax upon a $17,000 income of 7.88 per cent, when Great Britain's normal tax alone is 25 per cent on that amount, to say nothing of the supertax imposed in addition to the normal tax.

Mr. OWEN. What is the supertax?

Mr. LA FOLLETTE. I will have to refer to the table to give that. I will again, referring to the British rates in order that Senators may understand just what they are doing, after I have gone through this normal tax. It is a normal tax of 25 per cent.

Mr. SMOOT. No; the Senator is mistaken.

Mr. LA FOLLETTE. It is right here. I read from a little work by a member of the British Parliament. I am diverted to do it because the Senator from Utah interrupts me:

> Unearned incomes of upward of $10,000 pay 25 per cent on the whole income. Unearned incomes of more than $12,500 pay similarly.

Now, that is what we call our normal 2 per cent. Great Britain's normal and constant tax that runs through all these schedules is 25 per cent, and discussing the supertax imposed this author says:

> Supertax applies to all incomes in excess of $15,000, is an additional duty, irrespective of ordinary income tax.

What we call the normal tax they call the ordinary tax.

> It is levied upon amounts in excess of a fixed sum of $12,500; and the tax is graduated from a minimum of 4½ per cent of the first $2,500 of the excess over $12,500 to a maximum of 17½ per cent, payable on that portion of the income exceeding $50,000.

Which is added to the 25 per cent ordinary or normal tax, bringing it up to 42½ per cent.

Now, Senators, go with me step by step through the taxes which this amendment proposes upon incomes. I have given you what you would pay upon incomes of $17,000, upon incomes of $18,000, mind you, over and above your exemption, which for this war tax is $2,000 if you are married. Upon incomes of $18,000 over and above the exemption you would pay $1,510 or 8.39 per cent.

Mr. JONES of Washington. Mr. President, there seems to be a misunderstanding among Senators as to just what that covers. I understand that is all the tax a man would have to pay under existing law.

Mr. LA FOLLETTE. All the tax he would pay under existing law and under the proposed amendment as reported by the committee and as proposed to be amended by myself.

Mr. JONES of Washington. I wanted to get that clear. That is the way I understand it.

Mr. LA FOLLETTE. This would tax only the incomes of individuals. I want it understood that the total amount of income tax that is to be paid, if this amendment which I propose is adopted, includes what is to be paid under existing law and what will be paid under the new law, if my amendment is adopted. I thank the Senator for the interruption, because I can not afford to have any misunderstand. This is a matter that is going to be subject to review.

Upon incomes of $19,000 $1,690 is to be paid, or 8.89 per cent tax. Does that seem to any Senator here like an unreasonable tax upon an income of $19,000? Mark you, that is the income with your exemption of $4,000 under the existing law and of $2,000 under this proposed tax deducted. That would mean for every married man with an income of $19,000 he would pay under my amendment only a 8.89 per cent tax. Under the British law he would pay 30⅝ per cent.

Upon an income of $20,000 he would pay $1,890 of it to the Government in this great emergency, which would be 9.45 per cent only.

Upon an income of $21,000 there would be paid a total tax of $2,100, or 10 per cent.

Upon an income of $22,000 there would be paid $2,320, or 10.54 per cent income tax.

Upon an income of $23,000 you would pay as the measure of your patriotism $2,550, or 11.09 per cent.

Mr. OVERMAN. I should like to ask the Senator what, under the majority report, would be the tax on $25,000 compared with the Senator's amendment?

Mr. LA FOLLETTE. I am not sure that I can give that. As they furnish it in their table they give it for $20,000 and not $25,000. You would have to figure it. Under the several rates you pay a different rate on every bracket on your income. It is a combination of several rates. If your income is $20,000, you do not pay the amount that happens to be set opposite $20,000 bracket in the bill.

You pay at each step a lower rate as you ascend to $20,000, according to the brackets in the bill. They have not figured it out for $25,000, but they have figured it out for $20,000, and I am able to make the comparison.

Mr. OVERMAN. Take the per cent on $20,000.

Mr. LA FOLLETTE. I will give that to you in just a second.

Mr. SMITH of Georgia. It is 12.30 per cent on $20,000 and 25.30 per cent on $30,000.

Mr. LA FOLLETTE. I will in just a moment give precisely what the rate is. They do not give in their table how much will be paid, but they give the total per cent.

Mr. SMITH of Georgia. They give the total amount also on page 23. It shows that on an income of $20,000 the tax is $1,230 and on an income of $30,000 the tax is $2,530.

Mr. LA FOLLETTE. Yes, sir. Now I will give it to you and give you the per cent. I will go back to $20,000, under the amendment which is before the Senate. Under my amendment a $20,000 income, over and above the exemption, will pay $1,890, or 9.45 per cent; under the proposed committee amendment it will pay $1,230, or 6.1 per cent. That is the difference. If your income is $20,000, if you vote for the majority plan you will only have to pay an income tax which is equivalent to 6.1 per cent.

Mr. SMITH of Georgia. That would be upon the total income if it were calculated without regard to any exemption whatever?

Mr. LA FOLLETTE. Yes; I think that is understood by everybody now. If you vote with the chairman of the committee for the majority plan, instead of for my amendment, and you have a $20,000 income, you will get off with 6.1 per cent; you will only have to pay $1,230; but if you should vote for my amendment, you will have to be a little bit more patriotic; you will have to pay 9.45 per cent, or $1,890.

Mr. President, I had gotten down, I think, if anybody has followed me and can tell me——

Mr. OVERMAN. To incomes of $25,000.

Mr. LA FOLLETTE. To incomes of $23,000. I now come to taxable incomes of $24,000. Upon an income of $24,000 you

would have to pay under the amendment which I have offered $2,790, or 11.62 per cent.

Mr. SHAFROTH. Will the Senator please answer me a question? What is the exemption under the English law? The Senator has stated, I think, that the English rate is 25 per cent on all incomes over $15,000.

Mr. LA FOLLETTE. The exemption, or abatement, as it is termed, under the English law varies with the size of the income and is not allowed on incomes in excess of $35,000. Incomes under $650 are not taxed in England.

Mr. SHAFROTH. That is, all above $650 must bear an income tax?

Mr. LA FOLLETTE. Yes; but it does not have to bear what they call the ordinary tax and what we call the normal tax of 25 per cent until it reaches for unearned incomes $10,000 and for earned incomes $12,500. At that point the normal tax of 25 per cent attaches; below that they have a graduated tax, which is heavier than I should like to see imposed upon small incomes in this country.

Mr. BORAH. Mr. President, may I make a suggestion there with reference to the tax upon the small incomes in England, to which reference was made on yesterday? They have there the distinction between earned and unearned incomes——

Mr. LA FOLLETTE. Yes.

Mr. BORAH. Which makes a vast difference in the situation. We have not yet that distinction in this country, though we shall have to come to it at some time. If we had the distinction between unearned and earned incomes, we could afford to go much lower in taxing the incomes than we do at this time; that is, make the exemption much smaller.

Mr. LA FOLLETTE. Mr. President, perhaps it will save time for me to read a statement from Mr. Urban H. Broughton, a member of Parliament, on the English income tax. This is a recent publication—1916:

> Income tax is now levied upon all incomes exceeding $650, but certain special abatements are granted in respect to all persons whose total incomes do not exceed $3,500. The rate upon unearned incomes is higher than that upon earned incomes—

Earned incomes are derived from a man's efforts, unearned incomes are derived from accumulations, from reserve capital, from investments, and all that sort of thing—

> but when the income is greater than $12,520 this distinction disappears.
>
> The rate upon incomes (less abatements) from $650 to $10,000 is graduated from a minimum of 11¼ per cent of the income remaining after deduction of the abatements referred to, up to a maximum of 22½ per cent payable on the total income; and the rate varies accordingly as the income is earned or unearned. Unearned incomes of upward of $10,000 pay 25 per cent on the whole income; earned incomes of more than $12,500 pay similarly.
>
> Supertax applies to all incomes in excess of $15,000 as an additional duty, irrespective of ordinary income tax.

That is the normal tax, as we call it here—

> It is levied upon amounts in excess of a fixed sum of $12,500; and the tax is graduated from a minimum of 4½ per cent of the first $2,500 of the excess over $12,500 to a maximum of 17½ per cent payable on that portion of the income exceeding $50,000.

Then, after the income gets to $50,000, the rate is 17½ per cent added to the 25 per cent normal or ordinary, which makes 42½ per cent tax on incomes from that on. They do not have any tenderness of feeling; they have not that highly commendable consideration for the distinction between incomes of $50,000 and above that the chairman of the Committee on Finance manifested to such moving degree this morning. They tax all incomes above $50,000 a flat 42½ per cent. They do not raise that rate as incomes mount up into the millions, though I think they should, and I shall be very glad to raise the rate on such incomes higher than anything which is suggested by the majority. The only reason why I fixed the rates in this amendment as I have done is because, in the first place, if you want an income tax to be effective you have got to gather the greater portion of it upon incomes ranging from twenty, thirty, forty, fifty, sixty, seventy, eighty, one hundred, one hundred and fifty, two hundred, two hundred and fifty, three hundred, and four hundred thousand dollars. It is right in there that the great mass of the incomes of the country—the large number of incomes—are to be found from which we can derive a considerable revenue. It is a mockery, Mr. President, to present a bill that puts very high income taxes only upon the incomes which reach a million dollars and two million dollars and more; there are only 120 incomes in this country above a million dollars.

It will sound well; it will go to the country as a big tax on Rockefeller; but all of that great body of rich, that great body of incomes ranging from $50,000 to $500,000 are not affected by a 50 or 60 or 70 per cent rate on incomes of a million dollars or more.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER (Mr. GERRY in the chair). Does the Senator from Wisconsin yield to the Senator from Mississippi?

Mr. LA FOLLETTE. I do.

Mr. VARDAMAN. May I suggest to the Senator that I think it would improve his amendment if he would so frame it as to increase the tax on great fortunes?

Mr. LA FOLLETTE. I should be most happy to do so if I could get support on this floor for reaching down into the pockets of those who receive big incomes. This amendment does not represent my ideal of an income tax, but it represents all I hope to get out of the United States Senate.

Mr. VARDAMAN. I hope the Senator will offer an amendment in harmony with the views he has expressed. I should like to vote for it, and I think every other Senator would do so; certainly the chairman of the committee would vote for it, as he criticized the present basis on which the Senator's amendment is framed.

Mr. LA FOLLETTE. But the Senator must understand that one who presents an amendment of this kind labors under the embarrassment that when he offers the amendment he is called upon to make an estimate as to what the amendment will produce in revenue, and if he can not do that he is more or less at sea. Conservative Senators scratch their heads and say: "Well, we do not know just what revenue this will produce as a whole." Then when the amendment is presented if the Senator offering it begins to vary it, all calculations and tables which he has made upon it as it was prepared, the result of days and nights of labor, are no longer strictly applicable and must be modified to meet the changes in the amendment.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Washington?

Mr. LA FOLLETTE. Mr. President, while it is no part of the explanation which I started out to make of the table, I am going to ask to insert in this connection and as an appendix to my remarks the figures as to personal income, the number of returns, and so forth, as found in the Statistical Abstract for 1915, and also for 1916, if that has been issued.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LA FOLLETTE. Now I yield to the Senator from Washington.

Mr. JONES of Washington. I think that covers what I was going to ask. I notice that the chairman of the committee seems to think that the adoption of this amendment would cause widespread dissatisfaction among the 100,000,000 people in this country, and I was just going to ask the Senator if he knows how many people, according to the last report, would be affected by this income tax? My recollection is that I have seen somewhere that the income tax affects a little over 300,000 people out of over 100,000,000 of people of the country.

Mr. LA FOLLETTE. I thank the Senator. The Senator from North Carolina said that this amendment was manifestly offered and that this movement to raise a large amount by taxation on incomes was backed by those who want to make this war unpopular with the people, and that my amendment will have the effect of spreading, like a prairie fire, discontent among the great masses of the people of this country because of the increases made in the tax on incomes as I have been reading them and as they are covered by my amendment. A reference to the Statistical Abstract shows that there are about 350,000 people out of 104,000,000 people who are affected at all by this amendment.

Mr. JONES of Washington. Mr. President, if the Senator will permit me, the Senator from Iowa [Mr. KENYON] gives me the figures for 1915 of those who paid income taxes, and the number was 336,672.

Mr. LA FOLLETTE. I have the figures accurately, then—336,672 are to be aroused to hostility to the war. The Senator from North Carolina is much disturbed lest the war spirit of this country will be dampened and chilled by an increase in the taxes upon incomes affecting a little over 300,000 people, when I think it will rejoice, Mr. President, the 103,700,000 people to know that those who have incomes and are able to bear their share in the great struggle are called upon in the amendment which I have proposed to make some sort of a stagger toward doing their bit.

If either one of the propositions now before the Senate is calculated to arouse hostility to this war and sow widespread discontent among the people against a war unpopular to start

with, augmenting its unpopularity, I ask you whether it is the majority report that takes such tender care of war profits and the taxes upon the incomes of the rich and places a burden of nearly a half billion dollars onto the great body of the people of this country already taxed by war prices from 50 to 100 per cent, or this proposition to make surplus incomes pay a just share of these war costs? I ask you, Mr. President, which proposition is most likely to be productive of disturbance and discontent and to spread dissatisfaction and render the war unpopular, that which is brought in here by the majority or that which comes here backed by not only the three Members of the minority who signed the report but, as evidenced yesterday, by another Member of the majority? I know, Mr. President, however they may go on record here in response to what is called committee loyalty, that deep down in the hearts of enough members of the Finance Committee to make a majority is the feeling that this bill is a monumental blunder.

Mr. President, when I was diverted, or when I myself digressed from the presentation of the table which elucidates and explains the amendment I have offered, I had read in the regular order of brackets in the table as applied to that amendment the figures as to taxable incomes of $24,000.

On a taxable income of $25,000 the total tax paid would be $3,040 and the rate per cent 12.16.

On a $26,000 taxable income under my proposed amendment the total amount paid in taxes would be $3,300 and the rate 12.69 per cent.

On a $27,000 taxable income the amount paid in taxes would be $3,570 and the actual rate would be 13.22 per cent.

A $28,000 taxable income would pay a total tax under my amendment of $3,850, or 13.75 per cent.

A $29,000 income under my proposed amendment would pay a total tax of $4,140, and would pay that tax based upon an actual rate of 14.28 per cent.

A $30,000 income would pay $4,440, or 14.80 per cent.

Let us see what the committee proposition would take out of a $30,000 income. Where my amendment would take $4,440, the bill as reported by the committee would let the man off with $2,530 and the rate per cent would be 8.43. The rate per cent under my amendment would be 14.80 and the rate per cent under the British law would be 25 per cent flat—more than the combined rates both of the majority bill and the amendment proposed by me, and added to that the surtax, making the total under the British law 35⅝ per cent.

Mr. SMITH of Georgia. Is not that English tax based upon an income from investment rather than from individual effort?

Mr. LA FOLLETTE. No; after you reach $12,500 earned and unearned incomes take the same rate. I have just read into the RECORD a statement as to the English law.

On an income of $32,500 the amount paid under my amendment would be $5,215, and the rate is 16.05 per cent.

On an income of $35,000 the amount paid under the amendment I have offered would be $5,815, and the rate per cent 16.61.

Mr. President, I am going to ask to supply in the table from which I have been reading, and which I already have the consent of the Senate to print in another column, the per cent that would be paid on the same incomes under the British income tax.

The PRESIDING OFFICER. Without objection, permission is granted.

Mr. LA FOLLETTE. The comparison would be very interesting.

Upon a taxable income of $37,500 the total tax paid under the amendment I have proposed would be $6,840, and the rate per cent would be 18.24.

I wonder if Senators would be interested in knowing what the British rate is? Where the rate which would be imposed by my amendment would be 18.24 per cent, the British rate on exactly the same income would be 37½ per cent—almost twice as much.

Mr. BRADY. Mr. President, I think it would be well for the Senator to furnish that comparison all the way through.

Mr. LA FOLLETTE. I will do so. I have just obtained the consent of the Senate to do that. I might have read them if I had found earlier this table of British incomes.

Mr. BRADY. I think that will be very beneficial information.

Mr. LA FOLLETTE. Yes, sir; I will furnish it all the way through.

On an income of $40,000, under my proposed amendment, a total tax of $7,690 would be paid, and the actual rate on that income would be 19.22 per cent. I will now ask the Senator from Washington to state what the British rate would be? I have handed him a table which shows it. I will ask him just to follow me, and read from that table what the British rate would be on an income of $40,000.

Mr. JONES of Washington. The British rate would be 39⅛ per cent.

Mr. LA FOLLETTE. Thirty-nine and one-sixth per cent, as against 19.22 per cent in the amendment which I have proposed—just double.

An income of $42,500 would pay, under my amendment, an income tax to help prosecute this war of $8,590, at an actual taxable rate of 20.21 per cent.

Mr. JONES of Washington. The British rate is 39½ per cent.

Mr. LA FOLLETTE. An income of $45,000 under the amendment which I have proposed would pay a tax of $9,515, the actual rate being 21.14 per cent.

Mr. JONES of Washington. The British rate is 40⅜ per cent.

Mr. LA FOLLETTE. An income of $47,500 under the amendment which I have proposed would pay a total tax—including the tax of the existing law, of course—of $10,465, or 22.03 per cent.

Mr. JONES of Washington. The British rate is 40⅜ per cent.

Mr. LA FOLLETTE. An income of $50,000 would pay a total tax under the amendment which I have offered of $11,440, the total rate of taxation being 22.88 per cent. What is the total rate of a $50,000 income tax in Great Britain?

Mr. JONES of Washington. Forty-two and one-half per cent.

Mr. LA FOLLETTE. Mr. President, from that time on the British rate does not increase. It remains, upon all incomes, at 42½ per cent. In the pending amendment the rates are increased, as will be observed as I proceed to present the table; and I will say that I should be very glad if the Senate would increase these rates upon the higher incomes. You can not get them too high for me unless you put them so high—and there is no danger of the United States Senate doing that—as to interfere with the efficiency and the production of our industrial and commercial enterprises. I should not like to see the rates placed at a point where that would result.

Mr. JONES of Washington. Mr. President, I might suggest here that the Senator has placed as a part of his amendment at the close, covering the very high incomes, the amount fixed by the Senate by a unanimous vote yesterday.

Mr. LA FOLLETTE. Exactly, Mr. President. I have gone as far as the Senate has given any indication of its willingness to go in the very high incomes.

Mr. KING. Mr. President, will the Senator permit an inquiry?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LA FOLLETTE. Very gladly.

Mr. KING. In making the investigations, limited as they are, that I have made respecting these matters, it seemed to me that the increases, if increases were to be had over the Senate bill, ought to be more largely upon income tax than upon the profit tax of corporations, for the reason that a large portion of the profit tax of corporations, after being taxed in the hands of the corporations, would be distributed as dividends, and, of course, would be taxed again, and a considerable portion of those dividends would reach the hands of small income holders. Therefore it seemed to me that it would be more advantageous to tax incomes than to tax corporation profits; that is, to increase the rates more largely upon incomes than upon corporation profits. Has the Senator considered that feature, and has he reached a similar conclusion or a different conclusion?

Mr. LA FOLLETTE. Mr. President, I will say that I have been rather forced to the conclusion that we should raise about double the amount from war profits that we raise from incomes, because a considerable portion of the amount which we raise from incomes is derived from fixed investments that are not affected at all by the war, while all that we raise from war profits is derived from sources that are created by the war itself, and we leave untaxed so far as the war-profits tax is concerned all of the normal profits. But I should prefer to defer a further discussion of that until we come to the war-profits tax.

Mr. President, proceeding with the statement of this amendment and the amount of tax derived from each bracket, I give now the next.

Upon an income of $60,000, the total tax paid would amount to $15,540, and the rate would be 25.90 per cent under the proposed amendment; while the rate per cent under the British income-tax law would be 42½. Mr. President, if you should adhere to the committee provision, instead of the proposed amendment, upon a taxable income of $60,000, instead of $15,540, you would pay $6,630. Instead of 25.90 per cent, you would pay 11.05 per cent.

Upon a taxable income of $80,000, under the amendment which I have proposed, added to the existing law, you would pay a total tax of $24,140, or at an actual rate of 30.17 per cent. Now, if that is not big enough to suit the distinguished

Senator from North Carolina, I will accept, if he will offer it, an amendment increasing that amount, without any argument whatever. Indeed, I would be mighty glad to get the approval of the chairman of the Finance Committee for increasing all of these amounts from $30,000 up to any number of millions.

Upon an income of $100,000 there would be a total tax paid under my amendment of $33,140, the actual tax rate being 33.14 per cent. Where you would collect under my amendment $33,140 you would collect under the committee proposition, which I seek to amend, $15,630, and where the rate per cent would be under my amendment 33.14 the rate per cent under the committe report would be 15.63.

Upon an income of $150,000 there would be paid $56,140 under my amendment, at an actual tax rate of 37.76 per cent. Where a man with an income of $150,000 would pay $56,140 under my amendment he would pay under the committee provision $30,130. Where he would pay at the rate of 37.76 per cent under my amendment he would pay at the rate of 20.9 per cent under the committee amendment.

Upon an income of $200,000 under the amendment which I have proposed there would be paid a total tax of $81,140, or 40.57 per cent. Under the committee bill there would be paid $46,630, as against $81,140 under the amendment I have offered, at an actual tax rate of 23.30 per cent under the committee bill, as against the tax rate of 40.57 per cent under my proposed amendment.

An income of $250,000 would pay under the pending amendment $106,640, or 42.66 per cent, and under the majority bill $65,130, at an actual tax rate of 26.05 per cent.

An income of $300,000 would pay, under the amendment which I have proposed, a total tax of $133,140, which would be 44.38 per cent of the income. If that is not high enough to suit the Senator from North Carolina, let him rise and propose an amendment increasing it. I will accept it. Where under my amendment you would collect $133,140, under the bill, as reported by the chairman of the committee, you would collect $85,630. Where my rate per cent would be 44.38, the rate per cent of the majority of the committee would be 28.5.

Upon an income of $500,000, under the amendment which I have proposed there would be paid $243,140 at an actual tax rate of 48.63 per cent.

Mr. TOWNSEND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. In just a minute.

Where the total tax under my amendment for that taxable income would be $243,140, under the committee amendment it would be $173,630, or 34.73 per cent, against the actual tax rate proposed under my amendment of 48.63 per cent.

I now yield to the Senator from Michigan.

Mr. TOWNSEND. I was just trying to follow the Senator. If I get his amendment right, he does not include in one bracket income from $500,000 to $1,000,000, but from $500,000 to $750,000, under the amendment which he proposed last evening.

Mr. LA FOLLETTE. It may be that in the press of making up this table one of those brackets was missed. I am not certain; but the Senator may not have the amendment which I proposed. I have three amendments upon the tables of Senators.

Mr. TOWNSEND. This is the one that the Senator proposed late last night.

Mr. LA FOLLETTE. I understand how that came about, Mr. President. I accepted yesterday afternoon, before I had given the order for this table, the amendments offered by the Senator from Rhode Island [Mr. GERRY], which brought in that new bracket of $750,000; but it will not very materially change the result.

My attention has just been called by the Senator from North Dakota [Mr. GRONNA] to the fact that according to the official report only 174 people in the United States pay taxes under the existing tax law upon taxable incomes of $500,000 or more.

Mr. BRADY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LA FOLLETTE. I yield.

Mr. BRADY. At this point I want to call the Senator's attention to the number of persons who made returns in 1915, according to the Statistical Abstract of the United States for that year, to demonstrate that the amendment offered by the Senator from Wisconsin is not going to create the great dissatisfaction in the country that the chairman of the committee seemed to think it might. While my figures may not be entirely accurate, since the matter has been under discussion just a few moments ago I have taken the figures from the records here before me.

According to the minority and majority reports of the committee, the tax rate does not change, or is entirely equal, up to $25,000. Is that correct, according to the committee reports here?

Mr. LA FOLLETTE. Does the Senator mean the committee bill?

Mr. BRADY. I refer to the Senator's amendment offered yesterday. What is the income tax on $25,000 according to the Senator's amendment?

Mr. LA FOLLETTE. The actual tax would be $3,040.

Mr. BRADY. And what is the rate?

Mr. LA FOLLETTE. The rate per cent is 12.16 per cent.

Mr. BRADY. That is practically the same as the committee rate. Up to that amount, incomes of $25,000 and under, there were 335,830 taxpayers, so you do not affect the large majority of those who are paying taxes and making returns. Over $100,000 and up to $500,000 there are only 2,148, and from $500,000 up there are only 174. Taking all those above 13 per cent, where the amendment of the Senator from Wisconsin commences to raise the income tax, it only affects 21,985 people, so it is very easy to see that there is not going to be any particular revolution on account of the additional income tax.

Mr. GRONNA. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from North Dakota?

Mr. LA FOLLETTE. I do, with pleasure.

Mr. GRONNA. I said a moment ago that I had been unable to secure a copy of the Statistical Abstract for 1916. It has been issued, however. I want to call the Senator's attention to the fact that the number of people who would pay an income tax on incomes between $250,000 and $300,000 according to the last report is 216; the number that would pay on incomes of $300,000 to $400,000 is 254; the number who would pay on incomes from $400,000 to $500,000 is 122; and the number that would have to pay on incomes from $500,000 to $1,000,000 has increased from 174 in 1915 to 209 in 1916. So comparatively few persons would be affected by the income tax on these large incomes.

Mr. LA FOLLETTE. I am obliged to the Senator from North Dakota for giving me those facts; and now, Mr. President, I soon shall have completed this table.

An income of $1,000,000, under the amendment which I have proposed, would pay a total tax of $533,140. The actual rate would be 53.31 per cent. As against the $533,140 which would be collected under the amendment as I have proposed it, the bill as reported by the committee would collect $408,630 on a million-dollar income, or at an actual rate of 40.8 per cent, as against 53.31 per cent, the actual rate under the amendment as I have proposed it.

Upon an income of $1,500,000 the total amount of tax actually paid under the proposed amendment would be $863,140 by each person having an income of $1,500,000, or 57.54 per cent of the total income. A $2,000,000 income would pay, under the amendment as presented to the Senate, a total tax of $1,198,140, or 59.91 per cent.

Mr. GRONNA. Mr. President, would it disturb the Senator to yield at this point?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from North Dakota?

Mr. LA FOLLETTE. I shall be very glad to yield to the Senator from North Dakota.

Mr. GRONNA. I want to suggest to the Senator from Wisconsin that the chairman of the committee criticized very severely the pending amendment, because the Senator from Wisconsin proposed in his amendment steps ranging all the way from $100,000 to $250,000. I find in the majority report that they take steps from $1,000,000 to $10,000,000, and I want to call the Senator's attention to the number of people who would be affected in the entire United States under the maximum rate as proposed by the majority of the committee.

I understand that one man in the United States receives an income of more than $10,000,000—just one. One hundred and twenty-two people pay taxes on incomes of more than $1,000,000; but the entire number affected by the maximum rate proposed by the majority of the committee would be 552, according to the Statistical Abstract of 1916.

Mr. LA FOLLETTE. I am obliged to the Senator.

Upon all incomes over $2,000,000 the tax proposed by the amendment which I have offered is at precisely the same rate as that adopted unanimously by the Senate yesterday, and it would tax all incomes of $2,000,000 at 59.91 per cent.

Mr. President, I had intended to take up the British income-tax law and analyze it somewhat, but I think in connection with

the presentation of this table I have adverted to it sufficiently, so that Senators who have not found time to examine it critically will get the distinction between the British income-tax law and ours, the existing law as well as the proposed income-tax law. I might say that if there are any Senators here who were not in when I did refer to it that, under the British law, whenever incomes reach the amount of $10,000, if they are unearned, or $12,500, if they are earned, the British law levies a tax of 25 per cent upon all those incomes, and upon all incomes of larger amounts whatever they may be from that on. Now, that is called in the British law the ordinary tax. It is similar to the normal tax of 2 per cent which we have in our old law. We make an addition of 2 per cent tax apply to all taxable incomes for war purposes, an additional normal. So we will have when this bill is law a normal and constant tax of 4 per cent.

Great Britain has a constant tax after you reach incomes of $12,500 of 25 per cent—what they call the ordinary tax—and to that are added surtaxes from 1 to 17½ per cent, graduated as the income increases, until at incomes of $50,000 there is a surtax of 17½ per cent added to the 25 per cent ordinary rate, and from that point on the English law carries an income tax of 42½ per cent on all incomes above $50,000.

I think we should tax at a higher rate as the incomes go up, and we have provided in the bill as reported from the committee for small increases in taxes for these higher incomes, and in the amendment which I have proposed I have followed that same plan, excepting that I have introduced more brackets than are to be found in the committee amendment, and apply a higher rate of war surtax upon all incomes up to $750,000.

Now, Mr. President, with just this summing up of what would be collected in revenue under the proposed amendment I shall yield the floor, at least for the present.

The Senator from North Dakota [Mr. GRONNA] makes a suggestion to me which I am grateful to him for making. It is that the attention of the Senate be directed to the fact; that is, with reference to the total amount of revenue which will be collected under my proposed amendment.

Under the amendment which I have proposed on taxable incomes not in excess of $10,000 there would be collected $80,123,890.

On taxable incomes upon incomes not in excess of $20,000 there would be collected $161,358,022. That is the total of all incomes to $20,000, and it equals 18 per cent of the total income collected.

On taxable incomes not in excess of $30,000 there would be collected a total of $228,724,152, or incomes up to $30,000 would provide 26.91 per cent of the total revenue collected.

The taxable incomes not in excess of $50,000 under my amendment would bear a total of $313,352,362 or 36.87 per cent of the total estimated revenue.

From taxable incomes not in excess of $100,000 there would be collected a total revenue of $442,881,122, or 52.1 per cent of the total revenue.

The war revenue which would be collected under my amendment is estimated to amount to $712,941,442 and a total revenue of $850,142,772. Of this, incomes in excess of $30,000 would pay over 73 per cent.

Mr. GORE. At what rate?

Mr. LA FOLLETTE. I say incomes in excess of $30,000 at the rates proposed in my amendment will pay 73 per cent of the total tax that would be collected under the amendment.

Incomes in excess of $50,000 would pay over 63 per cent of the total tax.

Incomes in excess of $100,000 would pay over 48 per cent.

Mr. President, I submit this amendment to the just consideration of the Senate. Taking into consideration everything which we ought to weigh carefully and with the utmost scruple, taking into account the influence of our legislation upon public thought, having due regard for the people whose sons we are drafting into this war, I believe, Mr. President, that we shall fall far short of our duty if we do not make at least as great an increase in the income taxes to be collected as are covered by the amendment which I have proposed.

I appeal to Senators in the interest of promoting the great enterprise with which we are charged here now, with the highest responsibility that can rest upon men, to make this tax the greatest in the history of all legislation, a tax that shall be accepted by the millions of the people who have to bear the great burdens which this war imposes upon them. Lift the load from those who must furnish the great body of the soldiery that will be sent to slaughter and place it upon those who are able to bear it, the owners of surplus incomes and those making profits from war. I appeal to you to have consideration and regard for all that is involved in our work here and to pass such a tax bill, so far as incomes are concerned, as will meet with something like general approval of the country.

APPENDIX.

Estimated revenue under proposed amendment.

Income in excess of—	Rates of proposed amendment.		War revenue.	Total revenue.
	War normal.	War surtax.		
$1,000 and not in excess of $3,000	2	.....	$16,000,000	$16,000,033
$3,000 and not in excess of $5,000	2	.....	16,102,700	12,102,700
$5,000 and not in excess of $6,000	2	1	6,000,000	10,000,033
$6,000 and not in excess of $7,000	2	2	6,432,000	9,648,000
$7,000 and not in excess of $8,000	2	3	7,605,000	9,507,950
$8,000 and not in excess of $9,000	2	4	7,236,000	9,648,000
$9,000 and not in excess od $10,000	2	5	6,936,370	8,948,180
$10,000 and not in excess of $11,000	2	6	6,778,160	8,472,700
$11,000 and not in excess of $12,000	2	7	6,840,000	8,360,033
$12,000 and not in excess of $13,000	2	8	7,118,203	8,541,840
$13,000 and not in excess of $14,000	2	9	7,240,000	8,580,033
$14,000 and not in excess of $15,000	2	10	6,960,000	8,120,033
$15,000 and not in excess of $16,000	2	11	7,040,000	8,160,033
$16,000 and not in excess of $17,000	2	12	7,168,000	8,192,000
$17,000 and not in excess of $18,000	2	13	6,972,337	7,901,682
$18,000 and not in excess of $19,000	2	14	6,851,200	7,707,033
$19,000 and not in excess of $20,000	2	15	6,491,000	7,258,033
$20,000 and not in excess of $21,000	2	16	6,120,000	7,140,033
$21,000 and not in excess of $22,000	2	17	6,080,000	7,040,033
$22,000 and not in excess of $23,000	2	18	5,972,000	6,888,800
$23,000 and not in excess of $24,000	2	19	5,781,000	6,666,000
$24,000 and not in excess of $25,000	2	20	5,698,000	6,475,000
$25,000 and not in excess of $26,000	2	21	5,773,000	6,526,000
$26,000 and not in excess of $27,000	2	22	5,880,000	6,615,000
$27,000 and not in excess of $28,000	2	23	5,908,375	6,617,580
$28,000 and not in excess of $29,000	2	24	6,032,000	6,728,000
$29,000 and not in excess of $30,000	2	25	6,075,000	6,750,000
$30,000 and not in excess of $32,500	2	26	8,871,800	9,822,350
$32,500 and not in excess of $35,000	2	27	11,315,655	12,486,240
$35,000 and not in excess of $37,500	2	28	10,568,700	11,625,570
$37,500 and not in excess of $40,000	2	29	9,318,600	10,220,400
$40,000 and not in excess of $42,500	2	30	9,008,000	10,134,033
$42,500 and not in excess of $45,000	2	31	9,109,650	10,213,850
$45,000 and not in excess of $47,500	2	32	9,088,200	10,157,100
$47,500 and not in excess of $50,000	2	33	8,946,000	9,988,400
$50,000 and not in excess of $60,000	2	34	34,284,600	38,094,033
$60,000 and not in excess of $80,000	2	35	46,884,180	53,220,880
$80,000 and not in excess of $100,000	2	36	33,003,760	38,214,880
$100,000 and not in excess of $150,000	2	37	50,269,395	66,369,028
$150,000 and not in excess of $200,000	2	38	32,008,200	38,409,800
$200,000 and not in excess of $250,000	2	39	22,017,150	27,240,033
$250,000 and not in excess of $300,000	2	40	17,450,370	21,935,233
$300,000 and not in excess of $500,000	2	41	39,891,540	50,300,133
$500,000 and not in excess of $750,000	2	42	27,467,000	34,958,033
$750,000 and not in excess of $1,000,000	2	45	23,735,033	29,795,033
$1,000,000 and not in excess of $1,500,000	2	50	30,201,600	37,752,000
$1,500,000 and not in excess of $2,000,000	2	50	23,191,000	29,815,500
$2,000,000 and over	2	50	55,214,640	71,141,940
Total	.....	.....	712,941,442	850,043,772

Personal net income: Number of returns, with sex and marital condition, of persons reporting net income in excess of $1,000 for the year ended Dec. 31, 1914, by States.

[Source: Report of the Commissioner of Internal Revenue, Treasury Department.]

State or Territory.	$3,000 to $4,000.	$4,000 to $5,000.	$5,000 to $10,000.	$10,000 to $15,000.	$15,000 to $20,000.	$20,000 to $25,000.	$25,000 to $30,000.	$30,000 to $40,000.	$40,000 to $50,000.	$50,000 to $75,000.	$75,000 to $100,000.	$100,000 to $150,000.	$150,000 to $200,000.	$200,000 to $250,000.	$250,000 to $300,000.	$300,000 to $400,000.	$400,000 to $500,000.	$500,000 and over.	Married.	Single. Men.	Single. Women.	Married women rendering separate returns.	Total returns.
Alabama	489	377	761	192	19	54	16	16	5	6	2	.....	1	.....	.....	.....	.....	.....	1,589	282	127	7	1,998
Alaska	49	30	48	9	4	2	1	5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	116	30	2	.....	148
Arizona	192	125	272	72	28	14	10	5	1	3	3	2	1	1	.....	.....	.....	.....	613	107	9	.....	729
Arkansas	466	350	556	109	42	16	10	4	4	1	.....	.....	.....	.....	.....	.....	.....	.....	1,294	191	77	16	1,562
California	5,038	3,900	6,765	1,730	784	433	247	253	102	119	40	46	9	3	2	4	5	1	15,150	2,684	1,647	231	19,481

Personal net income: Number of returns, with sex and marital condition, of persons reporting net income in excess of $3,000 for the year ended Dec. 31, 1914, by States—Continued.

[Source: Report of the Commissioner of Internal Revenue, Treasury Department.]

State or Territory.	$3,000 to $4,000.	$4,000 to $5,000.	$5,000 to $10,000.	$10,000 to $15,000.	$15,000 to $20,000.	$20,000 to $25,000.	$25,000 to $30,000.	$30,000 to $40,000.	$40,000 to $50,000.	$50,000 to $75,000.	$75,000 to $100,000.	$100,000 to $150,000.	$150,000 to $200,000.	$200,000 to $250,000.	$250,000 to $300,000.	$300,000 to $400,000.	$400,000 to $500,000.	$500,000 and over.	Married.	Single. Men.	Single. Women.	Married women rendering separate returns.	Total returns.
Colorado	875	575	999	269	112	69	24	36	16	15	9	4	2	1	1	....	....	2	2,474	388	147	29	3,009
Connecticut	1,508	1,250	2,557	669	337	170	151	152	85	80	30	25	9	7	2	3	1	3	5,282	1,052	685	104	7,019
Delaware	176	158	302	97	38	15	20	19	6	10	4	6	2	....	....	2	....	1	663	134	59	16	856
District of Columbia	1,388	1,057	1,648	351	145	92	55	48	29	30	13	12	4	5	2	1	....	....	3,699	781	400	76	4,880
Florida	478	303	625	180	82	26	19	24	7	6	4	....	....	....	....	....	....	....	1,461	218	75	8	1,754
Georgia	811	648	1,174	291	120	43	31	26	20	10	2	1	....	....	....	....	2	....	2,601	426	152	21	3,179
Hawaii	245	145	233	79	33	16	12	15	10	7	3	....	1	....	....	....	....	....	643	107	49	20	799
Idaho	118	131	103	41	18	9	3	4	1	3	....	2	1	1	....	....	....	....	455	57	13	3	525
Illinois	8,118	6,543	12,162	2,975	1,369	738	466	513	258	308	131	88	38	17	13	15	7	14	27,849	4,307	1,621	267	33,708
Indiana	1,370	1,140	2,041	515	189	104	59	65	24	34	12	8	5	1	5	....	1	....	4,591	716	266	18	5,573
Iowa	2,167	1,434	2,504	551	204	92	65	64	27	32	5	9	....	....	....	....	1	....	6,161	762	292	31	7,215
Kansas	933	626	1,114	246	72	36	28	17	12	11	3	3	....	....	....	....	....	....	2,641	345	115	7	3,101
Kentucky	836	584	1,133	296	121	58	26	38	19	21	13	5	....	1	....	....	....	....	2,548	445	158	9	3,151
Louisiana	963	683	1,285	378	168	98	43	49	18	21	8	6	1	2	....	....	1	....	2,876	630	218	20	3,724
Maine	152	275	544	166	67	53	25	29	16	20	4	4	1	2	....	1	1	....	1,043	198	119	23	1,360
Maryland	1,824	1,535	2,711	654	306	158	87	99	40	57	16	26	5	4	....	2	1	1	5,596	1,346	586	100	7,528
Massachusetts	4,129	3,846	8,001	2,246	1,063	665	436	540	294	375	154	126	44	18	6	11	6	3	17,192	3,300	1,471	342	21,963
Michigan	1,855	1,529	2,901	804	390	234	129	145	71	68	43	25	9	5	2	6	....	4	6,853	969	427	76	8,240
Minnesota	1,211	1,154	2,279	571	273	178	107	122	67	70	36	20	9	....	1	2	1	2	5,147	731	225	52	6,103
Mississippi	265	173	356	70	37	14	13	4	5	2	1	....	....	....	....	....	....	....	761	130	49	4	943
Missouri	3,139	2,192	3,891	1,037	489	290	153	165	78	111	40	17	15	2	1	4	3	1	9,336	1,643	649	69	11,628
Montana	301	275	509	131	56	25	19	10	5	5	2	2	....	....	....	....	....	....	1,096	206	39	4	1,341
Nebraska	998	673	1,201	262	108	46	29	18	8	9	3	1	1	....	1	....	1	....	2,890	369	100	14	3,373
Nevada	88	66	102	15	9	2	1	1	....	1	....	....	....	....	....	....	1	....	235	42	9	2	288
New Hampshire	170	198	380	107	36	33	15	27	17	11	6	3	....	....	....	....	....	....	895	131	67	15	1,008
New Jersey	3,518	2,863	5,500	1,447	614	348	220	240	128	151	63	58	10	10	2	2	3	6	12,129	1,883	1,171	178	15,183
New Mexico	142	98	177	44	17	7	10	6	3	1	....	1	....	....	....	....	....	....	420	75	11	....	506
New York	16,849	14,612	29,392	8,720	4,245	2,462	1,613	1,836	1,017	1,216	500	426	158	99	65	66	27	102	62,882	14,252	6,271	1,418	83,405
North Carolina	452	337	703	169	63	36	7	16	5	6	1	1	2	....	1	....	1	1	1,500	245	56	19	1,820
North Dakota	43	132	320	80	24	9	6	9	2	3	1	....	....	....	....	....	....	....	518	93	18	....	629
Ohio	3,953	3,060	6,034	1,598	703	398	275	282	159	173	58	52	8	9	3	3	1	6	13,856	2,208	711	108	16,775
Oklahoma	318	273	544	136	57	39	11	29	14	13	3	4	1	2	....	2	....	....	1,234	174	38	5	1,446
Oregon	827	534	898	187	89	41	27	19	10	10	5	....	1	....	....	1	....	....	2,157	352	140	14	2,663
Pennsylvania	7,138	5,980	12,220	3,447	1,758	879	552	617	354	404	164	134	59	30	15	15	3	20	25,763	5,223	2,803	454	33,784
Rhode Island	486	429	1,014	300	135	99	66	63	38	47	34	16	2	5	....	3	1	3	2,107	403	231	52	2,741
South Carolina	230	198	350	86	29	11	11	7	3	2	1	....	....	1	....	....	....	....	747	141	41	8	929
South Dakota	29	134	240	42	28	12	3	6	2	....	....	....	....	....	....	....	....	....	427	57	12	1	497
Tennessee	851	591	1,155	307	160	54	33	50	11	14	4	4	....	1	1	....	....	....	2,648	425	163	21	3,257
Texas	2,383	1,606	2,934	723	334	147	103	98	48	34	21	12	1	3	1	....	1	1	7,022	1,002	426	26	8,450
Utah	204	189	345	97	50	20	22	14	9	7	5	1	1	....	....	....	....	....	830	105	29	11	984
Vermont	77	134	201	65	31	17	20	10	1	11	2	2	....	....	1	1	....	1	494	99	41	9	634
Virginia	1,042	863	1,500	433	189	88	76	58	35	26	9	13	....	....	....	1	1	....	3,473	662	289	39	4,424
Washington	1,371	850	1,383	333	135	65	38	33	29	17	10	2	1	....	2	....	....	1	3,674	452	144	13	4,270
West Virginia	494	400	783	212	100	33	34	30	16	9	10	5	2	1	2	....	....	....	1,714	305	102	9	2,131
Wisconsin	1,877	1,194	2,176	560	234	115	68	70	54	52	22	15	2	2	....	1	....	1	5,216	810	417	15	6,443
Wyoming	128	73	122	42	16	9	8	2	2	....	....	....	....	....	....	....	....	....	344	45	13	1	402
Total	82,754	66,525	127,448	34,141	15,790	8,672	5,483	6,008	3,185	3,660	1,501	1,189	405	233	130	147	69	174	282,805	51,729	22,980	3,985	357,515

Personal income tax: Number of returns, with sex and marital condition, of persons reporting net income in excess of $3,000 for the year ended Dec. 31, 1916, by States.

[Source: Report of the Commissioner of Internal Revenue, Treasury Department.]

State or Territory.	$3,000 to $4,000.	$4,000 to $5,000.	$5,000 to $10,000.	$10,000 to $15,000.	$15,000 to $20,000.	$20,000 to $25,000.	$25,000 to $30,000.	$30,000 to $40,000.	$40,000 to $50,000.	$50,000 to $75,000.	$75,000 to $100,000.	$100,000 to $150,000.	$150,000 to $200,000.	$200,000 to $250,000.	$250,000 to $300,000.	$300,000 to $400,000.	$400,000 to $500,000.	$500,000 to $1,000,000.	$1,000,000 and over.	Married.	Single. Men.	Single. Women.	Married women rendering separate returns.	Total.
Alabama	437	319	679	183	81	36	21	14	6	11	2	....	1	1	....	....	....	....	....	1,428	242	121	9	1,791
Alaska	33	21	31	6	5	1	....	1	....	....	1	1	....	....	....	....	....	....	....	76	22	2	....	108
Arizona	184	163	257	85	40	16	10	8	8	4	2	2	1	....	....	....	....	....	....	642	131	7	4	780
Arkansas	412	296	599	120	45	22	8	8	3	4	....	1	....	....	....	....	....	....	....	1,258	190	80	10	1,510
California	4,465	3,269	6,309	1,756	819	410	244	272	145	166	64	44	15	9	5	5	4	3	....	14,055	2,367	1,582	225	18,004
Colorado	839	576	1,052	301	125	65	42	38	35	26	12	9	4	....	1	1	2	1	....	2,618	375	136	37	3,129
Connecticut	1,317	1,184	2,610	730	390	249	158	180	106	126	37	25	13	14	3	3	....	4	4	5,457	968	728	142	7,153
Delaware	202	171	416	127	62	48	22	36	11	30	10	13	8	5	5	7	2	6	4	921	177	87	23	1,185
District of Columbia	1,417	1,073	1,641	358	151	104	67	51	37	38	17	22	7	5	1	5	....	....	....	3,788	778	428	50	4,994
Florida	450	293	557	157	64	31	26	14	8	9	5	2	....	....	....	1	....	1	....	1,360	187	71	5	1,618
Georgia	683	544	1,135	301	137	63	35	33	14	20	3	8	2	1	....	2	....	....	1	2,466	370	146	24	2,982
Hawaii	172	135	234	72	45	24	22	20	22	13	12	8	1	....	1	....	....	....	....	622	105	54	8	781
Idaho	145	107	239	52	23	8	7	8	5	2	1	4	1	....	....	1	....	....	....	507	82	16	5	605
Illinois	5,660	5,323	10,463	2,762	1,332	792	519	538	329	391	184	138	54	26	15	18	12	16	4	23,215	3,773	1,588	354	28,576
Indiana	1,358	1,090	2,052	532	215	106	71	61	41	30	11	10	6	4	1	....	1	....	....	4,640	681	286	37	5,607
Iowa	1,789	1,320	2,477	582	211	113	57	61	32	30	8	12	....	....	1	....	....	....	....	5,731	708	274	38	6,713
Kansas	865	617	1,155	257	99	38	33	21	7	11	9	5	2	2	....	....	....	....	....	2,690	314	98	5	3,102
Kentucky	718	583	1,056	207	104	70	21	43	24	25	11	5	2	1	....	....	....	....	....	2,363	422	175	41	2,960
Louisiana	960	675	1,293	350	166	85	48	70	29	37	12	7	4	3	....	1	....	....	....	2,879	625	226	37	3,730
Maine	432	360	765	206	85	54	31	44	23	26	18	8	3	2	....	....	1	1	....	1,622	275	159	31	2,036

Personal income tax: Number of returns, with sex and marital condition, of persons reporting net income in excess of $3,000 for the year ended Dec. 31, 1918, by States—Continued.

[Source: Report of the Commissioner of Internal Revenue, Treasury Department.]

State or Territory.	$3,000 to $4,000.	$4,000 to $5,000.	$5,000 to $10,000.	$10,000 to $15,000.	$15,000 to $20,000.	$20,000 to $25,000.	$25,000 to $30,000.	$30,000 to $40,000.	$40,000 to $50,000.	$50,000 to $75,000.	$75,000 to $100,000.	$100,000 to $150,000.	$150,000 to $200,000.	$200,000 to $250,000.	$250,000 to $300,000.	$300,000 to $400,000.	$400,000 to $500,000.	$500,000 to $1,000,000.	$1,000,000 and over.	Married.	Single. Men.	Single. Women.	Married women rendering separate returns.	Total.
Maryland	1,487	1,337	2,526	633	346	154	117	118	60	81	24	27	7	3	2	3	1	2	1	5,215	1,125	580	64	6,920
Massachusetts	3,176	3,151	7,154	2,138	1,085	748	487	603	336	446	188	191	63	26	14	23	10	13	2	15,478	2,935	1,441	433	19,854
Michigan	1,719	1,503	3,043	967	451	267	158	190	96	121	68	53	22	9	1	4	4	7	2	7,229	1,018	438	92	8,684
Minnesota	151	761	1,798	508	271	193	103	137	81	81	28	34	4	8	2	5	1	1	1	3,431	549	188	73	4,168
Mississippi	263	194	390	106	48	26	12	12	9	5	2	.....	1	.....	.....	.....	.....	.....	.....	891	127	50	6	1,064
Missouri	2,593	1,924	3,633	997	520	300	173	169	125	104	45	31	16	7	2	3	1	3	1	8,536	1,512	599	66	10,647
Montana	263	251	548	156	66	26	14	17	11	10	.....	1	2	2	.....	.....	.....	.....	.....	1,109	215	45	7	1,560
Nebraska	1,013	648	1,233	280	120	75	33	41	10	13	7	2	1	.....	1	1	.....	.....	.....	3,024	365	89	16	3,478
Nevada	85	53	101	23	9	1	1	1	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	230	37	8	1	275
New Hampshire	261	219	503	130	44	40	22	27	18	19	4	4	4	.....	.....	.....	.....	.....	.....	1,044	162	89	15	1,295
New Jersey	3,473	2,898	5,844	1,538	735	422	261	322	161	181	91	78	35	11	8	15	5	2	7	12,864	1,916	1,307	207	16,087
New Mexico	161	103	248	51	25	8	8	13	3	7	.....	1	.....	.....	.....	.....	.....	.....	.....	529	87	12	3	628
New York	11,840	11,571	25,663	8,116	4,213	2,744	1,830	2,173	1,310	1,638	745	656	291	160	105	106	57	117	74	55,008	12,421	5,977	1,674	73,401
North Carolina	404	384	700	170	80	30	21	15	5	10	5	.....	1	.....	1	.....	.....	3	.....	1,528	236	65	10	1,829
North Dakota	61	160	452	96	40	15	13	12	3	5	1	.....	.....	.....	.....	.....	.....	.....	.....	720	122	10	2	854
Ohio	3,578	2,879	5,983	1,650	785	479	293	314	202	197	85	75	34	17	6	12	2	5	6	13,773	2,091	743	185	16,607
Oklahoma	338	300	540	148	56	31	29	26	23	33	13	12	4	3	.....	1	1	3	1	1,311	200	51	19	1,581
Oregon	736	491	785	188	88	44	20	31	11	12	7	3	3	.....	2	.....	.....	.....	.....	2,002	269	150	10	2,421
Pennsylvania	6,049	5,513	12,143	3,717	1,877	995	632	723	487	537	211	196	77	47	26	28	10	12	10	25,494	4,982	2,874	614	33,353
Rhode Island	512	431	1,020	325	140	100	69	77	48	45	28	22	13	7	5	4	3	4	1	2,203	387	261	62	2,851
South Carolina	316	229	413	92	34	20	8	9	3	5	2	2	1	.....	.....	.....	1	.....	.....	940	155	40	2	1,135
South Dakota	64	140	283	77	25	14	9	6	3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	536	73	12	2	621
Tennessee	886	636	1,162	324	145	68	38	42	15	22	9	5	2	1	1	.....	.....	.....	.....	2,762	419	175	16	3,353
Texas	2,034	1,472	2,905	762	353	184	105	122	67	72	23	16	5	3	1	1	1	1	.....	6,631	1,013	483	43	8,127
Utah	188	173	371	96	47	34	13	27	6	16	3	4	2	.....	.....	.....	.....	.....	.....	846	99	35	21	999
Vermont	194	147	322	68	28	21	13	21	5	10	6	4	.....	1	.....	.....	1	1	1	682	107	54	18	843
Virginia	861	644	1,228	335	163	78	48	46	27	19	9	6	.....	.....	1	1	.....	1	.....	2,759	512	192	17	3,481
Washington	1,315	854	1,280	318	138	68	43	47	29	27	5	9	.....	4	1	1	.....	.....	.....	3,519	468	152	22	4,139
West Virginia	447	375	711	195	87	41	31	34	11	14	9	6	2	1	.....	2	.....	.....	.....	1,590	285	91	13	1,993
Wisconsin	1,900	1,281	2,213	609	261	138	80	79	46	51	18	25	10	3	2	.....	1	2	.....	5,469	850	400	14	6,713
Wyoming	149	108	189	55	13	8	7	10	3	2	1	.....	.....	.....	.....	.....	1	.....	.....	482	61	23	1	545
Total	69,045	58,949	120,402	34,102	16,475	9,707	6,196	7,005	4,100	4,791	2,056	1,793	724	386	216	254	122	209	120	266,153	47,583	22,916	4,819	336,625

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. JONES of Washington. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Harding	McNary	Simmons
Beckham	Hardwick	Martin	Smith, Ga.
Borah	Hitchcock	Nelson	Smith, Mich.
Brady	Hollis	New	Smoot
Brandegee	Husting	Newlands	Sterling
Broussard	James	Norris	Stone
Calder	Johnson, Cal.	Overman	Sutherland
Chamberlain	Jones, N. Mex.	Page	Swanson
Colt	Jones, Wash.	Penrose	Thompson
Culberson	Kellogg	Phelan	Townsend
Curtis	Kenyon	Pittman	Trammell
Dillingham	King	Poindexter	Underwood
Fletcher	Kirby	Pomerene	Vardaman
France	Knox	Ransdell	Wadsworth
Frelinghuysen	La Follette	Reed	Watson
Gerry	Lewis	Saulsbury	Weeks
Gore	Lodge	Shafroth	Wolcott
Gronna	McCumber	Sheppard	
Hale	McKellar	Sherman	

Mr. SUTHERLAND. I desire to announce the absence of my colleague [Mr. GOFF] on account of illness. I will let this announcement stand for the day.

Mr. KIRBY. I announce the absence of the senior Senator from Arkansas [Mr. ROBINSON] on official business.

Mr. FRELINGHUYSEN. I desire to announce the absence of my colleague, the senior Senator from New Jersey [Mr. HUGHES], on account of illness. I ask that this announcement may stand for the day.

The PRESIDENT pro tempore. Seventy-four Senators have answered to their names. There is a quorum present.

Mr. BORAH. Mr. President, I desire to submit some observations upon this bill before we come to dispose of it finally, and I propose to do so at this time, although it is not my purpose to discuss in detail the particular amendment which is now pending.

Any phase of this war is of sufficient moment to engage our most serious consideration. When war is declared it is natural for the public mind to wander exclusively to the battle lines, to think of the place and of that feature of the war where men are fighting and dying. But that is not all there is to modern warfare. Perhaps one of the most difficult phases, the most stupendous task associated with modern warfare arises out of the situation with which we are now dealing, that of raising revenue with which to sustain the army and with which to maintain the Government; and in the particular situation in which we now find ourselves, not only our own Government but all the governments and peoples involved on the side of the allies. The burden of expense, though we are only at the beginning, seems vast beyond anything the people of this country ever contemplated. The public mind is bewildered; the ordinary citizen is restless. In meeting the crisis two things we must keep in view—we must be frank and we must be fair. We must tell the people what it is costing and where the money is going, and we must show them that we propose to place the burden where in good conscience and equity it ought to rest.

What is the financial task before us—the tax situation? We have not only our own Government's legitimate and necessary expenses to meet, great enough indeed, but we have with much haste and marvelous freedom upon the part of the Government assumed to underwrite all the entente nations of the earth. Every imperiled nation arrayed against Germany and every needy nation of Europe unfriendly to Germany have been told, ask and ye shall receive, knock and the door of the Treasury shall be opened unto you. I do not stop now to discuss the necessity or exigency or wisdom of such a policy. My views were early expressed and have in no sense been modified. But the policy has become the policy of our Government. The money is being poured by the millions into the depleted treasuries of Europe. With a generosity never before known in the history of the world the broken and humbled dynasties of the Old World are being financed. We have given, and will continue to give, freely and generously to all who come, even to some who are not able to give us any assurance that they will remain a responsible government a fortnight after the money should be received. This is the easy part of the task, this is the glory. This is the pomp and circumstance of glorious war. Now, sir, comes the grind. Now, we take up the task of levying tribute upon industry, upon toil, even upon necessity, to meet the obligations so freely and so generously made. This part of the

task means business worry, means countless hours of patient, grinding toil, means sacrifice, means children deprived of education, means families deprived of the necessaries of life. When we think of the deprivation, the hours and weeks and months and years of drudgery to meet these obligations, we realize that the suffering and the agony of the battle field are not the only suffering, the only agony of this horrible sacrifice now imposed upon us as if by fate.

But how shall we meet the situation? There are three ways to meet it, one by loans, the other by taxes, and another by a combination of loans and taxes. The latter is, of course, the one we will pursue. It is extremely important to my mind, however, that we make taxation the fundamental principle of our revenue-raising policy and loans the incident. We ought to have the courage and the wisdom to raise all we can possibly raise by taxes. We ought to endeavor to pay as we go, in so far as we can do so. That is business; that is just; that is wise. The loan system is calculated to produce inflation and to demoralize business. It is bad finance and it is worse morals.

We are not without advice in regard to this matter by reason of the vast amount of experience which has gone before. First, let us see what the condition of this country is with reference to meeting the financial program now confronting us. The estimated wealth of this country is something around $250,000,000,000. As we turn those figures over in our mind we feel that fundamentally we have a very sure foundation upon which to build. We not only have an estimated wealth of some $250,000,000,000, but at the time this bill is under consideration and when we begin our financial program we have back of us two years of war profits. We have already accumulated, earned, and distributed among the stockholders and the business men, and the people of the country to a certain extent, some $4,000,000,000 of war profits, covering the years 1915 and 1916. Mr. Kahn, of Kuhn, Loeb & Co., the famous bankers of New York, has estimated that this year we will have at least $2,000,000,000 in the way of war profits. I take it that any estimate coming from Mr. Kahn is not only conservative but reliable, among other reasons because of his great knowledge of the subject upon which he is passing his opinion. Others, however, have estimated the war profits of this year as high as three billion or three and a half billion dollars. At any rate, Mr. President, we have some $4,000,000,000 of earned war profits for the two years past and some two or three billion dollars being added in this year. That is the condition in a general way which supports us, so far as our ability to meet the situation is concerned.

In the light of these figures, what are we proposing to do in this bill in the way of raising taxes and in the way otherwise of issuing bonds? We will expend unquestionably this year, aside from the amounts which we send to the allies, at least $10,000,000,000. I would much prefer to say, in order that I may be more accurate, that as time goes on we will expend $15,000,000,000 in addition to the amount which we send to the allies. We are proposing to raise by this bill something over $2,000,000,000. In other words, we initiate a program with a $2,000,000,000 tax bill, depending upon bonds to cover the other eight to ten billion dollars. Mr. President, I think from every standpoint that that is an unwise program. I think it fraught with peril. I believe evils of incalculable menace will flow from it. I know it is condemned by all the experience of the past and by the great students of this subject everywhere. We are failing miserably to meet the duty devolving upon us. I think it not only unwise economically and from a financial standpoint, but I think it unjust and unfair. I do not believe that it is at all meeting this situation as it presents itself to this body.

The distinguished Senator from North Carolina [Mr. SIMMONS] this morning paid a feeling tribute to our posterity, saying that they would be worthy of their ancestors, and that they would take care of these amounts which we would place upon them in the way of bond issues. We need not waste any words upon posterity in the way of a tribute if we proceed to the consummation of this program, because the highest possible tribute we can pay to them is the fact that we are to take care of $2,000,000,000 and give to them from eight to ten billion dollars to take care of. They who come after us will appreciate the fact that we had full confidence in their ability, their patriotism, and their capacity to bear their portion of the burdens of the war.

They may not read the speech of the distinguished Senator from North Carolina as a tribute to them, but they will know that we have passed over to them that which will mortgage them and their posterity perhaps for a hundred years. They will know that when we were doing this there was lying alongside of us, within our easy reach, that kind of profits which come with the war and go with the war—accumulations of $2,000,000,000 and $4,000,000,000; in all, $6,000,000,000, of which we have taken in this bill the paltry sum of $562,000,000. Let us not waste words upon posterity; our deeds will tell posterity how highly we prize their ability and their patriotism in comparison with our own.

Mr. President, may I go back and briefly recur to the experience of some other countries with reference to bond issues and taxes and the proportion which they bore to each other? At the beginning of the Napoleonic wars Mr. Pitt, who had prided himself that he was to be the great peace prime minister of England, undertook to do precisely what we are here undertaking to do, to raise a comparatively small portion of the expenses of the war by taxation and to raise a very large portion—from four to five times the amount which he was to raise by taxation—by loans or by bond issue. We ought to take into consideration, however, in passing upon his plan, that he took charge of his country at a time when it was practically depleted in industrial force. England had just come out of a war of nearly a hundred years, with only short intervals of peace. Mr. Pitt did not have, as we have, untold billions of wealth and billions of accumulated war profits. He was dealing with a country which was in a large measure already undermined by war exhaustion, and there was justification for the position which he took in raising revenue by a small amount of taxes and a large amount of bonds. But had he had by him this fund which we have, a fund created by war, it is reasonable to believe his program would have been different. Mr. Pitt in the very midst of the war, at a time after his people had become less capable of taking care of taxes, was compelled to change his program entirely and to raise 50 per cent of the war expenses by taxes and the remainder by bonds. Had he not changed that program, it is the judgment of those who are capable of passing upon the question that his financial system might have done for England what Napoleon's soldiers could not do, reduced her to a subject power.

After the war had proceeded for some three or four years he changed his program entirely, and, as I have said, raised a larger sum by taxes. So when the war closed, when it was finished, according to Mr. Lloyd-George's budget speech in 1914, Mr. Pitt had raised by loans £440,000,000 and by taxes £391,000,000. But notwithstanding the change which he made, while the change enabled him to so finance the war, all writers upon the subject declare that it was the early years of Pitt's financial system which entailed upon England at the close of the war the most serious industrial depression through which that great nation ever passed. When the war closed and peace had been restored, instead of business reviving and industry again taking its place, it was found that the people were loaded with an enormous and superhuman debt which depressed where there should have been exhilaration and restrained where there should have been energy upon the part of the people. Inflation had run its enervating and demoralizing course and the common people paid the forfeit of Pitt's early mistake.

I read a paragraph from the work entitled "Finance and Politics," by a member of the English Parliament, in order to bring more clearly to the attention of the Senate this point:

> At first Pitt did not realize the gravity of the situation or appreciate the nature of the struggle into which he had been forced. France, bankrupt and apparently in a state of disruption, seemed no very formidable foe; and Pitt, greatly as he disliked the war, looked confidently to a successful struggle and an early peace. He fell, therefore, into the fatal error of making at first no special effort to meet the heavy war expenditure, and, with the exception of the imposition of taxation sufficient to meet the interest and sinking funds on the new loans, he did little or nothing to prevent the increase of debt. Indeed, it was not for some four or five years after the outbreak of the war—when in France order had emerged out of chaos, when instead of being subdued she had been victorious over our allies and had actually threatened our own shores, when at home financial pressure had necessitated the suspension of specie payment and credit had fallen low indeed—that the gravity of the contest was realized and a determined effort was made to overtake the ever-increasing liabilities.

The author then gives an account of the increase of taxes and the manner in which the people responded to the increase of taxes, notwithstanding the fact that they had been crippled by the situation which had been superinduced by the bond issue; but here it is said after the close of the war, in speaking of the effect of this bond issue and the small amount of taxes raised:

> The first seven years succeeding the restoration of peace were among the darkest in modern English history. The excitement and glory of the war had evaported. Peace but accentuated its hardships and confirmed its burdens.

The author further proceeds to describe the industrial conditions and the want which prevailed throughout the country; and, in the opinion of the writer, it is attributable to the unfortunate financial system which characterized the first four years of Pitt's administration as prime minister.

When we come to the Crimean War, Mr. President, we meet for the first time with Mr. Gladstone's views upon this question. He was in favor of meeting the situation by taxes and not by

bonds; in other words, making taxation the principal and the issuance of bonds the incident to a financial system. I take the time of the Senate to read a single statement from Mr. Gladstone:

The system of raising funds necessary for wars by a loan practices wholesale, systematic, and continual deception upon the people. The people do not really know what they are doing. The consequences are adjourned into a far future.

It is easy, it is a facile task to issue bonds and to pass the burden over to posterity; but we ought to bear in mind that the burden will rest upon them in a different way from what it would rest upon those of this day; for when they come to pay these bonds they will have nothing in the way of war profits or these things which enable governments to finance war out of which to meet it. At that time there will be no escape from the proposition of unloading these bonds and the interest upon the bonds upon consumption. When posterity comes to pay it, having no $2,000,000,000 to $4,000,000,000 of war profits with which to meet a portion of it, they will have to meet the bond issues and these vast interest increases by taxes upon consumption to a very large extent. There is where the deception rests; there is where the injustice is. There is the wrong, the great wrong, of this system.

How can we, Mr. President, consent to take but $562,000,000 from these billions of dollars of war profits and pass on to posterity eight or ten billion dollars in bonds? But let us not digress now. Great Britain adopted a different policy in the Crimean war. According to the budget speech of Mr. Lloyd-George they raised £32,000,000 by means of loans and £35,000,000 by means of taxes. Even that proportion, Mr. President, has received severe criticism from financiers as not being a sufficient amount of taxes and too large an amount of bonds. It was a change, however; it was a step in the right direction; and England experienced the benefit of the change of the financial system from that which had prevailed in the first years under Pitt's administration.

Mr. President, I do not want to dwell too long upon this subject, but I call attention to the War of 1812 in our own country. If I recall the figures correctly, we expended about $70,000,000 in carrying on that war and raised only about 10 per cent of it by taxation and the remainder by bonds. There is no writer upon the subject who has not criticized that policy unmercifully and who has not clearly demonstrated that the financial distress which followed the War of 1812 was the result of that system. Yet that is not very far from the policy which we are proposing to inaugurate at this time; that is not very far from the proportion which we propose to incorporate in this bill. If we should run our expenses this year to $15,000,000,000, as it is very probable we may, aside from the amount which we loan to entente allies, the proportion under the War of 1812 will not be far from the proportion which will be covered by this measure. And think of our country in 1812, and think of it now. Reflect more seriously on this situation. We have many many people struggling against the burden of high prices, many families anxious over the future because of the increased and ever increasing cost of living, which bond issues will accentuate and aggravate, and we have here this stupendous fund made out of the war, these billions coined out of the miseries of Europe, and out of this fund we take $562,000,000 and make up by putting millions upon the necessaries which sustain life in our meager homes. If this is not a moral breakdown, a shameless disregard of duty, then I have studied the cause of our country in vain.

In the beginning of the war of 1860, Mr. Chase provided for $80,000,000 in the way of taxes and a bond issue of $250,000,000—about 3 to 1. During the year of 1861, however, there were issued demand notes, afterwards transformed into "greenbacks," as they were called, to the amount of about $60,000,000. This policy was pursued for nearly two years, when Mr. Chase was compelled, out of the exigency of the situation, to change his entire policy. The peculiar and extraordinary feature of the change was that the people responded to the change and were very much gratified, as expressions went from one part of the country to the other, that the Government had adopted a system of taxation instead of a system of issuing bonds.

In his report in 1863, Mr. Chase says:

The great importance of providing beyond all contingency for our expenditures and interest on debt and for the largest possible amount of extraordinary expenditures by taxation is now manifest.

Yes, it had become manifest. The system of raising money by taxation and by bonds in the ratio of 1 to 3 or 1 to 5 had been tried, and it had failed. In the midst of war, when the people were less capable of responding, when inflation had occurred, when high prices had imposed a great burden, this extraordinary effort was made, and the people, as has been so well said, were compelled to pay, perhaps, $500,000,000 more for the prosecution of the Civil War than they would have been called upon to pay had the taxation system been adopted in the beginning.

Mr. Chase added:

It is hardly too much, perhaps hardly enough, to say that every dollar raised for extraordinary expenditures or reduction of debt is worth two in the increased value of national securities and increased facilities for the negotiation of indispensable loans.

Prof. Henry C. Adams, in his discussion of the Civil War finances in the United States, stated that:

It is not easy to overestimate the financial benefits that would have accrued if the receipts from internal revenue could have been moved forward two years.

Mr. Miller, of the Federal Reserve Board, in an address a short time ago, in referring to this matter said:

Inflation as an expedient of public finance has long been practiced, although it has never had the sanction and approval of those whose business it has been to lay down canons of finance rather than to engage in the practice of finance. The record of our own great wars and the records of the great wars of other nations in modern times show pretty uniformly that timidity in facing the serious realities of war finance has usually developed a situation from which escape was finally sought through the desperate and costly expedient of government currency inflation. Such was our disastrous experience in the Civil War, when resort was had to the greenback currency, which was nothing but a device of inflationism, and some $500,000,000 thereby added to the cost of the war——

I think, Mr. President, that I shall not pursue further the proposition of what relation our taxes should bear to our bond issues. I am not going to engage in niceties of discussion with reference to this financial question. Others here are far more able to discuss it than I in that respect, but I want to submit this plain proposition to the Senators of the United States at a time when the most tremendous task devolves upon us that ever devolved upon a Senate in the history of our country. I want to submit this plain, simple proposition, which will go home to every lay mind in this land upon whose public opinion this war must be fought: Do you think that you are meeting the situation when you take $562,000,000 from some $6,000,000,000 of war profits? How shall we face our constituencies and what answer shall we make to posterity in leaving these accumulated profits practically untouched and unscathed while we impose upon the common people of the country—and that is what a bond issue means—some $10,000,000,000 in the way of indebtedness and accumulated interest? Bonds mean that wealth will buy them, hold them, collect interest, and that when war profits are gone the necessaries of life will be taxed to pay. Is this the purpose for which we have been sent here? Is this our portion of the task?

Instead of conniving at this increase of the cost of living, instead of conspiring to aid inflation we ought to exert every energy along opposite lines. It is one of the remorseless axioms of war that, do the best we may, it is impossible to distribute its burdens, its sufferings, and sacrifices equally among the people. The poor will grow poorer and often the rich are made richer even under the most equitable and just laws which can be passed. The most of the fighting is done by the humbler or less well-to-do people—if for no other reason because there are more of them and they make up the fighting forces. They make the supreme sacrifice. When they leave their homes to go to the front those they leave behind are less equipped, less fitted to meet the struggle for existence. The rise in prices which always accompanies war and which is aggravated, as I have said, by bond issues, pinches with more poignant effect those who were but poorly living upon their means. To thousands and hundreds of thousands the rise of prices means children kept out of school, handicapped in the battle of life; means less food, stunted bodies, and disappointed and broken plans and ambitions. If in addition to all this we lay on even a slight additional tax, while it may seem slight to us, it falls with a heavy and crushing effect upon them.

To a family eagerly and anxiously planning to get through the week or the month or the year the slightest additional weight may break through their whole feebly contrived scheme of living. If the grim necessity were here to impose such a burden for the protection of our country, there would be no hesitation; but when the necessity is not here, when there are vast war profits to meet the situation, it is a betrayal of a solemn trust to impose a single additional dollar upon this class of people. We should, above all things, seek to preserve, if possible, through this fearful ordeal the physical and moral well-being of the average citizen, to protect the health and insure the physical development and outlook in life of the countless children of the poor and of the average citizen. I have no war upon wealth, I have no prejudice against the man of wealth that I am conscious of, but as between preserving profits and preserving citizenship there can be no choice. The future of the Republic rests upon the one; we can at least during the war forego the enjoyment of the other.

In dealing with this question of taxation we ought not to overlook the fact that it is the wont of a tax to seek the low man. Wherever the tax can be passed on, in time that will be done. We may think we are taxing at this point, but the incident of the tax may be elsewhere. We may suppose we are levying a tax upon this business institution or that, but when the tax comes to be paid it may be paid by the purchaser of the goods, the consumer.

In 1898 we fixed a tax upon petroleum, upon tobacco, and upon sugar in the form of what was called a corporation tax. After levying that tax we went home with the idea, apparently, that we had taxed certain large corporations. Two years afterwards investigation disclosed beyond the question of a doubt that every dollar of that tax had been passed on to the consumer. The tobacco companies, the oil companies, had not paid a dollar of the tax. Aye, in the passing on of the tax they passed on an additional charge, which they failed to take off when the tax was removed. Mr. Payne, speaking with reference to this subject in December, 1900, said:

Of course, Mr. Chairman, some may say why not put this tax directly upon the express companies and telegraph companies? Well, we did consider that, but the express companies had a right to say to their customers how much they would charge for carrying packages from place to place and could easily add the amount of the Government tax to their charges. I know sometimes gentlemen will close their eyes and proceed blindly, as was the case in dealing with the tax on the Standard Oil Co. and putting a tax on a sugar refinery, as was done. They forget to consider that these taxes might possibly not affect the companies at all, but the consumers; and a review of the history of the last two years shows what some gentlemen then anticipated when the tax went on in the Senate, that the companies not only got the amount of the tax back, but that the companies got a little additional sum from their customers to enable them to swell their dividends. That was the legislation in that regard. In other words, the tax in all instances seeks the consumer, and usually, if not arrested in its progress, it finds him and forces him to pay the amount due the Government and a little additional also to help swell the dividends of the companies upon whom it was supposed the tax was levied.

Again he says:

This latter tax—

Speaking of the tax upon insurances—

is paid almost entirely by the man who receives the insurance. The man who provides for the future of his family in the event of his death by securing a life insurance or in providing an indemnity for the family—for his wife and children in case the home should burn down—was forced to pay this tax.

In another place Mr. Payne said:

If we impose this tax upon the express companies they will simply add it to their rate of freight. * * * They would simply put it back in additional charges on the people who send packages by express.

I accept the principle as wholesome, as just, as perfectly sound in morals and patriotism that every man should contribute to the support of the Government. I shall not wittingly seek through legislation to evade or eliminate that principle. I would not make wealth pay all the taxes if I could. But I know that the man with a family who has an income of $2,000 only, pays more taxes than his just proportion, though not one cent be lodged upon his income. He pays it in the tax shifted to the many things he must wear and things he must eat. He pays it in his rent, he pays it in countless ways, and at every turn of life. I do not seek to exempt; I simply seek to protect him against paying more than his rightful proportion. And then think of the thousands and hundreds of thousands still below him. Think of the man with a family in these times whose income is from $700 to $1,000 a year. Fifty per cent of the families of the United States have incomes of $800 or less. Seventy per cent of the families of our country have incomes of $1,000 or less. Tell me how a man so situated can have shelter for his family; how he can provide food and clothing. He is an industrial peon. His home is scant and pinched beyond the power of language to tell. He sees his wife and children on the ragged edge of hunger from week to week and month to month. If sickness comes, he faces suicide or crime. He can not educate his children; he can not fit them for citizenship; he can not even fit them as soldiers to die for their country. It is the tragedy of our whole national life—how these people live in such times as these. We have not yet gathered the fruits of such an industrial condition in this country. We have been saved thus far by reason of our newness in national life, our vast public lands now almost exhausted, our great natural resources now fast being seized and held, but the hour of reckoning will come. In my opinion the man who would consider that situation now, who would legislate with that condition ever in mind would be the true friend of honest wealth, the real defender of law and order, and the patriotic defender of republican institutions. I know one thing beyond peradventure, for it is written upon every page of the experience of man, that neither wealth nor order and law nor free institutions can rest upon hunger and want, upon a starved or starving proletariat. In all the history of the world there is no stupidity equal to the stupidity of wealth in the presence of economic danger. It is well illustrated by one who in a great economic crisis of the world brutally declared that if the people had not bread to eat they could eat grass and whose horrible visage was shortly thereafter floating through the streets on the end of a pike serving as a banner to an infuriated, remorseless mob of hungry human beings.

The Senator from Massachusetts [Mr. WEEKS] said that we should not so tax the business of this country as to destroy its productive efficiency. We are all agreed as to that. Certainly that would be disastrous. It would injure the whole country—labor even as much as capital. Do you think, when you take $562,000,000 out of some six billion dollars of war profits, that you are destroying, or touching the line where you may destroy, the productive efficiency of this country? If you should take, in addition to $562,000,000 another $562,000,000 from the six billions of war profits, do you think you would have reached the point where you need to discuss the productive efficiency of the business of this country? If you should in this great exigency take all the war profits, leaving the normal profits, would it destroy productive efficiency?

But there is another point with reference to this question of efficiency. Neither must we destroy the efficiency, the physical well-being, or the capacity of the ordinary citizen to meet the duties and the obligations of this great war; and when you put an additional tax upon the man who has an income of $800 or $1,000 or $1,200, you are then laying a tax where it has an effect direct and substantial in the matter of efficiency.

As for me, sir, I can not comprehend, I can not understand—it is one of the unsolvable mysteries of this country in which we live—how a man with an income of $1,000 a year under the present high cost of living feeds himself and his family. Do you know that when the Boer War took place England found that the point where efficiency had broken down was with the working men in England, because they had been underfed and underclothed and insufficiently cared for, and were unable to meet the standards and the measurements which the Britons had met who had fought the wars of former years?

Let us see, Mr. President, to what extent we will affect the business interests of this country. Suppose we took 80 per cent of the war profits upon a flat rate. Let us take a few figures and see how they would escape even under that taxation, see what sacrifices they would make under such a rule as England now adopts. I have made some figures, and while I always give figures in the presence of the Senator from Utah [Mr. SMOOT] with a good deal of caution, I invite his attention to them to see if I am not correct. If I am in error, I would beg to be corrected.

The American Smelting & Refining Co. in 1913 earned $9,756,540 of normal profits, peace profits. In 1916 their profits were $23,252,248. If you will take 20 per cent of that which is their war profits, the difference between $9,000,000 and $23,000,000, and add it to their peace profits, leaving to the Government 80 per cent, they would still have profits to the amount of $12,455,681. We have not touched the principal, we have not touched the normal profits, we have not touched the business capital. It is there in complete, efficient working order, with $12,000,000 to distribute among the stockholders—quite enough, sir, for the man who sits at home and draws in his profits when the soldiery of the United States are forfeiting their lives upon the front.

Let us take another—Armour & Co. In 1913 the profits of Armour & Co. amounted to $6,028,197. Their profits in 1916 were $20,100,000. Twenty per cent added to their peace profits would give them for the year 1916—it is on that basis that I am estimating—$8,842,561, something over $2,000,000 in excess of their peace profits. Shall any man complain who goes through this war, in this dread situation, a little better off than he was in time of peace?

But that is not all. The Armour Packing Co. in the year 1916, in addition to distributing that $20,000,000 of profits, issued a stock dividend of $80,000,000.

The Bethlehem Steel Co. earned in 1913 $5,122,703 in the way of profits. Their income in 1916 was $43,593,968. Twenty per cent added to their peace profits gives them for 1916, $12,816,956. I am not honored by the presence of the distinguished and able Senator from Massachusetts [Mr. WEEKS]. I know his business capacity and his business judgment. I should like to have his opinion as to whether or not the Bethlehem Steel Co. would be affected in its productive efficiency with its capital untouched, its peace profits untouched, and some $7,000,000 of war profits added?

The Du Pont Powder Co. earned in 1913 $4,582,075 in the way of profits. In 1916 they increased their profits from $4,000,000 to $82,107,693. Take 20 per cent of the war profits and add it to their peace profits and you have undisturbed profits, untouched profits, to the amount of $20,087,198.60, nearly five

times in excess of their peace profits in 1913; and they were doing fairly well and thriving fairly well even before the war came. I believe they could pull through on twenty million profits. I see no danger here of destroying productive efficiency.

The Hercules Powder Co. earned $1,017,212 in the way of profits in the year 1913. They earned $16,658,873 in 1916. Twenty per cent added to their peace profits gives them a profit of $4,145,544.20.

Phelps, Dodge & Co., a corporation, earned $7,907,710 in 1913. They earned $21,974,263 in 1916. Adding 20 per cent to their peace profits, they would still have left $10,721,020.

Swift & Co., another packing company, earned $9,250,000 in 1913. In 1916 their profits were $20,465,000. Twenty per cent added to their peace profits would give them $11,493,000 undisturbed, untaxed. In addition to that, Swift & Co. also declared a stock dividend of somewhere about $75,000,000, but I have not the exact figures.

The United States Steel Corporation had an income in 1913 of $81,216,985. Their income in 1916 was $271,531,730. Add 20 per cent to their peace profits, and you have $119,279,934.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER (Mr. GERRY in the chair). Does the Senator from Idaho yield to the Senator from Michigan?

Mr. BORAH. I do.

Mr. TOWNSEND. I am deeply interested in what the Senator is stating, and I am a little bit confused on one statement. For instance, he mentioned Swift & Co. He said its profits in 1915 were $9,000,000, and its profits in 1916 were $20,000,000. Then he adds 20 per cent of that to their peace profits?

Mr. BORAH. No; I subtract the 1913 profits from the 1916 profits and take the difference and take 20 per cent of that.

Mr. TOWNSEND. That is correct. I did not understand that that was what the Senator was doing.

Mr. BORAH. Mr. President, I have a number of other figures here, showing the profits which would still remain to these companies after we had taken 80 per cent of their war profits. But I shall, in the interest of time, pursue this matter no further. I leave these figures to speak for the record.

Now, in the matter of treating these people fairly and from the standpoint of conscience and of justice, should any man desire during this war, while everybody is to sacrifice, to earn more than three or four times what he was earning in time of peace? I do not say, Mr. President, that the gentlemen who control these industries desire to do so. I do not challenge their patriotism. I do not assail their loyalty to their country by assuming that they would not be willing to make the same sacrifices that their other countrymen must make. Indeed, sir, if we are to take the statements of such men as Mr. Gary and such statements as were made by Mr. Schwab, some of them printed in the public press and some which I had the honor to hear, they would not complain if they were simply left their normal profits during the war. I do not speak for them. I am only speaking of the fact that they have said over and over again during this war that every citizen must meet the responsibility which rests upon him according to his ability to do so; and that being true, I do not assume, sir, when I advocate taking this amount of profits, that I am assailing these men or challenging their patriotism; and I will not assume so until some one who has the right to speak for them says that they are opposed to being confined to reasonable profits during this war.

I leave these figures to speak for themselves. I leave them to take care of my defense when I am charged with being unfair or radical. I leave them to answer those who say this is an attack upon wealth, and particularly I leave them to caution those who would leave such profits so slightly taxed and pass the burdens on to the necessaries of life.

Tax laws, unjust and unfair tax laws, have been the source of more misery, more agony, though often voiceless, and, finally, more bloodshed and slaughter, than any other form of legislation to which men have given their efforts. The unequal burdens of government distributed unjustly by those in power have been the undermining influence of governmental organizations time and time again. It was the refusal of the king to listen to his great finance minister, Turgot, which brought on the French Revolution. Turgot said to his king, I will redistribute these taxes. I will take off the taxes on the necessaries of life, the taxes which are crushing your peasantry and reducing 90 per cent of your people to poverty and drudgery, and breeding discontent and disloyalty everywhere, and I will lay it on the great estates, the wealth which surrounds you. The king was pleased, for while Louis did not have a great mind he had a better heart than it is usually given to kings to possess. He told the minister to proceed. The minister did not proceed far, however. The wealthy estates demanded an audience with the king on the question of taxes. They asserted they were too heavily taxed; that it would cripple his kingdom and destroy its prestige. The king listened, wavered, and in that wavering lost his head. Turgot was dismissed, the taxes were distributed as of old, hunger and want and crime came together and executed their wild system of justice, and lords and satellites and kings paid the forfeit of their crime. The French Revolution was the most stupendous exhibition of retributive justice in the history of the human race, and its origin, its source, and its moving force were the unjust tax laws of France.

Mr. President, in conclusion allow me to say we must bear in mind that this is now our war; that the citizen must meet the situation according to his ability. We must bear in mind that it is now our country that is involved; that it is a matter not of gratuity, not merely to give as you would give to Belgium suffering or to Serbia suffering. It is a situation, sir, in which each and every citizen has resting upon him the responsibilty to respond according to his capacity.

Yes; it is our war; it is an American war, and we must prepare to meet its burdens and fight its battles in harmony with American principles, in harmony with what is just and what is right to each and every member of the Republic. We are now dealing with the question of revenue, and no question will more accurately and pointedly gauge among us the spirit of democracy. No problem with which we shall have to deal will more thoroughly reveal our real faith in the great principle for which we are fighting. If there is any question among men that will uncover human character, it is the laying on of a tax, and we are now dealing with a proposition which will reveal to all just how sincere we are when we say that we are in this contest for democracy.

In this struggle some will lay down their lives. Some will give up their chosen companions. Some will yield the prop and stay of old age, and some as a result of the war will carry on through life broken health and maimed and diseased bodies. Now the question is, will ease, will luxury, will wealth lay upon the same common altar not merely of their excess, not merely of their surplus but that which also represents sacrifice? Will the people who are abundantly blessed give up their surplus estates, their gathered wealth; will they, too, deny themselves in the hour of national danger? We are entering a period of sacrifice and these sacrifices must be borne and shared in accordance with the ability of the respective citizens to bear them and to share them. If this is a fight to make democracy universal let us also make it a fight to make democracy decent and just—to make democracy real and worth while. If when this fearful struggle is past and men look back upon the awful tragedy and reflect upon its sorrows and its sufferings it shall be found that the great burdens of the war have been borne and are to be borne by those of limited means, by those of a mere competency, by labor, and by the man of small salary, as will be true under a loan system, while a few have still gathered wealth and made vast fortunes, God pity the future of this country. Men will mock at your Government; they will deride your democracy; they will denounce your Republic and its Constitution, and discontent, disobedience, lawlessness, and disaffection will permeate and demoralize the whole vast fabric of our free institutions. If when the war shall have closed and peace has come you would have respect for your Government, obedience to her laws, and devotion to the flag, make no mistake as to the equitable distributions of the burdens of this great war.

The war has already served to widen the economic chasm in the life of our people. The increased cost of living accentuated in part by the war has already weighed most heavily upon the working and producing classes, while a few have gathered millions and accumulated vast fortunes. If you say to me that wages have increased, my answer is that only in certain vocations and in those by no means in proportion to the increased cost of living.

Last winter we saw widespread suffering and want. Investigation disclosed that hundreds and thousands of children were underclothed and insufficiently fed and were being deprived of schooling. This was in a time of peace. Indeed, the most serious effect of the war in our country thus far has been the way in which it has weighed down upon the man of ordinary means. In other words, the war has already served to take from those who had not and give to those who had. I do not myself want to overlook this fact in dealing with this problem. I do not think it is wise or just that we should overlook it. I think the future contentment and happiness of our people demand that we should not overlook it. If anyone supposes that public opinion in this country upon these questions is at ease and content, he is greatly in error. The fires of passion burn low, but they are widespread and it will not require any extraor-

dinary event to cause them to burst forth. Let us so construct our revenue laws that there may not be any cause for resentment, any sense of injustice, any feeling of revolt. It makes no difference what the outward form of our government may be, how splendidly our institutions are framed, if there is not content among the people, if there is not a feeling throughout of equity and justice, of equal laws, there can be neither strength nor guaranty of perpetuity. The Good Book tells us that beneath the purple robes of power the worms coiled and crawled and fed upon Herod's body and he gave up the ghost. At a time when we are reaching out to maintain our prestige upon the sea and to carry success and relief to other nations let us make sure that discontent and dissatisfaction, injustice and inequity do not wither up a nation's soul at home.

In the name of a country which we love, in the name of those free institutions in the ultimate triumph of which is to be found the final solution of the great problem of free government, whatever else we do in this great struggle, let us preserve justice and equality of burden as nearly as we can at home and among our own people. Let us guard with vigilance the indispensable virtues and principles of our own democracy. Let us as a Senate be brave enough and strong enough and patriotic enough to equalize as nearly as we may the load now pressing down upon our people.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LA FOLLETTE. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. STONE. Mr. President, so far I have not spoken during the consideration of this bill. And now about all I have to say is that I would like to see the bill as reported agreed to by the Senate. I support the bill as reported. I had not supposed that it would be worth while for me to address the Senate in support of this measure, and I doubt if it can be of any possible advantage for me to do so now. I have supposed that the masterful presentation by the chairman of the Committee on Finance [Mr. SIMMONS], supported as it has been most ably in the addresses of the senior Senator from Massachusetts [Mr. LODGE] and others, would be sufficient; but now, to my surprise, I find that there is an unexpected and somewhat formidable opposition to the bill. Therefore, as a member of the Finance Committee, I am not willing to sit silent in the face of this opposition.

Mr. President, this bill is the composite work of the Finance Committee. This composite work does not represent the individual view of any single member of that committee. The committee had a hard task before it. It labored assiduously and faithfully for many weeks. There are provisions in the bill that I may say various individual members of the committee did not favor. There are provisions in the bill I did not approve, and things left out of the bill I personally sought to incorporate in it. What I say of myself is true of every member of the committee. Indeed, Mr. President, that is almost always true of all committees having under consideration important subjects of legislation like this.

I join in the well-deserved compliment paid to the chairman of the Finance Committee [Mr. SIMMONS] by the Senator from Massachusetts [Mr. LODGE] on Wednesday; but the chairman had no more his way than any other member of the committee had his way.

And I wish to impress this because of some things that have just come to me here and which in large measure have induced me to take the floor. The chairman of the committee did not have his way any more than any other member of the committee had his way. Of course, the diligent, laborious work of the chairman reflected its influence, as it should have done, on the membership of the committee. There is not a member of the committee who will not vouch for the absolute verity of the statement I make that the report made by the chairman represents the final judgment of the committee itself.

After a long and tedious service, the committee, aided by the best experts the Government could furnish and after a patient hearing from selected representatives of almost every important industry affected, agreed upon the bill as reported. As I have said, the bill does not represent the individual view of any member of the committee. It is a composite work, the joint result of work done by numerous men—I think sincere and honest men—having divergent opinions. At the end of our deliberations the committee directed the chairman of the committee, the Senator from North Carolina, to report the bill as finally agreed upon to the Senate. Three or four Senators reserved the right to present or re-present certain particular disputed questions to the judgment of the Senate, and 3 out of 17 members of the committee disagreeing to the final action of the committee reserved the privilege of presenting a minority report. After that, the committee as a whole voted to direct the chairman of the committee to report the bill as finally adopted.

These particular remarks may not be of especial interest to Senators generally, for I am now addressing myself especially to the members of the Finance Committee.

Mr. President, whenever, as a member of a committee, I vote to direct the chairman of the committee to report a bill to the Senate I shall support him. As a member of a committee I have no right to direct the chairman to report a bill to the Senate and then throw the whole burden of maintaining the bill—the whole responsibility of conducting it—upon him. There is a sense of personal honor and obligation in all this, as I think. If I were not willing to stand by the chairman and aid him I would not direct him to report the bill; I would not throw the whole burden upon his shoulders and desert him when the stress was on. I thus address myself with freedom and on my own responsibility to Senators who are my colleagues on the Finance Committee.

The three Senators mentioned—the Senators from Wisconsin, Colorado, and Oklahoma—declared their opposition to the bill agreed upon and reserved the right to present a minority report. Against that I have nothing to say. Other Senators reserved the right to present certain specific questions passed on by the committee to which they did not individually agree. There were only three or four such reservations made. Beyond that the committee, 14 to 3, directed the Senator from North Carolina to present this bill to the Senate.

I do not know how other members of the committee feel about it, but for myself I say to my colleagues on the committee I shall not be recreant and leave the chairman to shoulder the whole responsibility of the bill which he has reported by our direction. But after all I think he could well afford to shoulder the whole responsibility, but that is not fair to him. For myself, I shall support the bill as reported.

MY PERSONAL ATTITUDE.

Mr. President, we are at war; you know that I did not approve this war adventure. But as long as we are in war we must fight, and successful fighting requires, among other very essential things, that we should provide the financial sinews of war. How are these necessary financial resources to be supplied? I know only two ways, namely, first, by levying taxes on the people, and, secondly, by asking loans to the Government.

Immediate taxes are always an immediate burden on the people and on the industries of the country. Loans are a burden transmitted to those who succeed us. With respect to this division of burden as between the present and future generations, I have heretofore declared my attitude. But, repeating what I have previously said, I believe that the greater part of the burden of this war upon which we have entered should be imposed on the people of this generation, who are responsible for it. Fundamentally that position is sound, and I stand for it. But as we go along we must be sensible; we must be always very conscious of the tremendous task we have undertaken, and the successful execution of that task is, in my opinion, very, very largely dependent upon the uninterrupted, continuing activity of the multitudinous industries of the country. And so, from the start, I maintained before the Finance Committee what I here maintain, that it was the part of wisdom to make the immediate increased tax burden as light as possible to meet the exigencies pressing upon the Government. Already, before this bill came to us, the burden of taxation in various forms had been enormously augmented; already these burdens of taxation were without precedent. I could not ignore that fact. Then came this new demand upon us. The immediate question presented was that the committee should provide for approximately $4,000,000,000 additional revenue for the uses of our own Government. This did not include the loan of other billions to the allies nor include other things I will not stop to specify. It concerned only our own immediate governmental needs. Therefore the immediate question before the committee was how to raise this enormous sum called for by the Government for their own urgent uses. The Secretary of the Treasury, with the approval of the President, recommended that this new burden of some four or five billion dollars should be divided so as to impose something like one half the weight of the burden in the form of immediate taxes on the people and that the remaining half should be floated in the form of bonds to be redeemed at a more or less remote period. Personally I doubted the wisdom of laying as much as $2,000,000,000 of new taxes in bulk for immediate assessment and collection. Before the committee I took the position—I think I was the first to urge that position—that the two billion to be levied on this immediate generation should be split up, so as to make it payable by annual installments.

My idea was this: To levy one-fourth or one-third of this vast sum for immediate collection during the current year, and

that the remainder should be divided into three or four installments, the deferred installments to be taken care of by Treasury certificates or some form of serial obligations to be taken up within fixed periods. My idea was that some such proposition as indicated should be made the basis for actual collections during the current fiscal year and that the remainder required for the fiscal year should be divided into such installments as I have indicated, to be taken up in one to three years, as might be deemed most advisable. My idea was to have these deferred payments taken up by issuing short-time Treasury obligations, interest bearing and nontaxable. Further, my idea was that these obligations should be issued in small denominations—ranging from ten dollars to a thousand dollars—in the belief that while they would not have the quality of a legal-tender currency—and this itself would avoid the danger of inflation—they would in a large way pass current for the time being; and I thought this in itself would be an important advantage to the Government in making contracts for supplies. But all that is a big question not worth while at this moment to discuss. Later on it may become important. I may say, Mr. President, I was only seeking some way to avoid the imposition of an excessive burden of taxation on industrial activity. In principle my suggestion was seemingly approved by a majority of the committee, although not visibly apparent in the construction of the bill.

Mr. President, as a fundamental policy I believe that a great part—yes, the greater part—of this tax burden falling upon us now should be borne by the people of this day and generation; but I can not convince myself that it is a wise policy to impose too great a part of this burden on our industries in a single year. I thought and still think it would have been wiser to levy approximately one-third of this required amount for collection this year and to limit the other two-thirds to be collected in equal parts in the next two succeeding years—something like that.

Surely it must be that the per cent the committee has recommended for immediate assessment and collection is as much as the industries of the country should be made to bear in a single year. Productivity depends on the vital energy and activity of industry; and upon that in a very great degree the revenues of the Government correspondingly depend.

New tax burdens are to follow those we are imposing by this bill. The extent of these additional burdens no man can now foretell. Since we declared war we have already expended or incurred obligations amounting to approximately $17,000,000,000. Our total national wealth is estimated at about $180,000,000,000, and economists tell us that when our obligations reach forty billions we will have arrived close to the line which divides national solvency from national insolvency. Therefore, is it not evident that we should move with deliberate thought and careful step as we go forward with this dangerous enterprise upon which we are embarked? There are certain things we must keep in mind, namely, (1) the success of the war; (2) the raising of revenues essential to the prosecution of the war, and to this end that the prime sources of revenue shall not be unduly impaired; (3) the ultimate solvency of the Nation.

Mr. President, to reach a true solution of these great problems, we must move studiously and with caution. It is easy for any Senator to start something on the floor of the Senate; it is easy to kick up a row, leading to possible confusion and likely to hasty and unwise conclusions; but, Senators, we should not lose our heads. The influence, the pressure, of the present moment—even the politics of the present moment—must not make us forget there is a future or forget the task we have in hand.

Mr. President, in dealing with questions of this kind now daily coming to me, I deal with them patriotically. I do not permit my convictions as to the unwisdom of this war to enter into my calculations. I merely recognize the fact that we are in war, and that in that emergency it is my duty to serve my country in the same spirit in which I would serve it if I had been an advocate, instead of an opponent, of this war policy. As long as we are in the war I shall support the Congress which declared war, and the President who is prosecuting it, with respect to every proposal which concerns the effective execution of the congressional mandate. The question before us this hour is one of those questions—that is, the question of raising money, the wisest and best way of raising money to wage war.

Mr. President, in my opinion it would be the height of unwisdom at this juncture to go further than the committee has in the way of imposing taxes on the industries of the country and the individual resources of the people. Moreover, I desire to say that I regard it as fallacious to contend, as it has been here contended, that substantially all the burdens of the war should be laid upon two or three sources of revenue. This is said to be a war for world democracy, a war that will give assurance to democracy that it shall have a chance to live and flourish. If that be true—if, indeed, that be the spirit of the people—then it must be that it is a war in which every man and woman in America is vitally interested; and if that be true, then everyone who is able should contribute something in some way to the maintenance of this crusade, for it is a crusade. I have always believed that even in normal times the burdens of maintaining the Government should be as universally distributed among all the people as it is possible equitably to distribute them. Above all things, I hate the idea that only the rich shall pay taxes and support the Government. I am a poor man, but I say that. Any other theory would make this a rich man's government. Possibly it may be that sort of government now, but let us adopt no public policy admitting it. Is it not true that to the extent that men and women contribute nothing to the support of the Government, to that extent they lose the patriotic spirit, and lose the sense of personal responsibility? Let everyone do his part. That is the true doctrine; that is the true American spirit; that spirit lies at the very base of our democratic institutions, and every time we do anything to weaken or ignore this great basic principle of universal American individual responsibility and the right and duty of individual participation in the affairs of the Government, including the burdens of the Government, to that extent we undermine the very foundations of the Republic.

Mr. OWEN. Mr. President, I desire to inquire whether we shall probably be able to reach a vote on this amendment to-night?

Mr. SMOOT. Mr. President, I intended to submit some remarks at length upon the pending amendment in answer to a number of statements that have been made, but there seems to be an evident feeling among Senators that they would prefer to vote at this time. Therefore I will say to the Senator from Oklahoma that I shall not take the floor, and as far as I am personally concerned I shall be content with a vote upon the amendment right now.

Mr. OWEN. I shall be very glad to defer to the wishes of Senators, if that is the desire.

Mr. SMOOT. Then the Senator can follow with his remarks after the vote is taken.

Mr. OWEN. I shall be pleased to do so.

The PRESIDING OFFICER (Mr. BRANDEGEE in the chair). The question is on agreeing to the amendment proposed by the Senator from Wisconsin [Mr. LA FOLLETTE]. On that the yeas and nays have been ordered.

Mr. SIMMONS. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER. The Senator from North Carolina suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hitchcock	McNary	Simmons
Beckham	Hollis	Martin	Smith, Ga.
Brady	Husting	Nelson	Smith, Md.
Brandegee	James	New	Smith, S. C.
Calder	Johnson, Cal.	Norris	Smoot
Colt	Jones, N. Mex.	Overman	Sterling
Culberson	Jones, Wash.	Owen	Stone
Curtis	Kellogg	Page	Sutherland
Dillingham	Kendrick	Penrose	Swanson
Fletcher	King	Phelan	Thompson
France	Kirby	Poindexter	Trammell
Frelinghuysen	Knox	Reed	Vardaman
Gerry	La Follette	Robinson	Wadsworth
Gronna	Lewis	Saulsbury	Watson
Hale	Lodge	Shafroth	Weeks
Harding	McCumber	Sheppard	Wolcott
Hardwick	McKellar	Shields	

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness, and to state that he is paired with the senior Senator from North Dakota [Mr. MCCUMBER].

The PRESIDENT pro tempore. Sixty-seven Senators have answered to their names. There is a quorum present. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE], on which the yeas and nays have been called for and ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. GALLINGER], but I understand that he would vote as I shall vote on this question. I vote "nay."

Mr. FRELINGHUYSEN (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WALSH]. Because of his absence, I withhold my vote.

Mr. KENDRICK (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. FALL].

I transfer that pair to the junior Senator from Arizona [Mr. SMITH] and vote "nay."

Mr. KNOX (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. CHAMBERLAIN]. As I do not see him present, I withhold my vote.

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Colorado [Mr. THOMAS]. The senior Senator from Montana [Mr. MYERS] has a pair with the junior Senator from Connecticut [Mr. McLEAN]. We have arranged to transfer these pairs, so that the Senator from Colorado may stand paired with the Senator from Connecticut, allowing both the Senator from Montana and myself to vote. I therefore vote "nay."

Mr. MYERS (when his name was called). I have a pair with the Senator from Connecticut [Mr. McLEAN], who is absent, which pair I transfer to the Senator from Colorado [Mr. THOMAS] on the terms stated by the Senator from North Dakota [Mr. McCUMBER]. I vote "nay."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. By arrangement, that pair may be transferred to the Senator from Montana [Mr. WALSH], who is also absent, thus permitting me to vote. I therefore vote "nay."

Mr. PENROSE (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS], who is absent; but as I am informed that he would vote to sustain the committee I will release the pair, so that it may be used, if necessary, with some other absent Senator, and will vote. I vote "nay."

Mr. MYERS (when Mr. WALSH's name was called). My colleague [Mr. WALSH] is necessarily absent on account of illness. He is paired with the Senator from New Jersey [Mr. FRELINGHUYSEN].

Mr. LEWIS (when Mr. WILLIAMS's name was called). I announce the absence of the senior Senator from Mississippi [Mr. WILLIAMS] on official business. His pair and the situation in regard to it has been stated by the Senator from Pennsylvania [Mr. PENROSE].

The roll call was concluded.

Mr. BANKHEAD. I desire to announce the unavoidable absence of my colleague [Mr. UNDERWOOD]. If present, he would vote "nay."

Mr. CURTIS. I desire to announce the unavoidable absence of the senior Senator from New Hampshire [Mr. GALLINGER]. If present, he would vote "nay."

Mr. FRELINGHUYSEN. I transfer my pair with the junior Senator from Montana [Mr. WALSH] to the senior Senator from Wyoming [Mr. WARREN] and vote "nay."

Mr. HARDING (after having voted in the negative). When my name was called I answered and voted in the negative. I note the absence of my general pair, the junior Senator from Alabama [Mr. UNDERWOOD], but I have been informed that if he were present he would vote as I have voted. I will therefore allow my vote to stand.

Mr. KNOX. I transfer my pair with the senior Senator from Oregon [Mr. CHAMBERLAIN] to the senior Senator from New Hampshire [Mr. GALLINGER] and vote "nay."

Mr. LEWIS. I desire to announce the absence of the senior Senator from South Carolina [Mr. TILLMAN] on account of illness. He is paired with the senior Senator from West Virginia [Mr. GOFF].

Mr. CURTIS. I desire to announce that the senior Senator from Maine [Mr. FERNALD] is paired with the junior Senator from South Dakota [Mr. JOHNSON].

Mr. LEWIS. I desire to announce that the senior Senator from Arizona [Mr. ASHURST] and the senior Senator from Oregon [Mr. CHAMBERLAIN] are necessarily absent on official business.

The result was announced—yeas 21, nays 58, as follows:

YEAS—21.

Borah	Husting	McKellar	Townsend
Brady	Johnson, Cal.	McNary	Trammell
Gore	Jones, Wash.	Norris	Vardaman
Gronna	Kenyon	Owen	
Hardwick	Kirby	Poindexter	
Hollis	La Follette	Reed	

NAYS—58.

Bankhead	Hitchcock	Overman	Smith, Md.
Beckham	James	Page	Smith, Mich.
Brandegee	Jones, N. Mex.	Penrose	Smith, S. C.
Broussard	Kellogg	Phelan	Smoot
Calder	Kendrick	Pittman	Sterling
Colt	King	Pomerene	Stone
Culberson	Knox	Ransdell	Sutherland
Curtis	Lewis	Robinson	Swanson
Dillingham	Lodge	Saulsbury	Thompson
Fletcher	McCumber	Shafroth	Wadsworth
France	Martin	Sheppard	Watson
Frelinghuysen	Myers	Sherman	Weeks
Gerry	Nelson	Shields	Wolcott
Hale	New	Simmons	
Harding	Newlands	Smith, Ga.	

NOT VOTING—17.

Ashurst	Gallinger	Smith, Ariz.	Warren
Chamberlain	Goff	Thomas	Williams
Cummins	Hughes	Tillman	
Fall	Johnson, S. Dak.	Underwood	
Fernald	McLean	Walsh	

So Mr. LA FOLLETTE's amendment was rejected.

Mr. HOLLIS. Mr. President, I offer an amendment, which I ask to have printed and lie on the table.

The PRESIDENT pro tempore. It is so ordered.

Mr. TRAMMELL. I offer an amendment, which I ask to have printed and lie on the table.

The PRESIDENT pro tempore. That order will be made.

Mr. McCUMBER. I offer an amendment, which I ask to have printed and lie on the table.

The PRESIDENT pro tempore. It is so ordered.

Mr. SIMMONS. Mr. President, the Senator from Oklahoma [Mr. OWEN] has advised me that he desires to occupy some time about another matter than the bill. I will ask, therefore, that the bill be temporarily laid aside, not to be taken up again this afternoon.

The PRESIDENT pro tempore. The bill will be temporarily laid aside.

PROPOSED INTERNATIONAL CONVENTION.

Mr. OWEN. Mr. President, on August 20 I introduced a joint resolution which I think may have a most far-reaching effect upon this war if it should meet the approval of the Congress.

This joint resolution proposes, as a war measure, an international convention for the purpose of terminating international anarchy, establishing international government in lieu thereof, and coercing the Teutonic military conspiracy by the organized commercial, financial, military, and naval powers of the world. I desire to read the joint resolution to the Senate, because it explains itself, requires but little explanation, and is the shortest way in which to present the proposals which I wish to offer.

"A joint resolution (S. J. Res. 94) proposing as a war measure an international convention for the purpose of terminating international anarchy, establishing international government in lieu therof, and coercing the Teutonic military conspiracy by the organized commercial, financial, military, and naval powers of the world.

"*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That it is the opinion of the representatives of the people of the United States assembled in Congress that international government, supported by international force, should be immediately organized to take the place of the existing international anarchy; that competing armaments should be replaced by a noncompetitive international army and navy; that the Teutonic military conspiracy to dominate the world should be overthrown by the combined commercial, financial, military, and naval powers of the world.

"That international government should be based upon the following principles:

"First. Every civilized nation and informed people should have the unquestionable right of internal self-government, with exclusive control within its own territory over immigration, emigration, imports, exports, and all internal affairs, with the right to make its own political and commercial affiliations.

"Second. The oceans and high seas should be free and open under international rules. All international waterways, straits, and canals should be open on equal terms to the citizens of all nations. Equal terms should be arranged for fuel, repairs, and dockage in all ports for the ships belonging to the citizens of all nations.

"Third. All interior nations having no seaports should have the right of shipment of their goods in bond on equal terms and conditions, without tax, through any intervening territory to the seaports of any other nation with equal access to shipping facilities.

"Fourth. That there should be established by international agreement an international organization of all civilized nations with an international legislative council to draft rules of international law to be submitted to the several nations for approval. That when such rules of international law are approved by the parliaments, or lawmaking branch of the governments of three-fourths of the member nations, representing three-fourths of the total population of all the member nations, such international rules should be binding on all member nations. Such rules should be limited to the powers expressly delegated to such international legislative council and strictly confined to international affairs.

"Fifth. The international legislative council should elect and define the duties of a representative international executive cabinet to execute and enforce the rules established as international law.

"Sixth. The international legislative council should have representatives from each member nation exercising a voting power according to relative population, relative wealth, and relative

governmental development, to be determined by international agreement.

"Seventh. The international legislative council should establish and define the duties of an international supreme court, with power to pass upon all questions of international controversy incapable of diplomatic adjustment but with no power to pass on questions affecting the reserved rights of nations.

"Eighth. The international legislative council should formulate the method for raising an international army and navy and for establishing an international blockade and other means for enforcing the rights of member nations under international law, such army and navy to be provided and sustained by the member nations pro rata according to relative population and wealth.

"Ninth. With the conclusion of the present war the nations of the world should agree to reduce in progressive stages their land and sea forces to a point preferably not to exceed internal or local police purposes and the quota required for the international army and navy.

"With progressive disarmament and international peace safeguarded by world government dissatisfied nations now held captive by dominant nations for strategical purposes could be safely given their liberty.

"Tenth. That the international army and navy should not be authorized to exercise military force further than to prevent or suppress the invasion of the territorial integrity of any of the member nations and in the blockade and embargo to enforce international law.

"Eleventh. That it should be a violation of international law and the highest international crime for any nation on any alleged ground to invade the territorial limits of another nation. The penalty of such invasion should be immediate international blockade of the invading nation, embargo on all mail, express, and freight to or from such nation, and the suppression of such invasion by the international army and navy.

"Twelfth. That nations backward in education, industrial, and economic development, and in the knowledge of the principles of government should have their rights safeguarded on the principles of freedom, humanity, and justice by international agreement with a view to future self-government.

"Thirteenth. It is clearly realized that the program of progressive disarmament or permanent world peace is impossible of attainment until the military forces now ruling the Teutonic people, first, either voluntarily acquiesce in progressive disarmament and international justice as the basis of world peace; second, are forced to do so by the Teutonic people; or, third, are coerced to do so by the combined powers of the world.

"Fourteenth. That in order to bring this war to an early termination, the belligerent nations opposing the Teutonic powers should immediately cohere on a plan of international government pledging justice and peace to all member nations and the coercion of the military autocracy of Prussia by the commercial, financial, military, and naval forces of the world, giving assurance, nevertheless, to the Governments of Germany and Austria of their willingness to admit the Teutonic powers as members of the proposed international union on equal terms with other nations when they shall have met the conditions and given satisfactory guaranties.

"Fifteenth. In our opinion no reliance should be placed upon the vague suggestions of peace of the Teutonic military autocracy, but that their obscure proposals should be regarded merely as a military ruse. The peace resolution of the Reichstag, while promising well for the attitude of the German people, when they achieve self-government, can not at present be regarded as a proposal binding on or capable of enforcement by the German people, because they do not control their own Government, but are mere subjects and puppets of a military autocracy which has long conspired and still dreams of conquering the world by military force and terrorism. The United States and the nations opposing militarism should strenuously prosecute the war with every available resource, and no separate peace should be made by any of them until the menace of the military autocracy of Germany is removed.

"Sixteenth. It is our opinion that if a world-wide agreement can be established on the above principles, and the men now engaged in slaughter and destructive activities can be returned to productive industry, the world could quickly recover the gigantic shock of the present war and would be able without serious difficulty to soon repair the material injuries and losses already suffered.

"Seventeenth. The United States does not enter this war for material advantage, for any selfish purpose, or to gratify either malice or ambition. The United States will not approve forcible annexations or mere punitive indemnities, but it will approve a free Poland, the restoration of territory wrongfully taken from France and Italy, and restorative indemnity to Belgium and Serbia, and the adjustment of other differences by international conferences. It will favor extending international credits for the restoration of all places made waste by war. The United States enters this war in self-defense; to protect its own citizens and the nations of the world in their present and future rights to life and liberty on land and sea. It does not wish the world to remain an armed camp.

"Eighteenth. No peace is desirable until the world can be safeguarded against a repetition of the present war. Competitive armaments must be ended and replaced by international cooperative armaments in order to assure permanent world peace.

"Nineteenth. That the President of the United States shall immediately submit the above resolution to the belligerent nations now defending themselves against Prussian military autocracy and invite them and all neutral nations by wire to an international convention for the purpose of considering the above principles and taking affirmative action for the early suppression of the Teutonic military autocratic conspiracy by the combined commercial, financial, military, and naval powers of all nations.

"Twentieth. The sum of $400,000 is hereby appropriated to meet the cost of promoting such convention."

Mr. President, in waging war on the Prussian military autocracy for the suppression of its conspiracy to rule the whole world by military force and terrorism the people of the United States have determined to use every resource at their command until this object is accomplished.

The Pan-German leaders are in control of the governmental powers and of the Army and Navy of Germany. They demand world power. They demand annexations and indemnities. They regard treaties as scraps of paper. They have terrorized the seas, made war on us and on all nations, and conspired against our future peace. They are using the German people as puppets and pawns on the checkerboard of war.

In vain do the democratic elements of Germany—the sane elements of Germany—urge international justice. The military autocracy denounces the voice of moderation, of justice, of international reconciliation, except on their own terms and future dominance. They pretend to be willing to make peace, but it is a peace dictated by German victory that will leave the military group stronger than ever. They pretend to favor peace, but it is for the object of demoralizing the war-making activities of free Russia and of other opposing nations, while the military group gird up their loins for more strenuous efforts of a German victory with arms.

The conspiracy of the Prussian military autocracy to rule the world and destroy the democracies of the world is of long standing, as the secret treaty of Verona completely demonstrates. They capture neighboring territory and put the inhabitants to laboring for the military powers. They capture adjacent people and put the inhabitants in the trenches with rifles to help the military conspiracy in its lust for world-wide conquest.

Mr. President, heretofore I have submitted the language of the secret treaty of Verona. I call the attention of Senators again to this vital doctrine of the Hohenzollerns, the Hapsburgs, the Romanoffs, the Bourbons. It is strange it ever found the light of day. I beg you to listen to this language. It was made in 1822 and resulted in our issuance of the Monroe doctrine to tell them to keep off our democratic Western Hemisphere.

SECRET TREATY OF VERONA.

The undersigned, specially authorized to make some additions to the treaty of the holy alliance, after having exchanged their respective credentials, they agreed as follows:

ARTICLE 1. The high contracting powers, being convinced that the system of representative government is equally as incompatible with the monarchical principles as the maximum of the sovereignty of the people with the divine right, engage mutually, in the most solemn manner, to use all their efforts to put an end to representative governments and to prevent its being introduced in those countries where it is not yet known.

(See the CONGRESSIONAL RECORD, Aug. 13, 1917, p. 5983.)

Article 2 of that treaty pledged the destruction of the liberty of the press, because it was an agency by which representative governments, by which the liberty of men, made progress.

This treaty was framed in the interest of and signed by Metternich, representing the Hapsburg dynasty of Austria; by Bernstet, representing the Hohenzollerns of Prussia; by Nesselrode, representing the Romanoffs of Russia.

The Hohenzollerns have steadily pursued the policy to which it solemnly pledged its efforts in this treaty to destroy the democracies of the world and to suppress the liberty of the press.

They now have behind their policy 170,000,000 people—Bulgaria, Turkey, Austria—under the masterful control of the Prussian autocracy.

The world has not aroused itself any too soon if it wishes the democracies to survive.

It would be an act of madness for the world to temporize with this spirit, with this set and fixed policy of the Hohenzollerns of the Prussian autocracy.

German diplomacy throughout the world has been busy in weakening other nations whose powers might be used against the military autocracy.

I submit the record of the Hohenzollerns as compiled by the Security League (Exhibit D), which is convincing to any student of history.

They have gone to South America, to Central America, and to Mexico, and have made those people believe that the United States, loving liberty as it does, willing to make sacrifices for the good of mankind as it has been, free as it is from any desire to annex the territory of other nations—they have made those nations of the Western Hemisphere believe that the United States was the Collossus of the north, waiting a convenient time in which to absorb them and their property and overthrow their liberty.

Mr. SHERMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. OWEN. I yield to the Senator from Illinois.

Mr. SHERMAN. I am in full sympathy with what the Senator states. Would the Senator favor waging war to depose the present reigning house of Germany?

Mr. OWEN. Absolutely. That is what I am waging war on right now.

Mr. SHERMAN. And not leave it to the German people?

Mr. OWEN. And not leave it to the German people. I am not willing that the German people should be led by the Hohenzollern house under a military autocracy that threatens every neighboring nation and has finally gotten in its grasp 170,000,000 threatening the democracy of the world. If the Germans wish to use the Hohenzollerns as a social ornament, we should perhaps raise no objection; but if they use them as the head and front of a conspiracy to assault the democracies of the world and threaten our future peace, we should not agree to it; if the Hohenzollerns use the Germans, and, dominating them, compel the poor Germans to make war on others, then even the Germans should help to put this Jonah into the sea.

Mr. SHERMAN. May I inquire further if the Senator would restore the independence of Bohemia as a part of the Austria-Hungary Empire?

Mr. OWEN. Mr. President, the policies which are being laid down in this joint resolution will lead to the liberties of all the Teutonic people, including the people of Bohemia.

Mr. SHERMAN. That would follow with the restoration of Poland?

Mr. OWEN. It would follow with the restoration of liberty.

Mr. SHERMAN. I ask specifically about Poland.

Mr. OWEN. I will answer the Senator by saying that both the German authorities and the Russian authorities agree upon an independent Poland. They differ as to means.

Mr. SHERMAN. That was the point. I wish to go along with the Senator on all these things. I think we are substantially agreed that the restoration of Poland will require some disciplining of one of our present allies. In 1772 the original partition of Poland by Russia, Austria, and Prussia took place.

Mr. OWEN. I will place in the RECORD—that was done by the Romanoffs, by the Hapsburgs, by the Hohenzollerns—I will place in the RECORD now the evidence that free Russia desires a free Poland.

Mr. SHERMAN. There is no difference between the Senator and myself on that.

Mr. OWEN. No, there is no difference, I am sure, in policies and purposes between the Senator and myself. The time has come for the United States to use every energy to organize the powers of the whole world in suppressing the Teutonic military autocracy and suppressing forever its conspiracy to rule mankind by military force and terrorism.

Mr. SHERMAN. Mr. President——

Mr. OWEN. I yield to the Senator.

Mr. SHERMAN. The President not long ago, within the last two years, said that each independent sovereignty has a right to determine its own form of government. He was particularly speaking of Mexico at that time. That does not apply to Germany, does it?

Mr. OWEN. I think it does most fully, most completely. That is what I desire and hope to see.

Mr. President, in organizing the world to break down the Teutonic military conspiracy against the world the world should, nevertheless, give assurance to the Teutonic people that the world does not wish to crush the Teutonic people or require of them more than absolute justice demands in the way of restoring territory wrongfully taken, property seized, appropriated, or destroyed by the Teutonic people under the leadership of the Prussian military autocracy.

I have submitted Senate joint resolution No. 94, containing a plan which I believe will lead to an earlier overthrow of the Teutonic military conspiracy, which will lead to an earlier awakening of the Teutonic people to the danger of such leadership, and to the necessity of their demanding the right of self-government in order that sanity may be restored to their councils. My proposal is an immediate international convention of all belligerent and neutral nations to establish an international government, with legislative, executive, and judicial powers and an army and navy to enforce the rights of member nations and to coerce Prussian militarism.

Mr. President, we have not any international law. The so-called Hague Conventions are scraps of paper; they are unanimous-consent agreements. Behind those conventions the Hohenzollerns concealed their military preparations until they could pounce upon their neighbors unawares. Those conventions are worse than useless, they have served an evil purpose. But the fact that 32 nations there agreed upon the adoption of compulsory arbitration, the fact that 32 nations there desired to bring about a means of ending international war and anarchy, the fact that those 32 nations represent seven-eighths of the people of the world, gives every reason to us to believe that they could now be cohered together in such a way as not to interfere with individual nations, not to interfere within the bounds of any nation, but use the combined efforts of all to prevent any nation becoming an international outlaw and threatening the liberties of the world.

Mr. SHERMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. OWEN. I yield to the Senator.

Mr. SHERMAN. What would the Senator do with the German philosophers like Nietzsche and historians like Treitchszke?

Mr. OWEN. I would leave them to the German people, who will take care of them.

Mr. SHERMAN. They are the responsible foundation, Mr. President, of the servility of the German people who have submitted to the doctrines of militarism.

Mr. OWEN. I can not agree with the Senator from Illinois in that respect.

Mr. SHERMAN. If the Senator will permit me, the philosophy of Neitzsche is the foundation for the work of all the German professors who have led to the subordination of the civil to the military power.

Mr. OWEN. That is quite true; but these professors and these teachers are the hirelings of the Hohenzollerns, who for over a hundred years have had eulogy after eulogy paid for in Germany.

The Hohenzollerns are responsible for these moral, historical, psychological lunatics who have helped to make German opinion insane.

Mr. President, some critic has said, in relation to this world cooperation which I propose, "This is Utopia."

My answer is, first, Utopia is better than hell, and, second, that this proposition is not Utopian, and, third, it is already nearly an accomplished fact in the union of the great belligerents now waging a common war on Prussianism. Seventeen nations are now cohering on the battle line of Russia, of Italy, of Belgium, of France; 17 nations now are bound together in bonds of steel and of brotherhood against military autocracy ruling the world. We have only to take the step to bring them together around the council table, but it takes initiative to do it. Some nation has got to take the first step of inviting cooperation.

I pray the Father of us all it may be our great Republic that may perform this humane task and justify the prophecy of France in giving us the Bartholdi Statue—

"LIBERTY ENLIGHTENING THE WORLD."

You will remember, Senators, that in 1899 Nicholas, although a Romanoff, in the compassion of his heart, proposed to the nations of the world gradual and universal disarmament. Who was it that defeated it? It was William II and his Teutonic group of military autocrats. Who was it, when The Hague Convention met in 1899, stood in the way of a similar proposal? It was the same group. Who was it, in 1907, who prevented the coherence of the world to prevent future wars? It was the Teutonic group again, led by William II.

Mr. President, without any adequate organized effort on the part of the United States, 17 out of 44 nations at The Hague have already declared war on the Prussian autocracy, to wit, Great Britain, the United States, France, Portugal, Italy, Russia, Serbia, Montenegro, Roumania, Greece, Japan,

China, and little Cuba, and Panama, and Siam, and Liberia, and San Marino. These nations now at war with the Prussian military autocracy represent over three-fourths of the people of the whole world.

Brazil, Bolivia, Guatemala, Honduras, Nicaragua, and Haiti have severed diplomatic relations and are on the point of war.

Argentina, Peru, Chile, and others are on the point of severing diplomatic relations.

Seven-eighths of the people of the world are at heart opposed to the ambitions of the Prussian military autocracy, and the United States should strenuously take steps to induce every neutral nation to combine with the entente allies in making war on the Prussian military autocracy. There are compelling reasons to justify the neutral nations to cooperate. We should give voice at the same time to the aspirations of mankind for the establishment of a means by which to assure through all future time the liberty, the peace, the happiness of all mankind. This is what every nation wants. China, the reserved, the oldest of organized nations, understands this, as shown by the presidential mandate declaring war on the Teutonic powers.

I beg Senators to listen to this language of the Far East. The proclamation declares:

> The chief aim of this declaration is to put an end to the calamities of war and hasten the restoration of peace. * * * Until considerations involving the existence of the nation forced this momentous decision, it was not thought possible that its rights—

China's rights—

> under international law should have become impaired, the peace of the world retarded, and the position of the family of nations undermined. We are forced to fight in reestablishing the family of nations and to share in the happiness and benefits to be derived therefrom.

This mandate was signed by the premier of China and all the ministers.

Those ideas undoubtedly are American ideas, and if they were not transplanted to China previously, certainly they were presented by the representatives of the United States now at Pekin. What persuades China will be persuasive also as to other nations.

Every nation which has already declared war upon the Prussian military autocracy has been moved by the spirit of self-defense against an international outlaw, against international anarchy, and in safeguarding its own future peace.

And the same considerations which have moved 17 nations to declare war, representing three-fourths of the inhabitants of the world, will suffice to cohere them in an international government against a future war by the Prussian military autocracy, and persuade every other self-respecting nation of the world to adhere to the same policy, except perhaps Denmark, Holland, and Switzerland, who stand in deadly awe of the contiguous Teutonic military forces, and they will adhere when the present war is over.

Mr. President, I believe the principles which are laid down in the proposed resolution as a basis of international government will be acceptable, in substance, to all the nations of the world, and to the better elements of the Teutonic people, but are not acceptable, of course, to the war-mad Prusian Pan-German elements. The Pan-German element demanding the doctrine of "Deutschland Uber Alles" will have to be coerced at home or conquered by foreign armies.

There is some reason to believe that the German people are about to awake from their dreams, and that even the military group may be coerced by German opinion; but certainly the world will never permit to prevail the conception of Gen. Von Liebert, a spokesman of the German war party, who is quoted in a speech at Rathenow, Prussia (Washington Post, Aug. 20, p. 3), as saying:

> We can not sign a peace before we have Flanders coast, a colonial empire, and maritime bases. Should we not realize this now, we must prepare to work for it after the war *in view of the next war.*

Mr. President, the Prussian military autocracy is not going to have the power or opportunity to lead the world into any "next war." It is going to be disarmed by force, if necessary; and if the German people insist upon backing this war-mad Prussian conspiracy, the German people will unavoidably reap more unhappy consequences than are already in sight.

Gen. Von Liebert does not express the body of German opinion. The majority of the Reichstag seem ready for peace and to abandon the Pan-German military program of annexation and indemnity on their neighbors as a condition of peace. The willingness of the Reichstag to forgive Belgium and France and excuse them from the payment of indemnities is a sample of Teutonic magnanimity and lack of humor.

Hugo Haase on July 19 offered a resolution in the Reichstag representing a minority view, however, which shows some evidence of sanity, as follows:

> The Reichstag strives for a peace without annexations of any kind whatever, and without war indemnification, upon the basis of the rights of the peoples to decide their own destinies. In particular, it expects the restoration of Belgium and the repair of the wrong done to Belgium. The Reichstag demands the initiation of immediate peace negotiations upon the foundation of this program. It demands an international agreement about general disarmament, freedom of international trade and intercourse unrestricted international freedom of movement, an international agreement for the protection of workmen from exploitation, recognition of the equal rights of a State without regard to nationality, sex, race, language, and religion; protection of national minorities, and obligatory international arbitration for the settlement of all disputes.
>
> The urgent preliminary condition for the achievement of peace and the carrying out of this peace program is the immediate raising of the state of siege. Moreover, it is necessary to effect the complete democratization of the constitution and administration of the Empire and its several States, and *this must end in the creation of a social republic.*

Herr Scheidemann, leader of the Social Democrats, on August 7, at Monheim, demanded a government really representing the will of the German people, and said:

> But that is still not enough When the Reichstag met we said, "This thing has got to go further. We want democratization; we want a clear declaration on the question of our war aims."
>
> The Reichstag with its peace program has invaded the foreign policy of the Empire and brought about a complete defeat of the annexationists. But now the fight is going on over the decisive influence of the people in Empire and State. We want a State government consistent with the meaning of the suffrage message, and we want an Imperial Government consistent with the meaning of the Reichstag program. Our whole foreign policy must be conducted consistently with this program. And the German press must not be made the instrument of those who would gladly abolish the Reichstag resolution altogether from the world. Press and parliament belong to one another.

It is significant, Mr. President, that the authorities of Germany are now permitting on the interior of Germany an "offensive campaign for peace." It is significant that the proposals of Pope Benedict are immediately approved by Austria, and that the German authorities are indicating their disposition to acquiesce.

But it is also true, Mr. President, that German opinion will be greatly stimulated in favor of peace on the terms of international justice and on the terms which the entente allies will accept if we cohere against the Prussian military autocracy, every nation on earth, which we can do, and do speedily, because they are anxious to establish world-wide liberty to end the terrorism of the Prussian conspiracy.

The proposal of the Reichstag and of the chancellor (Exhibit A) solemnly declare that—

> Germany took up arms in defense of its liberty and independence and for the integrity of its territories. The Reichstag labors for peace and a mutual understanding and lasting reconciliation among the nations. Forced acquisitions of territory and political, economic, and financial violations are incompatible with such a peace.

Mr. President, the whole world knows that this statement, while offered as a theory by the Prussian military autocracy to the German people, is utterly false. The Prussian military autocracy took up arms for the purpose of annexation, indemnity, profit, and world domination, and their leaders still confess and declare this to be their plan in spite of the Reichstag resolution to the contrary.

The unfortunate German people were mobilized and sent to the shambles not in defense of German liberty but in unjust offensive war on the liberty of Serbia, France, and Russia; not in defense of German independence but in offensive war on the independence of innocent neighbors; not in defense of the integrity of the territory of Germany but in offensive war on the integrity of the territory of innocent Belgium, Serbia; then France and Russia—the fixed Hohenzollern policy.

But it should not be forgotten, Mr. President, that the majority of the Reichstag represents, in a way, and inadequately, the Social Democrats of Germany, who, with all the limitations on suffrage, had 4,000,000 voters before the war, and the opinion of the German socialist democracy is of importance in determining the opinion of the German people, subjects and vassals though they are. I submit the declared opinion of the German Social Democrats. (Exhibit B.)

The German socialist democracy are, in fact, opposed to annexations of territory by force. They are opposed to war indemnities. They are in favor of restoration of national independence of nations subjected in war, and while they take, naturally, a German view in various particulars, they do favor national disarmament and freedom of the seas, while the minority socialists go to the extreme of democracy. (Exhibit B.) The latter favor a republican Balkan federation of free people, and they seek an international understanding on the basis of democracy. These opinions in Germany ought not to be entirely ignored and these opinions will be immensely strengthened by the activity of the allies on the firing line against the Prussian military autocracy. They will be strengthened by the Germans discovering that the whole world is combined against the Prussian military conspiracy, and that the whole world desires to

deal justly by the Teutonic people, as well as to compel the Teutonic powers and people to respect the rights of other people with the same scrupulous decency.

The entente allies, while pressing the battle on the trench lines, should encourage the democratic elements of the Teutonic Empires by giving them assurance of the just purposes of the entente allies, and meet the false dogma of the Pan-German militarists that the entente allies, if victorious, will crush and enslave the Teutonic people.

The opinion of the Russian people is shown by the declaration of the Provisional Government and the councils of workmen and social delegates (Exhibit C) of April 9, 1917, of May 1, 1917, of May 4, 1917, and of June 13, 1917. The Russian Government desires an independent Poland. The Russian Government does not seek annexations or indemnities for free Russia. It strenuously demands, however, that the menace of the Prussian military autocracy shall be ended by military force, and Russia would agree, I hope, to the proposals which I have submitted.

English opinion, I am satisfied, would approve some world arrangement for the speedy coercion of the Prussian military autocracy and would approve a world plan for the maintenance of the future liberties, peace, and happiness of mankind. Mr. Asquith very properly pointed out that the military autocracy possessing the political power of Germany not only did not give its free and full assent to the Reichstag resolutions, limited as they were, but made equivocal comments that left the autocracy open to demand a "German peace" based on German victory, which will not be considered by the entente allies, and he asks the German chancellor plainly a question whether the German Imperial Government is ready to grant Belgium absolute independence and make full reparation for the colossal damage done that devastated country, and he stated with great force that—

The German Government does not speak for the Reichstag, so the Reichstag itself does not speak for, or at any rate does not give full expression to, the whole view and opinion of the mass of the German people. I believe that to be at this moment one of the greatest obstacles to the attainment of peace. It is one which does not lie within the power of the allies to remove. It lies within the power of the German people. It can not be too clearly, too emphatically, or too often stated this is a matter not for any governments but for the peoples or for the governments only in so far as they can claim to be the authentic spokesmen and interpreters of the peoples for whom they stand. Once that is generally realized throughout the democracies of the world, I believe that we shall be within measurable distance of a lasting and an honorable peace. Meantime we should not be helping the advent of peace if we were to give the impression that there is any halting in our determination or any doubt of our ability to carry on, if need be, the burden which we took up with a clear conscience for great ends and which we can only in honor lay down when we feel sure that those ends are going to be achieved.

Mr. Bonar Law, chancellor of the exchequer, said—

They tell us that Germany is quite ready for a reasonable peace. Why have the Germans never put down their peace aims in any shape or form? Ours may have gone too far; but at all events, we had the courage to state them before the world. Germany has never done anything of the kind. And why? Because she does not mean what those honorable gentlemean say she means, and because that would be found out the moment any peace terms were put in black and white. * * * We are not only fighting for the freedom of ourselves, though that is the essence of our life; we are fighting for the rights of other nations besides Germany to live their lives in their own way. * * *

Now I come to what is the real aim so far as this country is concerned in this war. I have thought from the beginning, and I repeat now, that the one thing which we are fighting for is peace, and security, *for peace in the time to come.*

Mr. President, there is only one way in which to have peace for time to come, and that is to end competitive armaments and the ambitions of military dynasties. This can be done by international government and the substitution of international police in lieu of competing armaments and in no other way.

Mr. President, the fact that Pope Benedict proposes "simultaneous and reciprocal diminution of armaments" with the approval of Austria and apparently with the approval of the German Imperial Government, seems to promise that even the Teutonic autocracy is coming to its senses.

We will help them to reach a condition of sanity by multiplying our war efforts and by coordinating every nation in the world in this struggle against the world domination of the Teutonic powers.

With the end of competitive armaments, the Teutonic military dynasties would have no important function; they would have no real power. The Teutonic peoples would then control their own governments.

There would be no demand then for vassal States, with their subject rifles and economic resources. The German people would then have no need for the iron mines of Alsace-Lorraine for war-making purposes, but the iron ores of Alsace-Lorraine would be equally available for the German factories, the French factories, or any other factories in Europe. The whole "doctrine of balance of power" would be ended in Europe because the balance of power would not be then weighed in the scales between one alliance and an opposing alliance, between Teutonic alliance and entente alliance. The balance of power would be transferred to an international council of sovereign States in the interest of every nation in the world. There would no longer be any reason why there should not be organized republican States in the Balkans, where each people speaking a common language could enjoy their own development and own self-government in harmonious relations with others.

The struggle over the Italia Irridenta would end, and Austria, who offered the Government of Italia Irridenta to Italy before the war, would have no reason whatever for then refusing this point under such favorable circumstances. The suspicions and jealousies which have existed heretofore between the nations would disappear before the establishment of progressive disarmament and the establishment of international police.

Mr. President, Mr. Bonar Law very wisely said that there was a great difference between the German people and the German Government, and when he said:

We shall not have peace in the time to come unless the German people are convinced that war does not pay, that their greatness and development must be found in other directions and not in plunging the world into war.

Mr. President, I think the German people will ultimately be satisfied that war does not pay. I earnestly hope that they may soon be satisfied on this point. I hope so for the sake of the youth of Europe, as well as for the sake of the youth of America, and of the nations of the earth now at war with the Imperial German Government. This end will be more speedily attained when the German people see that all the nations of the world are organized to end the military autocracy that has led the German people into this bloody conflict. The Germans will get no profit, but severe losses in men and property, which daily grows more fatal to her interests.

Mr. President, on May 27, 1916, President Wilson, after the issuance of the ultimatum to the Imperial German Government, said:

We believe these fundamental things:

First. That every people has a right to choose the sovereignty under which they shall live. Like other nations, we have ourselves no doubt once and again offended against that principle when for a little while controlled by selfish passion, as our franker historians have been honorable enough to admit; but it has become more and more our rule of life and action.

Second. That the small States of the world have a right to enjoy the same respect for their sovereignty and for their territorial integrity that great and powerful nations expect and insist upon; and

Third. That the world has a right to be free from every disturbance of its peace that has its origin in aggression and disregard of the rights of peoples and nations.

So sincerely do we believe in these things that I am sure that I speak the mind and wish of the people of America when I say that *the United States is willing to become a partner in any feasible association of nations formed in order to realize these objects and make them secure against violation.*

There is nothing that the United States wants for itself that any other nation has. We are willing, on the contrary, to limit ourselves along with them to a prescribed course of duty and respect for the rights of others which will check any selfish passion of our own, as it will check any aggressive impulse of theirs.

On May 30, 1916, President Wilson stated at Arlington National Cemetery:

I have stated that I believe that the people of the United States are ready to become partners in an alliance of the nations that would guarantee public right above selfish aggression. Some of the public prints have reminded me, as I needed to be reminded, of what Gen. Washington warned us against. He warned us against *entangling alliances.*

I shall never myself consent to an entangling alliance, but would gladly assent to a *disentangling* alliance, an alliance which would disentangle the people of the world from those combinations in which they seek their own separate and private interests and unite the people of the world to preserve the peace of the world upon a basis of common right and justice. There is liberty there, not limitation. There is freedom, not entanglement. There is achievement of the highest things for which the United States has declared its principles.

Mr. President, the program I have outlined is thus shown to be in substantial accord with the views of the President of the United States. I want to call your attention to what he said in his address to the Senate on January 19, 1917:

No peace can last or ought to last which does not recognize and accept the principle that governments derive all their just powers from the consent of the governed, and that no right anywhere exists to hand peoples about from sovereignty to sovereignty as if they were property. * * * The world can be at peace only if its life is stable, and there can be no stability where the will is in rebellion, where there is not tranquillity of spirit and a sense of justice, of freedom, and of right. * * *

There can be no sense of safety and *equality among the nations if great preponderating armaments are henceforth to continue here and there to be built up and maintained.* The statesmen of the world must plan for peace and nations must adjust and accommodate their policy to it as they have planned for war and made ready for pitiless contest and rivalry. The *question of armaments,* whether on land or sea, is the most immediately and *intensely practical* question connected with the future fortunes of nations and of mankind. * * *

Let us plan for peace, Mr. President, by disarming on sensible lines.

The President said further:

I would fain believe that I am speaking for the silent mass of mankind everywhere who have as yet had no place or opportunity to speak their real hearts out concerning the death and ruin they see to have come already upon the persons and the homes they hold most dear. * * *

No nation should seek to extend its polity over any other nation or people, but that *every people should be left free* to determine its own polity, its own way of development, unhindered, unthreatened, unafraid, the little along with the great and powerful. * * * *There is no entangling alliance in a concert of power.* When all unite to act in the same sense and with the same purpose all act in the common interest and are free to live their own lives under a common protection.

I am proposing government by the consent of the governed; that *freedom of the seas* which in international conference after conference representatives of the United States have urged with the eloquence of those who are the convinced disciples of liberty; and that *moderation of armaments which makes of armies and navies a power for order merely, not an instrument of aggression or of selfish violence. These are American principles, American policies.*

All these principles are involved in Senate joint resolution 94.

Mr. President, the Democratic platform of 1916 voiced these American principles, and the Republicans believe the same doctrine:

We hold that it is the duty of the United States to use its power not only to make itself safe at home but also to make secure its just interests throughout the world, and both for this end and in the interest of humanity to assist the world in securing *settled peace and justice.*

We believe that every people has the right to choose the sovereignty under which it shall live (government with the consent of the governed); that the small states of the world have the right to enjoy from other nations the same respect for their sovereignty and for their territorial integrity that great and powerful nations expect and insist upon; that the world has a right to be free from every disturbance of its peace that has its origin in aggression or disregard of the rights of peoples and nations; and we believe that *the time has come when it is the duty of the United States to join with the other nations of the world in any feasible association that will effectively serve these principles and maintain inviolate the complete security of the highways of the seas for the common unhindered use of all nations.*

Mr. Lloyd-George, who is the exponent of English opinion, at Glasgow, June 29, 1917, struck the keynote when he pointed out the necessity, in obtaining permanent world peace, of ending military autocracies. He said:

What will have to be guaranteed first of all by the conditions of peace is that they shall be framed upon so equitable a basis that nations will not wish to disturb them. *They must be guaranteed by the destruction of the Prussian military power,* that the confidence of the German people shall be in the equity of their cause and not in the might of their arms. May I say that a better guaranty than either would have been *the democratization of the German Government.* * * *

No one wishes to dictate to the German people the forms of government under which they choose to live. That is a matter entirely for themselves, but *it is right we should say we could enter into negotiations with a free government in Germany* with a different attitude of mind, a different temper, a different spirit, with less suspicion, *with more confidence than we could with a Government whom we knew to be dominated by the aggressive and arrogant spirit of Prussian militarism.*

Mr. President, the destruction of Prussian militarism may come in one of three ways—first, by *consent* of the military leaders before physical destruction comes; second, by the will of the German people before physical ruin ensues; third, by the physical force of the military powers of the entente allies.

The third means will be more costly in life to all nations, but will be applied if necessary, and is in very active operation at this time.

Lloyd-George well said:

Now we are faced with the greatest and grimmest struggle of all—liberty, equality, fraternity not amongst men but amongst nations; great, yea small; powerful, yea weak; exalted, yea humblest; Germany, yea Belgium; Austria, yea Serbia—equality, fraternity amongst peoples as well as amongst men. That is the challenge which has been thrown to us. Europe is again drenched with the blood of its bravest and best, but do not forget these are the great successions of hallowed causes. *They are the stations of the cross on the road to the emancipation of mankind.* Let us endure as our fathers did. *Every birth is an agony, and the new world is born out of the agony of the old world.*

My appeal to the people of this country, and, if my appeal can reach beyond, it is this:

That we should continue to fight for the great good of international right and international justice, *so that never again shall brute force sit on the throne of justice nor barbaric strength wield the scepter of right.*

Mr. President, only by international government, backed by international force, is this ideal possible; only by terminating competing armaments and substituting therefor international cooperating armaments shall we see this great prayer adequately answered. Public opinion in the United States would assuredly approve permanent world peace on the basis proposed by Senate joint resolution 94.

The plan is essential—absolutely essential—to attain the ideal of permanent world peace and the overthrow of progressive militarism, so ardently desired by the statesmen of the entente allies.

Mr. President, we already have 17 nations waging this war in concert. We already have 17 nations allied together for the suppression of the Prussian autocracy. We already have nations representing three-fourths of the people of the world allied together for the purpose of crushing the menace to the liberties of the world of Prussian militarism. These nations ought to have their representatives meeting around a table for common action, declaring a common policy, and not compelled to carry on an interchange of views at variable distances of thousands of miles which circle the earth from China to the United States, from Japan to London. We ought to get together in common concert, in a common understanding as to international rules to safeguard our future relations toward each other and toward the common enemy. What sound argument can be urged against it? It is not an entangling alliance; it is what President Wilson very appropriately called a "disentangling alliance." An alliance with one of two military groups contending for greater power would be an entangling alliance. An alliance with all the nations of the world to prevent any nation or group of nations threatening the world is a *disentangling* alliance, which we ought to establish as speedily as possible.

Mr. President and Senators, I have submitted the proposal. I pray it may be considered thoughtfully by you and by the thinking men of all nations.

Improve upon it, perfect it, but act; act at once, while the iron is hot to hammer in shape the links which shall bind us to other nations in bonds of fraternity, liberty, equality, and guarantee to all mankind, including the Teutonic people, perpetual prosperity and happiness.

APPENDIX.

EXHIBIT A.

REICHSTAG'S PEACE PLANK CALLS FOR RECONCILIATION; ANNEXATIONS ARE OPPOSED.

The peace resolution of the majority bloc adopted Thursday by the Reichstag, as given in the Tageblatt of Berlin last week is as follows:

"As on August 4, 1914, so on the threshhold of the fourth year of the war the German people stand up on the assurance of the speech from the throne, 'We are driven by no lust of conquest.'

"Germany took up arms in defense of its liberty and independence and for the integrity of its territories. The Reichstag labors for peace and a mutual understanding and lasting reconciliation among the nations. Forced acquisitions of territory and political, economic, and financial violations are incompatible with such a peace.

"The Reichstag rejects all plans aiming at an economic blockade and the stirring up of enmity among the peoples after the war. The freedom of the seas must be assured. Only an economic peace can prepare the ground for the friendly association of the peoples.

"The Reichstag will energetically promote the creation of international juridical organizations. So long, however, as the enemy governments do not accept such a peace, so long as they threaten Germany and her allies with conquest and violation, the German people will stand together as one man, hold out unshaken, and fight until the rights of itself and its allies to life and development are secured. The German Nation united is unconquerable.

"The Reichstag knows that in this announcement it is as one with the men who are defending the Fatherland. In the heroic struggles they are sure of the undying thanks of the whole people."

POINTS MADE BY CHANCELLOR.

"The burning question in our hearts is how much longer the war is to last. With this I come to a matter which stands in the center of all our interest and all our proceedings to-day. Germany did not desire the war in order to make violent conquests, and therefore will not continue the war a day longer merely for the sake of such conquests if it can obtain an honorable peace

"Germans wish to make peace as combatants who have accomplished their purpose and proved themselves invincible.

"One condition of peace must be the inviolability of German territory. No parley is possible with the enemy demanding cession of German soil.

"We must by means of understanding and in a spirit of give and take guarantee conditions of the existence of the German Empire upon the Continent and overseas."

"Peace must offer the foundation of a lasting reconciliation of nations. It must provide a safeguard that the league in the arms of our opponents does not develop into an economic offensive alliance against us.

"These aims may be attained within the limits of your resolution, as I interpret it. [The Reichstag peace resolution.] We can not again offer peace. We have loyally stretched out our hand once. It met no response, but with the entire nation and with the German Army and its leaders in accord with this declaration, the Government feels that if our enemies abandon their lust for conquest and their aims at subjugation, and wish to enter into negotiations we shall listen honestly and ready for peace to what they have to say to us. Until then we must hold out calmly and patiently.

"I declare, in fact, that the submarine war accomplishes in the destruction of enemy tonnage what it should. It impairs England's economic life and the conduct of the war month to month in a growing degree, so that it will not be possible to oppose the necessity for peace much longer. We can look forward to the further labors of the brave submarine with complete confidence."

EXHIBIT B.

MEMORANDUM OF THE MAJORITY SOCIALISTS.

1.

The German Socialist Democracy aspires to a peace based upon mutual understanding and demands guarantees for the freedom of political, economical, and cultural development of its own nation. It also disapproves all violence against the vital interests of other peoples. Only such a peace can bring with it guarantees of durability. It alone will allow the nations to triumph over an atmosphere of hostility and to place all their strength in the service of social betterment and the progress of civilization.

Starting out from this general viewpoint we have given our assent to the project of the Workmen's and Soldiers' Council of Petrograd

in view of a peace without annexations or indemnities on the basis of the right of peoples freely to dispose of themselves. Consequently our attitude toward the particular points of the questionnaire is as follows:

I. Annexations.

We are opposed to annexations of territory by force. As far as the modification of frontiers on the basis of a mutual understanding is concerned the people interested, when they desire to remain in their old government, must be assured regarding all judicial and economic possibilities connected with changing their residence. It is understood the rejection of all forced annexations also covers the restitution of invaded colonies.

II. War indemnities.

The imposition of war indemnities has been rejected. It could not be realized otherwise than by totally crushing one of the belligerents. But each day of continued struggle increases so much the sum of sacrifices in wealth and blood for both sides that, merely for that motive, it would be inadmissible to retard peace for the sake of obtaining indemnities. Otherwise, the economic oppression of one nation by another would make a durable peace impossible.

III. Restorations.

In so far as this question applies to political restoration—that is, to the reestablishment of national independence—our answer is in the affirmative. On the contrary, we reject the idea of one-sided obligations to repair damages in territories affected by the war. These damages have resulted on all fronts from acts of hostile as well as friendly troops advancing or in retreat. Sometimes they were the immediate results of gunfire, at other times they were measures taken for military safety.

It appears to us extremely difficult to determine the origin of each damage case and to examine military justification. An obligation binding on one side only to repair damages would be nothing less than a disguised form of war indemnity.

For States ruined by the war, which would be unable to reestablish by themselves their economic life, international financial assistance could be provided on the basis of mutual understanding.

Besides, we Socialists consider the destruction of private property only the least part of the damages produced. The greatest losses affecting humanity—the destruction of human life—can be repaired by no amount of effort and future human happiness.

IV. The right of nations to dispose of themselves.

By the right of peoples to maintain or to modify their conditions, we mean political independence.

The first States to be considered are those which, like Belgium, Serbia, and other Balkan States, have lost their independence in this war. We are in favor of the reestablishment of an independent Belgium. Belgium ought not to be a vassal State of Germany, of England, or of France.

As regards Serbia and the Balkan States, we refer the matter to what has been said by our Austrian comrades.

A second group, in reference to which the question of the right of nations to dispose of themselves comes up, is formed by peoples who lost their independence long ago, but who consider themselves freed from foreign domination by the events of the war. This applies to Poland of the times of the Congress of Vienna, and to Finland. They can not be denied the right to dispose of themselves.

Other allogeneous territories, in so far as there is no question of the independence of a State, ought to have guaranteed to them at least autonomy sufficient to cover the development of their own national life.

A third group is composed of peoples formerly independent, of a higher civilization, which became the prey of imperialistic domination, but the political rights of which have undergone no changes during the present war. To this group belong Ireland, Egypt, Tripoli, Morocco, India, Thibet, Korea, and other countries, which once were independent States.

The German Socialist Democracy feels the greatest sympathy with the efforts of all these peoples to recover their national liberty and would be pleased if the socialists in the States which dominate those countries would raise their voices so that the oppressed nations might be freed from the yoke of foreign domination.

V. Autonomy of nationalities.

In regard to cultural autonomy of portions of populations speaking other languages than that of the larger State into which they were incorporated, the German Socialist Democracy, in accordance with the attitude it has hitherto held, insists on the greatest extension of that autonomy in the future.

The German Empire will have to consider the demands of our Danish, Polish, and French fellow citizens in Schleswig on the north, in Poland and eastern Prussia as well as in Alsace-Lorraine.

We most rigorously condemn every attack made against the use of the mother tongue and all hindrances to the exercise of what constitutes the character and the particular national civilization of those nations.

The portions of allogeneous nations bordering on the territories of a State ought not to form obstacles to friendly relations, but rather serve as bridges for a mutual understanding between one people and another, one civilization and another. The introduction of truly democratic conceptions in all countries would make possible the realization of this aim.

Regarding the situation of the different nationalities in Austria-Hungary, we refer their case to the statements made by our Austrian comrades.

VI. Alsace-Lorraine.

In regard to Alsace-Lorraine, which was counted in the questionnaire among the "nationalities," it must be said first of all that Alsace-Lorraine has never been an independent national State, and that, besides, it could not be considered a particular nationality. According to its ethnographic nature—that is, according to its race and language—the population of Alsace-Lorraine is nearly nine-tenths German. French as a mother tongue is spoken by no more than 11.4 per cent of the population.

Besides, Alsace-Lorraine is not a territory which has changed hands during the war; it has remained, all except a very narrow band near the frontier, under the dominion of the German State. It would be impossible, then, from this point of view, to open the question of annexing Alsace-Lorraine to this or that State.

The territories of Alsace-Lorraine, which originally, both politically and ethnographically, belonged to Germany, had been wrested by France from the German Empire together with other territories. By the peace of Frankfurt, in 1871, they resumed their original status. Consequently it is almost unjustified to speak of an historical right of France to these territories. To force the restitution of Alsace-Lorraine would amount to nothing less than annexation on the part of France, an annexation of territory where a foreign language is spoken. The Socialist Democracy demands for Alsace-Lorraine the guaranty of a complete equality of rights as a confederate independent State in the German Empire and a free democratic constitution providing for its legislation and interior administration. The German Socialist Democracy made that statement at the congress of Jena in 1913, in a resolution presented by comrades from Alsace-Lorraine. This settlement of the question, granting to Alsace-Lorraine equality of rights in the confederation and extensive interior autonomy, was in accord with the views of our comrades of the French Socialist Party before the war. Besides it answers the wish expressed on several occasions and even recently manifested by the national representatives of Alsace-Lorraine, who are elected by universal, equal, direct, and secret suffrage.

The principle of peace without annexations naturally does not exclude friendly agreements on the question of modifying frontiers.

2.

FUNDAMENTAL ELEMENTS OF INTERNATIONAL RELATIONS.

Taking into account the vital legitimate interests of all peoples, the right of each people to political independence and to freedom of economic development can not be permanently guaranteed unless the future treaty of peace contains a general outline of the rights of men. The work of years of peace will be required to build up internationally on common principles, political law, labor law, civil law, and commercial law, aiming to create among the peoples a community of judicial and economic civilization.

I. Provision for the rights of men.

The aim for a world peace guaranteed by judicial international institutions is considered the highest moral obligation according to the principles formulated on August 16, 1915, by the national council and a fraction of the German Socialist Party.

In accordance with the resolutions of the International Socialist Congress at Copenhagen, we particularly demand in the treaty of peace:

(a) The recognition of an international court of arbitration, to which all disputes between States shall be submitted;

(b) A superior judicial organization for each State, to be created for the prevention of the violation of contracts established by human law.

II. Disarmament and freedom of the seas.

In the treaties of peace mention will have to be made of arrangements for the limitation of armaments on land and sea. The aim of these arrangements ought to be to create a popular armed force for the defense of territories against warlike aggressions and strong oppression. The period of service in each of these categories of armies ought to be reduced to a minimum.

The legitimate means of carrying on war ought to be limited by contract. The ammunition industry ought to be nationalized. The supplying of arms and munitions by neutral nations to belligerents ought to be forbidden internationally. The right of capture on the sea ought to be suppressed. The arming of commercial vessels ought to be forbidden. All straits which are important for world relations and all interoceanic canals ought to be under international control.

Efficacious guarantees must be made for the safety of world commerce during war. The nature of contraband ought to be internationally defined. All clothing and food materials ought to be banished from the lists of war contraband. Private property ought to be protected against the encroachments of belligerents. Postal relations between belligerents and neutrals, and between neutrals likewise ought to be guaranteed in times of war. The matter of blockade ought to be defined anew.

III. Economic and social political questions.

In order that the fraternizing of peoples may not be hindered, it will be necessary in the treaties of peace to include clauses guaranteeing against a continued war in the form of an economic war.

The freedom of communication by land and sea ought to be reestablished in the treaties of peace.

The system of protective laws ought to be entirely done away with. The aim of all commercial politics ought to be based on the suppression of customs duties and commercial barriers.

In the colonies the "open-gate" system—that is, the right of all peoples to economic activity—ought to be established.

The freedom of international circulation, the right of coalition, the protection of labor, workingmen's insurance, the protection of working women and children, and home work ought to be regulated according to the well-known program of the International Federation of Syndicates.

IV. The suppression of secret diplomacy.

We demand that all treaties between States and all international agreements be submitted to the democratic control of national representatives.

3.

THE PRACTICAL REALIZATION OF THESE AIMS.

Commissions for the study of various problems would furnish valuable explanations in regard to national and economic questions. The main problem, however, for international socialism is to bring about peace as soon as possible. And peace, we are convinced, can be obtained by mutual agreement on the basis of "no annexations and no indemnities" even before the commissions begin their work.

4.

THE ACTIVITY OF THE INTERNATIONALE.

Neutral countries have been, without exception, more or less interested in the war. All have an interest in an early peace. Consequently it is necessary to summon them to regulate economic, social, and judicial questions of an international character.

The other questions concerning the collaboration of the internationale during peace negotiations have already received a sufficient reply.

As far as the Socialist parties in belligerent countries are concerned, their influence on the governments, national representatives, and official peace conference ought to become stronger every day.

5.

ACTIVITIES OF SOCIALIST PARTIES FOR PEACE.

We are coming now to the question of motives which led the German delegation to ask, on the 7th day of June, that a report of each delegation on the work of its party, in view of a permanent peace, be added to the questionnaire.

The bureau of the Social Democratic Party in Germany issued two pamphlets containing a collection of statements, manifestoes, and dis-

courses delivered in the Reichstag, in which the attitude of the party in regard to war and war aims is explained.

In this collection of documents proof is furnished that the German Social Democratic Party has worked from the first day of the war for an early peace, and that it knows no other conditions for a peace agreement than the fact that the adversaries are equally ready for such a peace.

But the German Social Democratic Party is not satisfied, in its work for peace, with more parliamentary discourses, manifestoes, and statements cited in the above-mentioned collection. It has held meetings for peace in all parts of the Empire and obtained signatures to petitions in which the Government was asked to declare its readiness for peace under the condition of renouncing all plans of conquest.

This work for peace has had a great measure of success. Unfortunately, the endeavors of the Social Democratic Party of Germany to renew the ties of friendship with the Socialist Parties in Germany and France have remained unsuccessful.

The work for peace can bring no favorable results unless it be undertaken simultaneously on both sides. This, we believe, could have been done and should have been done long ago, without necessitating either party's having to ask for something resembling the abandonment of the national cause

We declare to all nations that we have no other obligation than that of defending our own Nation, and no mission to punish other peoples for the imaginary or real crimes of their governments. It is in this sense that the German Social Democratic Party has not ceased to work.

6.

GENERAL SOCIALIST CONFERENCE.

We are ready to participate without reserve in a general Socialist conference for peace, because we believe the first duty of all Socialists is to act for peace. An explanation of the attitude of all Socialist parties would be simplified if all of them would prepare a collection of documents regarding their activities in favor of peace.

In regard to the explanation of responsibilities, from which we can not escape, we believe such a statement would not facilitate the attainment of the aim of the conference. There is no need of discussing the past; what we ought to do is to come to an understanding in reference to the future, namely, in reference to the realization of a permanent peace in accordance with our principles and our ideals.

We have no objection to the participation of all minority Socialists at the general conference.

MEMORANDUM OF THE MINORITY SOCIALISTS.

In its peace views, as in its general policy, the German Independent Social Democratic Party proceeds from the common interests of the international proletariat and the development of society. These interests demand immediate peace.

In the peace to be concluded we demand an international arrangement for general disarmament as being the chief means of strengthening the debilitated States. General disarmament is the only way to break any militarist supremacy and to secure a lasting and peaceful understanding between the nations.

We demand the fullest freedom for international trade and intercourse, as well as an unlimited right of migration. We condemn any economic barriers or any economic struggle between States.

All disputes between States must be settled by compulsory international arbitration.

We demand international treaties to secure the workers against impoverishment, especially in regard to women and children.

Political rights for women we regard as a social necessity.

Equal rights should be granted for all the inhabitants of any country, without regard to tongue, race, or religion. This would also mean the securing to national minorities the right to develop their national life.

National and social liberation can not be achieved by the Governments at war. It can only be done by democracy.

Democratic control of foreign policy will prevent aggressive measures. Secret treaties must be abolished, and all State treaties must be made dependent upon the assent of the parliaments.

Though not regarding State boundaries as inviolable, we condemn the war and its prolongation as a means of regulating boundaries. Regulation of frontiers must be conditional upon the assent of the populations concerned and not an act of force.

With all firmness we object to the violation in any form of any nation.

From the beginning of the war we have consistently demanded peace without annexations or indemnities, based upon national self-government.

It is not our affair to draw up a program covering all the questions to be dealt with in the peace settlement, but in regard to the questions raised in the discussions now going on we declare the following:

The reestablishment of Serbia as a self-governing, independent State is our absolute demand.

The needs of a republican Balkan federation.

The uniting of all Serbs in a single national State, and its combination with the other Balkan States in a republican Balkan federation we regard as the best way of removing the eastern question as a cause of war.

We understand the deep feeling of the Poles for national unity. To admit the right of Russian Poland to national independence but to deny that same right to Prussian and Austrian Poland is contradictory.

Just as with Serbia and Poland, so do we condemn the prolongation of the war as a means of settling the question of Alsace-Lorraine. The population of Alsace-Lorraine, which in 1871 was annexed against its will, will not obtain peace any earlier than it will itself obtain the opportunity through a direct and free vote to express its wish as to the State to which it shall belong. The German people would obtain by this mode of settlement an economic, political, and moral gain that would be greater than any possible loss, even if the voting gave another result than it had anticipated.

The full independence and economic self-dependence (i. e., freedom from economic interference of Belgium is inevitable. In fulfillment of the German Government's promise at the beginning of the war, the Belgian nation has to be compensated for the damage caused by the war, and especially for the economic values that have been taken away. Such a repayment has nothing to do with the various kinds of indemnities, which simply mean the plundering of the vanquished by the victor, and which we therefore reject.

As opponents of any policy of conquest and foreign dominion we reject, as we have always done, a policy of colonial conquest. The possession of any colony without its own self-administration is nothing else than the possession of an unfree people and, just as slavery, is incompatible with our principles.

Neither by the acquirement of colonies nor by a change of possessor is the population's right to self-determination respected. The possession of colonies, too, is not necessary for industrial development.

THE NEED FOR A COMMON PROGRAM.

Only if the Internationale is erected, independent and powerful; if the proletariat everywhere lend it its full force through keeping control over governments and maintaining peace, only then will there come in the future a state of mutual confidence between the nations instead of an armaments contest.

The proletariat in every country must now do its all to bring the war to an end. To attain this aim the independence of the Socialist parties in relation to their imperial governments must be presupposed.

The drawing up of a common peace program is important, but this program has no worth if it is not supported by the energetic international action of the masses. Every government must be challenged to give its unconditional adhesion to the international peace program.

Credits are to be refused to any government that refuses this program or answers evasively or does not declare itself ready to enter upon peace conversations on the basis of this program. Such government must be fought in the sharpest manner.

To undertake and further such common peace action must be the first object of the planned international peace conference. A proletariat organization that will not join in this action would thereby forfeit the right henceforth to be regarded as an organization of international socialism.

EXHIBIT C.

RUSSIA.

[Documents issued by the Provisional Government and the Council of Workmen's and Soldiers' Delegates relative to terms of peace, Apr. 9–June 13, 1917.]

Proclamation issued by the Provisional Government, April 9, 1917.

Having examined the military situation the Russian Government, in the name of duty and country, has decided to tell the people directly and openly the whole truth.

The régime which now has been overthrown left the defense of the country in badly disorganized condition. By its culpable inaction and its inept measures it introduced disorganization into our finances, into provisioning, and the transport and supply of munitions to the army. It weakened the whole of our economic organization.

The Provisional Government with the active cooperation of the whole nation will devote all its energies to repair the serious consequences of the old régime. The blood of many sons of the fatherland has been shed freely in the course of these two and a half long years of war, but the country still is capable of a powerful blow at the enemy, who occupies whole territories of our State and is now—in the days of the birth of Russian liberty—threatening us with a new and decisive thrust.

The defense, cost what it may of our national patrimony, and the deliverance of the country from the enemy who invades our borders constitute the capital and the vital problem before our warriors, who are defending the liberty of the people in close union with our allies.

The Government deems it to be its right duty to declare now that free Russia does not aim at the domination of other nations, at depriving them of their national patrimony, or at occupying by force foreign territories, but that its object is to establish a durable peace on the rights of nations to decide their own destiny.

The Russian nation does not lust after the strengthening of its power abroad at the expense of other nations. Its aim is not to subjugate or humiliate anyone. In the name of the higher principles of equity it has removed the chains which weighed upon the Polish people. But the Russian nation will not allow its fatherland to come out of the great struggle humiliated and weakened in its vital forces. These principles will constitute the basis of the foreign policy of the provisional government, which will carry out unfailingly the popular will and safeguard the rights of our fatherland, while observing the engagements entered into with our allies.

The provisional government of free Russia has no right to hide the truth. The State is in danger. Every effort must be made to have it let the country respond to the truth when it is told, not by sterile depressions and not by discouragement, but by unanimous vigor, with a view to creating a united national will.

This will give us new strength for the struggle and will procure our salvation. In this hour of rude trial let the whole country find in itself strength to consolidate the liberty won and to devote itself to untiring labor for the welfare of free Russia.

The Provisional Government, which has given its solemn oath to serve the people, is firmly confident that with the general and unanimous support of each one and all it will itself be able to do its duty to its country to the end.

LVOFF,
President of the Council.

Source: New York Times, April 11, 1917, page 4, column 2.

Note sent by the minister of foreign affairs to the Russian diplomatic representatives in the allied countries May 1, 1917.

Please hand to the Government to which you are accredited the following note:

The Provisional Government of Russia published on April 27 a manifesto to Russian citizens in which it explained the views of the Government of free Russia in regard to the objects to be attained in the war. The minister for foreign affairs instructs me to communicate to you the contents of the document referred to and to add the following considerations:

Our enemies have striven lately to sow discord among our allies by propagating absurd reports regarding the alleged intention of Russia to conclude a separate peace with the central powers. The text of the document annexed will form the best refutation of such inventions. The general principles therein enunciated by the Provisional Government are in entire agreement with the ideas which were repeatedly expressed up to quite recently by eminent statesmen of the allied countries. These principles were also lucidly expressed in the words of the President of our new ally, the great oversea Republic.

The Russian Government under the old régime was certainly not prepared to appreciate and share these ideas as to the liberating character of the war, the establishment of a stable basis for the pacific cooperation of nations, the freedom of oppressed peoples, etc. But emancipated

Russia can now use language which will be understood by modern democracies, and hastens to add her voice to that of her allies.

The declarations of the Provisional Government, being imbued with this new spirit of a free democracy, can not naturally afford the least pretext for the assumption that the demolition of the old structure has entailed any slackening on the part of Russia in the common struggle of all the allies. On the contrary, the nation's determination to bring the world war to a decisive victory has been accentuated owing to the sense of responsibility which belongs to all in general and to each one of us in particular. This spirit has become still more active by the fact that it is concentrated on the immediate task, which touches everybody so closely, of driving back the enemy who has invaded our territory. It is understood, and the annexed document expressly states so, that the Provisional Government in safeguarding the rights acquired for our country will maintain strict regard for the engagements entered into with the allies of Russia.

Firmly convinced of a victorious issue to the present war, and in perfect agreement with our allies, the Provisional Government is likewise confident that the problems which were created by this war will be solved by the creation on a firm basis of a lasting peace, and that, inspired by identical sentiments, the allied democracies will find a means of establishing the guaranties and penalties necessary to prevent any recourse to a sanguinary war in the future.

Source: London Times, May 4, 1917, page 6, column 5.

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Explanation of the note of May 1, 1917, presented to the Council of Workmen's and Soldiers' Delegates May 4, 1917.

The note was subjected to long and detailed examination by the provisional government and was unanimously approved. It was obvious that this note, in speaking of a decisive victory, had in view a solution of the problems which were mentioned in the communication of April 9 and which was thus specified:

"The Government deems it to be its right and duty to declare now that free Russia does not aim at the domination of other nations or at depriving them of their national patrimony or at occupying by force foreign territories, but that its object is to establish a durable peace on the basis of the rights of nations to decide their own destiny.

"The Russian nation does not lust after the strengthening of its power abroad at the expense of other nations. Its aim is not to subjugate or humiliate anyone. In the name of the higher principles of equity the Russian people have broken the chains which fettered the Polish nation, but it will not suffer that its own country shall emerge from the great struggle humiliated or weakened in its vital forces."

In referring to the "penalties and guaranties" essential to a durable peace the provisional government had in view the reduction of armaments, the establishment of international tribunals, etc.

This explanation will be communicated by the minister of foreign affairs to the ambassadors of the allied powers.

Source: New York Times, May 6, 1917, page 1, column 5.

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Statement issued by the Council of Workmen's and Soldiers' Delegates May 4, 1917.

The note of the minister for foreign affairs of May 1 (published on May 3), to which was attached for transmission to the governments of the allies the provisional government's declaration of April 9, evoked the disapproval of the executive committee of the Council of Workmen's and Soldiers' Delegates and a vigorous protest from the democracy, which took the form of meetings and mass demonstrations. On their side the bourgeois elements also began agitating, protesting against the said demonstrations of workmen and soldiers. The next day the movement spread to Moscow.

On the night of May 4 a joint sitting was held by the executive committee of the Council of Workmen's and Soldiers' Delegates, the Government, and the executive committee of the Duma. On the same day the provisional government communicated to the executive committee a supplementary note to be addressed to the ambassadors of the allied powers (published on May 5), declaring that the Government understood by the words "decisive victory" the renunciation by Russia of territorial conquests and the seizure of national property of other nations and of all extension of Russia's power at the expense of other States. In view of this supplementary note the Council of Workmen's and Soldiers' Delegates adopted the following resolution proposed by the executive committee:

The Council of Workmen's and Soldiers' Delegates warmly congratulates the revolutionary democracy of Petrograd, whose meetings, resolutions, and demonstrations have shown the close attention it pays to questions of foreign policy and its anxiety that that policy should not wander off in the direction of the usurping imperialism of the old régime. The note of the minister for foreign affairs of May 1 did indeed offer good ground for the above anxiety. The Provisional Government had taken a step which the executive committee had long urged and had communicated to the Governments of the allies the text of its declaration of April 9 announcing its renunciation of any policy of conquest. By that act the Government placed upon the allied States the necessity of stating their attitude on the policy of conquest and the general aims of the war before their respective democracies and before those of the whole world.

The note of the minister for foreign affairs, however, sent to the Governments of the allies, attached to the Government's declaration of April 9 explanations so worded that they could be understood as an attempt to minimize the real importance of the step taken. The terms and formulæ of the note, borrowed from the vocabulary of the diplomacy of the old régime and incomprehensible to the people, were of such a nature as to give rise to a justifiable fear that, in the domain of international relations, the Provisional Government did indeed intend to depart from the path of the renunciation of the policy of conquests which it had proclaimed on April 9. The unanimous protests of the workmen and soldiers of Petrograd showed the Provisional Government and all the peoples of the world that the revolutionary democracy of Russia would never consent to the setting up anew of the problems and processes of the foreign policy of the epoch of the czars and that its efforts are and will be directed to an implacable struggle for a world peace.

The Government's fresh explanations, called forth by these protests, brought to the knowledge of the public and communicated by the minister for foreign affairs to the ambassadors of the allied powers, put an end to all interpretations of the note in a sense contrary to the interests and demands of revolutionary democracy.

Source: London Times, May 8, 1917, page 6, column 4.

The report in the New York Times of May 6, 1917, states that the resolution concluded:

"The executive committee, while asserting its unalterable determination not to make peace except on these conditions, appeals to the entire revolutionary democracy of Russia to rally round the Council of Workmen's and Soldiers' Delegates, and declares its firm assurance that the peoples of all the belligerent countries will be able to overcome the resistance of their Governments and force them to enter upon negotiations for peace on the basis of renunciation of all annexations and indemnities."

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Statement by the Council of Workmen's and Soldiers' Delegates, June 13, 1917.

The Russian revolution, which is a revolt of the people not only against the tyranny of Czarism but also against the horrors of the world war, the blame for which falls upon international imperialism, has placed before all countries with extraordinary acuteness the urgent need of concluding peace.

At the same time the Russian revolution has indicated to the nations a way for realizing this problem, notably a union of all the working classes to combat all attempts of imperialism to prolong the war in the interests of the wealthy classes and to prevent peace with annexations or indemnities.

The working classes of all countries can easily come to a speedy, solid agreement only if they are inspired with their own interests and remove the aspirations of imperialists and militarists, who often hide their true face under a seductive mask. It is evident that the conference can become the turning point in the terrible epoch of fratricidal war only if the members of the conferences are imbued with these ideas. And it is no less evident that all the questions you have raised can not be the subject of discord or a motive for a continuation of the war.

Having recognized the right of nations to dispose of their destiny, the members of the conference will come to an understanding without difficulty regarding the future of Alsace-Lorraine and other regions. Moreover, the working classes, relieved of the mutual distrust with which the imperialists have envenomed them, will agree regarding the means of granting compensation and the amount of such compensation to the countries devastated by war, like Belgium, Poland, Galicia, and Serbia. But it goes without saying that such compensation must have nothing in common with the contribution which is imposed on the conquered country.

Regarding your statement that it is impossible for you to break the secret union, this statement evidently is based on a misunderstanding, for the Council of the Workmen's and Soldiers' Delegates claims from no party as a preliminary condition the renunciation of the policy already pursued by it. The council expects from the conference of the Socialists of the belligerent and neutral countries the creation of an internationale, which will permit all the working classes of the whole world to struggle in concert for a general peace and break the bonds which unite them by force to the governments and the classes imbued with imperialistic tendencies which prevent peace.

The Council of the Workmen's and Soldiers' Delegates also considers it futile for parties to make it an absolute condition of their taking part in the conference that the preliminary consent of other parties shall be obtained to any obligatory decision, for that would give rise to irreconcilable contradictions on questions an amicable discussion of which might lead to a solution acceptable to both parties.

Regarding your desire to obtain a previous complete agreement between the allied Socialists, the way in which we put the problem renders futile any such understanding. We consider that the conference can succeed only if the Socialists consider themselves, not the representatives of the two belligerent parties, but representatives of a single movement of the working classes toward a common aim of a general peace.

Source: New York Times, June 15, 1917, p. 3.

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EXHIBIT D.

I. THE ORIGINS OF PRUSSIA.

When in 1415 the Holy Roman Emperor Sigismund of Luxemburg sold the Electorate of Brandenburg—a war-ridden border mark on the Oder River somewhat larger than the State of Vermont—to the hitherto inconspicuous House of Hohenzollern, he little realized that he was taking the first step toward bringing into being a political organization which, just five centuries later, would have reduced the remnants of his Empire to a state of vassalage and would be contending with a fair prospect of success for the domination of the civilized world. During all of this long period of Prussian expansion it has been uniformly and consistently maintained that a Hohenzollern is accountable for his acts to God alone, and that considerations of private morality have no bearing upon the policy and actions of a state.

The first conspicuous additions to the Hohenzollern holdings came in 1614 and 1618, when, through fortunate family alliances, they obtained control of the duchy of Cleves and Mark (which were formally awarded to Prussia in 1666) and of the Slavic duchy of East Prussia, a fief of the King of Poland. Thus, in 1618, the Hohenzollern family was linked up with the destiny of Prussia.

II. THE FIRST ERA OF PRUSSIAN EXPANSION, 1640–1815.

The first important stage of Prussian development began with Frederick William, the great Elector (1640–1688), who is one of the half dozen great figures in the history of Prussian expansion. Coarse, brutal, unscrupulous, and treacherous, but withal energetic and sagacious, the great Elector, by skillful intrigues and double-faced diplomacy rather than by war, obtained full sovereignty over East Prussia, made secure Prussian control of Pomerania, and added Halberstadt, Minden, and Magdeburg and brought his somewhat scattered domains under the centralized control of his officials at Berlin. He introduced the typical Prussian policy of building up an effective military organization, and, by encouraging the settlement of refugee Huguenots, he brought economic prosperity to Prussia.

In 1701 the head of the Hohenzollern house was able to induce the Emperor Leopold to allow him to assume the royal title in return for aid against Spain, and the Hohenzollerns accordingly became Kings of Prussia.

The next important Prussian ruler was Frederick William I (1713–1640), a true Hohenzollern of the most vigorous type, who held that a paternal despotism was the ideal form of government, and maintained that an efficient State has for its primary purpose the supporting of a large and effective army. He continued the work of the great Elector

and perfected the two most typical Prussian institutions by making the army the best disciplined fighting machine in Europe and by establishing the extremely efficient centralized Prussian bureaucracy.

Frederick William added little to Prussian territory, but he handed down to his more famous son, Frederick the Great (1740–1786), the highly organized political and military system which enabled the latter to extend the Prussian domains more than any other ruler to the time of Bismarck. A self-confessed Machiavellian, Frederick's foreign policy was speedily indicated, when, in the first year of his reign, he trumped up the extremely flimsy pretext of a very ancient family claim, summarily invaded the realms of the youthful and helpless Maria Theresa, the Queen of Austria, and seized the Province of Silesia. A few years later he acquired Friesland on the North Sea. In 1756 practically all of Continental Europe united against Frederick, and, but for the aid of England, the Prussian military despotism, which already had begun to threaten the peace of Europe, might have been brought to an early and salutary end. With English support Frederick was able to fight his enemies to a draw and to establish the Hohenzollerns as the peers of the Hapsburgs and the Bourbons. In 1772, Frederick, in conjunction with Russia and Austria, participated in that most shameful international larceny—the first partition of Poland. By selecting as his share of the booty the district of West Prussia he was able to link it up with Brandenburg and East Prussia into a compact geographical unity.

Frederick William II (1786–1797), the successor of Frederick the Great, by two more equally disgraceful partitions of Poland, secured Posen and the adjoining districts and was thus able to round out the gap between Prussia proper and Silesia.

By the terms of the Congress of Vienna, 1815, Prussia secured the rich Rhine Provinces and northern Saxony.

III. THE ORIGIN OF A PRUSSIANIZED GERMAN EMPIRE, 1815–1871.

The task of the Hohenzollerns from 1815 to 1871 was clearly marked out, namely, to create a Prussianized German Empire.

Between 1818 and 1842 the first phase of this policy was facilitated by the Zollverein, or customs union, which brought the coveted territory into an economic alliance with Prussia. From 1842 to 1867 Prussia was busy with diplomatic intrigues and aggressive measures which were designed to convert her economic domination into political sovereignty.

The first step in this procedure was to regenerate the Prussian Army, which had failed to perform any particularly glorious exploits since Leipzig and Waterloo. This was accomplished through the efforts of William I, aided by the able but autocratic and reactionary statesmen and military experts, Von Roon, Von Moltke, and Bismarck. The latter, a true "Junker," was the most sinister genius in European politics in the nineteenth century. Though one of the most astute political leaders in history, he was, after Metternich, the bitterest enemy of democracy in his time, and was a more thoroughgoing exponent of Machiavellian diplomacy than Frederick the Great. For more than a quarter of a century he applied all of his truly terrific energy to making Prussia supreme in Germany through his famous policy of "blood and iron."

After having perfected Prussia's military preparations, Bismarck cast about for a pretext to induce a war with Austria in order that the latter might be humiliated and deposed from her predominant position in the German Confederation. This eagerly sought opportunity came in 1866 through the dispute over the future disposition of the Provinces of Schleswig and Holstein, which Bismarck had induced Austria to aid him in wresting from Denmark two years before. The carefully laid Prussian plans bore fruit in the crushing defeat and overthrow of Austria at the battle of Sadowa. Prussia was then free to seize Schleswig and Holstein, Hanover, Hesse-Cassel, and Nassau, and became dominant in the North German Confederation formed in 1867, thus completing the first chapter of Bismarckian policy.

The next task was to make Prussia supreme in a unified, autocratic, and militaristic German Empire. To accomplish this purpose Bismarck recognized that another foreign war would be necessary in order to weld the South German States to the Prussianized North German Confederation. Stirring up a false fear of France in the South German States, Bismarck was able to obtain their military alliance with Prussia. It was now essential to bring about a common war with a foreign country so that this military alliance might be transformed into a firm political union. Carefully calculating its effect upon French sentiment, Bismarck secretly urged the Hohenzollern Prince Leopold to accept the offer of the vacant Spanish throne. Through the storm of indignation which arose in France over this act, Bismarck, by the distortion of a telegram from the Prussian King, and aided unwittingly by the hot-headed and hair-brained French foreign minister, the Duke of Gramont, and the Parisian war party, was able to induce France to make war on Prussia.

Prussia's elaborate military preparations, which had been in steady progress, made easy a humiliating defeat of France, and the enthusiasm of this brilliant success was sufficient to give rise to the German Empire, in which Prussia was supreme in policy, military strength, and constitutional arrangements. A crushing indemnity laid upon France and the seizure of the French Provinces of Alsace and Lorraine left an open sore in European politics. This would furnish a possible basis for another European war which Bismarck foresaw might be indispensable to the next move in Prussian policy to make the German Empire supreme in Europe.

IV. THE PRUSSIANIZATION OF THE GERMAN EMPIRE, 1871–1914.

The ambition for European supremacy furnishes the key to Prussian internal policies and diplomatic intrigues since 1871, as truly as the ambition for a German preeminence explains Prussian politics from 1815–1871.

Hardly had the new imperial system been thoroughly organized when its bureaucracy was used to crush the growing liberal party of social democracy. This was done by inducing the autocratic German Government to adopt the chief reform policies of the Social Democrats and thus take away the very ground from beneath their feet, and by retaining the semifeudal system of representation which excluded them from their legitimate share in the Government.

Such was the condition of the German Empire in 1888 when there came to the throne of Prussia and hence to the head of the German Empire, William II, a Hohenzollern who seemed to combine all the typical characteristics of his family. He preserved the patrimonial divine-right theory of government of Frederick William I, thought himself possessed of the versatile genius of Frederick the Great, and maintained the energy and aggressive military policies of his grandfather. Bismarck's policy of "blood and iron" was fully adopted as the program of "I, God, and the army."

The new Emperor, while at first posing as a social reformer, was an even more bitter enemy of the party of social democracy than Bismarck, and allied himself to the "Junker" class, the mortal enemies of liberalism and the sworn devotees of autocracy, militarism, and Pan-Germanism. All phases of German policy and administration were directed to the achievement and preservation of autocratic irresponsible government and increased military power.

To make this policy an integral part of the popular sentiment of Germany, there issued from the center of junkerdom at Berlin the most systematic campaign of Chauvinistic, militaristic, and imperialistic education in the history of Europe. This was based on the pseudo-Darwinian philosophy expounded by writers like Bernhardi; on the anti-social, anti-Christian, "might makes right" philosophy of Nietzsche; and on the crude nationalistic doctrines of the great German philosophers and historians of the nineteenth century. It was all designed to glorify war as the supreme instrument of national development and to emphasize at every point the universal superiority of the German peoples when led by Prussia and her God-favored ruler.

Such a state of mind is intelligible only when one understands that Prussia, through diplomatic intrigues, military aggression, and the imitation of the culture and industry of other peoples, had passed from a semifeudal condition to the head of a great national and industrial state in less than half a century. Thus, instead of representing an old and established stock people or "Urvolk," as Fichte had maintained, Prussia is really an upstart in international society and brings with her all the aggressiveness, arrogance, pride, and bad manners of the parvenu.

But William II, with all his bigotry and militarism, was a pacifist as compared with the extreme Pan-Germanic Junker Party, which allied itself to the semi-imbecilic crown prince and dominated the Prussian general staff. This party, which controlled the Emperors' actions in July, 1914, and his diplomacy during most of the previous decade, boldly and frequently proclaimed Germany's fitness and destiny to rule the world.

To carry out this criminal ambition to dominate the planet, Prussianized Germany secured the subordination of Austria to her plans and obtained by intrigues with the Balkan States and Turkey concessions for a direct line of communication from Hamburg to Bagdad, thus opening the way to the East. The colonial empire in Africa was strengthened and spheres of influence were developed in South America and the Far East.

By 1905 Germany began to be impatient to "feel out" her growing powers and to discover whether the other European nations entertained a healthy respect for her strength and destiny. No less than five serious international crises were forced upon Europe by German policy between 1905 and 1914, any one of which might have precipitated a European war if the other nation had not backed down before Germany's high-handed conduct. France was bullied in regard to Morocco in 1905–6, in 1908, and again in 1911. Russian weakness after the war with Japan was exploited by Prussia through a tariff war and the encouraging of Austria to seize Bosnia and Herzegovina and thus to violate the treaty of Berlin with the same equanimity that Prussia later displayed in violating neutral territory and treaties in 1914. Again, in the Balkan War of 1912–13, Austria was suppotred in that further bullying of Serbia which led to the extreme anti-Austrian feeling in Serbia that resulted in the murder of the Austrian Crown Prince in 1914.

V. THE PRUSSIAN WAR OF 1914.

In view of the Prussian attempts at diplomatic bullying just enumerated, it did not augur well for the peace fo Europe, when in 1913 Germany planned greatly to increase her already enormous armaments. However, it is not difficult to understand this belligerent attitude. Russia had keenly resented the Prussian insults in 1908 and 1912–13 and had set herself to so thorough a military reorganization that she alone might seriously challenge the military supremacy of Prussia in a few years. The social democrats were attaining such strength and confidence that the representatives of the semifeudal Prussian autocracy knew well that their days were numbered unless some great crisis, such as a European war, could bring a temporary check to the growing stream of liberalism. Again, the Pan-Germanists who had rallied around the Crown Prince were confident, domineering, and aggressive. Finally, the great army and its officers were chafing under its long inactivity. It was little wonder, then, that Prussian junkerdom eagerly availed itself of the opportunity of 1914 to make the final test of the power of the political system it had been building up for more than half a century.

The immediate events which led to the outbreak of the war in July, 1914, are too well known to need repetition. Germany's arrogant support of the atrocious demands of Austria upon Serbia; her bullying and summary ultimatum to Russia, which this time refused to be "bluffed" as in 1908 and 1912–13; her haughty rejection of diplomatic overtures; and her ruthless and cynical violation of treaties, neutral territory, and international law are now among the indisputable facts of history.

Though foiled in its attempt to effect a speedy conquest of western Europe, the Prussian military machine has achieved almost complete success in its eastern campaign. The whole of that vast and coveted territory from Hamburg to Bagdad has been brought under the complete control of Berlin. Were Germany to make peace by retiring to the Rhine in the West she would have won a military and territorial victory compared with which the military exploits of Frederick the Great and Bismarck pale into insignificance. She has more than trebled her territory and brought under Prussian domination since 1914 a population greater than that of the United States. The following table showing the situation at the beginning of 1917 will demonstrate that the previous statement is by no means an exaggeration:

1. The masters:		
Prussians		40,000,000
2. Vassal peoples:		
South and Austrian Germans	33,000,000	
Magyars	10,000,000	
Bulgars	5,000,000	
Turks	6,000,000	
		54,000,000
3. Enslaved peoples:		
French	3,000,000	
Belgians	7,500,000	
Alsatians, Lorrainers	1,500,000	
Danes	200,000	
Poles, Lithuanians	22,000,000	
Ruthenians	5,500,000	
Czechs	8,500,000	

3. Enslaved Peoples—Continued.		
Jugo-Slavs	11,000,000	
Roumanians	8,000,000	
Italians	800,000	
Armenians	2,000,000	
Levantines	2,000,000	
Ottoman Greeks	2,000,000	
Arabs	8,000,000	
		82,000,000
4. Total under Prussian domination, 1917		176,000,000

These figures, taken in conjunction with the above map, which shows the territory inhabited by these peoples, convey some impression of the tremendous task to which the United States has become a party in the effort to liberate Germany and the world from the domination of Prussian Junkerdom. It also gives an effective answer to those who contend that Prussia is already beaten.

It is plain that it will require great military pressure and the most intelligent diplomacy to detach the South Germans and the Austrians from their alliance with Prussian absolutism, to separate the Prussian Social Democrats from their doubly fatal alliance with the Prussian autocracy, and to liberate the alien races now enslaved by Prussia.

That the "Berlin philosophy" is not yet repentant can be easily seen from the closing words of the bitter diatribe against England recently written by Prof. Eduard Meyer, Germany's greatest living historian and a former exchange professor to the United States, in which he enumerates the three fundamental institutions to which Germany must cling if she is to fulfill her destiny in the world, namely: "Our military organization; our economic organization; and lastly, a virile monarchial government placed wholly beyond the influence of party strife, and wholly independent to act, that it may be free to combine and utilize all the forces of which the nation is capable. For the beneficent results of this action we had every reason to be grateful when the outbreak of the war found us fully prepared, while every day that the war continues gives us renewed evidence of its efficiency."

When the greatest Prussian historian speaks thus, American citizens must realize that Prussia must be beaten down by force of arms before she can again be treated as a liberalized modern nation.

CONCLUSIONS.

The foregoing shows how for centuries Prussia has been systematically building up an autocratic empire by aggressions and for further aggressions.

Her battle cry in August, 1914, was: "Weltmacht oder Niedergang" (World dominion or downfall). Thus in her mad pride she avowed her purpose to dominate the world.

By the war of 1870 against France she consolidated the South German Confederation into the German Empire

Her essential purpose in the present war is to clinch her present hold on the vast and continuous domains of Austria-Hungary, the Balkans, and Turkey.

If Prussia can do this she will in reality have won the war even though she retire from France, Belgium, and Poland and indemnify them. She will have won because she will have increased her autocratic dominion from less than 70,000,000 people to over 170,000,000—an increase by the present war equal to the population of the United States.

Then at her chosen moment again she will attack, perhaps with new allies, to make complete in both hemispheres her world dominion. Her history and her present announcements both forecast this as her intent.

Her present peace talk and her future peace talk is and will be solely to preserve her present dominion approximately as shown in the last map.

For America and her allies to make peace until we have broken forever this dominion which Prussia has won in the present war would be to bequeath to our children the certainty of a still greater and more horrible war followed by fetters such as she is now attempting to rivet on her allies.

Therefore we must carry on this war, without one thought of peace, until we have shattered the grip of Prussia on Austria-Hungary, the Balkans, and Turkey for all time.

If we do not carry on this war to this end, our grandsons will be the conscript soldiers of Prussia to help her conquer Asia or Africa, or else our grandsons alone will have to defend their land against Prussia and her Asiatic or African allies of the future.

To end the world warring of Prussia the web she has woven from Hamburg to Bagdad must be shattered through force of arms supplemented by intelligent diplomacy.

It is as necessary to the safety of America as it is to that of her allies that we realize that now this war is our war as fully as it is their war—that we all fight it with all our might to the only end which will make the world safe for democracy.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened.

PETITIONS.

Mr. PHELAN presented a petition of sundry citizens of Long Beach, Cal., praying for the enactment of legislation providing that the Dental Corps shall consist of commissioned officers of the same grades and proportionately distributed among such grades as are now or may hereafter be provided by law for the Medical Corps, etc., which was referred to the Committee on Military Affairs.

He also presented a petition of the Chamber of Commerce of Santa Ana, Cal., praying that a labor census be taken and that a system of industrial conscription be put into force, and indorsing stringent measures for the suppression of criminal syndicalism, which was referred to the Committee on the Census.

LOCK AND DAM IN MERMENTAU RIVER, LA.

Mr. RANSDELL. From the Committee on Commerce, I report back favorably without amendment the bill (S. 2785) to authorize and empower the Southwest Louisiana Waterways Association, of the State of Louisiana, to construct a lock and dam in Mermentau River, in the State of Louisiana, and I submit a report (No. 112) thereon. I ask unanimous consent for the immediate consideration of the bill, as it is an emergency matter.

The PRESIDING OFFICER (Mr. ROBINSON in the chair). The Senator from Louisiana asks unanimous consent for the immediate consideration of the bill just reported by him.

Mr. PENROSE. I did not hear what the bill is about.

Mr. RANSDELL. It is a bill authorizing the Southwest Louisiana Waterways Association to construct a lock and dam on a little river in Louisiana, in order that the salt water may not back up on the rice and destroy it. It is a tidewater stream. The Government will not be involved in any expense. The bill simply grants a permit to the local people to construct this lock and dam. It has the approval of the Chief of Engineers, and everything about it is local. I hope no objection will be made.

Mr. PENROSE. I have no objection.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Southwest Louisiana Waterways Association, of the State of Louisiana, be, and is hereby, authorized to construct a lock and dam in the Mermentau River at some suitable point, to be approved by the Secretary of War: *Provided*, That said lock and dam shall be constructed and maintained wholly at the expense of said association and in accordance with plans and specifications approved by the Chief of Engineers and the Secretary of War: *Provided further*, That no toll shall be imposed at any time for the passage of any craft through said lock: *And provided further*, That the operation and care of said lock and dam, with funds provided by the association, may, in the discretion of the Secretary of War, be assigned to the engineer officer of the United States Army in charge of the locality.

SEC. 2. That this act shall be null and void unless the privilege hereby granted shall be availed of within two years from the date hereof.

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

TRADING WITH THE ENEMY.

Mr. RANSDELL. From the Committee on Commerce I report back favorably with amendments the bill (H. R. 4960) to define, regulate, and punish trading with the enemy, and for other purposes, and I submit a report (No. 111) thereon.

The PRESIDING OFFICER. The bill will be placed on the calendar.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAMBERLAIN:

A bill (S. 2815) granting an increase of pension to Thomas Goodwin Davison (with accompanying paper); to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 2816) granting the consent of Congress to the Gainesville Red River Bridge Co. to construct a bridge across Red River; to the Committee on Commerce.

By Mr. LODGE:

A joint resolution (S. J. Res. 96) to grant American citizenship to William Francis Griffitt Blackler; to the Committee on Foreign Relations.

ADDRESS BY JAMES H. POU.

Mr. OVERMAN. Mr. President, I ask to have printed in the RECORD a copy of an address delivered by Hon. James H. Pou, August 14, 1917, at a patriotic meeting of citizens of Raleigh, N. C., under the auspices of the Red Cross.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

"A great war applies the acid test to the people of the countries involved. Like an X-ray picture, war makes manifest things which during peace were not disclosed, and whose existence was often not suspected. Many plain citizens during peace follow the even tenor of their ways and are regarded as commonplace ordinary men.

"War comes, and unconsciously to themselves and unexpectedly to the public, these men assume new habits and a totally different attitude. They cease to be plain men and they become heroes. They promptly answer the call to duty, and in answer-

ing they achieve that nobility of soul which comes only from the performance of a patriotic and unselfish duty. And some attain immortality.

"The Rhode Island Quaker blacksmith toiled at his forge for years before his neighbors suspected what the Revolution would make of Nathanael Greene.

"Joseph Warren was a physician, well known in his own town, but scarcely heard of elsewhere. The Revolution came. He did a man's part. He did not believe the Americans had munitions sufficient to hold Bunker Hill. He advised against the attempt. He was overruled, and the effort to fortify and hold the heights was determined upon. He was offered chief command. He declined, but volunteered as a private, and was killed in the battle fighting as a private, with a commission as general in his pocket. At a stride he left the ranks on Bunker Hill for a place in the temple of immortality.

"Probably more places are named for these two men—Greene and Warren—than for any other men of the Revolution, Washington alone excepted.

"War is the great solvent. It separates the pure from the base metal and presents men as they are and not as they seem.

"War gives, along with its trials, hardships, and sacrifices, opportunities never available in peace. It gives the man who may have made a bad, unfortunate, or ineffective start in life a chance to begin again under different conditions. He has a second chance with the promise if he makes good in the second effort his former failure shall be forgotten, and the glory of his latter effort shall become a patent of nobility.

"When our Civil War began two of the least promising of men were Grant and Sherman. Both men were West Point graduates. Both had served in the Regular Army and had left it. Both went into other business and had not succeeded. Grant had farmed; then worked as a tanner; clerked in a store; then hauled wood. Bad habits chained him, and bad luck seemed his twin brother. He volunteered, and went to Springfield to offer his services. His record and his appearance were against him. His attitude was that of the conscious failure. He was given slight encouragement and was put to work copying muster rolls in the basement of the capitol. Civilian officers who could not drill their companies or regiments learned that a West Point graduate was working in the basement. They asked him to help in getting their troops in shape. His work immediately put new life and an altogether different appearance on these companies. His own worth was demonstrated and he was quickly given a regiment. Eight years later he was inaugurated President of the United States, the youngest man to attain that honor.

"Sherman, after leaving the Army, tried banking in California and commission business in New York without success. Then he opened a law office in the Middle West. No clients. Like many other competent lawyers, despite talents, character, and industry, he did not succeed. His office dried up and he blew away. The war found him teaching school in Louisiana, the very picture and image of a man without any bad habits who had failed to make good. 'He had gone up against it and bounced back.'

"He was so hard up that it was assumed that he would be glad to take any job offered to him, and without asking him where he stood in the contest a commission as an officer of Louisiana State troops was made out and tendered him. He declined, frankly stated his position, went North, joined the Army, rose rapidly, stated that 200,000 men were necessary to break the lines of the Confederacy in the West, was believed to be crazy, and was so regarded for a while.

"And when Grant became President he delivered the command of the Army to Gen. Sherman. Except for the war these two men would probably have been written down as complete failures; sore disappointments to friends and relatives.

"This war will develop many Greenes, Warrens, Grants, and Shermans, and countless thousands of less distinguished heroes.

"The men who shall render service in this war will, during the balance of their lives, rule the Nation, both in politics and in business. And better still, many a man who heretofore has not been able to control himself will hereafter become master of himself, his habits, and his circumstances. Many a man now regarded by himself and his friends as a failure, with nothing to hope for in the future, will come back from the war with head erect, eye steady, grip firm, and an air of confidence in himself never seen before. We will see the unsuccessful boy transformed into a seasoned, disciplined, efficient man.

"Horrible as it is this war has some compensation for those who shall do their part. And many men will find their success in life began the day they took their places in the ranks of the American Army. I never knew a man who went to the Civil War on either side and who returned with an honorable discharge or worthy record express regret that he went to the Army. I have heard many who did not go express the keenest regret that they did not.

"The acid test of war likewise shows what is mean, unpatriotic, and vicious in our natures. It discloses the yellow in us, if there be any. It gives the bad citizen an opportunity to show how unpatriotic he can be. It enables the citizen of low, selfish, and groveling ideas an opportunity to register his name and call his true number. It enables every man to grade and register his peculiar and personal standard of citizenship. And these strange and unfortunate creatures, who by nature are against all things and particularly against their own Government, are given opportunity to show how closely their ideals of citizenship approximate what the law calls treason.

"You hear these men whispering words false in fact and approaching treason in purpose and intent. They are saying that the war is wrong and that the draft is unconstitutional. They say that we can not send our armies beyond the bounds of this country without their consent. They say that we should wait until the Germans land on American soil, then declare war. France, Belgium, Russia, and Serbia all waited until Germany attacked them. You see the result—destruction of life and property unheard of heretofore; old men, priests, children murdered—women outraged by countless thousands, shaming the dark ages. This is what it means to wait for the Germans to invade. The men who advise us to wait for the Germans to invade America mean that after American cities have been burned, after American farms have been turned into deserts, after American citizens not engaged in war have been butchered or enslaved, and after American women have been ravished, then they will be men enough to fight. But they are mistaken. They will not fight even then. They will grovel at the feet of the enemy, or they will hide in the swamps

"We will fight to prevent these things, and we will fight now, that a German Army may never invade America. The man who will not fight now will never fight. Count on that and watch the man.

"These men say that this is a rich man's war, when never before in any war has America placed so nearly the entire cost of the war on the rich. They say it is a bondholders' war, when bonds were sold for par, at a low rate of interest, and are held by the largest number of people who ever participated in a bond issue.

"They say they can not approve of the draft and of universal military service, when they know this to be the only way to preserve equality of service. The sons of the poor and the unknown have the same rights and the same chances as the sons of the rich and the influential. The man who would keep his son out of the Army is the very man who would send his neighbor's son to the front. Universal service makes impossible the bounty soldier, the hired substitute, the 20-negro law exempt, and the other subterfuges behind which many cowards sought shelter in the Civil War, while better men went to the front.

"They say that in establishing a food control the Government—claiming to be against trusts—has established the greatest of all trusts. True; but Uncle Sam is the trustee, and all his children are beneficiaries. It is a trust to protect the public, not a trust to oppress. Uncle Sam is determined that none of his children shall suffer for the necessities of life while those necessities remain abundant in the land. Speculation shall not corner the market and fix high prices for the millions. The Government has decreed that the man with money shall not forestall the market, take over the food supply, and dictate prices to the man who buys next week's supplies with this week's wages.

"Some carping critics object to the food-production and conservation campaign. They say that the Government has no business trying to control the industries and habits of the people. All the Government is asking of us are the things we ought to do, which are to our advantage to do, without being asked. We are asked to make and save, as near as possible, what we eat, because of the world-wide scarcity of foodstuffs, and because of the difficulty of transporting food from one section where abundant to another where scarce. We have raised great crops of food—vegetables, fruits, and so forth. We are urging people to save these products against the time of certain need next winter. Instead of helping in this work these critics—who in the past have always advocated growing food supplies at home—are doing all they can to encourage waste. They write and talk against our movement, and advise that all food-producing and conservation work be stopped. They say that the people have all they can stand; that this is a bondholders' war; that the money powers are responsible, and so forth. I have seen the letter.

"They complain of railroad service, and forget that service has been reduced because the Government has taken over rolling stock and locomotives for use in France, and because vast amounts of rolling stock is being used and will be used for months yet in moving troops and their supplies.

"In all great wars of the past troops have been carried in freight or stock cars, and often on flat cars. Our Government is endeavoring to carry every soldier in a passenger car. To do this it must restrict civilian passenger service. We who do not go to war must consent to be crowded if we travel, and if sometime we fail to get a seat immediately, we should remember that our slight inconvenience is the result of an effort to make our soldiers more comfortable. We should be ashamed to complain. Our ladies should be willing to put their baggage on the floor when necessary to give other women seats beside them. Seats in a passenger car should not be piled with grips and bags, while a woman with a baby in her arms looks in vain for a seat until some man gives her his. Put the bags, grips, and so forth, on the floor, and let the woman have a seat, even though she be a stranger and be not fashionably dressed.

"These critics complain of the censorship, and say that free speech is denied. They prate of the inviolable rights of the citizen and assert the time-honored rights of life, liberty, and the pursuit of happiness, and so forth. But they fail to draw the distinction between freedom of speech and advising the commission of crime. The first is lawful, the latter unlawful, now and always. Always unlawful, it becomes dangerous and even treasonable during war.

"These people may abuse the President, criticize Congress, berate our Army and Navy much as they please. They show a low citizenship, an absence of patriotism, and exceeding great folly. But they commit no crime. But the moment they advise a man to disobey any rule, law, or lawful order of the Government, they commit a crime, and may be punished for felony or possibly for treason.

"Thus, these people may abuse President Wilson to their heart's content, and they will be visited with nothing worse than public contempt. But the moment they advise a drafted man not to appear, or an enlisted man to desert, they become guilty of felony.

"There are some who are very near to, if in fact they have not already, crossed the line which separates folly from criminality.

"These critics tell us that this is not our war; that we have no business in it; that we are fighting other peoples' battles. True, we are fighting with a large part of the civilized world, but we are not fighting for them any more than they are fighting for us. The mad dog of the world is after them as he is after us. We and they are fighting for life. If they slay the dog we are blessed. If they slay him we are fortunate we are fighting together, but each one fights for himself, and any assistance he may render to another is secondary and consequential. Civilization is in danger and all her children are fighting.

"Three years ago when Germany went to war she had no immediate hostile design on the United States. She planned and arranged for the war on the hypothesis that England would not fight, and consequently Japan would not; that Italy would remain neutral or join with her; and that Turkey would act as Germany should order. With this plan outlined, Germany thought she could immediately isolate Russia by closing the outlet from the Baltic to the North Sea, while Turkey kept the Dardanelles. Germany knew her fleet was stronger than that of France, and she expected to destroy the French fleet. Her plan contemplated that Germany should be supreme at sea. She planned to use sea traffic as an asset and to deprive her greatest enemy of all access to the sea and to close all French ports with a powerful and effective blockade, while easy access to Germany north of Great Britain and to Italy and Turkey through the Mediterranean should be maintained by German, Austrian, and, if necessary, the Italian fleets. She had her fleets planted in every sea and scout ships and cruisers near many harbors ready to seize all French and Russian ships and to blockade their ports. The army and fleet at Kio Chau were to guard Vladivostock and blockade Russia's Pacific coast. The Pacific fleet was to scour that great ocean and leave no enemy ship afloat. So convinced was she of the success of her plans that she left on purpose in all the great harbors of the world many of her finest ships. In English, American, Chinese, Portuguese harbors and in the ports of many other nations the finest and largest of Germany's merchant marine were purposely left when war was declared. Germany determined on war at the Potsdam conference early in July, 1914, and she could have drawn her ships home, but she wished them where they were, so they could be sent anywhere and converted into warships. They would first have swept the seas of French and Russian ships and then they would have returned to peaceful commerce, carrying German trade to all the rest of the world, while Germany crushed France and Russia at her leisure. Germany planned to use the seas as an asset and as a weapon to defeat her enemies. She would have succeeded and she would have won the war before Christmas, 1914, but for the colossal crime and folly of the attack on Belgium.

"Germany planned to fight three wars in quick succession, using the gains in each to help win the next.

"She intended to crush France and Russia in 1914, then attack England, and if she would not trade with Japan, to attack Japan also, then to attack us. The Belgium crime combined all these wars into the struggle now being fought. Germany is now fighting for world mastery, and the fate of the whole world is at stake.

"Had Germany respected Belgium's neutrality and her own pledged word, attacked Russia in force while fighting France defensively, neither England nor Japan would have entered the war. The English harbors would have been open, likewise those of Belgium. Transportation would have gone on almost unimpeded in the Atlantic; absolutely so in the Pacific. The war would have ended on schedule time with an astounding victory for Germany. She would have stood across the world a very colossus, and no nation would have dared challenge or deny her supremacy. The world escaped this by the narrowest of margins. In blind, criminal folly and lust of blood Germany attacked Belgium. England grandly and heroically answered the challenge, and though unprepared, entered the war. Two weeks later Japan came in and Italy announced that she would never fight England or France. Germany, to her amazement, found that her plans had miscarried and that she could not use her fleets or ships purposely placed in every ocean and port. The seas were being used against her, not for her. German ships, not enemy ships, were driven from the ocean. She was not the hunter but the hunted. By Christmas, 1914, German sea commerce had disappeared and all German warships not in hiding in German ports had been captured or sunk. The great German ships in neutral harbors were afraid to leave. Instead of blockading and strangling her enemies, Germany was being blockaded and strangled. What did she do?

"For six months Germany had fought on the seas according to the laws of nations and the rules of civilized warfare, and she had lost the seas. On February 4, 1915, she announced the she had up to that time conformed on the seas to the rules of civilized warfare but that in the future it would declare a paper blockade around the British Isles and, by use of her submarines, sink vessels going to England, and that her submarines might by mistake sink neutral vessels. President Wilson answered with his note of February 10, 1915, signed by Bryan, in which due notice was given that the Government would hold the German Government to a strict accountability if any American life were lost because of the unlawful acts of the German Navy. On February 16, 1915, Germany replied and in her note used these pregnant words:

"Up to now Germany has scrupulously observed the existing provisions of international law relative to maritime war.

"But she claimed that because England had been able to establish an actual and effective (and therefore legal) blockade of all German ports, she, Germany, would declare a paper blockade around the British Islands and sink any vessel attempting to reach English shores. An effective blockade of an enemy port is always legal. But an ineffective blockade is never legal, because it allows some vessels to pass while others must not. It becomes not a blockade, stopping all traffic, and thereby becoming a recognized and efficient instrument of war, but an attempted regulation by one power of the right of all other powers, even though friendly and neutral, to use the free high seas for commerce. A paper blockade is a claim of the ownership of the seas by one power, and if other powers acquiesce the claiming power acquires title.

"Germany asserted this claim in February, 1915, after she had lost all hope of sea dominion. We denied her claim and asserted our rights. On May 1, 1915, Count Bernstorff inserted in New York papers advertisements officially warning Americans not to travel on certain ships—an unprecedented act—and on May 7 the *Lusitania* was torpedoed, and over a hundred American citizens—many women and children—lost their lives. Germany had made war on us, and when she realized that war was imminent and that war with us was not at that time to her advantage she began a frantic effort to prevent, or at least postpone, the war she had begun. On May 9, 1915, she began to give President Wilson assurances that American lives would be safeguarded, all property damage paid for, and all disputed cases arbitrated. Germany's notes for 18 months after the sinking of the *Lusitania* demonstrate that she did not want

war with us then. The German communications of May 9 and September 1, 1915, show this attitude clearly.

"But the seas remained closed to Germany, and she gained many victories on land. She broke the Russian lines in May, 1915, and later captured almost all of Poland, Courland, and Livonia. Still later she overran Serbia, Montenegro, and Albania. Bulgaria came to Germany's aid, and the line to Constantinople was opened. The allies, though now aided by Italy, Portugal, and later by Roumania, could gain no great victory. All the combatants were getting tired. In the fall of 1916, in the high tide of success, Gen. Brousiloff was stopped by orders from Petrograd, and it became apparent that terms had been arranged or were being arranged for a separate peace between Russia and Germany. All fighting between these countries had ceased since September, except a little deceptive and fraudulent aid rendered by Russia to Roumania. The offensive on the Somme in the summer and fall of 1916 had been a keen disappointment to the allies. With Belgium and the Balkans conquered, Russia quieted, Japan compensated, Germany thought she had only England, France, and Italy to fight. She believed the submarines, if given free hand, could beat England, and she believed the German and Austrian armies could then quickly destroy France and Italy. She concluded that if she withdrew all her promises to us, made and oft repeated since the *Lusitania*, we might not fight. If we did not fight then, she knew we would never fight. We would be publicly acknowledging the supremacy of Germany. She was encouraged in this belief by the campaign watchwords magnifying peace and the slogan, 'He kept us out of war.' On the other hand she believed that if she entered the war she would win anyway, and she could collect out of us a huge indemnity, and she would be mistress of the world.

"Holding these views, Germany, without giving any notice, on the afternoon of January 31, 1917, curtly withdrew every promise she had heretofore made and with phrases of insult presented our minister at Berlin a note which contained a declaration of savage warfare against all mankind. In the note was this paragraph:

"Under these circumstances Germany will meet the illegal measures of her enemies by forcibly preventing after February 1, 1917, in a zone around Great Britain, France, Italy, and in the Eastern Mediterranean all navigation, that of neutrals included, from and to England and from and to France, etc. All ships met within that zone will be sunk.

"Before sending this note, and while pretending to be friendly with us, Germany proposed to Mexico to give her Texas and several other American States if she, Mexico, would join Germany in war upon the United States, and further requested Mexico to arrange with Japan to join Mexico and Germany in war upon us.

"Thus war came to America. Germany believed it was to her interest to avoid war in the spring of 1915, and she believed it was to her interest to force war in 1917. She did both. War in 1915 would have brought certain and quick defeat, and she made promises sufficient to preserve peace. In 1917 she believed war would not be to her disadvantage and she forced war with brutal frankness.

"President Wilson did not wish war. He ran great risk in preserving peace. The country ran grave risk in relying on German promises and in maintaining a precarious peace for two years. But the revolution in Russia may justify our cause. If we had entered the war in May, 1915, Germany would have been defeated but Russian tyranny would have been given a longer lease on life. Probably the greatest good has been accomplished and that all the world, including Russia and Germany, will hereafter be free.

"The war is our war, and it is not a Democratic or partisan war—Republicans and Progressives are just as earnest in their support of the war as Democrats. Roosevelt, Taft, and Hughes are as valiant and patriotic as Wilson and Parker, and these are all the men now living but one who have been nominated for the presidency by any party during this generation. It is a national war and the existence as well as the honor of the Nation is at issue.

"That our Army and our Navy will do their duty I do not for a moment doubt, and we who do not now go to the front have duties which we must perform with the same steadfastness, courage, and sacrifice that the soldier shows in battle.

"We must pay taxes willingly, promptly. We must produce, conserve, economize, and forego temporarily many rights we have heretofore exercised. Freedom of speech must be preserved. But to preserve freedom, it may be necessary to close the mouths and stop the presses of those who preach sedition and incite to treason. We may have to ask our railroad friends to forego temporarily the eight-hour law, but with the pledge to restore it when the war ends. The Army must be moved and supplied at all hazards. Our railroad employees are patriots and they will make this sacrifice for the Nation's safety.

"So much for the general subject. Now, for home. Wake County has done everything she has been called upon to do. She has bought bonds. Her sons have enlisted or registered. She has given the war Y. M. C. A. and the Red Cross more than was asked. In every respect Wake has shown patriotic zeal.

"The State council of defense has appointed a committee of six men—Col. Charles E. Johnson, Messrs. B. S. Jerman, C. B. Barbee, Daniel Allen, J. Cooper Young, and the speaker—and has designated it 'The Soldiers' Business Aid Committee for Wake County.' A subcommittee, of which Col. James H. Young is chairman, will specially advise about colored soldiers.

"Its duties are to aid soldiers in their business affairs, by making loans on security which would not be accepted in banks, and allowing time after the end of service to repay. It is in no sense a charity. A soldier can avail himself of the committee's aid without loss of dignity or self-respect. He is required to give note, with such security as may be available; and he is expected to repay the loan. If he wishes the committee to pay interest on a mortgage and prevent foreclosure he will give security if he can. If he can not do better, he will be asked to give the committee a second mortgage on the land, to secure the interest the committee may pay on the first mortgage. If he wishes the committee to pay premiums on life insurance, he will give a note secured by a proper transfer of the policies so the committee can be safe for what it may advance. Other life arrangements will be made where business affairs require it. Other means of assistance will be offered as the different demand for them may arise. Help to dependents, while the soldier is away, will be made in deserving cases. If a soldier be disabled by wounds or disease he will be helped in obtaining special training, so he may enter any trade or profession open to one in his condition. In any legal proceedings in which a soldier may be interested, like partition of land, the committee will look after the soldier's interest if requested and without expense.

"After the war the committee will assist soldiers in getting jobs, and to that end will keep in touch with large employers and will ask them to give the soldier preference.

"Wake County lawyers will gladly prepare any legal papers, will, deeds, etc., for any soldier regardless of color on request.

"All soldiers are requested to register before the county election officers, so they may vote next year, even if they be out of the State. The absent voters law (Ch. 23, p. 78, Public Laws of 1917) provides for voting by men who may be away from home on election day provided the voter shall have personally registered before leaving. If he does not register before he leaves he can not vote. The law provides for absent voting but not for absent registration. If you wish to preserve your vote see the chairman of your county board of elections and see that you are properly registered. If you be registered, you can send your vote by mail. The chairman of the board of elections can register you now or at any time before you leave. Do not fail to register before you leave. Some man may be running for office next year on a yellow-dog platform, pro-German, pacifist, peace at any price, and you will wish to vote against him. You will shoot against enemies in front and vote against enemies at home. Election officers will make no charge for registering, and I am sure will aid every soldier regardless of race in preserving his franchise. If the soldier can substantially comply with constitutional amendment he will be registered even if his spelling, punctuation, and pronunciation be a little substandard. If a man fight for his country, technicalities and rigid scrutiny of his educational qualifications must not be used to deprive him of his rights to vote. This principle must be upheld whether the applicant for registration be black or white.

"The committee will keep a book, and the book will contain a complete history of its work. Every contributor will be listed with the amount contributed. Every soldier assisted will be listed; and if he repays or shall fail to repay loan that fact will be entered. After the committee shall have completed its work, this book will be delivered to the State council of defense for examination and audit. All moneys on hand, including all loans repaid, will be returned pro rata to the contributors, and the book preserved in the State library as part of the State's permanent records. This book will often be referred to during the next hundred years by persons who may wish to prove that they or their ancestors render some valuable and noncompulsory service in this great war.

"The work of this committee will largely be confidential, and no soldier need fear that his affairs will be made public.

"We have granted assistance in one case so far. The soldier has given his consent that I may mention it to show the work and the method. He was making $25 per week at his trade and

was getting along comfortably with a wife and one child. He belonged to the Coast Artillery. Soon after he was called to the colors, his wife was taken sick and had to go to the hospital for an operation. He arranged with a physician to wait for his pay, arranged for his child's board but told us that he did not see how he could meet the hospital charges out of his pay, $35 per month, as a soldier. We examined his case, conferred with the officers of his company, found him honorable and worthy. We promptly and gladly granted him the assistance he asked, will take care of the hospital bills, and allow him reasonable time after his service shall have ended to repay what we shall have advanced. He has given note to that effect. This is not charity. It is a business transaction, just like he would make at a bank, except that we take security which a bank could not lawfully take. I feel confident that this loan will be repaid, principal and interest. We are furnishing this patriotic soldier with credit to meet an unexpected and unavoidable expense.

"Now, two instances where we did not help. An insurance agent came with a note given him for the first premium on a policy he had just sold to a soldier. He wanted us to pay the note or buy it. In view of the intention of the United States to provide new insurance for all soldiers, we think we should restrict our efforts to taking care of premiums on policies already in existence. We told the agent that he had best hold his note.

"Another suggested that we take care of a mortgage on a drafted man's land and mules. But upon inquiry we found that the seller of the land was the father of the drafted man, that almost nothing had been paid on the land or mules. We thought this man might never go to the Army, and if he did, his father should hold the land for him. And if he goes to the Army, he had best sell his mules, as his crop is finished. These three cases are given as an idea of what this committee will do and what it will not do.

"Our idea is to help those who can neither help themselves and who have no kin or friends who will keep them.

"If a soldier can make his own arrangements, or if he has family or friends who will attend to such matters for him, our advice is not to come to us, but if he needs emergency help and can not get it elsewhere, we will gladly help in all worthy cases. We will promptly turn down unworthy applications. We will be careful not to have anything 'put over us.' We depend entirely on voluntary contributions. We hope to repay a great part, possibly all that is put in our hands. We are determined that no worthy Wake County soldier shall suffer deprivation of property, nor his dependents suffer hardship, if we can prevent.

"The committee has money for all present needs, but calls may increase, and we wish to have enough always in the hands of our treasurer, Mr. B. S. Jerman, to meet promptly any call made on us. We must not wait to raise money. We must have the money ready for instant use. I now ask the people of Wake County to place at least a thousand dollars in our treasury for use in this work. We may hereafter need more; if so, we will ask for it with full assurances that it will be supplied. Whatever be left or repaid—and we expect most of it to be returned—will be paid as a dividend to all contributors pro rata. Pay to Mr. B. S. Jerman, treasurer, to-morrow what you wish to advance for Wake County soldiers.

"Out of the horrors of this war will arise a greater and better people, a stronger and freer citizenship, and higher ideals of government and of life. Out of bloody welter of this war will come many compensations. We will find a higher efficiency, and we will have a warmer sympathy for our fellow creatures and a greater willingness to share burdens. We will understand as we never have before understood the fatherhood of God and the brotherhood of man.

"There will be a fuller understanding and a deeper sympathy between the races here at home. Misfortune has prevented that heretofore. Black men fought bravely in the Civil War, but against us. Politics estranged us. Now we will fight together. A white regiment will save a black regiment when sorely pressed, and in like circumstance a black regiment will risk its life for a white one. We will be comrades in arms. After the war better friends than ever.

"We are fighting, not for love of war, but because we love peace well enough to fight for it. We are making war upon the idea and incarnation of war. We are fighting to make this the last war. If it ends right, it will be the last great war—the last war between civilized, enlightened nations. If we can have such a peace, the war will have been worth all its costs. Our soldiers have proven their patriotism. They have answered their country's call. They have pledged their lives. We ask no proof of their devotion. But I want to know if we who remain at home be worthy of the men who go? I propose to this audience that we here and now take upon ourselves five simple but solemn pledges. I have personally taken each and all, and God being my helper I will keep all.

"Here they are:

"1. We pledge ourselves not to say or do anything during this war which will weaken the hands of our Government, or which could give aid, comfort, or encouragement to the enemy. Will you pledge this? If so, raise your hands and say, 'Yes.' If you will not, answer, 'No' and bow your heads.

"2. We pledge ourselves during this war to do promptly and cheerfully all which our Government shall ask us to do, the same being in our power.

"3. We pledge ourselves not to support any candidate for office who does not whole-heartedly support our country's cause in this war.

"4. We pledge ourselves not to let the family of a soldier suffer for want of anything we can supply.

"5. We pledge ourselves to give preference in all things, where practicable, to the soldier who went and did his duty over the man of military age and fitness who did not go.

"My soldier friends, you have heard these pledges. They speak for Raleigh, for Wake, for North Carolina, for America, for most of the civilized world. They are the voices of not only thousands here to-night but of a thousand million human beings in every quarter of the globe. You have the gratitude, prayers, and love of the human race. May the God of our fathers go with you, remain with you, sustain you, guard, preserve, and save you; and in His own good time bring you back safe. Amen."

RECESS.

Mr. STONE. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 45 minutes p. m., Thursday, August 23, 1917) the Senate took a recess until to-morrow, Friday, August 24, 1917, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 23 (legislative day of August 15), 1917.

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY.

John W. Garrett, of Baltimore, Md., to be envoy extraordinary and minister plenipotentiary of the United States of America to The Netherlands and Luxemburg.

ASSISTANT ATTORNEY GENERAL.

William L. Frierson, of Chattanooga, Tenn., to be Assistant Attorney General, vice E. Marvin Underwood, whose resignation is effective September 1, 1917.

COMMISSIONER OF PATENTS.

James T. Newton, now an examiner in chief in the Patent Office, to be Commissioner of Patents, vice Thomas Ewing, resigned.

CONSUL, CLASS 8.

Arthur H. Leavitt, of New Hampshire, lately assistant Turkish secretary of the American Embassy at Constantinople, to be a consul of class 8 of the United States of America.

APPOINTMENT IN THE NATIONAL ARMY.

GENERAL OFFICER.

To be brigadier general with rank from August 5, 1917.

Brig. Gen. Lloyd England, the adjutant general of Arkansas.

PROMOTIONS IN THE ARMY.

FIELD ARTILLERY ARM.

Lieut. Col. Richard H. McMaster, Field Artillery, to be colonel from June 22, 1917, vice Col. Samuel D. Sturgis, appointed brigadier general.

Capt. Ned B. Rehkopf, Field Artillery, detached officers' list, to be major from May 15, 1917, vice Maj. Fred T. Austin, promoted

Capt. Marion W. Howze, Field Artillery, to be major from May 15, 1917, vice Maj. Charles C. Pulis, promoted.

Capt. Henry S. Kilbourne, jr., Field Artillery, to be major from May 15, 1917, vice Maj. Charles M. Bundel, promoted.

Capt. Lesley J. McNair, Field Artillery (General Staff Corps), to be major from May 15, 1917, vice Maj. Charles D. Herron, promoted.

Capt. George R. Allin, Field Artillery, detached officers' list, to be major from May 15, 1917, vice Maj. Robert C. Foy, promoted.

Capt. John R. Kelly, Field Artillery, to be major from May 15, 1917, subject to examination required by law, vice Maj. William McK. Lambdin, promoted.

Capt. Pelham D. Glassford, Field Artillery, to be major from June 4, 1917, vice Maj. Lesley J. McNair, detailed in the General Staff Corps.

First Lieut. William Spence, Field Artillery, to be captain from May 15, 1917, vice Capt. Henry S. Kilbourne, jr., promoted.

First Lieut. John W. Rafferty, Field Artillery, to be captain from May 15, 1917, vice Capt. Lesley J. McNair, promoted.

First Lieut. Robert B. McBride, jr., Field Artillery, to be captain from May 15, 1917, vice Capt. John R. Kelly, promoted.

First Lieut. Paul V. Kane, Field Artillery, to be captain from May 15, 1917, vice Capt. Lewis S. Ryan, promoted.

First Lieut. William H. Cureton, Field Artillery, to be captain from May 15, 1917, vice Capt. Pelham D. Glassford, promoted.

First Lieut. Fay B. Pricket, Field Artillery, to be captain from May 19, 1917, vice Capt. Donald C. Cubbison, detailed in the Quartermaster Corps.

First Lieut. Roland P. Shugg, Field Artillery, to be captain from May 19, 1917, vice Capt. Louis H. McKinley, detailed in the Quartermaster Corps.

First Lieut. Craigie Krayenbuhl, Field Artillery, to be captain from May 19, 1917, vice Capt. Robert H. Lewis, detailed in the Quartermaster Corps.

First Lieut. Clarence E. Bradburn, Field Artillery, to be captain from May 19, 1917, vice Capt. William H. Shepherd, detailed in the Quartermaster Corps.

CAVALRY ARM.

Capt. Grayson V. Heidt, Cavalry, unassigned, an additional number in his grade, to be major, subject to examination required by law, with rank from May 5, 1917, the date on which he would have been promoted to fill a vacancy in that grade in his arm had he not been retired from active service, and to be an additional number in that grade.

PROVISIONAL APPOINTMENTS, BY PROMOTION, IN THE ARMY.

CAVALRY ARM.

To be first lieutenants with rank from June 16, 1917.

Second Lieut. Russell T. George, Cavalry, vice First Lieut. John T. McLane, promoted.

Second Lieut. Thomas C. McCormick, Cavalry, vice First Lieut. John E. Lewis, promoted.

Second Lieut. Erskine A. Franklin, Cavalry, vice First Lieut. John D. Kelly, promoted.

Second Lieut. Robert D. Thompson, jr., Cavalry, vice First Lieut. Lindsley D. Beach, promoted.

Second Lieut. John E. Maher, Cavalry, vice First Lieut. Terry de la M. Allen, promoted.

Second Lieut. John E. Selby, Cavalry, vice First Lieut. Joseph F. Richmond, promoted.

Second Lieut. Arthur L. Marek, Cavalry, vice First Lieut. Louis A. Falligant, promoted.

Second Lieut. Herbert E. Watkins, Cavalry, vice First Lieut. William A. Raborg, promoted.

Second Lieut. Raymond L. Newton, Cavalry, vice First Lieut. Harold Thompson, promoted.

Second Lieut. William R. Irvin, Cavalry, vice First Lieut. Carlyle H. Wash, promoted.

Second Lieut. Alfred L. Baylies, Cavalry, vice First Lieut. John F. Crutcher, promoted.

Second Lieut. Lathan H. Collins, Cavalry, vice First Lieut. Henry Abbey, jr., promoted.

Second Lieut. Ralph B. Skinner, Cavalry, vice First Lieut. Earl H. Coyle, promoted.

Second Lieut. Candler A. Wilkinson, Cavalry, vice First Lieut. Daniel G. Morrissett, promoted.

Second Lieut. Milton A. Lowenberg, Cavalry, vice First Lieut. Arthur D. Newman, promoted.

Second Lieut. John A. Hettinger, Cavalry, vice First Lieut. Edward L. N. Glass, promoted.

Second Lieut. George A. Goodyear, Cavalry, vice First Lieut. Charles W. Foster, promoted.

Second Lieut. Paul H. Morris, Cavalry, vice First Lieut. Thomas H. Rees, jr., promoted.

Second Lieut. Francis E. S. Turner, Cavalry, vice First Lieut. Joseph W. Byron, promoted.

Second Lieut. Guy D. Thompson, Cavalry, vice First Lieut. Robert D. McDonald, promoted.

Second Lieut. George A. Parsons, Cavalry, vice First Lieut. Benjamin F. Hoge, promoted.

To be first lieutenant with rank from July 13, 1917.

Second Lieut. Martin R. Rice, Cavalry, vice First Lieut. John Kennard, promoted.

To be first lieutenants with rank from August 7, 1917.

Second Lieut. Philip C. Clayton, Cavalry, vice First Lieut. Stafford Le R. Irwin, promoted.

Second Lieut. Hans E. Kloepfer, Cavalry, vice First Lieut. Pearson Menoher, promoted.

Second Lieut. Edward A. Everett, jr., Cavalry, vice First Lieut. Winchell I. Rasor, retained in the Signal Corps.

Second Lieut. Herbert A. Myers, Cavalry, vice First Lieut. Harvey B. S. Burwell, detailed in the Aviation Section.

Second Lieut. Norman N. Rogers, Cavalry, vice First Lieut. Warren P. Jernigan, detailed in the Aviation Section.

Second Lieut. Temple E. Ridgely, Cavalry, vice First Lieut. Arthur A. White, transferred to Field Artillery.

Second Lieut. Harry W. Maas, Cavalry, vice First Lieut. Edwin B. Lyon, detailed in the Aviation Section.

Second Lieut. Peter T. Coxe, Cavalry, vice First Lieut. Norman J. Boots, detailed in the Aviation Section.

Second Lieut. Francis H. Bouche, Cavalry, vice First Lieut. Leo A. Walton, detailed in the Aviation Section.

Second Lieut. William H. Sweet, Cavalry, vice First Lieut. William B. Peebles, detailed in the Aviation Section.

Second Lieut. Louis Cansler, Cavalry, vice First Lieut. Carl C. Bank, promoted.

Second Lieut. William Van D. Ochs, Cavalry, vice First Lieut. Harry A. Harvey, transferred to Field Artillery.

Second Lieut. Horace W. Forster, Cavalry, vice First Lieut. George H. Peabody, promoted.

Second Lieut. Richard N. Mather, Cavalry, vice First Lieut. Henry McE. Pendleton, promoted.

Second Lieut. Lee L. Elzas, Cavalry, vice First Lieut. Edmund de T. Ellis, promoted.

Second Lieut. Owen G. Fowler, Cavalry, vice First Lieut. Robert W. Strong, promoted.

Second Lieut. Harry Foster, Cavalry, vice First Lieut. Clifford B. King, promoted.

Second Lieut. Alexander C. Strecker, Cavalry, vice First Lieut. Paul R. Frank, promoted.

Second Lieut. Stanley A. Ward, Cavalry, vice First Lieut. Edward C. McGuire, promoted.

Second Lieut. Dwight Hughes, jr., Cavalry, vice First Lieut. John McD. Thompson, promoted.

Second Lieut. William R. Stickman, Cavalry, vice First Lieut. John F. Davis, promoted.

Second Lieut. Lloyd W. Biggs, Cavalry, vice First Lieut. Reese M. Howell, promoted.

Second Lieut. Wilkie C. Burt, Cavalry, vice First Lieut. Henry J. F. Miller, promoted.

Second Lieut. Harry L. Sommerhauser, Cavalry, vice First Lieut. Frank D. McGee, promoted.

Second Lieut. Harold E. Dickinson, Cavalry, vice First Lieut. Victor V. Taylor, promoted.

Second Lieut. Adrian B. C. Smith, Cavalry, vice First Lieut. Horace Stringfellow, jr., promoted.

Second Lieut. Rufus S. Ramey, Cavalry, vice First Lieut. John F. Stevens, promoted.

Second Lieut. Carl T. Colt, Cavalry, vice First Lieut. Blackburn Hall, promoted.

To be first lieutenants with rank from August 8, 1917.

Second Lieut. Russell M. Herrington, Cavalry, vice First Lieut. Edward J. Dwan, promoted.

Second Lieut. Charles B. Malone, jr., Cavalry, vice First Lieut. Eustis L. Hubbard, promoted.

Second Lieut. James B. Taylor, Cavalry, vice First Lieut. Frederic W. Boye, promoted.

Second Lieut. Rollin A. Burditt, Cavalry, vice First Lieut. Karl H. Gorman, promoted.

Second Lieut. Richard H. Ballard, Cavalry, vice First Lieut. James K. Cockrell, promoted.

Second Lieut. Joseph D. Hungerford, Cavalry, vice First Lieut. De Rosey C. Cabell, jr., promoted.

Second Lieut. James C. Short, Cavalry, vice First Lieut. Ralph I. Sasse, promoted.

Second Lieut. Arthur D. Edmunds, Cavalry, vice First Lieut. Sylvester D. Downs, jr., transferred to Field Artillery.

Second Lieut. Francis J. Simons, Cavalry, vice First Lieut. William E. Shipp, promoted.

Second Lieut. Lawrence B. Wyant, Cavalry, vice First Lieut. Calvin De Witt, jr., promoted.

Second Lieut. Theodore L. Sogard, Cavalry, vice First Lieut. Byron Q. Jones, transferred to Field Artillery.

Second Lieut. John C. Howard, Cavalry, vice First Lieut. James M. Crane, promoted.

Second Lieut. Carlyle J. Hancock, Cavalry, vice First Lieut. Lucien S. S. Berry, promoted.

Second Lieut. James C. Miller, Cavalry, vice First Lieut. Victor W. B. Wales, promoted.

Second Lieut. Abraham W. Williams, Cavalry, vice First Lieut. Robert S. Donaldson, transferred to Field Artillery.

Second Lieut. James T. Duke, Cavalry, vice First Lieut. Cuyler L. Clark, transferred to Field Artillery.
Second Lieut. Hiram F. Plummer, Cavalry, vice First Lieut. William Spence, transferred to Field Artillery.
Second Lieut. Thomas W. Ligon, Cavalry, vice First Lieut. John W. Rafferty, transferred to Field Artillery.
Second Lieut. Edward H. Brooks, Cavalry, vice First Lieut. John F. Goodman, transferred to Infantry.
Second Lieut. Wayland B. Augur, Cavalry, vice First Lieut. Paul D. Carlisle, transferred to Field Artillery.
Second Lieut. William B. Bradford, Cavalry, vice First Lieut. Joseph B. Treat, transferred to Field Artillery.

To be first lieutenants from August 9, 1917.

Second Lieut. Garibaldi Laguardia, Cavalry, vice First Lieut. William H. Cureton, transferred to Field Artillery.
Second Lieut. Thamas M. Hagar, Cavalry, vice First Lieut. Fay B. Prickett, transferred to Field Artillery.
Second Lieut. Will Shafroth, Cavalry, vice First Lieut. John K Boles, transferred to Field Artillery.
Second Lieut. William D. Savage, Cavalry, vice First Lieut. William A. Robertson, transferred to Field Artillery.
Second Lieut. Richard R. Lytle, Cavalry, vice First Lieut. Orlando Ward, transferred to Field Artillery.
Second Lieut. Harry C. Gilbert, Cavalry, vice First Lieut. Hugh P. Avent, transferred to Field Artillery.
Second Lieut. Henry E. Atwood, Cavalry, vice First Lieut. Ronald D. Johnson, transferred to Field Artillery.
Second Lieut. John C. Taliaferro, Cavalry, vice First Lieut. John H. Woodberry, transferred to Field Artillery.
Second Lieut. Max. W. Tucker, Cavalry, vice First Lieut. Roland P. Shugg, transferred to Field Artillery.

TRANSFERRED TO ACTIVE LIST OF ARMY.

CAVALRY ARM.

First Lieut. Emory S. West, United States Army, retired, to the grade of captain of Cavalry with rank from September 1, 1914.

APPOINTMENTS, BY TRANSFER, IN THE ARMY.

CAVALRY ARM.

First Lieut. Charles S. Lawrence, Infantry, to be first lieutenant of Cavalry from June 14, 1917.

INFANTRY ARM.

First Lieut. William E. Kepner, Cavalry, to be first lieutenant of Infantry from June 14, 1917.

PROVISIONAL APPOINTMENT IN THE ARMY.

INFANTRY ARM.

Corpl. William Frank Johnson, First Company, Coast Artillery Corps, Massachusetts National Guard, to be second lieutenant to fill an existing vacancy.

APPOINTMENTS IN THE ARMY.

CHAPLAINS.

Rev. John Brandon Peters, of Virginia, to be chaplain with rank of first lieutenant from August 21, 1917, to fill an original vacancy.

To be chaplains with rank of first lieutenant from August 20, 1917, to fill original vacancies.

Rev. Walter D. Casey, of Connecticut.
Rev. Aloysius Charles Dineen, of New York.
Rev. Gerald Carr Treacy, of New York.
Rev. Richard Rush Rankin, of New York.
Rev. Robert B. Mulcahey, of New York.
Rev. John Joseph Mitty, of New York.
Rev. Thomas Dempsey, of New Jersey.
Rev. Daniel William Sheeran, of New York.
Rev. Edwin E. Lange, of New Jersey.
Rev. Dudley Regis Tierney, of New York.
Rev. John F. Mulligan, of New Jersey.
Rev. Frederick J. Mitchel, of New Jersey.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

The following-named noncommissioned officers in the Marine Corps to be second lieutenants in the Marine Corps, for temporary service, from the 24th day of July, 1917:

Sergt. Maj. Frederick W. Karstaedt.
Q. M. Sergt. Ery M. Spencer.
First Sergt. Gaines Moseley.
First Sergt. John H. Fay.
Gunnery Sergt. Thomas B. Wood.
Gunnery Sergt. Orlando C. Crowther.
Sergt. David T. Jackson.
Sergt. John H. Nichols.

Roswell Winans, a citizen of Indiana, to be a second lieutenant in the Marine Corps, for temporary service, from the 24th day of July, 1917.

Daniel J. Readey, a citizen of New Hampshire, to be a second lieutenant in the Marine Corps, for temporary service, from the 31st day of July, 1917.

First Lieut. Stanford W. Hoffman, National Naval Volunteers (Marine Corps Branch), to be a second lieutenant in the Marine Corps, for temporary service, from the 6th day of August, 1917.

The following-named citizens to be second lieutenants in the Marine Corps for a probationary period of two years from the 15th day of August, 1917:

William K. Snyder, a citizen of Nebraska,
Shaler Ladd, a citizen of New Mexico,
Robert M. Montague, a citizen of Idaho,
Alfred C. Cramp, a citizen of Pennsylvania,
James T. Yarborough, a citizen of South Carolina,
John A. Willis, jr., a citizen of Minnesota,
Charles Z. Lesher, a citizen of Arizona,
John C. Wood, a citizen of California,
Thomas R. Jewett, a citizen of New Jersey,
James R. Henderson, a citizen of South Carolina,
William T. Evans, a citizen of Tennessee,
George D. Hamilton, a citizen of Florida,
Benjamin W. Gally, a citizen of California,
Lloyd B. Dysart, a citizen of Washington,
Joseph F. Gargan, a citizen of Indiana,
Charles I. Emery, a citizen of Maine,
Clyde P. Matteson, a citizen of Wyoming,
Rolla R. Hinkle, a citizen of New Mexico,
William R. Mathews, a citizen of Illinois,
Charles T. Lawson, a citizen of Pennsylvania,
David I. Garrett, a citizen of Louisiana,
Nathaniel H. Massie, a citizen of Kentucky,
Richard H. Jeschke, a citizen of Illinois,
Sidney W. Wentworth, a citizen of New Hampshire,
Frank L. Shannon, a citizen of Washington,
Samuel M. Noblitt, a citizen of Indiana,
Francis P. Mulcahy, a citizen of New York,
Frederic C. Wheeler, a citizen of Pennsylvania,
Benjamin H. Brown, a citizen of Indiana,
Thomas E. Kendrick, a citizen of Missouri,
Benjamin L. Harper, a citizen of Wisconsin,
Albert A. Le Boeuf, a citizen of Massachusetts,
Will H. Walter, a citizen of Illinois,
Alfred W. Ogle, a citizen of Tennessee,
William van D. Jewett, a citizen of New Jersey,
Robert S. Lytle, a citizen of California,
Paul E. McDermott, a citizen of Washington,
Albert P. Baston, a citizen of Minnesota,
Donald J. Kendall, a citizen of Massachusetts,
Harold St. C. Wright, a citizen of Florida,
Horace B. Derrick, a citizen of Maryland,
Leonard Stone, a citizen of Massachusetts,
Lewis B. Reagan, a citizen of Mississippi,
Dudley S. Brown, a citizen of Arizona,
Robert H. Pepper, a citizen of Pennsylvania,
Robert L. Nelson, a citizen of Kentucky,
John B. Wilson, a citizen of Oregon,
James McB. Sellers, a citizen of Illinois,
James D. Colony, a citizen of Massachusetts,
Lathrop B. Flintom, a citizen of Missouri,
Clive E. Murray, a citizen of Oklahoma,
Joseph A. Hagan, a citizen of Virginia,
Ivan Langford, a citizen of Texas,
Galen M. Sturgis, a citizen of Maryland,
Mordecai C. Chambers, a citizen of Missouri,
Carl W. Meigs, a citizen of New York,
Joseph W. Knighton, a citizen of Maryland,
Charles I. Murray, a citizen of Pennsylvania,
James A. Poulter, a citizen of Wisconsin,
Karl S. Day, a citizen of Ohio,
George L. Maxwell, jr., a citizen of California,
Joseph C. Bennet, a citizen of Georgia,
Clarence W. Smith, a citizen of Illinois,
James A. Mixson, a citizen of Florida,
Cecil B. Raleigh, a citizen of Arkansas,
George L. Maynard, jr., a citizen of California,
William H. Hollingsworth, a citizen of Mississippi,
Lades R. Warriner, a citizen of South Carolina,
John O. Hyatt, a citizen of Arizona,
Oakley K. Brown, a citizen of Connecticut,
Charles D. Roberts, a citizen of Ohio,
Gus L. Gloeckner, a citizen of Texas, and

Graves B. Erskine, a citizen of Louisiana.

The following-named officers of the National Naval Volunteers and Naval Militia (Marine Corps Branch) to be second lieutenants in the Marine Corps, for temporary service, from the 6th day of August, 1917:

Capt. Percy D. Cornell, National Naval Volunteers, Marine Corps Branch,

Capt. Newton Best, National Naval Volunteers, Marine Corps Branch,

Capt. Angus A. Acree, Texas Naval Militia, Marine Corps Branch,

First Lieut. William A. Worton, National Naval Volunteers, Marine Corps Branch,

First Lieut. Jonas H. Platt, National Naval Volunteers, Marine Corps Branch,

First Lieut. James F. Rorke, National Naval Volunteers, Marine Corps Branch,

First Lieut. Charles McK. Krausse, National Naval Volunteers, Marine Corps Branch,

First Lieut. Alan V. Parker, National Naval Volunteers, Marine Corps Branch,

First Lieut. John F. Horn, Texas Naval Militia, Marine Corps Branch,

First Lieut. Ross W. Davidson, National Naval Volunteers, Marine Corps Branch,

First Lieut. Glenn E. Hayes, National Naval Volunteers, Marine Corps Branch,

First Lieut. Edmund L. Riesner, National Naval Volunteers, Marine Corps Branch,

Second Lieut. Lynn B. Coovert, National Naval Volunteers, Marine Corps Branch,

Second Lieut. Robert A. Kennedy, National Naval Volunteers, Marine Corps Branch.

Second Lieut. John F. Talbot, National Naval Volunteers, Marine Corps Branch,

Second Lieut. Stanley A. Beard, Texas Naval Militia, Marine Corps Branch,

Second Lieut. John L. Garner, jr., National Naval Volunteers, Marine Corps Branch,

Second Lieut. John W. Thomason, jr., National Naval Volunteers, Marine Corps Branch, and

Second Lieut. Clarence Ball, National Naval Volunteers, Marine Corps Branch.

First Sergt. John A. McDonald, Marine Corps, to be a second lieutenant in the Marine Corps, for temporary service, from the 24th day of July, 1917.

The following-named citizens to be second lieutenants in the Marine Corps for a probationary period of two years, from the 10th day of August, 1917:

Charles T. Brooks, a citizen of California,
James L. Denham, a citizen of the District of Columbia,
Herbert Hardy, a citizen of California,
Walter T. H. Galliford, a citizen of Texas,
Richard B. Buchanan, a citizen of Illinois,
Benjamin R. Avent, a citizen of Texas,
William H. McCormick, a citizen of Maryland,
David R. Kilduff, a citizen of California,
James A. Connor, a citizen of Texas,
Einar W. Jacobson, a citizen of California,
Charles N. Muldrow, a citizen of South Carolina,
Hugh McFarland, a citizen of Texas,
Walter D. Shelly, a citizen of Minnesota,
John T. Walker, a citizen of Texas,
Bert A. Bone, a citizen of California,
Frank W. Wilson, a citizen of Texas,
Charles B. Maynard, a citizen of Washington,
Carl F. Dietz, a citizen of Washington,
Oliver P. Smith, a citizen of California,
Hugh Shippey, a citizen of California,
Joseph G. Ward, a citizen of Virginia,
Robert C. Anthony, a citizen of Vermont,
Baptiste Barthe, a citizen of California,
Sidney R. Vandenberg, a citizen of Kansas,
Robert C. Thaxton, a citizen of Texas,
James D. McLean, a citizen of Virginia,
Thomas S. Whiting, a citizen of Virginia,
Robert Blake, a citizen of California,
Henry D. Linscott, a citizen of Pennsylvania,
John G. E. Kipp, a citizen of Illinois,
William T. Clement, a citizen of West Virginia,
Ralph L. Schiesswohl, a citizen of Illinois,
Ralph E. West, a citizen of California,
Euvelle D. Howard, a citizen of California,
Alfred H. Noble, a citizen of Maryland,
Keith E. Kinyon, a citizen of Kansas,
William A. Duckham, a citizen of Pennsylvania,
Harlan Pefley, a citizen of Idaho,
Frank D. Strong, a citizen of Minnesota,
Benjamin Goodman, a citizen of Virginia,
Harold D. Campbell, a citizen of Vermont,
Lyman Passmore, a citizen of Washington,
Louis W. Bartol, a citizen of New York,
Donald Kenyon, a citizen of New York,
James A. Nelms, a citizen of Virginia,
Clifford O. Henry, a citizen of New York,
John Sellon, a citizen of Kansas,
Joseph T. Smith, a citizen of California,
Raymond E. Knapp, a citizen of Massachusetts,
Hiram R. Mason, a citizen of Ohio,
Horatio P. Mason, a citizen of Virginia,
Carleton S. Wallace, a citizen of Minnesota,
Samuel C. Cumming, a citizen of Virginia,
George H. Yarborough, jr., a citizen of South Carolina,
George B. Lockhart, a citizen of Virginia,
John D. Macklin, a citizen of Ohio,
Edward L. Burwell, jr., a citizen of Wisconsin,
Jack S. Hart, a citizen of Texas,
Omar T. Pfeiffer, a citizen of Minnesota,
Robert S. Pendleton, a citizen of Virginia,
Lemuel C. Shepherd, jr., a citizen of Virginia,
John F. Blanton, a citizen of Texas,
Drinkard B. Milner, a citizen of Texas,
Roscoe A. Parcel, a citizen of California,
James F. Moriarty, a citizen of Massachusetts,
Davis A. Holladay, a citizen of South Carolina,
Frank P. Snow, a citizen of Massachusetts,
Samuel W. Freeny, a citizen of Maryland,
Julius C. Cogswell, a citizen of South Carolina,
William H. Harrison, a citizen of Maryland,
Arthur T. Elmore, a citizen of the District of Columbia,
Campbell H. Brown, a citizen of New York,
Edward B. Hope, a citizen of South Carolina,
Fred W. Clarke, jr., a citizen of Georgia,
Edmund P. Norwood, a citizen of South Carolina,
Edwin R. Brecher, a citizen of Texas,
Charles P. Nash, a citizen of West Virginia,
Durant S. Buchanan, a citizen of Texas,
Fielding S. Robinson, a citizen of Virginia,
Thomas T. McEvoy, a citizen of Illinois,
William H. Price, a citizen of Maryland,
Lewie G. Merritt, a citizen of South Carolina, and
Harry C. Savage, jr., a citizen of South Carolina.

The following-named noncommissioned officers in the Marine Corps to be second lieutenants in the Marine Corps for a probationary period of two years, from the 15th day of August, 1917:

Corpl. John Frost,
Q. M. Sergt. George F. Smithson,
Corpl. John P. Adams,
Corpl. Henry E. Chandler,
Corpl. Otto E. Bartoe,
Corpl. Ernest E. Eiler,
Sergt. Harold D. Shannon,
Corpl. Robert M. Johnson,
Sergt. Louis R. Jones,
Corpl. Ramond J. Bartholomew,
Corpl. Bruce B. MacArthur,
Corpl. Claude A. Larkin,
Corpl. Erwin Mehlinger,
Corpl. William B. Croka,
Corpl. Lothar R. Long,
Corpl. Gilbert D. Hatfield,
Corpl. Amos R. Shinkle,
First Sergt. Bruce Gootee, jr.,
Corpl. George H. Morse, jr.,
Corpl. Marc M. Ducote,
Sergt. Wesley W. Walker, and
Corpl. Lewis B. Freeman.

The following-named second lieutenants in the Marine Corps to be first lieutenants in the Marine Corps, for temporary service, from the 22d day of May, 1917:

Philip T. Case,
Edward G. Hagen,
Thomas B. Gale,
Lewis L. Gover,
Thomas F. Harris,
Charles M. Jones, and
Willett Elmore.

The following-named probationary second lieutenants in the Marine Corps to be probationary first lieutenants in the Marine Corps, for temporary service, from the 22d day of May, 1917:

Thad T. Taylor, and
Arthur B. Jacques.

Second Lieut. Arthur H. Turner to be a first lieutenant in the Marine Corps, for temporary service, from the 15th day of August, 1917.

Roy C. Swink, probationary second lieutenant in the Marine Corps, to be a probationary first lieutenant in the Marine Corps, for temporary service, from the 15th day of August, 1917.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 23 (legislative day of August 15), 1917.

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY.

John W. Garrett, of Maryland, to be envoy extraordinary and minister plenipotentiary of the United States to the Netherlands and Luxemburg.

SECRETARIES OF EMBASSY OR LEGATION.

CLASS 1.

Hugh S. Gibson.

CLASS 2.

Warren D. Robbins.
Willing Spencer.

CLASS 3.

Herbert S. Goold.
R. Henry Norweb.

CLASS 4.

T. Hart Anderson, jr.
Ray Atherton.
John W. Belt.
Philander L. Cable.
Frederick C. Chabot.
Charles B. Fennell.
Matthew E. Hanna.
Arthur Bliss Lane.
Casper Y. Offutt.
J. Donald C. Rodgers.
Charles H. Russell, jr.

APPOINTMENT IN THE ARMY.

Maj. Clifton C. Carter to be professor of natural and experimental philosophy at the United States Military Academy.

APPOINTMENTS, BY TRANSFER, IN THE ARMY.

CAVALRY ARM.

First Lieut. Ivan N. Waldron, Infantry, to be first lieutenant of Cavalry.

INFANTRY ARM.

First Lieut. Oscar T. Abbott, Cavalry, to be first lieutenant of Infantry.

PROVISIONAL APPOINTMENTS, BY TRANSFER, IN THE ARMY.

CAVALRY ARM.

First Lieut. John W. Weeks, Field Artillery, to be first lieutenant of Cavalry.

FIELD ARTILLERY ARM.

First Lieut. Wallace W. Crawford, Cavalry, to be first lieutenant of Field Artillery.

First Lieut. Henry W. Farnam, jr., Infantry, to be first lieutenant of Field Artillery.

INFANTRY ARM.

First Lieut. Francis Fielding-Reid, Field Artillery, to be first lieutenant of Infantry.

PROVISIONAL APPOINTMENTS, BY PROMOTION, IN THE ARMY.

CORPS OF ENGINEERS.

To be first lieutenants.

Second Lieut. Marion D. H. Kolyn.
Second Lieut. Walter P. Burn.
Second Lieut. David L. Neuman.
Second Lieut. Lenox R. Lohr.
Second Lieut. Truman M. Curry, jr.
Second Lieut. Frank M. S. Johnson.
Second Lieut. Simes T. Hoyt.
Second Lieut. Clarence M. Fuller.
Second Lieut. Harry A. Skerry.
Second Lieut. John F. McSweeney.
Second Lieut. Giovanni B. LaGuardia.
Second Lieut. Fred C. Albert.
Second Lieut. Don R. Cather.
Second Lieut. Sylvester E. Nortner.
Second Lieut. John R. Donaldson.
Second Lieut. Julian G. Guiteras.
Second Lieut. Gilbert D. Fish.

PROVISIONAL APPOINTMENT IN THE ARMY.

CAVALRY ARM.

Ernest Frederick Apeldorn, jr., to be second lieutenant.

PROMOTIONS IN THE ARMY.

CHAPLAIN.

Chaplain George W. Prioleau to be chaplain with rank of major.

MEDICAL CORPS.

Maj. Edward B. Vedder to be lieutenant colonel.

CAVALRY ARM.

Lieut. Col. James A. Ryan to be colonel.

To be lieutenant colonels.

Maj. Benjamin B. Hyer.
Maj. Mathew C. Smith.
Maj. Kenzie W. Walker.
Maj. Harry H. Pattison.
Maj. Francis Le J. Parker.
Maj. George F. Hamilton.
Maj. William H. Paine.
Maj. John W. Craig.
Maj. Hugh D. Berkeley.
Maj. Albert E. Saxton.
Maj. Hamilton S. Hawkins.
Maj. Frank Parker.
Maj. George Vidmer.
Maj. Casper H. Conrad, jr.
Maj. Nathan K. Averill.
Maj. Harry La T. Cavenaugh.

To be majors.

Capt. Alvan C. Gillem.
Capt. William B. Cowin.
Capt. Roger S. Fitch.
Capt. Holland Rubottom.
Capt. Leslie A. I. Chapman.
Capt. Aubrey Lippincott.
Capt. Henry W. Parker.
Capt. William H. Winters.
Capt. Douglas McCaskey.
Capt. Samuel B. Pearson.
Capt. Freeborn P. Holcomb.
Capt. Albert A. King.
Capt. Daniel Van Voorhis.
Capt. Julien E. Gaujot.
Capt. Delphey T. E. Casteel.
Capt. Joseph R. McAndrews.
Capt. George E. Lovell.
Capt. Frank L. Case.
Capt. John H. Lewis.
Capt. Harry N. Cootes.
Capt. Charles W. Van Way.
Capt. Wilson G. Heaton.
Capt. Edward Davis.
Capt. James M. Burroughs.
Capt. Dorsey Cullen.
Capt. Charles H. Boice.
Capt. Daniel H. Gienty.
Capt. William J. Kendrick.
Capt. George T. Bowman.
Capt. John S. Fair.
Capt. Robert J. Reaney.
Capt. Sherrard Coleman.
Capt. William F. Herringshaw.

To be captains.

First Lieut. Henry L. Flynn.
First Lieut. Harold M. Rayner.
First Lieut. John T. McLane.
First Lieut. James S. Mooney.
First Lieut. Henry W. Harms.
First Lieut. John E. Lewis.
First Lieut. John D. Kelly.
First Lieut. Thorne Deuel, jr.
First Lieut. William Nalle.
First Lieut. Roy O. Henry.
First Lieut. William E. Dorman.
First Lieut. John C. Prince.
First Lieut. Lindsley D. Beach.
First Lieut. Carl P. Dick.
First Lieut. Terry de la M. Allen.

First Lieut. John C. McDonnell.
First Lieut. Jerome W. Howe.
First Lieut. Otto Wagner.
First Lieut. Burton Y. Read.
First Lieut. Russell B. Patterson.
First Lieut. Clyde V. Simpson.
First Lieut. Joseph F Richmond.
First Lieut. Roy S. Brown.
First Lieut. Louis A. Falligant.
First Lieut. Herbert M. Ostroski.
First Lieut. Paul R. Davison.
First Lieut. John B. Brooks.
First Lieut. John B. Coulter.
First Lieut. William A. Raborg.
First Lieut. Welton M. Modisette.
First Lieut. John P. Wheeler.
First Lieut. Harold M. Clark.
First Lieut. Harold Thompson.
First Lieut. Allen G. Thurman.
First Lieut. George W. Sliney.
First Lieut. Willis D. Crittenberger.
First Lieut. Alfred B. Johnson.
First Lieut. Roland L. Gaugler.
First Lieut. Stuart W. Cramer, jr.
First Lieut. Thoburn K. Brown.
First Lieut. Geoffrey Keyes.
First Lieut. Joseph W. Viner.
First Lieut. John A. Considine.
First Lieut. Earl L. Canady.
First Lieut. George E. Lovell, jr.
First Lieut. Desmore O. Nelson.
First Lieut. Carlyle H. Wash.
First Lieut. John F. Crutcher.
First Lieut. Henry Abbey, jr.
First Lieut. Earl H. Coyle.
First Lieut. Mack Garr.
First Lieut. Stanley C. Drake.
First Lieut. Maxwell Kirby.
First Lieut. Edmund P. Duval.
First Lieut. Robert E. Carmody.
First Lieut. Albert J. Myer, jr.
First Lieut. Robert O. Annin.
First Lieut. Daniel G. Morrissett.
First Lieut. Ralph Hospital.
First Lieut. Theodore Barnes, jr.
First Lieut. Roger S. B. Hartz.
First Lieut. Charles B. Hazeltine.
First Lieut. Eugene M. Owen.
First Lieut. Arthur D. Newman.
First Lieut. John W. Butts.
First Lieut. Edward L. N. Glass.
First Lieut. Charles W. Foster.
First Lieut. Clarence C. Benson.
First Lieut. Thomas H. Rees, jr.
First Lieut. Walter W. Wynne.
First Lieut. Joseph W. Byron.
First Lieut. Warren P. Jernigan.
First Lieut. Robert D. McDonald.
First Lieut. William O. Ryan.
First Lieut. Benjamin F. Hoge.
First Lieut. Frederick Herr.
First Lieut. John B. Thompson.
First Lieut. Sheldon H. Wheeler.
First Lieut. John Kennard.
First Lieut. Stafford Le R. Irwin.
First Lieut. Pearson Menoher.
First Lieut. Edwin B. Lyon.
First Lieut. Carl C. Bank.
First Lieut. George H. Peabody.
First Lieut. Earl L. Naiden.
First Lieut. Henry McE. Pendleton.
First Lieut. Edmund de T. Ellis.
First Lieut. Robert W. Strong.
First Lieut. Clifford B. King.
First Lieut. Paul R. Frank.
First Lieut. Edward C. McGuire.
First Lieut. John McD. Thompson.
First Lieut. John F. Davis.
First Lieut. Reese M. Howell.
First Lieut. Henry J. F. Miller.
First Lieut. Frank D. McGee.
First Lieut. Harry B. Anderson.
First Lieut. Victor V. Taylor.
First Lieut. Horace Stringfellow, jr.
First Lieut. Ralph P. Cousins.
First Lieut. John F. Stevens.
First Lieut. Blackburn Hall.
First Lieut. Edward J. Dwan.
First Lieut. Eustis L. Hubbard.
First Lieut. William B. Peebles.
First Lieut. Frederic W. Boye.
First Lieut. Karl H. Gorman.
First Lieut. James K. Cockrell.
First Lieut. DeRosey C. Cabell, jr.
First Lieut. Ralph I. Sasse.
First Lieut. William E. Shipp.
First Lieut. Calvin De Witt, jr.
First Lieut. James M. Crane.
First Lieut. Lucien S. S. Berry.
First Lieut. Victor W. B. Wales.

INFANTRY ARM.

To be majors.

Capt. Frank B. Hawkins.
Capt. Harry A. Hegeman.
Capt. G. Arthur Hadsell.
Capt. Walt C. Johnson.
Capt. J. Millard Little.
Capt. John L. Bond.
Capt. Josephus S. Cecil.
Capt. Edward R. Stone.
Capt. Albert R. Dillingham.
Capt. William R. Gibson.
Capt. Will H. Point.
Capt. Henry M. Bankhead.
Capt. Henry A. Ripley.
Capt. William A. Kent.
Capt. Walter C. Sweeney.
Capt. Samuel W. Noyes.
Capt. Charles W. Weeks.
Capt. James T. Watson.
Capt. William W. McCammon.
Capt. Cyrus A. Dolph.
Capt. Willis P. Coleman.
Capt. Albert B. Sloan.
Capt. Lucius C. Bennett.
Capt. John E. Morris.
Capt. William B. Gracie.
Capt. Lawrence P. Butler.
Capt. Paul C. Galleher.
Capt. Claude S. Fries.
Capt. William G. Doane.
Capt. James M. Kimbrough, jr.
Capt. Alvin K. Baskette.
Capt. John L. Jordan.
Capt. James G. Hannah.
Capt. Samuel B. McIntyre.
Capt. Milosh R. Hilgard.
Capt. Linwood E. Hanson.
Capt. Charles B. Stone, jr.

APPOINTMENTS IN THE NAVY.

To be ensigns.

Francis A. Pippo.
Edward C. Wurster.
Charles O. Hathaway.
Patrick J. Solon.
Michael J. Bresnahan.
Edmond Delavy.
Horace de B. Dougherty.
Fred Rasmussen.
Frank Schultz.
Daniel J. Sullivan.
Edwin W. Hill.
William C. Milligan.
James Reilly.
William A. James.
Jerry C. Holmes.
Edwin R. Wroughton.
Lewis H. Cutting.
William C. Carpenter.
Charles L. Greene.
Charles King.
Ora A. Martin.
Stephen Ingham.
William T. Shaw.
William R. McFarlane.
Melvin C. Kent.
Albert C. Fraenzel.
Ralph B. Wallace.
Joseph D. Glick.

Gregoire F. J. Labelle.
Henry Hartley.
Philip J. Kelly.
William E Benson.
Simon L. Shade.
Wildon A. Ott.
Junius G. Sanders.
George T. Campbell.
Harold G. Billings.
Frank Kinne.
Frank C. Nigg.
Thomas M. Buck.
John Whalen.
Oscar Benson.
John R. McMeekin.
John R. McKean.
Lafayette P. Guy.
Frank J. Mayer.
James J. Joyce.
Warner K. Bigger.
Joseph Sperl.
David T. Mead.
George B. Llewellyn.
Frederick J. Legere.
John H. Macdonald.
William A. Fulkerson.
Conrad T. Goertz.
Nathan E Cook.
Ernest L. Jones.
Murry Wolffe.
Bailey E. Rigg.
Quintus R. Thomson, jr.
John A. Pierce.
William R. Spear.
Roy K. Madill.
Nils Anderson.
John E. Armstrong.
William A. Martin.
James Roberts.
James S. Trayer.
Theodore Andersen.
Eugene J. Frieh.
Alfred Doucet.
Fred C. A. Plagemann.
Ludwig W. Gumz.
Hugh W. Nimmo.
Frederick B. Webber.
Charles A. Dannenmann.
Albert E. Freed.
Andrew N. Anderson.
William H. Farrel.
John Shottroff.
Raymond C. McDuffie.
William Martin.
Edgar T. Hammond.
John D. Thompson.
Raymond R. Smith.
George E. Tarbell.
John L. Scheideman.
Earl Swisher.
Walter L. Hawk.
Fred H. Stewart.
Clarence E. Williams.
Albert Wing.
Harold A. Clough.
Albert C. Buck.
Jesse L. Harmer.
John W. Ross.
Frederick G. Keyes.
Frederick Petry.
Frederick Evans.
Clarence L. Tibbals.
William Taylor.
Arthur T. Brill.
Michael Garland.
John C. Heck.
George W. Waldo.
Arthur Boquett.
Sigvart Thompson.
William A. Vick.
Arthur S. Rollins.
John C. Maxon.
Joseph W. Birk.
Raymond A. Walker.
Charles F. Dame.
Vincent Benedict.
Edgar C. Wortman.
David Duffy.
Noel Chatillon.
Lee W. Drisco.
William H. Stephenson.
Peter J. Gundlach.
Leon W. Becker.
Stephen A. Loftus.
Asa V. R. Watson.
James M. MacDonnell.
Harold A. Turner.
Curry E. Eason.
Brice H. Mack.
Walter N. Fanning.
Niels Drustrup.
George Bradley.
Everest A. Whited.
Charles A. Kohls.
Paul E. Kuter.
David McWhorter, jr.
Elery A. Zehner.
Frank Kerr.
Harry J. Hansen.
Newcomb L. Damon.
George Kleinsmith.
Daniel McCallum.
John J. Madden.
Stanley H. Sacker.
Clyde Lovelace.
Martin Dickinson.
John S. Conover.
John G. M. Johnson.
Alexander Anderson.
Charles V. Kane.
Joseph H. Gerrior.
Charles F. Fielding.
Collins R. Buchner.
William Eberlin.
John Meyer.
Godfrey P. Schurz.
Thomas J. Bristol.
Daniel F. Mulvihill.
Ward T. Hall.
Erich Richter.
James L. McKenna.
Anthony E. Bentfeld.
John Harder.
Stephen A. Farrell.
John J. Welch.
Charles C. Stotz.
Anthony Prastka.
Edmund D. Duckett.
Hermann Jorgensen.
Arthur J. Holton.
Ola D. Butler.
Joseph O'N. Johnson.
Clyde H. McLellon.
William F. Schlegel.
James J. Delany.
Arthur E. Rice.
Albert M. Hinman.
William Cox.
Herman C. Schrader.
William A. Eaton.
Herbert R. Mytinger.
Charles B. Bradley.
Samuel C. Washington.
James A. Featherston.
Herbert J. Meneratti.
Abraham De Somer.
William A. Mason.
John F. Murphy.
Clarence R. Rockwell.
William E. Snyder.
George H. Kellogg.
Samuel E. Lee.
Arthur H. Cummings.
Rony Snyder.
Jack K. Campbell.
Albert G. Martin.
John M. Buckley.
Robert Semple.
Elmer J. McCluen.
John M. Kirkpatrick.

Claude B. Arney.
Jesse J. Alexander.
Fayette Myers.
Frederick Clifford.
Frederick T. Walling.
Joseph M. Gately.
Ralph A. Laird.
Scott H. North.
Warwick M. Tinsley.
Archie R. Wolfe.
Henry A. Stuart.
Judson E. Scott.
Edward L. Newell.
Carl E. Kuter.
George O. Farnsworth.
Omar B. Earle.
Thomas Flynn.
Alexander B. Holman.
Michael Burke.
Irwin V. Herin.
Herman A. Bauchot.
William W. Eagers.
John F. Craig.
Augustus K. Goffe.
William J. Graham.
George B. Evans.
Charles O. Bain.
Joseph A. Flynn.
Francis P. Brewer.
Aaron Eldridge.
Clyde H. Dougherty.
Robert B. England.
Howard S. Raber.
Lars O. Peterson.
Alfred R. Eubanks.
John F. Piotrowski.
Ralph A. Scott.
William F. Schlosinger.
Earle G. Gardner.
William K. Johnstone.
Frank T. Green.
Robert S. Savin.
Emmette F. Gumm.
Edwin Fisher.
Clarence H. Fogg.
James J. Lucas.
Thomas Southall.
William Twigg, jr.
Burton W. Lambert.
William D. Dadd.
Malcolm C. Davis.
Leroy Neil.
John A. Ward.
John Gallagher.
Cyrus S. Hansel.
Henry A. Lowell.
Oliver T. Miller.
John J. Coyle.
Walter S. Belknap.
Anton Hengst.
Fred San Soucie.
Howard H. Chambers.
Vincent F. Le Verne.
Walter A. Buckley.
Norman McL. McDonald.
Charles W. Wagner.
George F. Veth.
James A. Newell.
Fred C. Wolf.
Max Bayer.
Leon W. Knight.
Henry H. Beck.
John Reber.
Fred T. Rider.
Sofus K. Sorensen.
Arthur L. Hecykell.
Frank L. Elkins.
Ernest J. Leonard.
John P. Sasse.
John H. Chase.
George J. Blessing.
Patrick H. Cassidy.
Frank Flaherty.
Bennett McC. Proctor.
John A. Silva.
John E. Sullivan
Chauncey R. Doll.
Warren E. Magee.
Charles F. Merrill.
Benjamin F. Ranger.
Carl S. Chapman.
Wilmer W. Weber.
William W. Wilkins.
Frederick R. Kalde.
Allen I. Seaman.
Charles Swanberg.
William H. Muehlhause.
Oscar D. Parker.
John C. Hines.
George W. Robbins.
Ernest A. Healy.
Charles Antrobus.
August Logan.
George F. Blass.
George C. Lacock.
John W. Boldt.
Percy R. Adams.
Charles E. Briggs.
Frank E. Nelson.
Philip S. Flint.
Henry A. Reynolds.
James E. Kemmer.
William W. Holton.
Charles J. Naprstek.
Paxton Hotchkiss.
Harry M. Peaco.
Frank F. Webster.
Charles N. Koch.
William S. Evans.
George J. Romulus.
John P. Millon.
Sol Shaw.
Thomas J. Sullivan.
Will Mueller.
Will S. Holloway.
James D. Brown.
Franklin A. Manuel.
Arthur A. F. Alm.
James Donaldson.
James Hauser.
Charles A. Armstrong.
Donald McDonald.
Robert J. Kingsmill.
Charles B. Shackleton.
Robert C. McClure.
George C. Martin.
Mark Strosk.
Helge Ohlsson.
Elroy G. True.
Warren H. Langdon.
Emery Smith.
George Keeser.
Alfred E. Raue.
Frank W. Yurasko.
Philip A. Astoria.
John J. Enders.
George S. Dean.
George C. Neilsen.
Joseph C. Herman.
George R. Blauvelt.
Erich O. Tauer.
Harry A. Bryan.
George Schneider.
Warren L. Graeff.
Emmet L. Bourke.
Earl V. Hand.
Abram L. Broughton.
Albert F. Blake.
William F. Morris.
Edward I. Dailey.
James H. Cain.
Carl J. Hanson.
Thomas T. Emerton.
James W. O'Leary.
Andrew C. Skinner.
Benjamin F. Maddox.
John A. Rogers.
John C. Richards.
Albert H. Mellien.
Henry H. Fowler.

Jesse J. Oettinger.
Bernard S. Riley.
Sidney C. Seale.
Thomas G. Shanahan.
Eric P. Teschner.
Jens Nelson.
Edwin H. Briggs.
Frank V. Shepard.
Fector L. Ross.
John H. Chinnis
Alonzo W. Esworthy.
Robert I. Hart.
Charles Waters.
Jesse S. Hooper.
John Heep.
Hugh J. Finn.
William H. Wright.
Charles F. Ware.

POSTMASTER.

INDIANA.

James H. Spilman, Milroy.

WITHDRAWAL.

Executive nomination withdrawn August 23 (legislative day of August 15), 1917.

Col. Henry De Witt Hamilton, New York National Guard, to be a brigadier general in the National Army.

SENATE.

FRIDAY, *August 24, 1917.*

(Legislative day of Wednesday, August 15, 1917.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

MILITARY INSURANCE.

Mr. HUSTING. Mr. President, I have here a pamphlet on family allowance, indemnity, and insurance for our soldiers and sailors, The Duty of a Just Government, by Hon. William G. McAdoo. It is about three and one-fourth pages and it sets forth the views of the Secretary of the Treasury on the proposed military insurance. I ask to have it printed as a public document.

Mr. SMOOT. I ask the Senator to let it go to the Committee on Printing, because we have other matters there, and we will take them all up.

Mr. HUSTING. Very well.

The PRESIDING OFFICER (Mr. ROBINSON in the chair). The matter will be referred to the Committee on Printing.

WAR REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses and for other purposes.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Utah suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	Martin	Sherman
Bankhead	Husting	Myers	Shields
Brady	James	Nelson	Simmons
Broussard	Johnson, Cal.	New	Smith, Ga.
Chamberlain	Jones, Wash.	Norris	Smith, Md.
Culberson	Kellogg	Overman	Smith, Mich.
Curtis	Kendrick	Page	Smoot
Dillingham	Kenyon	Pittman	Sutherland
Fletcher	King	Poindexter	Swanson
France	Kirby	Ransdell	Thompson
Frelinghuysen	La Follette	Reed	Trammell
Gerry	Lodge	Robinson	Watson
Gronna	McCumber	Saulsbury	Weeks
Hale	McKellar	Shafroth	Wolcott
Hardwick	McNary	Sheppard	

Mr. FRELINGHUYSEN. I wish to announce the absence of my colleague [Mr. HUGHES] on account of illness. I ask that the announcement may stand for the day.

Mr. SUTHERLAND. My colleague, the senior Senator from West Virginia [Mr. GOFF], is absent on account of illness. I ask that this announcement may stand for the day.

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent on account of illness in his family. He is paired with the Senator from New Jersey [Mr. FRELINGHUYSEN]. I will let this announcement stand for the day.

Mr. CHAMBERLAIN. I desire to announce that the Senator from Mississippi [Mr. WILLIAMS] is necessarily detained on important public business.

Mr. GERRY. I desire to announce the absence of the Senator from Mississippi [Mr. VARDAMAN], the Senator from Illinois [Mr. LEWIS], the Senator from California [Mr. PHELAN], and the Senator from Kentucky [Mr. BECKHAM] on official business.

The PRESIDING OFFICER. Fifty-nine Senators have answered to their names. There is a quorum present.

Mr. NORRIS. Mr. President, I wish to inquire whether the committee amendments have been disposed of?

The PRESIDING OFFICER. The Chair advises the Senator that they have not been disposed of. The next amendment of the committee will be stated.

The SECRETARY. The next committee amendment passed over is, on page 4——

Mr. HOLLIS. Before section 2 is passed over I will state that I offered last evening to be printed an amendment to section 2. On looking at it this morning I find that one entire page was omitted. I have sent it back to be printed correctly, and if I can have unanimous consent to offer the amendment later I will do so after it is printed. If I can not, I shall offer it now.

The PRESIDING OFFICER. The Chair advises the Senator that no unanimous consent is necessary. The amendment being a motion to strike out and insert will be in order.

Mr. HOLLIS. To section 2?

The PRESIDING OFFICER. Yes.

Mr. LA FOLLETTE. Mr. President, just a parliamentary inquiry supplemental to that presented by the Senator from New Hampshire. As I understand the rule as modified by any agreements which have been entered into here at any time, even after we move on to the next section of the bill or some subsequent section and before all the committee amendments are disposed of, a motion to strike out the entire section on income taxes and offer a substitute therefor would be in order, would it not?

The PRESIDING OFFICER. Certainly; when the committee amendments have been disposed of that amendment would be in order.

Mr. LA FOLLETTE. It is rather important for me to know. I am having some computations made upon two amendments which I want to offer. They are to the income-tax section of the bill. It is a matter of some hours to complete those computations. I wish to have the opportunity, and I think I have the right under the rule, even supposing the committee amendments to this section that we are now considering were all disposed of and we moved on to the consideration of the next section, the war-profits tax; even while we were considering that section, I understand if no amendment were pending before the Senate, the income-tax section having been disposed of so far as committee amendments are concerned, I would have the right to move to strike out that section and offer a substitute therefor.

The PRESIDING OFFICER. The Chair thinks the Senator would.

Mr. LA FOLLETTE. If that is so, I shall have plenty of opportunity to have my computations completed.

The PRESIDING OFFICER. However, it is not within the power of the present occupant of the chair to preclude the determination of that question when it arises.

Mr. LA FOLLETTE. I quite understand that, of course.

The PRESIDING OFFICER. The next amendment of the committee passed over will be read.

Mr. NORRIS. Mr. President, we had an agreement that the committee amendments should be disposed of first. I think by unanimous consent we violated that unanimous-consent agreement when we took up the amendment yesterday, but it seems to me that the Senator from Wisconsin and the Senator from New Hampshire, or any other Senator who has an amendment to section 1 or section 2, or any other part of the bill, would have a right to offer an amendment after all the committee amendments have been disposed of.

The PRESIDING OFFICER. The Senator from Wisconsin predicated his statement on the theory that there would be no amendment pending at the time he offered his amendment.

Mr. LA FOLLETTE. At the time it is offered, of course.

The PRESIDING OFFICER. The attention of the Chair has been called to the former unanimous-consent agreement, which is the customary agreement affecting committee amendments, that they be disposed of first, and while a committee amendment is pending, of course it would not be in order to offer any other amendment.

Mr. LA FOLLETTE. I suppose that the amendment I offered on yesterday was perhaps out of order under the unanimous-consent agreement that had been entered into.

Mr. HARDWICK. Mr. President, if the Chair will pardon me, I do not think it was, for this reason: When we are considering a committee amendment we have a right to amend it in any way, even to present a substitute for it, and the Senate is not bound down to just the pure amendment.

The PRESIDING OFFICER. The Chair thanks the Senator from Georgia for his suggestion. The Secretary will report the next amendment passed over.

The next amendment was, in section 3, page 4, line 9, before the word "taxes," to strike out "The" and insert "That the," so as to read:

SEC. 3. That the taxes imposed by sections 1 and 2 of this act shall be computed, levied, assessed, collected, and paid upon the same basis and in the same manner as the similar taxes imposed by section 1 of such act of September 8, 1916, except that in the case of the tax imposed by section 1 of this act

The amendment was agreed to.

The next amendment was, in section 3, page 4, line 15, after the word "exemption," to insert "of $3,000 and $4,000."

The amendment was agreed to.

The next amendment passed over was, in line 27, after the date "1916," to insert "as amended."

Mr. NORRIS. I did not notice when the Secretary was reading that the insertion of the words "of $3,000 and $4,000" was, in reality, a committee amendment, which I now see. I ask that that committee amendment be passed over for the present.

The PRESIDING OFFICER. The Chair will state to the Senator from Nebraska that the committee amendment has been agreed to.

Mr. NORRIS. I understand. I am asking unanimous consent to reconsider the vote by which it was agreed to.

The PRESIDING OFFICER. The Senator from Nebraska asks unanimous consent that the amendment just agreed to be reconsidered. Is there objection?

Mr. SIMMONS. If the Senator will pardon me, that is simply a transposition from line 18 to line 15.

Mr. NORRIS. I can not hear what the Senator says, but permit me to state to the Senator the only thing I want to reach. It is suggested to me by the Senator from Minnesota [Mr. NELSON] that probably this is not the place to reach it. I am opposed to the change in the exemption, and I want to be heard briefly on it. I notice that an amendment has been offered by the Senator from Florida [Mr. TRAMMELL] which is on our desks this morning in which he strikes out the exemptions of $1,000 and $2,000 and inserts $2,000 and $3,000 in place of it. I simply wanted to protect the right the Senator from Florida or myself or any other Senator might have when it comes to individual amendments to offer that amendment.

Mr. SIMMONS. I supposed that was what the Senator had in view.

Mr. NORRIS. That is all I care to do.

Mr. SIMMONS. What I desired to call the attention of the Senator to was that the figures "$3,000" and "$4,000," in line 15, are a mere transposition. Those figures originally appeared in the bill in line 18, but for the purpose of making the section more consistent the committee transposed the figures to line 15, making no change at all aside from the transposition.

Mr. NORRIS. I see.

The PRESIDING OFFICER. The Chair asks Senators to suspend conversation. The confusion in the Chamber is so great that the Chair is unable to hear the colloquy.

Mr. SIMMONS. It is simply a transposition; that is all.

Mr. NORRIS. I understand; but let me suggest to the Senator that, technically speaking, if a Senator desires to propose to change that he would have to propose it now, I presume, or he would lose his right. I have no objection to the transposition; I think the committee made better language of it by transposing it. In the meantime, I do not want to lose the right to contest the lowering of the exemption, and if it is understood that that will not be lost I have no objection to this amendment being agreed to.

Mr. SIMMONS. If the Senator will pardon me, we have not lowered it at all. We have kept it just as it was passed by the House. The $3,000 and $4,000 exemptions apply to the present law, and without changing the action of the House we are saying that for the purpose of this act the exemption shall be $1,000 and $2,000 instead of $3,000 and $4,000.

Mr. NORRIS. I am inclined to think the Senator from North Carolina is right. I withdraw my request for a reconsideration. It is plain to me that every Senator would have a right when it comes to individual amendments to move to strike out "$1,000" and "$2,000."

Mr. SIMMONS. Undoubtedly.

The PRESIDING OFFICER. The Secretary will state the next amendment reported by the committee.

The next amendment of the Committee on Finance was, on page 4, in line 17, after the word "sixteen," to insert "as amended"; and in line 18, after "$2,000," to strike out "instead of $3,000 and $4,000."

The amendment was agreed to.

Mr. TRAMMELL. Mr. President, I sent to the desk on yesterday afternoon an amendment which I proposed to offer to this section, to strike out the exemption of $1,000 for unmarried men and $2,000 for married men and to insert in lieu thereof an exemption of $2,000 for unmarried and $3,000 for married men. As a matter of parliamentary information, I desire to know whether it is proper that that amendment be offered at the present time or whether it should be offered after all of the committee amendments throughout the entire bill have been considered and passed upon.

The PRESIDING OFFICER. The Chair thinks the amendment of the Senator from Florida is not in order at this time and will not be in order until the committee amendments shall have been disposed of, under the agreement entered into on August 10, 1917, by which it was undertaken that all committee amendments should be first disposed of. The Secretary will state the next committee amendment.

The next amendment of the committee was, on page 4, line 20, after the word "act," to insert "as amended"; and in line 23, after the word "provided," to strike out the remainder of the section, down to and including line 5, on page 5, as follows:

And (c) the provisions requiring the normal tax of individuals to be deducted and withheld at the source of the income shall not apply to the new 2 per cent normal tax herein prescribed until on and after January 1, 1918, and thereafter shall apply only to incomes exceeding $3,000 as provided in Title I of such act of September 8, 1916.

Mr. NORRIS. Mr. President, I should now like to have the attention of the members of the committee and also of other Senators. I think it is not realized that this is a very important amendment. This is the amendment, as I understand, which proposes to strike out of the law the provisions for the collection of the tax at the source.

Mr. SMOOT. Perhaps I had better explain that, if the Senator will yield for that purpose.

Mr. NORRIS. I yield to the Senator.

Mr. SMOOT. This is not the provision which proposes to strike out the collection of the tax at the source, except in so far as it relates to nonresident aliens. As to nonresident aliens, that is the only way we can collect such a tax. This amendment proposing to strike out is simply to conform to the amendment already agreed to in the first section of this title. I will read it to the Senator, and if he will follow this language he will understand it.

Mr. NORRIS. From where does the Senator intend to read?

Mr. SMOOT. I will read from page 1, beginning in line 8, as follows:

And paid a like normal tax of 2 per cent upon the income of every individual, a citizen or resident of the United States.

This amendment eliminates nonresident aliens. The only way we can collect the tax from a nonresident is at the source; but collection returns of taxes from citizens of the United States are based on information. Now, if the Senator will turn to page 109, I will call his attention to the part of the bill which has reference to withholding at the source.

Mr. NORRIS. From what page of the bill does the Senator now propose to read?

Mr. SMOOT. From page 107, section 1205 (b), beginning on line 14, which has reference to a change from collection at the source to collection by information at source.

Mr. SMITH of Michigan. But where is the language which makes this provision at the bottom of page 4 apply to aliens? I do not find it here.

Mr. SMOOT. I will say to the Senator from Michigan that we are not proposing to change the law as to nonresident aliens; we are going to collect at the source from them; but we find it necessary to strike this provision out because we made an amendment on page 2 of the bill applying only to citizens or residents of the United States.

Mr. SMITH of Michigan. And that, in connection with subdivision (b), page 107, covers——

Mr. SMOOT. That covers the question of collecting at the source.

Mr. BRADY. Mr. President——

Mr. SHAFROTH. Mr. President, I should like to ask the Senator a question.

Mr. BRADY. May I ask the Senator from Utah a question relative to what the law will be——

Mr. SMOOT. The Senator from Nebraska has the floor.

Mr. NORRIS. I yield to the Senator from Idaho.

Mr. BRADY. I desire to ask the Senator from Utah, in order that I may understand him correctly, what the law will be if

we should pass the bill as reported by the committee? Do I understand that if we adopt this provision of the bill——

Mr. SMOOT. Does the Senator mean this particular amendment?

Mr. BRADY. I refer to this particular amendment.

Mr. SMOOT. The effect of adopting this particular amendment would be that, while to-day we collect the taxes both from citizens and nonresident aliens from the source, we would still collect the tax from nonresident aliens at the source, and from citizens of the United States by information at source.

Mr. BRADY. That was the information that I wanted. The Senator from Utah has made a satisfactory explanation.

Mr. SMOOT. The Senator from Michigan has asked me to explain as to why we changed the law from collection at the source to collection by information at the source. I will say to the Senator that I should very much prefer to wait to do that until we get to page 107, because I am quite sure it is going to lead to quite a lengthy discussion.

Mr. NORRIS. I should like to say, Mr. President——

Mr. SHAFROTH. Mr. President, I should like to ask the Senator from Utah a question.

Mr. NORRIS. While I do not myself know how I shall vote on this proposition, I have read a great deal of literature on the subject and have heard quite a number of gentlemen in regard to the matter who have presented various arguments against the action of the committee. I have been quite impressed with some of the matters which I have examined, but I have been so busy with other work that I do not claim to be in possession of sufficient knowledge to act intelligently. I only want to have the Senate understand what it is doing and to let Senators understand when we are passing on this question that it eliminates from the law the authority given to the officials of the Treasury Department to collect at the source.

There is a bankers' association, as I understand, that has taken quite an active interest in this matter. It seems to me they have shown—I do not know what the other side may be able to show—that a great many dealers in bonds have sold bonds under an agreement with their clients who have purchased them that they would protect them from all taxation. This, in effect, permits them to free themselves from that agreement and adds that burden to the holders of the bonds, as I understand.

Mr. SMITH of Michigan. Those contracts include the provision that the tax shall be paid at the source?

Mr. NORRIS. Yes; many of them do include that provision. The contracts were made with the idea of the law providing that the bond dealers should pay these taxes, and the bonds were sold under an agreement which is known as a tax-free agreement. It seems to me we ought not to change the law, after, under a law of Congress, thousands of such agreements have been made and thus relieve bond houses from the payment of something which they have agreed to pay and from the payment of which they have agreed to protect their customers.

I do not quite understand why this provision does not have that effect. It says:

> And (c) the provisions requiring the normal tax of individuals to be deducted and withheld at the source of the income shall not apply to the new 2 per cent normal tax herein prescribed until on and after January 1, 1918.

Why that date?

Mr. SMOOT. Mr. President, let me say to the Senator that the question ought to have been raised when we reached the amendment on the first line of page 2 of the bill.

Mr. LA FOLLETTE. It is easy to go back and have that amendment reconsidered.

Mr. SMOOT. I desire to say to the Senator from Nebraska that the committee decided that it would change the principle of collecting at the source to one based upon information at source. The first amendment along that line is the amendment on line 1, page 2. The amendment to which the Senator has just referred is simply to make the bill conform to the first amendment which has already been adopted.

Mr. SMITH of Michigan. But, Mr. President, if the Senator will permit me, the pending amendment is the question of striking out the language beginning with "and" on line 23, page 4. If we do not desire to change the present method of collecting these taxes at the source, this is a pretty good time to accomplish that result. I do not understand why so many people should complain about it, unless changing the system does interfere with contracts that have been made quite generally.

Mr. SMOOT. I will state to the Senator——

Mr. SHAFROTH. Mr. President——

Mr. SMOOT. Just a moment. I have just stated to the Senator that we have already adopted the amendment on line 1, page 2, of the bill, and having agreed to that amendment, this amendment becomes necessary. It is only to conform to the first amendment.

Mr. NORRIS. Suppose we agree to both of them, what effect will they have on the collection of taxes at the source?

Mr. SMOOT. It will have this effect, that upon all citizens of the United States the tax will not be collected at the source, while upon nonresident aliens the tax will be collected at the source.

Mr. SMITH of Michigan. Let me ask the Senator a question.

Mr. NORRIS. Then this is a vital amendment.

Mr. SMOOT. The first amendment was a vital amendment, I will say to the Senator.

Mr. SMITH of Michigan. Let me ask the Senator a question, if I may.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Michigan?

Mr. NORRIS. I yield to the Senator from Michigan.

Mr. SMITH of Michigan. If the pending amendment is adopted and this language is stricken out these assessments will be paid by the person who happens at the time to have in his possession the property, regardless of the manner in which he acquired it. This being the law, this being the custom, there must have been some wisdom in it. It certainly will relieve the Government of the necessity of an inquisitorial search for these securities, because it goes directly to the source, and those who withhold the tax have protected themselves, either by contract or otherwise.

Mr. SHAFROTH. Mr. President, I should like to say right there that a great many people are very much opposed to collection at the source; for instance, the lessors of property. The idea of a lessee withholding the rent is something that it seems to me to be absurd, because the Government ought to look to the owner of the property instead of to the lessee of the property. In leases where there are provisions of forfeiture it works a complication by which a long lease may be forfeited by the withholding at the source the amount of the tax. For that reason I am very much opposed to any withholding at the source. I believe that the Government can collect this money without such a requirement, and it complicates the matter. The collectors of internal revenue are every one of them aganist it; they say they are opposed to it because it causes more trouble and discontent and more objection to the income-tax law than any other one thing in connection with it. I want to be certain when I vote in favor of the amendment offered by the committee that I am voting to strike out the proposition of withholding at the source.

Mr. SMITH of Michigan. There is no doubt about the fact that if we strike out the language proposed to be stricken out by the pending amendment the only people who will pay at the source will be aliens, and evidently it is proposed to make them pay at the source because their place of residence is uncertain.

Mr. NELSON. Mr. President——

Mr. NORRIS. I yield to the Senator from Minnesota.

Mr. NELSON. I wish to suggest in this connection that the collection at the source to a large extent has been a failure. There are thousands of small mortgages all over the country, such, for instance, as those given by farmers, in connection with which, I think, as a rule, the tax has not been withheld at the source. To my certain knowledge in hundreds of cases the mortgagor has gone on and paid the interest on the note and the tax has not been withheld. How could it be withheld? How can a farmer who pays the interest on his mortgage withhold from that interest the portion of it subject to the income tax? It is the most difficult thing in the world; and I do not think the law has operated at all effectively in that respect. As the Senator from Colorado [Mr. SHAFROTH] has said, it has caused more trouble than almost any other feature in the law.

Mr. McCUMBER, Mr. SMOOT, and Mr. SIMMONS addressed the Chair.

The PRESIDING OFFCER. The Senator from North Dakota.

Mr. McCUMBER. Mr. President, I think it quite appropriate that there should be given at this time the real reasons which actuated the committee in making the change, and I can give them in a very few words. They have already been suggested to a certain extent by the Senator from Colorado [Mr. SHAFROTH].

Let us remember, first, that the department reported to us that the amount withheld at the source was very inconsiderable, while the system of keeping book accounts and making the returns was made so complex as scarcely to be understandable by the average person who is required to make out income-tax returns. Remember that on a great many of the sums where the taxes were withheld at the source, there were no taxes

whatever due from the parties entitled to receive such sums, because they were small sums accruing to the holders of stock whose entire incomes were below the tax requirement. Although no tax is paid, yet it is necessary under the present system to report those items and to state upon which of them the tax has been paid at the source, and how much that tax would be.

It is almost impossible under this complex system for the average individual to understand fully what particular items of tax have been withheld at the source. A man receives an income from stock in a bank, and even though he may secure an income of but a few hundred dollars from the stock he owns he has to report that the tax has been withheld by the bank. He does not know positively, unless he reads this law carefully, whether it has been withheld or whether it has not been withheld; he may have no knowledge concerning it.

Take the case of a mortgage, referred to by the Senator from Minnesota. This mortgage, made by a great mortgage company, may finally go into the hands of some widow who has only four or five hundred dollars to loan. The interest is collected by the company and is sent on to the holder of the mortgage. The mortgage company has no means of knowing whether the owner is subject to the tax or whether the tax should be withheld at the source. Nevertheless it must be withheld and paid to the Government.

Now, consider the complexity of the situation. It was found that it was far better to get your report generally from the source, and that is the only benefit that we did get from it—the information that it contained as to who was receiving these sums. It was found to be far better to get your information and allow the person who receives the money to determine whether or not that money should pay taxes, and make a report accordingly.

If you got the information, the office could refer back there and ascertain whether or not the party making the report had made a fair one and whether or not this money was taxable.

Mr. GRONNA. Mr. President, I should like to ask my colleague a question. My colleague mentioned the returns from banks. Of course, under the law with regard to the collection of the corporation tax all such taxes are withheld at the source.

Mr. McCUMBER. Yes.

Mr. GRONNA. And it has worked admirably. I do not know of a better system that could be applied than to compel the bank to withhold all the tax before the dividend is distributed to the stockholder. Now, why would not that rule apply with equal advantage in other matters?

Mr. McCUMBER. I have stated why. I have stated why it would not apply at the bank, even.

Mr. GRONNA. But I will say to the Senator it does apply at the bank.

Mr. McCUMBER. It does not. Here is an individual who receives $100 from a bank as a dividend upon stock.

Mr. GRONNA. Yes.

Mr. McCUMBER. That income was not taxable at all.

Mr. GRONNA. If it is not taxable, it can not be withheld at all.

Mr. McCUMBER. The great majority of the people of the United States do not pay an income tax at all, and the bank could not tell whether the party the tax upon whose income it withheld was in fact subject to a tax.

Mr. GRONNA. Oh, well, this does not apply to anything except where the income is taxable.

Mr. McCUMBER. How does the banker know whether it is going to be taxable in the hands of the person who receives it? He has to hold it out anyway, whether it is taxable or not, and then allowance has to be made, and that has to be deducted. If it is found that he has paid a tax, it will be deducted by a system of bookkeeping from the income of the party making the return. Now, you escape all of this in the system which has been adopted by the committee, and adopted upon the recommendation of the Treasury Department.

Mr. GRONNA. My colleague has asked me how it will be done. I will say for his information that I have made out a few statements myself withholding the tax on dividends to people who hold stock. Of course, it has been in a small way, but I think every banker is familiar with the law. I think every banker knows what the rate of taxation is; and it is an easy matter to figure out the amount that ought to be charged against that stock dividend, and it is figured out.

Mr. McCUMBER. Oh, the trouble does not lie with the bank. The bank can do it very easily. The trouble is with the individual who makes out his return. He has got to report that he received a certain amount from a bank, and that upon that sum the tax was paid at the source, and he is therefore allowed to deduct that sum from his income in making out his return. Now we add to that complexity by providing other conditions, conditions relating to the amount that will be allowed to be retained in the way of surplus without the payment of any tax, and we fix different rates of tax according to the amount of income that is retained for the business of any corporation. So that, taking the matter as a whole, it makes the report so complex and so expensive, with practically no good to be obtained, that the Treasury Department recommended the repeal of that provision of the law, and the committee saw good reasons to change it.

Mr. SMITH of Michigan. Mr. President, I should like to follow the suggestion of the Senator from North Dakota, who, in my opinion, has made a very important and clear statement about the difficulties connected with the present system. His colleague says that he has deducted at the source the tax on income which he has distributed. How did the Senator from North Dakota know that the person receiving that income would pay any tax at all upon it?

Mr. GRONNA. Mr. President, I think the Senator misunderstands me. It was not necessary for me to know that at all.

Mr. SMITH of Michigan. You are taking it out of his income.

Mr. GRONNA. If the Senator from Michigan should happen to have stock in one of my little banks, and the law provides that the dividend is subject to a tax of, say, 2 per cent, or 5 per cent, or whatever it may be, I would simply withhold the 5 per cent and pay that to the Government. Now, when the Senator from Michigan makes out his return to the tax collector or to the Government he of course will have to take into consideration the amount of the stock dividend; but he has a right to deduct whatever has been retained by the bank in that way.

Mr. SMITH of Michigan. Suppose he does not pay anything at all?

Mr. GRONNA. Then there is no return made, I will say to the Senator.

Mr. SMITH of Michigan. No return from the source?

Mr. GRONNA. There is a return made at the source by the bank.

Mr. SMITH of Michigan. Yes.

Mr. GRONNA. But in case the entire dividend is paid to the stockholder and the tax is not paid at the source, how does the Senator from Michigan know that it ever will be paid? The fact is that it never will be paid.

Mr. SMITH of Michigan. The point I am trying to get at is this: From the statement of the Senator's colleague, many people receiving small dividends, and not liable under any provision of the law to pay an income tax, might possibly have their incomes diminished at the source, which would not know whether or not the person from whom the amount of the tax was deducted was to be liable.

Mr. McCUMBER. Mr. President, let the Senator take this illustration: Suppose a person receives a yearly income of less than $1,000. That person is not compelled to make a return at all under the law. There is nothing to compel him to make a return.

Mr. SMITH of Michigan. No.

Mr. McCUMBER. Now, we will say that $100 or $500 of that income came from one of my colleague's banks. The tax has been paid, but he was not liable for that tax. Nevertheless the tax has been paid and he has got to get it back from the Government.

Mr. SMITH of Michigan. How is he going to get it back?

Mr. McCUMBER. Why, he has got to make his application and get it back from the Government. It has been paid on an income on which he was not liable to a tax at all.

Mr. GRONNA. Mr. President——

The PRESIDENT pro tempore. The Senator from North Dakota [Mr. McCUMBER] had the floor. The Senator from Michigan succeeded to it. To whom does the Senator from Michigan now yield?

Mr. SMITH of Michigan. I yield to the junior Senator from North Dakota.

Mr. GRONNA. I do not wish to be put in a false light. I want to say to my colleague that there has been a great deal of money collected in the way I suggested, and I do not think he will find one single instance where an application has been made for the return of the money. But why should not any man who has stock in a bank or who has stock in any corporation, be compelled to pay a tax on whatever stock he may have? As my colleague has suggested, if the dividend were paid to the stockholder the Government would not collect anything at all.

Mr. McCUMBER. I will say why. Because the Government has seen fit to exempt from the income tax every person who does not under the present law earn more than $3,000 or $4,000

if married, and under the proposed law unless he earns more than $1,000 or $2,000, as the case may be.

Mr. SMOOT obtained the floor.

Mr. SIMMONS. Mr. President, if the Senator from Utah will pardon me, before he begins his speech, I think we are rather wasting our time, because this argument will have to be duplicated when we reach that question. We really have not reached the question of substituting information for withholding.

Mr. SMITH of Michigan. We are right up to that subject now.

Mr. SIMMONS. No; I think not, except as it applies to the $3,000. This provision that the committee has figured out, and which is the amendment we are now considering, is only put in by the House for the purpose of taking care of the change which they have made in the exemption from $3,000 and $4,000 to $1,000 and $2,000. That is the only effect of that provision, as I understand it.

Mr. SMOOT. No; I will say to the Senator that that is not the effect of the amendment we are considering. We are considering the amendment at the bottom of page 4.

Mr. SIMMONS. That is the one I am talking about.

Mr. SMOOT. That, Mr. President, has a connection with the amendment that we agreed to on line 1, page 2, where we changed the collection of the normal tax from all individuals to only individuals who are citizens of the United States.

Mr. SIMMONS. Yes.

Mr. SMOOT. And that, of course, is involved in the question of the collection at the source.

Mr. SIMMONS. Well, incidentally, the question of the nonresident alien is involved.

Mr. SMOOT. Yes; that is exactly what I say.

Mr. SIMMONS. That is involved; but that is not the merits of the question. I do not suppose anybody would object to withholding——

Mr. NORRIS. Mr. President, will the Senator yield for a suggestion?

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. NORRIS. I suggest that this amendment be passed over, with the understanding that it shall be taken up in connection with the other amendment to which the Senator refers.

Mr. SIMMONS. I think that is a very good suggestion.

Mr. NORRIS. Then we can dispose of them both together.

Mr. SMOOT. I am perfectly willing to do that, Mr. President. Perhaps that would save time, and that is what we want now. When we reach the title "Income tax amendments," then the whole question will arise; and whatever we do in relation to those amendments, then we can come back and pass upon this.

Mr. JONES of Washington. Mr. President, I should like to ask the Senator from Utah a question about this amendment at the top of page 2.

Mr. SMOOT. That is included in the request of the Senator from Nebraska.

Mr. JONES of Washington. That is included?

Mr. SMOOT. Yes. There will be a reconsideration of those amendments if we change the other part of the bill.

Mr. JONES of Washington. All I want to ask the Senator is this, and probably he can answer it right now: As I understand, that relieves nonresident aliens who have business in this country from paying this increased 2 per cent tax.

Mr. SMOOT. Oh, no, Mr. President; it does not relieve them.

Mr. JONES of Washington. I should like to know what it does do, then?

Mr. SMOOT. If the Senator wants me to go into the discussion, it all has reference to sections in the title, beginning on page 99, Title XII, "Income-tax amendments"; and to answer the Senator's question fully I would have to go into the whole question.

Mr. JONES of Washington. I shall be perfectly willing, then, to let it go over in connection with these other matters; and I will ask the question, probably, at that time.

Mr. SMOOT. I think that is the best thing to do.

The PRESIDENT pro tempore. Without objection, the pending amendment will be passed over until later.

The reading of the bill was resumed.

The next amendment was, in section 4, page 5, line 6, after the words "imposed by," to insert "subdivision (a) of"; in line 8, after the word "sixteen," to insert "as amended"; in line 9, after the words "tax of," to strike out "two" and insert "four"; in line 13, after the word "that," to insert "subdivision of that"; in line 15, after the word "section," to insert "for the fiscal year ending during the calendar year 1917"; in line 17, after the word "that," to strike out "portion" and insert "proportion"; and in line 18, after the word "income," to strike out "for the fiscal year ending during the calendar year 1917" and insert "for such fiscal year," so as to make the clause read:

SEC. 4. That in addition to the tax imposed by subdivision (a) of section 10 of such act of September 8, 1916, as amended, there shall be levied, assessed, collected, and paid a like tax of 4 per cent upon the income received in the calendar year 1917 and every calendar year thereafter, by every corporation, joint-stock company, or association, or insurance company, subject to the tax imposed by that subdivision of that section, except that if it has fixed its own fiscal year, the tax imposed by this section for the fiscal year ending during the calendar year 1917 shall be levied, assessed, collected, and paid only on that proportion of its income for such fiscal year which the period between January 1, 1917, and the end of such fiscal year bears to the whole of such fiscal year.

The amendment was agreed to.

The next amendment was, on page 5, line 25, after the words "imposed by," to insert "subdivision (a) of"; and on page 6, line 2, after the words "hundred and," to strike out "sixteen" and insert "sixteen, as amended," so as to make the clause read:

The tax imposed by this section shall be computed, levied, assessed, collected, and paid upon the same incomes and in the same manner as the tax imposed by subdivision (a) of section 10 of such act of September 8, 1916, as amended.

The amendment was agreed to.

The next amendment was, on page 6, after line 2, to strike out sections 5, 6, and 7, in the following words:

SEC. 5. That every individual, corporation, joint stock company or association, or insurance company, that is liable to pay or that has paid the taxes imposed by Title I of such act of September 8, 1916, upon the net income received in the calendar year 1916, shall pay, in addition to such taxes, a tax equivalent to 33⅓ per cent of such taxes, to be assessed and collected under the provisions of existing law, and paid on or before September 15, 1917, except that in the case of a corporation, joint-stock company or association, or insurance company, which has fixed its own fiscal year, such tax shall be paid within 165 days after the close of the fiscal year ending during the calendar year 1917.

SEC. 6. That on and after January 1, 1918, individuals, partnerships, withholding agents, corporations, joint-stock companies or associations, and insurance companies liable for the payment of income, munitions, or excess-profits taxes, under existing law or under this act, shall pay, without levy, assessment, or notice, simultaneously with the submission of their return of tax, the amount of tax for the payment of which they are shown by such return to be liable. If any tax is not paid at the time when it is due under the provisions of this section, there shall be added (except in the case of an error made in good faith in computing the amount of the tax) the sum of 5 per cent to the amount of tax unpaid and interest at the rate of 1 per cent per month upon the amount of such unpaid tax from the time it becomes due. This section shall not apply in the case of any income tax (payable otherwise than by a withholding agent) imposed upon an individual upon whose net income no tax is imposed under subdivision (b) of section 1 of such act of September 8, 1916, or under section 2 of this act.

SEC. 7. That collectors of internal revenue are authorized to receive uncertified checks in payment of income, munitions, and excess-profits taxes, during such time and under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe; but if a check so received is not paid by the bank on which it is drawn the person by whom such check has been tendered shall remain liable for the payment of the tax and for all legal penalties and additions the same as if such check had not been tendered.

Mr. JONES of Washington. Mr. President, I do not know whether these sections are covered by other provisions in the bill, or why they are stricken out.

Mr. SIMMONS. I will state the reason to the Senator. These sections stricken out are the provisions of the House bill which relate to what is ordinarily known as the retroactive income tax—that is, the imposition of a tax upon incomes of 1916.

Mr. SMITH of Michigan. They ought to go out.

Mr. SMOOT. Mr. President, in addition to what the Senator has stated, I will say that section 5 is the retroactive section; section 6 is amended and will be found in section 1009, on page 92 of the bill, in lieu of this section. Under that amendment we cover all internal-revenue taxes——

Mr. SIMMONS. Mr. President, we are on section 5 now. The first thing stricken out is section 5.

Mr. SMOOT. I understood the Secretary to state that the amendment proposed to strike out all beginning on line 3 of page 6 down to and including line 22 of page 7.

The PRESIDENT pro tempore. That was the statement of the Secretary.

Mr. SMOOT. That is as I understood the Secretary.

Mr. SIMMONS. If that is the case, then, in addition to the retroactive taxes on incomes of 1916, it includes the special flat tax of 12½ per cent that we imposed under the act of September 8, 1916, upon the total net income of corporations or individuals producing and manufacturing munitions.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 7, line 23, to change the number of the section from "8" to "5"; in the same line, after the words "extend to," to insert "Porto Rico or"; in line 24, after the words "and the," to insert "Porto Rican or"; on page 8,

line 2, after the words "force in," to insert "Porto Rico or"; and in the same line, after the words "Philippine Islands," to insert "respectively," so as to make the section read:

SEC. 5. That the provisions of this title shall not extend to Porto Rico or the Philippine Islands, and the Porto Rican or Philippine Legislature shall have power by due enactment to amend, alter, modify, or repeal the income-tax laws in force in Porto Rico or the Philippine Islands, respectively.

The amendment was agreed to.

The next amendment was, on page 8, line 4, before the word "Profits," in the headline, to strike out "Excess," so as to make the head read:

Title II.—War-profits tax.

The amendment was agreed to.

The next amendment was, under the subhead "Title II.—War-profits tax," on page 8, after line 4, to strike out:

SEC. 200. That in addition to the tax imposed by Title II of the act entitled "An act to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes," approved March 3, 1917, there shall be levied, assessed, collected, and paid a like excess-profits tax of 8 per cent upon the income received in the calendar year 1917 and every calendar year thereafter by every corporation, joint-stock company or association, insurance company, and partnership. Such tax shall be computed, levied, assessed, collected, and paid, for the same years, upon the same incomes, upon the same basis, and in the same manner as the tax imposed by Title II of such act of March 3, 1917, as amended by this act. Income derived from dividends upon stock of other corporations or partnerships which are subject to the tax imposed by this title and Title II of such act of March 3, 1917, shall be exempt from the tax imposed by this title and the tax imposed by Title II of such act of March 3, 1917.

SEC. 201. That sections 200, 202, and 204 of the act entitled "An act to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and extensions of fortifications, and for other purposes," approved March 3, 1917, are hereby amended to read as follows:

"SEC. 200. That when used in this title—

"The term 'corporation' includes joint-stock companies or associations, and insurance companies;

"The term 'United States' means only the States, the Territories of Alaska and Hawaii, and the District of Columbia; and

"The term 'taxable year' means the 12 months ending December 31, excepting in the case of a corporation or partnership allowed to fix its own fiscal year, in which case it means such fiscal year. The first taxable year shall be the year ending December 31, 1917, except that in the case of a corporation or partnership which has fixed its own fiscal year it shall be the fiscal year ending during the calendar year 1917."

"SEC. 202. That for the purpose of this title, actual capital invested means (1) actual cash paid in, (2) the actual cash value of property paid in other than cash, for stock or shares in such corporation or partnership, at the time of such payment, and (3) paid in or earned surplus and undivided profits used or employed in the business: *Provided*, That the good will, including trade-marks and trade brands, or the franchise of a corporation or partnership, is not to be included in the actual capital invested, unless the corporation or partnership made payment therefor specifically as such in cash or tangible property, the value of such good will, trade-marks, trade brands, or franchise, not to exceed the actual cash or actual value of the tangible property paid therefor at the time of such payment."

"SEC. 204. That corporations exempt from tax under the provisions of section 11 of Title I of such act of September 8, 1916, and partnerships carrying on or doing the same business shall be exempt from the provisions of this title. In the case of professional partnerships having no substantial capital, the income derived from the professional services of the partners shall be exempt from the provisions of this title. Income derived from dividends upon stock of other corporations or partnerships which are subject to the tax imposed by this title shall be exempt from the provisions of this title."

And to insert sections 200 to 210, inclusive, the first of which was read, as follows:

SEC. 200. That when used in this title—

The term "corporation" includes joint-stock companies or associations and insurance companies;

The term "domestic" means created under the laws of the United States, or of any State, Territory, or District thereof, and the term "foreign" means created under the laws of any other possession of the United States or of any foreign country or government;

The term "United States" means only the States, the Territories of Alaska and Hawaii, and the District of Columbia;

The term "taxable year" means the 12 months ending December 31, excepting in the case of a corporation or partnership which has fixed its own fiscal year, in which case it means such fiscal year. The first taxable year shall be the year ending December 31, 1917, except that in the case of a corporation or partnership which has fixed its own fiscal year it shall be the fiscal year ending during the calendar year 1917. If a corporation or partnership, prior to March 1, 1918, makes a return covering its own fiscal year, and includes therein the income received during that part of the fiscal year falling within the calendar year 1916, the tax for such taxable year shall be that proportion of the tax computed upon the excess profits during such full fiscal year which the time from January 1, 1917, to the end of such fiscal year bears to the full fiscal year; and

The term "prewar period" means the calendar years 1911, 1912, and 1913, or, if a corporation or partnership was not in existence or an individual was not engaged in a trade or business during the whole of such period then as many of such years during the whole of which the corporation or partnership was in existence or the individual was engaged in the trade or business.

Mr. BANKHEAD. Mr. President, at this point perhaps it would be well enough to have an understanding with the chairman upon the parliamentary status of the amendment which I have offered to the excess-profits provision of the bill. I do not presume that the chairman of the committee contemplates the consideration of that section at this time. I should like to have an agreement with him or an understanding as to when this provision of the bill is to be considered and when and what time my amendment will be in order as a substitute for the amendment of the committee.

Mr. SIMMONS. My understanding is that we shall take up now the substantive provision. What has been read by the Secretary to this time are mere matters of definition. We have now reached the substantive provision of the House excess-profits scheme. I understand the Senator from Alabama has prepared something in the nature of a substitute for that scheme.

Mr. BANKHEAD. Yes; for the Senate committee provision.

Mr. SIMMONS. I would assume that the substitute could now be offered and considered.

Mr. BANKHEAD. I should like to ask the chairman of the committee if he has completed the income-tax provisions of the bill?

Mr. SIMMONS. In reply to the Senator I will say that so far as I know all pending amendments to that title have been acted upon. Just a moment ago we passed over an amendment because it was naturally connected with an amendment later in the bill. With that exception, as far as I now recall, all the amendments have been acted upon. The Senator from New Hampshire [Mr. HOLLIS] did offer an amendment, but I think he withdrew it to have a reprint, and it is not now, I understand, pending.

Mr. HOLLIS. Mr. President, if I may be allowed to state my understanding, when any section of a bill has been perfected and amendments to it adopted, then it is not open to anyone in Committee of the Whole to offer an amendment to the text afterwards. So far as the amendments that have now been adopted to section 2 it will not be open to anyone afterwards to amend those parts of the bill itself, but it will be open to anyone at any time to offer to strike out an entire section and substitute a new section with different provisions.

Now, take the case in hand. I understand the committee offers an entire new section as an amendment. When that section is once adopted by the Senate, the Senate will have acted on that section in its entirety and afterwards it will not be open to amendment under the rule.

Of course, by unanimous consent, we can do anything; but, under the rule, unless the Senator offers his amendment now—if he waits until the entire section which is a new section is adopted—he will not be allowed later in Committee of the Whole to amend it, and he will have to wait until the bill gets into the Senate.

Mr. BANKHEAD. What I am trying is to ascertain definitely, in order that there may be no misunderstanding about it, what time under the rule I must offer my amendment. I am exceedingly anxious, and I think it is only fair, that the committee should complete its income-tax provisions, because the two are closely related and one may affect the other.

Mr. SMITH of Georgia. If the Senator from Alabama will yield to me, as I understand it the committee is now offering section 201, about to be read. As soon as it is read, before action is had upon it, the Senator from Alabama ought to offer his substitute.

Mr. SIMMONS. That is what I stated a little while ago.

Mr. SMITH of Georgia. If we should adopt section 201, then, of course, it would preclude the substitute. Before we reach that stage I wish to present some criticisms upon section 201 myself, as I could not vote for it in its present shape and so stated when the committee had the subject up for consideration.

Mr. NORRIS. Mr. President——

Mr. SMITH of Georgia. Just one moment further. Whether the Senator desires to wait until section 201 is read before he presents his substitute I do not know. He can informally present it now and formally present it as soon as the section is read.

The PRESIDENT pro tempore. The Chair thinks that the matter is perfectly plain. The only difficulty arises from the number of things included in the proposed amendment of the committee. The Secretary has undertaken to report the amendment of the committee as an amendment substituting the entire title which contains several sections. The Chair will state that it is perfectly proper for the Senator from Alabama to offer his amendment as soon as the amendment of the committee to which he proposes his amendment, which is the form in which he offered it, is read.

Mr. BANKHEAD. I quite understand that, but my contention and insistence is that the committee ought to perfect and complete the income-tax provisions of the bill before this proposition is taken up, because they are, as I have said, related propositions, and whatever conclusion the Senate comes to with reference to the income-tax provision of the bill may affect in

some degree my amendment. I hope the Senator from North Carolina will proceed with the income-tax provision of the bill and complete it so that we may understand exactly what it is to be. As I said, I think the chairman of the committee will concede that the two are related, and when the Committee of the Whole has finally decided upon the provisions of the income tax provided for in the Senate committee amendment, I think the chairman can see that they are so related that one might affect the other. It seems to me perfectly fair that the Senate should first perfect the income-tax provisions. Will not the Senator from North Carolina agree to that?

Mr. SIMMONS. I have every disposition to accommodate the Senator from Alabama and especially also his colleague [Mr. UNDERWOOD] who is absent, and who I know desires to speak upon this title of the bill. The difficulty is that I do not know of anything in connection with the income tax except the amendment of the Senator from New Hampshire which has not been disposed of. I believe there are some little readjustments to the so-called Gerry amendment brought about because of the fact that after this amendment was adopted the Senate adopted the Lenroot amendment. That is a mere matter of a few minutes I think to conform the rates. I wish to ask the Senator from New Hampshire if his amendment is in shape to be offered now.

Mr. HOLLIS. Mr. President, my amendment is in shape so that I can go on with it. I have corrected two or three copies. But that is not the difficulty. This morning at the opening of the session there was an understanding——

Mr. NEW. Will the Senator from New Hampshire yield to me for a moment? I wish to have clear in my own mind the parliamentary status at present, if the Senator will indulge me for just a moment.

The PRESIDENT pro tempore. The Senator from Alabama has the floor.

Mr. BANKHEAD. I yield to the Senator from Indiana if I have the power to do so or to the Senator from New Hampshire.

Mr. NEW. I thank you. Do I understand that section 200 has been adopted?

The PRESIDENT pro tempore. The Chair does not think as yet anything has been adopted, as the title is treated as a single amendment in the way the Secretary read it.

Mr. NEW. Then, to set myself clear, I want to put my position before the Chair and the Senate. I offered an amendment several days ago which was printed and laid upon the desks of Senators. It is, I think, in order at this time. If it is in order, I merely wish to reserve the right to present it after the matter now before the Senate has been considered. Before section 200 has been finally passed I wish an opportunity to have it considered, that is all.

Mr. HOLLIS. At the outset of the session this morning there was a colloquy between the Presiding Officer and the Senator from Wisconsin [Mr. LA FOLLETTE] in which it was stated by the Presiding Officer that the further amendments of the Senator from Wisconsin to the income-tax section would not be in order until all the committee amendments had been adopted. I think that is right, under the unanimous-consent agreement. Therefore the Senator from Wisconsin has gone to prepare computations for two other amendments that he intends to offer. It is my present intention not to offer any amendment until after the Senator from Wisconsin has offered his two amendments. If they are adopted, I shall not offer mine. Therefore I do not think it would be fair to the Senator from Wisconsin at this time, he having withdrawn for the purpose of making the computation, for me to offer my amendment now.

Mr. BANKHEAD. Mr. President, I ask the Senator from North Carolina, for I know he wants to accommodate everybody as far as he can without doing injustice to his bill, if we can not proceed now with the income-tax provision to completion if there are any other provisions in the bill that are yet in dispute and are likely to create some discussion. Under the circumstances, in the absence of my colleague, who has gone away to bid his boy goodbye, who is leaving for France, and who is anxious to be here when this matter is considered, I ask the chairman if he can not, without doing injustice to anybody or himself, proceed with the income-tax provision of the bill whether there are not other disputed items in the bill which we might take up and dispose of?

Mr. SIMMONS. I will say to the Senator, if I can find that we would be in a better position as to the questions that have been left over than we are with respect to this one, I would be glad to take them up. I will inquire whether there is any objection on the part of Senators to taking up the section that relates to postal rates? I do not wish to press the Senator from Alabama.

Mr. BANKHEAD. I am sure the Senator does not.

Mr. NORRIS. I do not see the Senator from Georgia [Mr. HARDWICK] in the Senate at the present time, and he is very much interested in that question.

Mr. BANKHEAD. He is here.

Mr. NORRIS. I would not like to have anything done in his absence.

Mr. HARDWICK. I can not agree to take that matter up now. There are certain papers from the department not ready. We might take up the drawback on sugar. The Senator from Tennessee [Mr. MCKELLAR], who is vitally interested in this postal matter, is not present.

Mr. WEEKS. I have some amendments relating to the second-class mail question that I think should be considered, perhaps after the matter to which the Senator from Georgia refers.

Mr. HARDWICK. I think we had better let them come up in regular order.

Mr. WEEKS. Personally I would be very glad to have the subject come up and be disposed of either to-day or to-morrow or very early next week.

Mr. HARDWICK. I would be glad to take up the postal matter on Monday, or any time thereafter.

Mr. SIMMONS. There are only two other things left. There are quite a number of income-tax amendments at the end of the bill. They are amendments to the present income-tax law. We might take up those, and then with the matter relating to postal rates and the drawback upon sugar, I think there is nothing left over except the income-tax provision and the excess-profits tax.

Mr. HARDWICK. If the Senator from Alabama will yield, let me ask the Senator from North Carolina if we can not dispose of the matter of the consumption tax, which includes the drawback on sugar and all questions relating to sugar, coffee, and tea.

Mr. SIMMONS. I think it would be very much better to let that go over until after we have finished the income and excess-profits tax.

Mr. HARDWICK. I can see the reason for that contention.

Mr. JONES of Washington. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Washington?

Mr. BANKHEAD. I do.

Mr. JONES of Washington. I merely want to inquire of the chairman if there is any reason why we could not take up the amendment relating to taxes at the source? The indication is that there will be considerable discussion on that amendment.

Mr. SIMMONS. That is one amendment in the income-tax amendment.

Mr. JONES of Washington. I know it is a particular feature of it.

Mr. SIMMONS. I have no objection to taking it up.

Mr. JONES of Washington. I merely made the suggestion in the interest of time, that is all.

Mr. SIMMONS. That will come up in order in connection with the income-tax amendment. The Senate does not seem to be ready to proceed to the consideration of that particular amendment, and as I think it probably will take some little time, I see no reason why we should not adopt that course.

Mr. WEEKS. Mr. President, I ask unanimous consent to submit an amendment to the pending bill, and to have it printed and lie on the table.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STERLING. Mr. President, I send to the desk two proposed amendments to the bill, which I ask may be printed and lie on the table.

The PRESIDENT pro tempore. Without objection, the amendments will be received, printed, and lie on the table.

Mr. NEW. Mr. President, my amendment, referred to a moment ago, is really to section 200 of the bill.

Mr. SIMMONS. I think the Senator's amendment is an original amendment; it is not an amendment to a committee amendment. We are now considering only committee amendments and amendments which are proposed to committee amendments.

Mr. NEW. That is just what I wanted to be set clear on, Mr. President; as to whether my amendment was in order at this time or whether it should properly go over until a later period in the discussion of the bill. I do not want to lose my right to have the amendment considered. If the amendment is not now in order, of course I do not want to take up the time of the Senate with it, but I do not want my amendment to lose its right through any misunderstanding.

Mr. SIMMONS. The Senators' amendment is not going to lose its right. As I understand, it is an amendment to the original text of the bill.

The PRESIDENT pro tempore. If the Senator from North Carolina will pardon the Chair, the amendment offered by the Senator from Indiana is an amendment to a committee amendment and is to section 200. If the Senator from North Carolina desires to proceed with the section now, it is undoubtedly in order for the Senator from Indiana to offer his amendment.

Mr. SIMMONS. Mr. President, let me ask the Senator from Indiana if his amendment is an amendment to the excess-profits tax section of the bill?

Mr. NEW. Yes, sir.

Mr. SIMMONS. If the Senator will pardon me, I was trying to accommodate the Senator from Alabama by letting that matter go over to-day and to take up something else.

Mr. NEW. My amendment is an amendment fixing the pre-war period.

Mr. SIMMONS. The whole of that title will go over under the ruling of the Chair, if I can find some other portion of the bill for the Senate to consider. The Senator from Indiana is not going to lose his opportunity.

Mr. NEW. I did not so understand the ruling of the Chair. I merely want to have a correct and clear understanding as to the parliamentary status.

The PRESIDENT pro tempore. The Chair will say to the Senator from Indiana that his amendment will be in order whenever this title is under consideration; but as the Chair understands, the Senator from North Carolina now desires to pass over this title.

Mr. NEW. That is perfectly satisfactory to me.

The PRESIDENT pro tempore. The amendment of the Senator from Indiana would now be in order if this title were taken up.

Mr. KELLOGG. Mr. President, of course it is impossible for us who are over on this side of the Chamber to hear what is going on on the other side when Senators do not speak above a low tone. When was section 200 passed over?

The PRESIDENT pro tempore. The Chair understands that by consent of the Senator in charge of the bill and on the request of other Senators he has agreed to pass over the whole title temporarily. The discussion has been going on as to purely hypothetical questions, and the Chair was not called upon to make any ruling whatever.

Mr. McCUMBER. Mr. President, if the chairman of the committee in charge of the bill is trying to ascertain what particular section he can take up at this time, I would ask if it would be perfectly agreeable to take up and to proceed with the amendments relating to deductions? For instance, on page 101, in lines 12 and 13, I move to strike out the portion of the bill in parentheses. I can see no reason why this subject can not be considered as an entirely separate matter; it relates wholly to deductions. I should like to have it taken up, and I would just as lief have it taken up now as at any other time, if the Senator from North Carolina is delayed in taking up any of the previous sections.

Mr. SIMMONS. I think probably the best thing for us to do is to begin with the income amendments on page 99 and dispose of them as we come to them or of as many of them as we can dispose of as we come to them.

Mr. McCUMBER. I did not quite understand the Senator.

Mr. SIMMONS. I say I think we had better probably commence on page 99 with the income-tax amendments and dispose of that title of the bill in its order.

Mr. McCUMBER. I think we could take that up at this time.

Mr. SIMMONS. I ask the Secretary to resume the reading where he left off when the bill was last under consideration. I think the Senate adopted some of the amendments as we reached them in the title.

The PRESIDENT pro tempore. The Secretary will state the amendment suggested.

The SECRETARY. Under Title XII of the income-tax amendments, section 1200 has already been agreed to. At the top of page 101 the committee proposes to insert a new section, as follows:

SEC. 1201. (1) That paragraphs 2 and 3 of subdivision (a) of section 5 of such act of September 8, 1916, are hereby amended to read as follows:

Mr. HOLLIS. Mr. President, at what point is the Secretary reading?

The PRESIDENT pro tempore. The Secretary is now reading on page 101 and has reached line 7.

Mr. HOLLIS. I should like to ask the chairman of the committee whether the adoption of these provisions on page 101 would affect Title I, which contains the schedule of war income taxes, or whether they are merely administrative?

Mr. SIMMONS. Some of these provisions are administrative and some of them are not exactly administrative. Most of them, however, merely amend existing law.

The Senator from New Hampshire knows that we retain the income-tax law; that we do not repeal it in this bill; but that a number of amendments are made in this title to that law.

Mr. HOLLIS. Then the adoption of these sections would not in any way preclude the change of the schedules in the war income-tax provision?

Mr. SIMMONS. Oh, no.

The PRESIDENT pro tempore. The Secretary will proceed with the reading of the amendment.

The Secretary resumed the reading of the amendment, and read as follows:

Second. All interest paid within the year on his indebtedness except on indebtedness incurred for the purchase of obligations or securities the interest upon which is exempt from taxation as income under this title.

Third. Taxes paid within the year imposed by the authority of the United States (except income and war-profits taxes) or of its Territories, or possessions, or any foreign country, or by the authority of any State, county, school district, or municipality, or other taxing subdivision of any State, not including those assessed against local benefits.

Mr. McCUMBER. Mr. President, at this point I desire to present an amendment which I suggested in the committee that I would present. That amendment is, on page 101, to strike out, on lines 12 and 13, the words "(except income and war profits taxes)."

Mr. President, the portion within the parentheses, on page 101, is a departure from all previous legislation on the taxation of incomes. It is such a grave departure that I feel that it ought not to be presented until we have a quorum of the Senate present. It is so important to every taxpayer in the United States that I do not desire to present it unless we have as many Senators in the Chamber, if possible, as there are in the city at the present time. Therefore, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hale	McCumber	Sherman
Bankhead	Harding	McKellar	Shields
Beckham	Hardwick	McNary	Simmons
Brady	Hitchcock	Martin	Smith, Ga.
Brandegee	Hollis	Myers	Smith, Md.
Broussard	Husting	Nelson	Smoot
Calder	James	New	Sterling
Chamberlain	Jones, Wash.	Page	Swanson
Colt	Kellogg	Penrose	Thompson
Culberson	Kendrick	Phelan	Townsend
Curtis	Kenyon	Poindexter	Trammell
Dillingham	King	Pomerene	Vardaman
France	Kirby	Ransdell	Watson
Frelinghuysen	Knox	Saulsbury	Weeks
Gerry	Lewis	Shafroth	Wolcott
Gronna	Lodge	Sheppard	

Mr. TOWNSEND. I desire to announce the absence of my colleague [Mr. SMITH of Michigan] on official business.

Mr. SIMMONS. I desire to announce that my colleague [Mr. OVERMAN] is detained on official business.

The PRESIDENT pro tempore. Sixty-three Senators have answered to their names. There is a quorum present.

Mr. McCUMBER. Mr. President, I want the serious consideration of the Senate upon a very serious change that has been proposed in the tax law by the committee; a change that was first voted in and then voted out and then voted in again, as I remember. I do not recall by what majority it was finally inserted in the bill.

I desire to call the attention of the Senators to the law of 1916, the law that relates to deductions in determining the net income upon which every citizen making a sufficient net income is required to pay a tax to the Government. Among the deductions which are to be allowed are, of course, all of the ordinary expenses connected with the conduct of business. That includes the amount of interest paid within the year upon such indebtedness as may be owed connected with the business.

The next proposition in the old law reads:

Third. Taxes paid within the year imposed by the authority of the United States, or its Territories, or possessions, or any foreign country, or under the authority of any State, county, school district, or municipality, or other taxing subdivision of any State, not including those assessed against local benefits.

Now, it is clear that the purpose of the law was that the tax should be paid upon net income. Every dollar that was paid out in a given year for taxes, the same as every dollar that was paid out that year for labor or for clerk hire or for interest or for any other purpose pertinent to the business, was deducted from

the gross income. Necessarily that which a man must pay in cash during any year must be deducted from that which he receives in any year in order to determine what he has made that year. Now, we have proceeded upon that theory in the law of 1913 and the law of 1916. For some unaccountable reason, which no Senator has yet been able to explain, and which no Senator can possibly explain, either to his own satisfaction or to the satisfaction of anyone else, the committee has made a difference between taxes paid to the Government and taxes paid to a State or municipality. So that in the law which we now present, and for which we ask your consideration, it reads:

Third. Taxes paid within the year imposed by the authority of the United States (except income and war-profits taxes).

In other respects it is exactly the same as in the law of 1913 and the law of 1916; but hereafter you shall not deduct from your expenses anything that you pay to the Government for taxes during any year.

Mr. President, the previous law allowed the taxpayer to deduct, as part of his expenses for any year, all taxes paid during that year, whether they were levied by the United States or by any State or municipality or even by a foreign government. That was reasonable. That was just. In fact, you could not tell what your net income was unless you first deducted everything that you had to pay, including taxes. There is no more reason for excepting from the deduction taxes paid to the United States than there would be for excepting any other taxes. They are part of the expenses paid by the taxpayer, no matter to whom paid.

Mr. HOLLIS. Mr. President——

Mr. McCUMBER. I yield to the Senator from New Hampshire.

Mr. HOLLIS. Is it the understanding of the Senator that under the law as it now exists the taxpayer may, in order to ascertain his net income, deduct the sum that he will pay——

Mr. McCUMBER. No.

Mr. HOLLIS (continuing). Or the sum that he has paid by way of income tax during the year past?

Mr. McCUMBER. Certainly.

Mr. HOLLIS. Is that so under the present law?

Mr. McCUMBER. Oh, certainly; that is the law. I read the law to the Senator. It includes all taxes.

Mr. HOLLIS. Has that been the practice, as the Senator understands?

Mr. McCUMBER. It has been the practice; yes. The provision of the law of 1916 reads:

Fourth. Taxes paid within the year imposed by the authority of the United States—

Let me have the attention of the Senator from New Hampshire, please. He asked me a question, and I want him to listen to the answer.

Mr. HOLLIS. The Senator answered it to my entire satisfaction. Some people have been thrifty enough to do that, the Senator states. I did not know that anyone ever did it.

Mr. McCUMBER. I want to verify it by the clear declaration of the law. These are the deductions which the law authorizes:

Fourth. Taxes paid within the year imposed by authority of the United States, or of its Territories or possessions, or any foreign country, or the authority of any State or municipality.

And why should it not be so? They are part of your expenses. If you happen to make, exclusive of taxes, $500 a year and your taxes for that year are $500, you have not made anything. You have no net income upon which you can be called upon justly to pay a tax.

Now, let me make this clear. This is, for the first time, a tax upon a tax. In other words, you are compelled to pay a tax upon your expenses, not upon your net income.

Let me elucidate that. Suppose that in the year 1916 a taxpayer has a good business, so profitable that when he makes out his return for the 1916 business—and the return, of course, is made out between January 1 and March 1, I think, in 1917—he finds that he has made a sufficient sum net so that he owes the Government $5,000, and in the month of May—before May 25, I think—he pays that $5,000 to the Government. That $5,000, of course, was paid in 1917. It was part of his expenses of 1917.

Now, suppose that in the year 1917, for any reason, his business has fallen short; and there will be many cases of this kind. I might cite some of the commission men in our grain terminals who made good money last year, and may not make any this year if the exchanges are closed. Suppose that when he makes out his return for his 1917 business—and he has to make that out after January 1, 1918—he finds that he has nothing left as a profit from his business; that he has broken even, or that he runs a little behind. He makes no return on that, does he? He has not made any net profit, and therefore he makes no return; or, if he makes a return, he makes a return that his expenses have equaled his gross income. Then the Government comes and says to him: "Yes, that is true; you have not made a cent this year; you have simply broken even; but you would have made $5,000 had you not paid $5,000 in taxes, and therefore we must tax you upon that $5,000 which you paid." But he remonstrates: "I have not got that $5,000. I paid it to you. I paid it as a part of my expenses." But the Government says: "That does not make any difference. You earned it, and though you paid it to us, and though you did not make a cent, you would have made that much if we had not taxed you, and therefore we insist that you pay us a tax upon the $5,000." But the man says: "I have not got the money to pay you with." "Well, then, sell your property; sell your home; sell anything; you have to pay that, whether you have made a penny or not."

It seems to me, Mr. President, that no more ridiculous proposition could be suggested.

But those who support this proposition say that the taxes paid this year are taxes levied on last year's earnings, and therefore ought not to be deducted from this year's profits. That was the only reason that was given. That assertion falls the moment you apply to it the test of reason.

First—and I want the attention of Senators to this—you could not pay that tax in the year 1916. It was not due in 1916. You did not even know what it would be in 1916. It was no part of your 1916 expenses. Therefore you could not have deducted it from your 1916 expenses, because it was not due and payable, and the law provides that the deduction shall be the amount of taxes that are paid out during that year. It does not make any difference on what it is based, on what the levy may be. The Government might impose a tax, if it saw fit, upon an income you received in the year 1900. The Government might say that you earned a net profit in 1900, 17 years ago, and that they will tax you this year for it. The House tried to do something akin to that in providing for an additional tax on the income of 1916. Those who object to my amendment would say: "Well, I will pay that this year. It is, however, no part of my expenses this year, because it was levied on what I earned 17 years ago, and hence should not be deducted from this year's earnings."

Mr. President, there is nothing in that reasoning. This tax is not a part of the 1916 expenses. It is a part of the 1917 expenses. You are not allowed to deduct, during one calendar year, what you may think you will have to pay the next calendar year. You must deduct from your income of 1917 only what you have actually paid out in 1917.

Second, you can not tell in 1916, I repeat, what you will pay in 1917, and even if you could you would not be allowed to deduct it, as you can not make up your return until after January 31, 1917.

As a matter of fact, in nearly all of the States, if not all of them, the taxes levied upon the assessments, say, of 1916, do not become due until December or January following, and are not delinquent until the March following. Therefore for all practical purposes our taxes become due on March 1, 1917, but they are based on the property that we owned on the 1st day of April, 1916. Now, it never has occurred to anybody in the world that we should not consider them as expenses for this year, because they were levied upon an assessment in the previous year. That is the method of collecting taxes generally. The assessment is made one year. The tax is paid the next year. In the case of the Government taxes the assessment is made in 1915 for a tax which you pay in 1916, and in 1916 for a tax you will pay in 1917.

Mr. President, I think this was very well set out in an editorial in the Washington Post some few days ago—July 12, I think. This editorial I want to read, because it is succinct and to the point. It is headed:

Common sense even in taxation—To make a man pay tax on his taxes is not logical.

That is the heading. It proceeds:

Yesterday in Washington one of the country's ablest business men discussed with Senators and with this writer an extraordinary feature of the new taxation bill—

And it is extraordinary—

Under that bill the Government takes a certain lump sum out of the money earned by an individual or a corporation. It is called "excess-profits tax."

After you have built up your enterprise so that it pays a certain percentage of profit the Government comes in and says, "That will do for the present. I'll take what comes in now for a while."

And the Government takes a lump sum out of what you make. After that, if you make any more, you get it—

He might just as well have applied that to the normal tax and to the tax of the regular income, irrespective of the excess tax, because it applies to all—

Intelligent business men do not object to this part of the new law. They recognize that somebody must pay the Nation's bills. Those that are making the biggest profit can reasonably be expected to pay a fair share to the Nation out of their profits, provided energy and enterprise be not unfairly discouraged.

But very unreasonable and difficult to understand is one particular feature of the bill. What you pay to the Government in tax you actually are not permitted to deduct from your net earnings; in other words, after the Government has taken a lump sum out of your profits you must still pay income tax to the Government on the money that the Government has taken from you.

The Government says, "Give me that $10 that you just earned." You pay the $10 as ordered. Then if the income tax happens to be 25 per cent the Government says, "Now that you have given me the $10, give me two dollars and a half for income tax on the $10 you gave me."

If there is logic of any kind in the idea of making a man pay a tax on his taxes, we are not able to see it.

A man deducts from his income statement expenses necessary to his business. Surely, the money that the Government takes out of his enterprise is an expense necessary in running the enterprise. For the Government to take this money and then say, "Pay me a tax on what I have just taken" is from every sane point of view too silly for discussion.

It is not a question as to the amount that the Government will take or as to the amount of income tax on net income that the Government will demand.

The people of the United States must pay the Government's bills, whatever those bills may be.

Government debt is a debt on every man's house, coat, hat, and business, and real estate.

It is desirable, however, in these times of heavy taxation that will grow heavier, for the Government to show careful common sense, fairness, and freedom from arbitrary action in its taxation methods.

There is not common sense or fairness in the proposal to add an income tax to a tax.

This newspaper heartily indorses the opposition that the business man mentioned has made to this illogical proposition in discussing the question with leading Senators.

Let the Government take what it wants, but take it in a common-sense, logical way.

Mr. President, I have stated the only position which I remember as having been taken by those who said we ought to except the tax paid to the Government; and that seemed to me to be based wholly upon the idea that the tax that we are paying is really a tax on an assessment made in 1916, and it is not on the business of this year, 1917. The answer to that is that all taxes are paid exactly in that way, upon a previous assessment, but we make out our returns for either a fiscal or a calendar year, and the expenses that come within that fiscal or calendar year ought to be deducted whether they be expenses incurred by reason of supporting the Government or expenses incurred by reason of supporting the State.

Mr. SMITH of Georgia. Mr. President, the committee went very fully into the argument presented by the Senator from North Dakota, and, I think, with practical unanimity disagreed with him. It seems to be true that under the language of the old income-tax law this deduction has been sometimes made; but it was a great surprise, I think, to the committee that it could be made. Nobody contemplated such a deduction under the existing law when it was framed. We did not think of deducting from net income the income tax on net income.

Now, let us see just what the situation is. We are proposing by this bill to take an income tax from the income of 1917.

Mr. McCUMBER. The net income of 1917.

Mr. SMITH of Georgia. And from the war profits of 1917. Let me take the munition plants of 1917 as an illustration. We say to them that you are to pay us approximately under this bill from 12 to 65 per cent of your war profits, and that you shall deduct from that part of your war profits of 1917 this tax. That is what we say in this bill. We may strike it out of this bill and put it 40 or 50 per cent flat on all war profits—the same to everybody. Suppose we say in the bill we wish 50 per cent of your war profits made in 1917, and the company makes one hundred million of war profits, as some have and will. We say then, in the bill, $50,000,000 of that income of 1917 is to go into the National Treasury as an assessment against you for the war profits of 1917. We are going to take one-half of that $100,000,000 of war profits which you make in 1917. As a matter of necessity, we can not determine the war profits until the end of the year 1917, so we will not take that $50,000,000 until a little later in 1918, but half of the war profits of 1917 we are taking, not as an assessment against you on what you make for 1918 but as half of the profits made in 1917, though you do not turn them over to us until some time in 1918, they are the profits of 1917 that you owe and hold for the Government.

Now, this is the proposition of the Senator from North Dakota, that though the company made $100,000,000 in 1917, and though the law provided that the company should turn $50,000,000 over to the Government, half of those war profits of 1917 we do not collect until 1918. The company may make $100,000,000 more of war profits in 1918. The Senator from North Dakota proposes that we shall only regard the company as making $50,000,000 net profits in 1918, when it really makes $100,000,000. That is the proposition that the committee decline to uphold. The language now in the bill is to protect the National Treasury against a deduction from the net income of 1918 of the tax for 1917.

It is true that we get this $50,000,000 out of the profits of 1917 in 1918, but it is the profits of 1917 that we are taking, and then when the company makes $100,000,000 of excess profits again in 1918 we wish to collect $50,000,000 from the profits of 1918. We will collect the part due the Government from the profits of 1918 in 1919 as a matter of convenience and a matter of necessity, but it will still be a part of 1918 profits collected.

Mr. WEEKS. May I ask the Senator from Georgia what the situation would be if the company did not make any profits in 1918?

Mr. SMITH of Georgia. There would be no assessment.

Mr. WEEKS. The Senator has been discussing taking $50,000,000 out of the earnings of 1917 and 1918.

Mr. SMITH of Georgia. No; I did not.

Mr. WEEKS. That is what I understood.

Mr. SMITH of Georgia. I did not. I drew a distinction between the view presented by the Senator from North Dakota and the real situation. We assess that $50,000,000 out of the income of 1917, and we expect them to turn it over to us at the time we provide for it to be turned over in 1918. It will be turned over to us in 1918, and it will be turned over whether the company makes any profit in 1918 or not. The profits of 1918 have nothing to do with turning half the profits of 1917 over to the Government.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER (Mr. FRELINGHUYSEN in the chair). Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. SMITH of Georgia. I do.

Mr. KELLOGG. I should like to state to the Senator from Georgia another case and ask him what he would do in that contingency. I will preface it by the statement that it might be reached by another amendment. Suppose a partnership in 1917 makes $200,000. Under the bill, whether it is distributed or not, the entire $200,000 is charged as net profit to the individual members, and they must pay an income tax upon it. Now, suppose the same year, 1917, they must pay $50,000 of that $200,000 as an excess-profits tax. Under the bill they still must pay an income tax on what they have already paid the Government as an excess-profits tax, although they never will receive it.

Mr. SMITH of Georgia. I do not think the Senator correctly construes the bill. I think you will find later on in the bill a provision assessing the income tax, which requires—

that in assessing income tax the net income embraced in the return shall also be credited with the amount of any war-profits tax imposed by the act of Congress and assessed for the same calendar or fiscal year upon the taxpayer.

Mr. KELLOGG. On what page is that found?

Mr. SMITH of Georgia. On page 122. But that really is not the question I am now discussing. If there would be any unfairness in the adjustment of the partnership payment and the individual payment that we should correct, I think you will find it is provided for. I know it was the intention to put in a provision that would guard against any such inequality.

Mr. KELLOGG. That may be true. I just asked the Senator the question.

Mr. SMITH of Georgia. I think that has been done. The effort has been made to guard against every injustice of that character. It has been done; but I wish to discuss the proposed amendment of the Senator from North Dakota rather than to discuss further the suggestion of the Senator from Minnesota.

Now, let us get it clearly in our minds that the income tax is an assessment against part of a yearly income. It occupies a different position from most taxes. It is a part of the net profits of the corporation or the individual for a particular year. We call on them for a part of their net profits for 1917. We make the calculation and get the part of those net profits a little later on, but we say that it is the net profits of 1917 that we are having turned over to the Government. It should not be carried as a charge against the business in 1918. It is not; it is a part of the liability for 1917.

Mr. McCUMBER. Will the Senator state what year it should be charged against after you paid it? When the Senator answers that he has got at the real crux of this situation, and until the Senator answers it——

Mr. SMITH of Georgia. It ought to be charged against 1917.

Mr. McCUMBER. But on what will he deduct it? As a part of his profit for what year?

Mr. SMITH of Georgia. It is a part of his profit of 1917.

Mr. McCUMBER. But when he pays——

Mr. SMITH of Georgia. He pays a per cent of the profit of 1917.

Mr. McCUMBER. But if he pays out $50 or $50,000 or $50,000,000, he pays it out as he gets some profit somewhere and at some time. Now, when will he start that tax against his profit? What year will he charge it against his profit?

Mr. SMOOT. Will the Senator from Georgia yield to me?

Mr. SMITH of Georgia. I yield to the Senator.

Mr. SMOOT. It seems to me the action of the committee is so plain that it can not be questioned. If the profits of 1917 are $100,000 and the Government's tax upon those profits is $5,000, the $100,000 does not belong to the individual or the corporation; there is only $95,000 of net profits; the corporation is not entitled to the other $5,000. Under the law the Government is entitled to the $5,000. But the Government of the United States says that until its officials can check up and see whether the companies' return is correct or not the company may hold that $5,000 and can pay it any time before the 31st day of May following. The $100,000 did not belong to the individual or corporation; $5,000 belonged to the Government of the United States. That is why there should not be allowed a deduction.

Mr. SMITH of Georgia. It does not belong to the business of 1918 at all. It is ours out of the business of 1917. The company can not distribute it as profits to stockholders. If an effort to distribute the whole of the income to stockholders was going on, they could be stopped before doing it by the court upon the theory that it was a fund which belonged to the United States. We assess a part of the profits of 1917, and as soon as they are ascertained and we have the opportunity to satisfy ourselves that their calculations and their bookkeeping are honest and correct and that they cover all, we take it out of the 1917 income. Then we take the account of their business for 1918 and take our part out of that.

Let us see what would be the consequence if the suggestion of the Senator from North Dakota prevailed. Here is a corporation, an ammunition plant, that makes $100,000,000 of war profits in 1917. Fifty per cent of it belongs to the Government under this bill if it becomes a law. Fifty million dollars would belong to the Government out of the profits of 1917 and their final net profits for 1917 would only be $50,000,000 after the income tax is paid. Now, next year they make $100,000,000 more. We make them turn over to us this $50,000,000 of 1917 at a period in 1918, and the Senator from North Dakota, although they made $100,000,000 more in 1918, desires to deduct that $50,000,000 and say they have made but $50,000,000 in 1918. He would thus cut the tax more than half in two for 1918. The proposition would break down the whole plan of the bill and take out of the Treasury a very large part that we expect the bill to raise.

Now, then, they have had two years with profits of $100,000,000 each and they paid taxes of $50,000,000 on one year and $25,000,000 or less would be paid the second year, according to the amendment of the Senator. The committee was surprised that any such construction was placed upon the old income tax. We regarded the income tax as a part of the net profits of the year that were chargeable to that year and not to the income of the year when we collected it. When we found there was doubt about it we put language into the bill to protect the Treasury from the doubt, and it is a motion to strike out that language which is now pending before the Senate.

Mr. McCUMBER. Mr. President, no legerdemain of words, no attempt to create any character of prejudice by talking about hundreds of millions and great corporations, can by any possibility hide the real facts in this case; nor can any assumption that the committee were astonished that they had made a law one year before and four years before in which they very carefully stated that taxes were taxes no matter to whom they were paid, no matter who exacted them; that taxes were a part of necessary expenses in one year, hide the naked fact that what you pay in taxes is not net income. The committee could certainly not escape the charge of a lapse of memory if they were astonished when they wrote into a previous law under "deductions," taxes paid within the year, imposed by the authority of the United States, should be deducted; they did not mean that they should be deducted, and that it was a source of great surprise to this intellectual committee that it had written that fact into the law of 1912 and 1916.

Mr. SMITH of Georgia. Will the Senator allow me to ask him a question?

Mr. McCUMBER. Certainly.

Mr. SMITH of Georgia. Is not the Senator from North Dakota the only member of the committee who has claimed that construction of deductions in the statute?

Mr. McCUMBER. I do not go into the private accounts of any Senator. He keeps them himself.

Mr. SMITH of Georgia. The Senator was criticizing my suggestion that they were surprised.

Mr. McCUMBER. I say I do not go into the private accounts of any Senator. I simply know what the law is, and if I make out my returns I am liable to make them out in accordance with the law, with no attempt to hide anything and with an effort to pay the Government every dollar that is coming to the Government under the law. If there is any Senator whose wealth is so great that the taxes that he pays amount to nothing to him and that he can well afford to give the Government that much extra, all right. Neither am I concerning myself regarding the hundreds of millions that are paid by the corporations. The principal amount of this money is paid by people having an income ranging from $1,000 up to $30,000 a year.

Mr. SMITH of Georgia. Then I will ask the Senator——

Mr. McCUMBER. They are the persons who will be affected by any injustice that you write into the bill.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. I yield.

Mr. SMITH of Georgia. Then I ask the Senator this question, if the short sentence which he has just uttered has been concluded Did any other Senator on the committee entertain the view of the old law, and did the Senator call attention to it?

Mr. McCUMBER. I would not have insulted the intelligence of any Senator on the committee by asking him whether he understood a law which allowed a deduction for taxes imposed by the Government to mean a deduction of taxes imposed by the Government, and if the Senator failed to entertain that view he simply failed to read the law.

Mr. SMITH of Georgia. That was not the question I asked the Senator.

Mr. McCUMBER. The Senator is not going to escape his argument by assuming that we did not understand the law as it read. Nobody was astonished. The committee that wrote that law before knew what it was, and they knew the reason for the law. Now, why not exclude the taxes paid to the State? Why do you not exclude the taxes paid to the municipality? They are paid by people or corporations that earn millions and hundreds of millions of dollars. Why did you vote to deduct those taxes in making their reports for net income? You know you would have gotten a larger revenue if you had not deducted them. The Senator knows as well as I know that there is no more sense in excluding taxes paid to a State than excluding those paid to the Government. A tax is a tax. It is the amount imposed upon the citizen for the protection of his State government and his Federal Government. It is as much his expense as his expense for clerical hire, or for any other character of expense paid by him.

Now, the Senator very carefully hugs the argument between two lines. He is careful not to go back of 1916 nor ahead of 1918. The corporation under the law of 1916 has paid its 1917 tax. That was based upon its 1916 earnings. It is not asked to take that out of the 1916 expenses. The Senator's argument is that you ought not to take it out of the 1917 expenses, because it was an expense paid under a 1916 levy. Therefore I ask the Senator in good faith, what would you take it out of? Where would you take it out? You could not take it out of 1916, although it was not based upon the 1916 levy.

This amendment is not asking, and the Senator can not fail to comprehend that it is not asking, that the sum paid this year be taken out of this year. It is not taken out of what he will pay this year. What he pays in income tax this year is not on the 1917 assessment; it is on the 1916 assessment. What he pays next year will not be on the 1918 assessment, it will be on the 1917 assessment. Now, drop your millionaires and your billionaires for a minute and come down to the average man in business, and then say whether it is just that you should make that man pay a tax upon an expense; and that is just what you do. I know a business that last year made enough so that it paid nearly $5,000 in taxes. I know that the same business this year will only about break even. Now, when did it pay that $5,000? It paid it last May. When will it make out its return? It will make it out next January or from January up to next March. What will that return contain? It will contain the statement that the gross earnings of that company for the year 1917 were a certain amount. What else will it contain? It will contain a statement that the expenses and the taxes, including the taxes paid to the United States, were so much and the two about balance. Now comes the Government—not in 1917 but in 1918, after this business has presented its balance sheet to the Govern-

ment. The Government will say, "Yes; your balance sheet does show that you have not made a cent on your 1917 business"; and the Government will further say, "We know you have not made one cent, but we collected $5,000 of taxes from you. If we had not collected those taxes from you, you would have made $5,000. Therefore pay the tax on that $5,000. You pay one-third or half of it or 25 per cent of it." The manager answers, "I have not got that money because I paid it to you once, and I can not pay you out of the money that I paid to you." Is that an unreasonable suggestion on his part? The Government says, "We have got to have it. We will sell your house, sell your business; you have got to raise that money, whether you made it or not." And so, Mr. President, this ceases to be a tax on net incomes and becomes a tax upon expense or a tax upon a tax paid. Now, no character of argument can get around that fact. Of course, the Government will make more out of this man if it makes him pay whether he earns it or not. I am talking of 1918 because this tax will go into the tax statement that is made in 1918. It may be that in 1918 he will make money again and pay an income tax.

Now, the point that I tried to make clear is that your taxes and expenses—I do not care what time it is paid—can not be paid for 1916 except in 1917 on the 1917 return. Therefore the present law rightly says it is a part of your expense for that year.

Now, the two Houses of Congress were not all of them insane when they enacted the 1913 and 1916 laws. They were not all crazy when they passed the two previous bills. There was just as much reason, as they knew, for allowing a deduction of Federal taxes as there was for a deduction of any other taxes. The only tax that they excepted and therein showed that they did use sane reasoning upon it was a tax charged against a local benefit, because, they said, "If you get a benefit equivalent to that tax you have lost nothing. You have simply paid for a benefit received. Therefore you can not deduct taxes charged against a local benefit." I made out my returns last year. I did not include in the taxes anything charged for the bridge on Q Street, though it was paid, although I do not know that I got any particular benefit; but I was not allowed to do so and ought not to have done so.

So, Mr. President, it may be that by an unjust rule you will get more taxes than you would if you applied a just rule, but there is no more reason why you should compel a party to pay a tax when he does not make a cent after deducting all his taxes than you should adopt a rule that taxes him without reference to whether he makes an income or not.

Mr. President, we can vote as we see fit on this question, but it nevertheless becomes a gross injustice to the average taxpayer, not the one who is earning millions, because he can stand it.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Illinois?

Mr. McCUMBER. I yield, Mr. President.

Mr. LEWIS. May I say to the Senator I was detained out of the Chamber when the Senator began his address and I am ignorant of the way the Senator feels that his amendment would operate? Would the Senator be so good, unless it imposes on him an unnecessary trouble, to say to me in what way, in his judgment, the amendment tendered by him would relieve the evil, assuming it exists, such as he has described?

Assume the evil to exist as the Senator describes it, will the Senator be so good as to let me know how he feels that his amendment would cure it?

Mr. McCUMBER. Mr. President, very simply, by allowing the taxpayer to deduct all of his necessary expenses from his gross income. Could there be anything more simple or could there be anything more just than that?

Mr. LEWIS. Does the Senator assume, therefore, in this proposition that it is to be left to each taxpayer himself to be the judge as to what are his necessary expenses?

Mr. McCUMBER. Certainly not. The law declares what are his necessary expenses; and the law declares that taxes paid are necessary expenses.

Mr. LEWIS. Does the Senator assume, therefore—which is no doubt the crux of it—that the tax that was levied on him the year before but which was paid in that particular year is to be treated as a necessary expense of his business?

Mr. McCUMBER. Why, not of that year, because it is not paid in that year; but certainly taxes that are paid in a given year constitute a part of one's expenses for that year in which by law one is compelled to pay them. They can not be charged in any other year except the year in which they are paid.

Mr. LEWIS. I catch the Senator's point.

Mr. McCUMBER. Every State has a taxing system of its own. I think most of them levy their real estate taxes and their personal taxes upon the property which one owns on the 1st day of April of each year. That tax, however, will not become due or even payable until the following December, and ordinarily there is no penalty attached until the succeeding March; sometimes it is February, sometimes it is March; but in all instances, especially in the agricultural States of the North, taxes are paid the year after the assessment is made; they are not paid during the same year. They are, however, a part of a man's expenses. It is a little different as to Government taxes, because one can not pay the Government taxes at any other time but has to pay them in the year in which they are levied, and in that year only.

Mr. SHAFROTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Colorado?

Mr. McCUMBER. I yield.

Mr. SHAFROTH. I was not in the Chamber when the Senator from North Dakota began his address, and I should like to ask him whether it is his contention that an income tax which a person pays, say in May of this year, should be permitted to be charged as an expense for this year?

Mr. McCUMBER. Certainly.

Mr. SHAFROTH. And that the tax which will fall due next May should be charged as an expense next May?

Mr. McCUMBER. Certainly.

Mr. SHAFROTH. I will state to the Senator that in making out my income tax I have always done that. Whatever the date is of the check that is when I consider the tax paid, and that is when I take credit for the payment of the tax. I supposed there was no contention upon the part of anyone that that was the proper way to do it.

Mr. McCUMBER. There is none, and there has been none.

Mr. SHAFROTH. What is the contention on the other side?

Mr. McCUMBER. The contention now is that it is desirable to change the law so that one may deduct any of his other expenses, but that taxes paid to the Government must be treated differently from taxes paid to the State. In other words, that one can not deduct the taxes paid to the Government at all; that is the point. Even though the taxes are paid and after they are paid and the returns are made it is ascertained that no net income at all has been made, still the tax would be imposed upon the amount which had been paid to the Government.

Mr. SHAFROTH. Is it the contention that if the net profits are $100,000 in a given year the tax paid in that year is not to be deducted?

Mr. McCUMBER. That is correct.

Mr. SHAFROTH. That it can not be deducted at all at any time?

Mr. McCUMBER. At no time. The tax can not be deducted the year before, because it was not paid in that year, and it can not be deducted the year after, because it was not paid during that year. It can not be deducted this year, because the tax this year is based upon last year's assessment, upon the business of last year; in other words, there can not be deducted as expenses a dollar which is paid to the Government.

Mr. SMOOT. Mr. President——

Mr. McCUMBER. I would ask, as but few Senators are present, that this matter may be passed over without voting on it at the present time.

The PRESIDING OFFICER. Without objection, that will be the order.

Mr. SMOOT. I should like to speak upon it.

Mr. McCUMBER. I beg the Senator's pardon.

The PRESIDING OFFICER. The Senator from Utah.

Mr. SMOOT. Mr. President, under the taxes imposed under the first income-tax law, and even under the amendment to that law of September 8, 1916, the rates of taxes were so low that few in the United States thought of deducting from income any taxes which they had paid to the Government. In fact, I must admit my ignorance of the law. I never thought of deducting the amount of income taxes I paid to the Government by claiming an exemption for them in making my annual income returns. Really, Mr. President, the money did not belong to me. If a corporation was subject to a tax of a hundred thousand dollars during the year 1916, the directors of that corporation knew that the company was not entitled to that $100,000; that it did not belong to the corporation; it did not belong to the stockholders; but that it did belong to the Government of the United States. The mere fact that the income-tax law permitted the payment of the tax imposed the May following does not in any way, shape, or form relieve the company's obligation to the Government as of the 31st day of December of the year

1916. In other words, if the directors of the company had paid that money out by way of dividends or distributed it in any way, it would have been paying money out that did not belong to the company, but which belonged to the Government of the United States. Mr. President, now that the rates of taxation are to be so high, all Senators must know that if the committee amendment is not agreed to the amount of the estimated revenue under this bill would be reduced nearly one-third.

Mr. GRONNA. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. I yield.

Mr. GRONNA. Supposing one individual has an income of $2,000,000 under the law, and we say the tax upon $2,000,000 is 50 per cent; that would be $1,000,000; but if the words as reported by the committee are stricken out, that individual would be allowed to deduct $1,000,000, and, of course, the amount to be paid will only be 25 per cent of the $2,000,000, instead of 50 per cent.

Mr. SMOOT. I was going to approach the question in another way. I am speaking of all the revenue to be derived from the bill as a whole, whether on small or large incomes. I repeat that if the amendment is stricken out it will make a difference of nearly one-third in the amount of revenue that would be collected under the bill.

For instance, the rates of taxation now proposed on war profits and upon incomes are so high that if deductions were allowed of the amount of tax paid under both of those titles I do know that it would take more than one-half the revenues expected to be derived by this bill, as far as the large war profits and large incomes are concerned.

The Senator from Georgia simply referred to the war profits. In the case just cited by the Senator from North Dakota, where the income of a corporation is $2,000,000, under this bill we will take more than $1,000,000 of it.

Mr. PENROSE. Does the Senator refer to individual incomes?

Mr. SMOOT. No; to corporation incomes. From such a corporation as that referred to we will take more by the war-profits tax than $1,000,000. Not only that, but when the other $1,000,000 is distributed to the stockholders of the company under this bill we take another percentage from that income of the individual stockholder. It all depends upon how much that may be and upon the deductions allowed as to what the tax may be; but take it for granted that it is only 25 per cent. Then on that $1,000,000 there is another 25 per cent deduction, making a total deduction of $1,250,000.

Mr. President, the next year that same company may again make $2,000,000, but if the committee amendment is stricken from the bill the company would deduct one million and a quarter of dollars, leaving only $750,000 to be subject to taxation instead of $2,000,000.

The proposal to strike out the words "except income and war profits" can not be defended; it is not just. The individual or corporation doing business knows just what taxes will be imposed upon his business, and they are included in the prices for which he sells his goods; they are figured in as a part of the cost of his merchandise; and now it is actually proposed to relieve him of part of the tax, and all that he has added to cover cost he makes clear if this exemption is allowed. Mr. President, there is no business man when he marks the price at which his goods shall be sold but takes into consideration every possible cost, including the taxes upon his business for the year. If he did not do so, he would fail.

Mr. SHAFROTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Colorado?

Mr. SMOOT. I yield.

Mr. SHAFROTH. I was not present when the discussion of this amendment started, but section 1201 provides:

(1) That paragraphs 2 and 3 of subdivision (a) of section 5 of such act of September 8, 1916, are hereby amended to read as follows:

Does that relate to all incomes?

Mr. SMOOT. That relates to all incomes.

Mr. SHAFROTH. That is, incomes of individuals as well as of corporations?

Mr. SMOOT. It relates to all kinds of incomes, whether of individuals, partnerships, or corporations.

Mr. President, I will say to the Senator from Colorado that the words the Senator from North Dakota [Mr. MCCUMBER] is undertaking to strike out of the bill are found on page 101, line 12, the words being "(except income and war profits taxes)." Subsection 3 of section 1201 of the present law reads exactly as this paragraph reads, with the exception that the committee have put in parentheses the words "except income and war profits taxes."

Mr. SHAFROTH. In other words, under the law as it exists now a man would have a perfect right to deduct the amount of taxes which he had paid to the Government on his income?

Mr. SMOOT. That is true.

Mr. SHAFROTH. And the idea of putting those words in is to change that rule and so provide that they shall not be allowed the deduction for that amount?

Mr. SMOOT. The Senator has stated it correctly. As I have said, unless the words remain in the bill we might just as well begin to rewrite the bill if we intend to raise the necessary revenue by this form of taxation.

Why, Mr. President, take a corporation that makes $1,000,000 this year, 75 per cent of which is taken by the Government in the form of war profits and income taxes. Suppose that the next year the same corporation makes a net profit of $750,000. Under the contention of the Senator from North Dakota that corporation could deduct the $750,000 paid in taxes for the preceding year and would not be required to pay a cent of taxation for the second year, although it had made $750,000.

It is for these reasons, Mr. President, that the committee not only thought it wise but absolutely necessary to amend the law by including the words which the Senator from North Dakota seeks to strike out.

Mr. President, it does sound rather strange to say that we are imposing a tax upon a tax, as the Senator from North Dakota contends; but the money which has been made to pay the taxes provided for in this bill does not belong to the corporation, but belongs to the Government of the United States.

Mr. SHAFROTH. Mr. President, I should like to ask the Senator another question.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Colorado?

Mr. SMOOT. Yes.

Mr. SHAFROTH. What is the language of the law of Great Britain, for instance, in relation to this matter? Are individuals and corporations there allowed to deduct the amount which they have paid as taxes to the English Government the preceding year?

Mr. SMOOT. I would not want to say offhand, because I do not remember; but I believe I am safe in saying that they are not allowed to deduct in computing their taxes the amount paid in taxes to the Government the preceding year. In fact, Mr. President, in 1890 and 1891 I was in England and that far back was compelled to make out an income-tax return. I know that at that time it was not permitted to deduct from the income of a corporation any tax paid to England on its income the preceding year; and I presume the law is the same now as then, although I do not state it as a positive fact.

The Senator from North Dakota was mistaken when he said that this amendment allowed the deduction of all Government-paid taxes. It only applies to the income tax and the war-profits tax and the amendment so states. I think there is quite a difference between allowing a tax paid to the Government to be deducted from the succeeding tax return and allowing the individual or the corporation to deduct the tax paid to the State, to the county, or the school district, or any other taxes that are not for a permanent improvement to property.

Mr. SHAFROTH. Mr. President, I should like to ask the Senator another question.

The PRESIDING OFFICER. Does the Senator from Utah yield further to the Senator from Colorado?

Mr. SMOOT. Yes.

Mr. SHAFROTH. The Senator has said that if this provision is not retained in the bill—that is, if the amendment of the Senator from North Dakota prevails—we might really have to rewrite the bill. Can the Senator state how much, in his judgment, the bill would be affected in its revenue-producing qualities by the adoption of the amendment offered by the Senator from North Dakota?

Mr. SMOOT. This year it would not be affected in that respect very largely, but next year I am quite sure the revenue would be 33⅓ per cent less than estimated. In other words, I have no doubt in my mind that the war taxes and the income taxes, covering the whole United States, individuals, partnerships, and corporations, will amount to one-third of all the profits that will be made, and therefore I say that the following year the revenue produced by the law would be affected to that amount.

Mr. NEWLANDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nevada?

Mr. SMOOT. Yes.

Mr. NEWLANDS. May I ask the Senator from Utah whether the committee has or whether he has any estimate of the profits made in the country?

Mr. SMOOT. I can tell the Senator just what they are. I think I have the figures here. The profits for 1913 were $3,832,104,410.

Mr. NEWLANDS. Do those figures cover the profits of corporations?

Mr. SMOOT. They cover all profits under the returns that have been made under the taxation law of 1909 and 1913 and amendments thereto. In 1914 the profits were $4,339,550,000; in 1915 they were $3,619,387,000; in 1916 they were $5,184,482,000; and it is estimated now that for the year 1917, based upon the statements that we have seen published in the press of some of the largest companies in the United States for the first and second quarters of this year that the amount will be $8,100,000,000.

Mr. NEWLANDS. And the Senator's view is that one-third of that will be taken for taxation.

Mr. SMOOT. Not one-third of the $8,100,000,000, but one-third of the war profits; that is the average profits for the prewar years; in other words, for the years 1911, 1912, and 1913 the average prewar profits were about $3,930,000,000. Taking the $3,930,000,000 from $8,100,000,000 leaves about $4,000,000,000, and I am quite sure, I will say to the Senator, that if the amendment of the Senator from North Dakota is adopted it will reduce by one-quarter the taxes upon that amount.

Mr. SHAFROTH. Then, the Senator thinks, of course, that this bill will not raise sufficient revenue?

Mr. SMOOT. It is impossible, if we agree to the amendment of the Senator from North Dakota. In that event we will have to raise more revenue from other sources.

Mr. SHAFROTH. It seems to me purely a question of expediency as to whether or not we want to raise this amount of taxes by excepting the payments that are made to the Government. I do not see that there is any injustice in it when we understand what this provision is.

Mr. SMOOT. I want to say to the Senator that I do not think there is any injustice in it. I do not believe that a man who pays a tax to the Government of the United States out of his income of 1916 should claim exemption the following year. He owed it to the Government on the 31st day of December of that year.

Mr. SHAFROTH. It is a question of expediency. If we want to raise it in that way and specify that it shall not be exempt, then, of course, it is proper to do so.

Mr. SMOOT. It is entirely with Congress.

Mr. FLETCHER and Mr. LEWIS addressed the Chair.

The PRESIDING OFICER. Does the Senator from Utah yield, and, if so, to whom?

Mr. SMOOT. I yield first to the Senator from Florida.

Mr. FLETCHER. I merely want to ask the Senator a question. Speaking in regard to the average profits in 1911, 1912, and 1913, he referred to them as being something over $3,000,000,000, and the estimated profits for 1917 I believe he said would be something like $8,000,000,000. The difference between those two amounts would be what may be called "war profits."

Mr. SMOOT. They are the war profits under the bill, and those are the profits that we are undertaking now to reach by the war-profits tax.

Mr. LEWIS. Mr. President, if the Senator from Utah will allow me, I return to the proposition presented by the Senator from North Dakota, because I am confused by the designation in his argument. May I ask the Senator, from his experience, if a corporation has a million dollars in its treasury and declares a dividend to its stockholders of $100,000, but nevertheless the stockholders allow the money declared to them to remain in the treasury of the company, is not that money the property of the stockholders after it has been voted to them in the form of dividends? It is not the company's property, as I understand, after it has been set aside as a dividend, and a tax on that would not be a tax laid on the company's property; the tax on that would be a tax on the stockholder who could have drawn it whenever he pleased, would it not?

Mr. SMOOT. When this bill passes the Government will tax that money before it can be distributed to the stockholders, and then after it is distributed to the stockholders the Government will collect an income tax upon that received by the individual stockholder of the already taxed corporation.

Mr. LEWIS. Then I ask the Senator when, to use the illustration he gave, the profit is $100,000 and a $50,000 tax is due on it—true, not to be paid until 1918, but charged as an obligation to the Government—how is that $50,000 the property of the company by which it could be the subject of a tax?

Mr. SMOOT. It is not the property of the company; it is the property of the Government of the United States, as I have said. The Senator is perfectly right.

Mr. LEWIS. Therefore it is not the subject of tax, and therefore it is not a tax upon a tax.

Mr. SMOOT. No. All they pay is upon the net profits. But now the senior Senator from North Dakota wants whatever tax there may be collected to be deducted the following year from the profits of that year.

Mr. LEWIS. I wish to ascertain whether I be right in my understanding of the Senator's contention. After this debt is due for 1917, it is the property of the Government, although the Government may not collect it until 1918. Therefore it is not the property of the citizen or the company to be the subject of a tax; it is practically the property of the Government, though the Government may not have collected it.

Mr. SMOOT. Yes.

Mr. LEWIS. It seems to me, therefore, that the position taken by the Senator from North Dakota that it is a tax upon a tax has no real foundation, because you can not tax that tax because it is not the property of the former holder; it has passed practically into the possession of the person who is to enjoy it.

Mr. SMOOT. The Senator takes the same position that I do in relation to the matter.

Mr. LEWIS. Does the Senator agree with me?

Mr. SMOOT. I agree with the Senator.

Mr. LEWIS. It seems to me that relieves the situation.

Mr. KING. Mr. President, will my colleague permit me to make an inquiry?

The PRESIDING OFFICER. Does the Senator from Utah yield to his colleague?

Mr. SMOOT. Yes.

Mr. KING. Was the estimate of the committee as to the revenue which would be derived from the war-profits tax based upon the assumption that the profits of corporations for the year 1916 would be $8,100,000,000?

Mr. SMOOT. The bill as reported to the Senate is based upon the supposition that the profits this year will be $8,000,000,000.

Mr. KING. The reason I make the inquiry is that the Senator from New Mexico [Mr. JONES] the other day in his speech averred that the profits would be $9,000,000,000, and I was wondering which basis was selected as the one upon which the calculations offered by the committee was predicated.

Mr. SMOOT. I will say to my colleague that the estimate, of course, is very indefinite. Some think that the amount will be $9,000,000,000. It is my opinion that if the Government is to regulate the prices charged by the steel corporations of the country, by the coal corporations of the country, by those who distribute fuel to the consumers, and if farm products are to be regulated as to price, the estimate of $8,000,000,000 will be quite high enough, and any estimate made above $8,000,000,000, I think, will fail in raising the amount of revenue expected.

Mr. KING. Mr. President, if my colleague will pardon me, I think he is entirely correct. I have been making some calculations myself, and I reached the conclusion that probably the profits would not reach eight billions, but certainly would not exceed them, in view of the regulatory policy which will be adopted by the Government.

Mr. SMOOT. Yes. Mr. President, I want to say that in my opinion the $8,000,000,000 will be the very limit of the profits for the year 1917.

It seems to me that this matter is so clear that there is hardly any necessity of discussing it any further; and I believe I will say no more, unless some Senator desires to ask a question.

Mr. SIMMONS. Mr. President, before we vote upon this particular section I wish to call the attention of Senators to the extreme importance of this provision in the bill which the Senator from North Dakota, who is a member of the committee, would strike out. My recollection is—I may be mistaken about that—that in the committee we gave very thorough consideration to the suggestion which the Senator from North Dakota now makes. My recollection is that, with the exception of that Senator, the committee was unanimously in favor of the provision as it is written in the bill.

The principle seemed to us to be a very clear one. There are some little complications in understanding it, growing out of the fact that the tax which is based upon the income of the calendar year 1917 is not actually paid until June, 1918; but brushing away those trifles, which are mere complications that affect the understanding of the question, I think the question which is presented to the Senate is this: After the taxpayer has paid his tax due in June, 1918, shall we permit him, when he goes to pay his tax in 1919, to deduct from his income the amount of the tax that he paid in the previous year?

I think that is the only question involved. It is exactly the same question that might be presented with reference to taxation in the States. The States impose certain taxes upon their citizens for the year 1918. We will say that those taxes are due and payable at the end of that year, in December, 1918. When those taxes are paid, I think, under the custom and practices of all the States, that transaction is considered as closed. That is the end of it. The citizen owed the Government so much tax for that year. He paid that tax. Now, the proposition of the Senator from North Dakota is that when that same citizen comes to pay his tax in 1919, he shall be permitted to deduct from his taxable income, for the purpose of ascertaining the tax he should pay, the tax which he paid the State in the previous year.

I do not think any State permits that. I do not see any reason why the Government should permit that. In this scheme of internal taxation that we have developed here, we allow the citizen a great many different kinds of exemptions. When he goes to pay his income tax he is permitted to deduct any tax that he has paid to the State and any tax that he has paid to the Government in that year. He is permitted to deduct from his income any tax that he may have paid by virtue of the excess profits tax that we have levied upon him. After he has made all of those deductions—and they cover everything, not only taxes but insurance, and interest, and certain losses, and the excess profits tax—after he has made all of those deductions, his final tax under this scheme is that which he pays upon his income. He pays that from March 1 to June 25. That is his final tax. Your committee thought that ended the transaction; that closed up the matter for that year; but the Senator from North Dakota does not agree to that.

The Senator from North Dakota says that next year, when he gets ready to pay his final tax, his income tax, he must be allowed a deduction from his income equal to the amount of money that he pays in taxes for the previous year. To my mind, the proposition is very simple; but it would be a very serious matter, so far as the revenues of the Government are concerned, if we were to allow that to be done.

The income tax that will be paid under the present law and under this bill as it was presented by the committee, and as it was amended here day before yesterday, will amount to about $1,300,000,000 for the fiscal year 1917; so that in the next year, when the taxpayers come to pay their taxes, they would be entitled to deduct from the net incomes of the Nation the enormous sum of $1,300,000,000. The tax upon that amount, roughly calculated, based altogether upon a general average—for we can not get at it except in that way—is based upon a general average of about 25 per cent. I think that is what the general average of the income-tax rate would be under the present law and the bill as it now stands, between 23 and 25 per cent. It would amount to something near $300,000,000; and that is the amount of revenue to this Government involved in the proposition of the Senator from North Dakota.

Mr. McCUMBER. Mr. President, will the Senator from North Carolina also inform us how much more we would save if we should also except the State and municipal taxes? Of course you would save something; but will the Senator tell us why we should not also except the State taxes and save that much more?

Mr. SIMMONS. I have just stated—I do not know whether the Senator was present or not—that the idea of the committee was that when a man pays his taxes for this year, that is the end of that transaction, and that in no State, so far as I know, do they permit that man the next year to deduct the tax that he paid for the previous year, and I do not see why that should be the case with the United States.

Mr. McCUMBER. It would depend upon whether the State has an income tax or not. We have been doing it.

Mr. SIMMONS. I know we have been doing it, and I think we have been very improperly doing it.

Mr. McCUMBER. What would the Senator do with a case like that which I mentioned, where a person one year, on the 1916 basis, this year pays the Government $5,000? Of course it is based on last year's assessment, but he pays it in 1917. Then suppose, when he makes out his return in 1918 prior to paying his tax of 1917 in 1918, he finds that he has just broken even; that he has made nothing at all. Would the Senator still insist that he should pay a tax on his expenses because part of the expenses were paid to the Government?

Mr. SIMMONS. I do not see any parallel between expenses and taxes.

Mr. McCUMBER. Are not taxes an expense?

Mr. SIMMONS. We allow a man to take out all of his expenses. We allow him to take out all of his taxes until he comes to his last final tax. When he comes to the last final tax, which is the income tax, all of these other taxes finally converging into that, that tax represents all of his property with all of his deductions. He pays it. The committee thinks that is the end of that transaction.

Mr. McCUMBER. I believe that some of the States have income taxes.

Mr. SIMMONS. I do not know of any. I know my State does not.

Mr. McCUMBER. If he pays his income tax to the State, he deducts it just the same. It is a tax. It is money paid out.

Why, Mr. President, it is just a simple proposition. You will get more money if you have a mind to be unjust; but the argument so far seems to have been based upon the assumption that if you get $50,000,000 in taxes this year, and you allow that to be deducted from the income of the parties who pay the taxes in their next year's return, the Government has lost that $50,000,000. Of course the Government will lose the tax that will have been paid upon the $50,000,000 if you are not allowed to deduct it as part of your expenses; but, Mr. President, I think it is far better that we have a sufficient income tax. I want to say to the Senator from North Carolina and to the Senator from Georgia if we need more of an income tax, then let us levy a greater income tax; but for heaven's sake let us not attempt to levy an income tax when there is no income upon which it can be levied. Let us not attempt to levy it upon expenses and call those expenses income simply because we will get more if we levy it upon those expenses. Increase your income-tax rates, if they are not sufficient, but do not tax the party who has made nothing, who has no income, upon a portion of his expenses because that portion of the expenses was paid to the Government of the United States.

That is practically all there is in it, Mr. President.

Mr. HOLLIS. Mr. President, I think the Senate owes a debt of gratitude to the Senator from North Dakota [Mr. McCUMBER] for bringing this matter sharply before the Senate so that it may be decided intelligently. I also think the Senate is indebted to the Finance Committee for making the matter plain.

I think that a majority of the Senators have not claimed this exemption when they have made up their income-tax returns for the current year; that is, they have not claimed an exemption for the income tax they paid the year before. Previously to this it has not made very much difference whether they did or not, because the income tax was not very large; but I can not see any matter of morals or justice or principle in it. It is a pure matter of expediency. If you so arrange the income tax this year that you allow those who pay it to take back a third of it next year, you have simply got to put on a bigger tax, and that is the result of it. You have got to allow them to deduct expenses anyway. Taxes are considered in a class by themselves, and we allow certain taxes to be deducted. For myself, I do not believe taxes should be deducted.

For example, one man lives in his own house. Another man lives in a rented house. The man who pays rent pays taxes just as much as the man who owns the house, because he has got to pay his landlord enough more rent so that the landlord can pay the taxes out of the rent. But we permit the man who owns the house and pays the taxes directly to make the deduction. I do not see why the man who pays the taxes in his rent should not be allowed to make the deduction just the same.

Therefore I am on the extreme of this case. I would not allow any taxes to be deducted; but I certainly can not see any expediency in laying an income tax this year, collecting it next spring, and then permitting a third or a quarter of it to be taken back the following year. I am therefore opposed to the amendment tendered by the Senator from North Dakota.

Mr. McCUMBER. The position of the Senator, then, is, of course, that we ought not to except any taxes—neither State taxes, municipal taxes, nor taxes paid to foreign governments—and none of those should go into our expense account.

Mr. HOLLIS. That would be my personal position. I do not understand that that is the position of the Senate. But there is a great difference, and it is a mere question of expediency, between allowing certain definite taxes to be taken out and allowing a part of what is paid in this year to be taken back next year. I can see a clear distinction.

Mr. McCUMBER. What would the Senator do in the case of a party who, having paid the taxes, finds that he has no net income? Would you still compel him to pay an income tax, which is presumed to be based upon a net income, when he has not got any net income?

Mr. HOLLIS. But that is his misfortune, if his income is so reduced the next year that he does not pay it. That has nothing to do with the justice of the tax.

Mr. McCUMBER. Well, I know; but, Mr. President, it has to do with whether this is an income tax or whether it is not

an income tax. If it is an income tax, it is presumed to be based upon a net income after paying expenses.

Mr. HOLLIS. For the current year. There are no expenses about it. The Senator has stated that a great many times. The taxpayer is not allowed to deduct any expenses of any kind. He is allowed merely to deduct certain specified things which include taxes. Now, taxes are not expenses. Taxes are payments.

Mr. McCUMBER. Then if a merchant has a stock of $100,000 of goods and the assessor of the State assesses him on $100,000 and he pays $5,000, as he would in some of our Western States with our high rate of taxation, the Senator would not count that $5,000 as part of the expenses of operating that business?

Mr. HOLLIS. Why, that is a matter of bookkeeping definition. He is not exempted on his taxes because they are an expense. He is exempted on his taxes because the Senate choose to exempt him on his taxes. Now, they might go further, but they never have.

Mr. McCUMBER. Why, the Senate have heretofore exempted him on his taxes because they recognized that all taxes paid were part of the necessary expenses of any business. Whether they are levied upon the business directly, as they are in many instances, or whether they are levied upon some other business, they are part of the expenses he has to meet every year.

Mr. HOLLIS. Not at all. The reason taxes have been exempted in cases of this kind is because the people who paid most of the taxes have been potent enough in legislation to get taxes exempted. That is the reason it was done. We followed a custom, a very poor custom, that had grown up. Now, these taxes were not allowed under the income-tax law to be exempted because they were expenses. If they had been, then you would have had to go further and allow the man for his rent, for his clerk hire, and so on, and all he would have been taxed on would be what he had left at the end of the year. But we tax him on what he spends for clerk hire, for rent, and for living expenses, and there is no reason to exempt them because they are an expense. That is not the reason.

Mr. McCUMBER. The Senator might find some basis for his argument in refusing to exempt his dwelling house, and so forth. That is something wholly disconnected from his business, because he might have a far more expensive dwelling house than was necessary; and there might be some basis for that argument. But, I am speaking now of this situation, I suppose it will be found that most of these taxes come from the business that produces the money to make the taxes. As I have said before, if a merchant were carrying a stock of $100,000, and he were assessed on $100,000, and the tax amounted, we will say, to $5,000, and after paying his clerks and his rent, his insurance, and this tax of $5,000 he found that he had not made anything, would you say that he had a net income from that business?

Mr. HOLLIS. No; but why should he be exempted on his taxes any more than on his clerk hire? Can the Senator give any logical reason for that?

Mr. McCUMBER. Why, he is exempted on his clerk hire. That is a part of his expenses.

Mr. HOLLIS. Not at all.

Mr. McCUMBER. Why, certainly it is—any expense that he pays out in his business is deducted from his gross income.

Mr. HOLLIS. In his business—that is true.

Mr. McCUMBER. I am speaking of his business.

Mr. HOLLIS. But it is not so for the rent he pays for his house, or for his household expenses.

Mr. McCUMBER. No; I am speaking now of the business. I admit that we might possibly and properly exclude his taxes upon his home; but the most of these income taxes, I repeat, come from business, and the business itself pays very heavy taxes in the State, in the municipality, and in the Government; and if it is a tax on that business, why on earth should not the party operating that business be allowed to deduct that tax as a part of the expenses of operating it?

Mr. HOLLIS. He should, if you will increase your percentage of taxation on his income enough to offset it. You have either got to impose a higher income tax or else you have got to exclude that from the deduction.

Mr. McCUMBER. Now, sir, the Senator entirely agrees with me. That is what I stated but a short time ago. If it is simply that we desire to get more money on the income tax, let us increase the rates on the income, but do not let us levy the tax on a part of the expenses.

Mr. HOLLIS. I do not agree with the Senator on that, because when you get the rates up as high as they are in this bill you can not increase them any more. Therefore I would cut out the exemption.

Mr. McCUMBER. But let us not do an injustice or create an inequality in the method of levying the income taxes. We had better levy them right, and levy enough, so that those who really and honestly have an income will pay a tax on that income; and those who, after having deducted all of their taxes, find that they have not any income at all, will be relieved from paying an income tax; that is all.

Mr. HOLLIS. The difference between the Senator and myself is that he considers it a matter of justice and principle and morals, and I do not. I consider it a pure matter of expediency. I want to raise so much money, and this is the way I would do it. I do not agree with him. He has made his position very plain, but I think the Senate does not adopt his view of it.

Mr. McCUMBER. It may be, Mr. President; but I fail to see yet how the Senator can possibly disagree with me. I certainly would not disagree with him if he said that he did not make one penny in his business and therefore ought not to pay taxes. If I should say that he would have made some money if he had not paid taxes, and therefore I would tax him on the taxes, I think he would be right in considering that I did not propose to treat him justly.

Mr. SHAFROTH. Mr. President, I think the confusion in which this matter has become involved arises from the fact that the law said the tax was payable in one year when the profit was earned in the preceding year. I take it that under the law as it is now there is no question but that income-tax payments would be excepted, as the Senator from North Dakota states; but if we are going to make exceptions I can not see why we could not make any exceptions we desired.

We are saying that the first $3,000 shall not be taxed now. That is in the act. That is arbitrary. It is not exact justice. Why make it three? Why not make it five? Why not make it one? There is an arbitrary amount fixed. In the same way, we could say that State taxes should not be allowed. We do say, by reason of a construction, that improvement taxes in cities are not to be allowed, and yet often they are not improvements at all. They are very heavy and burdensome at times, and yet they are not permitted to be offset against the amount of profits or income of the party.

This is a matter that is purely arbitrary. It can be fixed by Congress. While according to theory the word "income" might be used as strictly and literally the amount which a person receives over and above expenses, carrying out the theory of the Senator from North Dakota, yet in the effect of the bill that is practically immaterial, because if a certain amount of money is to be raised, inasmuch as Congress has the power to tax to the extent even of the value of all the property itself, it has a right to say what property shall be taxed, and how much it shall be taxed.

Under those circumstances it seems to me that to reconstruct this bill and set forth new and entirely different amounts and percentages of taxation would simply delay the matter enormously, and inasmuch as Congress has the power, and the power is exercised irrespective of individuals, without intent to harm any one person or any one corporation, it seems to me that we should let the amendment which the committee has proposed remain.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Dakota to the amendment of the committee.

Mr. McCUMBER. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. By an arrangement my pair has been transferred to the Senator from Montana [Mr. WALSH], so that both the Senator from New Jersey [Mr. FRELINGHUYSEN] and myself may vote. I vote "nay."

Mr. SMITH of Maryland (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM], which I transfer to the Senator from Oklahoma [Mr. OWEN] and vote "nay."

Mr. STERLING (when his name was called). I am paired with the Senator from South Carolina [Mr. SMITH]. That Senator not being present, I withhold my vote.

Mr. SHAFROTH (when Mr. THOMAS's name was called). I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness. I will state that he is paired with the senior Senator from North Dakota [Mr. MCCUMBER].

The roll call was concluded.

Mr. FLETCHER. I have a general pair with the senior Senator from New Hampshire [Mr. GALLINGER], which I transfer to the Senator from New Jersey [Mr. HUGHES] and vote "nay."

Mr. KENDRICK. I have a general pair with the senior Senator from New Mexico [Mr. FALL], which I transfer to the Senator from Arizona [Mr. SMITH] and vote "nay."

Mr. GORE. I am paired with the senior Senator from New York [Mr. WADSWORTH] and therefore withhold my vote.

Mr. MYERS. I have a pair with the Senator from Connecticut [Mr. MCLEAN], who is necessarily absent on account of illness. I transfer that pair to the Senator from Colorado [Mr. THOMAS], and under the arrangement which was announced yesterday by the Senator from North Dakota [Mr. MCCUMBER] the Senator from Connecticut [Mr. MCLEAN] will stand paired with the Senator from Colorado [Mr. THOMAS]. I vote "nay."

Mr. BECKHAM. I transfer my pair with the junior Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. VARDAMAN (after having voted in the negative). I ask if the junior Senator from Idaho [Mr. BRADY] has voted?

The PRESIDENT pro tempore. He has not.

Mr. VARDAMAN. I have a pair with that Senator. I transfer my pair to the Senator from Tennessee [Mr. SHIELDS] and let my vote stand.

Mr. FRELINGHUYSEN. I have a pair with the junior Senator from Montana [Mr. WALSH], which I transfer to the senior Senator from Wyoming [Mr. WARREN] and vote "nay."

Mr. KNOX. May I inquire if the senior Senator from Oregon [Mr. CHAMBERLAIN] has voted?

The PRESIDENT pro tempore. He has not.

Mr. KNOX. I withhold my vote, being paired with that Senator.

Mr. HUSTING. I wish to announce the unavoidable absence of the senior Senator from Oregon [Mr. CHAMBERLAIN] and the senior Senator from California [Mr. PHELAN] on official business.

Mr. JAMES. I inquire if the junior Senator from Massachusetts [Mr. WEEKS] has voted?

The PRESIDENT pro tempore. He has not.

Mr. JAMES. I have a pair with that Senator, which I transfer to the Senator from California [Mr. PHELAN] and vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Maine [Mr. FERNALD] with the Senator from South Dakota [Mr. JOHNSON];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from New York [Mr. WADSWORTH] with the Senator from Oklahoma [Mr. GORE]; and

The Senator from Pennsylvania [Mr. PENROSE] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 3, nays 57, as follows:

YEAS—8.

McCumber	Saulsbury	Sherman	

NAYS—57.

Ashurst	Hitchcock	McKellar	Shafroth
Bankhead	Hollis	McNary	Sheppard
Beckham	Husting	Martin	Simmons
Borah	James	Myers	Smith, Ga.
Broussard	Johnson, Cal.	Nelson	Smith, Md.
Calder	Jones, N. Mex.	New	Smith, Mich.
Colt	Jones, Wash.	Newlands	Smoot
Curtis	Kellogg	Norris	Swanson
Fletcher	Kendrick	Overman	Townsend
France	Kenyon	Page	Trammell
Frelinghuysen	King	Pittman	Vardaman
Gerry	Kirby	Poindexter	Watson
Gronna	La Follette	Pomerene	
Hale	Lewis	Ransdell	
Hardwick	Lodge	Robinson	

NOT VOTING—36.

Brady	Goff	Phelan	Thompson
Brandegee	Gore	Reed	Tillman
Chamberlain	Harding	Shields	Underwood
Culberson	Hughes	Smith, Ariz.	Wadsworth
Cummins	Johnson, S. Dak.	Smith, S. C.	Walsh
Dillingham	Knox	Sterling	Warren
Fall	McLean	Stone	Weeks
Fernald	Owen	Sutherland	Williams
Gallinger	Penrose	Thomas	Wolcott

So Mr. MCCUMBER's amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment of the committee was agreed to.

The next amendment was, on page 101, after line 2, to insert:

SEC. 1201. (1) That paragraphs 2 and 3 of subdivision (a) of section 5 of such act of September 8, 1916, are hereby amended to read as follows:

"Second. All interest paid within the year on his indebtedness except on indebtedness incurred for the purchase of obligations or securities the interest upon which is exempt from taxation as income under this title;

"Third. Taxes paid within the year imposed by the authority of the United States (except income and excess profits taxes) or of its Territories, or possessions, or any foreign country, or by the authority of any State, county, school district, or municipality, or other taxing subdivision of any State, not including those assessed against local benefits;"

(2) Subdivision (c) of section 5 of such act of September 8, 1916, is hereby repealed.

The amendment was agreed to.

The next amendment was, on page 101, after line 18, to insert:

SEC. 1202. That (1) paragraphs 2 and 4 of subdivision (a) of section 6 of such act of September 8, 1916, are hereby amended to read as follows:

"Second. The proportion of all interest paid within the year by such person on his indebtedness (except on indebtedness incurred for the purchase of obligations or securities the interest upon which is exempt from taxation as income under this title) which the gross amount of his income for the year derived from sources within the United States bears to the gross amount of his income for the year derived from all sources within and without the United States, but this deduction shall be allowed only if such person includes in the return required by section 8 all the information necessary for its calculation;

"Third. Taxes paid within the year imposed by the authority of the United States (except income and excess profits taxes), or of its Territories, or possessions, or by the authority of any State, county, school district, or municipality, or other taxing subdivision of any State, paid within the United States, not including those assessed against local benefits;"

(2) Subdivision (b) of section 6 of such act of September 8, 1916, is hereby amended to read as follows:

"(b) There shall also be allowed the same credit as specified in subdivision (b) of section 5, and likewise a credit for the amount of income, the normal tax on which has been paid or withheld for payment at the source of the income under the provisions of this title."

(3) Section 6 of such act of September 8, 1916, is also further amended by adding a new subdivision to read as follows:

"(c) A nonresident alien individual shall receive the benefit of the deductions and credits provided for in this section only by filing or causing to be filed with the collector of internal revenue a true and accurate return of his total income, received from all sources, corporate or otherwise, in the United States, in the manner prescribed by this title; and in case of his failure to file such return the collector shall collect the tax on such income, and all property belonging to such nonresident alien individual shall be liable to distraint for the tax."

The Secretary having read the amendment to line 16 on page 101,

Mr. MCCUMBER. I move to strike out all between lines 10 and 16, which is the third proposition. That would cover all taxes paid and would not authorize the deduction from incomes of any taxes. Of course, I do not know that anything that I could say would have any effect. I simply desire, even though I stand alone, to make the bill as logical as I can. If there is objection to striking out one kind of tax I can see no objection to striking out all kinds of taxes. The reasons are exactly the same. If there is reason for striking out one character of Federal taxes there is equal reason for striking out another character of Federal taxes. I do not know that I can ask any Senator to pay attention to it, but I wish to call attention to the fact that you are not allowed to except from your deduction all taxes paid to the Government, but only certain kinds. It reads:

Taxes paid within the year imposed by the authority of the United States (except income and war-profits taxes).

There are a number of other taxes that you pay to the United States besides income and war-profits taxes. I should like to ask some Senator to explain to me why those should not also be excepted.

Mr. JONES of New Mexico. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from New Mexico?

Mr. MCCUMBER. Certainly.

Mr. JONES of New Mexico. It seems to me, Mr. President, that the Senator from North Dakota does not really take into consideration the proper definition of net income and does not realize the real function of a tax upon net incomes. For the purpose of this bill we are now proposing to put a tax upon incomes for the year 1917 for the first time. We propose to ascertain the amount of net incomes accumulated during the year 1917. It is proposed to take a part of that net income by way of revenue to the Government.

If the Senator's theory is correct, then the net income accumulated during the year 1917 would pay no part of itself to the Government as revenue. It would entirely escape and exempt taxes paid to the State or to any municipality, because that is an expense of doing business in the year 1917. But at the end of the year when the net income is made up no income on excess-profits taxes has been paid to the Government. The income of that year represents the net earnings after deducting the local taxes, and it is of that net earnings that this bill proposes to take a part. The fact that it is payable next spring does not affect the transaction, but it is taking a part of the net income this year by reason of the fact that the income was earned in this year. The tax of the Federal Government is not

a part of the expense of business in accumulating the income the same as other taxes, but it is a part of the income itself, and is not an item which can properly be charged to expense, because we are supposed to take a part of the thing which has accumulated at the end of the business year.

Mr. McCUMBER. Mr. President, as a post mortem argument the Senator's statements are very interesting, but inasmuch as the proposition to make the law just and logical has already been defeated, it has little application at the present time and no application whatever to the point that I was making. The point that I was making, and I hope the Senator will be able to comprehend it, was that you excepted a certain character of Federal tax which you were not allowed to deduct, but you are allowed to deduct any other Federal taxes. For instance, you pay a tax on your automobile for 1917, and when you make out the returns in 1918 you are allowed to deduct that tax. That tax has not the slightest thing to do with your business. It is a tax on your pleasure only. You do not need to enjoy that particular character of pleasure if you do not wish to do it, and if you do wish it, it is very appropriate of course that you should pay a tax on it.

But according to the very weighty arguments that were given a short time ago against the other proposition, it really seems ridiculous to allow you to deduct that tax which you pay for automobiles in order to determine what your income for the next year will be. That is exactly what you do here, and that is why I call the attention of the Senate to it, so that it could strike it out and at least be consistent.

Mr. JONES of New Mexico. Mr. President, the reference to the particular item of the tax on automobiles would seem somewhat to bear out the contention of the Senator.

Mr. McCUMBER. Only seem?

Mr. JONES of New Mexico. But that tax is quite apart from the ordinary Federal taxes such as the general tax for doing business and so forth. I think even the first reason given by the Senator does not militate against a general proposition that an income tax is a part of the income. It may be that the particular tax on automobiles—a mere pleasure—should not properly be exempted; but that is different from the ordinary Federal taxes, and it is such a small item that it seems to me no distinction should be made between that small item of taxes which in a way is an expense in doing business. The automobile to-day is not wholly a pleasure machine. I imagine the Senator may use a machine in doing his business. I do not know whether he does or not, but some Senators, at least in performing their duties here, use a machine for the purpose of carrying on their ordinary avocations, and in a sense at least it is chargeable as a part of the expense of doing business within the year. But that is wholly different from an income tax which proposes to take a part of the identical income which came in during the year.

Mr. McCUMBER. Oh, Mr. President, every Senator spends a great deal of money in stationery, stamps, and other matters that are connected with his official business, but he never for a moment thinks of charging those expenses up as a matter of deduction in his taxes. Now, let me present it to the Senator in another way. We levy a tax of 8 cents on every pack of cards. Since the days of auction bridge there has been considerable increase in the playing-card business. Every manufacturer of cards will immediately tack 8 cents more to the price of a pack of cards, probably 10 cents to pay the interest on his money invested in taxes. Yet the tax that the manufacturers pay upon that is a Federal tax.

Now, according to the strict letter of that law they can deduct that tax—first collect it from the public and then deduct it, because the only taxes of the Government which they are not allowed to deduct are income and excess-profits taxes. All other Federal taxes they can deduct.

Of course I can see logically an inconsistency, and if we insist that it shall be unjust and inconsistent in some particulars it would be consistent that it should be unjust and inconsistent in other particulars.

Mr. JONES of New Mexico. The Senator, however, will agree that the payment of taxes under those circumstances is a part of the expense of carrying on the business and takes away a part of the earnings and thus reduces the net income.

Mr. McCUMBER. The Senator is attempting to draw a very delicate distinction which not even his own acute mind, I think, can fully grasp.

I simply move to strike out the paragraph that they may be all put upon exactly the same basis. I think if we exempt one kind of Federal taxes we should exempt all taxes paid to the Government.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from North Dakota to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. McCUMBER. I wish to offer another amendment. After the word "the," in line 11, I move to strike out the balance of that line and line 12 down to the word "Territories," so that it will read:

Third. Taxes paid within the year imposed by the authority of the Territories or possessions, or by the authority of any State, county, school district, or municipality, or other taxing subdivision of any State, paid within the United States—

And so forth.

That would clear up the matter and would prevent the deduction of any Federal tax.

The PRESIDENT pro tempore. The question is on agreeing to the amendment presented by the Senator from North Dakota to the amendment.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

Mr. McCUMBER. I did not hear the Secretary read subdivision 2 and following on page 102.

The PRESIDENT pro tempore. The Secretary was stopped at that point for the purpose of permitting the Senator to offer his amendment. The amendment of the committee has been agreed to.

Mr. McCUMBER. Then, if I understand the Chair, the agreement will reach down to line 14 on page 103.

The PRESIDENT pro tempore. That was the effect of the vote, as the Chair understands it.

Mr. McCUMBER. I see there are matters in that part of the section that will need some consideration, but I shall not urge it at this time.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 103, after line 13, to insert:

SEC. 1203. (1) That section seven of such act of September 8, 1916, is hereby amended to read as follows:

"SEC. 7. That for the purpose of the normal tax only, there shall be allowed as an exemption in the nature of a deduction from the amount of the net income of each citizen or resident of the United States, ascertained as provided herein, the sum of $3,000, plus $1,000 additional if the person making the return be a head of a family or a married man with a wife living with him, or plus the sum of $1,000 additional if the person making the return be a married woman with a husband living with her; but in no event shall this additional exemption of $1,000 be deducted by both a husband and a wife: *Provided*, That only one deduction of $4,000 shall be made from the aggregate income of both husband and wife when living together: *Provided further*, That if the person making the return is the head of a family there shall be an additional exemption of $200 for each child dependent upon such person, if under 18 years of age, or if incapable of self-support because mentally or physically defective, but this provision shall operate only in the case of one parent in the same family: *Provided further*, That guardians or trustees shall be allowed to make this personal exemption as to income derived from the property of which such guardian or trustee has charge in favor of each ward or cestui que trust: *Provided further*, That in no event shall a ward or cestui que trust be allowed a greater personal exemption than $3,000, or, if married, $4,000, as provided in this section, from the amount of net income received from all sources. There shall also be allowed an exemption from the amount of the net income of estates of deceased citizens or residents of the United States during the period of administration or settlement, and of trust or other estates of citizens or residents of the United States the income of which is not distributed annually or regularly under the provisions of subdivision (b) of section 2, the sum of $3,000, including such deductions as are allowed under section 5."

(2) Subdivision (b) of section 7 of such act of September 8, 1916, is hereby repealed.

Mr. McCUMBER. I desire to call especially the attention of the Senator from New Hampshire [Mr. HOLLIS] to the fact that there probably are some provisions of the bill which appear upon their face to have been drawn for the special advantage of citizens of greater wealth. I call attention to the provision at the top of page 104.

Provided, That only one deduction of $4,000 shall be made from the aggregate income of both husband and wife when living together.

In other words, if they are not living together each of them may have a deduction of $4,000. According to this they can each have a deduction if they are not living together. That is the clear reading of the law.

Of course, among the average American people a man and his wife generally live together, but of late years, through the liberality of the divorce laws, among the higher and wealthier class there are a great many husbands and wives who are not living together. They would be allowed, according to the clear letter of this law, an exemption greater than would be allowed poorer mortals who, though they may have some little temperamental disagreements, are nevertheless required by the

law of necessity to live together and get along as best they can. It seems to me that those who are criticizing this bill on the ground that it is drawn for the benefit of the wealthy, and especially the wealthy divorcees, might find some ground of argument on that proposition.

Mr. TRAMMELL. Mr. President, I desire to make an inquiry of the chairman of the committee as to what construction he places upon the provision of the section of the bill which has just been read in connection with the provisions of section 3 as to the exemption of $1,000 for unmarried persons and of $2,000 for married persons as against the additional tax which is proposed by section 1 of the measure? In other words, Mr. President, I desire to know if section 3, in view of the provision that an exemption shall be allowed only upon the normal tax, would interfere with or bar a person from having the exemption provided in section 2 of the bill up to the extent of $1,000 in the case of unmarried persons and of $2,000 in the case of married persons?

Mr. SIMMONS. I will suggest to the Senator from Florida that this amendment has absolutely no connection with the section of the bill to which he refers. This is merely an amendment to the existing income-tax law; it is not an amendment to the part of the bill which relates to the additional taxes.

Mr. TRAMMELL. That is very true, Mr. President, but section 3 of the bill refers to the particular section of the present law which we are now amending and provides a method by which to determine the manner in which the exemption shall be made; it refers to the method prescribed therein for determining the exemption. Therefore in construing this law section 3 will be construed with the amendment to section 7 of the present law.

Mr. SIMMONS. I thought the Senator was referring to the amount. Of course, the method of making the exemptions and deductions will be the same as under the old law, because we provide that the method shall be the same as provided in that law. I thought the Senator was referring to the amounts allowed by way of exemption in the old law.

Mr. TRAMMELL. The matter I desired to be sure of, Mr. President, was that the wording of the amended section 7, where it is stated that the exemption shall be made from the normal tax only, would not exclude the exemptions as provided in section 3 of the bill which we are now considering, which provides an exemption of $1,000 for unmarried persons and of $2,000 for married persons.

Mr. SIMMONS. There is no change from the existing law; that is the present law. The only change on that page is in line 1, page 2, where we add the words "individual, a citizen or resident of the United States." In other respects that part of the section is the same as the present law. We added the words "citizen or resident of the United States" to meet the case of our eliminating the exemptions allowed to nonresident aliens.

Mr. TRAMMELL. Mr. President, the point I had in mind was that the present law makes the exemption by a certain amount for married and unmarried persons.

Mr. SIMMONS. It does.

Mr. TRAMMELL. It makes that exemption from the normal tax only and not from the additional tax, which is provided in the additional law. Now, we are dealing with a new character of taxation, and the taxation with which we are now dealing would not come under the category of the normal tax but would be an extra tax. This provision is that the exemption shall be made from the normal tax. I have been rather impressed, however, from the wording of section 3 that it must have been the purpose and intention of the committee that the exemption should be authorized and prevail not merely as to the normal tax, which is not the tax that we are imposing in this bill, but as to the tax imposed by the original income-tax measure; that that should be exempt up to the amount specified in this bill and that it should not be restricted merely to the normal income tax. I desire to know the purpose and object of the committee on that point.

Mr. SIMMONS. Mr. President, I think the Senator from Florida is somewhat confused about that matter, though he may not be. There is a normal tax in the present law; there is an additional normal tax in the pending bill. The exemptions both in the pending bill and in the existing law are only exemptions from the normal tax. Neither of them are exemptions from the surtax, but only from the normal tax.

Mr. TRAMMELL. It is not the object and purpose, then, to allow the exemptions to apply to the additional tax which is being imposed by this particular bill?

Mr. SIMMONS. Except the additional normal tax.

Mr. TRAMMELL. Well, Mr. President, I do not quite understand where we have an additional normal tax.

Mr. SIMMONS. It is a new normal tax. The present law, if the Senator will pardon me, imposes a normal tax upon individuals of 2 per cent; this bill places an additional normal tax upon individuals of 2 per cent, which will make the rate, if this bill becomes a law, 4 per cent normal tax instead of 2 per cent normal tax as under the present law.

Mr. CURTIS. Then, Mr. President, the exemption in section 3, as I understand the Senator, applies to the extra 2 per cent normal tax?

Mr. SIMMONS. This is an amendment to the present law.

Mr. CURTIS. I understand that; but section 7 of the present law allows exemption on the normal tax of $4,000 to a married person.

Mr. SIMMONS. On the 2 per cent tax under the present law.

Mr. CURTIS. On the 2 per cent tax under the present law.

Mr. SIMMONS. And in this bill there are allowed exemptions on $1,000 and $2,000.

Mr. CURTIS. On the extra tax?

Mr. SIMMONS. On the extra normal tax of 2 per cent.

Mr. CURTIS. That is as I understood it.

Mr. TRAMMELL. It is my understanding, then, from the Senator's explanation——

Mr. SIMMONS. We have two systems running together. Under each one there will be a normal tax of 2 per cent. The normal tax under the present law will be subject to deductions of $3,000 and $4,000, and the normal tax under the new law will be subject to deductions of only $1,000 and $2,000.

Mr. TRAMMELL. That is the information I desired to procure—as to whether or not that applied to the original normal tax provided for in the law of 1916, and also as provided for in the pending measure. It applies to both, as I understand the chairman of the committee?

Mr. SIMMONS. It applies to both, but the exemptions are different.

Mr. TRAMMELL. That is the information I desired.

Mr. KING. Mr. President, I want to ask the chairman of the committee if the reasons were sufficiently overwhelming to the committee to prevent a consolidation of those two sections with respect to the exemptions? The chairman has very well said that we are running two systems parallel, one imposing a tax of 2 per cent and the other a tax of 2 per cent, but that the exemptions differ. It seems to me it would have obviated a great deal of complication and complexity in the internal-revenue office in assessing the taxes if there could have been a union of the methods of the two laws for the purpose of determining the income tax to be imposed upon individuals.

Mr. SIMMONS. I will say to the Senator from Utah that this bill is in all of its provisions and in all of its titles distinctively a war tax. It is expected that as soon as the war conditions have passed away this part of our internal system of taxation will disappear from our statute books, allowing the laws that we have enacted taxing incomes and excess profits to remain as they were under the old law—that is, not as to excess profits, because we repeal that altogether; the excess profits tax that is now on the statute books, as the Senator understands, being put on as a war tax, so that it was easy to consolidate that, and we did it; but the income tax which we now have is not a war tax; it is a permanent peace-time tax, and we tried to keep them separate, so that when the conditions calling for this extraordinary amount of revenue shall have passed away we can dispose of these taxes without interfering with the present law and without making it necessary to enact a new system.

Mr. SMOOT. Mr. President, my colleague [Mr. KING] was not in the Senate Chamber the other day when this question arose, and I want simply to add one word to what the chairman of the committee [Mr. SIMMONS] has already said. This bill has been written with a view that it may be repealed at any time and not interfere with the present law, with the single exception of the excess war-profits tax, which we may not want to have as a part of our present system. If it had not been for that we could have written this bill in a very much more compact form than it is; but the committee thought when they first began to prepare the bill that the only way to do so was to so frame it that, if desired, it could be repealed on any day or in any year and not interfere with the present taxing system.

Mr. KING. If my colleague will permit me, I anticipated that that was the reason which prompted the committee to try to keep parallel the two systems of taxation; yet it seems to me that the reasons assigned by the chairman of the committee and by my colleague are not sufficient justification for the maintenance of this system, because as soon as this war is over it is obvious that the old law, even if the act we are passing now expires by limitation, will not be adequate to meet changed condi-

tions, but a new revenue law will have to be passed that will make drastic changes in the existing law.

Mr. SMOOT. I think, Mr. President, that it will only be in the rates and not in the items or articles to which the tax shall be applied or the agencies which will be required to pay it.

Mr. KING. I hope my colleague is right; but I feel persuaded that after this war is over, with the tremendous burden that will rest upon the country even in peace times, new fields of taxation will have to be entered upon and largely increased taxes will be required from the funds of the people. So it would seem to me that if we had one consolidated uniform system of raising the revenues now under one bill it would avoid much complication and uncertainty. The fact that there will be required a new system of taxation, entering upon different and new fields after the war is over, will necessitate, of course, a change of the existing law, and therefore the system now proposed is hardly warranted.

Mr. SMOOT. I agree with my colleague that the expenses of the Government after the close of the war for many years will be very great indeed; but I believe, Mr. President, that the taxes that will be collected at the close of the war will be collected from a very few sources. It would not surprise me at all to see all of them collected from incomes, from excess profits, from tobacco, and, if we do not have nation-wide prohibition, from liquors and beer, and that class of manufactured products.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment reported by the committee.

The SECRETARY. On page 105, after line 5, the committee proposes to insert a new section, as follows:

SEC. 1204. (1) That subdivisions (c) and (e) of section 8 of such act of September 8, 1916, are hereby amended to read as follows:

"(c) Guardians, trustees, executors, administrators, receivers, conservators, and all persons, corporations, or associations acting in any fiduciary capacity shall make and render a return of the income of the person, trust, or estate for whom or which they act, and be subject to all the provisions of this title which apply to individuals. Such fiduciary shall make oath that he has sufficient knowledge of the affairs of such person, trust, or estate to enable him to make such return and that the same is, to the best of his knowledge and belief, true and correct, and be subject to all the provisions of this title which apply to individuals: *Provided*, That a return made by one of two or more joint fiduciaries filed in the district where such fiduciary resides, under such regulations as the Secretary of the Treasury may prescribe, shall be a sufficient compliance with the requirements of this paragraph: *Provided further*, That no return of income not exceeding $3,000 shall be required except as in this title otherwise provided.

"(e) Persons carrying on business in partnership shall be liable for income tax only in their individual capacity, and the share of the profits of the partnership to which any taxable partner would be entitled if the same were divided, whether divided or otherwise, shall be returned for taxation and the tax paid under the provisions of this title: *Provided*, That from the net distributive interests on which the individual members shall be liable for tax, normal and additional, there shall be excluded their proportionate shares received from interest on the obligations of a State or any political or taxing subdivision thereof, and upon the obligations of the United States and its possessions, and that for the purpose of computing the normal tax there shall be allowed a credit, as provided by section 5, subdivision (b), for their proportionate share of the profits derived from dividends. Such partnership, when requested by the Commissioner of Internal Revenue or any district collector, shall render a correct return of the earnings, profits, and income of the partnership, except income exempt under section 4 of this act, setting forth the item of the gross income and the deductions and credits allowed by this title, and the names and addresses of the individuals who would be entitled to the net earnings, profits, and income, if distributed. A partnership shall have the same privilege of fixing and making returns upon the basis of its own fiscal year as is accorded to corporations under this title. The share of the profits of a partnership to which any taxable partner would be entitled for a fiscal year ending in 1916, or subsequent tax years for which the rates of tax have been or shall be changed by law, shall be returned for taxation and the tax paid under the respective rates applicable to each calendar year in the proportion that the period of each calendar year bears to the full fiscal year."

(2) Subdivision (d) of section 8 of such act of September 8, 1916, is hereby repealed.

Mr. McCUMBER. Mr. President, I wish to call the attention of the Senate as well as the attention of the chairman of the committee to a difference in the treatment between persons carrying on business as corporations and persons carrying on business in the form of partnerships or unincorporated associations. It will be observed, as was stated by the Senator from Minnesota this morning—and I should like the attention of the Senate to this proposition—that under subdivision (e):

Persons carrying on business in partnership shall be liable for income tax only in their individual capacity, and the share of the profits of the partnership to which any taxable partner would be entitled if the same were divided, whether divided or otherwise, shall be returned for taxation and the tax paid under the provisions of this title.

The Senator from New Mexico [Mr. JONES] will recall that this matter was up before the committee, and I think at that time he agreed with me that so far as corporation business was concerned it should be treated exactly the same as a like business carried on by a partnership and that there should not be accorded to one class exemptions not accorded to the other.

There are but few Senators in this Chamber, Mr. President, and inasmuch as this vote will be a vote of the confidence generally in the committee rather than a vote upon the merits of the question I would prefer to have the attention of Senators who are in the Chamber at this time as to this proposition, and may I ask the Senator from Ohio [Mr. POMERENE], who always gives to these subjects the benefit of careful thought and a sense of justice, to give attention to the distinction that is made by the committee between partnerships and corporations?

Here is a partnership carrying on a business and earning $100,000 a year; it has invested, we will say, $500,000 of capital. Here is another institution operated by a corporation; it also invests $500,000 in capital and divides it among the several stockholders by the issue of stock. They both do exactly the same kind of business; they may be trading side by side; one of them earns a hundred thousand dollars and the other one earns a hundred thousand dollars. Every dollar of that $100,000 earned by the partnership is taxed to the last penny in an ascending scale. If there are two partners, they pay on $50,000 each; if there are 20, on one-tenth of that amount, or $5,000 each; and this is paid though not a dollar is distributed. Now, how about the corporation? This is what governs the corporation:

The tax imposed by this subdivision shall not apply to that portion of such undistributed net income which is actually invested and employed in the business or is retained for employment in the reasonable requirements of the business: *Provided*, That if the Secretary of the Treasury ascertains and finds that any portion of such amount so retained at any time for employment in the business is not so employed or is not reasonably required in the business a tax of 15 per cent shall be levied, assessed, collected, and paid thereon—

The business of each is exactly the same; it becomes necessary on the part of the partnership, because of the character of its business, because of the demands of the Government for the ensuing year, that it shall put to surplus and reinvest in betterments, to answer the demands of the trade for the ensuing year, every dollar of its income for that year; and yet it is taxed to the full limit, to the last penny. If the corporation finds that it must do exactly the same thing, the corporation does not pay one penny of tax on its undistributed profits. The partnership pays on every dollar. There is, of course, a 6 per cent tax generally applied to corporations and not applied to partnerships; but upon the undistributed portion the corporations are allowed to go practically scot free, while the partnership is taxed to the last cent. I want to ask any Senator if he regards that as just and fair?

There is no possible excuse for it; there is no reason for it, if the business is exactly the same. The reason is altogether the other way. Every partner is responsible to the last penny he has on earth for every dollar of indebtedness of the partnership, while the corporation stockholder is not responsible for one penny of debt, and yet it is proposed to give him that preference, and to lay this heavy tax upon the members of a partnership.

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from North Dakota yield to the Senator from Utah?

Mr. McCUMBER. I yield.

Mr. KING. That would have a tendency, would it not, under the Senator's construction, to force partnerships to become corporations, if there is a greater burden imposed upon partnerships than there is upon corporations?

Mr. McCUMBER. Yes; but they can not escape the injustice this year. The partnership has not been changed into a corporation at the present time. There may be reasons why it can not conveniently change. Naturally, of course, if a partnership could escape the burden by incorporating, it would do so; but it can not escape the tax that is placed upon it in the year 1917 by taking out articles of incorporation in 1918.

Mr. KING. Mr. President, will the Senator pardon another inquiry?

Mr. McCUMBER. Certainly.

Mr. KING. If the amendment offered by the Senator from New Mexico were adopted, that would tend to cure the evil of which the Senator is now complaining, would it not?

Mr. McCUMBER. Which amendment?

Mr. KING. I refer to the amendment suggested by the Senator from New Mexico.

Mr. McCUMBER. Does the Senator mean the amendment in regard to the corporation tax?

Mr. KING. No. As I understood the Senator from New Mexico——

Mr. McCUMBER. The Senator refers probably to the tax on undistributed corporate income.

Mr. KING. Yes; would not that tend to cure the evil of which the Senator complains?

Mr. McCUMBER. It would tend possibly in some instances to compel a distribution, but that was not the basis on which the Senator from New Mexico urged that tax. I think his claim was a very fair one, namely, that he was not seeking to force a distribution, because he recognized that in many cases the money ought to be reinvested; but he took the position—and it was a logical position—that it was nevertheless an earning; it was a profit, and as the bill seeks to impose a tax on profits the corporation should pay that tax whether its income is distributed or not. I think he agrees with me that the same principle ought to apply to partnerships. There were some reasons why I did not agree entirely with the Senator from New Mexico. I believe to-day that the very best interests of the Government demand that everything possible should be allowed to go into capital this year and become income-bearing for the next year, to help out this country in the great necessities that are bound to confront it, when we will have to levy much heavier taxes. For that reason, my inclination was to be light on the first year's levy, to get all that I could into capital of this year's earnings that I might have more to levy my tax upon for the ensuing years, when there would be a heavy demand for greater taxation. In principle, there is no difference between the Senator from New Mexico and myself in regard to the logic upon which he claimed to tax these undivided incomes.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from New Mexico?

Mr. McCUMBER. I do.

Mr. JONES of New Mexico. I should like to ask the Senator if he knows of any reason why a surtax should be waived in favor of a corporation, so as to enable it to keep in its business more money, any more than any other tax?

Mr. McCUMBER. Yes, Mr. President; I see this difference: If I am a member of a corporation or even a member of a partnership which earns for me, we will say, $20.000 this year, and I draw out that $20,000 and spend it in excessive living, the Government has gotten no good out of it. If I put that $20,000 into an extension of my plant whereby I can produce more for the Government next year, and will produce more, and will thereby pay a greater tax next year, I can see how it would be beneficial to the Government that this money should be reinvested, and the Government might well excuse me from a tax on it on condition that I do not use the money for my own personal use, but use it in such a way that the Government will get something out of it next year.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota further yield to the Senator from New Mexico?

Mr. McCUMBER. I do.

Mr. JONES of New Mexico. The Senator realizes, of course, that this bill does not provide for any surtax upon undistributed corporate net income, regardless of the kind of corporation which may have the net income; does he not?

Mr. McCUMBER. I understand the proposition.

Mr. JONES of New Mexico. Can the Senator explain to me what good it will do to the Government to permit a corporation engaged in the brokerage business to retain its net income without the payment of a surtax?

Mr. McCUMBER. And therefore the Senator very wisely, in his proffered amendment, made a distinction, and provided for a deduction to those corporations which produced something for the benefit of the Government.

Mr. JONES of New Mexico. But the Senator must recall that that was eliminated from this bill.

Mr. McCUMBER. Yes.

Mr. JONES of New Mexico. And the bill as it now stands exempts all corporations, regardless of the purpose for which they are organized, from the payment of any surtax on the retained and undistributed net income; does it not?

Mr. McCUMBER. Yes. I think it would be better if it applied only to those corporations which actually produced something from which the Government could derive a benefit for the ensuing year.

Mr. JONES of New Mexico. Then the Senator is contending that the Government ought to remit a part of the income tax in favor of corporations which are willing to keep the money and use it in their business? He is willing that that shall be done, and he goes further and insists that partnerships should be permitted the same privilege.

Mr. McCUMBER. If the one is permitted the privilege, certainly the other should be. That is my position.

Mr. JONES of New Mexico. Then I will ask the Senator further what he would suggest as to individuals who are engaged in business?

Mr. McCUMBER. Exactly the same thing.

Mr. JONES of New Mexico. The individual engaged in business, whether he takes his money out of the business or not, must pay a surtax upon his income; and I will ask the Senator if he would likewise want to exempt the individual?

Mr. McCUMBER. The Senator will recall that in committee I took the position that the matter was one which should be applied to the business, and that all businesses of the same character should be treated the same, whether they were operated by an individual, by a partnership, or by a corporation; and I still take the same position. But I can not get all that I want in this bill. I tried to get a little matter of justice in it a short time ago; and while the Senators were at luncheon, and heard nothing of the argument, they immediately came back to the voting, and, not wishing to disturb themselves about ascertaining what had been said, voted, as we often do, to sustain whatever the committee had recommended. I possibly could get little more hearing upon this proposition, but I feel that I will not have done my duty until I present that injustice and attempt to correct it in some way.

I have had quite a number of Senators tell me upon the other amendment that I was absolutely right in explaining it, and that they would vote with me upon it; but when it came to the vote it seemed to be going the other way, and the numbers on my side seemed to be so few that they lost their courage to stand by their convictions. There is magic in majorities, and that magic seemed to weigh very much in the scale in the vote upon that proposition. But here is a proposition which every Senator will acknowledge to be an injustice. Now, will you attempt to correct it? Will any Senator have the audacity to stand upon his feet to-day and say that if a corporation is doing a certain kind of business it can retain every dollar that it earns and put it into an extension of its business without the payment of a penny of tax, while if the same business is operated by a partnership the individual partners must pay a tax upon every dollar of their earnings, even though every dollar goes back into the concern?

I know a number of partnerships which this year will make good, fair money, and I know that practically everything they make will go right into betterments; but each partner must pay the full tax due upon the net earnings whether they go into the business for the benefit of the Government in the ensuing year or not.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. McCUMBER. I yield to the Senator.

Mr. SMOOT. I do not know whether the Senator has yet referred to the fact that the committee undertook to equalize the taxes between the partnership and the corporation by imposing an additional normal tax upon corporations that is not imposed upon partnerships or individuals.

Mr. McCUMBER. I mentioned the fact, and the Senator heard me, that they imposed a tax of 6 per cent upon corporations. That is 4 per cent in addition to the present corporation tax.

Mr. SMOOT. That is right.

Mr. McCUMBER. But that does not equalize it.

Mr. SMOOT. I think it would equalize it, because only 2 per cent increase of the normal tax upon the corporations of the country would raise $180,000,000.

Mr. McCUMBER. All right. Now, let us suppose that that is true—that that 2 per cent increase raises an additional $180,000,000.

Mr. SMOOT. And I will say to the Senator now that I do not believe there are undistributed profits in all the partnerships of the United States amounting to that much—$180,000,000 a year.

Mr. McCUMBER. Well, suppose that is true: If 98 per cent of the business was carried on by corporations and only 2 per cent was carried on by partnerships, would the Senator expect to secure as great a tax from the 2 per cent as he would from the 98 per cent?

Mr. SMOOT. The Senator must have misunderstood me. I said that the amount of the 2 per cent tax on corporations was greater than all of the profits that had been undistributed by all the partnerships of this country—not that the tax upon partnerships amounted to $180,000,000, but that the undistributed profits would not amount to $180,000,000, whereas the 2 per cent tax upon the corporations of the country does amount to $180,000,000.

Mr. McCUMBER. Well, suppose that were true. That is true simply because the vast proportion of the business of the

country is carried on by corporations. But suppose 90 per cent of the business is carried on by corporations and 10 per cent is carried on by individuals and by partnerships, would you make a different rule concerning the business carried on by that 10 per cent than you would for the 90 per cent? Would you make the 10 per cent pay a tax on every dollar that they earned, although it went right back into the business, while you would excuse the 90 per cent entirely from the payment of that tax?

Mr. SMOOT. No, Mr. President; and I do not think that is what we do. For instance, take 10 per cent of the $180,000,000; that is, $18,000,000 that the corporation would pay by the 2 per cent normal tax. Now, the 2 per cent normal tax increase, if it amount to $18,000,000, would be more, I believe, in dollars and cents than the whole of the undistributed profits of partnerships. So I think we have equalized the difference between the partnerships in this country and the corporations by the tax that we have imposed upon the corporations that is not imposed upon partnerships.

Mr. McCUMBER. Well, now, let us see for just a moment whether it is equalized or not. We will suppose that here is a corporation with a capital of $1,000,000 that will make 50 per cent, or $500,000. Now, it puts that $500,000 right back into its business. What does it pay? It pays 6 per cent upon that $500,000, or $30,000.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from New Mexico?

Mr. McCUMBER. Just a moment; let me finish this statement. Suppose, now, that, on the other hand, a partnership is operating the same business with the same capital, and there are two partners, and they make $500,000, or $250,000 each. Each partner, then, is paying a tax on $250,000. Now, in the case of an income of $250,000, what is the present rate of tax? It is about 30 per cent, is it not?

Mr. SMOOT. The proposed rate of taxation?

Mr. McCUMBER. Yes; the proposed tax would be somewhere about 30 per cent. Then you have the corporation paying 6 per cent and you have the partnership paying about 30 per cent. That is the difference.

Mr. SMOOT. Mr. President, I will say to the Senator that we can suppose a case such as the Senator has, that never in the history of the country will happen, and prove that any tax that may be imposed is an injustice to some other supposed case. I can take the cases cited by the Senator from Alabama [Mr. BANKHEAD] in his speech upon the war-profits tax. I can turn them around and suppose cases to fit his amendment, and they will be even more ridiculous than the cases appeared to be that he cited.

Mr. JONES of New Mexico. Mr. President——

Mr. McCUMBER. I first yield to the Senator from New Mexico, and then I will take up the Senator's supposed case.

Mr. JONES of New Mexico. I wanted to suggest to the Senator from North Dakota that each of the individual partners would have to pay 4 per cent normal tax, equivalent to 4 of the 6 per cent of the tax which is imposed upon corporations, and that the only additional tax imposed upon corporations is 2 per cent, and that must be compared with all the surtaxes that the partners would pay.

Mr. McCUMBER. To be sure. It simply makes it so much worse; that is all. The partners in the case I have cited have to pay on $500,000, and it is a pretty big tax. If it is a partnership of two, they have to pay on $250,000 each. Now, the Senator from Utah says that this is just a supposed case. It is no more a supposed case than any other possible case that you can give. There is a certain percentage of the business of this country that is conducted by partnerships and individuals. I do not know the exact per cent, but I would say from 10 to 20 per cent.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from New Mexico?

Mr. McCUMBER. I do.

Mr. JONES of New Mexico. I have recently seen the statement that only 80 per cent of the manufacturing business of this country is carried on by corporations, leaving 20 per cent of the manufacturing business of the country to be carried on by individuals and partnerships.

Mr. McCUMBER. That is the reason I stated it would run from 10 to 20 per cent. I do not know the exact per cent. But if the business is the same, it is utterly ridiculous as well as unjust to say that you will tax one business for every dollar that is earned, whether it goes back into the business or not, and you will free all the rest of like business, if it goes back into the business.

Mr. President, it is even worse than that when you come to apply it to the actual conditions. The great corporations, the corporations which make the millions, are the corporations that can take every dollar that they earn and put it right back into the business and pay no tax at all upon it. The little fellow, the individual, the small partnership, those who produce the other 20 per cent, whose incomes are infinitesimal compared with these mighty incomes, will have to pay the full tax on every dollar earned. In that way you give a preference to those who do not need the preference, and you deny justice to those who most need to have justice meted out to them.

I know there is little use of making any argument upon that proposition; but, Mr. President, I am going to have a chance to vote on it, if I vote alone. So I am going to ask, after the Secretary has finished reading, that after line 8, on page 107, which deals with partnerships, we insert exactly what we have inserted with reference to corporations, namely:

> The tax imposed by this subdivision shall not apply to that portion of such undistributed net income which is actually invested and employed in the business or is retained for employment in the reasonable requirements of the business: *Provided*, That if the Secretary of the Treasury ascertains and finds that any portion of such amount so retained at any time for employment in the business is not so employed or is not reasonably required in the business, a tax of 15 per cent shall be levied—
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> * * *

And so forth.

Mr. JONES of New Mexico. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from New Mexico suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hardwick	McNary	Sheppard
Beckham	Hitchcock	Martin	Sherman
Brandegee	Husting	Myers	Simmons
Chamberlain	James	Nelson	Smith, Md.
Culberson	Johnson, Cal.	New	Smoot
Curtis	Jones, N. Mex.	Norris	Sterling
Dillingham	Jones, Wash.	Overman	Sutherland
France	Kellogg	Page	Swanson
Frelinghuysen	King	Penrose	Townsend
Gerry	Kirby	Pomerene	Trammell
Gore	Knox	Reed	Vardaman
Gronna	Lewis	Robinson	Watson
Hale	McCumber	Saulsbury	Weeks
Harding	McKellar	Shafroth	Williams.

The PRESIDING OFFICER. Fifty-six Senators have answered to their names. A quorum is present.

Mr. JONES of New Mexico. Mr. President, I suggested the absence of a quorum because of the importance of an amendment just offered in the Senate by the Senator from North Dakota [Mr. McCUMBER]. I have just listened to an argument which to my mind is extremely forcible in support of that amendment. It is an amendment which will affect a large number of business interests in this country. It is an amendment which has for its purpose the doing of justice, common justice, between the business interests of this country.

The Senator from North Dakota had just pointed out in the most forcible manner how under this bill it is proposed to discriminate in the most flagrant manner against the people of this country who are doing business as partnerships. The Senator from North Dakota has pointed to the provision in the bill which, while it says that the partnership shall pay no income tax, yet says that all of the net income of the partnership, whether distributed or not, whether kept in the business or not, shall be accounted for by the individual partners, and the individual partners shall pay upon that not only the normal tax but a surtax.

In the illustration just given to the Senate of the partnership which earns a half million dollars in profits and invests it in the business, yet the two partners must each return for income-tax purposes $250,000, and of that under this proposed bill the Government will get over 26 per cent of the entire amount. The surtax ranges from 1 per cent up to a much higher rate than 26 per cent, but on the average it would take from each partner 26.6 per cent of the entire amount. But if the corporation earning a half million dollars desires to keep that half million dollars in its business, it will pay only 6 per cent upon the half million dollars retained in its business. It has been pointed out that 20 per cent of the manufacturing interests of this country are done by other than corporations. As to mercantile and various other lines of business, we have no statistics; but it is reasonable to say that 20 or 25 per cent of the business of the country is done by corporations. In all these instances, whether individuals or partnerships, if they earn a net income and want to increase their production, want to add to the resources of the

country, they must pay a surtax, but your corporation goes scot free.

I appeal to Senators if that is justice, and in this time when every dollar should bear its share of this burden I ask if you are going to exempt from this surtax upon incomes all the undistributed net incomes of the corporations of the country?

Mr. President, I have heard something about slackers among men. We do not want any slacker dollars in this country any more than we want slackers among men, and if these corporations had the soul of a human being they would cast aside these dollars of income which escape the surtax paid by individuals and partners as an unclean thing. But that is what this bill proposes to do.

As I showed to the Senate the other day, there are four billion and a half dollars collected annually by these corporations as net incomes which are retained in the business, and these four and a half billion dollars escape the surtax. I ask, Is it right? Can the Senate justify itself by declaring here that the net income of partnerships shall be accounted for by the individual partners and the partners compelled to pay a surtax, although the income is retained in the business, and allow the net income of these corporations to go practically scot free?

Mr. TOWNSEND. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. TOWNSEND. Does the Senator intend to press the amendment which he offered early in the consideration of the bill? I ask that question because it seems to me that the Senate ought to have an opportunity to vote on that question first. I agree with the Senator that there is a great difference now shown in the bill between the profits of corporations and individuals and partners. As for myself, I believe that beyond a reasonable exemption they should all be reached. It seems to me that it would be unjust to leave both as we have provided in the bill now. The Senator's amendment, which I understood he proposed earlier, would make it easier for Senators to determine how they would vote on this proposition if that question was settled first.

Mr. JONES of New Mexico. Mr. President, I purpose to present the amendment to the Senate; and I am inclined to think myself that it would be wise to defer the consideration of this subject until we reach that stage of the bill.

Mr. SMOOT. Mr. President——

Mr. JONES of New Mexico. I might add also that while we have passed over one provision of the bill, I think it is very well if at that time we should consider the advisability of reconsidering what I understand has been the action of the Senate upon another paragraph of the bill, because the matters are very closely related.

Mr. SMOOT. Will the Senator allow me?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. SMOOT. I want to say to the Senator from North Dakota [Mr. McCUMBER] and also to the Senator from New Mexico [Mr. JONES] as far as I am personally concerned I believe that I echo the sentiments of a majority of the committee when I say that they are perfectly willing to adopt any system that will equalize the taxation between corporations and partnerships. We thought that the 2 per cent additional normal tax imposed upon corporations would do that, and based upon past history of the amount that has been retained of the profits, I am quite sure it would do it and more than do it, but if the amendment of the Senator from North Dakota is adopted, in all justice to corporations we then ought to return to title 1 of the bill and allow the 4 per cent increased normal tax to apply to partnerships doing business. The Senator will agree if that were adopted they would then be on an equal basis.

Mr. JONES of New Mexico. Provided, Mr. President——

Mr. PENROSE. Will the Senator permit me to interrupt him?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. PENROSE. I think the suggestion of the Senator from Utah is absolutely logical. I would like to ask the Senator from North Dakota whether he would not accept that as an addition to his amendment?

Mr. McCUMBER. I will say again that while I think that a corporation has an advantage over a partnership under all circumstances, in that stockholders are in no sense liable for the debts of the corporation while every partner is not only liable for his own debts but that of the entire business, and therefore labors under some disadvantage from that fact alone; nevertheless, if you will say that the business shall have the same exemption in reference to that portion which is earned and put into the business again, whether carried on by corporations or by partnerships, I shall have no objection to taking out that extra 2 per cent which is charged to the corporation and putting them both upon the same basis.

Mr. SMOOT. I would not ask that the additional normal tax on corporations be reduced. All I ask is that 2 per cent be added to copartnerships, thus equalizing the two.

Mr. McCUMBER. It is virtually the same thing.

Mr. SMOOT. If the Senator from New Mexico will allow me, I wish to say that it is a question in my mind whether there are advantages in business transacted through a corporation. I know there are disadvantages, and whether the advantages accruing to partnerships more than offset the disadvantages to corporate companies it is doubtful. I think there is no member of the committee who does not want to treat the individuals, partnerships, and corporations, as far as the imposition of taxes is concerned, as nearly alike as possible. I believe, if we adopt the amendment offered by the Senator from North Dakota, with the understanding that we shall also provide that the normal tax upon the individuals and the partnerships and the corporations shall be the same, that would settle the question as far as the Senator from North Dakota is concerned.

There is another question involved in the amendment offered by the Senator from New Mexico that we can discuss later when we reach that point.

Mr. PENROSE. If the Senator will permit me——

Mr. SIMMONS. Do I understand the Senator from Utah to suggest that the individual shall be permitted to retain in the business as much of his annual earnings as he thinks are reasonably required in the business without paying any tax at all?

Mr. SMOOT. Under the same restrictions that are provided for corporations. In other words, it applies to individuals doing business and to corporations doing business.

Mr. SIMMONS. I understand that.

Mr. SMOOT. It seems to me that they should be allowed, under the restrictions that are now imposed in the bill upon corporations, to withhold a part of their profits.

Mr. SIMMONS. If the Senator will pardon me——

Mr. SMOOT. I am expressing my opinion only.

Mr. JONES of New Mexico. I yield to the Senator from North Carolina.

Mr. SIMMONS. I am perfectly willing to apply to partnerships the same rule that is applied to corporations; that is to say, to require them to pay a normal tax of 6 per cent upon their total annual earnings and permit them to distribute such part as is not needed in their business and make that portion of their earnings subject in the hands of distributees to the surtax and let them retain in their business what is reasonably necessary for the conduct of their business as ascertained or determined by the Secretary of the Treasury.

Now, when you come to an individual, if you undertake to apply the same rule and subject him to a normal tax of 6 per cent and permit him to retain in his business as much as he may think is necessary to carry on the business with the approval of the Secretary of the Treasury, I think you will find when you have finished that you have cut your revenues from this source nearly in two. I do not believe that it would be wise to extend that to all individuals. I think if you are going to adopt this plan you ought to adjust the inequalities that will be brought about between individuals and partnerships and corporations by imposing a higher normal tax upon the corporation and the partnership and a lower normal tax upon the individual.

Mr. PENROSE. Will the Senator allow me?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Pennsylvania?

Mr. JONES of New Mexico. I do.

Mr. PENROSE. The individual is not under consideration at present. I believe that his affairs could be adjusted on the same basis as that of the corporation. But be that as it may, let us take it up in due course. What is before the Senate now is the amendment of the Senator from North Dakota, and he is entirely willing to accept the 6 per cent normal and have the surplus earnings undistributed by partnerships treated in the same way as the undistributed earnings of a corporation. I would urge the chairman of the committee to accept the amendment.

Mr. JONES of New Mexico. Mr. President, this is the beginning of what was a long story in the committee. It was sought in the committee to adjust the situation on the lines now adverted to by the Senator from Pennsylvania.

Mr. PENROSE. Will the Senator permit me?

Mr. JONES of New Mexico. I yield.

Mr. PENROSE. I thought the committee had placed partnerships on an equality with corporations.

Mr. SIMMONS. Oh, no.

Mr. PENROSE. My recollection was that that was the official act of the committee, but of course the chairman states otherwise, and I do not challenge his assertion.

Mr. SIMMONS. If the Senator will pardon me, under the present act and under the bill a partnership pays no income tax at all. A corporation pays an income tax, an individual pays an income tax, but a partnership pays no income tax. A partnership is required under the law to distribute all its earnings among the individual partners.

Mr. McCUMBER. If the Senator will allow me to correct him, it is not required that the partnership shall distribute it, but they are compelled to pay the tax whether it is distributed or not.

Mr. SIMMONS. If the Senator will let me finish he will see what I have in mind. It is required in this way and in this sense, that whether it is distributed or not distributed, as a matter of fact the law assumes that it has been distributed and requires the individual to give it in as a part of his income, just as if it had been distributed, so as to make it at once subject not only to the income tax of the individual but to the normal tax of the individual and the surtax of the individual. So upon a partnership as such there is no tax at all as there is upon a corporation. There is a tax of 6 per cent upon a corporation's total earnings, and when those earnings are distributed and go into the hands of the shareholders they become subject to an individual income tax, both a normal tax and surtax. There is no way unless you change the law by which a partnership will pay a normal tax at all.

I can not bind the committee about it because the committee has taken no action upon it, but so far as I am individually concerned I think there is a great deal of merit and a great deal of justice in the proposition the Senator from North Dakota has presented. I think if we were to change the present law so as to subject partnerships just as we did corporations to an income tax, and fix that income tax for partnerships at the same rate we fix the income tax for corporations, namely, at 6 per cent, and then permit them to deal with their earnings just exactly as corporations are permitted to deal with their earnings; that is to say, let them distribute such portion as they do not reasonably need in the conduct of their business, and let that in the hands of the individual partner become subject to the income tax of the individual, including the surtax, if it be necessary in their case as in the case of a corporation, in the interest of the business to maintain its efficiency for the purpose if necessary of enlarging it, to retain a part without distributing it, and to let it be retained without being subject to the tax provided the Secretary of the Treasury shall find that the amount retained was reasonably necessary in the business and put them upon a parity. I would have no objection to that, but I would have serious objection to applying the same principle to individuals because I do not think it would be workable. However, if you will maintain the disparity that we have provided in the bill between the individual and the corporation as to the normal tax I think that situation would be reasonably met; that is to say, let the normal tax of the individual remain at 4 per cent as it is now and place a normal tax upon partnerships at 6 per cent just as we have laid that 6 per cent tax upon corporations.

Mr. McCUMBER. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from North Dakota.

Mr. McCUMBER. I only wish to say in answer to the fears of the Senator from North Carolina, of course it was understood that I would move this amendment on the floor. I reserved that right in the committee and it was conceded that we would bring the matter before the Senate and determine what the action of the body would be.

Now, the Senator is fearful that the rule would not work with safety if applied to individuals as well as to partnerships. I do not think that he would find a great deal of trouble there. If the individual is conducting exactly the same kind of a business it is very easy for the department to determine what is reasonable for him to retain, and they would allow him to retain exactly the same as would be allowed to a partnership and a corporation doing the same business.

The individual, who generally is not engaged so much in that character of business in which it is very essential that something should be allowed for extensions and preparations for next year's business, would not be allowed by the department the same deductions that would be allowed corporations or partnerships in a business demanding extension.

Now let me call the Senator's attention to just one little illustration. Here is a corporation manufacturing steel rails. We already know that the business of the country is such that there is a congestion in all character of freight and that during the progress of this war we shall need more trackage, we shall need more rolling stock, and the Government would say, "If you will put this money which you have earned this year into your plant and increase its size so that you can furnish more steel rails for next year, we will not levy a tax upon those earnings." If a partnership is doing exactly the same business and for the same purpose, should not the same rule apply? I am willing to accept the proposition that you tax both alike; but I also want the exemptions to be exactly the same.

Mr. SIMMONS. Mr. President, will the Senator from New Mexico pardon me for a moment?

Mr. JONES of New Mexico. For a question.

Mr. SIMMONS. I was going to ask the Senator if this 6 per cent normal tax was applied to partnerships and they were permitted to retain surplus net earnings just as in the case of corporations, and there was this differential between individuals and partnerships and corporations in the normal tax, would the Senator think that a fair adjustment?

Mr. JONES of New Mexico. Mr. President, I was not present this afternoon during a few minutes when there was read that part of this bill which proposes to increase the normal tax upon corporations from 4 to 6 per cent. Had I been present, I should have objected to making that increase. My reasons for that objection grow out of the very situation which now presents itself to the Senate. We have here a situation which is fraught with injustice in every phase as it is dealt with in this bill. The proposal of the chairman of the committee just made intensifies what to my mind is a grave injustice. It intensifies another thing—an absolute impracticability.

Some Senators here will remember that on Tuesday of this week I took the position that the pending bill as applied to corporations is impracticable because it imposes upon the Secretary of the Treasury the duty of looking into the business of every corporation of this country, and not only of looking into the business of the corporation but going so far into its affairs as to determine the absolute necessities of the business. In order to do that, it would be necessary to increase the force of the Treasury Department by thousands of men, and it would be necessary to have experts in every line of business in the country in order to determine whether or not a particular expenditure was necessary to the business or whether it were advisable that the money be retained in the business for future use.

I have pointed out that the corporations of this country are organized with charters almost unlimited in their scope and that if they are not unlimited, by amendment, in 24 hours they can become unlimited, as every lawyer in this body knows. When the corporation attains that breadth, then there is no limitation upon the amount of money which may be retained by the corporation and legitimately used in the varied lines of business designated in the charter. So with the partnership.

Mr. President, at one time in the committee when it was proposed to levy a tax upon the undistributed earnings of corporations it was suggested that corporations engaged in production, transportation, and distribution—the three necessary functions of industrial activity—might use in their business 20 per cent without any tax. Then the question arose, "If you allow the corporation to retain 20 per cent in its business, if it is engaged in production or distribution, why should you not permit the same exemption to the partnership?" If you permit the same exemption to the partnership, then I ask you by what line of reasoning can you say that it should not be exempted as to the individual who stands upon his own foundation and transacts his own business upon his own resources? Is he not as an American citizen entitled to the same rights in this country as is a partnership or corporation? That, Mr. President, is the question in all its baldness which confronts the Senate at this time. Are you going to destroy American citizenship; to tax it out of existence; take away its property; put upon it the hard hand of taxation; and yet allow the corporation to go scot free? That is the question presented here. If you are going to permit the corporation to be exempt, if you are going to say to it, "You may keep all of your net income without the payment of this surtax," of course, you ought to say that the partnership shall have the same privilege, and you ought to say that the individual American citizen shall have the same privilege.

However, Mr. President, I realize the enormous task of supervising the business of every American citizen; I realize the task of supervising the business of the partnership and of the corporation; and so I say that the scheme now presented, and so readily accepted, is impracticable, and will take away from the Government the taxes it should have.

Take the individual who is engaged in no business and yet has a net income. He has some rights; he is willing to part with his tax. There is, however, hardly an individual in all this land who has not some business; we have very few of the

leisure class in this country; our citizens are active, progressive, hard-working men, either by brain or by brawn, and they should stand upon the same level.

Mr. President, instead of hunting around for some scheme by which to exempt corporations from taxation, had we not better reverse the procedure, and try to find some scheme by which we can make them pay just taxes? Instead of trying to exempt partnerships from what is a just tax, instead of trying to exempt individuals from a just tax, is it not far better that in this time of war, when we need all the revenue we can get, that we should gather them all together and treat them all alike and make them all pay taxes? So, Mr. President, upon those considerations I have proposed an amendment which will come up on a succeeding portion of the bill.

I realize that upon the incomes of individuals and partnerships the surtaxes range from 1 per cent to over 60 per cent.

Take the great house of J. P. Morgan & Co., a partnership, earning perhaps as much as the National City Bank of the city of New York. The National City Bank goes scot-free of any taxes except the 2 per cent, but the partners in the firm of J. P. Morgan & Co., with their large earnings, have to contribute by the hundreds of thousands of dollars. You do not want the one to escape nor the other. If the firm of J. P. Morgan & Co., a partnership, earns twenty-five or fifty million dollars every year, do you want that twenty-five or fifty million dollars to go into the hands of and for the benefit of the individual partners and escape all surtaxes?

So with other important partnerships throughout the country and other important individual enterprises, do you believe that in this time of need we should permit such fortunes, such earnings, such net incomes to be accumulated and kept in the business? Do you believe that we ought to let them escape the surtaxes? Senators know the line of business in which the firm of J. P. Morgan & Co. is engaged, speculating around the globe, promoting enterprises from the four corners of the earth, not confined to the Western Hemisphere—do you want to let those millions of income escape? Yet who would examine a business of that kind and undertake to say how much is reasonably necessary to be expended in the business or, in the language of the bill, to be "employed in the business"? So with many other concerns throughout the country.

Instead of trying now to give to the firms of the country the exemption which this bill proposes to give to corporations, let the Senate turn around and seek some way by which we can get a just return from the four and a half billions of dollars of net income retained by the corporations of this country which to-day escape all surtaxes. So, Mr. President, I suggest, and, if the chairman is agreeable, I should like to have the consideration of this paragraph deferred until we come to the consideration of the paragraphs of subsection (b) of section 10.

Mr. McCUMBER. Mr. President, before acting upon that suggestion let me say just one word in conclusion. Never in the history of the United States has there been a period in which every business and every industry and every resource will be taxed to the limit as will be required during the next two or three years. We need not only what our present great manufacturing plants produce, but we shall need more than they can possibly produce this year. After due and thoughtful consideration it was felt by the committee that it was better to allow extensions to a reasonable degree, to form a basis and a foundation for a greater output next year, and to encourage them to bring about that result. The majority of the committee——

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from North Dakota yield to the Senator from New Mexico?

Mr. McCUMBER. I shall yield in a moment. The majority of the committee determined that it was good policy to allow at least a portion, whatever was needed for the Government purposes, of the earnings of this year to go into betterments and extensions, in order that we may have a greater productivity for next year. It may be, Mr. President, that when next year comes we shall not need again to allow the same deductions for this purpose, and I shall be as ready as anyone to join with the Senator from New Mexico in imposing a heavier taxation upon undistributed profits; but we all acted according to our best judgment of what would be the best interests of this Nation for the coming one or two years. Now, therein I know I differ from the Senator from New Mexico. It is an honest difference; and therefore my position was that we should excuse a portion of these earnings if the earnings went into betterments and into extensions, the natural result of which would be a greater productivity for next year to meet the demands of the Government for next year. Now, all I am asking is that the several lines of business, no matter by whom operated, shall be accorded the same rights, the same privileges, and for the same purpose under the law. That is the only purpose of this amendment.

Mr. JONES of New Mexico. Mr. President, the point made by the Senator from North Dakota just now amounts simply to this: He has not said that the putting of a surtax upon the undistributed net earnings of a corporation would be unjust. On the other hand, it is admitted that such a tax would be a fair tax, and such a fair tax is now imposed upon individuals and partnerships. Is it so important to encourage corporations to extend their business as to warrant us in remitting and donating to them and in effect subsidizing them to the extent of a fair tax?

If it is advisable to give to these corporations this fair tax in order that they may extend their business, then, I ask, by what logic can you impose any taxes upon a corporation engaged in business? If you want to remit one fair tax, why draw a line? Why not remit them all? And nobody has risen on this floor and said that it would be unfair to levy a surtax upon the net incomes of corporations which are undistributed, which are kept in the business, precisely the same as you levy a surtax upon the net income of the partners kept in the business, or upon the net income of the individual kept in the business.

Mr. President, instead of seeking to solve this problem by permitting other governments to become slackers in this war, is it not better to eliminate the slacker? Instead of letting the corporations keep four and a half million dollars of net income free from this surtax, and adding to it the net income of partnerships, is it not better that we subject all these dollars to the payment of a tax, and make them all good dollars and worthy dollars to be continued in a worthy business, the support and maintenance of our country?

Mr. SIMMONS. Mr. President, I am not going to resist the proposition of the Senator from North Dakota, if he insists upon it, to let this matter go over. In my judgment, however, if the Senator is going to press his amendment, it is probably better to vote on that before we vote on the other, because I think the vote of some Senators on the second proposition will be determined very largely by the result of the vote on the Senator's amendment.

Mr. McCUMBER. I did not understand whether the Senator felt that the amendment I have offered should go over, or the other amendment.

Mr. SIMMONS. No; what I meant to say was that I thought it was probably better to vote upon the Senator's amendment first.

Mr. McCUMBER. That is my judgment.

Mr. SIMMONS. But if the Senator desires that it shall go over——

Mr. McCUMBER. No; I do not wish it to go over. I think it simply perfects the committee amendment as I would have it perfected, and I think it should be adopted before we attempt to take a final vote on the matter.

Mr. SIMMONS. Mr. President, of course I am not in a position to accept this amendment for the committee. It has not been acted upon by the committee so far as I remember, but I shall make no resistance on behalf of the committee. Whatever the Senate desires to do about that will be entirely satisfactory to me. But, Mr. President, before we vote, while I do not desire now to enter into any lengthy discussion of the proposition involved in this amendment and in the amendment of the Senator from New Mexico, I do think I ought to try to get the Senators to understand the real facts and the real situation.

I do not think this is a question which ought to be discussed in heat. I think it is a business question very largely. There may be elements of inequality. There are questions of expediency, too, which connect themselves to these inequalities, if they are inequalities, as the committee has finally adjusted them; but it is not a question which to my mind Senators ought to approach either in a spirit of heat or in a spirit of prejudice against corporations. I think if we come to the consideration of this question moved by feelings of that sort——

Mr. JONES of New Mexico. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from New Mexico?

Mr. SIMMONS. Yes.

Mr. JONES of New Mexico. I think I have disclaimed a number of times any prejudice against corporations as such. If I have not made myself clear upon that point, I hope the Senator and all others will understand it now. I have not sought to do anything against corporations except to put them upon an equal footing with individuals.

Mr. SIMMONS. I have not intended to impute to the Senator any purpose of that sort; but I know, as we all know, that

there is in this country among the people—we come from the people and we more or less participate in those feelings—a certain antagonism toward corporations, a certain feeling of prejudice toward them, that sometimes makes it somewhat difficult for us to deal with exact fairness toward a corporation.

Now, I want to ask Senators to look at the facts in this situation without any reference to public prejudice against corporations, with a view only to doing that thing which is just to all interests, just to the Government, and just to the business interests of the country at large.

Mr. President, it seems to me that probably the impression—not intentionally; I do not mean to say that—has been left upon Senators that the committee, in dealing with this question, has dealt with it in a spirit of favoritism toward corporate incomes; that it has dealt with it in a way that is more favorable to corporations than the legislation that is now upon our statute books. Mr. President, that is very unjust to the committee. I believe that impression has been lodged in the minds of Senators—that the committee has changed the law with regard to the taxation of corporations, and in a way more favorable to the corporations, and that this has been the result of a favoritism on the part of the committee to corporate interests in this country.

Nothing could be further from the truth, Mr. President, and nothing could be more unjust to the members of the committee, than any such impression as that, if such an impression exists in the mind of any Senator. We have had an excise tax upon corporations in this country ever since 1909. That tax was not extended to individuals until 1913. Our first income tax applied only to corporations. That condition continued from 1909 to 1913. In the present tariff act we enlarged it and broadened it, and made it apply to individuals as well as to corporations.

From the very beginning of this income tax a corporation was required to pay upon its entire corporate income a certain flat tax, namely, 2 per cent, up to 1916. It was provided in the law, after we brought in individuals in 1913, that whenever the income of the corporation was distributed among its stockholders, then it should at once become subject, in the hands of the stockholder, to the individual income tax and to the surtaxes.

That has been the law up to the present time, and is the law now. Up to the present time the corporation has not been required to distribute any part of its income. If it saw fit to retain the whole of its income in its business, it has not been required to pay any tax at all outside of the normal tax. That is the law now. That has been the law from the beginning. This committee, finding the law in that situation with reference to corporations, did not accept it. This committee felt that corporations ought to make some distribution, and this committee provided legislation which in its judgment will bring about some distribution.

The Senator from New Mexico [Mr. JONES] talks about this matter as if, under the present law, a corporation paid no surtax. Under the present law, as I have stated, a corporation is not required to distribute; but under the present law when a corporation does distribute, whether it be in the year in which the income was earned or in some future year, that income immediately becomes subject to the income tax of the individual and to the surtax. As a matter of fact, it has been the custom of corporations from time immemorial in this country to retain a part of their incomes, but it likewise has been the practice of corporations in this country to distribute a part of their income.

Does not every Senator here know that no corporation could continue in business many years unless it did distribute a part, and a large part, of its income? It is only through the distribution of incomes that a stockholder can get any return from his money. The suggestion here that these corporations pay no income tax or surtax now is far afield from the facts. Under the present law it is absolutely necessary, I say, in order that they may satisfy their stockholders, that they make liberal distributions; and every man who knows anything about the business of corporations in this country knows that they have been and are now making liberal distributions.

I should take it that in ordinary times, on an average, at least one-half of the incomes of corporations in this country is distributed—probably more than one-half. Probably two-thirds of the incomes of corporations are distributed. So that under the present law, if that be the proportion of the distribution—and I believe it is not far from the proportion of the distribution—at least two-thirds of this four and a half million dollars that the Senator from New Mexico talks about has been paid and is paid to-day as surtax.

There is no foundation, Mr. President, for the statement that the incomes of corporations in this country are absolutely escaping the surtax. There never has been a day since we imposed an income tax upon corporations that from one-half to two-thirds of every income has not been annually distributed and paid the surtax.

Mr. President, in the case of a corporation in these times, by reason of the fact that there is a great temptation to hold these earnings in the treasury of the company and in the business and escape taxes, a great temptation not to distribute, your committee thought it was very wise to change the law and put in some provision that would tend to force these corporations to make a liberal distribution of their annual earnings. So we said that after the corporations had distributed among their stockholders such parts of their earnings as they found necessary in order to allow the stockholders to get a reasonable return upon their money, if they retained any amount the Secretary of the Treasury should make an inquiry, and if he ascertained the fact that the amount actually retained after distribution to the stockholders was more than was necessary in the corporate business to keep it in an efficient condition to enable it to perform its great functions as one of the agencies of business and the Government more than was necessary according to the uniform practice of the corporations in times past when there was no temptation to withhold distribution for the purpose of escaping taxes, then so much of it as he found was not necessary for this purpose should become subject at once to a surtax of 10 per cent. Under the present law the matter of distribution is left absolutely to the corporation. Under the Senate committee bill it is left to the corporation in the first instance, but if they retained more than the Secretary of the Treasury finds reasonably necessary upon their business, then they pay a tax of 10 per cent upon that.

Mr. SMOOT. Fifteen per cent.

Mr. SIMMONS. I believe the committee did raise it to 15 per cent by way of penalty. Then if that situation left any inequity between a corporation, a partnership, and an individual we provided for an increase in the normal tax of corporations of 2 per cent, so as to make their rate 2 per cent higher than the normal rate paid by the individual.

Now, that is the situation in which we found it and that is the situation in which we have left it. Yet, Mr. President, I say the impression is attempted to be created here that we have done something favoring corporations, when in fact we have done something to punish corporations if they shall retain their surplus for the purpose of escaping taxation. When we have done something to more equally distribute the burden as between the corporations and the individual, the impression has been sought to be created that we found the law against the corporations and changed the law in favor of the corporations.

But, Mr. President, the Senator from New Mexico brought this matter to the attention of the committee and by his forceful argument led us to believe that there were some inequities; that there were some injustices; that there were some conditions that required these corrective provisions, and he offered an amendment of his own. He offered it in full realization of the fact that corporations would distribute hereafter, as they have heretofore, a large part of their incomes, and that the part so distributed at once became liable to the surtax. He offered it with the full knowledge of that, for he and other members of the committee got statistics and brought them before the committee showing the course and conduct of certain corporations in this country for many years in the past. Now, what did he provide in that amendment? He provided, first, that 20 per cent of the total annual earnings of all the corporations of the country should be exempt from any surtax. The Senator says it is gross wrong, gross injustice, and gross inequality between the partnerships and corporations to permit them to retain any part of their surplus without paying the surtax, when under his own amendment he provided for the exemption of one-fifth of all their annual incomes from the payment of the surtax which he proposed. Assuming now that 50 per cent, I will say—and I think more than 50 per cent under ordinary circumstances is distributed—an exemption of 20 per cent is provided under the Senator's amendment. You have exempted, then, 70 per cent. So you have left only 30 per cent to become subject to the surtax proposed in the Senator's amendment.

Mr. JONES of New Mexico. Mr. President——

Mr. SIMMONS. Just let me finish this statement.

Now, Mr. President, your committee thought, as the Senator's amendment, which we had agreed to and which we incorporated in our first report of the bill to the Senate, that as 50 per cent would likely be distributed, and 20 per cent under his amendment was exempted, and only 30 per cent under any circumstances retained, if that 30 per cent was distributed, a part of it would go into the hands of stockholders who would not have to pay any surtax, because their income would not reach above

the exemption from surtax in the income-tax law. Probably one-half of it would be in that situation. Then if one-half of it or one-third was in that situation, only 20 per cent would remain for distribution in the hands of people who, by virtue of the size of their incomes, would pay a surtax. The committee thought that if we put upon corporations an additional 2 per cent tax, thereby increasing their income tax $180,000,000, it would bring, in the first place, into the Treasury four or five times as much money as would come to the Treasury from the surtax upon this 30 per cent or this 20 per cent or this 10 per cent, as the case might be, and that it would leave no injustice as between the corporations and the individuals, because the corporation in its entity dealing with the property of its stockholders would already have paid a much larger amount than the surtax would amount to if they had distributed it.

Mr. President, I recognize the force of the position of the Senator from North Dakota, and I shall not detain the Senate to discuss it. He has already discussed it. Whatever action the Senate sees fit to take upon it I shall be satisfied with, but I thought it was right and proper that I should place before the Senate fully the exact situation so that the Senate when it acts upon this matter may not act without understanding the actual facts in the case.

Mr. McCUMBER. Mr. President, I now offer my amendment after line 8, on page 107. The Senator in charge of the bill has spoken very truly and accurately concerning the reasons which actuated the committee in fixing the rates on corporations, in allowing them a reasonable exemption of their profits from taxation, provided that exemption went into structures or betterments or extensions which would add to their output for the next year. I agree with him and with the majority of the committee entirely upon that. All I have asked is that we shall correct the bill now, so that the same rule shall apply whether that business is carried on by a corporation or by a partnership.

The Senator from New Mexico says that about 25 per cent of the business of the country is carried on by others than corporations. While I thought it was somewhat less than that, all I want is that the same rule shall apply to this 25 per cent that applies to the other 75 per cent, and the chairman wisely makes no objection to that amendment to the provision of the bill.

So that Senators will not misunderstand the purpose of the amendment let me again call attention to subdivision (e), on page 106, which reads:

(e) Persons carrying on business in partnership shall be liable for income tax only in their individual capacity, and the share of the profits of the partnership to which any taxable partner would be entitled if the same were divided, whether divided or otherwise, shall be returned for taxation and the tax paid under the provisions of this title.

So a partnership in business pays through the individuals a tax upon every dollar earned, though it may be earned in the same business that is conducted by a corporation and be put into the business again for betterments and extensions for exactly the same purpose. I want to apply that rule equitably. I read then what is granted to the corporation. This is the exemption that is granted to the corporation:

The tax imposed by this subdivision shall not apply to that portion of such undistributed net income which is actually invested and employed in the business or is retained for employment in the reasonable requirements of the business: *Provided*, That if the Secretary of the Treasury ascertains and finds that any portion of such amount so retained at any time for employment in the business is not so employed or is not reasonably required in the business a tax of 15 per cent shall be levied.

So you will see if we add this provision to copartnerships their penalties will be exactly the same and they will be compelled to pay their tax upon the undistributed profits. I think we shall have no difficulty in agreeing to a further amendment that if the corporation pays 6 per cent the partnership shall pay 6 per cent, if the corporation pays 4 per cent the partnership shall pay the same, and that the tax shall be the same if the partnership retains the earnings in the business and the penalty the same. But we can take only one step at a time and I offer this amendment.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. On page 107, after line 8, insert:

The tax imposed by this subdivision shall not apply to that portion of such undistributed net income which is actually invested and employed in the business or is retained for employment in the reasonable requirements of the business: *Provided*, That if the Secretary of the Treasury ascertains and finds that any portion of such amount so retained at any time for employment in the business is not so employed or is not reasonably required in the business a tax of 15 per cent shall be levied.

Mr. JONES of New Mexico. Mr. President, in view of the fact that the amendment is only presented this afternoon and it has not been printed and Senators have not had an opportunity to read it into the bill to see whether it would bring about the result which even the Senator from North Dakota is seeking without doing some injustice somewhere else, I ask that the amendment may be printed and lie over until to-morrow.

Mr. TOWNSEND. I would suggest also that some member of the committee inform the Senate to-morrow, if he can, about how much revenue is going to be lost to the Government by this amendment. I do not know that it is possible to determine it, but there can be an estimate perhaps approximating the amount.

Mr. SIMMONS. I will state to the Senator that the amendment of the Senator from New Mexico was originally adopted by the committee, and that amendment I understand he is offering now.

Mr. McCUMBER. The Senator from Michigan has reference to my amendment.

Mr. SIMMONS. I beg pardon; I thought he was speaking about the amendment offered by the Senator from New Mexico.

Mr. SMOOT. I will say to the Senator that I think it will be next to impossible to tell what the revenue will be from partnership, because in the existing law the reports are returned as individuals of the partnerships. Any estimate would be the wildest kind of a guess to say whether it would affect the revenue to any extent or not.

Mr. TOWNSEND. Does the Senator believe that it would affect it to a great extent?

Mr. SMOOT. No; I do not think it is going to affect it to a great extent in partnerships, because there are so few of them in the United States that they can be looked after very closely by the department, and in their annual return they will have to state exactly the amount of gain of the partnership not as an individual, and then if there is any question arising in the mind of the officials regarding the return the department will make a investigation.

Mr. TOWNSEND. Does the amendment provide for simply partnerships, or partnerships and individuals?

Mr. SMOOT. The amendment applies only to partnerships.

Mr. HITCHCOCK. I should like to inquire whether an amendment to the amendment offered by the Senator from North Dakota would be in order. I offer an amendment to his amendment and ask that it be printed and go over with his amendment. I will state that my amendment inserts after the word "income" this proviso:

Not exceeding 5 per cent of the capital and surplus previously invested in the business.

That is to say, I do not think any partnership or corporation ought to have exemptions greater than 5 per cent of its surplus, but I do believe that every corporation and every partnership ought to be permitted to follow the ordinary judicious lines of business and accumulate during each year a reasonable surplus to its capital stock. That is the law of growth and it is the law of business, and that natural addition should be exempted from this taxation.

I will ask to have my amendment printed, and I shall propose it to the amendment offered by the Senator from North Dakota.

Mr. McCUMBER. It would change the whole scheme of the committee.

Mr. SMOOT. Of course the Senator in charge of the bill is not going to ask for a vote to-night.

Mr. HITCHCOCK. I will state that my amendment goes further than that. I strike out the dangerous powers and the impracticable powers given to the Secretary of the Treasury to exercise a censorship over the business of the country. I do not believe that it is proper that the Secretary of the Treasury should be given the power to decide for individuals how much or how little they should add to their surplus each year.

I believe that the law ought to state how much they can add and that everything above that should be subjected to taxation.

Mr. SMOOT. Of course, if that is going to be considered at all, I want to be heard upon it. I will simply say now—and later, when the bill is again up for consideration, I shall discuss the matter further—that rather than have the Jones amendment as it was originally agreed to by the committee, personally I should prefer to strike out all this portion of the bill and insert a provision requiring every corporation in the United States to retain 20 per cent of its profits each year. There have been more failures of corporations in the United States by too great a distribution of so-called profits than there have been from any one cause, with the single exception of incompetency.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Mexico?

Mr. SMOOT. I yield.

Mr. JONES of New Mexico. I ask the Senator from Utah to name one instance in the whole history of the business of this country where any successful business concern ever suffered any disaster by reason of distributing what was actually net income. I submit that the failures referred to by the Senator were where such concerns drew upon their imagination and dis-

tributed as income that which was not income. I ask the Senator to name a single instance in the history of this country where any concern ever went bankrupt by reason of distributing only net income.

Mr. SMOOT. Mr. President, there are so many of such instances that it would take me from now until the end of this year to name them. I want to call the attention of the Senator to this fact: The profits which it is said most corporations are making to-day are mostly book profits. Their profits are going into brick and mortar; they are going into machinery; they are going into extensions and into betterments; they are going into extended credits. Profits in many cases have been made as goods of all kinds, merchandise of every character, have been advancing in value by leaps and bounds, and every advance shows upon the books of the company as profits, we must remember. The Government of the United States will not take bricks and mortar for taxes imposed by this bill; it will not take book accounts for them. The Government will not accept improvements and extensions for the payment of taxes imposed upon the companies making them. No, Mr. President, and when the war ceases, instead of prices of all classes of goods advancing they are going to fall. God help any business which now, while it is making book profits, does not provide for that certain result when the war is over, for nothing on earth can save it from absolute bankruptcy.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Mexico?

Mr. SMOOT. I do.

Mr. JONES of New Mexico. Net income under this proposed statute is well defined. Before you have any net income you deduct everything that is necessary to be deducted on account of depreciation, on account of use, and all that is necessary to repair, maintain, and replace. Mere book profits, I submit, will not be shown up by a single concern in all this country as subject to this income tax. Between now and to-morrow morning I want the Senator from Utah to rack his brain, and I challenge him to present the name of a single business concern in all this land that ever went bankrupt because of distributing only net income.

Mr. SMOOT. Well, Mr. President, buildings and machinery can not be deducted; improvements can not. I was a stockholder of one corporation that failed because of the fact that it declared a dividend upon what it thought it actually had, and yet there was an account of $40,000 that became absolutely worthless within 10 days. Nobody knew the financial condition of that concern caused by it entering into a losing contract. Bradstreet did not know it; Dun & Co. did not know it; the company extending credit did not know it; and it lost over $40,000 that was considered absolutely safe. Do you think that the Treasury of the United States would have allowed an account like that to be deducted from the net profits of the company? It is nonsense to think so.

Mr. President, talk about one company, why, there are so many which have failed for the cause I have stated in the history of the business of the United States that it would take not one man but a hundred men years to name them. When you take into consideration that nearly 90 per cent of all the business organizations in this country fail between the time that they organize and 25 years afterwards there must be some reason for it. If the Senator from New Mexico has been in business, he knows what the reason is. He knows, Mr. President, that book accounts get old, they pile up, and unforeseen losses occur.

Take the Bethlehem Steel Co. which we heard so much talk about yesterday. Its profits have been large, as has been shown; but when the war closes it will be found that 40 per cent of the profits have been put into machinery, into betterments, into buildings and extensions which will not be worth 10 cents on the dollar. There will be 40 per cent of all their machinery lying idle. That will not only be true of the Bethlehem Steel Co. but it will also be true of the munition manufacturers and of the great steel concerns. The Senator from New Mexico, as a member of the Committee on Finance, knows that one of the officials of the War Department stated that an estimate had been made asking for an appropriation of $15,000,000 to buy machinery and to erect buildings in which to make the guns that we shall require in this war. The concerns which were expected to make these guns claim it is impossible for them to get the money to erect the buildings and to buy the machinery, and therefore Congress is asked to appropriate $15,000,000 for that purpose, and I say now it will be appropriated.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Mexico?

Mr. SMOOT. Certainly.

Mr. JONES of New Mexico. I ask the Senator from Utah if it would not be better for the Federal Treasury to appropriate $15,000,000, or ten times $15,000,000, for that purpose than to remit 10 per cent on the four and a half billion dollars, or $450,000,000, on all the corporations of the country who do not need any appropriation? Had we not better let the Government build its own munition factories than to remit $450,000,000 of just taxes, and let the Government own the property that it buys with its money? Does not the Senator believe that that would be better?

Mr. SMOOT. The Senator from Utah does not believe that any such thing will ever happen or could happen as the Senator from New Mexico now says would happen. The Senator from Utah does not believe that there are $4,500,000,000 of undistributed dividends in this country.

Mr. JONES of New Mexico. I almost demonstrated that in the speech which I made here last Tuesday, and I invite the Senator from Utah to kindly read that speech and to consider the evidence which I then presented. I submitted the evidence to the Senate.

Mr. SMOOT. Mr. President, the Senator from New Mexico submitted his evidence in this way: He took a book and selected about 20 companies which had made fabulous profits since the war, and, forsooth, because they had not distributed more than 50 per cent of their net earnings, the Senator took it for granted that the $9,000,000,000 profits made by the hundreds of thousands of corporations had been distributed in the same ratio.

Why, Mr. President, most of the corporations in this country—the great bulk of them—are distributing dividends this year just the same as they have always distributed dividends. Many of them have distributed too much. Not only that, Mr. President, but as to the very concerns which have made these enormous profits, what are they actually doing to increase their plants to meet the demands of the people? Borrowing money from every source where it is possible to get it. Why did the Bethlehem Steel Co. declare a stock dividend, much of it made before the war? The Senator from New Mexico knows they only had $20,000,000 of capital, and, in order to enlarge its plants to meet the demand for war material made upon it, it had to increase the capital stock because of the fact that the banks would and should not advance more money to them with only $20,000,000 capital when their requirements were many, many times that amount?

Mr. JONES of New Mexico. Does the Senator believe that the Bethlehem Steel Co. ought to receive a donation of just taxes from the Federal Treasury?

Mr. SMOOT. No; the Senator from Utah does not believe any such thing. The Bethlehem Steel Co. under this bill will not be in any way, shape, or form relieved from any just taxation. The Bethlehem Steel Co., if this bill passes, in the first place, will have taken from its war profits nearly 55 per cent of all that it makes during the fiscal year 1917, and then the other 45 per cent that will be declared in the shape of dividends to stockholders will be assessed under the income-tax provisions; if there is a stockholder whose income amounts to more than a million dollars, we will take from him another 60 per cent of what he receives; and before even these taxes are imposed, Mr. President, there is a normal tax of 6 per cent upon all the profits of the company. We can not impose taxes that will take every dollar out of the business concerns and have those concerns do what the American people require of them. Every government in the world has learned that lesson; and here we are just at the beginning of the war imposing greater taxes and more of them than any other government has ever imposed upon business.

Mr. HITCHCOCK and Mr. KELLOGG addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. I yield to the Senator from Nebraska.

Mr. HITCHCOCK. Do I understand the Senator to be opposed to the provision of my amendment giving immunity from taxation to the amount of 5 per cent of capital and surplus?

Mr. SMOOT. I think it would be most unfortunate, I will say to the Senator. It never ought to be limited to 5 per cent. For instance, take the railroads of this country. Under the direction of the Interstate Commerce Commission they are compelled to make certain betterments and improvements——

Mr. HITCHCOCK. Not to the extent of over 5 per cent of their capital and surplus.

Mr. SMOOT. Why, Mr. President, the railroads of this country for the last 10 or 20 years have retained close to 50 per cent, and I believe on an average over 50 per cent of their profits; and yet, Mr. President, we all know that they have been compelled to borrow, borrow, borrow in order that they may ex-

tend their lines and make improvements and increase their rolling stock that the business of the country demands.

Mr. HITCHCOCK. Possibly the Senator from Utah misunderstands the purport of my amendment. I do not propose an exemption of 5 per cent of the annual profits; I propose to permit the corporations to set aside an amount which shall equal 5 per cent of their invested capital and surplus.

Mr. SMOOT. That, Mr. President, is what I thought the Senator's amendment provided. In other words, the Senator proposes to say to the corporations of the country that they can only set aside 5 per cent of their earnings without having them subjected to taxation.

Mr. HITCHCOCK. No; the Senator is in error; he misunderstands the purport of my amendment.

Mr. SMOOT. It was read by the Secretary, but the confusion was so great I could scarcely hear. What does the amendment provide?

Mr. HITCHCOCK. I am not talking about 5 per cent of the earnings; I am leaving the corporations of the country to add to their surplus each year without extra taxation an amount which shall equal 5 per cent of the capital and surplus invested. The Senator talks about 5 per cent of earnings; that is an entirely different matter. My amendment proposes to allow them to set aside an amount equal to 5 per cent of their capital and surplus. That has been decided by experience to be a reasonable amount under which corporations can grow and expand and meet the future needs of business.

Mr. SMOOT. If the Senator takes the capital stock and the surplus, then, of course, the 5 per cent in the case, for instance, of the railroads would take nearly all of their profits. I do not know but what they ought to be permitted to do that, being under the absolute control of the Interstate Commerce Commission as to how they shall run their roads and as to the charges they shall make for freight, and so forth.

Mr. HITCHCOCK. The Senator will realize that we are confronted with a certain danger. There is a danger that great corporations making very large earnings will set aside to surplus too excessive an amount for the purpose of cheating the Government out of the income tax. That would be obviated by giving immunity only to 5 per cent. Then, on the other hand, we are confronted with the desirability of permitting the actual working capital of the corporations to be increased each year by an addition to the surplus, and we should not penalize that addition, so far as it is reasonable, by imposing extraordinary taxes on it. That is the purport of my amendment, and while I have offered it to the amendment of the Senator from North Dakota [Mr. MCCUMBER], I intend also to offer it to the amendment proposed by the Senator from New Mexico [Mr. JONES] if that comes before the Senate.

Mr. SMOOT. Mr. President, it is so late to-night that I do not care to discuss the question any further; but the Senator's amendment will be printed by morning and we can then see just what it does provide.

Mr. FLETCHER. Mr. President, I should like to ask the Senator from Nebraska if he takes into consideration the actual investment made, the actual capital paid in and invested, or the capital as it has been watered in a great many corporations?

Mr. HITCHCOCK. I have provided that it shall be actual capital invested in the business, capital and surplus, and that is provided for by the blanks which the Treasury Department furnishes. It has been provided for in the future and the Secretary of the Treasury has ample power through his inquisitors to see that that is not excessively stated.

Mr. FLETCHER. That is going to be a very important inquiry, undoubtedly, if we go into that, because a great many of these corporations are capitalized at many times their real value——

Mr. HITCHCOCK. I am not speaking of capital; I am speaking of investment.

Mr. FLETCHER. And 5 per cent of that, as the Senator from Utah suggests, would probably relieve them of all taxes.

Mr. HITCHCOCK. It is pretty well understood as to all these corporations what the actual capital and surplus invested are.

Mr. PENROSE. Mr. President, has the amendment been printed?

Mr. HITCHCOCK. I will have it printed in the morning.

Mr. SIMMONS. Mr. President, the Senator from New Mexico desires that this matter go over until to-morrow, and I am willing that it shall take that course.

PETITIONS.

Mr. PHELAN presented a petition of sundry citizens of Alhambra, Cal., praying for the enactment of legislation to provide for the return of our soldier dead to their home burial grounds in a sanitary and recognizable condition, which was referred to the Committee on Military Affairs.

Mr. MARTIN. I present resolutions adopted by the Chamber of Commerce of Suffolk, Va., which I ask to have printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Be it resolved, That the Chamber of Commerce of Suffolk, Va., a body created and maintained for the commercial, industrial, and economic development of Suffolk and vicinity, and including in its membership the leading citizens, firms, and corporations of the commercial and professional activities of the city, desires to express its sense of patriotic duty in this time of war with a foreign government, and to offer, as a public body, every facility which the chamber of commerce may have to the Government of the United States in any of its branches, and to put at the disposal of the Government of the United States the services of the chamber of commerce and its entire membership in any capacity of work which the Government of the United States may delegate to the chamber of commerce.

Be it further resolved, That a copy of this resolution be forwarded to the President of the United States, the Secretary of War, the Secretary of the Navy, to the Chamber of Commerce of the United States, to the two United States Senators from Virginia, and to the Member of Congress from the second district of Virginia.

Approved. W. B. FERGERSON,
President Chamber of Commerce, Suffolk, Va.

Attest: CARYL SPILLER,
Secretary Chamber of Commerce, Suffolk, Va.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CURTIS:

A bill (S. 2817) making it unlawful for any common carrier, or the manager, agent, or employee of any common carrier, or the proprietor, lessee, manager, agent, or employee of any inn, hotel, restaurant, theater, or public place of entertainment or amusement to forbid or refuse transportation, admission, accommodation or service, or make any discrimination against any officer or enlisted man who is in the military or naval service of the United States Government, and for other purposes; to the Committee on Military Affairs.

By Mr. PENROSE:

A bill (S. 2818) for the relief of Charles W. Franklin (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 2819) granting a pension to Anna F. Baugh; and

A bill (S. 2820) granting an increase of pension to Alfonzo Shafer; to the Committee on Pensions.

NATIONAL BANKS.

Mr. OWEN. Mr. President, I ask to have printed in the RECORD a communication from John Skelton Williams, Comptroller of the Currency, addressed to Hon. William G. McAdoo, Secretary of the Treasury, stating the condition of the national banks.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

WASHINGTON, *August 21, 1917.*

Hon. WM. G. MCADOO,
Secretary of the Treasury.

DEAR MR. SECRETARY: I am sure that it will be gratifying to you to know what the figures tell us as to the improvement which has taken place among the banks of the national banking system as a result to a large extent of an improved system of national-bank examination, of greater thoroughness in these examinations, and from the policy of insisting that the national banks shall observe the provisions of the national-bank act, intended for their protection and the protection of their depositors and shareholders.

I have before me a statement of national-bank failures for the fiscal years from July 1, 1897, to June 30, 1917.

The average losses to depositors for this entire period was reported at nine-thousandths of 1 per cent of total deposits. The year ending July 1, 1914, 19 national banks failed, with estimated resulting losses to depositors of $1,505,000, or eighteen-thousandths of 1 per cent.

The following year, ending June 30, 1915 (the first full year under the present comptroller), there were only 16 national banks failed, with estimated loss to depositors of $441,000, or five-thousandths of 1 per cent.

The next year, ending June 30, 1916, there were 15 national-bank failures, the estimated losses being reduced to $352,000, or three-thousandths of 1 per cent, while for the year ending June 30, 1917, there were only 6 national-bank failures, estimated losses being $369,000, or three-thousandths of 1 per cent.

It is interesting to note that although the losses have declined from $1,505,000 for the year ending June 30, 1914, to $369,000 during the past fiscal year, deposits in the same period have grown from $8,185,000,000 in 1914 to $12,769,000,000 at the present time.

Although the deposits in the national banks at this time are approximately 100 per cent more than they were just 10 years ago, the sum total of losses for the past 12 months is less than one-half of what it was for either of the three years ending June 30, 1908, 1909, or 1910, and about one-seventh of what they amounted to for the year ending June 30, 1906.

There are grounds for hoping that we may be able to reduce still further the numbers of national banks failing per annum and to increase the percentage paid to depositors of those that have to go into liquidation.

I also have the pleasure of reporting that there are at this time in operation in the United States 7,653 national banks, a greater number than ever before reported in the history of the national banking system, and we have in the office under investigation applications for approximately 175 additional charters for national banks.

Faithfully, yours, JOHN SKELTON WILLIAMS.

RECESS.

Mr. SIMMONS. It is getting tolerably late, Mr. President, and a great many Senators have gone away. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m., Friday, August 24, 1917) the Senate took a recess until to-morrow, Saturday, August 25, 1917, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

FRIDAY, *August 24, 1917.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Teach us, O Lord, how to be humble and yet to be firm in our convictions; how to be meek, yet to be courageous; how to be wise, yet to be teachable; how to be just, yet to be merciful; how to enjoy personal liberty, and yet not to infringe upon the rights of others; how to protect our inherent rights, and yet to do unto others as we would be done by, and so fulfill the law and the prophets through Him who taught us the way and the truth and the life. Amen.

THE JOURNAL.

The Journal of the proceedings of Tuesday, August 21, 1917, was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed the following bills, in which the concurrence of the House of Representatives was requested:

S. 2785. An act to authorize and empower the Southwest Louisiana Waterways Association, of the State of Louisiana, to construct a lock and dam in Mermentau River, in the State of Louisiana; and

S. 2437. An act to provide for the acquisition of an air-station site for the United States Navy.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, the following Senate bills were taken from the Speaker's table and referred to the appropriate committees named below:

S. 2785. An act to authorize and empower the Southwest Louisiana Waterways Association, of the State of Louisiana, to construct a lock and dam in Mermentau River, in the State of Louisiana; to the Committee on Interstate and Foreign Commerce.

S. 2437. An act to provide for the acquisition of an air-station site for the United States Navy; to the Committee on Naval Affairs.

BUSINESS ON WEDNESDAY.

Mr. GARNER. Mr. Speaker, before I move to adjourn it may not be out of place for me to make a statement in reference to the purpose of Mr. KITCHIN in calling the House together for work on next Wednesday. I have a telegram from him asking me to send out notices for all Members to be here on next Wednesday, as there is a probability that the revenue bill will be over for action at that time. In addition to that, the new bond bill is to be considered by the Committee on Ways and Means on Monday and possibly reported on Tuesday. I am informed by the chairman of the Committee on Interstate and Foreign Commerce that the insurance bill will probably be ready to be considered by next Wednesday and be introduced next Tuesday——

Mr. ADAMSON. It has already been introduced.

Mr. GARNER. And probably will be ready to be reported next Tuesday. The deficiency bill is in the Committee on Appropriations and probably will be ready by the time we get through with these various measures that I have mentioned. Therefore I take it that that is the reason Mr. KITCHIN thought next Wednesday would be a proper time.

Mr. WINGO. Will the gentleman yield for a question?

Mr. GARNER. Certainly.

Mr. WINGO. Do I understand from the gentleman's statement that there would be no resumption of business before next Wednesday?

Mr. GARNER. On next Wednesday. When we adjourn to-day we will adjourn to meet on Tuesday.

Mr. WINGO. Then it is intended on Tuesday to adjourn until Wednesday under the same agreement?

Mr. GARNER. Yes.

Mr. GILLETT. Will the gentleman yield?

Mr. GARNER. I will.

Mr. GILLETT. Does the gentleman think that if the revenue bill does not reach the House, which, of course, all Members will see from the papers, there will be other business ready on Wednesday?

Mr. GARNER. Well, there is a possibility if not a probability. I do not know just how long it will take the Committee on Ways and Means to consider the bond bill. The chairman of the Committee on Interstate and Foreign Commerce has just told me that he hoped to have his bill ready for report on Tuesday.

Mr. GILLETT. That committee has not met yet, I understand.

Mr. GARNER. They have had hearings without succeeding in getting a quorum. Mr. Speaker, I move that the House do now adjourn.

ADJOURNMENT.

The motion of Mr. GARNER was agreed to.

Accordingly (at 12 o'clock and 5 minutes p. m.) the House, under its previous order, adjourned until Tuesday, August 28, 1917, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of War, submitting an estimate of appropriation required by the War Department for the fiscal year 1918 (H. Doc. No. 346); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of Commerce, submitting an estimate of appropriation required by the Department of Commerce for the fiscal year 1918 for enlarging and improving the lighthouse depot, fifth lighthouse district, Portsmouth, Va. (H. Doc. No. 347); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of War, submitting an estimate of appropriation required by the War Department for the fiscal year 1918 (H. Doc. No. 348); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of War, submitting an estimate of appropriation required by the War Department for the fiscal year 1918 (H. Doc. No. 349); to the Committee on Appropriations and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MOORE of Pennsylvania: A bill (H. R. 5824) to prevent the use interstate by railroad employees in summer time of uniforms intended for winter use; to the Committee on Interstate and Foreign Commerce.

By Mr. McKEOWN: A bill (H. R. 5825) regulating the issuance of copyrights, etc., to authors, writers, correspondents, and others who have gained certain information while in the employment of and under pay from the Government; to the Committee on Patents.

By Mr. GOULD: A bill (H. R. 5826) to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916; to the Committee on Military Affairs.

By Mr. McKEOWN: A bill (H. R. 5827) requiring the filing of certain information by associations, societies, leagues, gatherings, or individuals who seek to influence legislation or public opinion by means of propaganda or written communication from their officers, members, or friends; to the Committee on the Judiciary.

By Mr. CARY: A bill (H. R. 5828) to give to those now serving on the exemption boards throughout the United States a commission in the United States Reserve Corps without compensation; to the Committee on Military Affairs.

By Mr. McARTHUR: A bill (H. R. 5829) forbidding the use of the United States mails to newspapers, magazines, and periodicals published in the language of any country with which the United States is now, or may hereafter be at war, or any ally of such country, unless the publisher of the same shall also print parallel columns containing correct English translations; to the Committee on the Post Office and Post Roads.

By Mr. WINGO: A bill (H. R. 5830) to extend the franking privilege to soldiers and sailors serving in the Army and Navy during the present war with Germany; to the Committee on the Post Office and Post Roads.

By Mr. BLANTON: A bill (H. R. 5831) to amend section 5197, Revised Statutes of the United States, regulating the rate of interest which may be charged by national banking associations and providing a penalty for violations; to the Committee on Banking and Currency.

By Mr. SMITH of Idaho: A bill (H. R. 5832) to prevent opposition to organized government and the unlawful destruction of property, and to provide punishment therefor; to the Committee on the Judiciary.

By Mr. BLANTON: Joint resolution (H. J. Res. 144) to authorize the Secretary of the Interior to expend funds in New Mexico and Texas for drainage purposes; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRAND: A bill (H. R. 5833) granting six months' pay to Ida Cottrell Hodgson, the widow of Frederick Grady Hodgson, deceased, colonel, United States Army, retired; to the Committee on Military Affairs.

By Mr. CLARK of Missouri: A bill (H. R. 5834) granting an increase of pension to George C. Elliott; to the Committee on Invalid Pensions.

By Mr. HASTINGS: A bill (H. R. 5835) making an appropriation to compensate Samuel Grant for pay, bounty, and clothing pay while in the service of the Government of the United States; to the Committee on War Claims.

By Mr. KINKAID: A bill (H. R. 5836) granting an increase of pension to Robert M. Dickson; to the Committee on Invalid Pensions.

By Mr. TEMPLETON: A bill (H. R. 5837) granting an increase of pension to Samuel Cooper; to the Committee on Invalid Pensions.

By Mr. WOODYARD: A bill (H. R. 5838) granting an increase of pension to Nelson D. Madden; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Resolutions adopted by German subjects, permanent residents of Missouri, loyal to the United Stated of America, its institutions and Government, and who, prior to the declaration of war between the United States and Germany, had taken active steps to acquire American citizenship, urging appropriate legislation to remove the naturalization disability of German subjects who had filed their intention or petition for naturalization prior to the declaration of war; to the Committee on Immigration and Naturalization.

Also (by request), petition of members of the Celtic American League, urging freedom for Ireland at the final peace conference; to the Committee on Foreign Affairs.

Also (by request), petition of citizens of New York City, favoring the national woman's suffrage amendment; to the Committee on the Judiciary.

Also (by request), memorial adopted at a mass meeting of the ex-Union and Confederate soldiers and members of the Relief Corps, Woodward, Okla., pledging loyalty and support to the President and the Nation during the present war; to the Committee on Military Affairs.

Also (by request), petition of City Council of Plattsmouth, Nebr., urging Bohemian independence at the end of the war; to the Committee on Foreign Affairs.

Also (by request), petition of Home Defense League of the Sixth Police Precinct of Washington, D. C., asking for more police protection for the city of Washington and an increase in salary for the Metropolitan police force of said city; to the Committee on the District of Columbia.

Also (by request), petition of sundry citizens of Louisville, Ky., protesting against arrest of suffragist pickets; to the Committee on the Judiciary.

By Mr. BROWNING: Petition of the 75 members of Blue Anchor Grange, No. 166, Patrons of Husbandry, Blue Anchor, N. J., praying that the Government import nitrate of soda to sell to farmers and the fertilizer trade at a reasonable price, to cheapen all forms of ammoniates, and hence all fertilizers, to enable farmers to plant a maximum acreage and produce a maximum crop in 1918; to the Committee on Agriculture.

Also, petition of Williamstown Grange, No. 85, Patrons of Husbandry, Williamstown, N. J., favoring importation by the United States Government of nitrate of soda to sell to farmers and fertilizer trade at a reasonable price, thereby to cheapen all forms of ammoniates and hence all fertilizers, to enable farmers to plant and produce a maximum crop in 1918; to the Committee on Agriculture.

Also, petition of the 250 members of Swedesboro Grange, No. 5, Patrons of Husbandry, Swedesboro, N. J., praying that the Government import nitrate of soda to sell to farmers and the fertilizer trade at a reasonable price, to cheapen all forms of ammoniates, and hence all fertilizers, to enable farmers to plant and produce a maximum crop in 1918; to the Committee on Agriculture.

By Mr. CARY: Petition of Motor Vehicle Publishing Co., protesting against increase in second-class postage rates; to the Committee on Ways and Means.

Also, petition of Federated Trades Council of Milwaukee, Wis., favoring investigation of the claim of English domination of the American press; to the Committee on Rules.

Also, petition of the Wisconsin Agriculturist, of Racine, Wis., favoring a tax on excess profits of newspapers and opposing increase in postal rates; to the Committee on Ways and Means.

By Mr. DALE of New York: Petition of the Forty-second Street Association of New York, favoring exemption of moneys received from rents from excess profits tax; to the Committee on Ways and Means.

Also, petition of John S. Sills & Sons, of New York City, N. Y., favoring tax on out-of-town letters and opposing tax on drop letters and postals; to the Committee on Ways and Means.

Also, petition of Eastman, Dillon & Co., protesting against amending the revenue laws by prohibiting tax-free covenants; to the Committee on Ways and Means.

Also, petition of the Naval Consulting Board, favoring legislation to prevent the publication of patents during the war; to the Committee on Patents.

By Mr. FOSTER: Petition of women's organization of the State Council of Defense of Illinois; to the Committee on Interstate and Foreign Commerce.

By Mr. KENNEDY of Rhode Island: Petition of Primitive Methodist Church, Rev. W. B. Taylor, pastor, Lonsdale, R. I., favoring passage of national prohibition; to the Committee on the Judiciary.

Also, petitions of the Monahan Vehicle Co., Narragansett Brewing Co., the Bottlers' Union, L. Sweet & Co., and Local 166, Brewery Workmen, all of Providence, R. I., and Edward Mee & Son, of Woonsocket, R. I., protesting against passage of national prohibition legislation; to the Committee on the Judiciary.

Also, petitions of 4,000 American citizens of the third congressional district of Rhode Island, urging the passage of legislation to compel unnaturalized foreigners to fight for this country or deport them to the country from which they came; to the Committee on Immigration and Naturalization.

By Mr. LUNN: Resolution of Alderman Williams and the Common Council of Schenectady, N. Y., that the common council subscribes to the general principle of the Declaration of Independence that governments derive their "just powers from the consent of the governed," and urges upon the President and Congress of the United States the necessity of making provision for the independence of Ireland and Poland, as well as the rights of the peoples and nationalities in all parts of the world to determine by the votes of their citizens to whom they will bear allegiance; to the Committee on Foreign Affairs.

By Mr. WINGO: Petition of citizens of Scott County, Ark., favoring the abolishment of the national forest reserve in Arkansas and the opening of the same to settlement; to the Committee on Agriculture.

SENATE.

SATURDAY, *August 25, 1917.*

(Legislative day of Wednesday, August 15, 1917.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

WAR REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses and for other purposes.

Mr. SMOOT. Mr. President, there are but four Senators in the Chamber. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson, Cal.	McNary	Sheppard
Brandegee	Jones, Wash.	Myers	Simmons
Curtis	Kellogg	Overman	Smoot
Dillingham	La Follette	Page	
Fletcher	Lodge	Pittman	
Hardwick	McCumber	Saulsbury	

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent on account of illness in his family. He is paired with the

Senator from New Jersey [Mr. FRELINGHUYSEN]. I will let this announcement stand for the day.

The PRESIDENT pro tempore. Twenty-one Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. HARDING, Mr. JONES of New Mexico, Mr. NEW, Mr. NORRIS, Mr. SHAFROTH, Mr. SHERMAN, Mr. SMITH of Maryland, and Mr. THOMPSON answered to their names when called.

Mr. JAMES, Mr. GERRY, Mr. COLT, Mr. BORAH, Mr. KENYON, Mr. NELSON, Mr. FRANCE, Mr. WILLIAMS, Mr. HALE, Mr. NEWLANDS, Mr. HITCHCOCK, Mr. KIRBY, Mr. MCKELLAR, Mr. KENDRICK, Mr. HUSTING, Mr. MARTIN, Mr. HOLLIS, Mr. TOWNSEND, Mr. WEEKS, Mr. STERLING, Mr. VARDAMAN, Mr. SMITH of Michigan, Mr. BECKHAM, Mr. TRAMMELL, and Mr. CHAMBERLAIN entered the Chamber and answered to their names.

Mr. HUSTING. I desire to announce that the Senator from California [Mr. PHELAN] and the Senator from Ohio [Mr. POMERENE] are detained on official business.

Mr. MCKELLAR. I regret to announce that my colleague, the senior Senator from Tennessee [Mr. SHIELDS], is absent from the Senate to-day on account of illness.

The PRESIDENT pro tempore. Fifty-four Senators have answered to their names. There is a quorum present.

Mr. MCCUMBER. Mr. President, in presenting the amendment which I offered yesterday I find that reading from a copy of what I intended to introduce as an amendment the copy had not been completed; that the last sentence of the paragraph had not been included in the typewritten amendment. I intended in my amendment to introduce exactly the same words applying to partnerships as apply to corporations, on page 112, lines 5 to 15, inclusive. I ask permission to reoffer the amendment in the form in which I desire it to appear.

The PRESIDENT pro tempore. Without objection, the Secretary will read the amendment.

The SECRETARY. On page 107 it is proposed to amend the committee amendment by adding, after line 8, the following:

> The tax imposed by this subdivision shall not apply to that portion of such undistributed net income which is actually invested and employed in the business or is retained for employment in the reasonable requirements of the business: *Provided*, That if the Secretary of the Treasury ascertains and finds that any portion of such amount so retained at any time for employment in the business is not so employed or is not reasonably required in the business a tax of 15 per cent shall be levied, assessed, collected, and paid thereon, and the finding and ruling of the Secretary of the Treasury in any and all such cases shall be conclusive and final.

Mr. SIMMONS. Mr. President, I was under the impression that the Senator from New Mexico and the Senator from North Dakota had consented that this part of the bill might go over, and I supposed if it went over it would not be taken up until a later time than to-day. I announced to a number of Senators that we would take up this morning the section relating to postal rates. Senators have stayed for the purpose of discussing that section to-day, and I should like very much to take it up.

Mr. MCCUMBER. Let me say that whatever arrangement the chairman in charge of the bill has seen fit to make is entirely agreeable to me.

Mr. HARDWICK. If the Senator from North Carolina will yield to me for a moment, personally I would have no objection to taking up the postal section of the bill to-day. In fact, the earlier we can take it up the better I would be pleased personally, but I do not regard it as just to the Post Office Department to present that matter accurately to the Senate as thin as the Senate is. While technically we have a quorum present, we apparently have not more than 50 Senators here, and will not be able to maintain a quorum of the Senate to-day. Of course I will not engage in a controversy of any sort with my friend the Senator from North Carolina, and if he insists upon it I will take the day myself, and then on Monday I will start over again.

Mr. SIMMONS. I will say to the Senator he will have as good an audience to-day as has at any time developed during the debate.

Mr. HARDWICK. The attendance has already developed, as the Senator knows.

Mr. SIMMONS. I think we have as many as we ordinarily have at the beginning of a session.

Mr. HARDWICK. The Senate must vote on this postal question.

Mr. SIMMONS. I do not anticipate a vote to-day.

Mr. HARDWICK. The Senator will just put me to useless physical labor, as I am going to proceed on Monday.

Mr. SIMMONS. I will state to the Senator I would not insist upon taking it up, but the Senator from Massachusetts [Mr. WEEKS] has stayed over at great inconvenience for the purpose of its consideration to-day, and he wants to go away on Monday. If the Senator is not ready to proceed——

Mr. HARDWICK. I am ready to proceed, but I will have to proceed again on Monday.

Mr. SIMMONS. It is exceedingly difficult to adjust our program to suit all Senators. I am very anxious to accommodate all Senators here if I possibly can, but I think the matter we were discussing yesterday evening is a matter that ought to go over. I think the committee would like to consider the amendments offered both by the Senator from North Dakota [Mr. MCCUMBER] and the Senator from Nebraska [Mr. HITCHCOCK]. The committee have been discussing them informally this morning. I think it is a matter sufficiently serious to justify the committee in taking it up before it is again brought to the attention of the Senate.

Mr. HARDWICK. If the Senator will pardon me, the postal matters are of even more serious importance to the country, in my judgment. I think, in fact, a great department of the Government takes the same view of it.

Mr. SIMMONS. The Senator does not understand me. There is no new matter involved in that, while the proposition I refer to has not been submitted to the committee and received its action. I am talking now about a new proposition which was considered yesterday.

Mr. HARDWICK. I understand that the committee acted once or twice on the proposition of the Senator from New Mexico.

Mr. SIMMONS. It is not the proposition of the Senator from New Mexico that we are now talking about; it is the amendment of the Senator from North Dakota.

Mr. HARDWICK. I do not know anything about that.

Mr. SIMMONS. The amendment is a very important one and proposes to place corporations and partnerships upon the same parity with reference to income taxes and surtaxes.

Mr. HARDWICK. I will say further to the Senator there is an additional reason why I do not want to proceed with the postal sections to-day. The First Assistant Postmaster General, who is my main adviser, has been called from the city by a death in his family.

Mr. SIMMONS. I think the Senator from Massachusetts [Mr. WEEKS] is ready to proceed.

Mr. WEEKS. I wish to say to the Senator from North Carolina that my plans are changed so that it will be necessary for me to leave Washington to-night. I am prepared to go on and discuss this proposition, but it is possible that a vote may not be obtained to-day and it is possible that I may not be able to get back Monday morning. I think it is essential from my own standpoint that I should be here when the vote is taken.

Mr. SIMMONS. Does the Senator from Massachusetts desire to take the floor now?

Mr. WEEKS. I am perfectly willing to take the floor if the matter can be brought to a vote to-day, but I am not going to do it otherwise, at least I would prefer not to do it.

Mr. SIMMONS. Of course I can not give an assurance to the Senator. Yesterday evening when we adjourned I was under the impression from a conversation I had with the Senator from Georgia that he would be ready to go on this morning.

Mr. HARDWICK. I would have been but for the absence of the Post Office Department official.

Mr. PENROSE. Will the Senator from Massachusetts yield to me?

Mr. WEEKS. Certainly.

Mr. PENROSE. There are a great many Senators away from Washington to-day, and I think there was some kind of a general understanding—I do not mean a formal understanding, but that was the impression—that there would be no vote taken to-day on any question.

Mr. SIMMONS. I had no such understanding.

Mr. PENROSE. No; the chairman of the committee had not, but there was a thought of that kind.

Mr. SIMMONS. Mr. President, if the Senator from Massachusetts [Mr. WEEKS] and the Senator from Georgia [Mr. HARDWICK] do not desire or are not willing to go on to-day I know of nothing now in connection with the pending bill that we can take up. Everything has gone over by consent except this matter. I permitted everything to go over by consent, Mr. President, because I supposed this subject would be taken up.

Mr. HARDWICK. Mr. President——

Mr. WEEKS. I am perfectly willing to go on and discuss this matter; but should I do so, I may have to do it all over again.

Mr. HARDWICK. So may I, for that matter; but the Senator from North Carolina knows that from the beginning I did not prefer this course; I asked him not to take it.

Mr. SIMMONS. I know that and I am not blaming the Senator from Georgia at all.

Mr. HARDWICK. No.

Mr. SIMMONS. Except that it puts us in the position of having nothing before the Senate.

Mr. HARDWICK. The Senator from North Carolina, Mr. President——

The PRESIDENT pro tempore. There must be better order preserved in the Chamber. The Chair can not hear anything that is going on. It is impossible to hear.

Mr. HARDWICK. Almost the last thing the Senator from North Carolina said yesterday afternoon, as the RECORD this morning discloses, was that we would continue this morning the discussion on the amendment of the Senator from New Mexico [Mr. JONES], and the amendment to that amendment proposed by the Senator from North Dakota [Mr. MCCUMBER].

Mr. SIMMONS. If I said that, it was an inadvertence.

Mr. HARDWICK. It is in the RECORD. I read it in the RECORD.

Mr. SIMMONS. I did not understand it in that way. I thought I said to the Senator that we would take this up, and if I said what he has stated it was a pure inadvertence. Mr. President, I do not know of anything to do in connection with the pending bill——

The PRESIDENT pro tempore. What is the pleasure of the Senate?

Mr. SIMMONS. And, Mr. President, if no Senator is prepared to go on I will consent to have the bill laid aside temporarily.

Mr. MCCUMBER. Before the Senator from North Carolina asks that that be done, I suggest why not dispose of the pending amendment?

Mr. SIMMONS. The amendment proposed by the Senator from North Dakota?

Mr. MCCUMBER. Yes.

Mr. SIMMONS. As I have stated to the Senator, that is a very important matter, and I should myself prefer to consider it further and to have the committee further consider it.

Mr. MCCUMBER. Very well.

HOURS OF LABOR IN LUMBER INDUSTRY.

Mr. JONES of Washington. Mr. President, while Senators are considering the course of procedure in connection with the pending bill, I desire to have a telegram read, which I have just received.

Mr. President, we have had called to our attention industrial difficulties in some of the Western States. There is quite a demand in the State of Washington upon the part of the laboring people in the lumber mills and by some of the lumber manufacturers for the establishment of an eight-hour day in the lumber industry. Many of our people think that Congress has authority to do that. The lumber manufacturers are agreeable to an eight-hour day if it can be made general throughout the country, contending, however, that unless it is made general they can not survive the competition that would come from other States not operating under that system. They seem to think, and the laboring people seem to think, that Congress has the power and jurisdiction to establish an eight-hour day for labor in lumber manufacturing plants as it did in connection with the railroads engaged in interstate commerce.

They have expressed the view that, as Congress has established an eight-hour day for railroad men engaged in interstate commerce, Congress also has the power to establish an eight-hour day for labor in the lumber-manufacturing plants of the country. I know that there is a very decided difference of opinion with reference to the power of Congress in that respect. There is powerful opinion to the effect that labor in a lumber mill is not engaged in interstate commerce and can be regulated only by the State. Bills have been introduced, however, in Congress looking to this end. Personally I should like to see an eight-hour day established. If Congress has the power to do it, it would be better to have a general policy rather than one in one State and one in another; but the question as to the power of Congress to do it is a very serious and a very important one, and I know that there would be very much discussion if the matter should come up in the Senate. I am sure it is practically impossible to do it by September 1, if at this session. With that statement I want to ask to have read a very significant telegram.

The PRESIDENT pro tempore. Without objection, the Secretary will read as requested.

The Secretary read as follows:

SEATTLE, WASH., *August 25, 1917.*

Hon. WESLEY L. JONES,
Washington, D. C.:

Seattle Building Trades Council, in line with other labor and civic organizations, request the eight-hour day in timber industry after September 1. Product of mills which have not conceded the eight-hour day and right to organize will not be handled by building-trades mechanics. Please bring this to attention of Washington delegation in Congress.

FRANK W. COTTERILL, *Secretary.*

Mr. JONES of Washington. I simply desire to say that I have called the matter to the attention, not only in this way but by letters, of the members of the Washington delegation and also to the attention of the President of the United States and of the Council of National Defense.

Mr. MCCUMBER. Mr. President, as the Senator from Washington has presented this telegram, indicating that the laborers in the mills desire an eight-hour day, I should like to have the Senator inform us whether or not the statement is true which appeared in the press yesterday that all of the lumber mills on the Pacific coast, except the shingle mills, were proposing to close down their business until 1918 because there was no demand for their product.

Mr. JONES of Washington. Mr. President, I have no information with respect to that matter except the dispatches which I saw in the newspaper, to which the Senator from North Dakota has referred.

Mr. MCCUMBER. That would indicate that the eight-hour or six-hour or any other hour day would have little effect if the mills are to be closed down.

Mr. NEWLANDS. Mr. President, in connection with the remarks of the Senator from Washington [Mr. JONES] I wish to state that I have observed a tendency on the part of the lumber association of the country, which I believe is national in character, to acquiesce in and even desire complete regulation by the National Government, extending not only over the question of the hours of labor but also extending over the price of the commodity in which they deal. I received a call the other day from a lumber operator on a very large scale in the Northwest and recently in the South, a gentleman of education and capacity and of considerable fortune, acquired by energy and enterprise, who told me that he had read without apprehension a certain interview with myself which appeared in the New York Times some two or three weeks ago, the title of which—a title not suggested by myself, but adopted by the newspaper—was "War-bred socialism," of which I shall, with the leave of the Senate, insert a copy in the RECORD. In this interview I commented upon the fact that the extraordinary prices now being charged by the great industries for commodities upon which an extraordinary demand had been precipitated would force regulation, both State and National; that the law of competition based on supply and demand, upon which we had relied for the regulation of prices, had practically broken down in its ability to meet the public requirements in this great emergency; that the result was that regulation of these great industries was likely to be very largely increased during the years of the war; that the question would be forced upon the attention of both National and State legislatures, and that the effect might be so permanent upon the institutions of the country as practically to substitute regulation for competition as the regulator of prices.

This gentleman stated that he was in favor of having the prices of lumber throughout the United States fixed, just as the prices of coal under a recent law are being fixed. As a man interested in this industry, he felt that it would be very much safer for him and his industry to rely upon public regulation for a fair profit rather than to rely upon competitive conditions, which at times result in great profit and at other times result in great loss and the disturbance of the relations between capital and labor; that more equitable conditions were likely to be secured both for capital and for labor by the extension of the principle which we were applying to our coal mines and to the other great basic industries of the country. I was greatly surprised to receive that expression from a man of wealth and of very great enterprise, a man who in the long range of years, has been able through competitive processes to secure very considerable wealth as the result of his good judgment, foresight, and energy. It shows the tendency of the times.

Here we have this lumbermen's association now calling upon the Senator from Washington for the adoption of a nation-wide law regulating the hours of labor, upon the assumption that interstate commerce, under the Constitution, is under the control of the National Government and that we have just as much right to fix the hours of labor in great lumbering enterprises engaged in interstate trade as we have to fix the hours of labor in enterprises engaged in interstate transportation. This tendency deserves the careful consideration and deliberate judgment of Congress.

I wish to add that when we were considering the food-control bill I brought to the attention of the Senate the importance of including lumber, steel, iron, copper, and aluminum in the provisions of that bill. That proposal received only 22 votes. I feel sure that a larger number would have voted for it had it not been for the current feeling that the debate upon the bill had been lengthy and that any attempt to extend the area of

its operation would result in further prolongation of the debate and delay in the determination of the important matters covered by that bill; but that question will come up, I imagine, before we adjourn, for a bill is now pending, introduced by the Senator from Ohio [Mr. POMERENE], extending the control now exercised over coal to iron, steel, copper, and aluminum. I am not sure whether it includes lumber, but, in my judgment, it ought to include lumber. It is my purpose at an early day to call together the Interstate Commerce Committee for hearings and action upon this important measure.

Mr. BRADY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Idaho?

Mr. NEWLANDS. In a moment. I invite the serious consideration of Congress to the question as to whether it has not the constitutional power to adjust this question of the hours of labor, certainly so far as interstate commerce is concerned. Such regulation, if entered upon, will, of course, have the effect of producing similar results with reference to State commerce, for the same enterprises are engaged in both interstate and State commerce, and if the National Government imposes certain conditions of labor regarding interstate commerce those conditions will necessarily prevail with reference to State commerce also. I now yield to the Senator from Idaho.

Mr. BRADY. Mr. President, before the Senator takes his seat I should like to have an expression from him as to what he thinks the effect will be of the law we have enacted relative to the regulation and control of food, coal, and the other articles named in the so-called food-control bill? It is quite evident that the usual conditions of competition in trade have been broken down, and that a new era has arrived in the history of our Government relative to the rules and laws of trade. I am wondering, after listening to the Senator's very able expression this morning, whether he feels that this tendency is toward governmental control of the public utilities of the country or whether it is toward governmental ownership. I should like to hear from the Senator on that question.

Mr. NEWLANDS. I think the tendency is toward enlarged governmental control, and, in my opinion, that will probably check the tendency toward Government ownership.

Mr. BRADY. Does the Senator believe that we can enact laws that will enable us to accomplish the purposes which we desire to accomplish in connection with the public utilities by way of control? Does he not believe that the tendency is growing more and more every day toward governmental ownership of public utilities? Let us presume for the moment that the laws we have enacted and which are now in force relative to the control of certain utilities should prove entirely successful. What then? I read in the paper a few mornings ago that the control by the Government of coal would save $30,000,000 in one year to the city of Chicago and the State of Illinois. If by means of such governmental control $30,000,000 can be saved to one State on one article, may it not justify us in continuing that control in time of peace; and if we be justified in doing so, should we not at this time be giving serious consideration and attention to this matter?

The Senator from Nevada in his comprehensive river-control bill spent years of work and labor before accomplishing the result he desired. While I have always been very much in earnest in my support of the principle of affording opportunity to the individual who desires to make the effort, yet I believe the conditions not only in the United States but in the world have been so changed by this war that we are facing a new condition, and that before we get through it is going to be necessary for us to establish some comprehensive system, either of complete control or Government ownership, of the great utilities, something along the very lines of the law we have enacted relative to river control which bears the name of the Senator from Nevada. I should like to have an expression this morning from the Senator from Nevada as to what he thinks about this subject.

Mr. NEWLANDS. I will state, Mr. President, that I have been drifting in my views for some time. I started as a thoroughgoing individualist.

I yielded to the necessity of public regulation. I should deplore Government ownership of anything, and yet I may drift toward that. I do not think the exigency has arisen yet. I do not think we have sufficiently tried out public regulation of railroads to say that the regulation of railroads is not satisfactory. On the contrary, I think we have accomplished great results. I think possibly it may be necessary to enlarge the area of public utilities in interstate commerce by declaring some things to be affected with a public use that hitherto have not been affected with a public use, but I should move along very cautiously in that direction. We have moved along in that direction with reference to coal and with reference to wheat, but we have limited the duration of that legislation to the war; but it may be so successful that, perhaps in some modified form, it may find a permanent place on the statute books. I am unable to predict as to that. I simply wish to call attention to the tendency of the times and to the fact that almost all of us have been wrenched from our old moorings by the extraordinary exigencies of this war and that our reasoning has been driven into unaccustomed channels.

Mr. GRONNA. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from North Dakota?

Mr. NEWLANDS. I do.

Mr. GRONNA. I dislike very much to interrupt the Senator, but I am extremely interested in what he is saying. I do not know what effect the regulation in the so-called food-control bill will have upon the coal industry, but I want to say to the Senator from Nevada that I know that it has had a ruinous effect upon the grain industry. I wish the Senator could see the thousands of telegrams which are pouring into this Capitol now from people all over the grain States stating that the markets have been completely ruined.

The food bill, as the Senator knows, was passed with the idea in view that it should stimulate production. I voted as the Senator did on the propositions to include other articles, manufactured articles, as well as grain and coal; but I want to say now to the Senator that already it has had the effect which I said it would have upon the agricultural industry, and, instead of stimulating production, the people of the United States will find that it already has had a most disastrous effect, and that it will be the means of limiting production instead of stimulating it.

Mr. NEWLANDS. Mr. President, I do not think sufficient time has been given to test that law, and I have more optimism regarding its results than the Senator from North Dakota. I will simply suggest to the Senator from North Dakota that conditions with reference to every economic change are largely psychological, and that, inasmuch as this is the law, it becomes every good citizen to help its enforcement and not to be too discouraging with reference to the results to be accomplished by it. We can ourselves, if we choose, through the avenues of public communications leading from this body, create a sentiment which may seriously impair the beneficial operation of that law. I appeal to the Senator from North Dakota and other Senators whose judgment led them to oppose that legislation to cooperate with us all now in creating a sentiment that will be favorable to its success, and instead of predicting disaster from it let us all indulge in hope; and if there is any psychological depression in any section of the country arising from the passage of that law, let us do what we can, by encouraging optimism, to remove and relieve it.

The article referred to is as follows:

[From the New York Times, July 29, 1917.]

WAR-BRED SOCIALISM—WHETHER IT WILL BE CHECKED IN AMERICA DEPENDS ON ATTITUDE OF BIG INDUSTRY, SAYS SENATOR NEWLANDS.

If the coal operators who recently agreed upon and suggested to the Government $3 a ton as a fair price for their output had made it $2 or $2.50, the march of the United States toward the goal of socialism would not have been so far along as it now is, according to Senator FRANCIS G. NEWLANDS, who, as chairman of the Senate Committee on Interstate Commerce, has spent years in listening to and studying the pros and cons of all the arguments incidental to the Government control of transportation and to the problems of the other great industries.

Furthermore, the Senator declared in the course of this interview at his home in Washington the other evening, it depends upon the war-time behavior of the great producers themselves whether this country finds itself at the end of the war upon a permanent basis of collectivism or State socialism. In this connection he heartily commends the lumber producers for what they have done already and speaks a good word for the copper and aluminum interests, but he does not think that the coal and steel and iron industries have yet shown the full measure of patriotism and unselfishness which the country has the right to expect of them.

And as to the Sherman law against combinations in restraint of trade, which the Government itself has set aside in the emergency of war, Senator NEWLANDS is confident that if control of combinations proves to be a better thing for the public than penalizing them, such combinations, so controlled and regulated, will continue as a permanent factor in industry after the declaration of peace.

"Our war conditions," said Senator NEWLANDS, "now require supreme collective effort, and that, carried out to the full extent, means socialism. We have found that in war the law of supply and demand breaks down because extraordinary demands are precipitated upon moderate supply. Prices soar, and that means disturbances and readjustments for every kind of labor and industry and for commerce.

"We could not wait long enough, upon entering the war, for the usual effect of increased demand, namely, increased production, to restore the price levels. Therefore, in the stress of war it becomes necessary to take over plants or control prices, unless the desired results of reasonable prices can be obtained by understanding with the producers. When I say reasonable prices I mean reasonable prices not only for the Government but for the public. It is not to be imagined that a country can successfully prosecute a war, even though it obtains its supplies at reasonable prices, if its industrial forces at home are upset by strikes and lockouts. Increasing prices invariably

mean a ferment of labor troubles which, in turn, materially impair the military strength of a nation at the front. The laborer is bound to compare the amount which a dollar of his wages will buy to-day with what it would buy a month or a year ago. He has to do this; he is compelled to contend all the time for the maintenance of the power of his wages. If things go up in price, his wages must go up, too.

"We must avoid such a race between prices and wages by keeping prices down not only for the sake of conserving all our present industrial strength for war purposes but for the sake of the economic welfare of the United States after the war in its international trade relations. If we do not avoid such a race between prices and wages, both will increase steadily till the end of the war, when our wage level will be above that of the other belligerent countries in which there has been better control, and the country with the highest wage level will then be at a disadvantage. Its cost of production of all commodities will be above that of the other countries, which will put it out of the running in any competition in its own markets and in the markets of the world. And the high wage level will also bring an influx of labor which the country will not be able to handle.

"Every consideration, therefore, demands that a proper price level shall be maintained by Government regulation, and this, of course, involves a form of State socialism.

"Thus far the administration has sought by mobilizing its industries and by inviting their chiefs to become members of the great coordinating committees in connection with the National Council of Defense and the advisory commission to conscript by a friendly process these interests in the service of the Republic. This method has succeeded so far as some of the products are concerned. For example, it is perfectly clear that the principles of competitive bidding would not have been applicable to the construction of the 16 great army cantonments, each of them intended to be a city of 40,000 soldiers. The risk in a market of rising prices for construction material would have been too great for the contracting builders to name reasonable terms for their work. But the mobilized lumber interests rose to the emergency patriotically, took a survey of the whole lumber situation of the country, and then voluntarily named the reasonable price of from $20 to $28 a thousand feet, a figure, very slightly above normal. The result is that the work on the cantonments hase gone on with marvelous rapidity and certainty.

"The coal and iron interests have not responded so patriotically. The prewar price of coal at the mines was from $1.10 to $1.40 a ton. Since then miners' wages have been somewhat increased, enough perhaps to add 25 cents to the cost of production. The cost of materials used in the mines has increased somewhat and higher coal prices were to be expected, naturally. But the extraordinary demand on normal supply, accompanied by car shortage which impeded distribution and deliveries, forced the price of a part of the coal supply, uncontracted for, up to $5 and $6 a ton at the mines. The factories became alarmed and bid acutely against each other. Then the coal operators met at the suggestion of the National Council of Defense and they seemed to think that they were doing a patriotic thing in naming $3 as a fair price at the mouth of the mine.

"If they had been wise, if their notion of patriotism had coincided more closely with public opinion, they would have named a price nearer $2 than $3. Such a price would have made ample allowance for increased cost and extraordinary conditions and afforded a liberal profit. The price is not satisfactory to the War and Navy Departments and to the public and it probably will be necessary to commandeer the mines or their output, or, through both National and State agencies, to fix the price of coal in both interstate and State commerce, thus placing the mines in the group of publicly regulated industries along with the railroads, the telephone and telegraph and the gas and electric light and power companies. In any event the country has been forced a step nearer to socialism by the action of the coal men and we are bound to come out of the war with a great many more industries publicly regulated than we had in the beginning.

"The matter of commandeering opens up a new question. Before the war, if you had asked me whether the Government had power to commandeer properties and plants for public as well as for Government use, I should have said no. But now, in war time, the strength of the Nation's military forces at the front depends so much on the virility and welfare of all the people at home that I am inclined to believe that the courts would uphold the Government in commandeering a public necessity as a legitimate war measure if it were necessary for the proper care of the people.

"But that is a digression. Now as to steel—but first let me say that apparently the copper and aluminum interests have dealt fairly with the Government by giving it prices much below the market of the day. But the iron and steel industries have not thus far shown any such disposition of helpfulness. On the contrary, the indications are that they are demanding, or will demand, more than double the prewar prices. If so, the Government will have to deal summarily with them, not only in its own interest but for the benefit of the public.

"It depends upon the leaders of these industries as well as upon the coal men and all other big producers of necessities whether this country will be permanently socialized after the war. It remains for them to fix, as they may and can, reasonable and just prices and thus do away with the necessity of applying collective force. If there is any statesmanship in these industries able to control the producers, they will see the wisdom of maintaining a fair and stable price level, notwithstanding the temptation of the hour and the times offered by the present plight of humanity. If they yield to this temptation, if they attempt to charge 'all the traffic will bear,' either the Government will take them all over or they will have labor rushing in to share with them the spoils and they will have a lofty wage level which it will be difficult to reduce when the price level falls as a matter of course at the end of the war. It is a reasonable prediction that no industry which is taken over by the Government will ever go back to private ownership.

"An interesting question more or less relevant to all this is what is to become of the Sherman law. That law is based on competition and on the theory that increased prices resulting from increased demands will be followed by increased production, which in turn lowers the prices, and that thus in the long run an equilibrium is maintained. This law is enforced largely by provisions which penalize agreements between producers tending to stabilize or increase prices. When extraordinary demands are imposed on existing supplies, as at present, the Government, with a view to mobilizing its transportation facilities and its commodities, thus increasing both efficiency and volume, has been compelled to deal with each industry collectively and to urge it to combine for such higher efficiency and greater output. This necessarily involves understandings and agreements between railroads and producers which might be regarded as violations of the Sherman law in normal times.

"For example, the coal operators met at the invitation of the Government and discussed prices, a thing they hardly would have dared to do before the war. And as to the railroads, the Government, by law, has authorized the appointment of an executive committee by all the roads for the purpose of coordinating their energies. This thing would have been open to suspicion, to say the least, before the war. So you see the tendency of war conditions is to substitute for penalization of combinations a control and regulation of combinations. If this proves successful and results to public advantage, it will be continued after the war. And collectivism in Government will encourage a regulated collectivism in industry."

Mr. NELSON and Mr. BRADY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Nevada yield; and if so, to whom?

Mr. NEWLANDS. I yield to the Senator from Minnesota.

Mr. NELSON. Mr. President, for every poison there is said to be some antidote. Last fall I was at Grand Forks, N. Dak., and the governor of that State made a speech on the platform. Among other things, he said:

> We have organized the State of North Dakota under the Nonpartisan League. We have secured control of the State. We shall labor to get the adjoining States—Iowa, Wisconsin, and Minnesota—under the Nonpartisan League, and when we succeed in doing that we will have all speculation and trading on chambers of commerce and grain exchanges stopped.

They have now succeeded in accomplishing that. All trading on the grain exchanges has stopped, and still those classes of men do not seem to be satisfied.

Mr. BRADY. Mr. President, referring to the remarks made by the Senator from North Dakota [Mr. GRONNA] and replied to by the Senator from Nevada [Mr. NEWLANDS], I am in hearty sympathy with the expressions of the Senator from Nevada relative to giving full opportunity to test the laws we have already enacted. In other words, let us give the country a chance, not for a few days but for a few months, to demonstrate whether or not these laws we have enacted are successful in their operation.

I have received, as every other Senator from agricultural States doubtless has received, a great many telegrams relative to the food-control bill, and especially relative to the price to be paid by the Government for wheat.

There was a general misunderstanding throughout the country—caused, I think, by some dispatches that were sent out before the law was entirely understood—as to just what we did mean by fixing a minimum price of $2 a bushel on wheat.

The general understanding throughout the country has been that the President was given power to fix the price; that if he felt that the time had arrived when we ought to have the price of wheat fixed at $2 a bushel or more he would have the authority under the law to do so. But since then it has been explained that we gave the farmers of this country a positive guaranty of $2 a bushel for their 1918 wheat crop at the primary market. After that was made known throughout the country I received a great many telegrams from my State—I just received some yesterday—saying that they had understood that Mr. Hoover and his board had decided that the price of $2 a bushel for wheat should be in Chicago. I immediately wired back that it was a mistake; that $2 a bushel was the price to be paid at the primary market. Now, I am quite sure that that will be entirely satisfactory to the farmers of my State for the 1918 crop.

Mr. GRONNA. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from North Dakota?

Mr. BRADY. I yield.

Mr. GRONNA. I am sure the Senator does not want to confuse this question. The Senator is now speaking of 1918. Of course, we know here that there is no guaranty of anything to the farmer for 1917, or for this year's crop; and I wanted to have him amplify that point.

Mr. BRADY. I agree with the Senator fully. I was just coming to that very point.

That is what we are to do for 1918. Then there was a general impression throughout the country that for the 1917 crop we were going to pay not to exceed $1 a bushel. That has been published in the papers in my State. A definite price has not yet been fixed, but my judgment is that it will be a minimum of not less than $2 a bushel at the primary market. If that be true, the farmers are going to be satisfied.

All that the farmers of this country want is a fair and equitable price, leaving them a reasonable profit. If that be true, and the farmers of North Dakota had a price fixed of $2 a bushel or more to-day for their wheat, there would be a fixed market, and they would be satisfied.

The reason why I refer to this matter is that I want to call the attention of the Senate and the country to the fact that we must take time to get these laws properly in operation. We must acquaint ourselves with the conditions and adjust ourselves to the new conditions that have arisen, so that we will know just what we can depend upon.

I believe that the food-control bill which we enacted, fixing a minimum price, will be carried out in a satisfactory manner, and I am becoming convinced more and more every day that the food control and the fuel control—and I hope oil control—are going to prove successful and beneficial to the masses of the people of this Nation. If they do prove successful, the question that is going to be uppermost in the minds of the people of this Nation—and we might as well prepare to meet the condition—is whether we shall continue this control, or whether we shall have Government ownership of public utilities.

This matter has been agitated not only by the labor unions of this country but by the farmers of this country, and it is a mistake to insinuate, as was done by my good friend the senior Senator from Minnesota, for whom I have the highest regard, that the organization of farmers in North Dakota has not proved successful. It is just exactly like our enacting these laws; it has not had time to be tried out. The farmers of North Dakota are not attempting to make great fortunes out of wheat. They are not attempting to make great fortunes out of any crop. They are simply trying to protect their interests and get the product that they raise on the farm delivered to the consumer without these billions and billions of profits that are made in the different industries of the country every year being distributed to men who do not perform the labor. That is their intention, and they are going to make a success of it before they finish. It may not be successful at the moment; it has not had time to be tried out, but those farmers are in earnest. They are starting on the right line. They are getting their grain elevators and their different cold-storage buildings erected, and they are going in the future to receive benefit from that organization, and if it proves successful it is going to be a stepping-stone to such an organization throughout all these United States.

I did not rise this morning to discuss this matter at length, but I do want to say while I am on my feet that I read an article in the Washington Post day before yesterday that more thoroughly expresses the existing conditions than anything that I have read since this war was declared. I commend that editorial to the Senator, for I want to say now that if governmental control is successful we will never go back to the old conditions in this country. The question to be decided will be whether it shall be governmental control or governmental ownership.

Mr. SHERMAN. Mr. President——

Mr. BRADY. I yield to the Senator from Illinois.

Mr. SHERMAN. I wanted to make an inquiry of the Senator. If I understand correctly the food millennium has not yet arrived. Is that correct?

Mr. BRADY. I believe not, from what I heard from East St. Louis the other day.

Mr. SHERMAN. That was not a food riot, as I understood. It was not about bread.

Mr. BRADY. No; but it is a question of whether or not the millennium has arrived. It seems it has not yet arrived.

Mr. SHERMAN. I am trying to investigate it, and so far no time has been appropriated by the Senate to that question. I am not sensitive about it. If you want to divert the discussion to East St. Louis, I will take it up with you this afternoon or with the Senate, and I challenge the Senate to do so. I wanted to inquire if the pure-food millennium has arrived, in spite of this law.

Mr. BRADY. It has not arrived, but it is arriving very fast.

Mr. SHERMAN. It is?

Mr. BRADY. Yes, sir.

Mr. SHERMAN. I understand that all the grain exchanges have quit, that all the bad men have ceased their manipulations, and no longer annoy, but that the price of food has not fallen, either in Washington or elsewhere.

Mr. BRADY. The Senator from Illinois does not expect the conditions to change in a moment. It has taken over half a century to close these exchanges.

Mr. SHERMAN. All this generation will be dead in half a century.

Mr. BRADY. I say, it has in the past taken that long.

Mr. SHERMAN. But I have a very long list of communications from both consumers and producers, and I want to inquire from the Senator what relief he will give to the flouring mills in the Mississippi Valley that are unable to know how to transact business. Practically, the market is closed in the wheat-producing area for the winter wheat country in the northern Mississippi Valley. There is no market. They can not buy. The farmers can not sell. The elevators are not taking wheat.

I have another communication, not from a monopolist but from a man running a little modest country elevator, just like a farmers' elevator. Several farmers are interested in it. They have bought in the ordinary course of trade what to them is a considerable quantity of wheat at current market prices, offered at the quotation. They bought from farmers bringing in a load to-day or two loads to-morrow. They filled up their elevator. To-day they are bankrupt, because they can not borrow money on their warehouse certificates or on their quantity of grain stored, they can not buy any more grain, and they can not sell what they have.

That is one specific instance. I can multiply it by one thousand. I am asking the Senator if the Senate or the administration has any remedy to offer for this delectable condition of affairs, this arrival of the food millennium that was to follow close upon the heels of this statute?

Mr. BRADY. I might say in passing that I am not responsible for the present administration, but that at the same time I am in sympathy with its position on the food-control matter. The question the Senator from Illinois raises is the very question that has been so ably discussed by the Senator from Nevada this morning. We can not do all these things in a moment; it is going to take time; and these are war times. In France, England, Belgium, and in Germany they not only can not buy and sell their wheat, but they can not use any flour without having a card and a permit to use it. These are war times, and that is the reason why it takes some time to get these matters adjusted.

I believe, and I hope that I am right, and I shall be very sorry if I am mistaken—I hope and believe that the food-control committee, headed by Mr. Hoover, will set a price for 1917 wheat at $2 or more per bushel at the primary market. If that is done the whole question will be settled in 48 hours and wheat will be moving from the producer to the consumer and at the same time taking away the great profits that have been made by speculators and middlemen. Now, I have no quarrel with the men who have engaged in speculation; I have no quarrel with the middlemen who have made large fortunes; but what I rose to say was that we have arrived at a time when the conditions are changed. We have arrived at a time when the Government has taken control of a great many of the necessaries of life, and before we get through with this war it will have taken hold and taken charge of a great many of the public utilities of the country.

The point I wish to make is, if the Government continues this policy, and if it is successful for a year or two or three years and will prove that the farmers can get $2 or more a bushel for their wheat on the farm and it can be manufactured and delivered to people who use the flour for prices that they are willing to pay and can afford to pay——

Mr. McCUMBER. Mr. President——

Mr. BRADY. Does not the Senator believe that that condition will be continued by the American people? If it is to be continued by the American people, we ought to be preparing for it now.

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from North Dakota?

Mr. BRADY. I yield to the Senator from North Dakota.

Mr. McCUMBER. Mr. President, when we passed the food bill granting authority to the administration to determine what would be a just and reasonable price for food commodities we necessarily anticipated that there would be a time between the passage of the law and the time its powers were put into effect of such uncertainty as would very naturally depress the price. No one could know what the committee which was provided for to fix prices would do in the premises, and therefore the tendency would be to stop all the trade and wait until the public would know something about what the Government proposed to do. That was the first anticipated effect. The committee is now at work to determine what those prices shall be so far as the Government can make or influence those prices.

I feel certain, and in that I agree with the Senator from Idaho [Mr. BRADY], if the committee on price fixing does fix a price just and fair to the producer there will be no complaint, and it will encourage the production for the year 1918. I might say, however, and I think I am justified in saying, that I do not agree that for the 1917 crop a price of $2 a bushel at the principal interior markets would be just and fair to every section of the country.

I want to call the attention of the Senator from Idaho and of the Senate to the fact that the principal spring wheat raising State of North Dakota raised but a fourth of a crop in 1916, and that little one-fourth of a crop was sold at the home market for an average of less than $1 per bushel. In 1917, notwithstanding that failure, farmers paid as high as $3 per bushel for seed wheat and increased the acreage to a considerable extent. They were sorely disappointed in not securing the yield that they expected. So in 1917 we are not raising in that State more than one-half of a crop.

Now, the fact of that almost complete failure in 1916, at least so complete that every farmer in the State lost rather than made money, and the half failure of 1917, so that no farmer can make any money in that State during this year, it ought to have its influence from the standpoint of justice and fairness on the price of the 1917 crop. All the farmers of that State are asking is not that you help them out of their difficulty because of their poor crop, but that you will allow them what the law of supply and demand unhindered would give them, and that would give them this year about $3 per bushel. I feel that in Idaho, where you may have irrigation, you can well afford to raise your wheat, even with the high price of labor, at $2 per bushel; where you raise a good crop in Kansas, Nebraska, or elsewhere you may be able to raise it at a profit at $2 per bushel, but $2 per bushel fixed upon the crop which is raised in my State, taking away from the farmers of my State the benefit of the law of supply and demand for this year, would do them a great injustice and they would not receive that to which they would be entitled, the full value of their crop as fixed by the market.

I am saying this lest the statement of the Senator might reach the ears of the committee which is now sitting in the discussion of that question. I am saying this that the committee or whoever reads these remarks in the RECORD may fully comprehend our situation and the assurance which I can give them that a $2 basis for this year's crop would not be just to the farmers of that State, and they ought to have the equivalent of the price that would be fixed by the law of supply and demand just as they are compelled to pay for everything they purchase, a price that is fixed by the law of supply and demand. If the committee in fixing that price will give them that element of justice there will be no complaint and they will respond, notwithstanding the two years of failure, in putting into the ground next year seed that will cover an acreage far in excess of what they have put in this year, and I hope that they will be accorded that justice in a price for this year's crop of not less than $3 per bushel.

Mr. BRADY. I thank the Senator for his very splendid explanation of the situation in North Dakota. It raises a question that is going to come up in the future in handling the grain crop of the country. The law that we passed does not say that the price shall be $2 per bushel, it says it shall be a minimum of $2 a bushel. The committee is working as hard as it can to adjust all these matters equitably. It may be impossible for them to do justice in all cases, even in the case of the State so ably represented by the Senator from North Dakota, but another year we shall have the plans matured, we shall have the system better organized, and then the men in North Dakota will receive a just and fair price for the crops that they produce, and in Idaho the same condition will exist.

It is quite true that we have splendid crops in Idaho this year, and our farmers, I think, have made some money on wheat, but as the Senator from North Dakota has well said, the conditions are different for this particular year in North Dakota, although it is one of the great wheat States in the country, and there may be reasons why a committee should be appointed to specially investigate the conditions of that kind. But what I desire to speak of this morning is not any particular incident.

Mr. MYERS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Montana?

Mr. BRADY. In a moment. I wish to speak of the general condition that now exists. I believe, as I said before, that the conditions will change after the war. We must not think for a moment that the conditions existing now will exist after peace is declared; other conditions will arise; but before that time comes we should be deciding as far as we can what course we are going to pursue and what policy is going to be taken by the Government after the war is closed. This is a serious question and one that deserves the thoughtful consideration of every Member of this body. We are making history every day. What the outcome will be no one knows. But it is certainly true that the Government is receiving powers and assuming responsibilities that are greater than have ever been given by the people of this Nation before. In my opinion the question of governmental control or governmental ownership is this day on trial. Time and experience alone will demonstrate what is for the best interests of the people, and when the demonstration is made and after a practical experience the Nation is then going to decide this great question in a manner that will be permanent. I now yield to the Senator from Montana.

Mr. MYERS. I have just received a telegram on this subject, which is as follows:

SCOBEY, MONT., *August 24, 1917.*

Hon. HENRY L. MYERS,
United States Senate, Washington, D. C.:

M. J. Fearer, of Duluth, Minn., crop expert, who is here now, estimates average wheat yield for northeastern Montana at from 5 to 6 bushels per acre. The fixing of price of wheat at less than $2.50 per bushel would be ruinous to farmers here and would be practically confiscation. If prices are fixed at less than above figure there will be a tremendous decrease in acreage in 1918. Average cost of seed for 1917 was $3 per bushel, and everything used by the farmers in production of wheat has advanced from 50 to 200 per cent, including wages, machinery, live stock, horse feed, gasoline, oils, and lumber. Why should Canada receive $2.40 per bushel and we be compelled to feed the allies at a less figure? Farmers and those dependent upon them are indignant and resent the taking of their crop without fair compensation or compelling them to sell for less than value, as fixed by supply and demand.

SCOBEY COMMERCIAL CLUB.

Last fall and spring the farmers of Montana responded nobly to the President's request for an increased acreage of all foodstuffs, and they put in the largest acreage of wheat that had ever been put in in the State. They made extraordinary efforts. But this year was a very dry year in Montana, the driest the State has had in many years. There is the smallest yield of wheat on unirrigated lands the wheat growers of the State have ever had. In some sections of the State the crop is almost a failure. If the farmers of Montana get less than $2.50 a bushel for their wheat this year I believe it will have the effect of causing a very much decreased acreage to be put in wheat in that State next year. I believe the same holds true of the entire country. I know that is the feeling among Montana wheat growers. I am receiving many telegrams from Montana to that effect. I am submitting them to the food administrator and urging upon him action that will encourage and not discourage Montana wheat growers.

Mr. BRADY. What the Senator says is quite true. Conditions of the weather and seasons will have a material effect in the different States; but, of course, we have to consider the country as a whole. For that reason I believe that the food-control law should be given a thorough test before we pass judgment upon it. The question which is going to be decided is whether we are going to drift to governmental control or whether we are going to drift to governmental ownership, and those who believe in governmental control rather than governmental ownership should use their best efforts to see that governmental control under war conditions is made so successful that it will prove satisfactory to the people after the war is closed and peace is declared.

RECESS.

Mr. MARTIN. I move that the Senate take a recess until 11 o'clock Monday morning.

The motion was agreed to; and (at 12 o'clock and 15 minutes p. m., Saturday, August 25, 1917) the Senate took a recess until Monday, August 27, 1917, at 11 o'clock a. m.

SENATE.

MONDAY, *August 27, 1917.*

(Legislative day of Wednesday, August 15, 1917.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

IMPORTATION OF PRISON-MADE GOODS.

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of the Treasury, transmitting reports from the consuls at Cairo, Egypt; Bombay and Madras, India; and Trebizond, Turkey, relative to the extent to which prisoners, paupers, or detained persons are utilized in the production or manufacture of commerce of various countries, which, with the accompanying papers, was referred to the Committee on Printing.

WAR REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses and for other purposes.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Dillingham	Johnson, Cal.	Kenyon
Brandegee	Fernald	Johnson, S. Dak.	La Follette
Chamberlain	Hale	Jones, N. Mex.	Lodge
Culberson	Hollis	Jones, Wash.	McCumber
Curtis	Husting	Kellogg	McNary

Martin	Penrose	Sheppard	Sterling
Nelson	Pittman	Shields	Stone
Overman	Saulsbury	Simmons	Williams
Page	Shafroth	Smoot	

Mr. STONE. I desire to announce that my colleague [Mr. REED] is detained from the Senate on important business. I will let this announcement stand for the day.

The PRESIDENT pro tempore. Thirty-five Senators have answered to their names. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. HARDWICK, Mr. JAMES, Mr. ROBINSON, Mr. SHERMAN, Mr. SWANSON, Mr. TOWNSEND, and Mr. VARDAMAN answered to their names when called.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness.

Mr. CURTIS. I desire to announce the unavoidable absence of the senior Senator from New Hampshire [Mr. GALLINGER], and also the absence of the senior Senator from New Mexico [Mr. FALL] on account of illness in his family. I will let these announcements stand for the day.

Mr. BECKHAM, Mr. MCKELLAR, Mr. NEW, Mr. THOMPSON, Mr. HARDING, Mr. BRADY, Mr. KING, Mr. RANSDELL, Mr. GRONNA, Mr. KIRBY, Mr. NORRIS, Mr. BANKHEAD, and Mr. GERRY entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Fifty-five Senators have answered to their names. There is a quorum present.

Mr. TOWNSEND. Mr. President, I would like to ask the chairman of the Committee on Finance if it is his opinion that we are going to get a vote on the pending bill this week?

Mr. SIMMONS. Mr. President, I wish that I could give the Senator something like a definite answer to his question. He asks a question in which I am very much interested. All that I can say is that I hope we may be able to get a vote this week, and I think we shall get a vote this week unless the discussion upon the especially controverted portions of the bill which relate to income and excess profits taxes takes a longer time than I now anticipate.

Mr. TOWNSEND. I will state my reason for asking the question. I believe the chairman of the committee ought to try to get unanimous consent to vote on a certain day this week on the bill, and I think that request ought to be made to-day. A further reason why I asked the question is because I believe a great majority of the Senate are in favor of a vote, and that no good will come by delaying it beyond the week; and that a large number of Senators, I understand, would be very willing to enforce, if given an opportunity, the new rule that we have in order to get a vote not later than Saturday.

If one can not be reached before that date, if we let this measure run along and debate it, and debate it perhaps for weeks, then we will miss our opportunity to get a vote now.

Nobody is more in favor of general debate than I am where its purpose is to affect legislation. I have been opposed to cloture; but I realize the situation we are in now, and knowing, as I think I do know, that no good can come from longer delay, because whatever has been agreed upon to do is going to be done, I think when a reasonable opportunity for discussion has been offered we ought to proceed to vote. Unless the Senator who is chairman of the committee sees fit to ask for some agreement I think some one else ought to do it in order that those Senators who I know do not wish to lose the chance of bringing this measure to a determination some day this week may have an opportunity to act.

Mr. SIMMONS. Mr. President, I have for quite a number of days had in mind asking unanimous consent for a time to vote. I have had every reason to believe, however, that it would be impossible to get a unanimous-consent agreement. It would have been impossible during last week, at least, and I did not see proper to make what I thought would be a practically futile attempt. I had anticipated, however, unless we made progress, some time during the early part of the week to see if we could not get a unanimous-consent agreement or if we could apply our newly adopted cloture rule. But, Mr. President, I have no sort of objection, if anyone desires it, to make an effort now to get a unanimous-consent agreement.

Mr. SMITH of Michigan (to Mr. SIMMONS). Go ahead and make it.

Mr. SIMMONS. I do not know whether the situation is changed from what it was last week. I was informed last week that I could not get it.

Mr. SHAFROTH. Let me suggest to the Senator that he unquestionably could get a unanimous-consent rule through better than anyone who is not chairman of the committee and especially one who is not a member of the committee. I believe the people are very anxious and Senators are very anxious that a vote upon the bill should be reached and that we get through with it.

Mr. SIMMONS. Let me say to the Senator there was not a day last week when I would not have asked for it if I had not every reason to believe that it would have been utterly impossible at any time last week to have gotten it. I had intended to-day to investigate the situation and see whether there was any probability of getting it.

But, Mr. President, let us end the matter. I now ask unanimous consent to vote upon the bill and all amendments now pending and amendments hereafter to be proposed—I was going to say at 4 o'clock on Saturday, but I will start with Friday at 4 o'clock. I ask the Secretary to draw it up. I think that is as soon as the bill could properly be disposed of.

Mr. SMITH of Georgia. I suggest to the Senator to inquire in advance whether anyone objects or not.

Mr. SIMMONS. I should like to make that inquiry because I would dislike to have the necessity of calling the roll again. Nobody seems to indicate any purpose to object. Therefore I ask the Secretary to prepare the rule, and I shall offer it formally.

Mr. JONES of Washington. I suggest to the chairman of the committee that the most important items in the bill have not yet been disposed of. As far as I am concerned I am not willing now to set a time to vote on the bill and all amendments until those important provisions are disposed of.

Mr. SHAFROTH. I will ask the Senator whether he will not consent to a later day, to Wednesday of next week.

Mr. JONES of Washington. No; I am not willing to fix any time until these important amendments are disposed of. Just as soon as they are disposed of and settled I am ready to vote. I am anxious to vote. These important amendments should be taken up, considered without delay, and disposed of by a vote. I would like to vote to-morrow, as far as that is concerned, upon every proposed amendment, but we have had experience in the past of setting a bill with important amendments pending down for a vote, and all of us here know what the result has been. I want to say that, as far as I am concerned, I am not willing to fix a time to vote on the bill and all amendments until the excess-profits proposition is disposed of.

Mr. SHAFROTH. Does not the Senator believe that if we are going to have unlimited debate it may be next October before we get a vote?

Mr. JONES of Washington. We will not waste any time in debate on the excess-profits proposition in the bill.

Mr. SHAFROTH. Then why can we not agree to vote on Wednesday or Thursday of next week?

Mr. JONES of Washington. Simply because when a unanimous-consent agreement is made nobody pays any attention to the proposition. We might vote long before the time set. We ought to do so; I hope we will. There is certainly no intention on the part of anybody to unnecessarily delay the bill or a vote upon this proposition, but I am not disposed to consent to fixing a time until the excess-profits amendment is disposed of.

Mr. SHAFROTH. Will the Senator consent to fixing a time after which debate shall be limited to 15 minutes?

Mr. JONES of Washington. Certainly. I am ready for us to begin on that basis right now. I care for no time. I do not want to delay the bill. I want to hasten its passage. The Senator's suggestion would bring early action. I would like to see it followed.

Mr. SHAFROTH. It seems to me that that would save a good deal of time. I believe we have better discussion under a 10 or 15 minute rule.

Mr. SHERMAN. Mr. President, I wish to submit some amendments to the bill, and I ask that they be printed.

The PRESIDENT pro tempore. It will be so ordered.

Mr. SMITH of Georgia. I ask the Senator from North Carolina if we can make an agreement that after Friday morning or Thursday morning debate may be limited to 15 minutes?

Mr. SIMMONS. Very well. I make the request that after 3 o'clock on Thursday, by unanimous consent, debate be limited to 15 minutes.

The PRESIDENT pro tempore. Does the Senator from North Carolina, in view of the objection made, withdraw his request for unanimous consent first asked?

Mr. SIMMONS. I do. I do not want to have the roll called unnecessarily. I now ask unanimous consent that after 3 o'clock on Thursday of this week debate upon the bill be limited to 15 minutes and upon amendments to the bill.

Mr. LA FOLLETTE. Mr. President——

The PRESIDENT pro tempore. Is there objection?

Mr. LA FOLLETTE. I think the chairman of the committee ought not to prefer any request for unanimous consent to limit debate in any way until the income-tax provisions of the bill

and the war-profits tax provisions of the bill are acted upon in Committee of the Whole and the committee amendments and such amendments as Senators desire to offer to those portions of the bill are finally disposed of. The request seems to me to be so unreasonable that I shall take the responsibility of saying that there will not be any unanimous-consent agreement to limit debate in any way until those two important provisions of the bill are debated out fully.

The PRESIDENT pro tempore. Objection is made.

Mr. HARDING. Mr. President, I was wondering if the Senate can not get together on a very common-sense ground and fix a time, if Senators desire it, to dispose of these two very important questions. Can there not be a time fixed for that? I think there is a feeling throughout the Senate that we ought to speedily dispose of the bill.

I do not myself think that the debate is changing very many votes on this floor. If the idea of the extremists prevails relating to the excess-profits tax, it is all the more important that it should be speedily disposed of. If the proposition should be adopted that the corporate and business concerns of this country should pay 60 per cent or 80 per cent tax on their excess profits, it is extremely urgent that that matter be determined, so that these great institutions may prepare to meet the cash payments they will be called upon to make next year. So it seems to me it would be a practical thing, in view of the necessity of letting the country know what burdens it is to assume, that we agree upon a time to end the debate and to vote on these moot questions. Then we can speed along and finish up the bill under the ordinary unanimous-consent rule. I will ask the chairman of the Committee on Finance if I am wrong in suggesting the possibility of such an agreement?

Mr. SIMMONS. Mr. President, I do not know but what the Senator suggests would be a very advisable thing to do provided we could get unanimous consent to do it. I withdraw the last unanimous-consent proposition which I made, in view of the statement made by the Senator from Wisconsin [Mr. LA FOLLETTE], and I will now try another. It is this: That the debate begin upon the war-profits section of the bill not later than Wednesday of this week, and that not later than Friday at 4 o'clock a vote be taken upon that section of the bill.

Mr. McCUMBER. Mr. President, does the Senator desire to make that request without accompanying it with any provision relating to the length of time any Senator may discuss the bill? Does the Senator from North Carolina want to ask for such a speedy determination of the matter and then allow any one Senator or two Senators to take up the entire time?

Mr. SIMMONS. I have made the request in the general way in which I have because I assumed that some such suggestion as the Senator from North Dakota now makes would be made, and I wanted to get suggestions from the Senate for the purpose of meeting any objections of that character.

Mr. McCUMBER. I have no objection, provided that the debate be limited so that Senators who wish to speak 10 or 15 minutes may have an opportunity to do so.

Mr. SIMMONS. Then, Mr. President, I will add that during the period I have named debate on the general bill be limited to one hour and not more than one speech and upon amendments that the debate be limited to 15 minutes and not more than one speech.

Mr. HARDING. Mr. President, I want to ask the chairman of the committee a question. It is a very well-known advertising expression, "Eventually; why not now?" Why can not the Senate have the determination and courage to take this question up to-morrow and let us have the debate and then let us vote. There is not anything to be gained by putting it off from day to day.

Mr. SIMMONS. I beg pardon of the Senator, but it was announced Saturday that to-day we should take up the postal provisions of the bill, and Senators have prepared to discuss that matter.

Mr. KENYON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Iowa?

Mr. SIMMONS. I do.

Mr. KENYON. It is important to get that out of the way.

Mr. SIMMONS. It is important to get that out of the way.

Mr. KENYON. I should like to ask the Senator if there is any reason why we could not to-morrow take up the matter relating to the income-tax provision and the war-profits tax provision? If they were out of the way, I think the Senator will realize that the remainder of the bill can be taken care of very speedily. I agree with the Senator from Ohio [Mr. HARDING] that we should take that matter up and dispose of it as quickly as we can.

Mr. SIMMONS. I should be perfectly willing to take the matter up to-morrow, provided we get through with the consideration of the postal provisions. I do not think we ought to debate them for a day and then return to them a little bit later. I think we had better dispose of them when we take them up.

Mr. HARDING. I suggest to the chairman of the committee that he ask for an agreement to take up the war-profits tax provision and any further discussion of the income-tax provision not later than 4 o'clock to-morrow.

Mr. SIMMONS. I will make the request that immediately upon the final action of the Senate upon the title relating to the postal rates we take up the excess-profits tax provision.

Mr. SHAFROTH. Allow me to suggest to the Senator——

Mr. NORRIS. A parliamentary inquiry, Mr. President.

Mr. SHAFROTH. Will not the vote of many Senators upon the postal section of the bill depend very largely upon what determination is reached as to the income-tax and the war-profits tax provisions? If we are going to raise ample revenue without the proposed increases on postal rates, will not the votes of many Senators be determined by that? Therefore, should not the income tax and the excess-profits tax be first determined?

Mr. SIMMONS. That might be so.

Mr. NORRIS. I rise to a point of order.

The PRESIDENT pro tempore. The Senator from Nebraska will state his point of order.

Mr. NORRIS. I make the point of order on the proposition of the Senator from North Carolina that we have already, by unanimous consent, agreed that no amendments shall be offered to the bill by individual Senators until committee amendments shall have been disposed of. They have not yet been disposed of, and hence agreement to the Senator's request would be a violation of that unanimous-consent agreement.

Mr. SIMMONS. I do not understand that there was any unanimous-consent agreement about that. It was an order of the Senate such as is always made when we begin the consideration of revenue and appropriation bills.

Mr. NORRIS. But it was agreed by unanimous consent that the committee amendments should first be taken up for consideration.

Mr. HARDWICK. Mr. President, if the Senator from North Carolina will yield for a suggestion, I desire to say that what the Senator from Nebraska refers to was a mere understanding with reference to procedure, although it has the force and effect of a unanimous-consent agreement.

Mr. NORRIS. It does not make any difference what it was; it was a unanimous-consent agreement, reiterated after it had once been violated and the Senator from Idaho had called particular attention to its violation, and said, "Now we understand the matter, it is not going to be again violated." It was so understood at that time.

The PRESIDENT pro tempore. The Chair is compelled to overrule the point of order made by the Senator from Nebraska, not thinking that the request of the Senator from North Carolina would be a violation of a unanimous-consent agreement. The matter is within the control of the Senate, and the practice has been distinctly otherwise in all cases.

Mr. NORRIS. The Chair then holds that we can set aside one unanimous-consent agreement by another?

The PRESIDENT pro tempore. The Chair thinks that the unanimous consent asked for by the Senator from North Carolina is perfectly proper, even though the Senate agreed first to consider committee amendments, and the Senate has frequently done that.

Mr. HOLLIS. The Senate could not do otherwise. We take up a bill by unanimous consent, then we lay it aside by unanimous consent from time to time. The Senate is doing that continually. It can not be a violation of the unanimous consent referred to by the Senator from Nebraska to seek to do something else by unanimous consent.

Mr. NORRIS. I have no disposition to appeal from the decision of the Chair. I do not care to pursue the matter now as the Chair has decided it.

Mr. HOLLIS. I made the ruling when in the Chair, and I am somewhat sensitive about having it overruled now.

Mr. NORRIS. I do not care to pursue the matter, but the Senator is arguing a question after it has been disposed of. I would just as lief have it that way as well as any other; in fact, I am inclined to think the Chair is right, but the fact that we take up a bill by unanimous consent and then lay it aside has nothing to do with the question. We made the agreement by unanimous consent that committee amendments should first be disposed of. Now the consent the Senator from North Carolina asks for may not violate that agreement, and it may; at least, it will preclude any Senator from offering amendments unless we have it understood that the other unanimous-consent agreement is set aside.

Mr. SIMMONS. Mr. President, I now ask unanimous consent that as soon as the postal title of the bill is disposed of,

and not later than Wednesday morning, the Senate proceed to the consideration of the excess war-profits tax title of the bill, and that it vote upon that not later than 4 o'clock on Friday, the debate to be limited to 1 hour on the bill and 15 minutes on amendments, and that no Senator be allowed to speak more than once on either the bill or upon any amendment thereto.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from North Carolina?

Mr. LA FOLLETTE. Mr. President, I stated a few moments ago that I should object to any request for unanimous consent to limit debate in any way until the war-profits tax provisions of this bill and the income-tax provisions of this bill are disposed of.

Now, I want to say while I am on my feet one word further about it. I think we should dispose of the income-tax provisions of the bill before we take up the war-profits tax provisions. They come first in order, and I think that the amount which the Senate finally settles upon with regard to income taxes will be a sort of basis in the minds of Senators for the adoption of a proper and relative war-profits tax. I believe in my own mind that there ought to be some ratio or relation between the income tax and the war-profits tax, and I think they should be disposed of in the order in which they are written in the bill.

The PRESIDENT pro tempore. Objection is made to the request.

Mr. SIMMONS. I withdraw the request, Mr. President.

Mr. JONES of Washington. Mr. President, I desire to suggest to the chairman of the committee that he try to secure an agreement to vote on the postal provisions at some time to-morrow.

Mr. SIMMONS. I have been trying to do that, but I have not been able to do it.

Mr. JONES of Washington. But the Senator coupled it with other matters.

Mr. SIMMONS. I have segregated it and tried to arrange it, but I find I can not do so.

Mr. JONES of Washington. I wish to suggest, however, that the Senator has not made a specific request for the disposition of the postal provisions.

Mr. SIMMONS. I knew that if the request was made it would be objected to. I have had information to that effect.

Mr. JONES of Washington. I did not know that. It seems to me we ought to dispose of that matter some time to-morrow.

Mr. SMITH of Michigan. Mr. President, I should like to ask the Senator from North Carolina if he does not think there is a great deal of wisdom in the suggestion of the Senator from Colorado [Mr. SHAFROTH] that we take up the war-profits provisions of the bill before we take up the question of postal revenues?

Mr. SIMMONS. Mr. President, I have agreed with Senators that we would take up the postal provisions to-day, and I prefer to pursue that course this morning, if the Senator will pardon me.

Mr. SMITH of Michigan. I do not see anyone who appears to be very keen about discussing that matter this morning.

Mr. SIMMONS. The Senator from Georgia [Mr. HARDWICK] is now waiting to address the Senate upon that question.

Mr. HARDWICK. Mr. President, if the Senator will yield to me just for a moment, I am perfectly willing for the Senator to adopt whatever plan of procedure he prefers. I am ready, if he wants to proceed with the postal provisions of the bill, to go ahead now.

Mr. SIMMONS. I will say that I desire to have the Senate consider the postal rates this morning.

Mr. SMITH of Michigan. That settles it, of course.

Mr. SIMMONS. I wish now to give notice that immediately upon the conclusion by the Senate of the consideration of the title to which I have so many times referred, namely, the title relating to postal rates, I shall ask to take up the war-profits title of the bill, and when that is taken up I shall insist upon the Senate continuously considering it until the section is finally disposed of.

Mr. POMERENE. Mr. President, I present an amendment to the pending bill, which I ask may be printed and lie on the table.

The PRESIDENT pro tempore. Without objection, it is so ordered. What is the pleasure of the Senate with regard to the present bill?

Mr. JONES of New Mexico and Mr. HUSTING addressed the Chair.

The PRESIDENT pro tempore. The Senator from New Mexico.

Mr. JONES of New Mexico. I suggest that the committee amendments be read for adoption under Title XI of the bill, "Postal rates and war tax on profits of publications."

The PRESIDENT pro tempore. Without objection, the Secretary will read. The Chair hears no objection.

The SECRETARY. On page 94——

Mr. HUSTING. Mr. President——

The PRESIDENT pro tempore. The Secretary will read the amendments. There has been so much confusion because of stopping the Secretary that the Chair thinks he had better proceed.

The SECRETARY. On page 94, line 3, it is proposed to change the number of the title from "XII" to "XI," and in the same line, after the word "rates," to insert "and war tax on profits of publications," so as to make the subhead read:

Title XI.—Postal rates and war tax on profits of publications.

The amendment was agreed to.

The next amendment was, on page 94, line 5, to change the number of the section from "1200" to "1100," and on the same line, after the word "That," to insert "on and after 30 days after the enactment of this act," so as to read:

SEC. 1100. That on and after 30 days after the enactment of this act the rate of postage on all mail matter of the first class.

The amendment was agreed to.

The next amendment was, on page 94, line 7, after the word "cards," to insert "and private mailing or post cards."

Mr. HARDWICK. Mr. President, agreement to that amendment, as well as to the one immediately following it, would involve the determination of a matter about which the Senate ought to be advised before the committee amendment is agreed to. When the committee amendments are agreed to, in the interest of economy of time and for the purpose of simplifying the procedure, I shall ask the consent of the Senate to submit a motion immediately in this connection to strike out the section, because, whether the amendments are agreed to or whether the amendments are not agreed to, the real test on this section comes on the motion to strike it out.

The House bill, Mr. President, carries with it certain increases on first-class postal rates. The Senate committee amendment carries those substantial increases in substantially the same amount, with the certain modifications that are now before the Senate; so that, independent of whether the text of the House bill is agreed to or whether the text of the Senate committee amendment is substituted, after all, the real question, the main question, is, Shall we grant these increases in first-class mail rates? And that question can only be raised by a motion to strike out the section, whether amended as proposed by the committee or not.

I do not care to discuss that general question now, because in a short while it will be before the Senate, if my request is granted; but I do think it is my duty to call the attention of the Senate, and particularly the attention of members of the committee, to the situation that is involved in and is developed by this committee amendment.

The House of Representatives proposed to increase letter postage from 2 to 3 cents per ounce, and at the same time proposed to increase the postage on post cards and postal cards—and they have a different significance—from 1 cent to 2 cents. The Senate committee agrees to the proposal of the House to make the rate on letter postage 3 cents instead of 2 cents as now fixed by law, but proposes to amend that portion of the proposal of the House which raises the rate on post cards and postals from 1 cent to 2 cents.

The committee estimates, Mr. President—and the Post Office Department, with the exception I am about to make now, is not inclined to take issue with that estimate—that something like $50,000,000 of revenue would be raised by this action; but the committee has overlooked entirely, so far as its hearings show, it has overlooked entirely, so for as its report shows, what possible effect might be had upon the postal revenues from first-class mail matter by fixing letter postage at 3 cents and leaving the rate on postal cards at 1 cent. If letters are to cost 3 cents apiece to be mailed, instead of 2 cents, as at present, and post cards and postals are to remain at 1 cent, what volume of letter mail will be diverted into post cards and postals, and what will be the effect of such diversion upon the revenues of the Government, and will the net result be a $50,000,000 increase in revenue as the committee figures, or will it be nothing, as the Post Office Department is inclined to fear?

On that subject, Mr. President, I desire to read to the Senate a letter addressed to me on the 21st day of August, 1917, by the Acting Postmaster General. This letter proceeds:

MY DEAR SENATOR HARDWICK: Referring to section 1100 of the war-revenue bill, H. R. 4280, as recently reported to the Senate, which pro-

vides for an increase of 1 cent for each ounce or fraction thereof in the rate of postage on all mail matter of the first class, except postal cards and private mailing or post cards, I deem it proper to call your attention to the effect this provision would have if enacted into law.

Should the present rate of 1 cent each for postal cards and for private mailing or post cards remain unchanged and the postage on letters be increased as proposed—

That is, to 3 cents—

Many persons who now send their communications as letters at the 2-cent rate now prevailing would undoubtedly use postal cards or private mailing or post cards for that purpose rather than pay the additional charge of 1 cent an ounce which this bill imposes upon letters. Consequently the amount of revenue which would be derived from the additional postage charge on first-class mail matter would fall below that which might otherwise be anticipated, and at the same time there would be a decrease in the regular postal receipts from the first-class mail matter because of the use of postal cards and private-mailing cards in lieu of letters if there should be so great a difference as 2 cents between the postal or private mailing or post card and a letter. On the other hand, if the postage on postal cards and private mailing or post cards should be increased to 2 cents, there would be a tendency on the part of those now using letters to continue their use even though the rate should be increased, since there would then be no greater difference between the postage on a postal card or private mailing or post card and a letter than there is at present.

Yours, very truly,

J. C. KOONS,
Acting Postmaster General.

The Post Office Department officials tell me that they are utterly unable to estimate what the effect of this will be on the revenues, and that they hesitate to venture a guess; that they are unwilling even to hazard an opinion. They say their opinion has not been requested on this subject by anybody except by me; that the Committee on Finance made this change without the slightest investigation, as far as they know, and certainly without the slightest effort to obtain from them their opinion or any of the facts related to this matter.

I submit, Mr. President, to the thoughtful common sense of the Senate, that it is a pretty dangerous proposition to undertake to deal with the postal rates in this sort of a way. When we fix the postage on letters at 3 cents and leave the postage on postal cards at 1 cent, I think each one of us will realize, as a matter of common sense, that many men who now write letters that do not contain anything that is particularly confidential or especially private will at once write postal cards at 1 cent a piece, instead of letters at 3 cents.

Mr. LA FOLLETTE. Mr. President, there is so much conversation on the floor that it is difficult to follow the Senator.

The PRESIDING OFFICER (Mr. ROBINSON in the chair). The Senator from Wisconsin makes the point of order that the Senate is not in order. The point of order is sustained. Senators will please resume their seats and cease conversation.

Mr. BRADY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Idaho?

Mr. HARDWICK. I yield to the Senator from Idaho.

Mr. BRADY. I should like to ask the Senator if under the existing law there is any limit to the size of a postal card? Must it be the usual three and a half by six, or could it be six by twelve, for example?

Mr. HARDWICK. I suppose there are some limits fixed by the postal regulations. What they are I can not tell the Senator; but that has no possible relation to the point immediately in controversy. That is a piece of information that might be of some practical use to the Senator, but I have not got it at hand, because, of course, it is not related to this question.

Now, Senators, I do not know what the effect on the postal revenues derived from first-class mail matter will be if you do this thing. The Post Office Department does not know—not an officer in it, from the Postmaster General to any one of its employees or experts who for years has worked on this matter—and I submit that it is dangerous in the extreme, it is hazardous to a degree, for the Senate to undertake to run a risk like this without the slightest investigation on the part of its committee as to what the possible effect of what this sort of a thing might be.

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Michigan?

Mr. HARDWICK. I yield to the Senator.

Mr. SMITH of Michigan. Let me ask the Senator if he knows where this proposition originated?

Mr. HARDWICK. I do not.

Mr. SMITH of Michigan. Is it possible that the Senate is seriously considering this question?

Mr. HARDWICK. It seems so. The Finance Committee have reported it favorably to the Senate.

Mr. SMITH of Michigan. If we have come to the point where we must follow the plan which the Senator has just referred to, I seriously mistake the intelligence and common sense of the Senate.

Mr. HARDWICK. I think the Senator is right about that; I hope so, at least.

Mr. SMITH of Michigan. I do not believe it has any special standing in this body; and it seems to me that it is a waste of time for us to discuss a matter of that kind coming unofficially and informally to the Senate, as it comes here.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. HARDWICK. I yield to the Senator from Utah.

Mr. SMOOT. As I understood the Senator from Michigan to ask where this proposition came from, I will say to him that the House provided an increase in the rate on first-class mail matter under existing law from 2 to 3 cents on letters, and increased the rate on postal cards from 1 cent to 2 cents, and increased the rate on drop letters from 1 cent to 2 cents. The Committee on Finance, or the majority of them, thought that the postal cards and drop letters should remain as they are at 1 cent, and that the rate on letters should be increased, as the House provided, from 2 cents to 3 cents.

Mr. SMITH of Michigan. But, Mr. President, if the Senator from Georgia will pardon me——

Mr. HARDWICK. I yield.

Mr. SMITH of Michigan. The House sent a number of propositions over here, and in an hour here a week ago we increased our revenues by $75,000,000 in directions that seemed wise and appropriate. Surely we have not come to the point where we propose to inconvenience and change the established customs of the country, well recognized by our citizens, in order to add an indefinite and an unsatisfactory and an uncertain sum to our revenues.

I do not want to delay the Senator further——

Mr. HARDWICK. That is all right.

Mr. SMITH of Michigan. But it does seem to me as though the Senate could not approve any such proposition as this.

Mr. HARDWICK. Mr. President, this but illustrates the danger of the Senate undertaking, under the advice of one of its standing committees that has no jurisdiction of the subject matter, general legislation in regulation of another department of the Government concerning which it has no particular knowledge and concerning which it has not made very careful inquiry.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from New Mexico?

Mr. HARDWICK. I yield.

Mr. JONES of New Mexico. It seems to me that the Senator must admit the propriety of the Finance Committee of the Senate taking up this question and trying to do something with it. The House, in its bill, made very material changes in the postal rates, and that bill came over to the Senate for action. It was referred to the Committee on Finance of the Senate. Therefore it seems to me that the Committee on Finance of the Senate could only take up the question and deal with it as it thought best.

Mr. HARDWICK. I thought the Senator wanted to ask me a question. If he wants to make an argument in reply to mine, he can do so later.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Nebraska?

Mr. HARDWICK. I yield to the Senator, for a question.

Mr. JONES of New Mexico. Well, then, the question I should like to ask the Senator is whether or not he thinks it was improper for the Finance Committee of the Senate to undertake to deal with this matter, the provision having been put into the bill by the action of the House?

Mr. HARDWICK. I will ask the Senator from Nebraska to pardon me until I answer the Senator from New Mexico.

If the Finance Committee of the Senate are going to undertake to deal with this matter, they had better try to find out what the facts are before they do. I say that without intending any personal reflection on any member of the committee; but as a matter of plain, cold, naked justice, if they were going to undertake to change the plan of the House, they ought to have found out what effect it was anticipated such a change might have on the revenues of the Government in regard to the great subject matter with which they were undertaking to deal before they came to the Senate, giving this proposition the stamp of committee approval and favor, and asked them to do something as to which not one of them can even give an estimate at this minute, as to what the effect will be on the revenues of the Government. That is what I think.

Because the House of Representatives and its committee dealt with a subject matter in a certain way, therefore and for that reason it was not at all incumbent on either the Senate or its committee to make the same mistake, if one was made; and certainly if they were going to undertake to change the proposal

of the House committee and the proposal of the House of Representatives in an important and an essential particular, they ought at least to have found out from the Post Office Department what it was expected the effect of such a change might be upon the postal revenues of the Government. Certainly if they have not done those things—and they can not claim that they have—they ought not to expect their proposition to have very much standing before a Senate that wants to do justice to the Government and to the department, as well as to the people of the United States.

I now yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, I want to ask the Senator from Georgia whether the Committee on Ways and Means of the House took up this matter with the Post Office Department before they put this provision in the bill, and whether the Committee on the Post Office and Post Roads in the House had been consulted or made any investigation in regard to it?

Mr. HARDWICK. They had, in both cases; and the department, I think, advised about each step of the House proposal, although opposing it. The department's position was that the proposition of the House of Representatives was somewhat better than existing law in relation to some of these things; not as to the increase in the rate on first-class mail matter, however.

Mr. NORRIS. I am asking, Mr. President, particularly with reference to this particular section, and that deals with the increase only.

Mr. HARDWICK. With reference to this particular section, which deals with the increases in the rates on first-class mail matter, the department have always been opposed to any change. The department have always contended, uniformly and consistently, that when they were getting somewhere from eighty to ninety million dollars a year profit out of this class of mail matter, and were losing a similar amount in dead loss on another class of mail matter, there was little excuse and no justification for increasing these rates at all. The committee of the House of Representatives, however, did at least consult the Post Office Department about this relative change in mail rates on letters and on postal cards, and they did fix their proposition so that it was not anticipated that the department and the Government might lose a great deal of money on account of a diversion of mail from letters to post cards. But for some reason that I have yet to hear explained our committee, without the slightest consultation with anybody so far as I am advised, without the slightest information from anybody, so far as I am advised and so far as the Post Office Department is advised, undertook to change this, to leave postal cards at 1 cent and to put letters at 3 cents. I repeat that I do not believe, with all personal deference to the members of that committee, some of whom are among my warmest friends in this body, that any one of them ever even inquired into the question.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from South Dakota?

Mr. HARDWICK. I yield to the Senator.

Mr. STERLING. I should like to ask the Senator from Georgia if he, as a member of the Post Office Committee, does not recall some of the testimony before that committee as to the effect of a reduction of the 3-cent postal rate to 2 cents and the increase thereafter in the use of the mails?

Mr. HARDWICK. Yes. Of course the matter of which the Senator from South Dakota speaks was before the Post Office Committee of the Senate. Undoubtedly it is true—the history of every country on earth, every civilized country that maintains a postal service, proves it without exception—that whenever you decrease the mail rates you increase the volume of mail; and equally undoubtedly the reverse of that proposition is true, that if you increase the rates the natural and logical and inevitable effect is that you will decrease the volume of mail. So that even the Senate committee, in estimating what revenue might be derived from this increase in postal rates, instead of claiming that the increase would be $62,000,000—which it would have been according to the figures, if the volume of business remained stationary—allowed themselves $12,000,000 for that and put the amount at $50,000,000 that they expected to get in additional revenues from this increase.

I think the Post Office Department is justified in saying, in contending, and in urging that the Senate of the United States ought not to take this kind of hasty action; that the Senate of the United States ought not to take these thoughtless liberties with the postal revenues without information or even inquiry about the probable effect of the changes they propose upon those revenues.

I think the Post Office Department is justified in contending and urging that before legislation of this character is submitted to this body with any hope that it might pass or any thought that it might receive serious consideration, there ought to be a careful and accurate investigation of what the outcome of changes of this sort will be and of what the final result of it will be, as far as can be told by an investigation.

So, Mr. President, I think the original position of the Postmaster General with reference to this matter is abundantly sustained by reason and is abundantly justified upon principles of common sense.

I find that on May 23, 1917, soon after this bill reached the Senate and was referred to this committee, the Postmaster General addressed to Chairman SIMMONS this communication:

> MY DEAR MR. CHAIRMAN: Referring to that provision in the pending measure to provide revenue to defray war expenses and for other purposes relating to the rates of postage on mail matter of the second class, I have to inform you that I am still of the opinion that the Postal Service should not be used as a means for raising war revenue.

Mr. BRADY. Mr. President, what is the date of that letter?

Mr. HARDWICK. May 23, 1917.

The Post Office Department contends, and contends correctly, I believe, that this bill was no place for any of this matter; but the Post Office Department contends, and contends correctly, I know, that if this bill is to be made the vehicle for determining questions of this sort, these matters ought to be disposed of correctly, after full information as to exactly what each one of them means.

Mr. President, I want to say to the Senate that, regardless of whether the Senate follows the committee or not and leaps in the dark on this matter of the relative increase of letter postage and of postal-card postage, the section still, when it is perfected by the Senate, whether it is the one way or the other way, ought, in my judgment, to be stricken from the bill. We not only ought to disagree to the proposal of our own committee, but we also ought to enter our emphatic dissent from the action of the House of Representatives in respect to this matter; and that, of course, is my major premise in this matter.

Now, why do I say so? First-class mail matter, including not only letters but post cards and postals and drop letters, produced during the year 1916, in round figures, $184,000,000.

Of this amount, post cards and postals—the difference in the departmental definition of these words is that postals are the cards the Government furnishes and the post cards are the cards manufactured by private business enterprise—$16,000,000 for postals and post cards. Drop letters and local mail of all kinds, $46,000,000. So, deducting these two items, $16,000,000 and $46,000,000, $62,000,000 in all, from the $184,000,000, which was the total of expense from first-class mail matter, we are left with a balance of $124,000,000 on receipts of all other first-class mail matter, except the items specified and mentioned. If the rate on these be increased—and that is a part of it to which the increase would apply—from 2 cents per ounce or fraction thereof, as now provided by law, to 3 cents per ounce, as proposed both by the House of Representatives and the Senate committee, the result ought to be half of $124,000,000, provided the volume of business remains stationary under the increase in receipts, which it will not do. That increase, therefore, figured mathematically would amount to $62,000,000 per year, provided as many letters were mailed under the increase as were mailed before it.

Of course, no one could anticipate that result in the light of all postal history everywhere. So the Senate committee figured instead of $62,000,000, which was the exact mathematical result, an increase of $50,000,000, allowing for decrease in the volume of business. To that conclusion the Post Office Department takes no issue, I am informed.

Now, while we make on first-class matter—out of it as a net result from its handling—a figure that is variously estimated at from sixty to eighty million dollars, and which the Post Office Department itself undertakes to fix at $60,000,000, we are losing on second-class mail matter, and all Senators know what that is without any further description, an equivalent sum.

Mr. POMERENE. The Senator means, I take it, $60,000,000 under the present rate?

Mr. HARDWICK. Yes, sir; $60,000,000 profit per annum is their estimate under the present rate. We are losing on second-class matter an even greater sum; at least $72,000,000.

In support of the amendment offered by myself in relation to second-class mail matter, the officials of the department who have studied this question gave some evidence before the Senate Committee on Finance. Among others who gave such evidence was Mr. Joseph Stewart, special assistant to the Attorney General, assigned to the Postmaster General for the purpose of assisting in matters affecting the postal revenue, a gentleman who has been Second Assistant Postmaster General of the United States for many years, and who has an accurate and expert

knowledge of all this question. On page 639 of part 2 of the hearings Mr. Stewart made this statement:

The revenue per pound for first-class matter ascertained at that time—

That is, at the time of the Hughes commission—

and revised up to the date of the submission of the data to the Hughes commission was 83 cents and the expense of transporting and handling 56 cents per pound, leaving a profit of 27 cents per pound. It is believed that the unit revenue and cost with respect to this class of mail matter have not changed materially, and it is therefore concluded, based upon the revenue received for 1916, that the profit to the department in transporting and handling this matter was approximately $60,000,000 for the fiscal year.

Let me say in this connection that the First Assistant Postmaster General is himself an expert in matters of this sort and figured the amount ten or fifteen million dollars larger. This estimate of Mr. Stewart is the most conservative figure and is the lowest figure anybody has ever fixed who has studied this question.

Mr. POMERENE. I wish to understand the Senator correctly. Do I understand from his statement that the First Assistant Postmaster General figures the profits at ten or eleven million dollars more than——

Mr. HARDWICK. From first-class mail.

Mr. POMERENE. That is Mr. Stewart?

Mr. HARDWICK. Yes, sir; Mr. Koons told me only this morning he believed it was in excess of $70,000,000, and he said if Mr. Stewart had so figured it it would have been a conservative figure, but he was not disposed to find fault with him on that matter. Anyhow it is undisputable and undeniably true that from second-class mail matter we realize sixty to seventy million dollars a year under the present rate without the 3-cent postage that is now proposed.

I am not going into the details of the other side of this question yet, because I must do it at great length in a short while, but I say how unreasonable, how unjust to the great masses of the people of this country who must pay the postage bill to undertake to raise $3,000,000—and really that is what it amounts to, exactly $2,845,887.50—upon second-class mail matter on which we are losing, according to the opinion of the same expert, $72,000,000 a year, and according to the opinion of almost everybody else at least $80,000,000 a year. I say how unjust, how unreasonable, how unfair when we come to raise war profits upon the postal revenues of the Government to take that branch of the service that is losing from $70,000,000 to $80,000,000 a year and assess only $3,000,000 of increase to it, less than $3,000,000, and then turn to that other branch of the service that is sustaining the whole structure, that is running the whole business, and from which we are receiving a profit of from sixty to seventy million dollars under existing rates, and add $50,000,000 more to it. It will not do to justify it by saying that you add 50 per cent increase in one case and 50 per cent increase in the other, because you perpetuate injustice and inequality when you do it, because you accentuate the wrong and injustice when you undertake to perpetuate and increase them both in the same way.

Why? It is admitted that second-class rates are grossly unfair, very low, until it amounts to a bounty that already must smell to high heaven, out of the pockets of the American people, to certain favored publishers in this country. Yet, when you come to touch that bounty you dare not say to these men, "You shall pay to the Government of the United States not a paltry tax, in consideration of being allowed the bounty which you now get, but you shall pay to the Government of the United States not what this service costs the Government, not what everybody else on the earth except a government managed by and run in the interests of politics and politicians would impose, but you must pay a 5 per cent business tax on it? How severe this is to these men.

Ah, gentlemen, I am opposed to that. We ought not to levy any special business taxes on these people that every other business man in America does not have to pay. They ought to be treated just exactly like other business men and not differently. We ought not to put a paltry $5,000,000 on them and a little $3,000,000 increase and say in consideration of this $8,000,000 you can keep the sixty or seventy million dollars you are already getting as a bounty from it.

The plain people of this Republic, Mr. President, and all the people of this Republic as well, who mail the letters, who pay the postage bills, who pay the stamps, are already contributing their full, their just, nay, their generous share to the expenses of the Government, whether in war or in peace; and I say I am utterly opposed, forever opposed, to any proposition which increases their burden as wholly unnecessary and as absolutely unjust and as relatively unjust as well until you make these other branches of the Postal Service self-sustaining, to say the least of it.

Mr. President, I do not want to take too much of the time of the Senate; I do not want to weary Senators or exhaust their patience in this matter, but it is a proposition which appeals to my sense of justice and to my sense of injustice as well. At a later period when we arrive at the consideration of the next section of the bill I hope to go at length and with some particularity of statement and some strength of corroborative statement into the questions affecting second-class mail matter; but I say for the present on this section that it is not only my opinion as a Senator of the United States but it is the opinion of the Post Office Department, which administers this law that must deal with matters of this sort, that it is utterly and entirely unnecessary even under the excuse of a necessity for war revenue.

Mr. DILLINGHAM and Mr. McKELLAR addressed the Chair.

Mr. HARDWICK. Just one moment; let me finish the sentence. To increase in any way the postage on letters or post cards, there is no justification whatever for it. I yield to the Senator from Vermont. I think he rose first.

Mr. DILLINGHAM. I notice that the Senator expressed an individual opinion and further an opinion of the Post Office Department that it is economically a bad proposition to increase the rate of postage on letters.

Mr. HARDWICK. Yes, sir.

Mr. DILLINGHAM. Without increasing it upon postal cards.

Mr. HARDWICK. No; that was not the Senator's opinion, and as to that the department was afraid of what might happen. But the department is opposed to an increase at all in second-class mail matter and so is the Senator from Georgia.

Mr. DILLINGHAM. I suppose that opinion is based upon statistics of some kind growing out of the experience of our country and of other nations of the world perhaps in increasing and decreasing the rates of postage on first-class matter. What I wanted to inquire of the Senator was this: Have any estimates been prepared that would show the probable effect of such an enactment as this upon the volume of first-class matter passing through the mail?

Mr. HARDWICK. Was the Senator from Vermont in the Chamber when I referred to that matter a few moments ago?

Mr. DILLINGHAM. I was, but I did not catch the Senator's statement.

Mr. HARDWICK. There was no such statement as that. I have tried my best to get it from the department, but they have not prepared such a statement. They were not requested to do it by the Finance Committee. I began with them a few days ago to get that matter, and I will say that I have not been able to get it yet. They just feel in a general way that there is the greatest sort of doubt and uncertainty about it.

Mr. DILLINGHAM. I was listening to the Senator, but I was not able to understand just what he said.

Mr. HARDWICK. If the Senator will recall, I read the statement the Acting Postmaster General, Mr. Koons, made as to what the effect of it would be, and he is unable to go further than that. I will tell you why, because that was stated to me orally. As far as the Post Office Department officials know there has been no such disparity between the rates on postal cards and letters anyway, and there are therefore no figures that can be gotten anywhere, and it is a mere matter of opinion and guessing about which it is difficult to obtain either statistics or figures.

Mr. DILLINGHAM. I understand they are very positive in their convictions.

Mr. HARDWICK. They are very much afraid it will have a very grave effect in reducing the revenue derived from letter postage. Now I yield to the Senator from Tennessee.

Mr. McKELLAR. I wish to say to the Senator from Georgia the committee report that $50,000,000 will be derived from this extra 1 cent they place on first-class postage. Has the Senator any information which will corroborate that statement? Will that much be produced, and how much will be lost by reason of the increase in postage? If the Senator has any information on that subject, I should like to have it.

Mr. HARDWICK. I think I gave that. Perhaps the Senator did not hear it.

Mr. McKELLAR. I did not hear it. I was not in the Chamber at the time.

Mr. HARDWICK. The Post Office Department informed the Senate committee that $50,000,000 revenue would be raised from this increase on first-class matter. That is probably accurate, with the exception of the fact that it does not take into consideration at all the disparity between letter postage and postal postage, and they do not know how many million dollars that might or might not affect, and they are unable to give anything except an opinion on it, because a hasty examination does not disclose a similar situation anywhere else. It does not seem that other countries have been willing to risk any such disparity as

that, and our own has never done it, and nobody knows what the effect will be. It is merely a matter of opinion. The department, however, is firmly convinced there are many dangers, and they hesitate very much to be forced to do anything like that, and I do not believe the Senate will put them in that sort of a position. It seems to me that before our committee took action they ought to have found out and ought to have stopped to find out—they had the bill long enough—and they ought to have had the department find out exactly what the effect of it might be on the postal revenues.

Mr. JONES of New Mexico. Mr. President——

Mr. HARDWICK. I yield to the Senator from New Mexico.

Mr. JONES of New Mexico. I ask the Senator if he can suggest any avenue of information which would lead to certain results or estimates upon the subject?

Mr. BRADY. In answering the question I should like very much to have the Senator from Georgia expound his view as to whether or not he thinks the committee should have brought in an amendment of this character without having the information that the Senator from New Mexico suggests might be obtained?

Mr. HARDWICK. I should think if you could not get it at all you had better not do it, and if you could not get it I certainly would not want to take such chances.

Mr. JONES of New Mexico. I should like to ask the Senator if he thinks the committee should have desisted from trying to raise a revenue from any source where it was impossible to obtain accurate estimates, through statistics or otherwise, as to the amount of revenue which might be raised?

Mr. HARDWICK. The committee made no effort at all in this matter. It did not even ask the Postmaster General or the post-office authorities, as I understand it, to try to get this information for them.

Mr. JONES of New Mexico. The Senator, I understand, admits that any inquiry along the lines suggested by him would have been futile.

Mr. HARDWICK. For that reason the committee ought never to have undertaken it, and I will tell you why it would have been futile. The disparity is so great, as no other Government has tried it, that ought to warn sensible Senators that we had better not make the effort; certainly not without careful investigations and consideration, to say the least of it.

We can not get the figures, of course, because there are no such figures anywhere. We are not willing to risk such a thing as that. We believe, as a matter of common sense, that if the postage is 1 cent on a card and 3 cents on a letter you will cut your revenue all to pieces, and it looks to me like a matter of common sense. I do not regard the committee amendment, except from the standpoint of tearing the Government's revenue to pieces to some extent—I do not know how much—as of major importance. The main proposition with me is that, whether you will accept the committee amendment and leave this disparity between letter postage and postal-card postage or not, you still ought not to raise $50,000,000 a year, or any other considerable sum, out of the people who are already paying into the Treasury a profit of from $60,000,000 to $70,000,000 a year until you recoup the loss from other people who are causing the Government to lose from $60,000,000 to $70,000,000 on another branch of the same service. To illustrate, Mr. President——

Mr. VARDAMAN. Mr. President, I understand that the committee amendment proposes to raise about $60,000,000 additional on the increased rate on letter mail?

Mr. HARDWICK. Yes, sir.

Mr. VARDAMAN. And that letter mail already yields a profit of about $70,000,000 a year?

Mr. HARDWICK. It yields a profit of from $60,000,000 to $70,000,000 a year.

Mr. VARDAMAN. While on second-class mail matter——

Mr. HARDWICK. The Government loses from $72,000,000 to $80,000,000 a year; and we propose to raise only $3,000,000 a year more on that.

Mr. VARDAMAN. I should like to ask if any Senator has given any excuse or reason for that disparity?

Mr. HARDWICK. I will give the Senator a reason for it. It is because of the lively interest of public men in these publications; it is because of the lively fear of public men of these publications; it is because public men hesitate to offend the newspapers and magazines of this country and are willing to let the Government Treasury lose money rather than to run the risk themselves of political opposition from these papers and magazines.

Mr. VARDAMAN. If the Senator will pardon me, I can understand how it might be prudent to prevent the crippling of any meritorious publication; but there are means by which this revenue could be raised without increasing the rates on letter mail, which places the burden upon the people who are really least able to bear it.

Mr. HARDWICK. I quite agree with the Senator, and that is why I am going to move to strike out this section as soon as we dispose of the committee amendments.

Mr. President, if I have expressed myself strongly in this matter it is because I feel deeply, and it is because I think I understand it. I am not in the attitude, I hope—certainly I do not want to be so understood—of criticizing any Member of the Senate who takes a contrary view or who adopts a contrary course. I believe that in most cases it is done ignorantly, where it is done at all; but I can not help but think—because I know the temptation in my own case—that every Senator, or every Member of the other House, for that matter, when he comes to deal with this question can not help but feel that it would make his own path a little easier and his own personal and political success a little more certain if he would favor the newspapers and magazines, so that in turn they would favor him. But, Mr. President, the day is coming, if, indeed, it is not already here, when the great masses of the business people everywhere in the Republic who do not own newspapers in which we may be praised or abused, but who possess common, ordinary business sense and who do feel that such things ought to be arranged fairly and squarely and without special privileges to anybody on this earth, will begin to assert themselves. As illustratng how they feel, and how the people throughout this country will feel when you ask them to put on a letter a 3-cent stamp, instead of a 2-cent stamp as they now do, when they remember that you are literally giving to the newspapers and magazines of this country from $70,000,000 to $80,000,000 a year out of the Treasury, while you are asking them to do that—as illustrating how they feel, I want to read to the Senate now a letter which I received on May 29, 1917, just four days after this bill came to the Senate from the House of Representatives, from a great organization of business men in this country, which was formed to advocate national 1-cent postage on letters.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Utah?

Mr. HARDWICK. I yield to the Senator.

Mr. KING. Before the Senator from Georgia proceeds to read the letter will it disconcert him if I should ask him a question in view of his last statement?

Mr. HARDWICK. No.

Mr. KING. A great many newspaper men and magazine men have assured me in the past week that there is no justification for the statement that the Government is compelled to sustain a loss of from $70,000,000 to $80,000,000 per annum by reason of taking care of second-class mail matter. I ask the Senator from Georgia if there can be any question as to the truthfulness and accuracy of the statement that the Senator has made as to the loss occasioned to the Government on second-class mail matter?

Mr. HARDWICK. There is not the slightest doubt on earth about it; and I can prove it by the report of every commission which has ever investigated the question and by the opinion and position of every Postmaster General, whether he was a Republican or Democrat, who ever presided over that department. When we come to that section of the bill I hope to be able to demonstrate that to the Senate as thoroughly as I would a proposition in mathematics; and I have the material right here which has been furnished by the Post Office Department which I think will do it.

Mr. President, on the 29th of May, four days after this bill came to the Senate, the president of this great business men's association to which I have referred—an association established, organized, and maintained to promote the cause of 1-cent postage in this country, because it is a fact that no informed man can dispute that letter postage at 1 cent would more than pay the cost of that branch of the Post Office Department and of that character of mail—wrote a letter addressed to me, in which he says:

> MY DEAR SENATOR: We understand that periodical publishers are greatly exercised over the proposed advance in their postage rate. They state that the cost of paper has greatly advanced and hence that they should be unmolested.

Let me interpolate here that before this debate ends I think I can establish that the plea of the publishers that they ought not to be molested or have their rates increased now on account of the increase in the cost of print paper is wholly specious and entirely misleading; that in every case they have passed that cost on to the public, either through their subscribers or through their advertisers—usually the latter—and I will prove it in

case after case with reference to publications—daily, weekly, and monthly.

This letter continues:

This argument shows—

That is the argument of the publishers in regard to print paper—

This argument shows specious selfishness and lack of patriotism. What citizen's income has not been hard hit by increased cost of everything in the past two years? The fewer than 30,000 periodical publishers surely can not believe themselves the only ones who are sufferers. Millions of their fellow citizens are in the same box. Many of these publishers are even now, in spite of high cost of paper, endeavoring to enlarge their subscription lists in order to secure more advertising revenue by going just as near to giving publications away as they dare to. Some of the most clamorous are reducing rates for subscriptions for a term of years to less than cost of white paper, this in direct contravention of law. We explain this situation in our leaflet No. 15 inclosed.

This letter continues:

A plain statement of conditions, so simple that many deductions are practically axiomatic, follows:

(a) The annual expense account of the Post Office last year was over $300,000,000. One-eighth of the mail was first class, and it paid about $190,000,000 of revenue for service costing less than $100,000,000.

(b) Second class was five times as much in amount, namely, over 1,202,000,000 pounds—over 60 per cent of the total. It paid less than $11,500,000—

Against $190,000,000 in the other case—

for its service, which cost more than $95,000,000.

Letter mail costs four times as much only per pound as second class, but pays eighty times as much, as letters are light in weight and average over 40 to the pound.

Letter mail produces a surplus of between $80,000,000 and $90,000,000.

I am reading these figures as they appear; some of them are a little high, I think.

Periodical mail causes a loss of between $80,000,000 and $90,000,000.

Nearly all periodicals descant eloquently, fervently, frequently against special privilege, yet continue to accept this special privilege of distribution of their output (including advertising, which is their merchandise) at 1 cent per pound, though knowing that the cost is many times higher—in fact, over 8 cents per pound.

They declaim against a zone system, the only essentially just method of basing payment.

Let me interpolate there that I do not agree with these people about that, although anything is better than the present system—

Obviously, cost of distribution of daily papers carrying much news and a moderate amount of advertising over short hauls of 15 to 100 miles is far less per pound than the copy distribution accorded hundreds of millions of copies of national magazines after a thousand miles of haul.

One might think that these patriots (sic?) would tumble over each other to be first in asking that they be permitted to pay at least cost of service before any advance be made in letter postage, which is already excessively overtaxed.

I invite the special attention of the Senate to the next paragraph in this letter, because it states this case in a very overwhelming way—

Letter mail has contributed during the last 10 years $1,400,000,000 of revenue, of which quite $620,000,000 has been net profit, in order to permit Government to give for less than $80,000,000 to fewer than 30,000 periodical publishers a service which has cost over $700,000,000 for the entire time.

This association continues:

If it be desirable to be as easy on them as a decent regard for justice to the rest of the community will permit, at least advance second class by a zone system, but do it in three steps, becoming operative four months apart.

Make no advance on drop letters, three-fourths of the stamp on which is already net profit, and an advance on which will stampede millions of them into hand delivery and reduce revenue.

Make the advance on other letters operative only after at least the first advance on second class has become operative.

We are sure every statement we have made will be confirmed by Gen. Burleson and his assistants.

Hoping you will give this matter the consideration it is entitled to, we remain—

The letter is signed by Charles William Burrows, president of the National One Cent Letter Postage Association, Cleveland, Ohio.

Mr. President, unless some Senator wants me to answer questions in connection with this matter, I do not want to go more into details on this second-class mail matter until we reach it and I offer the amendment which I have proposed, which will be slightly modified at the suggestion of the Post Office Department. When we get to that I expect to be able to demonstrate with an accuracy which is usually confined to mathematics the statement made just now that the annual loss to the Government from handling this class of business is fully $72,000,000 a year and, I think, in excess of that figure.

Mr. VARDAMAN. Will the Senator state, Mr. President, the character of publications that receive this subsidy?

Mr. HARDWICK. I am going to make proffer of some of them. Here is the Dry Goods Economist, that goes out as educational matter, for instance. If there is any reading matter except advertising in it I should like to discover it.

Mr. McKELLAR. Will the Senator state what particular dry goods concern issues that paper?

Mr. HARDWICK. Some New York concern.

Mr. McKELLAR. Does the Senator know whether trade advertising publications of a concern like Sears, Roebuck & Co. are sent at reduced rates as second-class matter?

Mr. HARDWICK. Oh, undoubtedly. All advertising publications, although they are purely commercial schemes and business enterprises, are handled by the Government of the United States at a cost eight times as great as the Government derives from the payment of the postage.

Mr. VARDAMAN. Mr. President, May I ask the Senator if he thinks it practicable to draft an amendment so as to exempt certain publications altruistic in their nature?

Mr. HARDWICK. Such as religious magazines?

Mr. VARDAMAN. Such as religious magazines and publications of that character which are really designed for the uplift and benefit of humanity, and to close the mails to publications of a purely business and commercial character such as those to which the Senator has referred.

Mr. HARDWICK. Mr. President, undoubtedly; the Post Office Department has done that.

Mr. VARDAMAN. I should like to have the Senator suggest the amendment he has in mind.

Mr. HARDWICK. Of course the only trouble about my going into that now is that I will have to go over it again when we come to the next section. I will, however, undertake to state it in a purely preliminary way. The Post Office Department believes that the original basis on which this privilege was granted, which was the necessity to diffuse education and intelligence among the people under a democratic form of government, is a wise one. It does not propose to interfere with it; it has no wish to interfere with it, nor have I. I am perfectly willing, and so is the department, that the rates should remain at the present ridiculously low figure of one-eighth of the cost of the service for all matter that is reading matter, that is educational matter, that is editorial matter, although I do not think some of the editorials amount to much along educational lines.

Mr. SMITH of Georgia. Reading matter, whether educational or not?

Mr. HARDWICK. Yes; all reading matter, no matter how harmful and vicious and unprincipled some of it is. Now, I am willing that that should go at the present rate, which is one-eighth of the amount that it costs us to render the service; but when it comes to the business end of these enterprises, to their commercial side, to the money-making end, then I say that they ought to stand on their own bottom and pay the Government of the United States what it costs us to render them the service that we do render them; that anything less than that is graft, pure and simple and unadulterated, and that if we permit it, knowing it to be such, we will not be easily relieved ourselves from the burden that will follow such a course.

How can you separate the two? It is easy enough. You can do it with a foot rule. You can take an issue of any paper and measure it, column after column and page after page, and when you have measured it all you can see how many inches are devoted to reading matter and how many inches are devoted to advertising matter. In that way you can fix the percentage of advertising matter, which is the commercial end of the project, that each newspaper, whether it is a daily or a weekly or a monthly, carries in its columns, and when you average that through a sufficient period of time in order to give stability and balance to your computation you have a fair settlement of that question.

I not only say that you can do it, but I say that advisedly, because it has been done already by the Post Office Department. Before that part of the subject is left I shall be able to show, if you will give me the name of almost any paper, whether it is a daily paper or whether it is a great weekly or monthly magazine, exactly what per cent of advertising matter is carried in its columns on an average.

Now, then, bearing that in mind, this is the amendment that I offer:

That the rates of postage on publications entered as second-class matter, including sample copies to the extent of 10 per cent of the weight of copies mailed to subscribers during the calendar year, when sent by the publisher thereof from the office of publication, or when sent by a news agent to actual subscribers thereto, or to other news agents for the purpose of sale, until June 30, 1918, shall be 1 cent a pound or fraction thereof for the portion of the publication devoted to reading matter other than advertising, and 2 cents a pound or fraction thereof for the portion devoted to advertising——

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Ohio?

Mr. HARDWICK. I do.

Mr. POMERENE. I notice that the Senator from Georgia, in giving the rates, said "2 cents a pound or fraction thereof."

Mr. HARDWICK. Two cents a pound is what I should have said with regard to advertising. Did I read it wrongly?

Mr. POMERENE. No; but I have before me the hearings before the Finance Committee, and they give a rate of 3 cents or fraction thereof.

Mr. HARDWICK. That is the change we have made recently. The Post Office Department and myself, in consultation, instead of keeping the three steps at 3, 6, and 8 cents on advertising, decided that it might be better and possibly fairer to put it at 2, 4, 6, and 8.

Mr. POMERENE. The Senator is reading the amendment as he proposes to offer it?

Mr. HARDWICK. As I propose to offer it; yes. The Senator, of course, is reading correctly from the hearings, but there has been that change made. Now, the proposal as we finally have drafted it is this:

> And 2 cents a pound or fraction thereof for the portion devoted to advertising; and beginning July 1, 1918, and until June 30, 1919, the rate of postage shall be 1 cent a pound or fraction thereof for the portion devoted to reading matter other than advertising, and 4 cents a pound or fraction thereof for the portion devoted to advertising——

Mr. SMITH of Georgia. What zone is that?

Mr. HARDWICK. There is no zone in this.

Mr. SMITH of Georgia. The Senator is eliminating the zone system?

Mr. HARDWICK. I never have believed in the zone system, and never have advocated it.

Mr. SMITH of Georgia. Did not the Senator's first amendment as to freights cover a zone system?

Mr. HARDWICK. No, sir. I have always believed that a flat rate was better than the zone system, for reasons which I will state later on. In fact, I will state them now. I do not mind telling my colleague now why I think so.

The trouble about a zone system is this: You know, we once had it in the law. It was the law in the early part of the history of this country for many years; but it was changed for just one reason, and I think it was a good reason. We used to have the zone system, but it was found that it had a tendency to narrow and provincialize the press; it had a tendency to restrict the circulation of all publications—dailies, weeklies, and monthlies—so narrowly that these publications themselves developed an ingrowing spirit; and it was thought that it was wiser and best, considering the vast expanse of this country and its multiform interests and its varying and diverse conditions, that the other system—the same system of flat-rate charges that carries a letter just as cheaply to San Francisco, Cal., as it does to Alexandria, Va., from this point—ought to be applied to that also, in the interests of national unity, and the development of a national spirit in the press.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. HARDWICK. I yield.

Mr. McKELLAR. Does not the Senator think that since the organization of these news agencies, by which the news of the entire country is flashed to every city in the country, that makes a change in so far as the narrowing tendencies he mentions are concerned; and is it not now true that a newspaper in San Francisco can publish the same news that a newspaper in New York can publish and at substantially the same time?

Mr. HARDWICK. It can do it, but it does not always do it.

Mr. McKELLAR. If I am correctly informed, an association like the Associated Press gives to every newspaper that is a subscriber precisely the same news at virtually and substantially the same time.

Mr. HARDWICK. The trouble about the Senator's consideration of this question—and I say this with all kindness and with some concurrence in some of the things the Senator believes in—is that it has not gone beyond the narrow circle of a few daily papers published in cities of from fifty to one hundred thousand population, who would like to get this proposition so adjusted that they would establish a little zone around their own cities that would about cover their territory and keep the present low rates on everything—advertising and everything else—and then let us do what we please with the balance of it.

Mr. McKELLAR. No; if the Senator pleases——

Mr. HARDWICK. Let me finish. I do not yield to the Senator just now. I am going to yield to him in a minute. In other words, they are in this position:

> God bless me and my son John,
> Me and my wife, him and his wife;
> Us four, and no more.

That is what they want. The Southeastern Publishers' Association I now and here publicly characterize as being in that position.

Mr. McKELLAR. Mr. President, will the Senator yield now?

Mr. HARDWICK. I yield now; yes.

Mr. McKELLAR. Quite the contrary, Mr. President. I think the Senator will agree with me, and that we all agree, that the present flat-rate system, by which the country is taxed some eighty-odd millions of dollars—about eighty-nine millions, according to the best reports—for the carrying of second-class mail matter, is wrong.

Mr. HARDWICK. Yes; I think the Senator is right about that.

Mr. McKELLAR. I mean, we all agree to that.

Mr. HARDWICK. I do not know whether we all do or not. The Senator and I do.

Mr. McKELLAR. Well, virtually, I think, most people agree that our system ought to be self-sustaining. Now, we have tried out the zone system in connection with the parcel post. That is self-sustaining, and gives the Government in addition a profit of about $10,000,000 a year. Surely, if we have worked it out in regard to the parcel-post system, the same zone system can be worked out so as to make all second-class mail self-sustaining. That is what we ought to do, and it is the only way to do it. If the Senator establishes a flat rate, whether on advertising or in any other way, it is unscientific; it can not be sustained in an, way; and whatever method is adopted, in my judgment, will prove a failure, just as the present flat rate has proved a failure.

Mr. HARDWICK. Now I want to finish reading this amendment, Mr. President. This amendment, if it should be adopted by the Senate and enacted into law, will undoubtedly make this business self-sustaining. The Senator need not be concerned about that. There is, of course, this difficulty about the flat-rate system: It is made up on the law of averages. Some people will get their stuff carried, where the haul is long, for a cheaper rate than others, where the haul is short. Nobody can avoid that under this system. The same thing is true about every letter that you mail, and——

Mr. McKELLAR. Well, that is——

Mr. HARDWICK. Pardon me; I do not want to engage in a running debate now about this matter, because I want to finish with it.

Mr. McKELLAR. All right.

Mr. HARDWICK. The Senator knows that I will yield to him before I get through. Let me finish reading my amendment:

> And beginning July 1, 1919, and until June 30, 1920, the rate of postage shall be 1 cent a pound or fraction thereof for the portion devoted to reading matter other than advertising, and 6 cents a pound or fraction thereof for the portion devoted to advertising; and beginning July 1, 1920, and thereafter, the rate of postage for the portion devoted to reading matter other than advertising shall be 1 cent a pound or fraction thereof and 8 cents a pound or fraction thereof for the portion devoted to advertising: *Provided*, That the rate on copies deposited in a letter-carrier office for delivery by its carriers and the free in-county circulation and rates on copies mailed within the county of publication shall continue as now provided by law: *Provided further*, That the Postmaster General may hereafter require publishers to separate or make up in such manner as he may direct all matter of the second class when offered for mailing.

Mr. President, this proposition, according to the estimate of the department, would produce, as against the $3,000,000 increase, which is all that the Senate committee proposes to give us from this defaulting second-class mail matter, the following amounts:

September 1, 1917—well, we can not get it enacted by that time; if we say October, we will have to put it one month farther back, and if the bill becomes a law by that time we will be lucky—June 30, 1919, 1 cent on all for 2 months, $1,897,255; 1 cent on reading matter and 2 cents on advertising matter for 10 months, $13,280,785; a total of a little over $15,000,000—no more, or just about as much, when the fractional part of the year is considered, for the first year as the Senate committee's amendment would raise.

Mr. KING. Mr. President——

Mr. HARDWICK. Just one second, if the Senator pleases. But at the second stage this amendment, if enacted into law, would produce $25,000,000 and a little over; at the third stage, when we get the advertising matter up to 6 cents, a little over $34,000,000; and at the fourth stage, when we get it to what it costs us to handle it, between $43,000,000 and $44,000,000.

I now yield to the Senator from Utah.

Mr. KING. Mr. President, I was called out of the Chamber for a moment, and I did not ascertain whether the Senator's proposed amendment took into consideration those publications that are devoted entirely to fiction—magazines such as Short Stories, and others that will readily occur to the Senator.

Mr. HARDWICK. They would continue at the present rate, because they contain reading matter. In other words, my

amendment does not provide, nor does the Post Office Department urge, any increase in second-class mail rates when applied to reading matter. That is really reading matter.

Mr. KING. If the Senator will pardon me, I think the Post Office Department and the Senator are entirely too generous.

Mr. HARDWICK. That may be.

Mr. KING. It seems to me that those magazines that are devoted to fiction solely—and the Senator will remember that there are a large number of them in the United States, and the benefits to be derived from them are certainly very problematical—ought to have imposed upon them a higher rate. On a good book that is sent through the mail you have to pay 8 cents a pound, as I remember.

Mr. HARDWICK. Yes.

Mr. KING. I do not see why these cheap, trashy works of fiction that are published as magazines ought not be called upon to pay a reasonable rate for transportation.

Mr. HARDWICK. The Senator may be right about that; but in making this reform we have got to begin at the beginning. The principle that we assert and that we seek to establish and that we endeavor to carry into law is this:

On matter that is educational in its character, intended for the benefit of the country, we have not drawn the lines yet as they will be drawn later when we work out the matter in detail. I am merely stating now the general principle. The principle is that educational matter, matter that is intended to educate the public—the education of which is necessary if free institutions are to be perpetuated and maintained in this country—we will allow to go through the mails at the same purely nominal rate that now exists by law; but that when it comes to that part of each one of these enterprises that is dual in its nature and dual in its character, that has a business end—and usually the biggest end is the business end—as well as a reading end and an informing end, on the business end of it they ought to pay to the Government and we ought to require them to pay to the Government what it costs to send their merchandise through the mails.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from South Dakota?

Mr. HARDING. I yield to the Senator.

Mr. STERLING. The question of the Senator from Utah [Mr. KING] suggests another one, and with reference to quite a different class of periodicals and journals. That class is the religious journal or periodical and the farm newspaper or periodical. I should like to know if the Senator has taken into consideration these journals, and whether they are not entitled to some special recognition from the Senate?

Mr. HARDWICK. Let me say to the Senator that the system that they ought to object to most, and that those of them who are well informed do object to most, is the zone system; because you can take any religious publication that is the organ of a church, or that is read by members of a church scattered throughout this country—I have in mind particularly the Christian Science Monitor and the International Sunday School Lessons publication—and they must go throughout the Republic to its farthest limits, because there are some people everywhere that want those Sunday school lessons and that read this Christian Science paper. Now, the worst thing in the world for them is a zone system, because under it they can not reach, except at almost prohibitive cost, their scattered subscribers.

Now, I think that some of the business men connected with these religious papers are just like all the balance of them. They would like to keep the rates just as they are. Whatever advantage they have under the law they would like to maintain. I am not speaking now of the religious editors, but of the business managers of some of the publications. But I have talked in person with the editors of some of the largest publications, and some of the most reputable. I have in mind particularly the gentleman who edits and publishes these great International Sunday School Lessons. Their publications carry hardly any commercial stuff. It is the rarest thing in the world that you see any advertising that amounts to anything in them, so that they are really not concerned in this proposal if my proposition is adopted, because the present rate will remain, as far as their publications are concerned. I am speaking now particularly of the religious publications. But if you put them under a zone system like the House of Representatives proposes or like my friend the Senator from Tennessee [Mr. MCKELLAR] proposes, you will put them out of business, so they claim.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Tennessee?

Mr. HARDWICK. Not just yet. I have a letter in that connection from the secretary of the Association of Religious Publishers, dated last Saturday.

I do not agree with the person who writes that letter. In the first place, I think any publication should agree that the advertising matter which they carry in their columns shall pay a sensible compensatory rate to the Government. Surely every sort of publication—business, agricultural, or trade journals—should be willing to do that. As I said before, and I do not think this gentleman can dispute it, most of these religious publications carry very little of this matter. Those of them that do carry any of it ought to be willing to pay the Government what is costs to conduct the business, just as everybody else ought to be willing, and I am willing to make them do it whether they are willing or not.

Mr. McKELLAR. Mr. President——

Mr. HARDWICK. I yield to the Senator from Tennessee.

Mr. McKELLAR. I just want to call the Senator's attention to the fact that in the House bill, which provides for a zone system, an exception was made specifically in favor of farm journals and religious journals.

Mr. HARDWICK. It ought not to be made.

Mr. McKELLAR. I think it ought to be made. The Senator said just a moment ago that they virtually carried no advertising matter.

Mr. HARDWICK. A more erroneous position was never taken. I do not believe in exemption from the equality of the law or from the equality of tax burdens for anybody, whether they conduct religious papers or labor papers or what not. The law ought to be fair and uniform.

Mr. HARDING. Mr. President——

Mr. HARDWICK. Let me finish this statement and then I will yield. It ought to be just. The general rule ought to apply to all alike, no matter what sort of paper they run. The beauty of the proposition is that it does apply to all alike, that if they have 1 inch of advertising matter under this proposition of the Post Office Department they pay only on that inch, and if they have three-fourths advertising matter they pay the rate of that advertising matter—three-fourths. I yield to the Senator from Ohio.

Mr. HARDING. I quite agree with the policy just announced by the Senator from Georgia, and I think it very appropriate to interject the observation at this time that there is rarely a farm journal and there is rarely a religious journal that does not have an advantage of the bulk subscription. They are not obtained in the usual way.

Mr. HARDWICK. There is no reason on earth why any exemption should be made in that case. We ought to set up a rate that is fair and just and then we ought to treat the rich and poor alike.

Mr. POMERENE. Mr. President——

Mr. HARDWICK. I yield to the Senator from Ohio.

Mr. POMERENE. In view of the discussion with respect to the amount of advertising in religious journals, I find that the Senator himself incorporated in the hearings of the committee a paper, on page 636, and the per cent of advertising runs from 35.9 to 37.5 per cent of the total. The Sunday School Times, to which reference has been made, gives 18.75 per cent of advertising.

Mr. HARDWICK. The Senator is right; I did present such a table to the Senate committee. My recollection in a general way—I have not examined it for several weeks—is that the table shows that most of the religious journals have a very small per cent of advertising.

Mr. POMERENE. The Senator is right. It is relatively small.

Mr. HARDWICK. I mean compared with the other publications. Most of these papers either take or borrow from somebody else and they do not contain a very large percentage of advertising matter. I may be in error, but that is my recollection of it.

Mr. President, I hope that we will be able to vote on the pending question, unless there is some reason why it should be delayed. I believe the Senator from Utah suggested that the Senator from Massachusetts [Mr. WEEKS] was also opposed to this increase in first-class mail matter and wanted to be heard and can not be here this morning. I suppose there will be some discussion. So I will assume some members of the committee may attempt to defend it, although I hope not. I should like to have a vote on it. I do not believe there is any reason, any justification, any excuse, any fairness, or any necessity for increasing these postal rates on first-class mail matter. The other day when we handled the income tax we added at one stroke millions on top of millions more than is involved in this

proposition, and before we get through with the excess-profits tax and income returns I think we will add still more millions. I say that whatever the future may bring to us, it has not yet been demonstrated that we should increase the letter postage from 2 cents to 3 cents, when if justice is to obtain the real proposal would be to cut it to 1 cent, instead of leaving it at 2 cents. I hope the Senate of the United States will not leap in the dark in this matter and put this vexatious and unnecessary tax upon the great masses of the people in the shape of an increased tax on letters and such things, whenever under the present 2-cent rate we are already realizing a net profit per year of more than $60,000,000—surely that is contribution enough, even in war times, from this class of mail.

Mr. HARDING. Mr. President, I simply wish to make a very few observations on the pending question. I am a "country" newspaper publisher by occupation, and I suspect when we come to a vote on this question, out of a proper regard for the proprieties of the occasion, I shall decline to vote. Nevertheless, I think it is becoming to say a word on the question from the publisher's viewpoint.

I very cordially join in approving the policy that publications of this land ought to pay the reasonable cost of their distribution. I have a pretty strong conviction, however, that the question does not belong in the war-revenue bill.

The Senator from Georgia [Mr. HARDWICK] has given recognition to one important point which I very much wish to commend. Whatever Congress does in the way of revision of second-class postal rates ought to be made effective essentially a year after the enactment. I say that because under regulations the Post Office Department——

Mr. HARDWICK. If the Senator will pardon me just a moment, I wish to invite his attention to the fact that, as finally modified by the department, there are four steps to it and it will be three years.

Mr. HARDING. I understand the Senator. I am not in accord with the tax provision of his amendment relating to advertisements; but I started to say that a revision of second-class rates ought to be made effective a year after the enactment, because any publisher who adheres to the regulations of the Post Office Department is obliged to have his subscriptions paid in advance. Therefore it would be only fair if the publications of the land are required to collect a sufficient subscription to pay the postage cost of distribution; they should have notice and make the subscription price adequate to cover that expense.

Mr. President, I am at a loss to understand why Congress is unable to take up the question of second-class postage and solve it aright. I can understand the inadequacy of the second-class rate to meet present-day conditions. There has been an evolution of the newspaper-publication business as there has been in many other lines of American activity. If any of you have picked up a newspaper, for example, of years ago when this policy was first adopted, he will discover that it was really a journal, not a modern newspaper. The newspaper, particularly the American newspaper, is a modern conception. If you will pick up one of the publications of 50, 80, or 100 years ago, notably 100 years ago, there will scarcely be found an advertisement in it. Of course, they had no such method of distributing the news of the world as obtain to-day. They were limited in size, they were distinct in character, marked by the personality or the individuality of the editor. But the modern publication has become very much commercialized, not offensively so, and it is fair to say that 95 per cent of the publications of America to-day—and they are the best, in my judgment, in the world—are founded on advertising. There is not any mistake about that.

There has been some reference made—I am sorry the Senator from South Dakota [Mr. STERLING] is not present——

Mr. STERLING. Here he is.

Mr. HARDING. Oh, I beg the Senator's pardon. There has been some reference made about farm publications. In my capacity as a newspaper publisher I have been called upon for some years past to pass upon arrangements for combining circulation price, and I state only a truth when I say that many a notable farm journal is furnished to our publication for clubbing offers, our publication acting as the subscription agent, at the merest nominal sum. The highest that I recall is 25 cents a year, though the subscription price may nominally be $1 or $2. The publisher of farm journals, like every other, wants circulation, because on circulation he bases his charge for advertising, which is his main source of income.

The newspaper field in advertising is necessarily restricted. For example, a Washington paper would not appeal effectively to the local advertiser at an advertising price based on circulation in Ohio or Pennsylvania or New Jersey, even though it circulated there quite freely, because that territory is not tributary to the retail interests of this community.

His advertising is based on a circulation that he has in a field tributary to the point of mercantile distribution. So he has little inducement from the advertising viewpoint to reach out into the far-distant States. For the New York retail advertiser, for example, who contributes, I should say, more than 90 per cent of the bulk of advertising in the New York newspapers, there is no attractiveness to circulation in California or Colorado or Kansas. So there would be no advantage in giving the publication a flat rate to reach far-distant points, so far as our newspapers are concerned.

It is quite a different matter, however, when you reach the periodicals. I was very much amused to recall, while the Senator from Georgia was talking, that one of the well-known sayings recently illustrated by a cartoonist is that "in looking over a periodical I delight to note the advertising pages." I am not sure but that there are periodicals to-day whose advertising pages are more attractive than the text. But putting that quite aside, the big problem is to make the publications of this land pay what they owe the Government for distribution.

There are some inequities in the zone proposition. For the smaller newspaper publications the zone proposition would be a fortunate thing. I am not sure but that it would be a rather just policy to provide some sort of a zone rate in their behalf.

As you know, Mr. President, we try to provide conditions in the United States where everybody has his opportunity, and I know from personal experience that by taking advantage of the flat and utterly inadequate second-class postage rate the city publication has made its trespass on the natural field of the smaller publications. I have no sympathy with him in his protest against the increase of rates, because he deliberately takes a subscription price that he charges under carrier distribution in the cities and cuts that rate at the distant point beyond a possible compensating price.

In other words, a newspaper in a great city in Ohio, seeking to reach out 100 or 150 miles for circulation, will take a subscription price in the city of $3 a year and cut it to $2 and, in some instances, to $1.50 in the rural community, doing it because of the cheapness of distribution under the existing Government provision. That is a discrimination, in the first place, to the subscriber, and, in the second place, it is a discrimination which has a tendency to ruin the local competition in the publishing world, which is quite as important to the local community as it is to the great city.

So, then, having these things in mind, recalling that modern publications are of necessity based on advertising, I think Congress ought to go at this scientifically. If we know precisely the deficit which the Government experiences through its carrying of second-class mail, we ought to proceed and levy a cost rate on the publications of this land, and if they believe in the gospel they preach they ought to pay it without complaint.

If any of you were familiar with the business you would understand that the tax proposed by the Senator from Georgia on advertising would ruin much of the publication business of this country. Mr. President, I undertake to say that not to exceed 20 per cent of the revenues of the newspaper come from its subscription department. If it is a successful publication the percentage will be less than that; and out of the advertising receipts, based upon the attractiveness of the paper, is builded the great modern publication.

I can recall very distinctly, and it is not so very many years ago, that the average price of a country weekly paper was $2 per year. Sometimes it was paid with a load of wood, not infrequently with a crock of apple butter, and a good many trades were made between the rural publisher and the community he sought to serve. We had pretty good publications in those days, and they were, by the way, stamped a good deal more by the individuality of the publisher than the modern publication is.

I think it is no unfair reference to the publication world to say that policies often, nowadays, are submitted to the business department, but while we have had an outcry from these same publishers about special privileges and graft and inadequacy of Government business management, the publishers of weekly newspapers have been lowering their price of subscription cost from $2 to $1.50 and then to a dollar, and many a weekly publication in the land to-day is delivered to the subscriber at 50 cents a year. I can remember well when the average sales price of a daily newspaper throughout the land was 5 cents a copy. I believe that, except on Sundays, there is no newspaper to-day save one east of the Rocky Mountains which charges such a retail selling price. On Sundays, of course, it is quite a different proposition. I note that a New York Sunday paper in Washington has reached the retail price of 10 cents, which is not at all surprising because of the very exceptional increase in the cost

of the paper used in producing it. I think it fair to keep that matter in mind in passing judgment on the pending amendment.

Mr. President, there are publications in this land in the interior cities which have not the advantages of large purchases of print paper, where they use perhaps from 5 to 20 carloads per year, where the cost of publishing a paper, owing to existing market conditions of the print supply, has been increased far more than the net earning capacity of the plant. I am violating no secret when I say that the publication by which I earn a living, at the increased cost of operation made by the advance in paper is equivalent to more than 80 per cent of our annual earnings. Under these conditions it does not seem to me it is an opportune time to undertake the new regulation. However, if Congress believes that this change of rate belongs in the revenue bill then it ought, by all means, to be made effective some time in 1918, so that the publishers, whether they are newspaper publishers or whether they publish weekly or monthly periodicals, may fix a price of subscription commensurate with the increased cost of distribution.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Nebraska?

Mr. HARDING. Yes.

Mr. NORRIS. The Senator stated a short time ago that the proposed amendment of the Senator from Georgia relative to advertising matter would ruin the publication business. I wish the Senator would go into that a little more in detail and explain just how that would take place and why.

Mr. HARDING. Mr. President, it would ruin a large proportion of the business, because the Senator from Georgia, in his anxiety to bring to the Government an adequate return for distribution, places a flat rate cost per pound in relation to the advertising carried, without regard to the zone of distribution. In other words, a publication in the city of Washington might carry, and probably does carry, an average of 50 per cent of its space in advertising. If you had a zone rate adjusted to the distribution cost and proportioned to the advertising carried and effective in a limited territory it might survive and be a profitable publication, but if you charge a rate, the same, for instance, as the Cosmopolitan Magazine, published in New York, which is distributed throughout the United States and Canada, you have put the burden on the man of the limited field so high that he can not pay it and make a profit. Do I make it clear?

Mr. NORRIS. The Senator makes it clear, I think. I think I understand the proposition.

Mr. HARDING. If you are going to put a tax on the proportion of advertising carried, you can not be fair unless you adopt the zone rate.

Mr. NORRIS. That is the point I thought the Senator would have to reach. Now, I should like to ask the Senator if the application of the amendment of the Senator from Georgia would not mean that the carrying of periodicals and newspapers by express companies would increase very greatly? In other words, they would extend the zone of their operations and would carry them wherever the business was profitable to them, and as a matter of fact the Government would get what was left on the unprofitable long distance carried, so that at least to a great extent it would interfere with the income of the Government under the operation of that kind of law.

Mr. HARDING. It is pretty difficult for me to say, in responding to the Senator, just exactly what would happen in the service of the express companies and the return to the Government, but I am frank to say to him that many a publisher now, under existing rates, low as they are, finds it to his advantage to use the express company in what we call bundle delivery. As the Senator knows, there are some perfectly ridiculous regulations in the Post Office Department to-day. I venture to suggest one. Under what is known as the free county service, rendered for the local paper originally, a very desirable conception to encourage the building and distribution of the local newspaper—I do not know whether there is any law for it or not—but a regulation of the department will enable me, as a publisher, to take 100 pounds of newspapers, either addressed to the agent or labeled to the individual subscriber, and send them the longest railway haul in my county, which happens to be 17 miles, perfectly free of any charge; and yet if I put the 100 pounds of papers in the Marion post office, which is my town, for distribution on a local rural route—and in that case I put the Government to no extra expense whatever, while of course it must pay the railway transportation for the 17 miles in the first instance mentioned—I am charged the second-class postage rate.

Mr. NORRIS. That goes out of the county, I take it.

Mr. HARDING. Not at all. It charges me for the rural route which starts out from the city of publication.

Mr. NORRIS. Within the county?

Mr. HARDING. Within the county. It charges the second-class postage rate there, whereas if I send the same hundred pounds of paper 17 miles by rail, within the county, to a non-free delivery municipality, it is perfectly free.

Mr. NORRIS. That certainly is a condition that is very unfair, it seems to me.

Mr. HARDWICK. It was admitted in the hearings that it was done in an effort to relieve the rural routes.

Mr. HARDING. No; the Senator is wrong, because these papers that go 17 miles are sent to the rural routes for distribution. I think I can tell the Senator how it happened. The ruling originated in what you call free city delivery offices, with the idea of charging the daily newspaper a flat rate, a pound rate, if it chose to use the city delivery, and then once the ruling was made it applied to all the daily papers deposited for distribution from that particular office. So, as I said, the ridiculous proposition is that the Post Office Department takes the papers that are deposited in the center of publication for the rural routes originating from that city and charges you a pound rate when there is no added expense, and yet still continues to distribute it over the rail lines 5, 10, 15, or 17 miles away and does it for nothing.

Mr. HARDWICK. Of course that same argument could be made to apply to the regulations of the department with respect to city delivery, and yet the Senator must see how necessary it was to make that ruling.

Mr. HARDING. I do not argue for the free city delivery.

Mr. HARDWICK. It is the same proposition as the carrier service whether it is going along streets or along country roads.

Mr. HARDING. The Senator from Georgia will admit that except perhaps for the morning paper, and in that event it would not be attractive, there is no desire on the part of publishers to take advantage of a city delivery. The evening papers of the land are issued after the last residence delivery of the day as a rule. I mean a real evening paper, not an evening paper printed at 9 or 10 o'clock in the morning, but an evening paper that closes its forms approximately at 3 o'clock. It would not desire any postal service, certainly not one of delivery, because there could be no acceptable service; and, as a matter of fact, through the newsboy carriers publishers can deliver more cheaply than they could through the Post Office Department, and much more conveniently.

But the possibility of loading the free city delivery with local papers doubtless led to the ruling to guard against the undue burden. I only speak of it in passing because the Senator from Nebraska brought it up. It shows the ridiculous character of one of the regulations as to second-class mail service at the present day.

I am not sure but I should like to see a modified flat rate if there can be such a thing. I know it is contradictory in expression. I think it ought to be the policy of the Government to facilitate the distribution of the desirable periodicals. At the same time I recognize that almost any great periodical which we prize to have in our libraries is loaded up with quite as much advertising as reading matter; the two have become inseparable; but the main point is that if you put the burden upon advertising, you favor the publication of general distribution and you cripple the very essential restricted publication.

Let me tell the Senator precisely what I mean by that. I have no desire to advertise anybody on the floor of the Senate, but we will take what is probably one of the best-known general advertisers in the land, namely, the Royal Baking Powder Co. The Royal Baking Powder Co. does not need to use my publication or the publication of the Senator from Michigan [Mr. SMITH] or that of the Senator from Nebraska [Mr. HITCHCOCK] to reach its large constituency in Nebraska or Michigan or Ohio. It can reach them through what we call general publications, or publications of general distribution. If you tax us on the advertising of that client, you will make us apply a rate that will drive him out of our publications, while you are favoring the publication of general distribution and offering him a subsidized method of reaching the public.

Mr. HARDWICK. Will it bother the Senator from Ohio if I interrupt him?

Mr. HARDING. No; I yield to the Senator.

Mr. HARDWICK. How can we do that if we charge them all just what it costs to render the service and no more?

Mr. HARDING. I am very frank to reply to the Senator from Georgia that I do not think we can maintain the encouraging attitude of the Postal Department in distributing publications and have any rule that is precisely equitable in every case, but the objection to the suggestion of the Senator from Georgia

is that he is going to cripple the man who is least able to stand the burden.

Mr. HARDWICK. How?

Mr. HARDING. As the Senator from Michigan [Mr. SMITH] suggests, you consolidate the advertising business of what we call the general advertiser; and by "general advertiser" I mean the man whose advertisement appeals to all communities in the land——

Mr. NORRIS. Mr. President——

Mr. HARDING. Pardon me until I make that a little more clear. The Washington merchant who is the big advertiser in a publication of this city and uses a page or a double page advertisement appeals only to this community and tributary trading territory. You can not fancy, for example, that some great general advertiser who is simply promoting publicity concerning his product would take such space in a Washington publication. Such an instance is very rare. He goes to the great Philadelphia or New York or Chicago publication, the periodical, which has a distribution throughout the country.

Take the farm journal which was brought into the discussion here a little while ago. The advertising in the farm journal has nothing to do with special offerings for next week or even next month; it takes a staple article and advocates its purchase; but the advertisement that goes into the far journal is of just as much interest, just as much appeal, to the farmer of Georgia, perhaps, as it is to the farmer in Iowa, or in Montana, or in Ohio, or in Massachusetts. That journal is reaching out all over the country and has its clientele everywhere. Now I yield to the Senator from Nebraska.

Mr. NORRIS. I was going to ask the Senator from Ohio if he would not carry out the specific illustration a little further. He said that the advertisement, for instance, of the Royal Baking Powder, would be driven out of the newspapers scattered over the country and carried into publications of a general circulation. First, I want to ask the Senator to what kind of publications would it be driven? After it has been driven to such publications, would not the increased rate provided in the amendment of the Senator from Georgia applying to those of general circulation carrying advertising all over the country reach them all and protect the other publications?

Mr. HARDING. Oh, no, Mr. President; it would not, and I believe I can make that clear.

Of course, scientific advertising is paid for according to the circulation. If it is a good one, a newspaper may reasonably have a circulation somewhat approximating from one-eighth to one-quarter of the population of the city or community in which it is published, though perhaps that is high. The price of advertising is, therefore, figured on the per thousand circulation The Saturday Evening Post, for example, advertises more than a million copies weekly. Have I gotten that high enough?

Mr. NEW. Two million.

Mr. HARDING. Two millions. I do not want to do it an injustice in speaking in this official way. Very well; let us say it has a circulation of two millions weekly. That publication can carry an advertisement at a rate per thousand circulation infinitely below what it can be carried in the publication boasting only 10,000 circulation. If you give the flat rate, you make possible the tremendous circulation of such publications, and they can take their advertising at a rate which permits them to pay extra postage on advertising on a flat basis and still sell their product or their publicity at a rate that will invite trade; but if you put the same burden on the limited publication, it must charge so much for general advertising that it will lose its following among the so-called general advertisers.

That is not true of the local advertiser. The advertiser in a restricted publication can reach his constituency in no other way. He is bound, if he uses any, to use the means of publicity provided in his particular territory. Of course, if you drive out the foreign advertiser—the general advertiser—who may contribute anywhere from 10 to 30 per cent of the advertising of any publication, you handicap the publication of local character. I wonder if I make myself clear?

We sometimes use the term "foreign" and sometimes use the term "general"; they are practically synonymous in the thought which I have in mind. I mean the advertiser from a distance who chooses a local publication but who has an article the purchase of which is general. If you put on the local paper the burden of the same cost of distribution that you put on the publication of general circulation, you will drive that advertising out of the restricted publication.

Mr. HARDWICK. Mr. President, the Senator from Ohio of course is theorizing, and I think I follow him pretty well. Why has not the existing law, with its flat rate, done practically the same thing, then?

Mr. HARDING. I can not agree that a flat rate will reach it.

Mr. HARDWICK. We have a flat rate already under existing law of a cent a pound and fractions thereof.

Mr. HARDING. At the present time we have such an insufficient rate of charge for distribution that it does not affect anybody.

Mr. HARDWICK. But it is the same for all; the publications of national circulation pay the same rates as others, and every argument which the Senator has made applies to one just as well as it does to the other.

Mr. HARDING. If the Senator will allow me, I think the present system has already had a very serious effect on local publications. There is no doubt about that. But the inadequate postage rate has not been of sufficient importance to make itself felt.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Nebraska?

Mr. HARDING. I do.

Mr. NORRIS. In the case the Senator puts, of the Saturday Evening Post, for instance. That publication coming into the field that is covered by the Senator's newspaper would have to pay a much higher rate of transportation, if the amendment of the Senator from Georgia were agreed to, to get into that field than the Senator's newspaper would have to pay.

Mr. HARDING. I do not so understand it.

Mr. HARDWICK. It would.

Mr. NORRIS. Oh, yes; that is my understanding of it.

Mr. HARDWICK. That is right.

Mr. HARDING. If the Senator is going to make the illustration apply to my very local paper——

Mr. NORRIS. I only use that as an illustration.

Mr. HARDING. I am very glad to have the Senator use it, except that it does not bring out the point, except to a limited exent, because a large part of my publication is freely distributed.

Mr. NORRIS. Take any other publication, then, in Ohio.

Mr. HARDING. All right; let us take the Washington Star or the Washington Times.

Mr. NORRIS. I do not want to take either one of those, because they are published here. Take Philadelphia, where the Saturday Evening Post is published, or take the Cleveland Plain Dealer.

Mr. HARDING. Very well.

Mr. NORRIS. That has a clientele in Cleveland and in that vicinity. An advertisement published in that paper for, let us say, the Royal Baking Powder, which the Senator from Ohio mentions, would be distributed at a less cost to the publisher than if the same advertisement appeared in the Saturday Evening Post, which is published in Philadelphia; at least, that is my understanding of the effect of the amendment of the Senator from Georgia.

Mr. HARDING. It would, if published in the same number; but the Senator's amendment puts the tax on advertising space and drops the zone rate, if I understand it correctly.

Mr. NORRIS. I myself believe in the zone rate, and I do not agree with the Senator's amendment in that respect; but I was thinking that it had that merit at least that the Senator was not giving it credit for. I may be mistaken about that, however.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Georgia?

Mr. HARDING. I do.

Mr. HARDWICK. I wonder if the Senator from Ohio does not see the danger of the zone system causing a narrow, provincial, and restricted press?

Mr. HARDING. I quite agree with the Senator from Georgia.

Mr. HARDWICK. That, of course, is an important governmental situation to be considered.

Mr. HARDING. I quite agree, and I am very frank to say that I should not favor so drastic a proposition as that presented by the Senator from Tennessee [Mr. MCKELLAR]. But it has seemed to me that we somehow might get to a fair compromise by a moderate increase of rate under a zone plan which should still make possible the general distribution of the periodicals of this country.

I have no sympathy, so far as I am concerned, with the limited cost of maintaining nation-wide newspaper distribution. The Senator from Tennessee brought up a rather interesting point. Of course in the very elaborate and complete publication of the news, it is not possible throughout the United States in all cities to have publications like, for example, the New York Times or the Chicago Tribune. It is not possible, because advertising revenues on which to base such publications are not generally

obtained. Nevertheless in this modern day of news distribution with three great distributing agencies operating both day and night, namely, the Associated Press, the United Press, and the International Press, the essential news of the world is published simultaneously throughout the United States.

There is not the wealth of editorial comment, some of which I would be willing to do without; there is not the tremendous portrayal of shipping and sometimes of cable news that you will find in papers published in great centers of population like New York, but, nevertheless, throughout the United States, where newspapers worth while have developed, there is the essential preservation of the news of the world. If it were not unseemly to say it, I would venture to put into the RECORD that in 50 interior cities in Ohio ranging from 20,000 to 50,000 and 60,000 population the real news of the world is as amply presented every evening or every morning as is necessary for the welfare of any citizen of the United States.

I think, Mr. President and Senators, that it is a mighty good thing to follow the policy that encourages that sort of publication. I would not give a rap for any New York paper two or three days old in these modern days, unless I could have no fresher issue. I very much enjoy reading the Chicago papers, but they come to the cloak rooms of the Senate a day old, and you will rarely find one gazing on their pages except he has a local interest in the community. That is because the news of the world has been thrashed over while it is fresh and worth while. This is a tremendously modern and wonderful age in newspaper publishing. Why, Mr. President, it not infrequently happens in the United States of America that there are published the details of a great event over in Europe three hours before it happened, owing to the variation in time. We read of the thing at 4 o'clock that happened at 6 or 7.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Nebraska?

Mr. HARDING. Certainly.

Mr. NORRIS. I am disposed to say to the Senator that in his exceedingly interesting discussion of this question in respect of which he is so well versed he has made the best argument I have ever heard against the proposition that he laid down in conjunction with the Senator from Georgia that the zone system would tend to provincialism. It seems to me the Senator's discussion of the question has almost demonstrated that the zone system would not do that.

Mr. HARDING. Mr. President, I wish the Senator from Nebraska would do me the credit to differentiate between newspapers and periodicals.

Mr. NORRIS. I would be glad to do that; I think there is a great difference.

Mr. HARDING. I make one statement with reference to newspapers, and I must of necessity modify it in speaking of periodicals.

Mr. NORRIS. I wish the Senator would now give us the periodical end of it, as he has given us the newspaper end.

Mr. HARDING. Mr. President, I am perfectly frank to say that I am not prepared to offer a solution of that question. It brings me back to the statement I made in the beginning that I think this problem has no business in the revenue bill. I quite agree that there must be a revision of second-class postal rates, but that matter has not any business in the revenue bill, because the newspapers of the land are subjected to all of the taxes proposed in that measure the same as other institutions. I think it is an outrage to propose a specific and special tax on advertising receipts—I do not care whether the proposal comes from the committee or elsewhere—because the newspaper that is making any money must pay just the same as any other American institution.

Mr. HARDWICK. Mr. President, will the Senator yield to me?

Mr. HARDING. Certainly.

Mr. HARDWICK. I think the Senator is right. This matter ought to be worked out carefully by the committees charged with the responsibility. The same thing is true about the important question actually pending before the Senate—the increase of first-class mail rates.

Mr. HARDING. I am glad the Senator is in accord with me as to that. I believe I started to say a little while ago that I can not understand why the Congress of the United States is unwilling or afraid to take up and settle this question as it ought to be settled. I understand, of course, that the proposal to make the publications of the land pay their just dues has made and unmade Presidents. It has been very strongly stated that former President Taft came into disfavor largely through the ill will of the publications because he had recommended a settlement of this question.

I will say for myself that I do not care a continental about that phase of the question. As a publisher myself, in a small way, I am in favor of being made to pay what I ought to pay to the Government for the service received at the hands of the Government. If there are Senators on this floor who are fearful of their political future because the publishers of the land are everlastingly crying out against this thing, let them be assured that if we do the thing that is wholly just they will come into their reward.

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Michigan?

Mr. HARDING. Yes.

Mr. SMITH of Michigan. Would not the Senator from Ohio like to have sufficient time afforded to enable him to distribute the added burdens upon his business which have accumulated unexpectedly in a year and which it is difficult to carry?

Mr. HARDING. I quite agree with the Senator from Michigan, and I have already stated in my remarks that under any circumstances the rate which is finally to be adopted ought to be made effective at least a year from the time of the passage of the bill.

Mr. HARDWICK. And three years is allowed in my proposal.

Mr. HARDING. I am not sure but that would be right. Let me elaborate, Mr. President, just a moment on that thought.

Mr. SMITH of Michigan. Before the Senator enters upon that, would not the Senator like some fair assurance that the increased cost of white paper would not continue to pile up on him? Last year it added a burden of thirty or forty thousand dollars to some one whom I know very well, and this year it adds $25,000 more. There ought to be some place where the cost of producing news print paper could be regulated with a fair degree of accuracy, without attempting to impose additional burdens calculated to really put many publications out of business.

Mr. POMERENE. Mr. President, may I address a question to the Senator from Michigan?

The PRESIDENT pro tempore. Does the Senator from Ohio yield to his colleague?

Mr. HARDING. Certainly.

Mr. SMITH of Michigan. I do not know how I will fare between the two Ohio Senators.

Mr. POMERENE. The Senator is able to take care of himself. The question is this: Both my colleague and the Senator from Michigan have referred to the increased cost of paper, and I have no doubt that they have investigated that subject, because they have both been victimized by the increased cost of print paper. Do not the Senators think that if the question of the increased cost of paper is thoroughly investigated by the courts some relief will be afforded?

Mr. SMITH of Michigan. Well, it was investigated last year, and the relief with which I am most familiar has been an added cost. I think I am violating no confidence at all when I say that on the very day that the Federal Trade Commission report was made with reference to the news-print paper situation there was an advance in the price of white paper to a farm journal published in Iowa that was so stupendous that I dislike, without refreshing my memory, to attempt to quote the figures; but it was a most exorbitant charge.

Mr. POMERENE. Is it not true that most of the manufacturers of print paper had agreed with the Federal Trade Commission to make a very substantial reduction?

Mr. SMITH of Michigan. Well, I think I will let the Senator's colleague answer that, as he is more familiar with that question than I am.

Mr. HARDING. Mr. President, it is a fact that more than 50 per cent of those representing the print-paper production in this country agreed to an experimental reduction in the price of news-print paper under the regulations of the Federal Trade Commission. It so happened, however, that while that agreement was in the process of making the Department of Justice, very properly, I think, brought indictments against a number of news print paper manufacturers in this country, to have them prosecuted for their activities contrary to the law in restraint of trade. The bringing of the indictments upset the voluntary arrangement which had been made with the Federal Trade Commission, and, instead of helping the situation, had a tendency to make it temporarily worse.

I think it is fair to say, in answering my colleague, that it is not surprising that there is a considerable increased cost of paper incident to war times. It is rather a contradictory thing, but it is nevertheless true, that war brings an excessive demand in the use of print paper and not infrequently creates conditions where newspaper net revenues are very much reduced, because among other things, since we are revealing the secrets

of the trade, if they are to be termed such, war has added unspeakably to the cost of gathering news. I wish I might say for the enlightenment of such few Senators as are honoring me with their attention just how much increased cost cable and wireless reports of the activities on the war fronts of Europe have entailed upon the press of the United States; the sum is enormously large. So, with the inroads on the supply of labor in the spruce forests of Canada and with the increased cost of labor in the mills of the United States and of Canada, it is fair to say that there must of necessity be an increased cost in paper. Then we have the rather ridiculous outcome of a panic among the publishers of this land.

I dislike to offer my notion of the origin of the increased cost of paper, especially to such a genial body as represents the majority in the Senate at this time; but I have a very strong conviction that it began when we revised the tariff and stopped the development of American mills. Senators smile, but it will sometimes bear your investigation, because from the time you passed the Underwood law we never added a single mill to American production, while we were adding constantly to American consumption; and we were going along at a high consumption rate and getting our added requirements from Canada until the war broke. Then came the panic about the print-paper supply, and of course the great publications of the cities, using carloads upon carloads a week, were able to step into the market and by conceding a little advance over the price they were paying they made inroads into the supply, so that the smaller publishers, who cut relatively little figure in the transactions of the mills, were made the victims of the situation.

The Senator from Michigan [Mr. SMITH], I understand, is interested in a publication in the city of Grand Rapids. I will ask him what is the population of Grand Rapids?

Mr. SMITH of Michigan. About 135,000.

Mr. HARDING. I should have said more; but the Senator says 135,000. Surely the consumption of paper by his publication is very much larger than that of my newspaper in a town of 25,000 or 30,000; and without ever having questioned him on the subject, I will venture to make the statement that the Senator from Michigan pays from one-half to three-fourths of a cent or 1 cent per pound less for news-print paper than I am obliged to pay, and I shall not be surprised if he is not obliged to pay considerably more than the publications in Chicago and in New York. That is not a surprising thing. To follow the illustration a little further, there came to my notice a little daily newspaper in Rapid City, N. Dak., I think, that was paying the outlandish rate of 8 cents per pound for paper in carload lots, when the Federal Trade Commission had figures to show that the average cost of production was really less than 1.60 cents per pound, or $32 per ton.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Idaho?

Mr. HARDING. Certainly.

Mr. BORAH. I desire to ask the Senator a question. I read a statement that was widely published some months ago that the investigation of the Federal Trade Commission and their notification to the print-paper dealers that they would have to adjust their prices more satisfactorily to the consumers had resulted in a great reduction in the price of print paper. Has not that been beneficial to the newspaper men?

Mr. HARDING. It has not materialized.

Mr. BORAH. Well, what do you newspaper men carry such literature to the people for, unless there is some basis for it?

Mr. HARDING. I do not know precisely why the Senator from Idaho says "you newspaper men." There were, of course, hopes that the negotiations of the Federal Trade Commission would result in a helpful modification of the situation, and for a time there were very bright prospects. It was rather an unusual situation.

For example—and I use my own illustration not because it is important but because I am familiar with it—I was paying the very extravagant sum of $3.50 to $3.75 per hundred for news print, and the Federal Trade Commission secured an assent, if I may use that term, from representatives of 50 per cent of the production of the country to try a period of furnishing news print in carload-lot delivery at two and a half cents, which was a very material reduction; and it was fixed on that basis because there was one very large producer in the United States, perhaps the largest individual producer in the United States, which, without any interference by the Trade Commission, without any pressure from any source, maintained essentially the same level of prices that existed prior to 1916. But when the investigations of the Federal Department of Justice led to an indictment of some of the principals said to be involved in the increased price of paper the negotiations for a voluntary experimental period were all declared off; and if there has been a reduction in the price of news print as the result of any negotiations I am not in any way aware of it, and I very much doubt if it exists, principally because, without a voluntary arrangement having been made, contracts covering 1917 must of necessity be carried out.

I can not repudiate a contract with any print-paper producer unless he voluntarily comes to me and says, "You may cancel your contract. We will furnish you your paper at a reduced price."

Mr. BORAH. Then the fact is, whatever may have been the cause, that this investigation did not result in decreasing the price at all?

Mr. HARDING. It did not. It only resulted in a promised decrease, which never eventuated.

Mr. BORAH. Another economic reform fails to bear fruit.

Mr. HARDING. I may add to the Senator's closing observation that it is disappointing to me as to those who study Government methods and expect a miracle to be accomplished by those who love us so much.

Mr. President, I have drifted quite away from the matter we had under discussion, and I believe I shall not attempt to detain the Senate longer, except to say, in closing these rambling remarks, that it is a rather unfair proposition, in difficult times like these, to single out the publication world for a special tax on receipts. It is manifestly unfair to undertake to remedy an existing evil in the hurry of considering a war-revenue bill when it ought to be founded on the most painstaking investigation, so that we may have a scientific solution of the problem of second-class mail distribution.

So, then, my notion about it is that the Senate ought to eliminate all of this from the pending revenue bill, and, at the earliest possible day in the regular session of Congress soon to come, take up this matter in a determination to straighten it out along scientific lines and call upon the publishers of the United States to pay to the Government what they owe for the distribution of their publications.

Mr. POMERENE. Mr. President, I am very glad that the Senate Finance Committee saw fit to eliminate from the House bill the tax on advertising. I agree with my colleague [Mr. HARDING], and others who have expressed themselves upon that subject, that it would be entirely unjust to have one method of taxation applied to one institution and another to another.

But I can not agree with those Senators who seem to take the position that we should not provide for an increase in second-class rates at this particular time.

Mr. McKELLAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Tennessee suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Beckham	James	Martin	Shields
Borah	Johnson, Cal.	Myers	Smith, Ga.
Chamberlain	Johnson, S. Dak.	New	Smith, Md.
Culberson	Jones, N. Mex.	Norris	Smoot
Curtis	Jones, Wash.	Page	Sterling
Dillingham	Kellogg	Penrose	Sutherland
Fernald	Kendrick	Phelan	Thompson
Fletcher	Kenyon	Poindexter	Townsend
France	King	Pomerene	Trammell
Gerry	La Follette	Ransdell	Vardaman
Hale	Lewis	Robinson	Wadsworth
Harding	McCumber	Saulsbury	
Hardwick	McKellar	Shafroth	
Husting	McNary	Sheppard	

Mr. SUTHERLAND. I desire to announce the absence of my colleague [Mr. GOFF] on account of illness. I will let this announcement stand for the day.

The PRESIDING OFFICER. Fifty-three Senators have answered to their names. There is a quorum present.

Mr. POMERENE. Mr. President, when the absence of a quorum was suggested I had just completed a statement to the effect that I was glad that the Finance Committee had eliminated from the House bill a tax on advertising. Clearly, it is a tax on gross receipts, just as much as a tax on sales would be; but I can not agree with those Senators who seem to take the position that we should not provide for an increase in second-class rates at this particular time.

I know it is urged that this is making a change in the postal laws, and that that should be given the special attention of the Post Office Committee, and that before we do anything upon this subject there should be a thorough and a complete investigation of the subject. I know that it is always suggested that we defer legislation when certain interests are to be affected thereby, particularly if they are enjoying what may be regarded

as a bonus from the Government. There are two classes of pensions which we are granting in this country now. One is to the soldier, and one is to the publisher. The pension to the old soldier is rightly given, and theoretically, at least, we grant that pension in proportion to the length of his service or to the condition of his health, or in accordance with the extent of his disabilities.

But when it comes to the pension which we are giving to the publisher, we increase the pension in proportion to his wealth, in proportion to the size of his commodity, so that we have instances of poor publishers to whom we are giving possibly a few hundred dollars' worth of privileges, and we give to another man, because he has some enormous publication like the Curtis publications, hundreds of thousands of dollars, nay, millions, because he has a larger need for the post-office facilities. I submit that it is not quite a square deal, either to the small publisher or to the American citizen generally.

It has been stated here to-day, and there can not be very much question about the correctness of the figures, that on first-class postage we are making a net profit of from sixty million to seventy million dollars per year. For many years the second-class postal rates have been, as they are now, 1 cent a pound, and the Government gets from the publishers of the country $11,000,000 annually—I give round numbers only—for a service which costs the country about $80,000,000 per annum or more. This has continued for many, many years; and every time an attempt is made in either House of Congress to compel the publishers to pay at least a modicum of the cost of the services which they are receiving from the Government we are confronted with the cry that this matter has not been sufficiently investigated.

We are carrying the newspapers and the magazines of this country at a cost of 7 or 8 cents per pound, and we receive from them 1 cent per pound; and there never has been a more persistent campaign conducted in behalf of or against any measure that ever has been presented to Congress than that which is being conducted now by the publishers of the country to continue their present privileges.

I am here to say that if we were to attempt to give this same bonus to any other interest in the country a cry would go forth throughout the length and breadth of this land against Senators and Congressmen who would engage in that kind of legislation which would be loud enough to drive them from public life.

Senators know this quite as well as I do, and yet they are constantly engaging in the cry that we should not increase these rates because the publications are doing a public service. Of course they are, and of course we want a free press, and of course we want the public to have the benefit of it; but this is a business proposition, and it ought to be treated as such.

Senators have referred to the fact that an average of perhaps 50 per cent of the space in the newspapers and magazines is now being filled with advertising matter. That advertising matter in the columns of the newspapers and magazines is just as much merchandise as the merchandise that they are advertising. I am not yet willing to believe that the advertisers of this country will not be willing to pay a sufficient increase in their advertising rates to pay for carrying their advertising matter to their customers, actual or prospective; and I am not willing to believe that the readers of this country—and they constitute the vast proportion of our 100,000,000 people—are not willing to pay the cost of carrying their mail matter; and if they are not willing to pay the cost of transportation of any newspaper or magazine, it is probably because they are not worth the increase in price.

Mr. President, I happen to know that there are a good many publishers in this country who are not pleased with the fact that they are constantly the recipients of bonuses from the Government and they want this law changed.

I mean that class of publishers who believe in a square deal for the public, who believe in paying for the service that they get. They neither ask nor want legislative favors.

Mr. President, out in my State there is a newspaper man publishing one of the best of our small dailies. It is called the Portsmouth Daily Times. It is printed at Portsmouth, Ohio. It is one of the best of the smaller publications in that or any other State. The publisher wrote me some time ago upon this subject. I have a copy of his letter here, and I want to send it to the desk and ask that it may be read.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

THE PORTSMOUTH DAILY TIMES,
PORTSMOUTH, OHIO.

DEAR SENATOR: I wish to express my hearty approval of your stand on the matter of newspapers and periodicals paying their way through the Postal Service. We are engaged in a legitimate commercial business, and we have no right to ask or expect that the Government shall carry our papers at a loss as is being done now. I am confident that the great majority of publishers engaged in legitimate business feel about it as I do and are willing to pay their way with the Government or anyone else.

Sincerely,

HARRY E. TAYLOR.

Mr. POMERENE. Mr. President, later this same publisher and editor wrote me another letter. I am going to read a paragraph from it. There are some things in it that are personal, and, of course, I do not care to have them in the RECORD.

I have always felt that the drawback to the newspaper business was that it was not generally recognized as a legitimate commercial enterprise. It was the custom so long for publishers of newspapers to sit around at the back doors with their hands out, begging for alms, that newspaper men came to be regarded as a sort of high-class mendicant—a sort of necessary evil, as it were. Newspaper men seemed to think, and religiously cultivated the idea, that they could not get along without subsidies and concessions from city, county, State, and National Governments in the way of special privileges. It has seemed to me that the sooner we get away entirely from this idea and stand squarely on our feet, paying our way as we go, neither asking nor accepting favors, the better it will be for all of us.

Mr. President, while we are dwelling upon this subject, I have another letter from Mr. John A. Penton, of the Penton Publishing Co., of Cleveland, Ohio. This company publishes a number of papers: The Iron Trade Review, the Daily Iron Trade and Metal Market Report, the Foundry, Power Boating, the Marine Review, A, B, C of Iron and Steel, Penton's Foundry List, Great Lakes Red Book, and Elliott's Weights of Steel. I send this letter to the desk and ask that it may be read as a part of my remarks.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

THE PENTON PUBLISHING CO.,
Cleveland, June 7, 1917.

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.

MY DEAR SIR: We desire to make a protest against the suggestion to increase, particularly at this time, the cost of letter postage to the people of the United States. A burden of more than $60,000,000 a year would be imposed upon them if Congress puts into effect the proposal to advance the rate of the ordinary letter from 2 to 3 cents and of the postal card from 1 to 2 cents. This is seriously contemplated despite the fact that over $70,000,000 is given annually as a subsidy to the publishers of America in the form of a rate of 1 cent a pound for carrying their publications when it costs perhaps 7 or more cents a pound to perform this service.

Receiving the benefit of this service there are actually, for instance, monthly publications weighing as little as 75 to the pound. In other words, one of these periodicals must be carried and delivered through the mails for six and one-fourth years for 1 cent.

A subsidy such as this is outrageous. In our judgment it would be entirely justifiable for our Government to pay a bounty to build up our merchant marine, which involves international competition; but in our domestic business Government aid is unwarranted, and those accepting it do, in a sense either consciously or unconsciously, make of themselves objects of charity. Congress has no jurisdiction over foreign ships, which, under normal conditions, are the recipients of Government aid of one kind or another, but it might well overcome the handicap resting against American ships by some character of Federal assistance. Congress has, however, complete jurisdiction over all domestic enterprises, including publications.

The daily, weekly, and monthly periodicals of the United States have in a majority of cases carried on an incessant campaign against every real and imaginary form of special privilege for many years. At the same time they are themselves the greatest, most insistent, irrepressible, and unyielding seekers for Government aid in this or any other Nation. There is no more excuse, economic, educational, or sentimental, for this unrestrained expenditure of public funds than there would be were the Federal Treasury to subsidize our railroads, street cars, lighting systems, department or corner grocery stores.

To hand over $70,000,000 annually to the publishers simply because they demand it is to yield to a "hold-up" of the most brazen kind. It is an example of Government extravagance which every Senator and Representative must know is indefensible.

To do this and then attempt to further penalize the business interests of America, who are the large buyers of postage stamps, while our first-class postage already shows a profit of upward of $89,000,000 a year, is but little short of a crime.

To say the least, it is unmoral, and our company does not desire to be the beneficiary of a system that is as much of a reflection upon those who receive it as it is upon those who give it.

Yours, sincerely,

JOHN A. PENTON, *President.*

Mr. POMERENE. Mr. President, I may say that Mr. Penton, who is the president of this company and the largest owner of stock in it, as I understand, if not the owner of the entire stock, prints these valued trade papers and insists that it is his duty as an American citizen at this time to pay for the service that he is receiving from the Government of the United States. A good many of the metropolitan journals take the same position. I have before me an editorial that was printed in the New York Tribune of June 4, 1917, under the title "Take away the subsidy." I ask that it be incorporated in my remarks. I shall not take the time of the Senate to read it.

The PRESIDING OFFICER. The Chair hears no objection. It is so ordered.

The editorial referred to is as follows:

[From the New York Tribune, June 4, 1917.]

TAKE AWAY THE SUBSIDY.

The periodical publishers who appeared before the Senate Finance Committee on Saturday in a desperate effort to defeat an increase in second-class postal rates were unusually frank in their arguments. Their one fixed idea is to retain the subsidy which the Government now grants them in the shape of undercharges on the carriage of second-class mail matter.

They admit that they want to go on enjoying that subsidy, and they realize that, once it has been withdrawn, the Government will never restore it. They are therefore anxious to substitute for an equalization of second-class rates, which will be permanent in character because justified by sound principles of postal administration, a purely emergency tax on the volume of newspaper and magazine advertising. They could ask for a repeal of this tax when the war is over. But they have no hope that a scientific revision of second-class rates, through the introduction of the zone system created by the House bill can ever be upset. It is obvious that a trial of such a scheme for a year or two would vindicate it completely. There would then be as little chance of a relapse to the old flat rate undercharge on second-class matter for the benefit of publishers unwilling to pay their way as there would be of a revival of the old parcel-post flat-rate system, with its ludicrous limitation on weight, for the benefit of the once all-powerful express companies.

A general tax on advertising, with a retention of the discriminating and inadequate flat rate on second-class matter, would simply continue the glaring inequalities which every investigating commission has found to exist in the second-class mail service. The Government has been devoting millions of dollars every year to promoting the sale of periodicals and newspapers which avail themselves of the long-haul privileges granted under existing postal laws. It carries bulky second-class mail from New York to San Francisco for the same charge for which it carries it from New York to Philadelphia. The newspaper or magazine sent 1,000 miles or 3,000 miles is delivered at a heavy loss to the Post Office Department. Circulation facilities are thus furnished at the public expense and publications of wide circulation are unfairly benefited.

There is no reason why the Government should carry mail of any sort at a loss. There is even less reason why it should make the same charge for carrying bulky matter 3,000 miles as it does for carrying it 50 miles. The zone system of rates, which proportions cost to service, is the only rational system to apply to second-class or to parcel-post matter. It establishes justice between different classes of shippers, and it brings the Government a proper return for the longer haul. The inadequate flat rate is an undesirable form of Government charity.

Mr. SIMMONS, the chairman of the Senate Finance Committee, showed a thorough grasp of the situation when he told the publishers who appeared at Washington that "now is the psychological time to dispose of the postal-rate question." That is the truth. Congress has been wrestling with the problem for years, and every intelligent Congressman knows that the present second-class rate scheme is vicious and out of date. Now, the publication business is expected to do its part in providing more revenue for the Government. It can save the Treasury $40,000,000 or $60,000,000 or $80,000,000 a year—according to various estimates—by surrendering its present second-class mail subsidy. It should be willing to do this without protest. It should greatly prefer to a general tax on advertising an abandonment of its ancient and costly second-class privilege—a privilege, too, whose benefits are absorbed by a relatively small class of publications.

The zone system of second-class rates must come in time, because it is fair and scientific. Congress knows that it is wrong, but has lacked the courage to antagonize its powerful beneficiaries. Now, the exigencies of war make the accomplishment of this long-delayed postal reform easy. We trust that Chairman SIMMONS will live up to his convictions and will hold the committee with him. An emergency tax on newspaper and periodical advertising will be unnecessary if the second-class rates are intelligently readjusted. The bill passed by the House of Representatives made such a readjustment. In our opinion, the Senate should go back to the House provision in spite of the clamor of the subsidists who are now besetting the Finance Committee.

Mr. POMERENE. I should like Senators to tell me what defense can be made at this particular time of a continuation of this subsidy in its entirety. I know what the argument is. They tell us that there is an advance in the price of print paper and of all the materials which the publishers have to buy. But assuming for the sake of argument that this statement is true, and it is true, is that any reason why we should continue to render this almost gratuitous service to this particular class of American citizens? When they preach economy, when they complain against extravagance in Government, and I am in accord with much they say upon that subject, would not their editorials have a truer ring if they were to come before the American Senate and say, "We want you to treat us as you are treating everybody else"? But no, there is a constant appeal for a continuation of these privileges, amounting to $70,000,000 a year.

I have no doubt that my experience has been substantially the experience of every Senator in his correspondence with his constituents relative to this revenue measure. I have been very agreeably surprised that there has been so little complaint as has come to me. Nearly all the letters that I get are suggestions with reference to the making of changes which will equalize the burdens and very few of them are trying to get away from the burden of taxation, and they suggest, if necessary, to increase the taxes.

Mr. President, when we write to our constituents and say to them it is necessary in order to defray the expenses of Government to carry on the war that we increase the burden of taxation they reply, "Well and good; if that is the purpose, we are content." But let me ask, Senators, when one of these constituents who is being heavily taxed comes back to you and says to you or to me, "You told me that it was necessary to levy this tax in order to defray the expenses of the war, but I find at the same time you have under consideration some legislation which would require the publishers who have been receiving a bounty from the Government to pay a little increased proportion of the expenses of carrying their publications, and now you are taking nearly $70,000,000 of the money that will be raised from the other taxpayers and turning it over to the publishers of the country." What answer are Senators going to make to it? Let me be a little more specific.

I have before me the second part of the hearings before the Finance Committee. I find an estimate here of certain taxes that they are about to levy on tea and coffee and cocoa. From tea it is expected to raise $10,000,000; from coffee it is expected to raise $57,500,000; from cocoa it is expected to raise $7,000,000; in all, $74,500,000. You are taking these millions from the breakfast table of all the people of the country. What are you doing with it? The publishers of the country—the Curtis Publishing Co. that has been getting a bonus amounting to $5,138,000 a year—comes here and in effect says to you, "Turn over the money to us that you are collecting from tea and coffee and cocoa." Will Senators defend it? There is no defense that can be made by any publisher to that proposition.

No, Mr. President, it is unfortunate that every time a measure of this kind comes up we have a propaganda started the purpose of which is to continue this privilege. I have here a memorial to the Congress of the United States from the editors of some of the principal American periodicals. It is dignified; it is well written; and at the end of it are the facsimiles of the signatures of perhaps 30 or 40 of the different editors of different periodicals of the country. The first name on it is the name Lyman Abbott, editor of the Outlook. The last name is Hamilton Holt, editor of the Independent. Among other names are the editors of the Saturday Evening Post, McCall's Magazine, Woman's Home Companion, McClure's Magazine, and a number of others. I will not take the time to read them, but I should like to see an editorial in one of these magazines defending this Congress if they assess millions upon the coffee and tea and cocoa which is consumed by our people and turn it over to the publishers. I should like to try a case involving that issue before a jury of their peers. I dare say they would not win.

Mr. President, the publishers of these magazines will not dare to tell their readers that they are getting this bonus of $70,000,000 a year. The distinguished Senator from Georgia [Mr. HARDWICK], who has given a good deal of attention to this subject, quoted from the testimony of one of the experts who appeared before the Finance Committee to the effect that since the enactment of the particular statute that extends this privilege the Government has given to the publishers $700,000,000. I know, Mr. President, it is very unpopular to take up a subject of this sort. I know it is dangerous, perhaps, from a political standpoint and a personal standpoint, but I would rather be in private life than vote to continue this kind of a bonus to any set of men on earth.

I had a statement here showing the amount of the contributions which the Government is making to a number of these large publications and giving the figures showing the cost. I am not able to lay my hands on it just at this moment, but I shall be glad later on to put it in the RECORD.

Several weeks ago I was waited upon by a very debonair gentlemen in the marble room. He approached me with this proposition: The Government ought to conduct its business upon a high business plane. I was in hearty accord with that suggestion. I was a little curious to know what the business proposition was which he was going to present to the United States Senate. It was a most interesting proposition, and it was in substance that there would soon be another issue of liberty bonds amounting to several billion dollars and that the Government, which is now straining every nerve in order to win this war and to pay the expenses of it, should not have this advertising done in the way in which it was done during the last loan campaign, but that it should pay to the publishers of the country $3,000,000 in order to advertise the bonds which we are selling for their safety as well as ours. I suggested that I would not have any objection to his proposition on one condition, and that was that they conduct their business with the Government on a business plane and pay for the service that they have been getting for so many years from the taxpayers of the country. Some one sent me the other day a copy of a paper called the Editor and Publisher, printed in New York, under date of August 11, 1917. I note that the very same men who are opposing the increase of this postage are conducting a giant campaign to get $3,000,000 more from the Government for advertising these bonds. The headlines on the first page are these:

Planned gigantic exploitation of newspapers in floating liberty bonds—Same forces that put over initial issue have been summoned to deliver newspapers again—Unless publishers forestall present plans, there will be a repetition of the wasteful and undemocratic methods of advertising and selling—Expert advertising men declare an appropriation for successful campaign need not exceed $3,000,000.

Let me read a paragraph or two from the middle of the page:

The Editor and Publisher suggests that publishers of newspapers should at once write letters to their Representatives in Congress and to Secretary McAdoo protesting against a repetition in the offering of the next issue of liberty loan bonds of the policy of blundering which was followed by the first sale.

The blunder was that most of this advertising was being done without expense to the Government.

Again on the next page—I suspect Senators have gotten the letters from these publishers bearing on this subject. Mr. Cortland Smith is the manager of one of these associations which reach a lot of the country papers, and he has this significant remark to make. It appears over his own name:

If the bread and butter of editors must be taken to pay the way, then let the President of the United States, his Cabinet, and the Members of Congress forego their wages.

But he says nothing about the bonus which they have been getting from the country during all these years. It would take $3,982,500 to pay the salaries of all the Senators and all the Representatives one year, and the amount of bonus to the publishers of this country because of this very low rate of 1 cent a pound amounts to about $70,000,000 each year. If we would lay that amount aside we would have enough public funds to pay the salaries of all the Senators and all the Representatives for nearly 18 years.

On this same page 7 of the Editor and Publisher is the following language:

Now, I believe all this volunteering is wrong—and in a business sense immoral.

Senators who are going to vote to continue this privilege to the publishers ought to take to heart that text. If it is immoral for the Government to get its advertising by volunteering, it must be immoral to continue these privileges to these beneficiaries. Now, again, this paper says:

The Government has not asked for gratuitous supplies of woolen cloth, of leather, of copper, pig iron, chemicals, of automobiles, tentage, shipping—in fact, of any commodity needed to carry on the war.

That is true, but the writer might have added, if he wanted to be fair, did not these men, when they shipped their commodities, pay the cost of transportation?

On page 9 of this publication Mr. William C. Freeman writes this:

Is the Government of the United States so poor that it can not afford to do business on the same basis that the business men of the country do it, and have done it so successfully that they have accumulated for the United States of America the greatest wealth of any country in the world?

Well, we are as poor as we are by $70,000,000 because of the privilege that we have been giving to these publishers.

Mr. President, we ought to be fair about this matter. We require the users of first-class mail privilege to pay the expense of it and millions more and we are seeking now to add 50 per cent to the present rate. Why should the publishers insist upon this privilege further at this particular time? They say that they can not change their rates, due to the fact that the price of paper has been increased. It appears from the record of the testimony before the Senate committee that many of the magazines and periodicals are already increasing their rates. Rates have been increased upon advertising. One of the very distinguished editors of my own State, a man for whom I have the profoundest regard, said to me not long ago that because of the increased price of his paper it was going to consume his profits largely, and he went to his advertisers and called attention to the increased cost of operating his plant, and with rare exceptions they consented to an increase in advertising rates which would measure the differential in cost.

Mr. President, it is the experience of every business man some time during his career that he is obliged to increase the price of his output or to decrease it as market conditions require. Is there anything which should differentiate the newspaper from the ordinary commercial commodity when it comes to the question of price? I have not heard any Senator yet express himself upon this subject who did not concede that it costs the Government vastly more to render this service than it gets from the publishers.

They differ as to the amount. Some will say that the total cost is 5 cents a pound, some 6, some 7, some 8; but admitting that the lower figure is the correct one, is that any reason why we should not double or treble or quadruple the present rate, not perhaps at once, but do it by a graduation during a period of two or three years?

I am convinced that every Senator here believes we are operating the second-class mail at a loss. Now, if this increase is not to be made I wish to offer this suggestion, that we require the publishers to pay the actual cost of the delivery of these newspapers and magazines and then let us be fair with our constituencies, and if the publishers want this loss made good to them by Congress let us give them each year a check for the bonus they are now getting and which is now concealed from the public by giving rates less than cost.

Mr. SHIELDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Tennessee?

Mr. POMERENE. I do.

Mr. SHIELDS. If convenient for the Senator at this stage of the presentation of the subject, I would be glad to hear his views in regard to how the increase is to be made. Should it be made a flat rate so as to charge by zones a paper sent 40 or 50 miles as much as one that is sent two or three thousand miles and thus gets ten times the service or is ten times the expense to the Government? I wish further to say that the statement I have from the Post Office Department shows that within a radius of 300 miles the rate now charged pays practically all the expenses of transportation; but outside of that it does not pay it. I understand the statement of the Senator to be that at some places it costs 8 cents a pound to deliver this freight.

Mr. POMERENE. No; I made the statement that 8 cents per pound was one of the estimates of the average cost of this service to the Government.

Mr. SHIELDS. I say I understand the Senator is correct about it.

Mr. POMERENE. I did not so understand the Senator.

Mr. SHIELDS. While the present rate pays within 300 miles all the expense.

Mr. TOWNSEND. Mr. President——

Mr. POMERENE. I yield to the Senator from Michigan.

Mr. TOWNSEND. I think the Senator from Tennessee is not correct in that statement. I trust nobody claims that the present rate pays all the expenses. They do claim it pays for the transportation, but no one claims that it pays more than that. They take into consideration no part of the overhead expenses, the charges of the Government, but simply insist that the first zone rate pays the actual transportation.

Mr. SHIELDS. The Senator is mistaken. I will present some figures which were authorized, which came from the department, showing that the transportation does not cost over about 48 per cent at the present charge.

Mr. POMERENE. If I may answer in part the query put to me by the Senator from Tennessee, I will say that thus far I have discussed only the question of the necessity of an increase, and, so far as my vote is concerned, at this particular time I am not going to split hairs as to the method of that increase. I do not expect to see the Senate vote here at this session to raise the rate so as to pay the entire cost. Any increase which I think will be made will be below cost. There will be abundance of opportunity later on to adopt some permanent method. There is much to be said in favor of the zone system. There is very great force in the objection which was made by the Senator from Georgia to the effect that we did not want to localize these publications, but that we wanted to give the readers generally the benefit of the best thought of the country, and if some one will be able to lay down a rule which will distinguish between the best thought and the worst thought of the country, all of which finds its way into the papers and magazines, I shall be very glad to discuss the question further with them.

Mr. President, I have just discovered the papers which I mislaid a moment ago. I have here a table from what is known as the National One-Cent Letter Postage Association of Cleveland, Ohio. They give certain interesting figures. If these are wrong, I will be glad to correct them if any of the parties referred to will present the evidence that they are wrong. The Country Gentleman, published by the Curtis Publishing Co., has a circulation of 189,870 per week. It has 22 pages of reading matter and 13 pages of advertising. The weight per year amounts to 2,400,000 pounds. They pay the Government $24,000 per year. It costs the Government $192,000 per year. The subsidy amounts to $168,000 per year.

The Ladies' Home Journal, with a monthly circulation of 1,852,000, has 40 pages of reading matter and 37 pages of advertising matter. The weight per year of this publication amounts to 19,000,000 pounds. They pay the Post Office Department $190,000. It costs the department per year $1,520,000, and their bonus is $1,330,000 annually.

The Saturday Evening Post, with a weekly circulation of 2,125,000 copies, has 35 pages of reading matter and 36 pages of advertising matter. The total weight of this publication is 52,000,000 pounds. They pay to the Government $520,000. It costs the United States Government $4,160,000 per year. Their bonus is $3,640,000, and the total estimated subsidy which is thus given to the Curtis Publishing Co. for mailing these three publications amounts to $5,138,000. Poor as I am, I think I could die rich if I had a subsidy of that kind.

Mr. President, I do not know that I care to discuss this question further. I recognize the fact that the publishers say, "Oh, yes; there are certain isolated cases of that kind, but the rest of us do not fare so well; we do not get so much." But each one of these publishing firms, no matter what its financial status may be, ought to be willing to pay for the privilege which it gets from the Federal Government.

Mr. HARDING. Mr. President, I want to ask my colleague if he does not think it would be but fair for us to make the law effective approximately a year after its enactment, so that the publishers can readjust their subscription prices accordingly?

Mr. POMERENE. Mr. President, if we were going to charge the publishers with the full cost of this privilege now, I would hesitate about making them pay it immediately; but it is only the purpose of the different proposals here to charge the publishers a small portion of this expense. Bear in mind we are taking nothing from them; we are simply saying "you have had these privileges all these years, and you have fattened on the land." There is no reason, in my mind, why there should not be a reasonable increase now. Of course, there are other privileges which are not interfered with here at all, such as free transportation of a paper in its own county, outside, I believe, of the municipality in which the publication is issued.

If there is no way of getting any increase except by deferring the matter, I am willing to do that. My own thought, however, was, if either the amendment which has been proposed by the junior Senator from Georgia [Mr. HARDWICK] or by the junior Senator from Tennessee [Mr. MCKELLAR] is not accepted and nothing better can be done, that we double the rate of postage and make it 2 cents for the current year. It may be it should be more; but I am satisfied that the publishers themselves recognize the justice of this demand on the part of the public; and if they have any doubt about what the public is thinking in reference to this subject, let them go out among their own subscribers and inquire.

I recognize the fact that there has been a campaign conducted here by all sorts of organizations—society papers, religious papers, literary papers, historical papers, trade journals, labor papers—all of them thinking, perhaps, only of the privilege which each individual publication is getting, without thinking of the vast amount of money which is expended on behalf of all the publishers of the country. It would take but a very small increase, either in the advertising rates or in the increase in the subscription rates, to make up this difference that the Government is asking at this time if Congress passes legislation along this line. I think it ought to be done; and I do not know how we can square ourselves with our own sense of duty to the public by assessing vast taxes upon the public and giving this privilege to a favored few.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee. [Putting the question.] The ayes seem to have it.

Mr. KIRBY. I ask for a division, Mr. President.

Mr. MCKELLAR. I call for the yeas and nays, Mr. President.

Mr. SMOOT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Utah suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Harding	McCumber	Shields
Beckham	Hardwick	McKellar	Smith, Mich.
Borah	Husting	Myers	Smoot
Broussard	James	New	Sterling
Calder	Johnson, Cal.	Norris	Sutherland
Culberson	Johnson, S. Dak.	Overman	Swanson
Curtis	Jones, N. Mex.	Page	Thompson
Dillingham	Jones, Wash.	Phelan	Townsend
Fernald	Kellogg	Poindexter	Trammell
Fletcher	Kendrick	Pomerene	Vardaman
France	Kenyon	Robinson	Wadsworth
Frelinghuysen	Kirby	Shafroth	Williams
Gerry	La Follette	Sheppard	Wolcott
Hale	Lewis	Sherman	

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent on account of illness in his family. He is paired with the Senator from New Jersey [Mr. FRELINGHUYSEN]. I will let this announcement stand for the day.

Mr. LEWIS. Mr. President, I desire to state that the Senator from Utah [Mr. KING] and the Senator from Oregon [Mr. CHAMBERLAIN] are necessarily absent on official business.

The PRESIDING OFFICER. Fifty-five Senators have answered to their names. A quorum is present. The question is on agreeing to the committee amendment.

Mr. POMERENE. I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 94, line 7, after the word "cards," it is proposed to insert "and private mailing or post cards."

Mr. JONES of New Mexico. Mr. President, in view of some of the remarks which have been made to-day, it seems to me that it may not be inadvisable to make a short statement as coming from the committee. The committee has been criticized quite severely, especially by the Senator from Georgia [Mr. HARDWICK], for having undertaken to deal with the question of postal rates at all. I think it well that we should understand just how this matter arises.

The bill as it came over from the other House had a provision increasing the rate of postage on first-class mail matter and also on second-class matter. That bill was referred to the committee. So it became necessary for the committee of the Senate to deal with the subject. The Finance Committee, as a whole, I believe, agreed in line with some of the remarks which have been made, that it should not undertake to equalize the postal rates; and I believe it will appear from a consideration of what has been done that the committee has sought to avoid that very thing. Instead of trying to take up the question of postal rates relating to first-class matter and second-class matter and adjusting the differences between the two and trying to make the burden rest where it ought to rest as a matter affecting the interests of the Government, the Finance Committee felt that it ought not to undertake that work at this time and perhaps not at all. So the committee has undertaken to treat this provision in the bill from an entirely different standpoint. We did not feel called upon to adjust the rates on second-class postal matter. We considered that this was a revenue bill pure and simple, and from that point of view the action was taken which appears in this report.

The committee felt that in this time of war we will need all the revenue which can be obtained from various sources without affecting the business interests of the country. We thought that what was done should be done with the steady purpose of not injuring the business interests of this country. We wanted to get the revenue wherever it could be obtained without putting an undue hardship upon any class of individuals or upon any class of business. So it was the purpose to avoid taking up the present system of postal rates and adjusting it, which the Senator from Georgia seems to think the committee has done and for which he criticized the committee so caustically this morning.

The immediate amendment offered by the committee exemplifies the purpose as to this whole measure. The bill as it came from the House put an additional 1-cent tax upon first-class matter except postal cards.

Mr. HARDWICK. Oh, no.

Mr. JONES of New Mexico. That was the report of the House committee.

Mr. HARDWICK. If the Senator will yield——

Mr. JONES of New Mexico. Certainly, I yield.

Mr. HARDWICK. The Senator is mistaken. The House itself as well as the House committee not only added 1 cent to letter postage, making the rate 3 cents, but also added 1 cent to postal cards, making the rate on postal cards 2 cents instead of 1 cent. What the Senator's committee did was to knock off the increase on postal cards.

Mr. JONES of New Mexico. I have before me the bill as it came from the House printed in one kind of type, and the bill as amended by the Senate committee printed in italics, and by referring to that I find this to have been the provision of the House bill:

> The rate of postage on all mail matter of the first class, except postal cards, shall be, in addition to the existing rate, 1 cent for each ounce or fraction thereof—

That was the bill as it came from the House; it excepted postal cards.

Mr. HARDWICK. No.

Mr. JONES of New Mexico. If that is not true, then the print I have before me is erroneous; and I am quite certain that the print which I am reading from is correct. What the Senate committee did was to add to the exemption "private mailing or post cards"; and that was done for a very good reason.

Mr. HARDWICK. If the Senator will pardon me, he does not want the Senate to get a misconception of what has been done,

The PRESIDING OFFICER. Does the Senator from New Mexico yield further to the Senator from Georgia?

Mr. JONES of New Mexico. Certainly.

Mr. HARDWICK. The Senator himself has not got it right. If he will go a little farther down the page, he will find that—

Postal cards, and private mailing or post cards when complying with the requirements of existing law, shall be transmitted through the mails at 1 cent each in addition to the existing rate—

So that the Senator utterly misunderstands the situation. The fact is that the House of Representatives did increase the rate on postal cards and post cards just as the Senator from Georgia stated, and the Senator from New Mexico hardly seems to know what his own committee did.

Mr. JONES of New Mexico. I, of course——

Mr. HARDWICK. I beg the Senator's pardon; I am sorry I said that.

Mr. JONES of New Mexico. I am willing to receive any kind of reprimand which the Senator from Georgia may see fit to offer.

Mr. HARDWICK. The Senator has suggested that the Senator from Georgia caustically criticized the committee. There is plenty of excuse for it; but I did not intend it in that way, and I am sorry I said that.

Mr. JONES of New Mexico. I will state, Mr. President, that I find the provision increasing the rate on postal cards was made down a little farther, but they were excepted from the provision from which I was reading. At any rate, the point which the Senate committee had in mind was simply the burden which would be put upon the business carried on by that means. Attention was given especially to the question of post cards, and the Senate committee received evidence as to the effect which would be had upon the post-card industry were this additional 1-cent stamp required. It appears, for instance, that upon these cards under the existing regulations it is necessary to print the amount of postage required for mailing in the United States and for mailing outside of the United States; that there are millions of these cards on the market now bearing that statement, and those cards would doubtless be made useless under the postal regulations or the public would be misled as to the amount of postage required.

In addition to that, we found out that in Canada, where the postage has been increased upon postal cards from 1 cent to 2 cents, there has been a falling off to such an extent in the use of the postal card that the revenues were reduced more than the amount of increased revenue which had been expected by the change. So we saw that as a means of raising revenue, increasing that postage by 1 cent would be a failure. That was the purpose of the committee in dealing with this question, namely, to look after the revenue side of it pure and simple, and we did not undertake to deal with postal rates generally and regulate them as citizens might feel they should be regulated.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Idaho?

Mr. JONES of New Mexico. I yield.

Mr. BORAH. What amount of revenue is it calculated the change which the Senate committee has made will raise?

Mr. JONES of New Mexico. The revenue which the bill is expected to raise from postage in addition to the present revenue is about $50,000,000 on first-class matter, $3,000,000 on second-class matter, and about $7,500,000 from the 5 per cent income tax.

Mr. BORAH. Then the increase on first-class matter will raise about $50,000,000?

Mr. JONES of New Mexico. Yes, sir.

Mr. HARDWICK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Georgia?

Mr. JONES of New Mexico. Yes.

Mr. HARDWICK. I should like the Senator from Idaho to press his precise inquiry, namely, what amount of revenue is expected to be raised under the Senate committee's amendment.

Mr. BORAH. That is the question I was asking.

Mr. JONES of New Mexico. Under the Senate committee amendment reducing the postage on postal cards and post cards from 2 cents to 1 cent we expect to leave the matter just where it is now under the present law.

Mr. HARDWICK. How much revenue did the committee figure would be lost from the decrease in the number of letters incident to the increased rate?

Mr. JONES of New Mexico. The amount that we expect to raise in addition to the present postage on letters is about $50,000,000. The Senator will observe that that is not 50 per cent of the amount which is being derived now from this source, but it was expected that there might be a falling off to some extent in the number of letters going through the mails bearing 3-cent postage. As to how much that will be, only a mere estimate can be given, as the Senator said this morning; there is nobody who can tell how many people are going to write fewer letters because the rate on first-class mail is increased to 3 cents.

Mr. BORAH. Mr. President, may I ask the Senator another question?

The PRESIDING OFFICER. Does the Senator from New Mexico yield further to the Senator from Idaho?

Mr. JONES of New Mexico. Certainly.

Mr. BORAH. I understand the Senator from New Mexico to say that the Senate committee had no purpose of adjusting the troublesome question of postal rates and so forth, but that they were dealing with it solely for the purpose of getting more revenue.

Mr. JONES of New Mexico. Mr. President, the committee, in the first place, felt that, inasmuch as this was a bill coming over from the House, it ought not to be changed except in important particulars or where some special injury would be brought about unless a change were made. We dealt with the matter from that standpoint so as to get revenue and at the same time work no serious injury to any particular industry or class.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Georgia?

Mr. JONES of New Mexico. I yield.

Mr. HARDWICK. I wonder if the Senator's committee ever considered in any way, shape, manner, form, or fashion, or at any time the very interesting and dangerous situation suggested by the Postmaster General that if you make the postage on letters 3 cents and leave the postage on postal cards 1 cent you may lose a tremendous amount of revenue from your letters? Did the committee ever do that?

Mr. JONES of New Mexico. I will state to the Senator that I quite agree to his remarks upon that subject this morning, that the Postmaster General can not tell anything about it; neither can any of the rest of us tell anything about it; and the fact that the Senator from Georgia is trying to make a great deal of it indicates that he has more faith in his judgment on the subject than any of the rest of us have.

Mr. BORAH. Mr. President, if the Senator will permit me further, I rather inferred from the very able argument of the Senator from Ohio [Mr. POMERENE] that there had been an effort here to deal with what he thought were the iniquities of this entire system; but, as I understand the Senator from New Mexico, in view of the fact that the committee could find no other source from which to draw revenue, it felt the necessity of entering this field for the purpose of revenue rather than for the purpose of straightening out the injustices to the Government, as they may be termed, of the Postal System as it now obtains. If this is merely for the purpose of obtaining revenue, there are some of us who believe that you can get it somewhere else much more justly and more adequately. If it is for the purpose of dealing with the wrongs which have been perpetrated heretofore, as has been suggested, then those of us who are inclined to vote against it would like to know in what particular it straightens out those wrongs.

Mr. JONES of New Mexico. Mr. President, the view which the Senator from Idaho has just expressed has been expressed by others who have been considering the matter, both on the committee and off it. We have felt that the present system of postal rates, at least from one viewpoint, is radically wrong, and from another perhaps not so very wrong; but we became thoroughly convinced that to try to adjust the postal rates at this time upon the basis of having each class of mail matter pay its own way would disturb the business of the country beyond any point which would call for such action on the part of the Senate.

Mr. BORAH and Mr. McKELLAR addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Mexico yield, and to whom?

Mr. JONES of New Mexico. I yield to the Senator from Idaho.

Mr. BORAH. The statement that the Senator has just made clarifies this matter so far as I am concerned. I should not think it would be wise to undertake to deal with and change this system in a revenue bill. Therefore, if we are only dealing with it for the purpose of getting some revenue, knowing myself where we can get some revenue, I shall vote against this proposition.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. JONES of New Mexico. I yield to the Senator from Tennessee.

Mr. McKELLAR. The Senator has said that the committee in its action desired to change the House provision as little as possible. My understanding is that the House provided that there should be a zone system established, out of which you would get about $20,000,000 a year. Now the Senate committee comes along and changes the system established by the House entirely, and, in addition, reduces the amount of revenue from $19,000,000 to $3,000,000. If it were only on account of securing revenue, why did the committee change the House provision and reduce the amount of revenue from this source from $19,000,000 to $3,000,000?

Mr. JONES of New Mexico. Mr. President, the Senator doubtless failed to observe another thought which I tried to present, and that was that we also took into consideration the effect upon the business of the country.

Mr. McKELLAR. Does the Senator mean the business of the country as a whole or the business of the publishers to whom this bounty is paid? I can understand very easily how to make a change would interfere with the business of these publishers, to whom we now pay about $89,000,000 every year, but I am at a loss to understand how it would affect business generally, and I should like to be enlightened on that subject by the Senator.

Mr. JONES of New Mexico. Mr. President, we have felt that to affect any line of industry would at least, pro tanto, affect the industry of the country. We have tried not to do anything which would affect any line of industry. The publishing business is certainly one very important line of industry, and we did not feel that it was necessary at this time to impose upon the publishers of the country a burden which would put any of them out of business. We have assumed that they are engaged in a very laudable work. We know that through the newspapers and the periodicals the citizens of the country are kept informed as to conditions throughout the country.

As to the zone system, I have my individual objections to that. I do not believe that is a proper system. But the Finance Committee was dealing with the subject from two points of view—first, the raising of revenue, and, secondly, raising it without any particular injury to business; and we proceeded upon that theory. We thought as to the post mailing-card business that the change proposed would put that industry out of business. Definite statements were made to the committee as to the effect upon that industry of raising the postal rate from 1 to 2 cents; and I think the evidence was conclusive that that industry would be practically destroyed by increasing the postage from 1 to 2 cents.

As to the postal cards, as I remember now, that matter was also discussed. The profit in carrying postal cards is much greater than the profit in carrying sealed letters, and that was one of the reasons advanced as to why the postage on postal cards should not be increased.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Georgia?

Mr. JONES of New Mexico. I do.

Mr. HARDWICK. I should like to have the Senator tell me where he got that information, because I do not agree with that statement, and I do not think the Post Office Department agrees with it.

Mr. JONES of New Mexico. I think the statement came from some one connected with the Post Office Department.

Mr. HARDWICK. No, sir.

Mr. JONES of New Mexico. Of course I meant in proportion to the weight.

Mr. HARDWICK. Oh! That is a very different proposition.

Mr. JONES of New Mexico. I should have said that the actual cost of carriage was much less in the case of a postal card, in proportion to the weight, than the cost of carrying letters.

Mr. HARDWICK. In proportion to the weight—yes; that might be. The profit from handling postal cards, though, if the Senator will permit me, is not nearly so great as that from handling letters, taking it as a whole.

Mr. JONES of New Mexico. I will state to the Senator that we were enlightened from time to time with various views upon that question, too, as to what was the cost of handling postal cards and ordinary letters, and so on, and I must say that upon the whole the result of my effort to obtain information upon the subject was decidedly unsatisfactory.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Tennessee?

Mr. JONES of New Mexico. I yield to the Senator from Tennessee.

Mr. McKELLAR. The Senator says that the object of the committee was only to raise revenue. Will the Senator explain why the committee put an additional tax on first-class matter amounting to $50,000,000 a year when that particular class of postal matter was already paying the Government $70,000,000 of profit a year, and put an increase of only $3,000,000 on second-class matter when second-class matter was losing to the Government $89,000,000 a year? If the committee wanted to adjust the rates simply with the idea of raising revenue, why such a discrimination against first-class matter, which is already paying its way, in favor of second-class matter, which is now getting this enormous subsidy from the Government?

Mr. JONES of New Mexico. Mr. President, the Senator asked a similar question a while ago, and I tried to answer him at that time. I might answer now by referring to my previous answer, but I will do the Senator the courtesy of again stating that the committee had two purposes in view: One, the raising of revenue; the other, raising it without doing serious injury to business. That is just why we are not proposing in this bill to raise any greater sum of money from second-class rates. We had extensive hearings upon that question, and had vast statistics presented to us from the books of the companies themselves, showing just how they would be affected if the postal rates on second-class matter were materially raised, and we concluded that it was best not to approve the system which was presented by the House, and to adopt what has been done here.

When I rose I did not expect to refer to anything except just the matter in section 1100 and the paragraph which is under immediate consideration, the amendment of the committee. Unless there is something further to be said, I see no objection to the roll call proceeding.

Mr. TOWNSEND. Mr. President, the debate thus far on this particular section illustrates what I stated the other day, that this particular tax will be an irritating one, with its revenue very doubtful.

As a member of the committee I opposed the raising of first-class letter postage and the insufficient changes that were made in second-class rates. I think every Senator is perhaps familiar with the fact of the inequalities which exist in our postal rates to-day. Senators and newspaper men and periodical publishers may argue as long as they will, but they can not change the facts, and they are that first-class letter postage is paying far in excess of what it costs the Government to handle it, while second-class mail matter causes a deficit in the Treasury variously estimated at from seventy to one hundred millions.

Personally I like the Senate amendment if we are to adopt the provision at all and think it somewhat improves the House section, because it does cut down the House provision as to postal-card postage, so that people who are obliged to write can still send a postal card without adding an increased burden to the cost of using the mails; but in my judgment, Mr. President, it is all wrong. There are literally thousands of articles in the United States in commerce and trade that could be taxed to bring about the same amount of revenue that is proposed here without producing any apparent injustice or without creating any irritation.

I know it is stated by some—and I have no doubt it is true—that it was the intention of the members of the committee to adjust, in a measure, the inequality in the rates between first and second class mail matter. There could be no other excuse, and there was no other excuse offered, for putting such a tax on the receipts of publishers. It is unjustifiable. Nobody can justify that tax on any just and proper ground unless he says, "Why, we are trying to get even with the newspaper owners and other publishers that are getting a privilege out of the Government." That was the reason it was put on; and yet, let us see what it does.

In addition to all the other taxes which the publishers will have to pay—their excess-profits tax, and so forth—we put this special tax upon their net profits. It is not contended that those profits are generally extraordinarily large or that they were made larger because of the war, but this tax of 5 per cent on net receipts was put there for the purpose of compensating, in a measure, for the privilege which the publishers use; and yet many of the publications that would be taxed do not use the mails at all. Therefore it could not be said that we are getting even with any of those publishers by taxing their net receipts.

On the second-class mail privilege we put an additional charge of one-quarter of a cent a pound. That raises $3,000,000, according to the estimate. We increase first-class letter postage by $50,000,000, and instead of composing the differences between first and second class matter we aggravate them and make them still wider.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. TOWNSEND. I yield.

Mr. BORAH. I understand the Senator to say that the first-class mail matter is paying the Government for its expense now.

Mr. TOWNSEND. And it puts into the Treasury about $70,000,000.

Mr. BORAH. And upon that the committee would put a tax of $50,000,000?

Mr. TOWNSEND. Fifty million dollars.

Mr. BORAH. And the Senator states that second-class mail matter is causing a deficit to the Government of from seventy to one hundred million dollars?

Mr. TOWNSEND. That is correct.

Mr. BORAH. And upon that the committee would put an additional tax of three millions?

Mr. TOWNSEND. That is right.

Mr. BORAH. That seems to be scientific financiering.

Mr. TOWNSEND. Mr. President, I can not go quite as far as the senior Senator from Ohio [Mr. POMERENE] in my condemnation of the publishers. I believe that extra burdens are being placed upon them at this time and that they are assuming them. I know that they have rendered great financial service to the country at this time, and have been rendering it up to date without compensation; but this question of adjustment of rates between first and second-class matter should be settled by Congress, and it should be settled by itself, and not under the hollow pretense of trying to adjust matters in this revenue bill. I do not wonder that the Senator from New Mexico [Mr. JONES] had hard work to justify the action of the committee in reference to this matter. It can not be justified. There is no possible ground upon which you can justify the action of the majority on this bill so far as equalizing postage rates is concerned.

I would rather eliminate all reference to postal matters from this bill. I can not vote for increasing first-class letter postage and for leaving second-class mail rates practically untouched, and I do not know at this time just exactly what the ratio should be. The Senator from Georgia [Mr. HARDWICK] is correct when he says that this is a matter which should be settled by the Post Office Committee. I am a member of that committee. We have given great consideration to the question. We tried to adjust it somewhat at the last session of Congress but could not get a majority of the Congress with us; but I am certain now, Mr. President, that this question will be taken up and that it will be settled properly. The first-class mail rate will never be increased, though, in my judgment, because it is practically meeting the expense of the Post Office Department now.

Mr. SMITH of Georgia. Mr. President, does the Senator recall the fact that when the effort was made during the past 12 months to reduce first-class postage to normal—that is, to 1 cent, the amount it costs—the defense of the 2-cent rate was that we needed excessive revenue at this time, and we could afford for the present to keep it at 2 cents on the ground of contributing half of the revenue to the general Treasury receipts? The 2-cent rate was retained upon the ground that we needed the revenue?

Mr. TOWNSEND. I remember that argument very well. I remember also the frantic appeals that were made to Senators by publishers who were paying an immense price for paper. Now the price of paper has gone up. I have no doubt that if we were to add materially to the burdens of these publications we would produce a great deal of trouble among them; and, because I do not know just what rate ought to be imposed at this time, I think it is wiser to eliminate from this bill all reference to postal matters and make up the deficit and more from sources that can well afford to pay the expenses of this war.

Mr. HARDWICK. Mr. President, will the Senator yield for just a minute?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Georgia?

Mr. TOWNSEND. I yield.

Mr. HARDWICK. The Senator keeps referring to the fact that the price of print paper has gone up. I want to suggest to him that the fact is that almost every publication in this country has passed that on to the public long ago, and they no longer have it as an excuse for their own pleas.

Mr. TOWNSEND. I think that is true to some extent; to what extent I do not know.

Mr. HARDWICK. I shall be able to show.

Mr. TOWNSEND. But I also know that everything else has gone up. If any man engaged in business can tell me truthfully that everything that he uses in the conduct of his business has not gone up, he will present a situation that I did not know existed. Of course everything has gone up.

This extra charge of 5 per cent on the net profits of a newspaper, I repeat, is unjustifiable. If the newspaper business is a legitimate business, which it is, there is no more reason why it should pay this extraordinary tax besides all the other taxes that other enterprises pay than that a similar tax should be placed upon the farmer.

Mr. President, I do not want to delay the vote, and I did not intend to say a word upon this question if the Senate was ready to vote, but I feel as though we ought to understand this situation. The committee can not justify this proposition of raising first-class letter postage to 1 cent more, making it 3 cents, any more than it can justify the tax upon the net profits, which amount to a sales tax upon the net profits of a newspaper publisher. It is insufficient and negligible.

Mr. POMERENE. Mr. President, may I ask the Senator a question?

Mr. TOWNSEND. I yield to the Senator from Ohio.

Mr. POMERENE. I did not have the pleasure of hearing all of the Senator's argument, but I heard him make the suggestion that he would rather vote to strike out all provisions with reference to postal rates, and place that tax upon something else; and apparently he recognizes the inequalities between the charges on first and the charges on second class matter. Now, as I understand the Senator, he concedes that at present there is a profit on first-class matter and a very large deficit on second-class matter.

Mr. TOWNSEND. The Senator is correct.

Mr. POMERENE. Then why would it not be fair to make some increase on the second-class matter, even if we do not make any increase on the first-class matter, so as to meet in part, at least, this deficit?

Mr. TOWNSEND. I think I would vote for that proposition, although I do not know what rate to vote for just at the present time, under present conditions. A quarter of a cent a pound means nothing. I do not think it does more than take a step which may possibly be held hereafter as being the judgment of Congress as to what rates ought permanently to be imposed on second-class mail matter; and inasmuch as it is simply an expedient which does not get us anywhere and does not settle anything, but rather further aggravates the differences between first and second class mail matter, I think it would be the wisest thing for us at this time to eliminate it from the bill. But, I repeat, as I said at the beginning, that I like the Senate amendment in reference to postal cards better than I do the House provision, because it does leave an opening for people to write without being taxed 300 or 400 per cent on the messages that they send.

Mr. HARDWICK. Mr. President, if the Senator will yield, I quite agree with him about that; but has the Senator thought about what the effect of that may be on the revenues from first-class mail?

Mr. TOWNSEND. Well, this is a guess anyway about this; so, inasmuch as nobody understands it, I think I would take my chances with that kind of a guess rather than the one proposed by the committee.

Mr. SMOOT. Mr. President, almost all of the criticism that has been made this afternoon has been, not upon section 1100, now under consideration, but upon sections 1101 and 1106. When those sections are reached we will take up the reasons why the committee made the changes in those sections. Section 1100 refers only to first-class postage rates.

I want to say, Mr. President, that Canada has advanced her postal rates on account of the war, and Canada has found no reduction whatever in the number of letters that have been written and mailed as a result of the increase of 1 cent in the postage upon letters.

Mr. HARDWICK. Mr. President, is the Senator sure he is right about that?

Mr. SMOOT. I am sure that is the testimony that was given to the committee.

Mr. HARDWICK. Not by the Post Office Department.

Mr. SMOOT. Well, we get it directly from the reports from Canada.

Mr. HARDWICK. They have not had any reports from Canada this year.

Mr. SMOOT. Mr. President, all I know is this: It is reported to us that the monthly statements made from Canada have shown that there has been no decrease whatever in the number of letters which have been mailed since the increase of a cent in the postage on letters.

Mr. HARDWICK. If the Senator will pardon me, the Post Office Department hear that the reverse is true, and we would be very much interested in knowing who furnished the Senator

that information. You did not have postal people before the committee.

Mr. SMOOT. Why, we did have postal people before the committee. We have had experts from the department there, and I will say to the Senator, if he wants to know it, that it was the experts from the Treasury Department who gave the information to the committee.

Mr. HARDWICK. The Treasury Department?

Mr. SMOOT. From the Treasury Department; yes.

Mr. HARDWICK. All right. I am interested to know that.

Mr. SMOOT. I want to say, Mr. President, in behalf of the committee, that this is a temporary bill, and just as soon as the war is over we expect this whole legislation to be repealed. The tax that we are imposing upon first and second class mail matter is not upon the rates, particularly upon the mail matter itself, but it is a tax upon transportation. We are taxing transportation over the railroads, both freight and passenger. This is a transportation tax, Mr. President, pure and simple; and when this law is repealed the present postal rates will not be affected in any way, shape, or form.

Mr. McKELLAR. Mr. President——

Mr. SMOOT. I would not be in favor of increasing the first-class postage rates under normal conditions. The Senate knows that I was one of the advocates of a 1-cent postage rate; but I do not believe the people of the United States are going to object to paying 1 cent additional upon a letter that they mail during this war. Why, Mr. President, in many families it will not amount to a cent a month. In others, it will be more. The only complaints that I have ever received have come first and foremost from the publishers of the country. They tell the committee about the amount they pay yearly for the postage on letters that are sent out to their millions of subscribers, and the receipts that are sent to them whenever they pay for advertisements or for the paper or magazine itself. That is one of the reasons why the publishers of the country claim that if we impose a tax upon them by way of an increase in the rate on second-class matter, they will sustain double taxation, because of the fact that they are compelled to pay the increase on first-class matter as well.

I have not received one letter from an individual in the United States protesting against the increase of 1 cent on first-class postage. I believe, Mr. President, there is as much loyalty among the people of the United States as you will find anywhere, and I do not believe they are going to oppose or criticize or object to the imposition of an additional tax of 1 cent upon first-class mail matter.

Mr. VARDAMAN. Is there any more loyalty among that class of people than there is among newspaper owners? The Senator had protests from newspaper owners against requiring them to pay the expense of transmitting their papers.

Mr. SMOOT. I have received protests from nearly all of them, and I may say to the Senator now I shall discuss it when the following section is under consideration. I do not want to take the time of the Senate to-day to discuss it, as it is not before the Senate. I have at least 1,000 statements, sworn to, showing what the farm papers, the religious papers, and other certain classes of magazines made during the year 1916. They are not just the statements of individuals written in the shape of a letter, but they are sworn statements of annual reports showing just what they make. I assure the Senator that he can take all the profits made by all the farm journals in the United States for the year 1916, and if we impose 1 cent additional tax upon the second-class mail there is not a doubt but that it will amount to more than all the profits of all the farm papers in the United States.

Mr. VARDAMAN. I wish to say to the Senator, if that is true I would not in any way cripple the work those journals are doing.

Mr. SMOOT. It is true, and I am sure it would not only cripple them but it would bankrupt most of them.

Mr. VARDAMAN. A great many other journals, though, make enormous profits.

Mr. SMOOT. The Senator is perfectly correct. I say to the Senator the only justification the committee has for imposing a tax of 5 per cent upon the net incomes of all the publishers of the country with the exception of an exemption of $4,000 was to get at a part of the profits to which the Senator has just referred. We believed that it was possible to take a part of those profits and not destroy the journals, as we know that the imposition of an additional 1 cent a pound would destroy many of them.

Mr. VARDAMAN. I agree most heartily with the Senator. I am glad the Senator has directed his penetrating intellect to discovering the meritorious cases that deserve protection. But we all know there are a great many publications in this country that have made enormous profits and they ought to be made to pay their proportion of the burden of tax that is being levied for raising revenue for conducting the war.

Mr. SMOOT. The Senator is absolutely correct, and in order to protect the struggling papers of the country the committee gave an exemption of $4,000 to all publications in the United States before imposing the 5 per cent tax. I know the 5 per cent tax upon publications is a special and discriminatory tax. The committee tried to avoid such a tax and did so with the exception mentioned and in two other sections of the bill covering patent medicines, golf balls, baseballs, and articles used in games, on which is imposed a tax upon gross sales of 2 per cent.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. Certainly.

Mr. POMERENE. The Senator has just referred to the sworn financial statements of gentlemen. I do not question their statements, but does the Senator know of any reason why these publishers may not increase their advertising rates and subscription rates the same as anybody else?

Mr. SMOOT. The Senator's question is an absolutely proper one, but I want to say to the Senator now I do not want him to get the idea that I do not believe that second-class mail matter should not be increased. I do believe it, but I do say that this is not the proper time for us to impose it in order to secure revenue, the effect of which would be to destroy certain publications. I believe the Committee on Post Offices and Post Roads ought to take up the matter and what rates are agreed upon, and I believe the publishers ought to be given time to arrange their business in order that they may meet the changed conditions. For instance, let me call attention to one thing. I know farm papers in this country that have contracts out for five years' subscriptions, and they can not be changed. It is quite usual for such papers to give five years' subscription for the price of three years if paid in advance.

Mr. POMERENE. I recognize that that argument is made, but let me suggest this: The coal operators we have paid some attention to did urge all the while that they had a lot of contracts out at a low rate, and therefore Congress ought not to reduce those rates. The whole thing is illogical. The difficulty, so far as the publishers are concerned, is not different from that of any other problems of taxation we have.

Now, let me make another suggestion. I have been in touch with some of these publishers, and when they come to us they say, "We are making no money at all," and the very next minute they will say, "We will give you all the profits we make, but do not increase our postal rates." It is a most generous disposition.

Mr. SMOOT. We do not have to take the word of the publishers as to what they are making. Fortunately, if we go to the Treasury Department, we can find their report showing their profits for every year since 1909. I want to say to the Senate that all the taxes that have been imposed in this bill have been imposed based upon the rates of incomes and the profits that have been shown by the reports from all the corporations of the country as reported to the Treasury Department each year since 1909.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. I yield to the Senator from Tennessee.

Mr. McKELLAR. The Senator talks a good deal about farm papers and religious papers, and that is entirely correct; but the House in legislating on this subject made an exception as to those journals, and the Senate Committee struck out the exception entirely. If the Senator's concern is about the farm and labor and scientific journals, why not treat them as the House did by striking out the exceptions?

Mr. SMOOT. Mr. President, as soon as we get to section 1201—that is the House provision which imposes zone rates—I think then is the time for me or some other member of the committee to go into the question as to whether we should at this time impose an increased rate on second-class mail matter. There is a great deal to be said on both sides. You will never find me standing on the floor of the Senate and denying the fact that there is virtually a bounty given to the publishers of the country of $70,000,000 to $80,000,000. I know it, Mr. President, and all the argument in the world can not change that. But the trouble of it is, we have allowed the publications of the country to build up their business on the present postal rates, and it is a very serious thing now to change it over night.

As far as I am concerned, I am ready and willing as a Senator of the United States to take this question up and handle it in a business way and make the changes that we know must be

made, but we should give time enough in order that the publication can adjust their business to the changes. A revenue bill temporary in its nature is not the place, in my opinion, for this to be done.

I do not want Senators to get into their minds that this is an increase of postage rates. In fact, Mr. President, I would have preferred to have imposed a tax just the same as they impose it in Canada, for in Canada they require that a war stamp be put upon each letter. They have not changed the postal rates, but they have imposed a war tax in the shape of a stamp, and they are compelled to put it on every letter posted. But when the committee considered the question of expense attached to such a tax and the limited time the law would be in operation we decided that the best way to do was to increase the tax so as to have but one kind of stamp on each letter instead of requiring every person in the United States to put two stamps—a regular stamp and a war stamp—upon a letter. I believe that if the Senate understood the situation they would approve of it, because I do not believe there is going to be very much criticism on the part of the people if we ask each and every person who writes a letter to pay at least 1 cent more for the carriage of that letter.

Mr. President, we have noticed in the press suggestions from all parts of the country that the President of the United States ask the people of the United States to buy a 2-cent postage stamp once a week and when purchased to destroy it, and thus give that much every week toward paying the expenses of the war. It is a thousand times better this way. I thought the parties making such a suggestion did it in the very best of motives and with a patriotic sentiment for our country, but I believe this is much the best way to meet the situation. All then stand upon an equal footing.

Now, Mr. President, in relation to the decrease in the number of letters that will be written if the 3-cent postage stamp is required upon all letters the committee, in estimating that there would be a revenue of $50,000,000 from that source, has taken into consideration the decreased number, because if we did not we would have reported that the revenue from this source would have been $62,000,000. Therefore, instead of saying that the revenue would be $62,000,000, we now say that the revenue will be $50,000,000 over and above what the revenue from that source is to-day.

As far as having postal cards at 1 cent instead of 2, and as far as the 1-cent postal card rate interfering with the 3-cent letter rate, I do not believe that anybody can say what difference, if any, it would make in the revenues, but I doubt whether it is going to make very much difference.

Mr. HARDWICK. Let me suggest to the Senator that Canada raised the postage rates on postal cards, too. I think it is necessary to do that everywhere.

Mr. SMOOT. Canada imposed the tax in the way I have stated; but after taking into consideration the immense amount of printing and the extra amount of labor and the trouble it would be to all the people of the United States the committee decided that this was the best way for our country. It is true that Canada increased the rate of postage upon postal cards, and when I say postal cards I mean the department postal cards, the regulation size with no picture upon it, with a limited space upon the back of the card on which a person can write. The post card as understood in this country is what is called the picture card. That is bought all over the United States, or all over the world, and sent through the mails at the 1-cent rate. Now, as to the raising of 1 cent upon those cards as the House provided, I have not any doubt but what we would have lost in revenue at least $10,000,000 on that class of mail matter alone. So the Finance Committee thought that it was not going to interfere particularly if we allowed the postal cards to remain at 1 cent, as under the present law, and also the private printed post cards.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. I yield.

Mr. BORAH. I was called out of the Senate just a moment, and I wish to ask a question, although the Senator may have covered it. Do I understand the Senator to say that he and his colleagues upon the committee have said that you were dealing with this matter solely in the interest of revenue so far as the amendment with reference to postal rates is concerned?

Mr. SMOOT. No; I would not want to go that far, and I do not think the Senator from New Mexico [Mr. JONES] went that far. The Senator from New Mexico said they were dealing with it from two standpoints, one as to the amount of revenue and the other as to what effect it would have upon the business of the country.

Mr. BORAH. But it was not your thought or the idea of the committee that you had in any sense disentangled the difficult question of adjusting postal rates.

Mr. SMOOT. No; we know we did not, and as to the second-class mail matter I wish the Senator had been here when I stated my position on it. When the following section is reached I hope the Senator will be present and listen to the position the committee took upon that section. I know, as I have always stated, that the rate to-day can not be justified from a business point of view.

Mr. BORAH. That is, on second-class mail?

Mr. SMOOT. On second-class mail.

Mr. BORAH. Exactly, but you will not remedy it that way.

Mr. SMOOT. I will say to the Senator that I have at least a thousand, and I think more, sworn statements from publishers of the United States showing the receipts and disbursements of their companies, sworn to as a true statement of their business for 1916, and I assure the Senator now that if we increase the postal rates on second-class mail matter 1 cent nearly every one of those concerns could not pay the increase out of the gains they have made for 1916.

Mr. BORAH. You have increased it?

Mr. SMOOT. We have increased the rate one-quarter of a cent, and the reason why we imposed a 5 per cent tax upon the net income from publications with an exemption of $4,000 was to reach at least a part of the gains from the publications that are making such vast incomes. That is one reason why the committee imposed that special tax upon publishers and not upon other corporations of the country, and a further reason was to require at least a tax of 5 per cent upon profits as a slight return for the privilege of the low rates imposed upon second-class mail matter. But without going into the postage question, without taking up matters relating to second-class mail matter, I desire to say that it is the only way we could see to reach the publishers making money and relieve those who are not. We take $7,500,000 from those who are able to pay in that way. That is exactly the position of the committee.

I desire to say to the Senator that just as soon as this bill is out of the way I am perfectly willing to remain here and take up the question of second-class mail matter and to thrash it out, and then give the publishers time enough within which to adjust their business to the rates which we shall impose.

Mr. BORAH. How does the committee justify increasing the rate on first-class mail?

Mr. SMOOT. I will say to the Senator that we justify it in this way: It is a tax on transportation. We have taxed all transportation of passengers and freight on all the railroads of the country and of express companies, and this is nothing more nor less than a tax on transportation. As I said before, this bill is a temporary measure; it is to be repealed, I hope, after the war is over.

Mr. BORAH. It is a temporary measure, but it may be permanent in its effect.

Mr. SMOOT. I do not think so. I would not vote to-day for an increase on first-class mail matter were it not for war conditions. The Senator knows that only at the last session of Congress I stood upon this floor and advocated the reduction of postage on first-class mail matter to 1 cent. Under ordinary conditions I will say that I am going to do the same thing again.

Mr. BORAH. Mr. President, we ought to do precisely the same thing in these times that we would do in ordinary times. If we can find elsewhere subjects of taxation which ought more justly to be taxed, then we should not impose increased postal rates. If there were no other place where we could go, if there were no other means by which to derive revenue, of course, the argument of the Senator from Utah would be unanswerable; but if there are other places where we can more justly lay the tax and secure its payment more effectively and adequately, I do not see why we should put an increased postage on first-class mail matter when only 60 days ago we were all advocating decreasing it to 1 cent.

Mr. SMOOT. Not 60 days ago, but shortly before we went into the war that was true.

Mr. President, as I said before, I believe that this is a just tax. There has not been a single individual in the United States who has written to me protesting against it. As I said in my opening remarks, the protests which I have received have been mostly from publishers in connection with the second-class mail matter, claiming that they pay a great proportion of the taxes which are received by the Government from the imposition of rates upon first-class mail matter. In fact, I have a statement in my office from one of the great publishing houses of this country showing the number of letters which they send out annually containing statements to their subscribers, the remit-

tances that come from those letters, the number of letters acknowledging the receipt of the money, and also showing the number of letters that are sent out by way of advertising or of calling attention to certain issues and certain articles in the issues. I was surprised to learn how much of the first-class postage is paid by the publishers of this country. I have presented the situation just exactly as it is. I do not believe that the people of the United States are going to object, as I have already stated, to the imposition of the additional 1-cent postage upon letters which they may write. The increased postage will fall mostly upon the business of this country. Therefore if we increase the postage on first-class mail we increase the burden upon them, although I do not call it much of a burden. I do not believe under conditions existing to-day that anybody ought to object to the slight increase. I know they are not doing so in Canada, and I do not believe that our people are going to do it.

Mr. HARDWICK. Mr. President, I hope we may get a vote on this section without very much longer delay. I am not going to make anything like a speech regarding it. I myself do not care whether the committee amendments are agreed to or not, because, after the section is perfected, I propose to submit a motion to strike out all of it except the last proviso which authorizes the free transmission of mail to our soldiers abroad. So I do not think it is matter of very much importance, if the Senate strikes out the section, what we leave in it or whether the committee amendments are agreed to or not.

I desire to say to the Senator from New Mexico [Mr. JONES] that while my criticisms of the committee were caustic they were not personal, nor have I attempted to impose my own judgment on the Senator from New Mexico or upon anybody else about any matter in relation to this bill. It would have paid the Senator from New Mexico to have learned more about his own bill before he came in here to defend it. One way he could have learned something about his own bill before he came here to defend it would have been at least to have inquired of the officials who are administering the Post Office Department what the possible effect of provisions of this kind would be; but it seems that neither the Senator from New Mexico nor the Senator from Utah [Mr. SMOOT] thought it right to find out from the Post Office Department what was happening about postal affairs.

The Senator from Utah comes in with a proposition that he obtained an estimate with relation to postal affairs of Canada from the Treasury officials who, in all human probability, know nothing about it.

Mr. SMOOT. But they think they do.

Mr. HARDWICK. They think they know something about everything, but the Post Office officials do not think they know any too much about post office affairs either in Canada or the United States.

Mr. SMOOT. Mr. President, will the Senator yield to me?

Mr. HARDWICK. Yes; I yield.

Mr. SMOOT. I want to say to the Senator that I do not believe that there was ever a statement made by the Post Office Department upon this question of increase since the revenue bill was introduced in the House but that can be found in the Finance Committee room or that the Finance Committee did not have it before them.

Mr. HARDWICK. The Senator from Utah is absolutely in error about that, to my certain knowledge.

Mr. SMOOT. Mr. President——

Mr. HARDWICK. Let me finish. The Senator has made the statement that the only time the committee heard from the Post Office Department officials was when they came before the committee advocating the amendment which I had offered at their suggestion.

Mr. SMOOT. Mr. President——

Mr. HARDWICK. Wait a minute. The committee did not go into any of these questions at that hearing. I was there every minute of the time. They threw away every word the department officials said without giving it any serious consideration.

Mr. SMOOT. I did not say that we had a hearing. My statement was that I did not believe that there was a statement that had been made by the Post Office Department in relation to the zone system or in relation to the revenues of the Government as affected by the changes up to that time that had not been submitted to the Finance Committee of the Senate and that the committee had not seen and considered.

Mr. HARDWICK. I doubt if they have ever seen any of them.

Mr. SMOOT. Oh, well, of course, that is the Senator's opinion.

Mr. HARDWICK. I am only going on what the Postmaster General himself said. I think he knows fully as much about it as does the Senator from Utah. He says he has not been consulted about this matter except in relation to this one amendment of mine. Now, I want to ask the Senator from Utah this question: When the committee undertook to make a discrepancy between the 3-cent rate on letter postage and the 1-cent rate on post cards—a thing that neither Canada nor any other country has done—did they ask for the opinion of the Postmaster General on that?

Mr. SMOOT. No; as I said before, we did not ask the opinion of the Postmaster General on that point.

Mr. HARDWICK. Did the committee think the Treasury officials could tell them about that?

Mr. SMOOT. The committee did not care anything about what the——

Mr. HARDWICK. Did not care about the effect on the revenues?

Mr. SMOOT. If the Senator will just wait a moment, if he wants an answer.

Mr. HARDWICK. Very well; I am merely trying to get through; that is the reason I am trying to hurry the colloquy along.

Mr. SMOOT. I will not bother the Senator from Georgia.

Mr. HARDWICK. The Senator from Utah is not bothering the Senator from Georgia. I am very glad to have the Senator interrupt me.

The fact is the committee did not pursue it; they jumped in the dark on that proposition?

Mr. SMOOT. No; we did not.

Mr. HARDWICK. They did not go to the postal authorities to get even an opinion about it; they did not figure how it might affect the postal revenue. According to your own estimate, the $12,000,000 was allowed on account of what might be the possible decrease in the volume of mail. This other thing did not cut any figure at all. But I do not care; you may perfect your proposition as you please. I think myself I shall vote for the 1-cent rate on postal cards and take that chance, because it will be that much to the people of this country, and that much increase at least will not be put on them. If we did not need the revenue too badly, I would undoubtedly favor the committee proposition in this instance; but the whole thing shows how unsatisfactory their dealing with the subject has been. They did not even stop to inquire and did not even attempt to get the information from the postal authorities of this country.

However, that is neither here nor there. I do not care anything about that; I merely mention it to the Senate to show how unsafe it is to follow the committee on matters of this kind. I do not care anything about it personally; I have no feeling about it. I wish the committee had consulted those capable of advising, and I know the Postmaster General feels the same way. I dislike to see a committee come in here with a great title dealing with postal matters when they have not consulted or taken the advice of the Postmaster General or of the department about anything, even matters of administration; and surely in that attitude I do not think they are entitled to be followed blindly by the Senate. That is why I brought out that point and dwelt upon it.

Now, so far as the section under consideration is concerned, I hope the Senate will strike it out. The Senator says that the people will not mind paying as a war contribution 3 cents on first-class mail; but as a war contribution or as something else they are already giving the Government $72,000,000 on this sort of matter, and that is enough and more than enough. The postage rate could have been made 1 cent and still this class of mail matter paid its own way many years ago. Now, when we keep it at 2 cents that is enough as a war contribution without increasing it to 3 cents; that is a greater contribution than anybody else is making, and more than any other similar class of business is assessed. To come here and ask the Senate to add $50,000,000 from this source simply because the people are unorganized and will not protest and are not represented here by committees or lobbyists—and I do not use that in an offensive way—like the newspapers and publishers of all sorts have been, to say that they will not object because that has not been done is a pretty poor way of putting it. I think, perhaps, you will find when you go out among the people that they do object to this sort of thing. If you do it, I think they will ask you in many a State in this Union, "Why did you increase our burden $50,000,000 when we were already paying you $72,000,000 profits, and why, when it came to increasing the burdens on the publishers on whom you are losing some $70,000,000 to $80,000,000 a year, did you increase their rates only $3,000,000?"

However, it is for the Senate to say, and I am willing, Mr. President, we should vote on it. I think the Senate understands it.

Mr. McCUMBER. Mr. President, as one member of the Committee on Finance, I wish to take about three minutes in giving the reasons why I at least voted in committee for the in-

crease of 1 cent on first-class mail rates. The main reason was this: We needed the $52,000,000—I think that was the estimate—which would be raised. We knew of no method by which we could more easily raise $52,000,000 than by an increase of 1 cent upon first-class mail matter. We know that the American people are not a penny people. Many years ago I read of a Scotchman who asked an Englishman why they coined a piece of money of such insignificant value as a farthing. The Englishman replied that it was so a Scotchman could make a contribution to charitable institutions. [Laughter.] Now, the Americans are not of that class. They can make a contribution to the war purposes of 1 penny upon a letter without squeezing the penny. Labor is now reaping from $4 to $10 per day; business in all lines is upon a high and expensive plane; nobody is counting the farthings; no one is looking seriously at the pennies; the price of two or three cigars will take care of about the average amount involved in the increase of postage to the average family for a year.

The American people are not complaining. The one who is so poor that he can not afford an extra penny for the letter he writes is so everlastingly poor that he does not write any letters; he is not going to be seriously affected; but the persons who will be affected more or less will be institutions like Sears, Roebuck & Co., and I believe that the profits that they are making upon their business are such that they can contribute. They will feel it, of course, but they can make this contribution to the Government without any serious curtailment of their profits.

That was the reason, Mr. President, on my part why I voted for this provision which would allow the people to contribute a little penny in the form of a stamp attached to a letter. It is not much to the individual, but with a hundred million people in the United States there will be quite a considerable sum of money realized.

I appreciate the fact that we could place that tax somewhere else; and those who desire to make the bill as unpopular as possible, who want to pinch business in every way, might properly say that we should relieve the public from it and should put it upon this business or upon that business; but, Mr. President, we ought to tax the business what it will reasonably stand, irrespective of this little tax. If business should be taxed more, if profits should be taxed more than we tax them in the bill, then simply impose upon them a higher tax; and when we get through we will not then have any more money than we need. This little $50,000,000 or $60,000,000 on letter postage will not be felt by the American people. They are not so picayunish that they are going to cease to write letters because it is going to cost a penny more to mail a letter.

The Senator from Tennessee asks why it was we did not raise the amount on second-class matter, which is now being carried at a heavy loss. That is not very difficult to answer, Mr. President. I think it was in the early eighties or the late seventies that we first enacted a law which said to the publishers "We will carry your mail for such and such prices"—prices that would not cover one-fourth the cost of the service. The publishers built up their business on that basis. They have gone on, encouraged by the action of the Government itself; they have put their money into their several lines of literature, enjoying second-class mail rates; some of them are making a scant living; some of them are making enormous profits. Now, will we drive out of business in war times those who are making very scant earnings; those whom we have encouraged by our laws to carry on business under conditions and charges which we said we would make to them? We gave our reasons for our action then; they may not have been very good reasons, and I do not think they were, but the principal reason which we gave was that we wanted the American public to secure the knowledge that would be furnished through these publications. Some of the knowledge obtained is undoubtedly very useful; the usefulness of some of it is very doubtful, indeed; some is good, some is bad; but we can not differentiate between the two. But the farm publications, the religious publications, the trade publications took advantage of that liberal law. I think that law was wrong; and I believe we ought to right it just as soon as we can; but when should we begin. Should it be during war time? Should we strike down to death any business that we can keep going during this war period?

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Tennessee?

Mr. McCUMBER. I yield, Mr. President.

Mr. McKELLAR. Then, as I understand the Senator, he is willing to put this increased tax of $50,000,000 that we are to raise on first-class matter in order to give a bounty to these suffering publishers to whom we are now paying a bounty of $80,000,000?

Mr. McCUMBER. Mr. President, the Senator from Tennessee does not understand the Senator from North Dakota in any such way, and he knows well that he does not understand the Senator from North Dakota in that way. I was not in the Senate when that law was passed, but it is here. It is a condition created by a law of Congress. Businesses have grown up under those conditions. Is this the time to destroy any of them? The Senator may think it is, but I do not think so. I stated before that I believed we should in time get these rates back to a basis on which they will be paying the Government for what they are receiving from the Government, at least the expense of carrying their products, which, in effect, are nothing but merchandise sold in the markets of the country.

I have before me a brief statement concerning a half dozen of the leading farm journals of the United States. I will not mention them, because the matter is confidential; but I notice that the entire net earnings of 1916, according to the sworn statement, are but a little more than one-half of the postage alone paid in 1916. You can, therefore, understand how important a bearing even a slight raise of one-quarter of a cent would have upon their income. If we were to add to this postage 300 per cent, as has been proposed, to raise it to 4 cents, or if we were even to double it, in my opinion it would destroy these journals. Even under the present bill we have added one-fourth of 1 cent; and that one-fourth of 1 cent, added to the postage of those journals, would make the cost of postage a little more than double the amount of profits received for the year 1916.

Mr. SMITH of Georgia. Mr. President——

Mr. McCUMBER. I yield to the Senator from Georgia.

Mr. SMITH of Georgia. For information, let me ask the Senator if it is not true that those papers carry very little advertising?

Mr. McCUMBER. Certainly; and I am going to touch on that.

Mr. SMITH of Georgia. I ask that question because the suggestion has been made from the department that our plan of increase would relieve journals of that kind of their burden if we placed it upon the advertising matter carried, and omitted the reading matter.

Mr. McCUMBER. Yes; they carry a very much smaller percentage of advertising compared with their reading matter, and that is not all. Their subscribers are so distributed that they must use the mail through all of the zones. They have to send their publications from Boston to San Francisco by mail only. Great publications like the Saturday Evening Post can be sent by express or by fast freight to distributing points, and then get the cheaper one-zone rates; but none of these small papers can do so; they must pay the heavier mail rates.

Now, let us consider the answer to a question asked by the Senator from Georgia. He asks why the publishers can not raise their rates of advertising and their subscription prices and thereby be able to meet such an increased rate as would pay the Government the carrying and distributing cost. Here is a sworn statement with reference to a number of these publications:

> To help offset the expected increase in paper cost (which I need not mention here, because we all know that it is great) advertising rates were increased late in 1916; but the volume of advertising has so decreased since then that the advertising receipts for 1917 will be but little, if any, above 1916. That experience in raising advertising rates has shown us beyond the shadow of a doubt that we have already reached the point where the law of diminishing returns becomes a factor, and absolutely shuts out any hope of increased revenue from that source. Also, we have been unable to advance our subscription lists.

I believe that statement to be true.

Suppose we destroy those journals—what follows? Their advertising will go, then, to these greater and more profitable journals. This will add greatly to their weight in advertising matter and to the expense of the Government, and so the Government will still be carrying them at a loss while their profits will be increased by absorption of the business of the others.

Let me give another reason. We wanted to get at these larger concerns without killing the smaller ones. We raised the rate only one-fourth of 1 cent because we felt that probably, with the greatest economy, they might be able to continue their business. We did not believe we would destroy them with an increase of one-quarter of a cent.

How about the others? Would that one-quarter of a cent be a just charge for these journals whose enormous profits have been referred to by the Senator from Ohio [Mr. POMERENE]? We all know that it would not be. Now, how are we going to reach them? You can not reach them by a flat rate on all publications alike. Why? Because while one of these journals might receive $10 for 1-pound weight of advertising, the larger

journals would receive $10,000 for a pound weight of such advertising, and thus we would be carrying at a loss for the benefit of those who receive the $10,000 if you put them upon the same basis—a basis by weight—as those who are receiving $10.

We wanted to equalize that if we could, or at least make those larger concerns pay a greater proportion; and how did we do it? We could not charge one of them one rate and another one another rate simply for the carriage; and so, for the privilege—because that is what it amounts to—for the privilege of taking advantage of the low postal rates which are afforded them, compared with what it costs the Government, we taxed them the 5 per cent on their advertising profits.

That may not be enough. It is not; but let us remember that those who are receiving these large profits also pay in other ways. The corporation pays its regular corporation tax. Then the corporation pays an excess profits tax, if it is getting an excess profit. Then, the individual also pays on his stock in the corporation, and if the stock is mostly owned by a few individuals, it pays an extremely heavy income tax. With this tax of 5 per cent upon the net earnings to offset to some extent the losses of the Government, with the extra tax of 6 per cent against the corporation, the excess profits tax, and with the additional income tax running as high as 50 per cent against the individual, it was felt that we are getting as near a just basis as it was possible. For that reason, Mr. President, we adopted the rule which we have reported to the Senate.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Ohio?

Mr. McCUMBER. I yield to the Senator.

Mr. POMERENE. If the Senator will permit me, of course, under the corporation tax, the income tax, and the war-profits tax, all publishers come within the provision of the text of the bill if they meet the requirements financially; but let me call the Senator's attention to this fact: If we take up one of the large publishing concerns and compare the treatment of that publishing concern with the treatment of one of the large manufacturing or business concerns, they all pay these same taxes, but they are required to pay their postal rates; they are required to pay their freights. The Government pays no portion of those freights or the cost of transportation of any of their products. Why should we extend to even the very large publishers this special privilege of paying substantially the greater part of their cost of transportation? It seems to me that in that respect an injustice is done, even if it were defensible on the other ground.

Mr. McCUMBER. The injustice starts from the unjust law which was enacted a good many years ago.

Mr. POMERENE. I agree with the Senator.

Mr. McCUMBER. And I can see no way of remedying that at the present time, while we are crossing this war stream, without possibly doing a greater injustice and a greater injury. I agree entirely with the Senator; but let us remember another thing: A great many of these journals, like our great daily papers, while they have the privilege of using the mails at this rate, only use the mails for from 5 to 20 per cent of their business, and many of them do not use the mails at all, but simply send their publications by freight or by express, so that you reach them by taxing them for the privilege, and you get a greater amount out of them than you would get if you fixed a higher rate, even a rate that would pay the expenses of carrying some of them.

On the whole, it seems to me that we have got as nearly a fair proposition as it would be possible to get under the conditions of having to deal with a bad situation created by our own legislative action.

Mr. SMITH of Michigan. Mr. President, I should like to say to the Senator from Ohio that he need have very little fear about the wealthy publishers making a fair contribution to the income of the Government. I hold in my hand now a letter from the most prominent publisher in the Senator's State, who tells me that his contribution under the laws will be four or five hundred thousand dollars a year to the Government. That is a tremendous sum, and yet it is gathered from small sources, and it responds willingly and glady. But you get them in all the ways which the Senator from North Dakota has described. They can not keep these earnings free from taxation.

Mr. POMERENE. Mr. President, the Senator does not meet the objection to this legislation. I have not any doubt but that there are several publishers out there who make very large sums; and I know, or at least I have been informed, of one company that own five or six papers in that State and will be compelled to pay this increased postage if the Congress provides for it, and they want it done. They have said so editorially and through their news columns, because they say they felt it was necessary to enter this war and they were going to do their bit, and they are doing it. I have not any doubt about many of these publishers paying large taxes, big taxes, for which the Senator's committee has provided. They are doing their duty in that respect, and performing it patriotically. But I can not see my way clear to extend privileges of this kind to any set of men on earth, and I do not believe that the publishers ought to ask it. It seems to me that if they could go before the public and say, "We are going to smite graft, we are going to smite extravagance, we are going to smite special privilege every time it sticks up its head," they could come forth with more force if they themselves were in a position where they were not receiving this kind of a privilege.

Mr. SMITH of Michigan. Mr. President, the Government must be careful that it does not concentrate this power in a few hands. The tendency of this legislation would be decidedly in that direction. Those that are most prosperous would survive and those that were just barely eking out an existence would fail; and at a time like this you can not impose those burdens. These publications not only shape the business but they shape the policy of the Government; they shape the public thought of the country; and it is a dangerous thing to concentrate all of the powers of the journals of the country, so far as our own country is concerned, in a few hands.

Mr. POMERENE. Mr. President, I do not expect to do that; neither do I anticipate the pessimistic results to which the Senator has referred. But every time we place a tax upon anybody we are increasing his burdens; and we are simply asking these men to pay for a part of the service that we are rendering them. I know some very shrewd publishers, some unusually bright business men, who are engaged in publishing splendid papers; and I know that these gentlemen are going to meet any added burden that the Congress may see fit to place upon them, and they are going to do it in one of two ways, or perhaps in two ways—one by increasing their advertising rates and the other by increasing their subscription rates.

I do not anticipate the difficulty which seems to be in the mind of the Senator.

Mr. SMITH of Georgia. Mr. President, I hesitated about voting for this increase in the letter rate, and I have hesitated all along as to whether I should vote for it; but it does not fall to any large extent upon the average man. The great bulk of the letters are sent out by the business houses. The movement we had for 1-cent postage did not come from the average citizen. It came from the big post-office order houses, and was largely organized and engineered by them. We get $50,000,000 out of this item. I do not think the workman or the farmer will find as a rule that it costs him much more than a cent a week. The average number of letters written by him is not much over one a week. The bulk of the revenue will come from the publishers, the business houses, and the professional men.

I have not received a single letter from anybody objecting to it, and it seems that there really is not any objection to it. It will raise $50,000,000. I do not like to impose the tax; I would rather not do it; but, sitting here and reflecting, I hesitate about giving up the $50,000,000 when I have not had a single citizen of the United States write me that he objected to it. I think the bulk of it would not come out of the average citizen, but would be distributed among those who can bear the tax without burden, and they do not seem to object to it, so I have finally concluded to vote to put it in the bill, and take by it the revenue so much needed.

Mr. BORAH. Mr. President, I do not desire to discuss this amendment. I desire to make a suggestion with reference to the procedure. I understand that there is a petition for cloture which Senators are carrying around in their pockets to be presented to the Senate shortly. I hope, Mr. President, that we shall so conduct our business that the cloture will not be presented for the first time in the Senate of the United States just as we are coming on to discuss war profits.

Mr. KENYON. I should like to ask the Senator does he understand that it is to be presented just before we reach war profits?

Mr. BORAH. It can not be presented at any other time unless presented pretty soon. We should dispose of this measure, of course, as hurriedly as we can, but those who have the cloture, which they have a right to present, I think should present it now, so we may at least have a record of the fact that it was not presented for the purpose of cutting off discussion upon the war-profits feature. I should not like to have it recorded that the first time it has ever been possible to make cloture in this body was just as we were entering a discussion of increasing the tax on war profits.

Mr. LEWIS. Mr. President——

Mr. BORAH. I yield to the Senator.

Mr. LEWIS. I think I am safe in saying this afternoon when those who had a petition for the cloture presented themselves to certain Senators, among whom myself, it was stated that there were Senators on this side of the Chamber, Senators on the Democratic side, so called, who desired to enter rather fully into a discussion of the matter of the tax on excess war profits, and that not having been reached, having given way from day to day, it would appear to be unfair to limit their debate. When that was made known, Senators who had presented that petition requested themselves that it be not pressed any further. They had not known that that form of privilege on the part of Senators who had not had their opportunity to speak had been postponed and the privilege would possibly be denied if that cloture were presented.

I assure the Senator that among other reasons why it was suspended in its operation or its circulation was because it was discovered it would tend to do the very thing the Senator from Idaho intimates, in some degree to limit the debate on the question of war profits.

Mr. JOHNSON of California. If the Senator from Idaho will permit an inquiry made by reason of my ignorance of the procedure of the Senate in years gone by, do I understand from the Senator from Idaho that for the first time in the history of the Senate of the United States cloture is to be invoked and applied in the discussion of swollen war profits?

Mr. BORAH. That was the program that I was seeking to avoid. I understand from the Senator from Illinois that it has been avoided.

Mr. LEWIS. I will assure the Senator, having been a party to the proceeding to which I now allude, there was no intention on the part of those circulating the petition for cloture even to effect such a result; and when it was brought to their attention that such might be the result I assure the Senator the matter was no longer pressed at that time.

Mr. SMITH of Georgia. Mr. President, I do not think there were half a dozen names signed to the paper. I saw the paper. I did not sign it. I did not see the name of a member of the committee signed to it. The Senator who had it said that he just thought he would get it up to use when it might be desirable to present it, but he had no idea of presenting it at the present time. I suggested to him that I did not wish to sign it at the present time, because I did not think it should be used until measures were perfected and we knew exactly the issue that was to be voted upon, and until we were sure that some one was using time not for legitimate discussion but for delay. I am sure there was no purpose to press it, and I am sure no member of the committee signed it.

Mr. BORAH. I am delighted to hear that. I am glad I called attention to this matter, because one or two Senators have put in a most industrious day circulating this petition. I am sure this brief discussion will relieve them from further exertion and energy along that line.

Mr. TOWNSEND. Mr. President, I signed the petition and I am a member of the Committee on Finance. I suggested the question of circulating it this morning. Senators can not confuse me nor embarrass me in the least by their peculiar tactics or the unwarranted suggestions they are making to the effect that the efforts to secure a vote are put forth to prevent the discussion of the war-profits provision. They have been discussed. They can yet be discussed an hour by each Senator on this floor even under the cloture rule. Ninety-six hours can be devoted to the discussion of war profits and incomes if Senators wish to discuss them.

Nobody on this floor is more in favor of placing taxes very high on war profits than I am. I assume that no one doubts my position. I have expressed myself clearly to that effect. For Senators to rise here and intimate that there is some disposition to do something irregular in reference to the war-profits proposition is an insult to the honor and integrity of the Senators who suggested that a rule of the Senate requiring a two-thirds vote be invoked to terminate a debate which has been running for about three weeks, and especially after every effort to secure unanimous consent for a vote on some definite date in the future had failed.

Mr. BORAH. Mr. President——

Mr. TOWNSEND. I proposed the petition and signed it, Mr. President, because I was witnessing what I then believed and what I now believe to be true, namely, the employment of tactics which, whether so intended or not, were daily rendering more doubtful the passage of amendments to the revenue bill which to my mind were of the greatest importance. No Senator has more at heart the desire to amend this measure so as to raise as much larger revenue from incomes and war profits than I have and I resent any inference to the contrary.

Mr. BORAH. Mr. President——

Mr. TOWNSEND. I yield.

Mr. BORAH. The Senator from Michigan is one of the last Senators in the Senate whom I would charge with any improper motive in reference to anything that he might do, but I call the Senator's attention to the fact, nevertheless, that the war-profits question has not been discussed practically at all, and that it was the only real vital issue left in the bill when this matter was being circulated.

Mr. TOWNSEND. Mr. President, the cloture rule could not possibly interfere with legitimate discussion. The Senator suggests that it was proposed by some to have cloture applied just as we reached the war-profits provision. I do not believe that any Senator thought of such a thing. If that were so, however, 96 hours—4 days—could be devoted to the discussion of war profits, 96 hours without any intervening motion, with no opportunity for delay. No dilatory motion could be entertained under the rule. If Senators wanted to discuss it, they could do so for 96 hours; but, Mr. President, I would like to confine the discussion of the Senate to the matter before it, and if we had this rule in force every Senator who wanted to discuss the bill and amendments could do so, and from the very nature of things discussion would be confined to the bill. Senators would be in their seats and real debate would occur.

Mr. BORAH. Mr. President——

Mr. TOWNSEND. I yield to the Senator.

Mr. BORAH. It is true, Mr. President, that we would have 96 hours in which to discuss this question, but it is also true that under this cloture rule it is impossible to deal with the question in the way of amendment and to explain and to discuss the amendments as they come up as you do under the general rule. You are limited to an hour's discussion. If the hour takes place before some vital and important amendment is offered you are absolutely precluded from discussing it.

It was not that I desired to occupy time, but that whatever amendment may be offered at any time upon this war-profits proposition shall have ample discussion before it is passed, and under this cloture rule it will be impossible to do it. I want an opportunity to intelligently take care of each proposition as it is presented. I desire also to have the bill disposed of, but I would like to dispose of it after consideration of each proposition.

Mr. TOWNSEND. Furthermore, Mr. President, there would be opportunity for 48 hours of discussion before the rule could be invoked and 96 hours after that before a vote was had.

It seems to me, Mr. President, that Senators ought to discuss the bill with the idea of reaching the inevitable vote. I do not understand this criticism on the part of alleged friends of higher war-profit taxes. I could understand it better if it had been made by the enemies of an increase. I want to vote on war profits where my vote might count. I want all Senators who have not already discussed this bill to have an opportunity to discuss it. The proposed rule would not deny them that privilege, but I want to have the question settled sometime.

We have been here for months and months and months, and I am willing to stay even longer, if necessary; but I would like to have the Senate proceed to business.

That is my desire, and while I have always opposed a radical cloture rule, still I have felt at times that patience had ceased to be a virtue, and this is one of those times. If the disposition is as has been intimated to me, that we are to run this discussion on for weeks, then I favor fixing a time for terminating it, especially when I feel that necessary amendments are being imperiled by unwarranted delay.

Mr. BORAH. May I ask the Senator what indication there has been of any filibuster on this matter?

Mr. TOWNSEND. It is not necessarily an open filibuster that is indicated, but I have learned of things elsewhere than on this floor.

Mr. BORAH. May I ask the Senator if he signed this proposition under the theory that there was going to be a determination to kill time?

Mr. TOWNSEND. It was to meet such a probability. I signed the petition with the idea that it would be presented whenever there was shown clearly to the Senate a disposition indefinitely to defer action upon the bill. The raising of revenue is imperative. All realize that. I shall vote against the bill unless it is changed materially, and the bulk of the revenue is raised from war profits and incomes, and I believe that there is no good reason why, after six days more of debate, all Senators can not be ready to vote. I propose, as far as I am able, to give them a chance.

Mr. McCUMBER. Mr. President, we all know who has charge of this bill, the Senator from North Carolina [Mr. SIMMONS]. We have all listened to his efforts this forenoon to get an agreement to go outside of the rule that we had already adopted to take up the amendments in their order. Those who wish to have a hearing immediately upon the question of war profits, and excess profits, and upon income, heard the Senator in charge of the bill make an attempt to get an agreement to take that up immediately so that we would get at that proposition first. Failing in that he gave notice that as soon as this amendment was disposed of he would ask that we immediately proceed to the consideration of the question of raising revenue from excess war profits.

I think the insinuations that are made upon the floor that the Senator in charge of the bill purposes to use any unfair means are uncalled for. There is not the slightest danger in the world but what the question of revenue from excess profits or incomes will have all the time that any Senator could reasonably ask for.

In the absence of the chairman of the committee I desire to say this for him at this time. He has shown no disposition to be unfair, and if there has been circulated a petition it is to be used only, I understand, in case a filibuster should develop and when it is developed it is very proper to have the club in your hands.

Mr. President, I have voted against every attempt during 18 years to get a cloture rule. I voted against this one. I do not believe in it as a rule. But if there is any time in which debate might justly be shut off it is when the Government is in a war. That is the only time when I would ever be in favor of applying it, and never in any case of applying it in a manner that would be unjust or in a manner that would not give a proper hearing upon every point in a bill.

Mr. BORAH. Mr. President, I was going to say to the Senator, if this petition has simply been circulated to be kept in its proper place until it is demonstrated that there is a determination to prevent a vote, that is one thing, and that is perfectly satisfactory to me. But it seemed to me a little extraordinary, looking back over the experience of 10 years, that there should be such activity in circulating a petition at a time when there has not been the slightest indication of an effort to kill time. There have not been five minutes occupied on this bill which have not been occupied legitimately in the discussion of the most vital of its features. In view of the fact that there has been no indication, and in view of the fact that this cloture was being advocated by men who I have seen stand on the floor and kill bills by physical endurance, it occurred to me it was time to speak about it.

Mr. McCUMBER. I think the Senator will find that no injustice will be done by a cloture rule, and he can rest assured that the Senator in charge of the bill will not attempt to take any advantage whatever in the discussion.

Mr. TOWNSEND. I wish to say to the Senator from Idaho that the petition as presented to me had no date in it at all. It was a petition that was prepared to be used in case a filibuster developed on this floor and there was a disposition to prevent a vote at the proper time.

Mr. SHAFROTH. Mr. President, the object that I had in signing the petition and also in assisting in its circulation was simply to get a vote within a resonable time. The House of Representatives passed the bill three months ago. The discussion began on this bill in the Senate on the 8th day of August. On Saturday we adjourned because nobody desired to speak. Are we going to let the time of the Senate be so wasted? My object more than any other is to have a vacation so that we can attend to needed business at home, instead of waiting here between long speeches and roll calls for Senators to come and answer to their names and occasionally vote upon propositions. I believe that the hour discussion of each Senator as provided in the rule or the 15-minute discussion would give more enlightenment on this bill than the various long speeches that have been or will be made. Who listens to them? As a matter of fact, not more than a very few in this Chamber. On an average there are not 10 Senators present during general debate. Is that convincing or coming to a determination? Is that enlightening the Senators who are to vote upon this measure?

Mr. President, if we want an interesting and effective discussion we should limit the length of the speeches, though not exactly as is done in the House of Representatives. I think they devoted five or six days to the consideration of this bill. However, no one said that he was not getting a fair discussion of it in the House. It is true we have a different custom in the Senate; but why should Senators attempt to criticize the invoking of a rule that has been adopted by the Senate? It is as binding a rule as any that is contained in the standing rules of the Senate. How can persons fairly say when a rule is being invoked that there is anything that is of sinister motive in invoking it?

Here is a provision that is not supposed to be in the hands of a few Members. If two-thirds of the Senators are not willing to close this debate, then it will not be closed. It is not going to be closed unless two-thirds believe that it is wise that it should be, after one hour has been given to each Senator to discuss the bill.

Mr. President, it seems to me under these circumstances, in view of the fact that we have had nearly three weeks of debate, inasmuch as we have not made any headway hardly in the consideration of the bill, we must enforce the rule to make Senators realize that we must get away from here before December 1.

Mr. JONES of New Mexico. Mr. President, I ask for a vote on the pending question.

Mr. STONE. I should like to have the question stated.

The PRESIDENT pro tempore. It will be stated.

The SECRETARY. On page 94, line 7, after the words "except postal cards," the committee proposes to insert "and private mailing or post cards."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. NORRIS. Mr. President, after we have had this enlightening debate on the cloture, it seems to me that we might well pause and listen to a few words of wisdom on the question pending before the Senate.

Mr. President, I have waited long for some one else to discuss the question now pending before the Senate. Since no one else desires to do so, I desire to say a few words regarding the matter. Most of the debate has taken place on another section. The section, in substance, provides that there shall be a tax levied on letters of the first class. I am not particular, Mr. President, whether the Senate committee amendments are agreed to or not, and it is not going to be in order to move to strike the section out until all of the committee amendments to this section and the remainder of the bill have been disposed of.

Mr. HARDWICK. Mr. President, I think we have an understanding that we are to dispose of that matter now, so that we shall not have to go back to it. I do not say there was an express contract to that effect.

Mr. NORRIS. I am glad there is such an understanding, although that is still another violation of the unanimous-consent agreement which was made some time ago, that we were first to dispose of the committee amendments. An amendment comes up one day and goes down the next, depending on who is in the Chair as to whether it is in order or whether it is out of order. I shall be glad if there shall be somebody in the Chair at that time who will say that that kind of a motion will be in order, so that we may dispose of this question while we have it before us and immediately after it has been debated.

Mr. President, I am opposed to levying a tax on letters. I am opposed to it for several reasons. I would be opposed to it even though we should, in my judgment, get all the revenue that the committee expects to get out of that kind of tax. It is an unjust tax; it is an unfair tax; it is a harassing tax to business. The answer comes that it is only a penny every time you mail a letter; but, Mr. President, we have heard it said over and over again—and with the sentiment I am in entire accord—that we should do nothing to harass business. Then it is said in defense of this proposition of levying a tax of 1 cent on each letter that it will be paid mostly by business. So those who advocate the proposition use the argument in its favor that they condemn in regard to the general subject of levying taxes.

The tax will be largely paid by business men and business institutions, and it will harass them; it will interfere with their customs and their habits; it will interfere with customs that have grown up under the present law. That was one of the arguments used by the Senator from North Dakota why he did not want to increase second-class postage rates now, because under the law men have built up immense business concerns that would be injured if we changed the law. That will be true to a great extent if we adopt the pending provision. I would not object to it entirely on that ground, but I think that is worthy of consideration.

It is said that it is only a penny; that the people of the United States do not care about and will not think of this small contribution, as they make it from their savings. If this were the only harassing tax in this bill, I would not stop to discuss it and I would not so much care about its adoption, but it is not the only penny tax in this bill. The people will not only pay a tax every time they put a 3-cent postage stamp on a letter, but they will pay a tax every time they send a parcel-post package;

they will pay another tax every time they send an express package; they will pay another one every time they send a freight package; they will pay more taxes every time they drink a cup of coffee or a cup of tea or a cup of cocoa; they will pay a tax every time they eat anything which contains sugar—all small, all pennies, but in the aggregate amounting to many million dollars.

You may weigh the people down a little at one time and a little more the next time, and still a little more, only a penny each time, but in the aggregate you can crush them.

One Senator said in advocating this kind of amendment that he was opposed to taxing too heavily profits and incomes because it would make the war unpopular. This is another amendment which will make the war unpopular. All these little harassing taxes will do more to make this war unpopular than anything else that we can do. It is not so much the money that is contributed in the shape of pennies as it is the theory of the contribution, the taxpayers knowing that there are other millions which entirely escape.

The time may come in this war, although I hope not, when we ought to levy a tax on letters. In my judgment, it has not yet come. The widow who gives up her son under the law of conscription will not be able to send him a letter, if this proposed law is passed without change, unless she pays a tax; she can not send him a pound of candy as a Christmas present over in France unless she pays a tax for doing it, whether she sends it by mail, by parcel post, by express, or by frieght. Talk about making this war unpopular, Mr. President, this kind of harassing laws will make it unpopular, if anything can do so.

But, Mr. President, while this tax is small, all these taxes put together will mean in many cases the difference between starvation and living in comfortable circumstances. With the cost of living already mounting sky high, going so high that men who a few years ago could even consider themselves living in luxury are now looking the poorhouse in the face, going so high that it is bringing suffering to millions of honest toiling families all over this country, add a penny here and a penny there and another penny somewhere else to everything that people eat, to all their activities, and you will crush them down. There will be such a feeling against this war, engendered by that kind of taxes, if for no other reason, that it will seriously interfere with its prosecution. I protest, Mr. President, against the levying of this kind of tax.

Mr. HARDING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Ohio?

Mr. NORRIS. I yield to the Senator.

Mr. HARDING. I am very much impressed by what the Senator from Nebraska is saying, and I am not sure that I may not have to change my attitude toward this bill if the statement which the Senator has just made can be well substantiated. I am not seeking to cast any reflection upon the Senator's argument, but I want him to specify and to point out the corroboration of the statement just made, to the effect that thousands of men in this country, who were heretofore living comfortably, are stared in the face by the necessity of going to the almshouse.

Mr. NORRIS. Well, I know dozens of them, and there will be many more of them this winter, who heretofore never thought of such a thing, who will suffer from hunger and cold unless conditions materially change. I tell you there are thousands of families—millions of families, I believe—in this country to-day who will suffer before spring from hunger and cold unless relief comes.

Mr. HARDING. Will the Senator name a specific instance?

Mr. NORRIS. The Senator desires a specific instance. I do not want to refer to things personal, but I know personally a good many instances, and I am going to tell the Senator of one.

Mrs. Norris a few weeks ago went into one of the stores of the Dutch Market Co. in this city to buy some groceries. The Senator from Ohio, I presume, knows what the Dutch Market Co. is. It has a chain of stores over the city of Washington, where it is believed, by some, at least, that they can purchase goods a little bit cheaper because, for one reason, they make no deliveries; you have to carry your goods away and they save that expense and claim to be able to sell cheaper thereby, and I have no doubt they do. So far as I have been able to determine, all the stores are very efficiently managed and operated by very good business men on good business principles. They trust no one; they sell for cash. Hence they lose nothing in that way. There may be other reasons which they claim as an advantage for trade with them, but those are a few of them.

Mrs. Norris was in one of those stores with a basket on her arm buying a few groceries. She asked for 10 pounds of sugar and bought it. There was standing by her side another woman, well dressed, intelligent, nice-looking, who, when she saw her purchase 10 pounds of sugar, exclaimed that she wished she could buy 10 pounds of sugar. She said, "How can you afford, how can you get money enough at one time, to buy 10 pounds of sugar and have the cash for it all at once? Look in my basket; there are 2 pounds of sugar—all I can buy at a time." There were several other small packages of other groceries which she had purchased. She then said, "My husband gets $1,600 a year; he has had from $1,200 up to that for a number of years. We were saving some money, not so much as we would have saved if we had known these hard times were coming on; but we have five children, all of them small, and we are never able now to buy 10 pounds of sugar at once. If my husband were to get sick, if one of our children should get sick, I do not know what we would do." Their ability to live within their means depended upon the entire family—husband, wife, and children—maintaining their health. She continued, "If my husband should lose his position, if some of the children should get sick, we would have to have support from the public in order to get through this winter. I do not know how we are going to buy shoes for all the children; I can not buy 10 pounds of sugar at once; 2 pounds are my limit."

Mr. President, that woman is only an illustration of thousands and millions of others who are a great deal worse off than she and her family are.

I know of another instance of a family living in my vicinity in the city of Washington who, I was told not long ago by my neighbor, would require help in order to get through the winter, although the husband is getting $100 a month.

Mr. HARDING. Well, Mr. President, if the Senator will allow me——

Mr. NORRIS. I yield to the Senator.

Mr. HARDING. I will not undertake to ask if the Senator inquired into the economic life of that family, but I want to say to him in passing that if a family which is now earning $1,600 a year is threatened with resort to the poorhouse, then there must be in the United States of America no less than 5,000,000 families threatened in the same way, because it is notorious that until we had the raise in wage incident to the activities of war times the average earnings of the workingman throughout the United States was less than $600 a year. In elaborating on the instance, which is more or less pathetic, I grant, the Senator overlooks the fact that the visit of death in any home dependent upon a bread winner necessarily brings distress and anxiety to the family; it is not peculiar to war.

Mr. NORRIS. No; the visit of death always brings distress; but how many men under ordinary circumstances, with a family of five children and a wife, would not be able, so far as finances are concerned, to take care of any ordinary case of sickness in his family? How many men would there be who when they got sick would not have something that they had accumulated in the past on which to live? But when a man is using every cent that he can earn to support himself and his family I do not wonder that the wife is terrified at the thought, when she can not buy more than 2 pounds of sugar at once, that sickness may come into her home, as it is likely to come anywhere. In the case to which I have referred the wife knew that every one of those children had to have shoes; she knew that it cost 100 per cent more to clothe them so that they might go in respectability to the public schools and get the education that it is so desirable every child should have, and she knew that sickness, which, as I have said, is likely to visit any man or any man's family, was likely to visit hers; in fact, it would be much out of the ordinary run of things if any one family should entirely escape it.

Mr. President, the Senator says that probably I did not inquire as to the economic mode of life of that family. I confess that I did not; I did not need to; the picture to me was too plain without any further inquiry. I myself support a family; I know something about the cost of living in Washington; and, Mr. President, I have wondered how thousands of people live, how they can live in this city on the salaries they receive, and support families even on an ordinary scale. I could give a number of instances more pointed than the one I have given, if I desired to, I will say to the Senator from Ohio; some that have come close to me, but I do not care to disclose them. I had supposed that the condition referred to was something of which we all had general knowledge. We know that men of family with salaries that a few years ago would have been considered luxurious have staring right in their faces the open

door of the poorhouse in case sickness comes into their families or crosses their threshold.

Mr. HARDING. Mr. President——

Mr. NORRIS. I yield again to the Senator.

Mr. HARDING. I think the Senator has overlooked the point I was trying to make. I wanted to suggest to him that if the pathetic incident which he cites is based on an income of $1,600 a year, then this country is menaced with the most horrifying condition that any tongue can relate.

Mr. KENYON. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Iowa.

Mr. KENYON. I should like to call the attention of the Senator from Nebraska, as corroborating what he has said, to the report of the committee appointed on April 26 by the Commissioners of the District of Columbia, and I should like to read just a little, if the Senator will permit me, from that report.

Mr. NORRIS. I yield to the Senator for that purpose.

Mr. KENYON. The committee says:

> Interesting figures were obtained from the proprietors of some of the smaller stores, whose business is with the poorer people. They show clearly that the poor have been compelled to resort to the strictest economy in order to provide food on account of high prices. Their purchases are of the cheapest possible articles and in smaller quantities than heretofore. The sale of ordinary cuts of meat in this class of stores seems to have been discontinued, and the meat now purchased consists of hog livers, hog kidneys, neck bones, hog faces—

And so forth.

That is one of the methods to which the poor have been compelled to resort to get along in this city.

Mr. HARDING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska further yield to the Senator from Ohio?

Mr. NORRIS. I yield to the Senator.

Mr. HARDING. Since the Senator from Iowa has been good enough to bring that into the discussion, I want to ask him if he thinks that is a new situation in the world?

Mr. KENYON. It is not a new situation, unfortunately. I am afraid it is a situation that is growing more serious in this country.

Mr. HARDING. If I may trespass further on the time of the Senator from Nebraska——

Mr. NORRIS. All right.

Mr. HARDING. I should like to ask the Senator from Iowa how he would expect to relieve that situation with a minimum price on wheat of $2 a bushel?

Mr. KENYON. I do not know that that would relieve the situation. I do not think it will relieve the situation to impose any further taxes on these people, either.

Mr. NORRIS. Mr. President, I submit that the question the Senator from Ohio has asked the Senator from Iowa has not any bearing upon this question of levying a tax of 1 cent on letters; but what the Senator from Iowa read from the report, an official document, is, it seems to me, a demonstration of what I have been contending for.

Mr. JONES of New Mexico. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from New Mexico?

Mr. NORRIS. In just a moment I will yield. I want first to answer a little further a suggestion made by my friend from Ohio.

The Senator from Ohio says that if the incident I have given is true—and I only gave it after the question had been asked me whether I would not give something specific to corroborate what I have said; I would not have given it otherwise—then we are presented in this country with a horrible situation.

Mr. NELSON. Mr. President, will the Senator yield to me?

Mr. NORRIS. In just a moment. Wait until I get through answering this argument, and then I will yield to everybody. But what the Senator from Iowa has read is a corroboration not only of what I have said but a corroboration of what the Senator from Ohio intimated was true, that if this incident had any value we are confronted with a horrible situation. I believe, Mr. President, that the entire country in this high-cost-of-living proposition is confronted with one of the most difficult situations that was ever presented to our people or any other people. It is a difficult situation and one that is hard to solve. We must meet it. We only make it worse when we add pennies that we require that the poor, already overburdened, shall pay to support the Government of the United States.

Now I yield. I think first I ought to yield to the Senator from New Mexico, who rose first.

Mr. JONES of New Mexico. I just wanted to say to the Senator that it is very much desired that we have a short executive session this evening before the Senate adjourns, and I wish to ask the Senator if he will yield for a motion to go into executive session?

Mr. NORRIS. I will do that as soon as I yield to the Senator from Minnesota, who desired to interrupt me.

Mr. NELSON. Mr. President, this seems to be a sort of discussion analogous to what they call a free-conference prayer meeting in the Methodist Church. I want to give the Senator from Nebraska a little of my experience. I am so old that I can remember when we had to pay 5 cents postage on a letter, and in those days I was glad to get work at 25 cents a day. I have survived that postage and survived those wages.

Mr. NORRIS. Yes, Mr. President; the Senator from Minnesota has survived a good many things that the people of the present day, perhaps, will not be able to survive. I presume most of us who are as old as the Senator from Minnesota have had similar experiences; and as one of the Senators who is probably older than the Senator from Minnesota I can say, if it is a class meeting, as the Senator suggests, that I have worked for 25 cents a day and 50 cents a day, and I thought I had a good deal better time than I am having now in the Senate. Probably I did. Maybe I ought to have kept at it, and probably I made a mistake when I quit. But, Mr. President, that is not any reason why we should say to the poor people of this country, "We tax you 1 cent every time you send a letter. We tax you another penny every time you take a teaspoonful of sugar, every time you drink a cup of coffee, every time you drink tea or cocoa." We are levying taxes in pennies upon the countless poor of the country already overburdened.

It is useless to discuss the cause of it. We all know that that is true. They are overburdened. No man can successfully deny it. The cost of living when the Senator from Minnesota was young, and away back further yet when I was young, was nothing like it is now.

Mr. NELSON. Mr. President, will the Senator yield to me for a moment?

Mr. NORRIS. I yield.

Mr. NELSON. I want to call his attention to the excessive taxes put on tobacco. To the common laboring man and to the soldier who serves in our Army tobacco is not a luxury. I read this morning, I think, that Gen. Pershing hoped that our soldiers in France would get an abundance of tobacco. What has the Senator to say on that subject? Nine-tenths of our hard-working laboring men use tobacco, and yet this bill imposes an awful tax upon tobacco. The postal tax is a mere bagatelle in comparison with it. I hope he will make some argument in favor of the tobacco chewers and the tobacco smokers.

Mr. NORRIS. Mr. President, when we get to the tobacco smokers and the tobacco chewers I will discuss that subject. We are talking now about a tax on first-class mail matter. The poor widow can not send a package of tobacco to her son who has been drafted and taken from her support over into the trenches of Europe, if this bill goes through, without paying a tax on that tobacco; and she can not escape the tax by sending it by freight, either. She will pay the tax just the same by express or by parcel post, or in any other way.

Mr. JONES of New Mexico. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from New Mexico?

Mr. NORRIS. I yield to the Senator if he wants to make a motion to go into executive session.

Mr. JONES of New Mexico. I move that the Senate proceed to the consideration of executive business.

Mr. JOHNSON of California. Mr. President, if the Senator will allow me, I wish to offer an amendment to the pending bill and ask that it be printed and lie on the table.

The PRESIDENT pro tempore. Without objection, it will be so ordered.

Mr. LA FOLLETTE. Mr. President, I ask the Senator to withhold his motion long enough to enable me to offer an amendment, in order that it may be printed, with accompanying tables explanatory of the amendment.

Mr. JONES of New Mexico. I withhold the motion for that purpose.

Mr. LA FOLLETTE. I ask that the amendment and the tables be printed in the RECORD.

Mr. NORRIS. Mr. President, will not the Senator have the tables printed in bill form also, along with the amendment?

Mr. LA FOLLETTE. I should be glad to have that done, but I have found objection to that request under the rules.

The PRESIDENT pro tempore. Without objection, the request of the Senator from Wisconsin will be complied with.

The amendment and accompanying tables are as follows:

Strike out section 2 of the bill and insert:

SEC. 2. That in addition to the additional tax imposed by subdivision (b) of section 1 of such act of September 8, 1916, there shall be levied, assessed, collected, and paid a like additional tax upon the income of

every individual received in the calendar year 1917 and every calendar year thereafter, as follows:

One-half of 1 per cent per annum upon the amount by which the total net income exceeds $5,000 and does not exceed $6,000.

One per cent per annum upon the amount by which the total net income exceeds $6,000 and does not exceed $7,000.

One and one-half per cent per annum upon the amount by which the total net income exceeds $7,000 and does not exceed $8,000.

Two per cent per annum upon the amount by which the total net income exceeds $8,000 and does not exceed $9,000.

Two and one-half per cent per annum upon the amount by which the total net income exceeds $9,000 and does not exceed $10,000.

Three per cent per annum upon the amount by which the total net income exceeds $10,000 and does not exceed $11,000.

Three and one-half per cent per annum upon the amount by which the total net income exceeds $11,000 and does not exceed $12,000.

Four per cent per annum upon the amount by which the total net income exceeds $12,000 and does not exceed $13,000.

Four and one-half per cent per annum upon the amount by which the total net income exceeds $13,000 and does not exceed $14,000.

Five per cent per annum upon the amount by which the total net income exceeds $14,000 and does not exceed $15,000.

Five and one-half per cent per annum upon the amount by which the total net income exceeds $15,000 and does not exceed $16,000.

Six per cent per annum upon the amount by which the total net income exceeds $16,000 and does not exceed $17,000.

Six and one-half per cent per annum upon the amount by which the total net income exceeds $17,000 and does not exceed $18,000.

Seven per cent per annum upon the amount by which the total net income exceeds $18,000 and does not exceed $19,000.

Seven and one-half per cent per annum upon the amount by which the total net income exceeds $19,000 and does not exceed $20,000.

Eight and one-quarter per cent per annum upon the amount by which the total net income exceeds $20,000 and does not exceed $21,000.

Nine per cent per annum upon the amount by which the total net income exceeds $21,000 and does not exceed $22,000.

Nine and three-quarters per cent per annum upon the amount by which the total net income exceeds $22,000 and does not exceed $23,000.

Ten and one-half per cent per annum upon the amount by which the total net income exceeds $23,000 and does not exceed $24,000.

Eleven and one-quarter per cent per annum upon the amount by which the total net income exceeds $24,000 and does not exceed $25,000.

Twelve per cent per annum upon the amount by which the total net income exceeds $25,000 and does not exceed $26,000.

Twelve and three-quarters per cent per annum upon the amount by which the total net income exceeds $26,000 and does not exceed $27,000.

Thirteen and one-half per cent per annum upon the amount by which the total net income exceeds $27,000 and does not exceed $28,000.

Fourteen and one-quarter per cent per annum upon the amount by which the total net income exceeds $28,000 and does not exceed $29,000.

Fifteen per cent per annum upon the amount by which the total net income exceeds $29,000 and does not exceed $30,000.

Sixteen per cent per annum upon the amount by which the total net income exceeds $30,000 and does not exceed $31,000.

Seventeen per cent per annum upon the amount by which the total net income exceeds $31,000 and does not exceed $32,000.

Eighteen per cent per annum upon the amount by which the total net income exceeds $32,000 and does not exceed $33,000.

Nineteen per cent per annum upon the amount by which the total net income exceeds $33,000 and does not exceed $34,000.

Twenty per cent per annum upon the amount by which the total net income exceeds $34,000 and does not exceed $35,000.

Twenty-one per cent per annum upon the amount by which the total net income exceeds $35,000 and does not exceed $36,000.

Twenty-two per cent per annum upon the amount by which the total net income exceeds $36,000 and does not exceed $37,000.

Twenty-three per cent per annum upon the amount by which the total net income exceeds $37,000 and does not exceed $38,000.

Twenty-four per cent per annum upon the amount by which the total net income exceeds $38,000 and does not exceed $39,000.

Twenty-five per cent per annum upon the amount by which the total net income exceeds $39,000 and does not exceed $40,000.

Twenty-six per cent per annum upon the amount by which the total net income exceeds $40,000 and does not exceed $41,000.

Twenty-seven per cent per annum upon the amount by which the total net income exceeds $41,000 and does not exceed $42,000.

Twenty-eight per cent per annum upon the amount by which the total net income exceeds $42,000 and does not exceed $43,000.

Twenty-nine per cent per annum upon the amount by which the total net income exceeds $43,000 and does not exceed $44,000.

Thirty per cent per annum upon the amount by which the total net income exceeds $44,000 and does not exceed $45,000.

Thirty-one per cent per annum upon the amount by which the total net income exceeds $45,000 and does not exceed $46,000.

Thrity-two per cent per annum upon the amount by which the total net income exceeds $46,000 and does not exceed $47,000.

Thirty-three per cent per annum upon the amount by which the total net income exceeds $47,000 and does not exceed $50,000.

Thirty-four per cent per annum upon the amount by which the total net income exceeds $50,000 and does not exceed $60,000.

Thirty-five per cent per annum upon the amount by which the total net income exceeds $60,000 and does not exceed $80,000.

Thirty-six per cent per annum upon the amount by which the total net income exceeds $80,000 and does not exceed $100,000.

Thirty-seven per cent per annum upon the amount by which the total net income exceeds $100,000 and does not exceed $150,000.

Thirty-eight per cent per annum upon the amount by which the total net income exceeds $150,000 and does not exceed $200,000.

Thirty-nine per cent per annum upon the amount by which the total net income exceeds $200,000 and does not exceed $250,000.

Forty per cent per annum upon the amount by which the total net income exceeds $250,000 and does not exceed $300,000.

Forty-one per cent per annum upon the amount by which the total net income exceeds $300,000 and does not exceed $500,000.

Forty-two per cent per annum upon the amount by which the total net income exceeds $500,000 and does not exceed $750,000.

Forty-five per cent per annum upon the amount by which the total net income exceeds $750,000 and does not exceed $1,000,000.

Fifty per cent per annum upon the amount by which the total net income exceeds $1,000,000.

The amount of tax a married person would pay under the proposed amendment, showing the per cent of the tax upon incomes and the British rate.

Income.	Total tax.	Per cent.	Rate under the British law.	
			Earned.	Unearned.
$3,000	$20.00	0.66	12½	17½
$5,000	80.00	1.60	15	20
$6,000	125.00	2.08	15	20
$7,000	175.00	2.50	15	20
$8,000	230.00	2.87	18½	22½
$9,000	290.00	3.22	18½	22½
$10,000	355.00	3.55	21¼	25
$11,000	425.00	3.86	21¼	25
$12,000	500.00	4.16	21¼	25
$13,000	580.00	4.46	29¼	
$14,000	665.00	4.75	29¼	
$15,000	755.00	5.03	30¼	
$16,000	850.00	5.31	30¼	
$17,000	950.00	5.59	30¼	
$18,000	1,055.00	5.86	30¼	
$19,000	1,165.00	6.13	30¼	
$20,000	1,290.00	6.45	32½	
$21,000	1,422.50	6.77	32½	
$22,000	1,532.50	6.97	32½	
$23,000	1,710.00	7.43	32½	
$24,000	1,865.00	7.77	32½	
$25,000	2,027.50	8.11	34¼	
$26,000	2,177.50	8.45	34¼	
$27,000	2,337.00	8.79	34¼	
$28,000	2,557.50	9.13	34¼	
$29,000	2,747.50	9.47	34¼	
$30,000	2,947.50	9.83	35¼	
$31,000	3,157.50	10.18	35¼	
$32,000	3,377.50	10.55	35¼	
$33,000	3,607.50	10.93	35¼	
$34,000	3,847.50	11.32	35¼	
$35,000	4,097.50	11.71	37½	
$36,000	4,357.50	12.10	37½	
$37,000	4,627.50	12.51	37½	
$38,000	4,907.50	12.91	37½	
$39,000	5,197.50	13.33	37½	
$40,000	5,497.50	13.74	39¼	
$41,000	5,817.50	14.19	39¼	
$42,000	6,147.50	14.64	39¼	
$43,000	6,487.50	15.09	39¼	
$44,000	6,837.50	15.54	39¼	
$45,000	7,197.50	15.99	40¼	
$46,000	7,557.50	16.45	40¼	
$47,000	7,947.50	16.91	40¼	
$50,000	9,117.50	18.24	42½	
$60,000	13,217.50	22.03	42½	
$80,000	21,817.50	27.27	42½	
$100,000	30,617.50	30.62	42½	
$150,000	54,117.50	36.08	42½	
$200,000	78,617.50	39.31	42½	
$250,000	104,117.50	41.55	42½	
$300,000	130,617.50	43.54	42½	
$500,000	240,617.50	48.12	42½	
$750,000	380,617.50	50.75	42½	
$1,000,000	530,617.50	53.06	42½	
$1,500,000	860,617.50	57.37	42½	
$2,000,000	1,195,617.50	59.78	42½	

Estimated revenue under proposed amendment.

Income in excess of—	Rates of proposed amendment.		War revenue.	Total revenue.
	War normal.	War surtax.		
$1,000 and not in excess of $3,000	2	.....	$16,000,000	$16,000,000
$3,000 and not in excess of $5,000	2	.....	16,102,700	16,102,700
$5,000 and not in excess of $6,000	2	½	5,000,000	9,000,000
$6,000 and not in excess of $7,000	2	1	4,824,000	8,040,000
$7,000 and not in excess of $8,000	2	1½	4,903,500	7,705,500
$8,000 and not in excess of $9,000	2	2	4,824,000	7,236,000
$9,000 and not in excess of $10,000	2	2½	4,459,095	6,440,915
$10,000 and not in excess of $11,000	2	3	4,236,350	5,930,890
$11,000 and not in excess of $12,000	2	3½	4,180,000	5,700,000
$12,000 and not in excess of $13,000	2	4	4,270,920	5,694,560
$13,000 and not in excess of $14,000	2	4½	4,290,000	5,610,000
$14,000 and not in excess of $15,000	2	5	4,060,000	5,220,000
$15,000 and not in excess of $16,000	2	5½	4,050,000	5,130,000
$16,000 and not in excess of $17,000	2	6	4,096,000	5,120,000
$17,000 and not in excess of $18,000	2	6½	3,950,991	4,880,636
$18,000 and not in excess of $19,000	2	7	3,853,800	4,710,200
$19,000 and not in excess of $20,000	2	7½	3,629,000	4,393,000
$20,000 and not in excess of $21,000	2	8¼	3,485,000	4,505,000
$21,000 and not in excess of $22,000	2	9	3,520,000	4,480,000
$22,000 and not in excess of $23,000	2	9¾	3,508,550	4,404,350
$23,000 and not in excess of $24,000	2	10½	3,441,125	4,266,995
$24,000 and not in excess of $25,000	2	11¼	3,431,750	4,208,750
$25,000 and not in excess of $26,000	2	12	3,514,000	4,267,000
$26,000 and not in excess of $27,000	2	12¾	3,613,750	4,348,750
$27,000 and not in excess of $28,000	2	13½	3,663,193	4,372,198
$28,000 and not in excess of $29,000	2	14¼	3,770,000	4,466,000
$29,000 and not in excess of $30,000	2	15	3,825,000	4,500,000
$30,000 and not in excess of $31,000	2	16	3,898,800	4,548,600
$31,000 and not in excess of $32,000	2	17	3,876,000	4,488,000

Estimated revenue under proposed amendment.—Continued.

Income in excess of—	Rates of proposed amendment.		War revenue.	Total revenue.
	War normal.	War surtax.		
$32,000 and not in excess of $33,000	2	18	$3,850,000	$4,427,500
$33,000 and not in excess of $34,000	2	19	2,738,400	3,129,600
$34,000 and not in excess of $35,000	2	20	3,597,990	4,088,625
$35,000 and not in excess of $36,000	2	21	3,404,000	3,848,000
$36,000 and not in excess of $37,000	2	22	3,312,000	3,726,000
$37,000 and not in excess of $38,000	2	23	3,314,500	3,712,240
$38,000 and not in excess of $39,000	2	24	3,120,000	3,480,000
$39,000 and not in excess of $40,000	2	25	3,806,370	3,429,300
$40,000 and not in excess of $41,000	2	26	3,164,000	3,616,000
$41,000 and not in excess of $42,000	2	27	3,262,500	3,712,500
$42,000 and not in excess of $43,000	2	28	3,360,000	3,808,000
$43,000 and not in excess of $44,000	2	29	3,441,000	3,885,000
$44,000 and not in excess of $45,000	2	30	3,489,600	3,925,800
$45,000 and not in excess of $46,000	2	31	3,597,000	4,033,000
$46,000 and not in excess of $47,000	2	32	3,621,000	4,047,000
$47,000 and not in excess of $50,000	2	33	10,794,010	12,027,611
$50,000 and not in excess of $60,000	2	34	34,284,600	38,094,000
$60,000 and not in excess of $80,000	2	35	46,884,180	53,219,880
$80,000 and not in excess of $100,000	2	36	33,003,760	38,214,880
$100,000 and not in excess of $150,000	2	37	56,269,395	66,369,030
$150,000 and not in excess of $200,000	2	38	32,008,200	38,409,840
$200,000 and not in excess of $250,000	2	39	22,317,120	27,216,000
$250,000 and not in excess of $300,000	2	40	17,450,370	21,605,220
$300,000 and not in excess of $500,000	2	41	39,894,540	50,100,120
$500,000 and not in excess of $750,000	2	42	27,467,000	34,958,000
$750,000 and not in excess of $1,000,000	2	45	23,735,000	29,795,000
$1,000,000 and not in excess of $1,500,000	2	50	30,201,600	37,752,000
$1,500,000 and not in excess of $2,000,000	2	50	23,491,000	29,815,500
Over $2,000,000	2	50	55,214,640	71,141,940
Total			643,651,299	781,357,630

PETITIONS.

Mr. FLETCHER. I present a petition signed by a large number of citizens of Tampa, Fla., which I ask to have printed in the RECORD without the signatures.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

TAMPA, FLA., *August 14, 1917.*

To our honorable representatives at Washington, D. C.

GENTLEMEN: Whereas, upon investigation, we find that there are 1,300,000 aliens in our country who are subjects of belligerent nations now at war with the central powers;

And whereas the administrators of our country have seen fit to declare war against the same said powers and have just passed a bill in Congress calling to arms men in this United States of America between the ages of 18 and 45, either as volunteers or by the selective-draft plan;

And whereas we find that these aliens, who are enjoying all the privileges and hospitalities of this our native country, for whose principles we are sending our sons to a foreign land to fight;

And whereas the United States Government has opened the doors of enlistment to these aliens and they have not responded, but in some instances declared themselves not willing to fight with our armies and done all in their power to dodge the law compelling them to register for examination;

And whereas the same foreign lands that we are willing to fight for is the native home and country of these 1,300,000 subjects;

And whereas we find that there is a bill pending in Congress that would cover this ground:

Therefore we, as the parents and friends and loved ones to be left behind at home, do humbly beseech, beg, and pray that you, as our representatives at Washington, would use all of your influence and power in the House, the Senate, and with our honorable President to see that such a bill shall pass, or some action be taken that will compel these aliens to either take up arms and go to the front shoulder to shoulder with us or return to their native country and serve under the flag whose protection they claim.

J. F. SHEROUSE
(And 2,759 others).

Mr. PHELAN presented a petition of the Chamber of Commerce of Los Angeles, Cal., praying that less publicity be given to the activities of the I. W. W., etc., which was referred to the Committee on Education and Labor.

EXECUTIVE SESSION.

Mr. JONES of New Mexico. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS.

Mr. SMOOT. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 55 minutes p. m., Monday, August 27, 1917) the Senate took a recess until to-morrow, Tuesday, August 28, 1917, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 27 (legislative day of August 15), 1917.

ASSISTANT ATTORNEY GENERAL.

William L. Frierson to be Assistant Attorney General.

COMMISSIONER OF PATENTS.

James T. Newton to be Commissioner of Patents.

EXAMINER IN CHIEF, PATENT OFFICE.

Richard E. Marine to be an examiner in chief in the Patent Office.

APPOINTMENTS IN THE NAVY.

The following-named officers of the National Naval Volunteers and Naval Militia (Marine Corps Branch) to be second lieutenants in the Marine Corps for temporary service:

Capt. Percy D. Cornell.
Capt. Newton Best.
Capt. Angus A. Acree.
First Lieut. William A. Worton.
First Lieut. Jonas H. Platt.
First Lieut. James F. Rorke.
First Lieut. Charles McK. Krausse.
First Lieut. Alan V. Parker.
First Lieut. John F. Horn.
First Lieut. Ross W. Davidson.
First Lieut. Glenn E. Hayes.
First Lieut. Edmund L. Riesner.
Second Lieut. Lynn B. Coovert.
Second Lieut. Robert A. Kennedy.
Second Lieut. John F. Talbot.
Second Lieut. Stanley A. Beard.
Second Lieut. John L. Garner, jr.
Second Lieut. John W. Thomason, jr.
Second Lieut. Clarence Ball.

First Sergt. John A. McDonald, Marine Corps, to be a second lieutenant in the Marine Corps for temporary service.

The following-named citizens to be second lieutenants in the Marine Corps for a probationary period of two years:

Charles T. Brooks.
James L. Denham.
Herbert Hardy.
Walter T. H. Galliford.
Richard B. Buchanan.
Benjamin R. Avent.
William H. McCormick.
David R. Kilduff.
James A. Connor.
Einar W. Jacobsen.
Charles N. Muldrow.
Hugh McFarland.
Walter D. Shelly.
John T. Walker.
Bert A. Bone.
Frank W. Wilson.
Charles B. Maynard.
Carl F. Dietz.
Oliver P. Smith.
Hugh Shippey.
Joseph G. Ward.
Robert C. Anthony.
Baptiste Barthe.
Sidney R. Vandenberg.
Robert C. Thaxton.
James D. McLean.
Thomas S. Whiting.
Robert Blake.
Henry D. Linscott.
John G. E. Kipp.
William T. Clement.
Ralph L. Schjesswohl.
Ralph E. West.
Euvelle D. Howard.
Alfred H. Noble.
Keith E. Kinyon.
William A. Duckham.
Harlan Pefley.
Frank D. Strong.
Benjamin Goodman.
Harold D. Campbell.
Lyman Passmore.
Louis W. Bartol.
Donald Kenyon.

James A. Nelms.
Clifford O. Henry.
John Sellon.
Joseph T. Smith.
Raymond E. Knapp.
Hiram R. Mason.
Horatio P. Mason.
Carleton S. Wallace.
Samuel C. Cumming.
George H. Yarborough, jr.
George B. Lockhart.
John D. Macklin.
Edward L. Burwell, jr.
Jack S. Hart.
Omar T. Pfeiffer.
Robert S. Pendleton.
Lemuel C. Shepherd, jr.
John F. Blanton.
Drinkard B. Milner.
Roscoe A. Parcel.
James F. Moriarty.
Davis A. Holladay.
Frank P. Snow.
Samuel W. Freeny.
Julius C. Cogswell.
William H. Harrison.
Arthur T. Elmore.
Campbell H. Brown.
Edward B. Hope.
Fred W. Clarke, jr.
Edmund P. Norwood.
Edwin R. Brecher.
Charles P. Nash.
Durant S. Buchanan.
Fielding S. Robinson.
Thomas T. McEvoy.
William H. Price.
Lewie G. Merritt.
Harry C. Savage, jr.

The following-named noncommissioned officers to be second lieutenants in the Marine Corps for a probationary period of two years:

John Frost,
George F. Smithson,
John P. Adams,
Henry E. Chandler,
Otto E. Bartoe,
Ernest E. Eller,
Harold D. Shannon,
Robert M. Johnson,
Louis R. Jones,
Ramond J. Bartholomew,
Bruce B. MacArthur,
Claude A. Larkin,
Erwin Mehlinger,
William B. Croka,
Lothar R. Long,
Gilbert D. Hatfield,
Amos B. Shinkle,
Bruce Gootee, jr.,
George H. Morse, jr.,
Marc M. Ducote,
Wesley W. Walker, and
Lewis B. Freeman.

The following-named second lieutenants to be first lieutenants in the Marine Corps, for temporary service:

Philip T. Case,
Edward G. Hagen,
Thomas B. Gale,
Lewis L. Gover,
Thomas F. Harris,
Charles M. Jones, and
Willett Elmore.

The following-named probationary second lieutenants to be probationary first lieutenants in the Marine Corps, for temporary service:

Thad T. Taylor, and
Arthur B. Jacques.

Second Lieut. Arthur H. Turner to be a first lieutanant in the Marine Corps, for temporary service.

The following-named probationary second lieutenant to be a probationary first lieutenant in the Marine Corps, for temporary service:

Roy C. Swink.

The following-named noncommissioned officers to be second lieutenants in the Marine Corps for temporary service:

Frederick W. Karstaedt,
Ery M. Spencer,
Gaines Moseley,
John H. Fay,
Thomas B. Wood,
Orlando C. Crowther,
David T. Jackson, and
John H. Nichols.

Roswell Winans to be a second lieutenant in the Marine Corps for temporary service.

Daniel J. Readey to be a second lieutenant in the Marine Corps for temporary service.

First Lieut. Stanford W. Hoffman, National Naval Volunteers (Marine Corps Branch), to be a second lieutenant in the Marine Corps for temporary service.

The following-named citizens to be second lieutenants in the Marine Corps for a probationary period of two years:

William K. Snyder.
Shaler Ladd.
Robert M. Montague.
Alfred C. Cramp.
James T. Yarborough.
John A. Willis, jr.
Charles Z. Lesher.
John C. Wood.
Thomas R. Jewett.
James R. Henderson.
William T. Evans.
George D. Hamilton.
Benjamin W. Gally.
Lloyd B. Dysart.
Joseph F. Gargan.
Charles I. Emery.
Clyde P. Matteson.
Rolla R. Hinkle.
William R. Mathews.
Charles T. Lawson.
David I. Garrett.
Nathaniel H. Massie.
Richard H. Jeschke.
Sidney W. Wentworth.
Frank L. Shannon.
Samuel M. Noblitt.
Francis P. Mulcahy.
Frederic C. Wheeler.
Benjamin H. Brown.
Thomas E. Kendrick.
Benjamin L. Harper.
Albert A. Le Boeuf.
Will H. Walter.
Alfred W. Ogle.
William van D. Jewett.
Robert S. Lytle.
Paul E. McDermott.
Albert P. Baston.
Donald J. Kendall.
Harold St. C. Wright.
Horace B. Derrick.
Leonard Stone.
Lewis B. Reagan.
Dudley S. Brown.
Robert H. Pepper.
Robert L. Nelson.
John B. Wilson.
James McB. Sellers.
James D. Colomy.
Lathrop B. Flintom.
Clive E. Murray.
Joseph A. Hagan.
Ivan Langford.
Galen M. Sturgis.
Mordecai C. Chambers.
Carl W. Meigs.
Joseph W. Knighton.
Charles I. Murray.
James A. Poulter.
Karl S. Day.
George L. Maxwell, jr.
Joseph C. Bennet.
Clarence W. Smith.
James A. Mixson.
Cecil B. Raleigh.

George L. Maynard, jr.
William H. Hollingsworth.
Lades R. Warriner.
John O. Hyatt.
Oakley K. Brown.
Charles D. Roberts.
Gus L. Gloeckner.
Graves B. Erskine.

SENATE.

TUESDAY, *August 28, 1917.*

(Legislative day of Wednesday, August 15, 1917.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

THE I. W. W. MENACE.

Mr. ASHURST. I have received telegrams in relation to the I. W. W.'s, and I ask unanimous consent that they may be read.

The PRESIDENT pro tempore. Without objection, the Secretary will read them.

The Secretary read the telegrams, as follows:

GLOBE, ARIZ., *August 27, 1917.*

Hon. H. F. ASHURST,
United States Senate, Washington, D. C.:

We indorse resolution adopted by Industrial Peace League, of Jerome, Ariz., viz, that the Government intern all I. W. W. and other anti-Government propagandists and place them on construction work during the war. A large body in this district meet daily and prevent men from working; are a danger and a menace to the State.

J. WARREN YOUNG,
Chairman Democratic Central Committee, Globe.
R. G. BARCLAY,
Mayor City of Globe.
GEO. R. HILL,
Chairman Loyalty League of America.
F. F. TOWLE,
President Globe Chamber of Commerce.

PRESCOTT, ARIZ., *August 27, 1917.*

United States Senator HENRY F. ASHURST,
Washington, D. C.:

Yavapai County Chamber of Commerce and city of Prescott indorse resolution adopted by Industrial Peace League, of Jerome, asking Government to detain all "Wobblies" and other radical anti-Government propagandists during war on Army and other construction work.

YAVAPAI COUNTY CHAMBER OF COMMERCE,
F. L. HAWORTH,
President, City of Prescott.
W. H. TIMORHOFF,
Mayor.

WAR WITH GERMANY.

Mr. JAMES. Mr. President, I desire to have printed in the RECORD a signed editorial and a report of a speech by Hon. William J. Bryan. The sentiment expressed is so genuinely patriotic, so thoroughly American, and breathes in such a splendid way the real spirit of devotion to our country it should be given as wide publicity as possible.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

ABUSING FREE SPEECH.

Before our Nation enters a war it is perfectly proper to discuss the wisdom of going to war, but the discussion is closed when Congress acts. After that no one should be permitted to cloak attacks upon his Government or aid to the enemy under the claim that he is exercising freedom of speech. No sympathy, therefore, will be wasted upon those who have been arrested for unpatriotic utterances. They abuse free speech. And this applies to attacks on the allies as well as to attacks upon the United States. We can no more allow our allies to be crushed than we can afford to be crushed ourselves. The defeat of our allies would throw the whole burden of the war upon us. We must stand together and fight it through. There are only two sides to a war—every American must be on the side of the United States.

W. J. BRYAN.

FIGHT KAISER HARD, MR. BRYAN URGES—GERMANY'S OVERTHROW ONLY WAY TO END WAR, HE SAYS.

CHICAGO, *August 27.*

William Jennings Bryan, in Chicago for a chautauqua address, declared to-day that peace can come only through the overthrow of Germany.

"My idea is that any dissension among us as to the prosecution of the war," said Bryan, "will have a tendency to prolong it and make it more costly in money and men. The more anyone favors peace, the more loyally he should support the Government as the only means of hastening peace.

"There can be but one end to the war—that is the overthrow of Germany. I find the desire to support the Government practically universal.

"We shall, of course, win the war whether Russia is able to hold her position or not. Any end except in our favor is inconceivable. If Russia is overwhelmed, we shall merely have a new situation to cope with. But I have great faith in the ability of Kerensky.

"I am very glad Congress conferred on the President as broad powers as it did. There is no fear of their being abused. I would even have had the law go further and empower the President to protect the people from the greed of any group that tried to take advantage of them along any line.

"There is more danger that taxes on war profits of big business will be too low than that they will be too high."

THE DRAFT LAW.

Mr. VARDAMAN presented a petition signed by over 900 citizens of Webster and adjoining counties in the State of Mississippi, praying for the repeal of the conscription law and asking that the question of draft and conscription be submitted to the qualified electors of the several States, which was referred to the Committee on Military Affairs.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRADY:

A bill (S. 2821) making an appropriation for the purchase, training, and maintenance of dogs for military purposes; to the Committee on Military Affairs.

By Mr. PENROSE:

A bill (S. 2822) granting an increase of pension to John L. Harvey; to the Committee on Pensions.

By Mr. LEWIS:

A bill (S. 2823) granting the consent of Congress to the city of Elgin, Ill., to construct, maintain, and operate a bridge across the Fox River at Elgin; to the Committee on Commerce.

WAR REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes.

The PRESIDENT pro tempore. The pending amendment is the amendment of the committee on page 94, line 7.

Mr. BRADY. I present an amendment to the pending bill which I ask may be printed and lie on the table.

The PRESIDENT pro tempore. It will be so ordered.

Mr. BRADY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hardwick	McNary	Simmons
Brady	James	Martin	Smith, Mich.
Chamberlain	Johnson, Cal.	Myers	Smoot
Colt	Johnson, S. Dak.	Nelson	Sterling
Culberson	Jones, N. Mex.	New	Swanson
Curtis	Jones, Wash.	Page	Vardaman
Dillingham	Kellogg	Penrose	Watson
Fernald	Kenyon	Ransdell	Weeks
Gerry	La Follette	Robinson	Williams
Gronna	Lodge	Saulsbury	
Hale	McCumber	Sheppard	

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent on account of illness in his family. He is paired with the Senator from New Jersey [Mr. FRELINGHUYSEN]. I will let this announcement stand for the day.

The PRESIDENT pro tempore. Forty-two Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. NORRIS, Mr. SHAFROTH, Mr. SMITH of Georgia, Mr. SMITH of South Carolina, and Mr. WADSWORTH answered to their names when called.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness. I will let this announcement stand for the day.

Mr. HITCHCOCK, Mr. BECKHAM, Mr. SHERMAN, Mr. THOMPSON, Mr. HUSTING, Mr. KENDRICK, and Mr. KIRBY entered the Chamber and answered to their names.

Mr. SMITH of Michigan. My colleague [Mr. TOWNSEND] has been delayed on account of official business.

Mr. MCKELLAR, Mr. OVERMAN, Mr. FRELINGHUYSEN, Mr. SHIELDS, Mr. WOLCOTT, Mr. KING, Mr. HARDING, and Mr. BANKHEAD entered the Chamber and answered to their names.

Mr. KING. I desire to announce that the Senator from Maryland [Mr. SMITH] and the Senator from California [Mr. PHELAN] are detained from the Senate on official business.

The PRESIDENT pro tempore. Sixty-two Senators have answered to their names. There is a quorum present.

Mr. JONES of New Mexico. I ask that the pending amendment be stated.

The PRESIDENT pro tempore. The Secretary will state it.

The SECRETARY. On page 94, line 7, after the words "postal cards," insert "and private mailing or post cards."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 94, line 8, to strike out the words "ten days after the passage of this act."

The amendment was agreed to.

The next amendment was, on page 94, to strike out lines 12, 13, 14, and 15 and insert "the same as under existing law: *And provided further*, That letters written and mailed by soldiers and sailors assigned to duty in a foreign country engaged in the present war may be mailed free of postage, subject to such rules and regulations as may be prescribed by the Postmaster General," so as to make the proviso read:

Provided, That the rate of postage on drop letters of the first class shall be the same as under existing law: *And provided further*, That letters written and mailed by soldiers and sailors assigned to duty in a foreign country engaged in the present war may be mailed free of postage, subject to such rules and regulations as may be prescribed by the Postmaster General.

Mr. HARDWICK. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HARDWICK. After action upon the section by the Senate by the adoption or rejection of the committee amendments will it be in order to submit a substitute for the whole?

The PRESIDENT pro tempore. The Chair would think that under the agreement to take up committee amendments amendments by individual Senators of that character would under Rule XVIII, I think it is, come up as regular amendments later. That is the opinion of the Chair.

Mr. HARDWICK. I mean immediately after the committee amendments have been disposed of.

The PRESIDENT pro tempore. The Chair is informed that that was done the other day. The Chair would like to have the Senate agree as to what course it will pursue.

Mr. HARDWICK. Let me submit the question, if the Chair please. I think it is eminently proper that it shall be done, because it was not the spirit of our agreement that we should merely adopt the committee amendments as they are presented and have no right to substitute another proposal on the same subject matter for the committee proposal at that time. I think that was the spirit of the agreement, and that is the usual practice. I ask that it be followed, unless the Senator in charge of the bill takes the opposite view.

Mr. JONES of New Mexico. Mr. President, I concur in the view of the Senator from Georgia. It seems to me that while we have this matter up we might just as well dispose of it now as later. I shall therefore interpose no objection to the Senator from Georgia offering a substitute to strike out, and he may take any such course as he may choose regarding the section after the committee amendments have been acted upon.

The PRESIDENT pro tempore. The Chair thinks it might be well to state that with the understanding that that is the unanimous-consent agreement of the Senate as to the procedure. He will entertain a motion of this character, although the Chair is not sure that it is in order under the previous agreement.

Mr. SMITH of Georgia. I think the Senate would give unanimous consent to dispose of the subject at this time and that would relieve us from any possible embarrassment.

The PRESIDENT pro tempore. The Chair will entertain it.

Mr. SMITH of Georgia. I ask that unanimous consent be given to my colleague to offer his substitute to strike out, so that we can now dispose of the question finally.

Mr. NORRIS. Mr. President, I do not think I shall have any objection to that request, but I wish to understand the matter. I understand the Senator from Georgia desires to offer a substitute. I wish the Senator would couple with his amendment—I do not know what the Senator's substitute is——

Mr. HARDWICK. If the Senator will pardon me, so that the Senate may understand it——

Mr. NORRIS. I wish to add a request that the unanimous-consent request include the offering of a motion to strike out the section.

Mr. HARDWICK. That is exactly the substitute I offer, except I want to leave in the provision about the mail of soldiers and sailors in foreign countries.

Mr. SMITH of Georgia. That was my request for unanimous consent—that the motion to strike out may be made now and that we may get rid of the whole subject while it is fresh in our minds.

Mr. NORRIS. I have no objection.

Mr. McKELLAR. That will be entirely satisfactory to me, provided a motion to strike out and substitute the zone system may be made.

Mr. SMITH of Georgia. We are not on that paragraph now.

Mr. McKELLAR. I thought that the agreement applied to the whole matter.

Mr. SMITH of Georgia. No; just to this section.

Mr. WEEKS. I suggest that there be read what the Senator from Georgia has proposed.

Mr. HARDWICK. Let us agree as to the last committee amendment. I made my inquiry before we had agreed to the last amendment proposed by the committee.

Mr. WEEKS. I have no objection.

The PRESIDENT pro tempore. Without objection, the Secretary will read the amendment offered by the Senator from Georgia.

Mr. HARDWICK. I offer the following amendment, in the nature of a substitute, which the Secretary will read.

The SECRETARY. Substitute for the amendment proposed by the committee section 1200 of the House bill. Strike out all after the text of the House bill and in lieu thereof insert the following:

SEC. 1100. That all letters written and mailed by soldiers and sailors assigned to duty in a foreign country engaged in the present war may be mailed free of postage, subject to such rules and regulations as may be prescribed by the Postmaster General.

Mr. HARDWICK. Mr. President, debate on this question, I take it, is practically exhausted.

Mr. NORRIS. Let me ask the Senator a question. As the amendment was read, I understood it to strike out all after the House text.

Mr. HARDWICK. The House text includes the 3-cent postage-stamp tax. Therefore we must strike out——

Mr. NORRIS. Mr. President——

Mr. HARDWICK. Let me explain it to the Senator. The House text proposes to increase postage on first-class mail matter to 3 cents and the Senate committee amendment proposes to do the same thing with minor modifications, the modification being that the Senate committee proposes 1-cent postal cards instead of a 2-cent postal card, as suggested by the House of Representatives. Now, obviously the only motion that will bring this question to a direct test and issue in the Senate is a motion to strike out this provision from the bill, and in order to do that it is necessary not only to offer a substitute for the amendment proposed by the Senate committee, because even if that were done the House text would be left; but I ask to substitute for the text of the House bill my amendment, which proposes to strike out the text of the House bill as modified by the amendment proposed by the Senate committee and in lieu thereof to insert the substitute.

Mr. NORRIS. I think I understand that, and I want to call the Senator's attention——

Mr. HARDWICK. I do not yield to the Senator just now. Let me finish the sentence without interruption, and then I will yield to the Senator as often and as long as he pleases.

The proposal I have submitted is to strike out the House text as amended by the Senate with the exception of the provision contained in the last proviso relating to mail of soldiers and sailors of the United States while in foreign service. So if my amendment should be voted up by the Senate then the Senate will have determined that it will not increase the postal rates on first-class mail matter from which we are already receiving from sixty to eighty million dollars a year. That is the sole issue. If the Senate wants to impose a tax and increase the burden on this class of mail matter, then if it votes down the substute I have offered that will be the effect of it.

I accept one modification which has been suggested to me, to strike out all of the text of section 1200 of the House bill as amended and in lieu thereof insert——

Mr. SMITH of Michigan. Let me suggest to the Senator that he add the word "marine" after sailors.

Mr. HARDWICK. Yes; I think that is a good suggestion. I ask that that modification be made.

Mr. LODGE. That ought to be in.

Mr. HARDWICK. It is just as well to fix it right by saying "soldiers, sailors, and marines."

Mr. SMITH of Georgia. Mr. President, as a member of the committee, I think I would agree with the Senator from Georgia as to what his proposed substitute does. Those who are opposed to raising $50,000,000 more by an increase of 1 cent on

first-class postage will vote for it. Those who are ready to raise that additional sum will vote against it. If it is voted down, then we will adopt the committee substitute, no doubt, without further debate, and on that then we could vote without the yeas and nays.

Mr. HARDWICK. I ask for the yeas and nays.

Mr. NORRIS. Mr. President, the explanation made by the Senator from Georgia of what his proposed amendment will do is perfectly satisfactory provided the amendment will do that. I was trying to interrupt him to say to him that, as I understood the reading by the Secretary, it would not do anything of that kind. I now ask for the reading of the amendment.

The PRESIDENT pro tempore. The Secretary will state the amendment in full.

The SECRETARY. It is proposed to strike out all of the text of section 1200 of the House bill as amended——

Mr. NORRIS. That is all right, Mr. President.

Mr. PENROSE and others. Question!

The PRESIDENT pro tempore. The yeas and nays have been called for.

Mr. NELSON. Mr. President——

The PRESIDENT pro tempore. The Senator from Minnesota.

Mr. NELSON. Does not the amendment proposed by the Senator from Georgia [Mr. HARDWICK] strike out the final proviso of the section?

Mr. HARDWICK. No; it does not. I except that.

Mr. NELSON. The motion of the Senator from Georgia should be to strike out all of the section except the final proviso. The Senator ought to put it in that form and then we would all understand it.

Mr. HARDWICK. I understand it, and the Senate does. It is in the exact form in which I desire it. It leaves the language of the proviso in the bill.

Mr. NELSON. The Senator's motion should be to strike out all down to and including the word "further," in line 16, and the remainder of the section should remain.

Mr. HARDWICK. The amendment as framed and proposed by the Senator from Georgia covers the point raised by the Senator from Minnesota.

The PRESIDENT pro tempore. The yeas and nays are called for.

Mr. JONES of New Mexico. Mr. President, it seems to me that it may be advisable to have a division of this question as to whether we——

The PRESIDENT pro tempore. The Senator will suspend a moment because of the confusion in the Chamber. [A pause.] The Senator will proceed.

Mr. JONES of New Mexico. I was going to suggest a division of the question, Mr. President, but after reflection I do not believe that I shall do so. Just let the vote come upon the motion of the Senator from Georgia.

Mr. HARDWICK. I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. The junior Senator from New Jersey [Mr. FRELINGHUYSEN] has a pair with the junior Senator from Montana [Mr. WALSH]. By an arrangement the Senator from Wyoming will stand paired with the Senator from Montana, and the Senator from New Jersey and I will be at liberty to vote. I vote "yea."

The roll call was concluded.

Mr. CHAMBERLAIN (after having voted in the affirmative). I have a general pair with the junior Senator from Pennsylvania [Mr. KNOX]. In his absence I transfer that pair to the Senator from Oklahoma [Mr. OWEN] and will let my vote stand.

Mr. MYERS. I have a pair with the Senator from Connecticut [Mr. MCLEAN], who is necessarily absent on account of illness. I transfer that pair to the Senator from Arizona [Mr. SMITH] and vote "nay."

Mr. DILLINGHAM. I have a general pair with the senior Senator from Maryland [Mr. SMITH]. I notice that he has not voted, so I withhold my vote.

Mr. MCCUMBER. I transfer my general pair with the Senator from Colorado [Mr. THOMAS] to the senior Senator from New Mexico [Mr. FALL] and vote "nay."

Mr. FRELINGHUYSEN. I have a general pair with the junior Senator from Montana [Mr. WALSH], which by an arrangement with the Senator from North Carolina [Mr. OVERMAN] I transfer to the senior Senator from Wyoming [Mr. WARREN] and vote "nay."

Mr. SMITH of Michigan (after having voted in the affirmative). I have a pair with the junior Senator from Missouri [Mr. REED], but I will transfer that pair to the junior Senator from Maryland [Mr. FRANCE] and will allow my vote to stand.

Mr. BECKHAM (after having voted in the affirmative). I inquire if the junior Senator from West Virginia [Mr. SUTHERLAND] has voted?

The PRESIDENT pro tempore. He has not.

Mr. BECKHAM. I have a general pair with him, and in his absence I will withdraw my vote.

Mr. GERRY (after having voted in the negative). I inquire if the junior Senator from New York [Mr. CALDER] has voted?

The PRESIDENT pro tempore. He has not.

Mr. GERRY. I have a general pair with the junior Senator from New York, which I transfer to the Senator from California [Mr. PHELAN] and will let my vote stand.

Mr. STONE. I wish to say that my colleague [Mr. REED] is absent from the city on important business which makes it necessary for him to be away. He will be absent probably for two or three days. I ask that this statement may stand during his absence.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from New Hampshire [Mr. GALLINGER] with the Senator from Florida [Mr. FLETCHER]; and

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN].

The result was announced—yeas 39, nays 29, as follows:

YEAS—39.

Ashurst	Gronna	La Follette	Sheppard
Bankhead	Harding	McKellar	Shields
Borah	Hardwick	McNary	Smith, Mich.
Brady	Hitchcock	New	Smith, S. C.
Chamberlain	Husting	Norris	Sterling
Colt	Johnson, Cal.	Overman	Thompson
Culberson	Jones, Wash.	Page	Townsend
Curtis	Kenyon	Poindexter	Underwood
Fernald	King	Ransdell	Vardaman
Gore	Kirby	Shafroth	

NAYS—29.

Broussard	Kendrick	Robinson	Wadsworth
Frelinghuysen	Lodge	Saulsbury	Watson
Gerry	McCumber	Sherman	Weeks
Hale	Martin	Simmons	Williams
James	Myers	Smith, Ga.	Wolcott
Johnson, S. Dak.	Nelson	Smoot	
Jones, N. Mex.	Penrose	Stone	
Kellogg	Pomerene	Swanson	

NOT VOTING—28.

Beckham	France	McLean	Smith, Md.
Brandegee	Gallinger	Newlands	Sutherland
Calder	Goff	Owen	Thomas
Cummins	Hollis	Phelan	Tillman
Dillingham	Hughes	Pittman	Trammell
Fall	Knox	Reed	Walsh
Fletcher	Lewis	Smith, Ariz.	Warren

So Mr. HARDWICK's amendment to the committee amendment was agreed to.

The PRESIDENT pro tempore. Without objection, the amendment as amended is agreed to.

Mr. SMOOT. Mr. President, at this time I desire to reserve the right to have a separate vote in the Senate on this amendment to the amendment. I may ask for it and I may not; it will all depend upon what action the Senate takes on the other items under this titie.

Mr. STONE. Mr. President, the Senator from Utah says he may reserve it or he may not.

Mr. SMOOT. I stated that I would ask for a separate vote on the amendment, and I do reserve that right.

Mr. STONE. I also desire to reserve it.

Mr. SMOOT. I did reserve that right, I will say to the Senator from Missouri.

The PRESIDENT pro tempore. The Secretary will state the next amendment reported by the Committee on Finance.

The next amendment of the Committee on Finance was, on page 94, after line 20, to strike out:

SEC. 1201. That on and after July 1, 1917, the zone system applicable to parcel post shall apply to mail matter of the second class, and (a) from that date until November 1, 1917, the rate of postage shall be as follows, except as hereinafter provided: One and one-sixth cents a pound or fraction thereof when for delivery within the first zone, 1⅓ cents a pound or fraction thereof when for delivery within the second or third zone, 1⅔ cents a pound or fraction thereof when for delivery within the fourth or fifth zone, 2 cents a pound or fraction thereof when for delivery within the sixth zone, 2⅓ cents a pound or fraction thereof when for delivery within the seventh zone, and 2⅔ cents a pound or fraction thereof when for delivery within the eighth zone, and (b) from November 1, 1917, until March 1, 1918, the rate of postage shall be as follows, except as hereinafter provided: One and one-third cents a pound or fraction thereof when for delivery within the first zone, 1⅔ cents a pound or fraction thereof when for delivery within the second or third zone, 2⅓ cents a pound or fraction thereof when for delivery within the fourth or fifth zone, 3 cents a pound or fraction thereof when for delivery within the sixth zone, 3⅔ cents a pound or fraction thereof when for delivery within the seventh zone, and 4⅓ cents a pound or fraction thereof when for delivery within the eighth zone, and (c) after March 1, 1918, the rate of postage shall be as follows, except as hereinafter provided: One and one-half cents a pound or fraction thereof when for delivery within the first zone, 2 cents a pound or

fraction thereof when for delivery within the second or third zone, 3 cents a pound or fraction thereof when for delivery within the fourth or fifth zone, 4 cents a pound or fraction thereof when for delivery within the sixth zone, 5 cents a pound or fraction thereof when for delivery within the seventh zone, and 6 cents a pound or fraction thereof when for delivery within the eighth zone.

And to insert:

SEC. 1101. That on and after 30 days after the enactment of this act the rate of postage on all mail matter of the second class shall be, in addition to the existing rate, one-fourth of a cent per pound or fraction thereof.

Mr. McKELLAR and Mr. WEEKS addressed the Chair.

The PRESIDENT pro tempore. The Senator from Tennessee.

Mr. McKELLAR. In lieu of the words proposed to be inserted by the Senate committee amendment I move the amendment I send to the desk.

The PRESIDENT pro tempore. The amendment offered by the Senator from Tennessee to the amendment of the committee will be stated.

The SECRETARY. In lieu of the words proposed to be inserted by the Senate committee it is proposed to insert the following:

SEC. 1101. That on and after July 31, 1917, all newspapers, magazines, and other publications regularly admitted to the mails as matter of the second class when mailed by the publisher shall hereafter be subject to the following rates of postage, the zone system now applying to parcel-post matter to be adapted also to second-class matter:

Local, first, second, and third zones (under 300 miles), 1 cent per pound.
Fourth zone (300 to 600 miles), 2 cents per pound.
Fifth zone (600 to 1,000 miles), 3 cents per pound.
Sixth zone (1,000 to 1,400 miles), 4 cents per pound.
Seventh zone (1,400 to 1,800 miles), 5 cents per pound.
Eighth zone (over 1,800 miles), 6 cents per pound.

Provided, That free-in-county circulation provided by law shall continue as at present: *And provided further*, That the Postmaster General may hereafter require publishers to separate or "make up" to zones or in such manner as may be directed all matter of the second class when offered for mailing.

Mr. McKELLAR. Mr. President, I ask unanimous consent to strike out the words "July thirty-first" and insert the words "September thirtieth" in lieu thereof.

The PRESIDENT pro tempore. The Senator has a right to perfect his amendment.

Mr. SMOOT. I suggest to the Senator he better make it later than that, because this bill probably will not be a law by September 30.

Mr. SMITH of Georgia. I suggest to the Senator that he make it December 1.

Mr. McKELLAR. I will make it October 31.

The PRESIDENT pro tempore. The amendment will be so modified.

Mr. WEEKS. Mr. President, there are now four propositions before the Senate on the subject of second-class mail—five in a sense—but four——

Mr. HARDWICK. Mr. President, will the Senator from Massachusetts yield to me that I may offer my proposed amendment and have it read?

Mr. WEEKS. I yield to the Senator.

Mr. HARDWICK. I offer the amendment I send to the desk as a substitute for section 1101.

The PRESIDENT pro tempore. The amendment will be printed and lie on the table.

Mr. HARDWICK. May it be read for the information of the Senate?

The PRESIDENT pro tempore. On the request of the Senator from Georgia the Secretary will read the proposed amendment.

The SECRETARY. On page 96, it is proposed to strike out section 1101 as reported by the Senate committee and insert the following:

That the rates of postage on publications entered as second-class matter, including sample copies to the extent of 10 per cent of the weight of copies mailed to subscribers during the calendar year, when sent by the publisher thereof from the office of publication, or when sent by a news agent to actual subscribers thereto, or to other news agents for the purpose of sale until June 30, 1918, shall be 1 cent a pound or fraction thereof for the portion of the publication devoted to reading matter other than advertising, and 2 cents a pound or fraction thereof for the portion devoted to advertising; and beginning July 1, 1918, and until June 30, 1919, the rate of postage shall be 1 cent a pound or fraction thereof for the portion devoted to reading matter other than advertising, and 4 cents a pound or fraction thereof for the portion devoted to advertising; and beginning July 1, 1919, and until June 30, 1920, the rate of postage shall be 1 cent a pound or fraction thereof for the portion devoted to reading matter other than advertising and 6 cents a pound or fraction thereof for the portion devoted to advertising; and beginning July 1, 1920, and thereafter, the rate of postage shall be 1 cent a pound or fraction thereof for the portion devoted to reading matter other than advertising and 8 cents a pound or fraction thereof for the portion devoted to advertising: *Provided*, That the rate on copies deposited in a letter-carrier office for delivery by its carriers and the free-in-county circulation and rates on copies mailed within the county of publication shall continue as now provided by law: *Provided further*, That the Postmaster General may hereafter require publishers to separate or make up in such manner as he may direct all matter of the second class when offered for mailing.

Mr. LA FOLLETTE. Mr. President——

The PRESIDENT pro tempore. The Senator from Massachusetts has been recognized. Does the Senator from Massachusetts yield to the Senator from Wisconsin?

Mr. WEEKS. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. I desire to present eight amendments to the war profits tax provision of the bill and request that they be printed and lie on the table, and also that they be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, that action is ordered.

The amendments referred to are as follows:

Amendment No. 1: Amend by striking out all of page 12 after the parenthesis in line 13, all of page 13 down to and including line 22, and insert after the parenthesis in line 13, page 12, the words "76 per cent upon war profits (determined as hereinafter provided)."

Amendment No. 2: Amend by striking out all of page 12 after the parenthesis in line 13, all of page 13 down to and including line 22, and insert after the parenthesis in line 13, page 12, the words "72 per cent upon war profits (determined as hereinafter provided)."

Amendment No. 3: Amend by striking out all of page 12 after the parenthesis in line 13, all of page 13 down to and including line 22, and insert after the parenthesis in line 13, page 12, the words "68 per cent upon war profits (determined as hereinafter provided)."

Amendment No. 4: Amend by striking out all of page 12 after the parenthesis in line 13, all of page 13 down to and including line 22, and insert after the parenthesis in line 13, page 12, the words "64 per cent upon war profits (determined as hereinafter provided)."

Amendment No. 5: Amend by striking out all of page 12 after the parenthesis in line 13, all of page 13 down to and including line 22, and insert after the parenthesis in line 13, page 12, the words "60 per cent upon war profits (determined as hereinafter provided)."

Amendment No. 6: Amend by striking out all of page 12 after the parenthesis in line 13, all of page 13 down to and including line 22, and insert after the parenthesis in line 13, page 12, the words "56 per cent upon war profits (determined as hereinafter provided)."

Amendment No. 7: Amend by striking out all of page 12 after the parenthesis in line 13, all of page 13 down to and including line 22, and insert after the parenthesis in line 13, page 12, the words "52 per cent upon war profits (determined as hereinafter provided)."

Amendment No. 8: Amend by striking out all of page 12 after the parenthesis in line 13, all of page 13 down to and including line 22, and insert after the parenthesis in line 13, page 12, the words "48 per cent upon war profits (determined as hereinafter provided)."

Mr. JONES of New Mexico. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from New Mexico?

Mr. WEEKS. I do.

Mr. JONES of New Mexico. I should like to make a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. JONES of New Mexico. The amendment offered by the committee was before the Senate, and now two separate substitutes have been offered for it. I should like to inquire what is the question before the Senate for immediate consideration?

The PRESIDENT pro tempore. The amendment offered by the Senator from Tennessee [Mr. McKELLAR] to the amendment reported by the committee.

Mr. WEEKS. Mr. President, I desire to bring to the attention of the Senate the different propositions which are now before us relating to second-class mail. The first is the House provision, which is the zone system in effect; the second is the amendment offered by the Senator from Georgia [Mr. HARDWICK], which provides for taxing advertising; the third is the amendment offered by the Senator from Tennessee [Mr. McKELLAR], which is a modification of the zone system proposed in the bill as it passed the House and as it came to the Senate; the fourth is the Senate Finance Committee provisions in lieu of these different amendments and of the House provision, which in effect raises the second-class mail pay one-quarter of a cent a pound, and levies a special tax of 5 per cent on incomes of more than $4,000 a year on any second-class publication.

Mr. President, all of these propositions are based on the supposition that second-class mail is being carried by the Government at less than it costs the Government, and that supposition is true. Nobody denies that the Government has from the very beginning carried second-class mail for less than cost; but I want here to bring to the attention of the Senate this fact:

If the Government has been and is carrying second-class mail for less than cost, whose fault is it? Congress established the rates and Congress has maintained the rates up to this time. It is not the fault of any other body or any other set of men. At this time, the most inopportune time which could be found, we propose to punish—not to tax—the producers of second-class mail by imposing unusual burdens on them. Both of these taxes which are proposed by the Senate committee and all of these amendments, including the House proposition, are taxes in addition to what would be paid by any other business men doing any other kind of business in the United States.

The President has said and everyone else has said, I presume every Senator has said to himself, if not to others, "We

must levy this burdensome taxation in such a way that it will do as little harm as possible to the person or partnership or corporation taxed." Yet we are levying these special taxes against a business which is notoriously unprofitable at this time—so unprofitable that the publisher of the paper Editor and Publisher, which is really, I suppose, an organ of all papers and publications in the United States, states over his signature in a recent number that he believes that if the net returns of all publications in the United States could be amalgamated they would show a deficit for this year of $10,000,000.

I think, taking the statements which I have here, some of which I am going to submit to the Senate, they will be evidence to Senators that, generally speaking, newspapers and other publications are not making money under present conditions. They have had to meet the ordinary increases in cost which come from the ordinary processes of business, an increase in labor, an increase in everything which they have to buy; but their main raw material is white paper. The white-paper market has been extremely irregular and has advanced by leaps and bounds until, as I shall try to demonstrate later on, the average publication is not making any money even under the conditions of to-day; and if we tax them more, as is proposed by these different propositions, we shall be simply adding a burden which must inevitably destroy more or less publications.

If we have meant what we have said, if the President and his administration have meant what they have said, if Congress has meant what it has said, that it did not wish in any sense to injure any publication by these taxes which are to be imposed, here is a place where we may well stop and not act as is proposed simply because we assume that the Government is carrying this product for less than it cost.

Very much has been said on that subject in this debate, Mr. President, so I want to refer to it very briefly. It has been stated so many times by so many people that the Government is losing from $80,000,000 to $90,000,000 annually on second-class mail that most people have come to the conclusion that that is correct. It is a ridiculously high figure. In the first place two commissions in recent years have investigated this subject; one in 1907, I think, known as the Penrose-Overstreet Commission, and one in 1911, known as the Hughes Commission. By the first of these, the Penrose-Overstreet Commission, it was recommended that the second-class rate should be increased to about 3 cents a pound. The Hughes Commission stated in 1911 that it cost the Government five and a half cents a pound to carry this mail; or, in other words, that there was at that time a loss to the Government of probably about $45,000,000 annually.

Mr. WOLCOTT. Mr. President——

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from Massachusetts yield to the Senator from Delaware?

Mr. WEEKS. Yes.

Mr. WOLCOTT. The Senator refers to "this mail." Does he mean second-class mail?

Mr. WEEKS. All second-class mail.

But, Mr. President, the Hughes Commission made its figures basing them on the weighings of 1906, 1907, and 1908. We weigh one-quarter of the country every year for mail purposes, and at the end of 4 years we commence and weigh the first quarter again, and then the second and third and fourth quarters.

They used the figures of 1907; but when those figures were correct, when they would have applied properly to this problem, we had not applied the so-called divisor, which made a difference of one-seventh in the weight of mail or in the cost of carrying the mail. We had not commenced to carry mail bags—which were substantially one-half of the weight of the mail in the old times—by freight, greatly reducing the cost by so doing. We had not made very many other changes which were of the greatest importance in the cost of carrying the mails. Therefore, if the Hughes Commission had used, or had had available for use, up-to-date figures, instead of finding that there had been a loss of some $45,000,000, or that it cost 5½ cents a pound instead of 9 cents a pound, as the department has so frequently said and as has been so often repeated, we would have a very much less loss to the Government than these figures indicate.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Ohio?

Mr. WEEKS. Yes; I yield to the Senator.

Mr. POMERENE. Before the Senator gets away from the point he has just been discussing, do I understand him to concede that the cost to the Government of carrying second-class mail is 5½ cents a pound?

Mr. WEEKS. That is what the Hughes Commission reported.

Mr. POMERENE. Is the Senator willing to accept that figure?

Mr. WEEKS. I am not willing to accept even so high a figure as that.

Mr. POMERENE. What estimate would the Senator place on the cost?

Mr. WEEKS. I should have to take the up-to-date weighings, the present method of carrying the mail, including the blue-tag system, the carrying of mail bags by freight, and all of the modern changes which have been made—when I say "modern," I mean within 10 years—and apply those things to the conditions as they exist to-day.

Mr. POMERENE. Taking into consideration all of those elements, what would the Senator suggest was the proper cost to the Government?

Mr. WEEKS. Mr. President, I do not think I would want to make a suggestion. It might be 3 cents a pound, or it might be 4 cents a pound. But let me call this fact to the attention of the Senator:

The Post Office Department reports to Congress that it carried the parcel post last year for less than 3 cents a pound. The weight of the parcel-post packages is greater than the second-class price weight, about twice as great, and it is carried about twice as far as the average second-class package; and yet the Post Office Department says it made a profit of something like a quarter of a cent a pound, and that the actual cost of carrying the parcel post was less than 3 cents a pound.

Mr. POMERENE. Then, if I understand the Senator correctly, in his judgment the cost to the Government is 3 or 4 cents a pound, and we only get 1 cent a pound.

Mr. WEEKS. Probably that is correct.

Mr. POMERENE. If I may ask the Senator one further question, he has referred to the increased cost of white paper and other materials which the publishers purchase; and I think that is conceded by everybody. Every manufacturer, every business man, has the same problem to meet. There is a constant rise in the cost of materials, but he meets that by an increase in the price of his finished product. Does the Senator know of any reason why the publisher may not increase his subscription price or his advertising prices?

Mr. WEEKS. Mr. President, I am not a publisher; I have had no experience in the business; but I think that is a very easy question to answer. The Senator from Ohio must know that in the first place there are a large number of contracts outstanding. Most publications, or very many publications, are subscribed for by the year. There may be a great proportion of those subscriptions that have nine months or a year to run. Then, again, the changing of a method of doing business—not the changing of a price, but the changing of a method of doing business—is completely upsetting to most businesses, and nothing is more delicate than the subscription to a second-class periodical of any kind. If a newspaper doubles its price, naturally the number of its subscriptions will fall off. That immediately affects its advertising; and I think there have been statements made by large newspapers that they have tried increasing the price of their papers and found such a falling off in the number of subscribers that it affected their advertising rates, and it was necessary for them to go back to the old rate. I think there are some papers that have increased their price, and I think where it can be done that should be done to meet conditions as they prevail; but you can not change contracts which are entered into as advertising contracts and annual subscriptions are entered into, until the end of the contract; and, moreover, no business with which the Senator is familiar has had imposed on it such an increase in the cost of its raw material as has the press of the country.

Mr. POMERENE. Mr. President, in the hearings before the committee we had statements made as to quite a number of papers that had increased their prices. This was to meet the increase in the cost of white paper. I am at a loss to understand why they can change their rates in order to meet the cost of paper and can not change their rates in order to meet at least a substantial part of the cost of transportation by the Federal Government. If there is a distinction, I should like to know what it is.

Mr. WEEKS. There is a distinction, which I will point out.

Mr. POMERENE. And again—if I may ask the Senator another question, and then I will not interrupt him further—there is not a tariff or a revenue measure of any kind that has ever come before the Senate when we have not met the question of the effect it was going to have on the industry.

Mr. WEEKS. That is true.

Mr. POMERENE. Now, I am not able to differentiate between the one class of business and the other; and if there is a distinction, I should like to have it pointed out.

Mr. WEEKS. Mr. President, the Senator from Ohio has very strong prejudices on this proposition, but if he will be good enough to listen to me I will try to point out the distinction.

Mr. POMERENE. Mr. President, I might retort that the Senator from Massachusetts has very strong prejudices upon the subject. I have some pretty positive convictions, but I am open to conviction if I am wrong.

Mr. WEEKS. Mr. President, I admit very freely that the rate which the Government obtains from second-class periodicals is less than the cost to the Government. While I was a Member of the other body and chairman of the Post Office Committee my committee was engaged in a long investigation of this subject.

Conditions at that time were such that we could not make a change in the rate, although we tried to do it. I am in favor of doing it in normal times; but will the Senator from Ohio tell me any reason why, when a great business—for the publication business is a great business, employing nearly a million people—is struggling to keep its head above water and we are saying that we do not want to injure any business, we should impose unusual and additional burdens on that particular industry more than on other industries?

Mr. POMERENE. Why, Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts further yield to the Senator from Ohio?

Mr. WEEKS. Yes; I yield.

Mr. POMERENE. I am quite ready to answer that question. Granting the Senator's premises, I agree with his conclusion; but I do not grant his premises. I do not think any industry of any kind has any right to ask for a pension at the hands of the Government when we are struggling in all directions to get the necessary money to pay the expenses of the Government. I do not see any reason why we should discriminate. The taxes which we are raising here to-day are a burden upon every taxpayer; but I confess that I do not understand why the newspapers and the magazines may not meet this contingency by increasing their rates of advertising and subscription. I dare say that the advertisers and the subscribers who will complain because the publishers are required to pay a part of the cost of transporting their mail are vastly in the minority. I dare say that most of the readers and most of the advertisers at this particular time are ready now to say to the Government, "We want these prices increased. We do not expect the Government to render us this service gratis, or for a very small part of the cost."

Mr. WEEKS. Mr. President, the Senator from Ohio is entirely wrong in that supposition. I think a great many publishers are saying that when their raw material returns to normal prices and conditions in the business have become normal they will be glad to take up the question of second-class rates and adjust the rates to the requirements of the Government; but, Mr. President, this is not the time to do it.

Mr. POMERENE. Mr. President, may I ask the Senator just one more question?

Mr. WEEKS. Yes.

Mr. POMERENE. The Senator has been in Congress longer than I have. Does the Senator know of a time when this same fight was not made?

Mr. WEEKS. Yes, Mr. President, I do. At the time of which I spoke a few moments ago, I think an adjustment could have been obtained if there had been an agreement between the Senate and the House and between the publishers of different kinds of periodicals. It is a difficult thing to reach an agreement which will do justice to one and not do a gross injustice to another. The character of publication is such that a rate which would apply to one class of publications would not apply at all to another; it would be ruinous to the other.

I think I know, Mr. President, that every publisher has been, as far as he has been able to do, raising his advertising rates and possibly raising his subscription rates to meet the additional cost of print paper, which is a very great burden without any question, and if they raise their rates any further they would lose enough subscribers to offset the difference between what they would obtain and what they are obtaining now.

As a matter of fact, Mr. President, to return once more for a moment to the proposition of the cost, the department figures it at 9 cents a pound. There are 1,200,000,000 pounds of second-class mail matter carried at 9 cents a pound. That would be $108,000,000. That is the cost which the department figures. But will anybody tell me how you can figure 9 cents a pound on second-class matter and 3 cents a pound for the parcel post? Of course that proposition is perfectly ridiculous.

Generally speaking, Mr. President, I want to say that I have not found the department figures so reliable that they could be depended on in matters of this kind. The department, for example, figured 10 years ago, when the Hughes commission used its figures as a basis, that the cost of carrying and delivering a pound of first-class matter was 50 cents, of second-class matter 9 cents, of third-class matter 14 cents, of fourth-class matter 12 cents, of franked matter 11 cents, of penalty matter 12 cents, and of foreign matter 11 cents. If these prices were applied to the mail which we carried last year we would have received something like $680,000,000. As a matter of fact, we received $306,000,000, if my figures are correct. It shows that that basis, even if it were accurate in 1907, is most inaccurate to-day.

Now, there is one other point that I want to raise in connection with this particular part of the subject. Who gets the benefit of this low second-class rate, Mr. President? Does anybody know of more than a limited number of papers or periodicals that make large returns on the capital invested? Once in a while there is one. A representative of the New York Times testified before the Finance Committee that the New York Times made $700,000 last year, but that the New York Times, without any increase of its second-class rates at all, simply on account of the increase in the cost of its print paper, would pay $900,000 more for its print paper this year than the last; in other words, if other things were equal, that the New York Times would lose $200,000 this year where it made $700,000 last year. That has been reputed to be one of the most profitable newspapers in the United States.

Mr. President, I believe any Senator within the sound of my voice can count on his fingers the number of periodicals that he personally knows about which are unusually prosperous even in normal times or which will pay as large a return on the actual investment as is paid on most kinds of manufacturing business.

That being the case, I want to call attention to the fact that very many of the publications are a kind of periodical with which most men are not familiar. They apply to church matters, to school matters, to trade matters, and to everything relating to trade. It is only the particular people connected with those trades who have to do with periodicals of that kind. In many cases, as I will be able to demonstrate, such periodicals have practically made no net returns on the investment. They are in a sense mutual between the members of the organization which they serve and the publishers themselves. I assume, of course, that those employed by the publications are receiving proper salaries for their services.

If that is true, let us take a farmers' paper. I will indicate two or three instances of a farmers' paper where no substantial net returns are made, although they are only paying 1 cent a pound for carrying their product. Who is getting the benefit of any subsidy which may be paid? It is the farmers of the country, of course; and if we raise that rate we are going to pass along the raise to those who purchase the paper. Either their subscriptions will fall off or else the farmer is going to pay the difference in the cost, because there is no net profit in many of these instances.

That applies as well to church periodicals and to school periodicals and to trade periodicals as it will to farmers' papers. There are some of these farmers' papers that have a very wide circulation. Several hundred thousand copies are distributed every week or every month at 1 cent a pound. I will give you the figures to demonstrate the fact that there is substantially under normal conditions no net returns on that kind of publication. So instead of giving a subsidy to the publishers, as is in everybody's mind, we are giving the subsidy to the user of that particular periodical, and the user of that periodical is using it for the purpose of developing his own business. It makes a better farmer of the farmer; it makes a better workman of the workman or a better churchman of the church member. It makes a better educated person of everybody who uses the educational press. There is where the subsidy goes, and it does not go to the profit of those who are engaged in the business of producing and distributing this product.

Mr. VARDAMAN. Is it the purpose of the Senator from Massachusetts to discuss the amendment which is proposed by the Senator from Tennessee [Mr. MCKELLAR] on the zone proposition?

Mr. WEEKS. Mr. President, if I were a publisher I should say that the House proposition as it came to the Senate was the worst of them. I should say that the proposition proposed by the Senator from Tennessee was next; that the one proposed by the Senator from Georgia was next; and that the one reported from the Senate committee was the best of the lot. But I would say, "A plague on all your houses," because you are not fair; you are imposing this rate because you say, and you are responsible for it, that I am receiving something from the Government for which I am not paying full compensation. It is unfair taxation, all forms of it. I will later discuss briefly the other proposition, but let me take up the zone proposition now.

Mr. McKELLAR. Will the Senator yield?

Mr. WEEKS. I yield.

Mr. McKELLAR. Does the Senator mean to say that it is unfair to make these gentlemen who receive the Government service pay just what that service is worth, or even just a part of it?

Mr. WEEKS. I say it is unfair at this time, Mr. President. I say here is a business employing hundreds of millions of capital, employing substantially a million people, that has been built up on this basis, and this basis was established by Congress. If it had not been built up on this basis that would be a different proposition, but to take it after we have encouraged these men to put their time and money into these enterprises, and to take it at a time when they are straining every nerve to keep their heads above water, and say now we will make you pay what it costs the Government, or nearly what it costs the Government, is, I say, unfair.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Mississippi?

Mr. WEEKS. I yield.

Mr. VARDAMAN. Is the Senator's objection not against the principle involved but as to the time when the change is to be made? In other words, if these papers are to be required to pay the Government a fair compensation for the service which the Government renders them the Senate does not deny that they ought to pay it, but now is not the time to impose it upon them.

Mr. WEEKS. That is exactly the proposition that I make; and, Mr. President, I will go further than that. When this war is over and we get back to normal conditions I will be the first, or among the first, to try to readjust these rates so that gradually the Government may receive a commensurate return.

Mr. VARDAMAN. What would the Senator say if every other industry in this country would come forward and say, "You ought not to tax me, because I have built up this industry under normal conditions; if you tax me, you throw the whole business out of gear"?

Mr. WEEKS. That is an entirely different matter. Other industries have been built up on their own basis. Congress has not fixed the price at which their products shall be transported or what they shall pay for their products or anything connected with their business. They have been built up under the conditions which surrounded them. This business has been built up under these conditions determined by Congress.

Mr. VARDAMAN. I wish to say that I would oppose levying a tax upon these people that will disorganize them and embarrass their business. For certain publications I think that would be unfortunate, such as educational journals and farm journals and publications of that character. I think they do a great patriotic and altruistic work. But I do think where an enterprise is making money it ought to give a part of the proceeds of its business to the Government.

Mr. WEEKS. These publishers are going to pay exactly the same taxes that every other business pays. They are not exempted from any taxation. If they are making money, they pay it in the form of an income tax or a corporation tax or whatever taxes are imposed.

Mr. VARDAMAN. There is no business in the world that has the privilege of shipping its goods by rail for less than what it costs the railroads to carry them.

Mr. WEEKS. That is true.

Mr. VARDAMAN. That is an advantage which other enterprises do not enjoy.

Mr. WEEKS. That is all very true, and that applies to another branch of the Postal Service, too. It is estimated by the Post Office Department that we receive from the Rural Delivery Service some $10,000,000, and it cost $50,000,000 to conduct that service. I will ask the Senator from Mississippi, or any other Senator, would he be in favor of increasing the rate five times on that part of the mail which is carried to rural districts under these conditions in order to make that part of the service profitable?

Mr. McKELLAR. If I may answer the question, I will say to the Senator very frankly that I think it is the duty of the Government; and, so far as I am concerned, I will vote for any measure that will bring about any part of the Postal Service paying its own way. That is the only honest, it is the only straight, it is the only fair, it is the only just way to arrange these rates.

Mr. VARDAMAN. Further I want to say that in the main I agree with the Senator from Tennessee, but if there is to be a favor extended to any class of people, the people mentioned by the Senator from Massachusetts are those who are entitled to it, because after all they pay the bills in the last analysis of the whole business.

Mr. WEEKS. Now, Mr. President, let me bring to the attention of the Senate some of the results from an application of the zone system. I have not figured these out as they would be affected by the amendment offered by the Senator from Tennessee, but by the House proposition. Here are five agricultural papers. Of course these are all going into the rural districts and are carried by the Rural Delivery Service. The Northwest Farmer, published in Minneapolis, the Southern Farmer, published in Atlanta, the Orange Judd Farmer, published in Chicago, the American Agriculturist, published in New York, the New England Homestead, published in Springfield, Mass. If to the House rates imposed by the proposition which comes to the Senate the zone system were applied to those five publications they would pay $224,602 for their second-class mail privileges. They paid, as a matter of fact, last year one-fourth of that, or a little less than a fourth, $53,476. All these papers combined showed a deficit in the year 1916 of $12,451. Their increased cost in paper for this year over last year will be $83,478. If the House rates were applied to those five periodicals, showing as they did a deficit of $12,000 last year, and they had to pay the House rate, those five newspapers, all of which are farmers' papers, would show a deficit this year of $236,000, even if there were no increase in the cost of print paper or other cost.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Tennessee?

Mr. WEEKS. I yield.

Mr. McKELLAR. The Senator understands that in the amendment offered by me, for the first three zones of 300 miles there is no increase upon the present rate, and that probably 80 to 85 per cent of the papers just mentioned by the Senator will circulate within 300 miles, where there is no increase at all in the rate.

Mr. WEEKS. That is one point, but to my mind this is one of the worst features in the proposition that has been made by the Senator from Tennessee. What we should do is to build up a national press. If we are going to build up anything, or if our laws are going to tend to build up any kind of a press, let it be a national press rather than a local press. We all know, every one of us who comes to the Congress, how much men are influenced by their local surroundings, how frequently they degenerate into local attorneys representing their own particular district or State, and how little they know about the requirements of the rest of the country. Is it not an object to us to try to build up a national press which will have a national distribution, which will go to all parts of the country, and is not that in accord with the fundamental conditions under which our whole postal system has been built up?

We carry letters to the remotest section of Alaska, where it costs probably two or three dollars to deliver a letter, with a 2-cent stamp on it, because we have said that every American citizen shall receive the same benefit and privilege which every other American citizen has as far as it applies to the mails. And now if we were going to apply the zone system under any conditions it would simply mean the moving of newspapers into the center of the zone distribution in the first place, and, in the second place, we would tend to localize that great press which is national to-day, not the daily newspaper, not newspapers generally speaking, but all other forms of publications.

Mr. McKELLAR. Mr. President, under the present system, which is a flat-rate system, has not the precise thing been done that the Senator says ought not to have been built up? In other words, is it not true that under the present flat-rate system no daily newspaper circulates when it is sent outside of the zone of 300 miles of which it is the center. With just a few exceptions, I believe it has been estimated that about ninety-odd per cent of our great daily papers—there may be excepted two or three in New York City—circulate within a zone of 300 miles, and that has been built up under the present flat-rate system. So I do not think the zone system would interfere with that in the slightest.

Mr. WEEKS. I will agree as far as the daily press is concerned that that is very largely true, but I will not agree as far as other classes of publication are concerned. In fact, I think it is distinctly the reverse. I think I have the figures here indicating the very wide distribution of certain classes of papers, like the Christian Herald and the Youth's Companion, and papers of that class. They go to every section of the country, and certainly one great daily newspaper does, the Christian Science Monitor, which has one of its largest subscription lists in the State of California, and it is published in Boston. I

think if the Senator will investigate he will find that outside of the newspaper press, generally speaking, the circulation is very wide outside of a single zone.

Now, I want to bring to the attention of the Senate a statement made by some 86 newspapers, because I am afraid it will not be brought to the attention of the Senate if it is not done in this way.

Mr. SHIELDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Tennessee?

Mr. WEEKS. Certainly.

Mr. SHIELDS. Before the Senator takes up that class of papers——

Mr. WEEKS. What I am discussing now relates to the zone system.

Mr. SHIELDS. I so understood, but the Senator was giving us some information concerning agricultural papers, and my question is directed to that. Has the Senator any information as to the subscription price of the agricultural papers he mentioned?

Mr. WEEKS. I do not think I have that here.

Mr. SHIELDS. It was stated here yesterday by a Senator who is evidently very familiar with the subject that most of those papers really have no subscription, that they are furnished along with other papers for some 20 or 25 cents a year, and that the real object of circulating them is the advertising based on that circulation, and really that is the business of the publishers, and not the educational matter of the farmer. Has the Senator examined that feature of it?

Mr. WEEKS. I think, Mr. President, there are a few such cases, which, in my judgment, are extremely reprehensible. There are not many, but there are a few of them. That, however, does not include the papers to which I have referred and papers of that class.

There are 86 of these periodicals which have made a statement, which has been examined by Price, Waterhouse & Co., who are well-known accountants, so that we may depend upon its accuracy. The average circulation of these 86 papers in 1916 was 21,264,404. The total amount of postage paid by them at 1 cent a pound was $1,243,465. The amount of postage which they would have to pay under the zone system under the terms of the House bill would be $4,959,376. The total net profits of all these 86 publications last year were $1,197,403. So if the House provision of this bill became a law, even if there were no increase in the cost of manufacture and the cost of white paper, there would be a loss to those 86 periodicals of $3,034,566. Now, if we add the proposition of the Senate committee of one-quarter of 1 cent, with the increase in the cost of print paper, those 86 periodicals would show a very large net loss for the year.

Mr. McKELLAR and Mr. HARDWICK addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Tennessee?

Mr. WEEKS. I do.

Mr. McKELLAR. I want again to call the Senator's attention to the fact that the figures which he has just mentioned are based upon the House bill, which is very different, as the Senator, of course, understands, from the amendment offered by me.

Mr. WEEKS. I do understand that; and the Senator from Tennessee will remember that I said that his proposition was better than the House provision, and I also said of the proposition of the Senator from Georgia that I thought it was better than either of them.

Mr. HARDWICK. I am very much obliged to the Senator from Massachusetts, but still I do not want to be diverted from the immediate question I intended to ask. Of course, the unfortunate thing about it all is that the Senator, notwithstanding that statement, insists that he is against both propositions.

Mr. WEEKS. I am.

Mr. HARDWICK. But, Mr. President, I want to ask the Senator this question: Does not the Senator think that these publications of every character have practically passed on to the public, and generally to the advertising public, the cost of print paper about which they now complain so much?

Mr. WEEKS. No; I think it is universal testimony of newspaper men that so far as possible they have passed it on, but they have had to do so very gradually; and they have reached the point where they can not do it any further.

Mr. HARDWICK. I hope the Senator will not complain about that any further, because I think I can show that at the present moment that gradual process has reached its climax. They are no longer paying this amount that they claim is such a burden to them.

Mr. WEEKS. I hope the Senator from Georgia can show that, but I am not confident that he can.

Mr. President, to my mind the worst feature in the proposition which has been submitted by the Senator from Georgia arises from the fact that it will make one class of publications pay for the transportation of other classes. That is true to a certain extent of the transportation of all publications.

Mr. HARDWICK. Will it bother the Senator from Massachusetts if I ask him a question or two along that line, because the Post Office Department is earnestly trying to get a solution of this matter, and I want to help them if I can?

Mr. WEEKS. It will not bother me at all for the Senator to do so.

Mr. HARDWICK. Of course, the Senator thinks that the division of this question so that on educational matter a very low nominal rate shall be imposed and on business or commercial matter a higher rate shall be imposed is desirable if it is practicable, does he not?

Mr. WEEKS. Mr. President, let me point out to the Senator from Georgia why I think his reasoning is faulty in this particular respect. Let us take a paper with which we are all familiar, which most of us see every day. I know nothing about the details of the publication of this paper or its receipts or its profits, or anything of the kind. I am referring to the Washington Star, which has always seemed to me to be a paper which contained a large amount of advertising. I do not suppose that 5 per cent, perhaps not 3 per cent, of the Washington Star publication goes 10 miles from the city of Washington; it is an essentially local paper; and yet if the proposition of the Senator from Georgia were to obtain and become law, this paper, which does not use the mails, practically, at all, would have to pay a very large tax to enable the Government to carry other publications to the limits of the country.

Mr. HARDWICK. Will the Senator yield to me again?

Mr. WEEKS. Yes.

Mr. HARDWICK. I think the Senator is quite right about that, and that is giving me more trouble than any other one thing which is connected with this proposition, for even if we were to retain the purely nominal rate on educational matter and were to impose a greater rate on the advertising part of the publication in order to make it pay its own way, yet I realize that any flat-rate system which is necessary from the standpoint of educational matter could not be applied to the advertising matter without the very great injustice to which the Senator refers being perpetrated; in other words, without some publications being required to carry the burdens of some of the others; but in order to obviate that, I will say to the Senator, the Post Office Department is now engaged in the preparation of another amendment, by which they hope to establish this sort of a system if they can get it adopted either here in the Senate or in conference: First, that on the educational news matter, reading matter of all sorts, the present flat rate of 1 cent per pound shall be maintained throughout the country; and, second, that on the advertising matter a system of zone charges—that is the business way to do that, because it is so much per mile, according to the distance—shall be established, modeled on the present rates of the parcel post. That will make each one of these publications pay to the Government what it costs to handle its business. Does not the Senator from Massachusetts think—and I hope he will pardon my long statement—that if that sort of a system could be worked out it would afford the ideal solution of this question?

Mr. WEEKS. Yes, Mr. President, if it can be worked out so that it will do justice to everyone and apply at the proper time, I am quite confident that I shall be with the Senator from Georgia; but this is a tax bill, and we are supposed to be taxing those who have made profits. The proposition which we are at this time considering is that of imposing an additional tax on those who are laboring under very great and burdensome conditions. That is what I am objecting to.

If the Washington Star, to which I have referred—I assume it is a prosperous paper; I hope so—is a prosperous paper, the owners of the paper are going to pay exactly the same tax that the owners of a mill here in Washington or the owners of a mill in Augusta, Ga., or in Boston, Mass., will pay, or the profiteer engaged in any other class of business will pay. What we are proposing here is imposing an additional tax on them.

Mr. HARDWICK. If the Senator will permit me, I want to say that I am in thorough accord with him about that. There is no justification whatever for this special tax on publishers—and the Lord knows I have no reason to love them—but if they are getting a bounty from the Government, we ought not to continue that bounty. We can no longer justify the imposition of a single dollar of taxes upon the people of this country when millions of those taxes are going into the pockets of those

people. Be that as it may, however, and regardless of that question, we can not set off against the bounty, if we are unjustly or carelessly allowing them a bounty, a tax that has no justification whatever and which ought not to be imposed upon them.

Mr. WEEKS. I want to bring to the attention of the Senate—for I have taken very much more time than I had intended—some of the statements made by representative publications of what their business was last year, is this year, and will be next year under the new conditions for print paper. Some of these statements are sworn to, and they indicate my real substantial reason for opposing any legislation on this subject in this bill.

Here is the Christian Herald, of New York City. The circulation of the Christian Herald in 1916 was 309,210; the number of persons regularly employed was 175; the total amount of postage paid in 1916, at 1 cent a pound, was $39,628. With second-class postage as proposed in the Senate bill of a cent and a quarter a pound that would add $9,907 to what was paid by this publication, making a total of $49,535 if their circulation shall be as great this year as it was last year. The increase in the cost of paper for the year 1917 over 1916 will be $87,511.34. The expenditure of this publication for postage other than for second-class postage was $24,100. Adding 50 per cent to that would make $12,050 more, or a total of $36,150. The net profits of the Christian Herald for the year 1916 amounted to $1,988; in other words, a profit of $1,988 will be turned into a deficit if these various propositions become effective of about $100,000; and of course a paper of that kind can not be published under such conditions.

Mr. NORRIS. Mr. President, may I ask the Senator a question about the figures given for that publication?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Nebraska?

Mr. WEEKS. I yield.

Mr. NORRIS. As I understand the figures which the Senator has read, even if we do not change the rates on second-class postage, that publication will be a great loser.

Mr. WEEKS. That paper will be.

Mr. NORRIS. Regardless of what is done here.

Mr. WEEKS. They will. Of course the 5 per cent tax on profits over $4,000 which is proposed in this bill would have no effect on them, because they will not have profits of $4,000.

Mr. SMITH of Michigan. And is that not a very desirable class of publications to maintain?

Mr. WEEKS. The point I want to make is that here is a publication which goes to the religious people of this country. It is desirable to maintain a publication of that kind if it can be done, and should we at such a time as this impose unreasonable burdens on it in the shape of taxation we would probably destroy what is of great public use and value.

Mr. NORRIS. Mr. President, since the Senator has made that comment, may I say to him that I asked my question not because I was antagonizing the proposition, but I thought it illustrated an additional point that the Senator had not called to the attention of the Senate. So far as I am individually concerned, I have always favored the zone system for periodicals and newspapers. At the same time I think there is a great deal in the argument that this perhaps is not a good time to do it. I am not, however, in favor of levying war taxes on newspapers any more than I am in favor of levying war taxes on lawyers or doctors.

Mr. WEEKS. And the Senator will keep in his mind that these taxes which we are imposing are in addition to taxes which these periodicals will bear, anyway. They will pay exactly the same taxes that everybody else will have to pay if they have any income to tax.

Mr. NORRIS. So far as any war tax is concerned, it seems to me that is what ought to be done. That is, however, separate and apart from whether they are getting a subsidy now from the Government and whether they ought to pay somewhere near the cost of the transportation of their publications.

Mr. WEEKS. There would not be, Mr. President, I will say to the Senator from Nebraska, anything to this movement at all; it never would have been thought of if it had not gotten into the minds of people that the publishers were receiving a subsidy, as some of them quite likely are receiving a subsidy, which is beneficial to themselves; but more largely that subsidy is being passed on to their subscribers, because, as the Senator will see from the few statements that I am going to read, publications like the Christian Herald are not money-making businesses; they are mutual in a way and are beneficial to the whole community.

Mr. DILLINGHAM. Mr. President, may I ask the Senator a question before he leaves this subject?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Vermont?

Mr. WEEKS. I yield.

Mr. DILLINGHAM. We all understand that as the expenses of manufacturers increase, where they are producing clothing or merchandise of any kind, they are able to add to the price of their commodity when they put it on the market to meet conditions. Is it possible for these publishers to increase their subscriptions so as to meet this increased cost?

Mr. WEEKS. Mr. President, I will say to the Senator from Vermont that there has been an attempt, as far as possible, to do it, and there has been some little increase in advertising rates. In a few instances where the publishers thought they were able to do it they have increased the subscription price; but in other cases where they have attempted to increase the subscription price they lost so many subscribers that it affected their advertising, and they had to go back to the old rate.

Mr. DILLINGHAM. In other words, their product is not absolutely necessary; people can get along without it.

Mr. WEEKS. Their product is not a necessity at all; it goes to the rich and poor alike.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Tennessee?

Mr. WEEKS. I yield.

Mr. McKELLAR. But the larger part of the income of these periodicals comes from advertising rates, and I think the Senator himself has already stated that they have raised their rates of advertising to meet the new conditions.

Mr. WEEKS. No, Mr. President; I did not say they had raised them to meet the new conditions; I stated they had raised them as far as possible attempting to meet new conditions.

Mr. McKELLAR. Advertising is just as great a necessity in the business world now as any other product, practically speaking.

Mr. WEEKS. Not at all, Mr. President. It depends entirely upon whether advertising is profitable or not, and every big advertiser knows to a nicety whether his advertising is profitable.

Now, Mr. President, let me take a publication which goes to the farmers, the Farm and Home, the western edition, which is published at Chicago, Ill., and the eastern edition at Springfield, Mass. If the House rates were applied to this particular paper, it would cost it for postage next year $151,000. It paid last year $35,971. The increase in postage would be $115,000. The increase in the cost of print paper for that paper next year will be $57,577, or a total increase of $172,686. That is a comparatively profitable paper, and yet it only made a profit last year of $64,000; so that it would show a deficit for this year if the House rates were imposed of $108,000. Can it be possible that Congress is going to take a prosperous industry like this and so tax it that it must necessarily go out of business?

Under the rates proposed by the Senator from Tennessee the loss would not be so great, but there would be a material loss because it has a very wide circulation. I do not know what the loss would be if we tried to tax advertising. I have not been able to figure it out; but even if the Senate committee's proposition were to be applied to this paper it would show a net loss next year of at least $5,000, without figuring any increased cost in its preparation except the increased cost in the price of print paper.

Let me take the Youth's Companion. Almost every man within the sound of my voice has at some time read the Youth's Companion, and his children have read it, and I hope his grandchildren will read it. It has a very wide circulation, including a large circulation on the Pacific coast. It is one of the oldest papers in the country; I think it has been published for 90 years. Incidentally it has bought its print paper of the same manufacturer for the past 60 years, and naturally under those circumstances the very best possible business relations obtain between the publisher and the manufacturer of the paper, so that the best possible terms are being given to the publisher. The Youth's Companion has a circulation of 431,000; it paid last year $39,000 in postage. Increasing it, according to the Senate's amendment, would add $9,729. If the zone system were to apply to it, it would cost $163,000 for its second-class mail privilege.

The total increase in cost of print paper for the year 1917 over the year 1916 will be $94,320. Last year this paper did not make one-third as much as the increase in its white paper cost will be for next year; and it has not averaged, for the last 10 years, to make two-thirds as much as the increased cost of its print paper. It is sure to show a deficit. I assume that it has considerable reserves, because it has been a profitable paper for

a great many years; and yet not even that paper can go on publishing for many years under these conditions with regard to print paper without going to the wall or increasing its subscription and advertising prices, which I am informed it has done as far as possible.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Ohio?

Mr. WEEKS. Yes.

Mr. POMERENE. Suppose the cost of print paper increases, say, half a cent a pound, would the Senator suggest, in order to encourage these papers, that we should give them the postal privileges free and not make the present charge of 1 cent a pound?

Mr. WEEKS. Oh, Mr. President, the Senator from Ohio is asking now a ridiculous question, which he does not expect me to answer seriously.

Mr. POMERENE. I do not know; the question may seem ridiculous to the Senator, but I assure him that my question is no more ridiculous to the Senator from Massachusetts than his argument is to the Senator from Ohio.

Mr. WEEKS. The Senator from Ohio is one of the Senators whom I did not expect to influence by my argument. I am greatly honored by his presence, but, knowing his views, I did not expect to influence him; and if he had been the only Senator in the Chamber I should have discontinued my argument long ago.

Mr. POMERENE. Mr. President, I am quite sure that the Senator can not be persuaded that his argument is wrong, no matter what evidence might be brought against it.

Mr. WEEKS. No; he can not.

Mr. POMERENE. I am sure of that.

Mr. WEEKS. Let me ask the Senator from Ohio a question which I think he will not consider ridiculous. Would he like to put the Youth's Companion out of business, or would he think it well for this country to do it?

Mr. POMERENE. Mr. President, I may say, in answer to the Senator's question, that I have been one of those who in past years have read the Youth's Companion. I think it is a very wholesome publication. I think it is one of the fine publications that every man would like to have every child in the community read, if he could.

Mr. WEEKS. I think so, too.

Mr. POMERENE. But that is not any reason why we should pay the expense of its publication; and it does seem to me that it would be a very easy matter for them to increase their rates, either of advertising or of subscription.

Mr. WEEKS. Mr. President, one of the reasons why Congress made a low transportation rate years and years and years ago was for the purpose of disseminating reading matter for the benefit of the people of the country. Congress believed at that time, and it has been believed ever since by a good many people, that we could well afford to make this loss, whatever it may be, in carrying second-class mail if we were giving a distribution to such publications as the Christian Herald, the Youth's Companion, these farm papers which I have quoted, and other papers to which I will make reference. They benefit the country, they help build up industries, and they furnish wholesome reading matter which is of benefit to every child in the country. Even assuming, as I am willing to assume, that we ought to increase the second-class rates at the proper time, I do not believe we have wasted one dollar of our substance in distributing second-class mail on the terms we have followed in the past.

To indicate that the increase in the price of white paper is not the only additional cost with which these papers are having to deal, let me give you the increased cost to the Southgate Press, of Boston. They state that under the new agreement which is now in force they pay their compositors 22½ per cent more than last year; that while the union wages of pressmen have not changed, they have found it necessary to increase the wages of pressmen 20 per cent in order to hold good men; unskilled labor has increased 25 per cent; machine operators and bundle help have increased 25 per cent; black inks have increased 22½ per cent; various colored inks, 75 per cent; linotype metal, 125 per cent; print paper, in their case, 50 per cent.

Those are quite as large, outside of the print paper, as the average increases in cost which most manufacturers have had to meet in conducting their business during the past year; so that the print-paper item is not the only one with which these people have to deal.

Here is the Outlook Co., issuing a different class of publication. The average circulation of the Outlook per issue during the fiscal year ending the 31st of March was 134,750. One hundred and four persons are on the annual pay roll. The average postage paid was $23,515. Adding one-quarter of a cent to that, which would be carried in the Senate proposition, would make $29,515. The increase in the cost of print paper to the Outlook Co. will be about $40,000. During the last fiscal year it paid the Government $12,000 for first-class postage. If we increase that 50 per cent, that will be another increase in the cost of $6,000. It paid $23,515, as I have stated, for second-class postage. The Outlook's net profits for the year were $19,014. If these increases—the $6,000 for second-class postage, the $6,000 for first-class postage, and the $40,000 for print paper—are added the Outlook, based on its last year's figures, would show a deficit of $32,864.

Here is the People's Home Journal, published in New York——

Mr. SHIELDS. Mr. President——

The PRESIDING OFFICER (Mr. JAMES in the chair). Does the Senator from Massachusetts yield to the Senator from Tennessee?

Mr. WEEKS. I yield to the Senator.

Mr. SHIELDS. I should like to ask the Senator if he has an estimate of what it cost the Government to transport the Outlook magazine during the year for which he has given statistics?

Mr. WEEKS. I do not suppose anybody could tell that.

Mr. SHIELDS. I find an estimate of it in the speech of Mr. KITCHIN in the House.

Mr. WEEKS. If Mr. KITCHIN can tell with any degree of accuracy what it costs to transport any particular paper or publication he is a mind reader and a marvel. I do not believe that any man can tell that. The department has no figures to show it or in any way to demonstrate what it costs to carry a particular periodical.

Mr. SHIELDS. It seems that, considering the amount of material furnished for transportation and the general average of its circulation over the country, some reasonable estimate could be arrived at.

Mr. WEEKS. Some estimate; yes.

Mr SHIELDS. According to Mr. KITCHIN's statement, that magazine cost the Government $161,000 for the same year for which the Senator has given the statistics, which was a loss to the Government of $80,000 that year in the transportation. Can the Senator state the benefits which the great masses of the people of this country receive from that expenditure of $80,000?

Mr. WEEKS. I am not here to make an argument in favor of any particular periodical. I do not know how much benefit came from the Outlook. I do not know how Mr. KITCHIN could obtain figures that indicated with any degree of accuracy any such loss as that; and in that particular instance I do not know anything about it, other than speaking in general terms. Speaking in general terms, I think there has been a large net return to the people of this country from the second-class mail which has been distributed from various sources.

Take the People's Home Journal, published in New York. The average circulation for the year 1916 was 904,000. The total number of persons employed was 350. It paid $37,526 in the way of second-class postage. The increase in the cost of print paper this year over last year will be about $100,000. This company made a loss last year of $754.89. An increase in second-class rates to 1¼ cents would add $9,200. An increase of 50 per cent in their first-class postage would have added $15,000. An increase in the cost of the parcel post and print paper would add $160,000, or that publication, making a loss last year of $754, would apparently show a loss for the coming year of $185,000.

Here is the David C. Cook Publishing Co., of Elgin, Ill. This company was established in 1875, and is the largest publisher of religious periodicals in this country. These publications are used by over 60,000 churches and Sunday schools. Most of the improvements and advancements in Sunday school periodicals in the past 40 years have been devised and put out by companies of this kind. The capital invested in this company is $815,000. Among other publications, it publishes the Mother's Magazine. That is a Sunday school publication. It has a circulation of 600,000. In its various departments it employs regularly about 1,500 men and women. In 1916 it paid in second-class postage $40,500, so that increasing the rate a quarter of a cent a pound would add $10,125 to the cost of its second-class postage. The estimated increase in the cost of paper stock in 1917 over 1916 is $40,000. During 1916 the publication, which had previously made a profit of about $20,000 a year, lost $22,000, owing to the sudden increase in the cost of print paper last year; so that you will have first a deficit of $22,000, an increase of $40,000 in print paper, making $62,000, and an increase of a quarter of a cent a pound in second-class postage, making $10,000 more, or a total of $72,000 as the deficit this year. They paid last year $50,000 in first-class postage. If we increase that 50 per cent it will add $25,000 more to the cost of producing this publication.

For the 26 religious publications issued by this concern, having a total circulation of three and a half million, and employing many hundreds of men, the deficit under the conditions which they know about now, without any increase in postage rates, would be $78,900.

I am not going to take the time of the Senate to read many of these, but there are a few more I want to bring to the attention of the Senate.

Here is Today's Housewife. The average circulation in 1916 was 800,000. There are 225 persons on the pay roll, and 10,000 persons securing subscriptions. If their second-class rate is increased a quarter of a cent a pound and their white paper increased the amount which they know it will be now, that periodical, which showed a loss last year, would show a deficit this year of $119,080.

Here is the Crowell Publishing Co., of New York. Their increased cost of paper this year over last year will be $228,000. The Crowell Publishing Co. is one of the most profitable organizations in the United States, and yet their increase in postage, figuring a quarter of a cent for second-class and 1 cent for first-class postage, with the increase in the cost of print paper, would add to their cost for the year $307,000.

Take the case of the McClure Publishing Co., which publishes McClure's Magazine and the Ladies' World. The combined profit of these two periodicals last year was $68,672. They estimate that the increased cost of white paper for those two publications, which have an aggregate circulation of 1,600,000, will be $223,000, and that the increase in first-class postage, second-class postage, and white paper, will show a deficit for this year of $178,000.

Mr. President, I shall not take the time to read any more of these figures. There are a few more, illustrating the press which caters to different classes of people, which I should like to have unanimous consent to put in the RECORD.

The PRESIDING OFFICER. Without objection, it will be so ordered. The Chair hears no objection.

The matter referred to is as follows:

BOSTON, *July 20, 1917.*

Hon. JOHN W. WEEKS,
United States Senate, Washington, D. C.

DEAR SIR: In order that you may have before you actual facts to show how the periodical publishing business would be affected by an increase in second-class postage, we give below, at the request of the postal committee of the Periodical Publishers' Association, figures that accurately picture our business for the year 1916.

1. Name of publication.—The Modern Priscilla. A monthly magazine for women, devoted to handicrafts and housekeeping.
2. Average circulation per issue in 1916, 638,091.
3. Total number of persons regularly receiving salary from this company, average 229 for the year 1916. Total pay roll, $148,155.

NOTE.—This does not include the printing department, which is a separate company, controlled but not operated by us. This company employs over 200 people, and has a pay roll larger than our own.

4. Total amount of postage paid in 1916, at 1 cent per pound, $31,139.
5. Increase in postage payments which would have been required had rate been 2 cents per pound, $31,139.
6. Estimated increase in cost of paper to be used in 1917 over cost in 1916.—We have been, and still are, fortunate in the matter of paper. A large part of our paper supply for 1917 will apply on an old contract at a price well below the present market. Even so, however, our 1917 paper will cost us not less than $25,000 more than we paid in 1916. But only good fortune has postponed our heavy increase in the cost of paper until 1918. If we were buying our paper to-day at the market price, as most publishers are and as we shall be in 1918, the annual increased cost would be not less than $70,000.
7. Net profit for year 1916, $65,487.
8. Annual expenditure for first-class postage at present rate, $5,169.
9. Annual expenditure for third class and parcel post.—We paid the Government $13,399 for third-class mail matter during 1916, and for parcel-post matter we paid $13,526. These two items, together with the amount paid for first-class postage, total $32,094, and it is worth noting that this is business classed by the Post Office Department as "profitable."

In analyzing the above figures we hope you will not fail to note that an increase of 1 cent per pound on second-class matter, together with 3-cent first-class postage, would cost us over $36,000, which would be more than 50 per cent of our annual profits. If our increased paper cost for 1917 is added, the total is within $4,000 of our 1916 profits. If good fortune did not save us this year from paying the market price for all paper used, we should be facing a $40,000 deficit.

That the situation which publishers are facing to-day is a serious one no man who analyzes such figures as these can deny.

Yours, very truly,

THE PRISCILLA PUBLISHING CO.,
CHAS B. MARBLE, *Secretary.*

—

NEW YORK, *August 13, 1917.*

Hon. JOHN W. WEEKS,
United States Senate, Washington, D. C.

DEAR SIR: In the belief that you will welcome specific information, I submit herewith the following data, which will enable you to judge the effect on this company of any increase in the second-class postage rate.

McCall's Magazine had an average circulation in 1916 of slightly over 1,325,000 copies per issue.

It carries regularly on its pay rolls between 750 and 800 employees, in addition to the large number of people throughout the country who receive compensation for circulation work.

It paid in second-class postage in 1916, $75,717.54, at the rate of 1 cent per pound. An increase of 1 cent a pound would, of course, double this expenditure.

It paid in first-class postage in 1916, $14,744.27. An increase of 50 per cent in this item will mean an increase of $7,372.14.

The increase in the cost of paper for 1917 over 1916 will be approximately $285,000. All present indications point to prices as high or possibly higher for 1918.

Our net profits for 1916 were $210,298.37.

We have increased the annual subscription price of the magazine and the prices of some of our patterns, but the extra expenditures necessary to maintain the circulation of the magazine at the increased price will probably absorb whatever increased receipts it may produce for at least a full year, and it is certain that the combined increase in revenue from both the magazine and the patterns will not be equal to one-half the increase in the paper cost.

In view of these conditions, any increase in second-class postage is a matter of very vital importance, because it can not be "passed on," and it is the firm conviction of this publication that an increase at the present time is much more likely to actually reduce the Government's revenue than to increase it.

Yours, very truly,

THE MCCALL COMPANY,
ALLAN H. RICHARDSON,
President.

—

HARPER & BROTHERS,
New York, July 21, 1917.

Hon. JOHN W. WEEKS,
United States Senate, Washington, D. C.

DEAR SIR: With reference to the proposed increase in second-class postage rate, we take the liberty of respectfully submitting for your consideration the following information regarding Harper's Magazine:

1. The average net cash paid circulation per issue in 1916 was 103,613.
2. The total number of persons actually employed in manufacturing and selling Harper's Magazine and who are regularly receiving payments of salary is 189.
3. The total amount of postage paid in 1916 at 1 cent a pound was $11,652.18.
4. The additional payment which would have been required had the rate been 2 cents a pound is $11,652.18.
5. The estimated increase in cost of paper, etc., to be used in 1917 over cost in 1916 would amount to $47,664.
6. The net profits for year 1916 were $49,282.50.
7. The expenditure for first-class postage during the year 1916 was $57,643.37.

Yours, very truly,

W. B. WELLS, *Secretary.*

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THE CONTINENT,
Chicago, August 11, 1917.

Hon. JOHN W. WEEKS,
United States Senate, Washington, D. C.

DEAR SIR: With respect to the section of the pending revenue bill providing for an increase of second-class postage to 1¼ cents per pound, with a special tax of 5 per cent on the profits of periodicals entitled to second-class rates, the following information is submitted:

The Continent is a religious family weekly, the principal national paper of the Presbyterian Church in the United States of America. It is not maintained to make personal profit.

Average circulation, 1916, 32,300.
Total number person employed regularly on salary or commission, 40.
Amount of postage paid 1916 at 1 cent a pound, $3,701.65.
At 2-cent rate increase would have been $3,701.65.
Estimated increase cost of paper stock, 1916, $10,000.
Profits in 1916, none.
Annual expenditure first-class postage at 2 cents, $1,800.

In addition these facts regarding the effect of other plans suggested in the House and Senate are submitted:

1. Ways and Means plan (zone system).

	Present average cost, 5 years.	New cost.	Increase.
First zone (1½ cents)	$176.80	$265.20	$88.40
Second and third zones (2 cents)	729.04	1,458.08	729.04
Fourth and fifth zones (3 cents)	2,668.08	8,004.24	5,336.16
Sixth zone (4 cents)	109.72	438.88	329.16
Seventh zone (5 cents)			
Eighth zone (6 cents)	340.60	2,043.60	1,703.00
	4,024.24	12,210.00	8,185.76

The above added cost equals 26 cents on each subscription.

2. Hardwick plan (advertising section of paper):

(a) The average amount of space given to advertising in this periodical is 25 per cent.

(b) Annual postage now on entire paper, $4,024.24.

Three-fourths of paper (reading) at 1 cent	$3,018.18
One-fourth (advertising) at 8 cents	8,048.48
Total cost	11,166.66
Increase over 1916 cost	7,142.42

Average per subscription, 23 cents.

3. Original Finance Committee plan (1½ cents postage, 2 per cent on advertising):

Gross advertising revenue, 1916	$34,879.80
2 per cent tax	679.59

Average per subscription, 2.2 cents.

4. Combination plan (1¼ cents postage, 1½ per cent on advertising):

Postage, at 1¼ cents	$5,030.30
Tax on advertising, 1½ per cent	523.29
Total	5,553.59
Present postage	4,024.24
Increase over 1916 cost	1,529.35

Average per subscriber, 4.9 cents.

5. One and one-half cents postage:

Present cost	$4,024.24
At 1½ cents	6,036.36
Increase	2,012.12

Average per subscriber, 6.4 cents.

6. Bulk plan:

	Cents.
Up to 10,000 pounds of one issue	1
Next 15,000 pounds of same issue	1⅛
Next 25,000 pounds of same issue	1¼
Next 25,000 pounds of same issue	1⅜
Next 25,000 pounds of same issue	1½
Over 100,000 pounds of same issue	2

Maximum rate on periodicals carrying no advertising, 1 cent per pound. Under this plan the periodical considered, since it mails less than 10,000 pounds per issue, would continue to pay 1 cent per pound.

7. One cent up to 300 miles, 1½ cents beyond:

	Present.	New.	Increase.
Up to 300 (1)	$905.84	$905.84	
Over 300 (1½)	3,118.40	4,677.60	$1,559.20

Average per subscriber, 5 cents.

Respectfully, yours,

OLIVER R. WILLIAMSON,
Publisher.

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220 WEST FORTY-SECOND STREET,
NEW YORK, *July 31, 1917.*

Hon. JOHN W. WEEKS,
The United States Senate, Washington, D. C.

DEAR SIR: I beg to submit the following facts relating to Sunset Magazine and in connection with the proposed increased postage bill:

1. Average circulation per month for the year 1916, 129,037.
2. The total number of persons employed regularly, 46.
3. Total amount paid in 1916 for paper, $52,000.
4. Total amount in postage paid in 1916 at 1 cent per pound, $15,480.
5. Amount paid in 1916 for first-class postage, $1,874.
6. Deficit, 1916, $12,710.19.
7. Estimated increase cost of paper 1917 over 1916, $21,214.
8. Increased cost of postage if rate is raised from 1 to 2 cents per pound, $15,480.

So far this year we have managed to break a little better than even. Therefore the deficit last year can be eliminated. The increased cost of paper runs into a sum which alone it will be difficult to overcome, to say nothing of an increased cost of postage.

Due to a circulation campaign which we have been carrying on for the past five months we are spending a considerably larger sum for first-class postage this year than last.

Respectfully, yours,

SUNSET MAGAZINE,
WM. A. WILSON,
Eastern Manager.

THE CENTURY CO.,
NEW YORK, *July 23, 1917.*

Hon. JOHN W. WEEKS,
United States Senate, Washington, D. C.

MY DEAR SENATOR WEEKS: At the suggestion of Mr. Allan H. Richardson, chairman of the postal committee of the Periodical Publishers' Association of America, I take pleasure in sending you the following data concerning the Century and St. Nicholas Magazines published by this company:

Average circulation per issue in 1916, Century, 68,659.

Average circulatin per issue in 1916, St. Nicholas, 62,598.

Total number of persons who regularly receive salary or commission payments from our company, 131.

Total amount of postage paid in 1916 at 1 cent a pound, $17,232.07.

Increase in postage payments which would have been required had rate been 2 cents a pound, $17,232.07.

Estimated increase in cost of paper to be used in 1917 over cost in 1916, $53,497.81.

Net profits for year 1916, both magazines, $5,860.56.

Annual expenditure for first-class postage at present rate, $3,618.05.

Very sincerely,

W. MORGAN SHUSTER, *President.*

Mr. WATSON and Mr. SHIELDS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield, and to whom?

Mr. WEEKS. I yield first to the Senator from Indiana.

Mr. WATSON. Mr. President, I should like to ask the Senator this question: I have not had the privilege of hearing him all the way through. What is his solution of the problem—to let the matter be as it is?

Mr. WEEKS. Absolutely, now.

Mr. WATSON. Without any increase of any kind?

Mr. WEEKS. Without any increase of any kind.

Mr. WATSON. On the theory that the service rendered by publications of this character justifies the subsidy paid by the Government?

Mr. WEEKS. Not entirely on that theory, Mr. President.

Mr. WATSON. Partly on that theory?

Mr. WEEKS. As I have stated, I think they do render a great service to the people of the country; but, at the same time, I think they ought to pay relatively the cost to the Government. These costs, as I have stated to-day, have been tremendously overestimated; but this is the time of all times when we should not make any change, because, as I have tried to demonstrate in the few instances which I have read here—and I can obtain hundreds of them—the average periodical is not making any money at all now; and here is, perhaps, the best-posted man in connection with the whole publication business who says that if all the publications in the United States pooled their statements this year, they would show a loss of $10,000,000. That is due largely to the increased cost of white paper, to other increased costs, and to the inability to pass them along to the purchasers of the periodicals.

Mr. WATSON. What is the cost to the postal revenues of the transmission of second-class matter, in the Senator's opinion? It has been estimated at all the way from seventy-two to eighty-four millions on this floor.

Mr. WEEKS. In my opinion, from 3 to 4 cents a pound would amply cover it.

Mr. SHIELDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Tennessee?

Mr. WEEKS. I yield to the Senator.

Mr. SHIELDS. The statement I understand the Senator has made of a definite amount for the periodicals is predicated upon the theory that they will not increase their incomes from subscriptions or from advertising, but will continue the same old rate notwithstanding the price of every other commodity in the country has increased. I understand the Senator's statement was predicated upon that theory.

Mr. WEEKS. I think so, and I have tried to explain that publications as far as possible have been increasing their subscription and their advertising rates and in many cases have reached the limit which they can go without affecting their circulation.

Mr. SHIELDS. There is another matter upon which I should like to have information, if the Senator can give it. I understood the Senator to read the statement of the business of a house publishing 26 religious papers.

Mr. WEEKS. The David C. Cook Co.

Mr. SHIELDS. Are they of the same denomination?

Mr. WEEKS. I do not know. I think probably not.

Mr. SHIELDS. It occurred to me that that was entirely different; that they were not publishing the papers for religious purposes, but just covering the whole field.

Mr. WEEKS. The figures indicate that there will be no net profit remaining.

Now, Mr. President, just one word before I conclude.

Mr. SHIELDS. I should like to correct the statement I made about Mr. KITCHIN's figures. I was quoting him, and I want to quote him correctly, in regard to the Outlook.

Mr. WEEKS. I yield to the Senator for that purpose.

Mr. SHIELDS. Mr. KITCHIN, in his speech in the House, gave his figures as follows:

For every dollar the publisher of the Outlook pays to the United States Government for transporting and handling and distributing it, it costs the United States Government $8, and I do not believe it is right or fair or just or honest for all the people of the United States to be taxed, as they have been, to pay a subsidy of over $140,000 to a magazine like the Outlook. The facts are—

And this is what I wanted to read—

Last fiscal year the Government hauled, handled, and distributed 1,898,812 pounds of the Outlook. It cost the Government $161,000. It received from the publishers of the Outlook only $19,000. The Government paid for transportation alone over $80,000.

I gave the figures wrong in my statement awhile ago, and I merely desire to give them as Mr. KITCHIN used them.

Mr. WEEKS. I am not able to follow those figures accurately, but I should think Mr. KITCHIN figured the cost of the Government at 9 cents a pound to transport and to deliver the Outlook. If he has, in my judgment, he has used a figure which is certainly twice as large as it should be, and I think three times as large as it should be, based on parcel-post rates.

Mr. WOLCOTT. Mr. President——

Mr. WEEKS. I yield to the Senator from Delaware.

Mr. WOLCOTT. I am disposed to agree very largely with what the Senator from Massachusetts has been saying. It seems to me the whole question of postal rates is to be approached from one of either of two angles, as a revenue producer or as a matter of equitable adjustment of cost to the Government. As a revenue producer, I quite agree with what the Senator is saying, that we had no business to fix a special tax upon it.

Now, then, as a matter of fair charges on the part of the Government the proponents of the various amendments predicate their amendments upon the proposition, as I gather it, that the Government ought to be paid cost for the service rendered. I should like to test, and perhaps the Senator can test for me, the consistency of the various amendments with the reasons given. Therefore I ask this question: Can the Senator say whether or not any amendment has been offered here that will produce to the Government the full cost of the service rendered? Will, for instance, the amendment of the Senator from Georgia yield to the Government an amount of revenue from second-class mail

that will compensate the Government dollar for dollar for the cost of carrying that mail?

Mr. WEEKS. I do not think anybody knows that. If the amendment of the Senator from Georgia became a law, it would impose a very large additional tax against one class of publications for the benefit of another class of publications.

Mr. WOLCOTT. I understood that a while ago, but what I have in mind is if there is going to be an attempt to readjust these rates so as to make the publications pay for the service rendered we ought to be sure, if that is going to be the line of reasoning adopted by the Senate, that the scheme adopted will compensate fully and not partially.

Mr. WEEKS. I think we ought to be sure we are not doing more harm than good, and we are not sure of that if we adopt any of these proposed amendments, in my judgment. The Finance Committee proposition is, of course, along the lines which we ought to follow in case we make any changes in rates; that is, to commence in a very small way. If we come to the conclusion that 3 cents a pound is a rate which second-class mail should carry, I would be in favor of raising the rate not more than a quarter or a third of a cent a year, giving the press time to adjust their advertising rates and their cost to the new conditions.

Mr. WOLCOTT. Will the Senator yield to me once more?

Mr. WEEKS. I yield to the Senator from Delaware.

Mr. WOLCOTT. The point I have in mind is this, as a conclusive proposition: It seems to be the unanimous sentiment of this body, as I have gathered it, that this increase of postage is not justified because it does an irreparable damage to a large amount of business. Now, let us approach it from the other angle, namely, the matter of just compensation to the Government for the service rendered, which seems to be the point of view of all those who are proposing these various amendments, considering it in that light. If any proposed amendment readjusting the rates will yield to the Government a revenue from the second-class mail which, in substance, amounts, for illustration, to granting the publishing business a bounty of $40,000,000 instead of as at present a bounty of $80,000,000, what justification can there be for granting that much bounty at this time?

Mr. WEEKS. I am not arguing that question.

Mr. WOLCOTT. I know the Senator is not on that side of the question. I want to get the Senator's view.

Mr. WEEKS. I am not arguing that question at this time, because I do not think this is the time when anything should be done. I have been trying to say to the Senate that in my judgment the publication business of this country is showing a deficit to-day under present conditions and we are trying to get the revenue to carry the war from those who are making excessive revenues, and the taxes we are imposing under this proposition, or under any one of these, is in addition to the tax which everybody else will pay.

Mr. WOLCOTT. To be sure.

Mr. WEEKS. I say that this is a transportation question, and a delivering-of-the-mail question, a post-office question, instead of a revenue question.

Mr. WOLCOTT. I think the Senator is right.

Mr. SHIELDS. Mr. President——

Mr. WEEKS. I yield to the Senator from Tennessee.

Mr. SHIELDS. Along the line of inquiry of the Senator from Delaware, I understand it is not pretended that any of the advances in rates will anywhere near meet the deficit. I understand that the additional one-fourth of a cent proposed by the Senate committee will only bring about $3,000,000 and the 5 per cent tax on war profits about $5,000,000. In other words, it is less than $8,000,000 that the Senate committee amendment will bring, the amendment of the Senator from Tennessee [Mr. McKELLAR] about $12,000,000, and the House provision about $19,000,000, notwithstanding the deficit is about $70,000,000, as practically admitted by everybody.

Mr. WEEKS. It is not admitted by me. I take issue with that.

Mr. SHIELDS. Then, by everybody else?

Mr. WEEKS. Not by many people who have really investigated the question.

Mr. SHIELDS. The Post Office Department asserts it at not less than $72,000,000, and that is pretty good and fair authority.

Mr. WEEKS. I think it is not good authority on that question.

Mr. SHIELDS. It was the evidence of Gen. Stewart before the Finance Committee when examined on this very question, that it is not less than $72,000,000; but that is immaterial; it is a large sum that would be wiped out. The Senator from Delaware suggests that the provision ought to be made to wipe out that deficit at once. I am in favor of increasing the rate where the compensation now is not proportionate to the service rendered but not in any such sum as that. To wipe out the deficit I think would work a great dislocation of business and would seriously damage business after so many years in which the Government has conducted such business. The increases ought to be gradual. Perhaps that derived from the McKellar amendment is enough at this time; but it establishes the principle that no longer will this subsidy be granted, that from year to year the tax will be increased until they pay for a reasonable part of the service rendered.

Mr. WOLCOTT. Will the Senator yield to me?

Mr. WEEKS. I yield.

Mr. WOLCOTT. I should like to ask the Senator from Tennessee if the McKellar amendment provides for an increase as time goes on? That requires new legislation, does it not? If the McKellar amendment is adopted it does not establish any progressive increase in rates. Those who support the McKellar amendment are in favor of granting some bounty but not quite this much bounty. That is what it amounts to.

Mr. SHIELDS. The Senator is mistaken. Those who support the McKellar amendment are not in favor of granting any bounty. They are not in favor of that principle. It may be that in the end it will be impossible to require of the publishers enough to transport their periodicals, their commodity, or what you may call it, but the Post Office Department is not in business for profit. It would be a good thing to have every service rendered paid for, but it may be and always will be, I think, that this public-utility company, we might call it, will never be compensated for the service it has rendered. Very largely that will apply to these agricultural papers; perhaps to some newspapers; it may be to some educational papers; but in the main such a policy ought to be adopted that will make everyone who patronizes them pay at least a reasonable compensation for the service rendered.

Mr. WEEKS. Mr. President, this question is as old as the Postal Service. I have been in Congress for 12 years, and it has been thrashed out in pretty nearly every Congress of which I have been a Member. Congress has deliberately left it as it is. Now it is a postal question. I have admitted that rates are not as high as cost to the Government, but I say it is a question which should be considered on its merits, not as a punishment to these publishers, and it has no place in a revenue bill and would not be thought of as a revenue proposition if it was not the general belief that the rate is lower than it should be. I do not want Senators to forget that the publishers are paying exactly the same tax that everyone else is paying on their profits. I think the estimate for expected receipts from this item is $5,000,000. If that is correct, the amount of the 5 per cent tax on over $4,000 receipts which is estimated by the committee is not dependable, in fact it is excessive. I have no doubt that the gentleman who estimates the net loss to the total publications of the country is nearer the fact than any statement of excess profits. I believe that at some other time, on its merits, this proposition should be considered, and I want to say I believe the press should cooperate with Congress in bringing about a reasonable rate for the transportation of their product. If they do not do it, they are a great deal more selfish than I think they are. I think that can be done, but in any case I believe it would be an unrighteous procedure at this time to impose an additional burden on a great industry of this kind.

Mr. BANKHEAD. Mr. President, at this point I desire to submit some observations on the pending question, and in doing that I shall be very brief.

First I shall state briefly why I can not support sections 1101 and 1106 of this bill. Section 1101 increases the postage rate on newspapers 25 per cent and section 1106 provides that, in addition to the excess profits tax which all business must pay, the net income of every individual, corporation, partnership, or association arising from the publication of newspapers, magazines, or periodicals entitled to be entered as second-class mail matter in excess of $4,000 per annum shall contribute a revenue tax of 5 per cent.

I think it is manifest to anyone who has given the subject of second-class mail rates any investigation whatever that a more equitable adjustment should be provided. The question has been before Congress for some time, and prior to the war the Post Office Committee of the Senate, of which I have been chairman for four years, had given a great deal of consideration to the subject of reducing the rate on first-class mail and an increase of the rates on second-class matter. The primary purpose years ago to encourage the publication and distribution of newspapers and periodicals for the dissemination of knowledge and information is not so important as it was then. In those days there were few newspapers or magazines and the means of publication were crude and expensive. This is no longer true with respect to the publishing business, which has greatly grown and developed within the last quarter of a century. It is not

fair that those who pay 2 cents an ounce, or a fraction thereof, for sending first-class mail to carry on their business and social affairs should contribute thereby some $30,000,000 to $90,000,000 annually to make up the loss sustained by the Government in transporting second-class mail matter at 1 cent per pound. The greatest beneficiaries of this manifest discrimination, however, are not the newspapers, including the weekly press, whose zones of circulation, with but few exceptions, are within comparative short distances of the points of publication, but rather those publications whose circulation and distribution extend throughout the country, and the immense quantity of catalogues and circulars mailed as second-class matter. An important phase of this question which must not be ignored is that the newspapers are an economical necessity, with an intimate relationship to the social and business affairs of the Nation, affording all classes of the public a very cheap method of not only procuring information of a general character essential to a republic like this, but the business life and activity of the Nation depends in a very large measure upon the information gathered daily from the columns of the newspapers which go into the homes of practically every citizen of the United States, and in a large majority of homes they are the only periodical publications they can afford. It is well known that if these publications had to rely upon the subscription price alone, which more often is less than the cost of publication, nearly all of them would be forced to suspend. Whatever burden we impose upon them, as in similar revenue measures, will be transmitted to the ultimate consumer, in this instance the great reading public.

In addition to the proposed increase in mail rates, newspapers and periodicals are required by this bill to pay a tax of 5 per cent on their net income in excess of $4,000 besides also the general provision which has been under discussion for several days providing for a certain per cent of excess profits applicable to every kind and character of business. Why should the newspapers be singled out for two additional sources of revenue not applicable to other lines of business? Within the last two or three years the increased cost of publication of newspapers and periodicals has been greater perhaps than that of most any other business, if recent statements are to be credited. The Federal Trade Commission, in a late report laid before Congress, has this to say with reference to the cost of print paper:

> Conditions in the newspaper publishing business were reported by the commission in March as serious, and they continue to be serious. Within the year prices to large consumers of print paper have been advanced from about $40 per ton to over $60 and $70 per ton, and in some cases even up to $90 per ton. Also by concerted action the terms of contracts have been so changed as to shift a considerable financial burden from the manufacturers to the publishers. To some of the larger newspapers of the country this price increase means, in some instances, an increase in paper cost of hundreds of thousands of dollars. This, in many cases, will not only cause the loss of profits for the year but a serious financial embarassment of the publication itself.
>
> The smaller publishers have been forced to pay prices as high as $150 and $180 per ton. In addition to the above increase of prices among publishers of minor dailies and weeklies, it is complained that they found great difficulty in getting paper at any price, and to a large number of such publishers in the country the increase in the price means the difference between a living margin and the complete ruin of their business and the suspension of their publications.
>
> The financial strength of great daily publications may enable them to survive; it is the smaller newspapers that will probably suffer the most seriously if these conditions continue. The small weekly and daily publications of the country particularly serve a great and useful purpose in the dissemination of facts and in the creation of an intelligent public opinion, and such disaster as impends by reason of this increase in price of news-print paper makes the question one of great public concern.

I have just read from the report of the Federal Trade Commission as the result of their thorough investigation of the question of the price of print paper and the increased price which publishers are required to pay.

The increased cost of labor and ink and other overhead charges have certainly kept pace with the recent advance of high prices. The newspapers have been loyal to the Government in this war emergency and have contributed generously of their columns in free advertising to promote the interest of the public without compensation of any character except the consciousness of having performed their duty in supporting the Government. They have given freely of their space, which is their source of income, to the campaigns for recruits, for the American Red Cross, and for the first liberty loan. Congress should provide an appropriation to remunerate these publications for legitimate advertising space which the Government must use in promoting the second liberty loan and other activities in the nature of appeals through the columns of the newspapers for assistance. The English and Canadian Governments have recognized the justice of such action and appropriated large sums for that purpose.

Why should we impose a burden on them we do not exact of other lines of business?

For these reasons I shall vote against the adoption of the section increasing the rate on second-class mail matter because I do not think it is neither the proper time or the proper basis for making a change, and will vote against the section imposing an income tax on the publishing business because of the other burdens they must carry. I fail to see why they should be called upon for taxation not applicable to other forms of business. In the future, when conditions become more normal, Congress ought to give attention to and adjust second-class mail rates to the end that this character of mail shall more nearly bear its just and proportionate cost of transportation.

Mr. President, I realize, as every other Senator must realize, the great inequality that has been carried in the provisions of the postal laws for many years. There ought to be a remedy found and applied. But the question to my mind is whether it ought to be done as speedily as some have indicated at this particular time. I am inclined to support the amendment of the Senator from Tennessee with reference to second-class mail matter, and beyond that I could not think of going. This whole matter ought to be relegated to the Post Office Committee, where it properly belongs. Some seem to think that after the passage of this bill comes the deluge, and it is the last opportunity we will ever have to legislate upon these important subjects, and therefore we ought to legislate with the greatest possible severity, because we may not have the opportunity again to legislate on this question.

Now, that is all I care to say on this subject.

Mr. SHIELDS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hale	Myers	Smith, Mich.
Bankhead	Hitchcock	New	Smith, S. C.
Borah	Hollis	Newlands	Smoot
Brandegee	Husting	Norris	Sterling
Broussard	James	Overman	Stone
Calder	Johnson, S. Dak.	Page	Sutherland
Chamberlain	Jones, N. Mex.	Penrose	Thompson
Colt	Jones, Wash.	Poindexter	Townsend
Curtis	Kellogg	Pomerene	Trammell
Dillingham	Kendrick	Robinson	Wadsworth
Fernald	Kenyon	Shafroth	Watson
Fletcher	Knox	Sheppard	Weeks
France	La Follette	Sherman	Williams
Frelinghuysen	Lewis	Shields	
Gerry	McKellar	Simmons	
Gronna	McNary	Smith, Ga.	

Mr. SUTHERLAND. I desire to announce that my colleague, the Senator from West Virginia [Mr. GOFF], is absent on account of illness. I ask that this announcement may stand for the day.

The PRESIDING OFFICER. Sixty-one Senators have answered to their names. A quorum is present.

Mr. McKELLAR. Mr. President, this morning the Senate struck out the amendment providing for 3-cent letter postage, and I think very wisely acted in that regard. I am afraid that some Senators may think that because we have struck out the proposed increase on first-class postal matters we should proceed to strike out the small increase on second-class matter. I want to point out, if I can, the very great difference between the two propositions.

In the first place, letter postage is already paying the Government the immense profit of $70,000,000 a year. Why should we increase a rate of taxation on a subject of taxation that is already paying the Government so splendidly unless there is a real necessity for doing so? The Senate thought there was not a real necessity for it; it thought that we could raise this revenue from other and better sources, and very wisely, I think, declined to tax the people on this particular service in addition to the enormous tax they are now paying. For my part, I had rather increase the tax on war profits and raise the revenue in that way than to put additional tax burdens on people less able to pay them.

Now, let us compare that situation with the situation as to second-class mail matter. Instead of second-class matter paying the Government a profit it is producing a tremendous deficit. The loss on second-class mail matter is about $89,000,000 annually. We get the pitiful sum of $11,000,000 now for transporting all the second-class matter through our mails, and the publishers receive the enormous bounty of $89,000,000. It has got to be a notorious situation, and I am going to stop right here and now and read a very short editorial which I have just this morning noticed in the Philadelphia Inquirer, one of the papers that would be affected by the change. Just listen to this editorial. It is so full of good sense, of justice, and of fairness that I think it ought to make some impression. The editorial is as follows:

EIGHTY MILLION DOLLARS IN SUBSIDIES.

According to Senator HARDWICK the periodicals of the country are carried through the mails as second-class matter at a loss to the Government of $80,000,000 annually.

That loss amounts to a direct subsidy paid to the various publications. It makes mendicants out of them.

The House undertook to right this outrageous wrong by establishing a zone system, under the provisions of which postage would increase in proportion to distance. The Senate Finance Committee cut out this just zone system and replaced it with a fourth-cent postage increase and a tax of 5 per cent upon the net income of newspaper and magazine publications. The Senate for two days has been trying to straighten this matter out. But it never will be settled until it is settled right, and there is but one right settlement—wipe out that $80,000,000 deficiency.

The 5 per cent tax is utterly indefensible, since it is discriminatory and mixes taxation with postal matters. Besides, the tax, it is estimated, would produce only $7,500,000, while the additional quarter-cent postage would yield only about $3,000,000. Here is a total of $10,000,000 against a loss of $80,000,000.

That is absurd. It is wretched business.

The thing to do, of course, is to abandon the 5 per cent discriminatory tax and increase second-class postal rates to a more equitable basis.

I can not commend that editorial too highly to the Senate. In a few words it points out precisely what our duty is. We ought to establish a fair and a just system of postal charges.

Now I want to call the attention of the Senate for a moment to some of the arguments which have been made in behalf of continuing this subsidy. Mind you, it is the only subsidy which this Government grants which is in itself a subsidy. It grants a subsidy of about one-eleventh or one-twelfth of all our revenues in normal times. Why should this subsidy be granted? Well, it is said that a flat rate is better because we have a flat rate on first-class mail matter. Senators know the difference. First-class mail matter is so small in weight in comparison with its importance, and in comparison with the tax that is levied on it, that distance becomes immaterial. It is the one exception to the rule. There is no rule that has not an exception.

Let us see whether the transportation of second-class mail matter on a flat rate basis is in accord with the general course of business. I want to call attention to the fact that all other transportation except first-class mail matter alone is carried according to the length of haul. For instance, as to passengers and freight and everything else that is hauled, whether by wagon, by automobile, by railroad or whatever method of transportation, the length of haul is the measure of the charge. Why should it not be so as to second-class mail matter? The Government pays the railroad on the length of the haul, but the publishers pay the Government a flat rate at a loss of $80,000,000 a year. I do not wonder that the distinguished Senator from Massachusetts could not defend it. He said he could not defend it. The only thing he asked was to just let it go over during the war. He said, "It is all wrong; it is a wrong proposition—I admit that—but just let it go over during the war." You never found one of these interests drawing a bounty from the Government which did not want to let it go over for the present; just postpone it; just defer it; anything in the world to continue the bounty; to get rid of the question and still keep the bounty or subsidy.

Senators, great stress has been laid by the Senator from Massachusetts [Mr. WEEKS] on farm publications and religious journals. Yes; and you will find that the other House excepted farm journals and religious journals, and that the Senate Committee struck out the exception; yet when it comes to an argument of the merits of the case we hear nothing about the Curtis Publishing Co. that is drawing $4,700,000 a year as a bounty from the Government; but we only hear about the religious journals and the farm journals and the scientific journals. That argument is a subterfuge, pure and simple.

I am perfectly willing to except from the operations of this proposed law journals of the character referred to; I can realize that there is some reason for permitting them to have some advantage in the matter of rates; or whether there is a reason or not, I am willing to yield that; but surely we must not let the main issue be lost sight of, which is that the great corporations have grown strong and fat upon a Government bounty, one of them alone, the Curtis Publishing Co., virtually drawing down from the Government every year $4,700,000; and I say that we should measure our action here as to how it affects those kind of companies and not let it go off on the specious argument that the bounty helps the farm journal and the religious journal. The House excepted them, and we can except them also, and I shall vote for such an amendment if it is offered.

The Senator from Georgia [Mr. HARDWICK], however, says that the Post Office Department has indorsed another scheme, a flat rate on advertising. Well, I think the Post Office Department does give that scheme its qualified indorsement, but it does it in this way: The Post Office Department realizes that great injustice is being done according to the present rate, and there is but one way to make that right, and that is to change the system so as in the end to make the service self-sustaining. The Post Office Department has also indorsed the zone system; it has also indorsed the proposition that I have presented in my amendment; it receives their hearty approval. The Postmaster General and his assistants all want some system adopted which will make that department of the Government self-sustaining.

Now, let us see what my proposition does. It does not do the whole work; I admit that. It ought to do it, but we can not pass a proposition that will have the effect that the editor of this great newspaper says it ought to have, to make it self-sustaining at one time. The only thing we can do is to adopt a different system and work it out by degrees until we make it self-sustaining.

I call the attention of the Senate to the fact that the other House has indorsed the zone system. It makes no difference as to what system we pass, we shall have a conflict with the House. My proposition is to accept the system that the House has passed and reduce the rates and the amount of revenue raised; and I want the Senate to understand just what difference there is between the House bill and the amendment which I have offered.

Under the provisions of the House bill there will be raised about $19,000,000. My amendment provides that there shall be about $12,600,000 raised. The Senate committee provision for an increase of one-fourth of a cent will raise only $3,000,000. Now, here we are straining every nerve to raise revenue enough to conduct the Government during the war, and here are a lot of people whom the Philadelphia Inquirer calls "mendicants" who have been enjoying for many years this immense bounty, and because we propose to take only $12,600,000 out of the $89,000,000 they are complaining. They are here fighting not only to keep the $78,000,000 but to keep the whole $90,000,000. Ought we to treat them exactly as we do the first-class postal service? I say no. I say a wholly different principle is involved. I say that our vote ought to be entirely different. What we ought to do is to rectify this wrong. The Senator from Massachusetts, however, says let us rectify it at the proper time; that this is not the proper time. Well, it is the most effective time we shall ever have. The Government never needed this money as much as it needs it right now. It needs it worse than it ever did before, and it is unpatriotic in these people to insist upon continuing these bounties. There never was such an easy time to put in effect a just rate as now; this very day it ought to be done. Surely the people to whom we have given so much ought to be willing in this hour of their Government's need to come forward and pay a part of what it costs to transport their matter through the mails.

Mr. President, I call attention to the further fact that we have tried this plan in another part of the Government service. We have tried it in connection with the parcel post. The rate on parcel-post packages is fixed according to the length of the haul, and that service pays the Government the entire cost involved. I see no reason why we should not treat the gentlemen who publish magazines and periodicals and who use the mails in exactly the same way that we treat those who use the parcel post. The Parcel Post Service is doing so well that we are actually taxing it, and surely if it is doing well enough under the zone system to be placed in a position where we may impose a tax upon the service we might make the publishers of second-class mail matter pay their part of the cost of transportation.

Mr. President, that is about all I desire to say; and if no other Senator wishes to discuss the question I ask for a vote and call for the yeas and nays.

The PRESIDING OFFICER (Mr. ROBINSON in the chair). The question is on the amendment offered by the Senator from Tennessee to the amendment reported by the committee.

Mr. McKELLAR. I ask for the yeas and nays.

Mr. CURTIS. I make the point of no quorum.

The PRESIDING OFFICER. The Senator from Kansas makes the point of no quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Lewis	Simmons
Bankhead	Hale	McKellar	Smith, Ga.
Borah	Harding	McNary	Smith, Mich.
Brandegee	Hardwick	Myers	Smoot
Broussard	Hitchcock	Nelson	Sterling
Chamberlain	Husting	New	Stone
Colt	James	Norris	Sutherland
Culberson	Johnson, Cal.	Overman	Thompson
Curtis	Johnson, S. Dak.	Page	Trammell
Dillingham	Jones, N. Mex.	Poindexter	Wadsworth
Fernald	Jones, Wash.	Robinson	Watson
Fletcher	Kellogg	Saulsbury	Williams
France	Kendrick	Shafroth	Wolcott
Frelinghuysen	Kenyon	Sheppard	
Gerry	Knox	Sherman	
Gore	La Follette	Shields	

Mr. SHAFROTH. I desire to announce the unavoidable absence of the Senator from Mississippi [Mr. VARDAMAN] on official business.

The PRESIDING OFFICER. Sixty-one Senators have answered to their names. A quorum is present.

Mr. SMOOT. Mr. President, I have not yet arrived at the point where I feel justified in voting for a proposal that I know will destroy a great percentage of the magazines, trade journals, farm papers, religious publications, and other periodicals of the country. The Senator from Tennessee [Mr. MCKELLAR] yesterday and also to-day stated that such periodicals as I have named under the provisions of the House bill are exempt from the proposed increase in rates. I desire now to call the attention of the Senate to the provisions of the House bill, and it will be noticed that that is not the case. Section 1203 of the House provision is as follows:

SEC. 1203. That in the case of newspapers and periodicals entitled to be entered as second-class matter and maintained by and in the interest of religious, educational, scientific, philanthropic, agricultural, labor, or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, the second-class postage rates shall be, irrespective of the zone in which delivered—

That was put in because the House provided a zone system—

(except when the same are deposited in a letter-carrier office for delivery by its carriers, in which case the rates shall be the same as now provided by law), 1¼ cents a pound or fraction thereof from July 1, 1917, until March 1, 1918, and thereafter 1½ cents a pound or fraction thereof. The publishers of such newspapers and periodicals before being entitled to the foregoing rates shall furnish to the Postmaster General, at such times and under such conditions as he may prescribe, satisfactory evidence that none of the net income of such organization inures to the benefit of any private stockholder or individual.

Mr. President, that specifically increases the rate on second-class matter from 1 cent to 1¼ cents up to March 1, 1918, and to 1½ cents a pound thereafter, even upon such periodicals as those to which I have referred. In order that such periodicals may claim the benefit of the exemption they must show that they are not organized for profit; that not one cent they earn shall inure to the benefit of a stockholder or private individual. That is what the House bill provided, and it was not an exemption of any publication in the country. It was an exemption from the 8-cent rate and the excessively high rates imposed under the zone system provided for in the House bill, but it was not an exemption from any increase in the present rates.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. McKELLAR. Has the Senator any figures to show what all the publishers of the newspapers made last year?

Mr. SMOOT. As a whole?

Mr. McKELLAR. As a whole.

Mr. SMOOT. I have them in classes, but not as a whole.

Mr. McKELLAR. About how many millions of dollars was it, just in a general way, all told?

Mr. SMOOT. I could not say offhand just exactly what the total amounted to for all newspapers, periodicals, and publications.

Mr. McKELLAR. Does the Senator think that just charging them up with $12,000,000 of the cost of the service would ruin all the periodicals of the country?

Mr. SMOOT. No, Mr. President; the "Senator from Utah" has not claimed any such thing. The "Senator" has claimed that there are certain newspapers and periodicals published in the United States which, if the Senator's amendment were adopted, would face bankruptcy, and I shall now undertake to prove to the Senate that that is the case. I am not disputing the fact that what we collect from second-class postage rates falls short of paying the expenses to which the Government is put in carrying the same.

Mr. McKELLAR. Does the Senator say that the payment of the $12,600,000 provided for in my amendment would bankrupt all the publishers in this country?

Mr. SMOOT. No; the "Senator" has never claimed that it would bankrupt all of the publishers of the country, but the "Senator" does claim that if it were imposed it would destroy a great many of them.

Mr. McKELLAR. If the Senator will yield again, I will say that if the Senator will offer an amendment to exclude or to excuse the publications he has just enumerated—that is, religious, scientific, agricultural, and labor journals—I have no doubt that the Senate will agree to that amendment just as the House would agree to it, and, so far as I am concerned, I shall be delighted to vote for it.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from South Dakota?

Mr. SMOOT. I do.

Mr. STERLING. I have such an amendment as that suggested by the Senator from Tennessee, which I suppose ought to be offered prior to the vote upon his amendment, which is in the nature of a substitute, when the opportunity arises.

Mr. McKELLAR. I will accept the amendment whenever the Senator offers it.

Mr. SMOOT. Mr. President, the class of publications suggested by the Senator does not cover all of the periodicals published in the United States which at the present time, with the high price of paper, or even in normal times, are not making any profits to speak of.

Mr. STERLING. Mr. President, I may say to the Senator from Utah that the amendment which I shall propose includes not only farm and religious papers, but scientific, educational, agricultural, philanthropic, and labor or fraternal-organization papers—all the periodicals named in the House bill.

Mr. SMOOT. Yes.

Mr. President, for instance, let us take 86 of the national periodicals of general circulation, and take the profits that were made in 1916 by those 86 national publications. Applying this zone system to them, Mr. President, as a whole they would be taxed over and above what they made in the year 1916 in an amount equaling $1,837,163. Included in those publications are some of the following:

The Gentlewoman, McCall's Magazine, the Woman's Home Companion, the American Magazine, the Pictorial Review, McClure's Magazine, Collier's Weekly, the Modern Priscilla, Leslie's Weekly, the Christian Herald, the Ladies' World, the Popular Science Monthly, Outing, the World's Work, the New Country Life in America, Current Opinion, Harper's Magazine, American Art News, Outer's Book, and 35 weekly and monthly publications along religious and agricultural lines.

Mr. President, do we want to financially destroy all these publications? Do we want to destroy the 400 publications named in the list that I hold in my hand? I do not believe the Congress of the United States will think of doing so, and I know that if the amendment offered by the Senator from Tennessee is adopted it will destroy them. They can not pay the tax that will be imposed and exist.

Yesterday, in answer to a question that was asked by the Senator from Idaho in relation to the farm journals of the country, I made the statement that the profits of all the farm journals of this country for the year 1916 would not be sufficient to pay the tax imposed on second-class mail matter, providing the increase did not exceed 1 cent a pound. Now I want to call the attention of the Senate to the fact that I base that statement upon the following facts secured from the Treasury Department of the United States, taking every farm journal in the United States——

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. I do.

Mr. McKELLAR. Will the Senator restate that proposition? My attention was called away for a moment, and I did not hear it. I should be glad if he would restate the proposition.

Mr. SMOOT. I stated that if an increase of 1 cent per pound upon second-class mail matter were imposed in addition to the 1 cent of the present law it would take all of the profits of all of the farm journals of the United States, based upon what all of the farm journals of the United States made in the year 1916.

Mr. McKELLAR. Mr. President, I will say to the Senator, in answer to that, that the whole argument on this point is without any effect, because I have already agreed to accept an amendment to be offered by the Senator from South Dakota [Mr. STERLING] that will except all of those publications from any such rate.

Mr. SMOOT. Now the Senator begins to make exceptions in regard to certain lines of publications. I want to call the attention of the Senate to the fact that in order to save the periodicals and publications of the United States in large numbers, the exception would have to go to every class of publication in the United States.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Georgia?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. HARDWICK. I want to say that I agree with the Senator in that proposition. The law is not worth a cent if you have got to make exceptions to it, and it shows its injustice.

I will not vote for the proposition advanced by the Senator from Tennessee if he finds it necessary to bolster it with any such exceptions as those.

Let me say further to the Senator from Utah that the truth about this matter is that any reasonable adjustment of these rates can be made if these people are required, as advertisers generally throughout this country must be required, to adjust their business to whatever rates the Government does establish, as they have adjusted them to the present rates.

Mr. SMOOT. Nobody can deny the statement made by the Senator from Georgia. The very fact that the Senator from Tennessee admits that there must be exceptions made in the case of the amendment offered by him shows its utter weakness.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. Yes.

Mr. McKELLAR. Quite the contrary. Inasmuch as under my amendment there is still about $70,000,000 that the great journals, like those issued by the Curtis Publishing Co., are getting from the Government as bounty, I am willing, in view of that fact, to put the farm journals and the labor journals on a slightly different footing; that is all.

Mr. SMOOT. The Curtis Publishing Co. can well afford not to object to the increase in second-class postage rates. Why? Because they know that if such rates are imposed as are proposed by the Senator they will drive out nearly all the competition they now have in the United States; and instead of charging $6,000 for a page advertisement for one issue, they believe that they can make more than the increase in postal rates out of the increase in advertising charges, because they will have the country almost entirely to themselves.

Mr. McKELLAR. Mr. President, will the Senator yield again?

Mr. SMOOT. Yes; I yield.

Mr. McKELLAR. If that is true, why do we not find the Curtis Publishing Co., and others in like condition with them, here fighting for this amendment rather than here fighting against it?

Mr. SMOOT. They are not fighting against an increase.

Mr. McKELLAR. Why, yes; they are here fighting this particular amendment actively, I will say to the Senator.

Mr. SMOOT. I am going to say to the Senate what happened before the committee when we had this question under consideration. Of all the publishers of the United States that appeared before the committee, the Curtis Publishing Co.'s representative was the only one who said that his company did not particularly care whether there was an increase or not.

Mr. HARDWICK. And, Mr. President, if the Senator from Utah will yield to me, more than a year ago the Curtis Publishing Co. agreed to an increase more substantial than that proposed by the Senator from Tennessee.

Mr. SMOOT. Why, they know as well as we know what it means to that company if they can drive out most of the competition in the United States; and I say now in this connection, so that the Senators may know, that the only way we can impose a tax upon the Curtis Publishing Co. for the use and privilege they enjoy of the second-class rate is by imposing the 5 per cent tax upon the net income of the corporation as provided for in the bill.

Mr. McKELLAR and Mr. McCUMBER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Utah yield, and to whom?

Mr. SMOOT. I yield first to the Senator from Tennessee, and then I will yield to the Senator from North Dakota.

Mr. McKELLAR. I just wanted to ask the Senator this question: If he feels as he does about the Curtis Publishing Co. and the other people, and they admit that they ought to pay higher rates, why does not the Senator offer an amendment here charging them the actual cost? I will vote for his amendment if he will offer one to that effect.

Mr. SMOOT. Even that kind of an amendment would not obviate the difficulties in which we find ourselves. The trouble is that we have built up this system; businesses have been established under it; and now, as I said yesterday, to pass a law over night changing the whole system means ruin to the weaker papers, and it means ultimate success to the papers that can stand it and have less competition and a practical monopoly in the United States for the future.

Mr. McCUMBER. Mr. President——

Mr. SMOOT. I yield to the Senator from North Dakota.

Mr. McCUMBER. Right along that line let me ask the Senator this question: In view of the fact that these very great publications use the fast freight and other methods than the post office for moving their products from the place of publication to the point of distribution, and recalling, as the Senator undoubtedly will, the rather meager amount they would pay either under the present rates or under the rates proposed by the Senator from Tennessee, I want to ask the Senator if the committee amendment taxing them 5 per cent would not be a greater charge upon them than the amendment offered by the Senator from Tennessee?

Mr. SMOOT. Mr. President, the Senator from Tennessee and everybody else who has studied this question knows that the Curtis Publishing Co., whenever the express can be used cheaper than the mails, use it, and in a good many cases they send carloads by fast freight; and whenever the distance is such that the express company charges are more than the rates imposed by the Government, the Government can take the business, but not one pound when the express rate is less than that imposed by the Government on second-class mail matter.

Mr. McKELLAR. Mr. President, will the Senator yield again?

Mr. SMOOT. Certainly.

Mr. McKELLAR. I should like to call the Senator's attention to the record, which is this: I do not know how much the Curtis Publishing Co. use other means of transportation, but they got a "rake-off" from the Government because of having used the Government's means of transportation of four million and nearly eight hundred thousand dollars last year. I do not think anybody in the world, even the Curtis Publishing Co., would complain of not using the Government's transportation when they used it under such circumstances and with such magnificent profit as that.

Mr. SMOOT. Mr. President, I thought I had with me a statement from the Post Office Department showing the circulation of all the principal magazines in the United States, showing what percentage of their circulation went through the mail and what percentage was delivered by other means. I know, if the Senator has seen that report—and I think he has——

Mr. McKELLAR. I have seen it.

Mr. SMOOT (continuing). He has found that the Curtis Publishing Co. does not use the mails to exceed 40 per cent of its circulation.

Mr. McKELLAR. I will say to the Senator that wherever it is profitable for the Curtis Publishing Co. to use the mail they use it, and wherever it is more profitable to use freight or express they use that, and they can not be blamed for it. But however that may be, whether it is 40 per cent or 30 per cent or 20 per cent, or whatever per cent it may be, the fact remains that the record shows that the Curtis Publishing Co. got $4,800,000 from the Government last year on account of these rates.

Mr. SMOOT. Why, Mr. President, I do not deny that; but when we are trying to reach the Curtis Publishing Co. and prevent them from receiving a bounty of $4,000,000 from Government rates, in doing so we would not want to cripple nearly half of the publications of the country, and perhaps more, and drive many of them to bankruptcy. Now, that must be patent to any Senator who has studied this question.

Mr. McKELLAR. Mr. President, may I interrupt just one other time to say to the Senator that I am certainly very greatly gratified to know of the moderation of the Curtis Publishing Co., that they use the mail only to the extent of 40 per cent of their circulation, and get only $4,800,000 out of the Government thereby. If they used it for the whole 100 per cent, according to the Senator, the amount of their bounty from the Government would be about $12,000,000, by a simple calculation; and I think he ought to be very grateful to the Curtis Publishing Co. because they use it only to the extent of 40 per cent instead of 100 per cent.

Mr. SMOOT. Mr. President, I am never grateful to any corporation that saves the Government $1 while doing so makes for itself $3. The Curtis Publishing Co. would use the mails for every pound of its publications distributed if it could not find a cheaper way to distribute them. They find a cheaper way by sending their publications by express for a certain distance; they find a cheaper way by sending them by fast freight within a limited area; but when they go beyond those areas then the Government can carry them because of the fact that the mail costs less than they can get them distributed or carried for by any other means of transportation.

Mr. SHIELDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the senior Senator from Tennessee?

Mr. SMOOT. I do.

Mr. SHIELDS. If the Senator has the information, I should like to know the limits of the zones in which they use the ex-

press company because it is cheaper than the 1-cent rate of second-class mail.

Mr. SMOOT. That depends in certain cases upon whether there are many of the publications distributed. It can be said generally as to the first but not to the second and third zones.

Mr. McKELLAR. Oh, yes, Mr. President.

Mr. SMOOT. It might in the case of the second zone, I suppose.

Mr. McKELLAR. Oh, yes; I know the Senator will understand the statement that in the first two zones a flat rate is more costly to the Curtis Publishing Co.

Why? Because it is a 1-cent rate. Therefore, within those two zones, wherever it is possible, what does this company do, as well as all others in like situations? I am using this company merely as an illustration; I care nothing in the world about the Curtis Publishing Co., either one way or the other. I have no doubt they are delightful gentlemen. But wherever the rate is less—and that is within the 50 and 150 mile zones—they use either freight or street cars, or some other method of distribution, and the Government loses the postage.

Mr. SMOOT. Mr. President, I wanted to be perfectly accurate in the statement I made, and therefore I qualified it in answering the senior Senator from Tennessee [Mr. SHIELDS], because there are places where there are just a few subscribers where it is much cheaper for them to send the magazine by mail than to try to send it by some other means of transportation, even in the first zone.

Mr. McKELLAR. Oh, of course; but suppose they want to send magazines to Brooklyn or to Jersey City, or even to Philadelphia—it is cheaper then to send them by freight, and they send those magazines by freight. That is the truth about it.

Mr. SMOOT. Certainly.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from Utah yield to the Senator from Minnesota?

Mr. SMOOT. I yield.

Mr. KELLOGG. The Senator from Tennessee stated that the Curtis Publishing Co. was enjoying a bonus of something over $4,000,000.

Mr. McKELLAR. The Government states it as $4,800,000.

Mr. KELLOGG. Four million eight hundred thousand dollars. That assumes, of course, that they send all of their publications by mail, does it not?

Mr. McKELLAR. Oh, no.

Mr. SMOOT. No; the Senator is mistaken. That is for just what they do send by mail. The Senator from Tennessee was right in his statement there.

Mr. KELLOGG. I wanted to understand it.

Mr. SMOOT. Now, Mr. President, take the 55 farm journals of this country. Their capital stock aggregates a little over $15,000,000. They made net profits in the year 1916 of $581,875.20. They paid for postage for the year 1916 $569,857.01. Do you tell me that the farm journals of this country can stand an increase of 1 cent on postage? Where would they get the money to pay the additional tax of $569,857 from?

In that connection, I want to call the attention of the Senate to the fact that the total amount of paper used by these publications in 1916 was 635,486 hundredweight. The average increase in the price the farm papers pay for their print paper to-day as compared with the year 1916 amounts to $1.007 per hundred. Now, do we want to drive all these papers out of existence? If so, adopt the pending amendment. And this is only one class of publications.

I have here, Mr. President, the sworn statements of some 30 publishing companies, selected from over a thousand that I have received, showing that in every case, if we only impose a cent a pound additional postage on second-class mail matter, they could not pay the increase out of their gains based upon the profits of 1916.

I am not going to take the time of the Senate to call attention to just what the losses would be; but if there is a Senator who wants to know exactly what they are, I shall be very pleased indeed to tell him. But just take into consideration the class of papers they are. These are some that I have selected out of the statements that they have rendered to me. They are such papers as the Christian Herald, the People's Home Journal, the National Farm Power, Today's Housewife, the Woman's Home Companion, the American Magazine, the Fireside, all of McClure's publications, the Modern Priscilla, McCall's Magazine, Harper & Bros.' publications, the Sunset Magazine; and so I could go on, Mr. President, and name not 20 or 30, but, as I say, I have here one list of over 400 publications in the United States that would find themselves in the same position as the ones I have named.

Mr. McKELLAR. Mr. President, after the Senator finishes discussing that question, and before he sits down, I should like to ask him one question.

Mr. SMOOT. The Senator may ask a question at any time.

Mr. McKELLAR. I desire to ask the Senator this question: Since it has been developed that there is a zone in which these newspaper and magazine and other publishers ship their publications by freight or express rather than use the post office, because it is cheaper, does not that conclusively show that there is a zone in which the 1-cent rate pays for itself; and is not that zone just about what I have established? Is it not a fact that in a zone, say, of 300 miles, which is established in my amendment, the 1-cent rate just about pays for the cost of transportation and the other charges; and is it not conclusively shown that that is so by the fact that the publisher uses other methods of transportation within that zone?

Mr. SMOOT. No; there is not a single zone that pays the expenses of carrying second-class mail matter. There is a zone, and that the first zone, where the transportation will not amount to 1 cent per pound.

Mr. McKELLAR. Oh, the Senator is mistaken about that.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. I want the Senator to wait until I get through with my statement.

Mr. McKELLAR. All right.

Mr. SMOOT. Mr. President, when you take into consideration the overhead expenses for maintaining the Post Office and divide it among the different zones the mails are transported to, and taking into consideration the weight and class of mail that goes within each zone, and charge to each zone the pro rata of overhead expense that the Post Office Department is under, there is not a single zone that would pay its way for transporting second-class mail matter.

Mr. President, that is shown in the different reports that have been made as to what it really costs for transporting second-class mail matter. Some of the reports which have been referred to to-day have simply taken into consideration what the transportation charges are. The Government has to pay the expenses of the Post Office Department. It has to administer all the postal laws, and they affect every zone; whether the first, second, or eighth zone, it makes no difference. The officials of the Post Office Department have to administer the law, no matter in what part of the country, and all overhead expenses must be paid, and they should be apportioned to all classes of mail delivered and pro rata to the amount handled.

Mr. WATSON. I should like to ask the Senator from Utah a question.

Mr. SMOOT. I yield to the Senator from Indiana.

Mr. WATSON. The Senator has named various magazines and newspapers. What would be the difference in the amount of postage collected for the transmission of those particular magazines or newspapers or publications through the mails under the McKellar system and the system provided by the committee? Can the Senator give an offhand estimate of the difference?

Mr. SMOOT. No; I have not that information. I could give it as a whole, not as to any one particular zone.

Mr. McKELLAR. If I may interrupt the Senator again, and I owe him an apology for having interrupted him so often——

Mr. SMOOT. Oh, no; no apology is necessary. What we want is to get at the facts.

Mr. McKELLAR. I want to call the Senator's attention to the fact that the Post Office Department figure that there is a zone in which the service pays for itself; and I say that is absolutely established by the publications using other means of transportation in that zone, because they have the same overhead charges when they undertake to transport it by other means. They have got to pay the overhead charges as well as the transportation charges.

I call the Senator's attention to still another matter, that within this zone of 300 miles the actual cost of transportation is less than half; it is forty-eight one-hundredths. That leaves fifty-two one-hundredths for overhead charges within that zone. Of course after that, in further zones, the cost of transportation and the other overhead charges increase proportionately.

Mr. SMOOT. The overhead charges of the Post Office Department will be just the same if it transports all publications or whether it transports only half of them.

Mr. McKELLAR. I do not agree to that at all. The overhead charge can not possibly be the same. Suppose the post-office business is just one-half of what it is, there can not be the slightest question that the overhead charges would not be the same.

Mr. SMOOT. We would have to have a Postmaster General and assistants, and would have to have the same number of post offices and the same number of clerks. We would have to have charwomen and laborers, and would have all the general expenses.

Mr. McKELLAR. Not as many of them.

Mr. SMOOT. All the expenses that we appropriate for now. The Senator knows there is seldom an appropriation bill in which the amount was decreased, no matter whether we lopped off a branch of the service or not.

Mr. McKELLAR. But our post-office service has increased every year.

Mr. SMOOT. I know the post-office service has increased.

Mr. McKELLAR. The business has increased.

Mr. SMOOT. The business has increased.

Mr. McKELLAR. Of course.

Mr. SMOOT. And the overhead charges are just as high to-day in proportion to the amount of transportation of mail as they were years ago.

Mr. SMITH of Michigan. If the Senator will permit me, much of that service is gratuitous. I was here when we created the Rural Delivery Service. No one expected it to pay.

Mr. McKELLAR. It pays. The parcels alone pay $10,000,000 right now.

Mr. SMITH of Michigan. The Rural Delivery Service does not pay and it never was intended to pay. When it was established it was a direct gift to the farmers of the country, and an appropriate one.

Mr. McKELLAR. Notwithstanding that, I have figures from the Post Office Department showing that the parcel-post business paid $10,000,000 last year, and that is rural service.

Mr. SMITH of Michigan. I am not talking about the parcel post, I am talking about rural free delivery.

Mr. McKELLAR. That is entirely different.

Mr. SMITH of Michigan. It is different because it deals with a class of people for whom Congress has great respect. But notwithstanding it is a gift and a bounty, and it was done to knit communities together and bring farmers into closer touch in the communities.

Mr. McKELLAR. If the Senator from Utah will yield that I may answer, I will say that I will join with the Senator to do away with all gifts and all bounties. I think the sooner we get to the point where no bounties and no gifts are given to a particular class of our people the better we would be off.

Mr. SMITH of Michigan. Whenever we get to a point where we have no bounties and no gifts the country will have gone backward instead of forward.

Mr. SMOOT. Mr. President, the statement made by the Senator from Tennessee that the Post Office Department claims that there was a profit of $10,000,000 upon the parcel post is correct. But, Mr. President, whenever I see that report I can not help but think of some of the conditions that enabled such a result and wish it might have been otherwise. I know of dozens of men in my own State who have absolutely been financially ruined by the extra amount of parcel-post matter they have been compelled to carry under contracts they signed when they had no idea as to what the parcel-post business would amount to. They are not now carrying 50 pounds or 100 pounds occasionally, but they are compelled to carry parcel-post packages by the ton. I received a letter only the other day from a schoolmate of mine who signed a contract a short while ago for carrying the mail and parcel-post matter on a route in my home State, and there has been developed a business that he himself had no reason to expect nor no one knew about at the time. The amount of parcel post has increased so greatly on that route that there is nothing but financial ruin staring him in the face.

Mr. SMITH of Michigan. They carry sheep, goats, and babies.

Mr. SMOOT. They are carrying ore and flour and sugar.

Mr. SMITH of Michigan. And sheep.

Mr. SMOOT. I do not know as to sheep.

Mr. McKELLAR. May I trespass on the Senator's time a moment more?

Mr. SMOOT. Yes.

Mr. McKELLAR. I will say to the Senator we are carrying tons upon tons of second-class mail matter just as we are of parcel-post matter, the only difference being that the Government is making $10,000,000 a year profit on parcel post carried under the zone system and losing $89,000,000 carrying second-class mail matter for the publishers.

Mr. SMOOT. There is no doubt but what the Government of the United States is losing money in carrying second-class matter, and every citizen of the United States has known it now for many, many years. I think the Senator from Georgia [Mr. HARDWICK] was happy in his statement the other day when he called attention to the reasons why it has not discontinued. But here we have a revenue bill, and it seems to me that this is not the proper time to undertake to adopt a system that we know before ever voting upon it that, if adopted, will ruin financially a great percentage of the publications of the country.

For that reason, Mr. President, I am going to vote against the amendment of the Senator from Tennessee, and I trust that we have had enough Senators present in the discussion that they may know the situation, at least the way myself and other members of the committee view this question.

Mr. HARDWICK. Mr. President, I desire to submit a parliamentary inquiry to the Chair. If the amendment in the nature of a substitute proposed by the Senator from Tennessee should be rejected by the Senate, would it then be in order to submit another amendment to the section?

The PRESIDING OFFICER. It would be in order at that time.

Mr. HARDWICK. I so understood from other expressions from the occupant of the Chair, that an amendment in the nature of a substitute would be in order.

The PRESIDING OFFICER. It would be in order.

Mr. HARDWICK. Mr. President——

Mr. STERLING. Before the Senator proceeds will he give me an opportunity to present an amendment to the amendment of the Senator from Tennessee, in order that it may be considered as a pending amendment?

Mr. HARDWICK. I will yield for that purpose.

Mr. STERLING. I submit the amendment to the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from South Dakota submits an amendment to the amendment, which will be read.

The SECRETARY. It is proposed to add the further additional proviso:

Provided further, That this section shall not apply to farm or religious newspapers and periodicals, nor to newspapers and periodicals entitled to be entered as second-class matter and maintained by and in the interest of religious, scientific, educational, philanthropic, agricultural, labor, or fraternal organizations or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual.

The PRESIDING OFFICER. The question is on the amendment of the Senator from South Dakota [Mr. STERLING] to the amendment of the Senator from Tennessee [Mr. McKELLAR].

Mr. STERLING. Mr. President, just a word in reference to the amendment which I have offered. I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to add, at the end of the words proposed to be inserted by the Senator from Tennessee, the following proviso:

Provided further, That this section shall not apply to farm or religious newspapers and periodicals nor to newspapers and periodicals entitled to be entered as second-class matter and maintained by and in the interest of religious, scientific, educational, philanthropic, agricultural, labor, or fraternal organizations or associations not organized for profit and none of the net income of which inures to the benefit of and private stockholder or individual, but that with respect to such publications the rates shall be as under existing law.

Mr. STERLING. Mr. President, under ordinary conditions I would be inclined to sympathize with the position taken by the Senator from Georgia [Mr. HARDWICK] and might support the proposition involved in his proposed substitute; but under existing conditions relating to the cost of print paper and the cost of labor, I can not feel that this substitute is just. I think it is, at the present time, an extreme position to take.

Much has been said about the bounty, or subsidy, given to the publishers of newspapers and periodicals under existing law. But, Mr. President, I do not regard the $70,000,000, if that be the amount of the Government's loss in carrying second-class mail matter, as altogether in the nature of a subsidy or bounty. If it is a subsidy or bounty, Mr. President, the public is the great beneficiary in the end; and I think the original policy adopted is, to a certain extent, at least, a wise and a beneficent policy, the idea being that information, instruction, knowledge, should be carried to the people through the medium of the newspaper and the periodical, even though it should be at some cost to the Government.

Mr. President, reference has been made in this debate to the rural delivery system and to the fact that the Government of the United States loses $40,000,000 a year because of the carriage of mails through rural delivery. But, Mr. President, do we regard that as a gratuity or as a subsidy, or a loss, I would rather say, on the whole to the people of the United States? Do we not think it is a highly beneficial institution and of great benefit to the public and well worth the expenditure of the $40,000,000 over and above the receipts from rural mail delivery?

Mr. President, I recall a statement made by the Senator from Nebraska [Mr. HITCHCOCK] in his colloquy with the Senator from Georgia a while ago, in which the question was involved as to whether or not we were not granting subsidies to certain sections of the Union through the agricultural appropriation bills which we pass every year. In passing these bills we do not stop to consider whether the Government will get financial returns from the expenditures made every year for the purposes of investigations carried on under the general supervision of the Agricultural Department, through its Bureau of Plant Industry, its Bureau of Animal Industry, and through the other activities of that department. We say that the expenditure is warranted, that all farm demonstration work is warranted under the appropriations made for the Department of Agriculture.

So here, Mr. President, because of the permanent benefit to the public in the dissemination not of news simply, nor entertainment simply, but of knowledge and education, the Government is not in the end sustaining any loss. It is quite warranted in making something of an expenditure in this way to achieve so great an end.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. STERLING. I yield to the Senator.

Mr. NORRIS. I wish to ask the Senator a question in regard to his amendment to the amendment. It just occurred to me when it was being read, and I sent to the desk and procured a copy of it, and I want to call the Senator's attention to it, that it provides in substance that this section shall not apply to certain papers. The section, as I understand it, if agreed to, would be the section that would provide for the payment of all second-class matter. If that section did not apply to the newspapers enumerated in the Senator's amendment, to what would it apply and at what rate would they then be carried?

Mr. STERLING. I do not know whether the Senator from Nebraska understands or not that my amendment is an amendment to the amendment offered by the Senator from Tennessee.

Mr. NORRIS. Yes.

Mr. STERLING. And follows the section.

Mr. NORRIS. Yes.

Mr. STERLING. My understanding of it would be that the law as it exists now with reference to second-class mail matter and with reference to this particular kind of second-class mail matter would apply. If it does not, I should want to modify the amendment.

Mr. NORRIS. That is the reason why I called the Senator's attention to it, not in any spirit of contention, certainly. I know the Senator does not want to carry these periodicals for nothing. If he will notice the substitute proposed by the Senator from Tennessee he will see that if it is adopted as section 1101 it provides as follows. I think the date has been changed to October.

On and after October 31, 1917—

It may have been changed to some other date, I do not know; but whatever the date it is immaterial for the purpose of this question—

That on and after October 31, 1917, all newspapers, magazines, and other publications regularly admitted to the mails as matter of the second class when mailed by publishers shall hereafter be subject to the following rates of postage:

The effect of the Senator's amendment, I fear, would be that this section would not apply to the class of publications he has enumerated in his amendment, and I fear there would be no law that would apply to them. If that is the case, they would not remain subject to admission as second-class publications. I may be mistaken about it, but would not that be the effect? It is a restatement of the law, as I understand it, as it exists now. As far as I have read it, it is simply a restatement of the present law. The effect of the Senator's amendment is that this section would not apply to the publications he has mentioned.

Mr. STERLING. I will say to the Senator from Nebraska I took it that the amendment of the Senator from Tennessee simply provided for a zone system, and that the zone system would not apply to the periodicals I have named in my amendment.

Mr. NORRIS. The Senator may be right. The idea just occurred to me as I listened to the reading of the amendment at the Clerk's desk—I have not looked it up—that the part of the amendment, as far as I have read it, is a restatement of the present law, and therefore it would be the law that would apply to second-class mail matter, and there would be no other way of having any publication admitted as second-class mail matter except under that law. If I am right in that theory, then the publications the Senator has mentioned in his amendment would not be entitled to the privilege of second-class matter.

Mr. STERLING. I may change the phraseology, if I have the time a little later, so that there can be no question about that. I am not sure but what the Senator from Nebraska is correct and there may be some ambiguity about it that ought to be cleared up.

But, Mr. President, I wish to speak with reference to the classes of publication covered by my proposed amendment. It will be seen from a reading of the amendment that there are in the main here two classes of publications—religious newspapers and periodicals—and it is provided by the amendment that the section shall not apply to them nor to the newspapers and periodicals entitled to be carried as second-class mail matter and maintained by and in the interest of religious, scientific, educational, philanthropic, agricultural, labor, or fraternal organizations or associations. With reference to the latter part of my amendment, excluding the general language in regard to farm or religious newspapers and periodicals, I have adopted the language of the House, the language which describes the publications not to be affected by the amendment of the Senator from Tennessee.

Now, with reference to the farm and religious journals, I think there can be no doubt from all the testimony that has been adduced in this discussion and from the assertions made again and again that the great majority of these publications will be carried at a loss in the event the amendment of the Senator from Georgia should prevail. I will just call attention to a telegram received from the Outlook. I do not think this telegram has been read into the RECORD, and I beg the privilege of reading it:

NEW YORK, *August 24, 1917.*

Hon. THOMAS STERLING,
United States Senate, Washington, D. C.:

Any increase in the postal rate for second-class matter at this time would seriously cripple the Outlook, which is already burdened with heavy increase in cost of paper. We are pledged to deliver the Outlook to over 100,000 subscribers for many months to come at a yearly subscription rate fixed on basis of present postal cost, and a sudden increase in that cost will result in financial disaster to our business. We are not seeking to evade taxation, but, on the contrary, will gladly pay war taxes up to the limit of our financial ability.

FRANK C. HOYT,
Treasurer the Outlook Co.

I think that is fairly representative of the position taken by the religious journals and publications throughout the country in regard to this postal-rate question; they are journals published not primarily as a commercial enterprise at all, but primarily for religious discussion and instruction, and, secondarily, for the wholesome discussion of current events and policies they give, and often ably give, to the people of the United States or to all who read them.

Mr. SMITH of Michigan. Will the Senator permit an interruption?

Mr. STERLING. Certainly.

Mr. SMITH of Michigan. The Senator has just referred to the proposition to tax newspaper advertisements. I have been looking this report through, and I find that the Cosmopolitan Magazine has about 40 per cent of its columns in advertising. Munsey's has 10 per cent. Both magazines weigh the same. On the proposition to tax advertising it will give Munsey's three-fourths advantage over the Cosmopolitan.

Mr. STERLING. Yes.

Mr. SMITH of Michigan. Take the Iron Age, which has 84 per cent of its columns in advertising, and that would be assessed eight times as much as Munsey's Magazine. That is not a fair or a just tax. It is a tax on an indefinite value, a tax paid to the Government. It is proposed by this amendment that the Government shall transmit a package of exactly the same weight, if it contains matter which it approves, while it penalizes another publication four times for the same privilege.

Mr. STERLING. Certainly. Nor has it appealed to me on that account.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Nebraska?

Mr. STERLING. Certainly.

Mr. NORRIS. May I suggest to the Senator from South Dakota and also to the Senator from Michigan that the Iron Age and the Cosmopolitan each have it in their power, if they wish, to get in at the lower rate by simply taking the advertising matter out? The one that has the advertisements is the one most able to pay; the magazine that has not any advertisements is the least able to pay the Government.

Mr. SMITH of Michigan. The Senator is right. A newspaper has just suspended in Chicago that has been in operation

for several years which was trying to get along purely and simply with a subscription list and no advertisements at all. It cost several hundred thousand dollars for the experiment and lost all its work. If you want to reduce the number of periodicals and newspapers you can do it just as you put the State banks out of existence by taxation a few years ago.

Mr. STERLING. I have read the report made by one prominent religious journal. Let me take one of the other class, a farm journal, and read a short extract from a letter to Mr. KITCHIN of the House Ways and Means Committee, written to him in regard to the House proposal as to its effect on farm publication. The writer says:

In conclusion, Mr. KITCHIN, let me reiterate that low postage rates most positively do not constitute a subsidy to a special class of people, the publishers—not one bit more than low freight rates constitute a subsidy to another special class, the merchant; that the benefits are passed on to all the people; that the question is not whether the publishers of the Progressive Farmer should pay more for the postal service but whether the 170,000 farmers and farm families who take our papers should pay more for such service on the Progressive Farmer and other papers. Furthermore, I respectfully submit that the newspapers in addition to promoting the general spread of intelligence are right now serving the Government, as you are bound to know, in not unworthy ways, Mr. McADOO himself declaring that it was the press that sold the Liberty Bonds to finance the war; in the Red Cross work the service of the press was not less notable; and to-day it is to the press that the Government directly appeals in calling to arms all the forces summoned for the defense of the Nation.

Is it right that such an industry, at a time when many of its members are being already threatened with ruin by a paper trust whose exactions the Government has not curbed—is it right that such an industry should be singled out for punishment beyond other industries; or is it not wiser and juster to listen to the appeal of the publishers when they say—

And this is what they say:

Tax the profits of the publishing business all you please. If any publisher is profiting unduly by the second-class postage privilege, if he is not passing on to the people the advantages of this service as the great majority of publishers are doing, then tax his profits as heavily as justice permits. But put your tax on profits rather than postage; in striking at the profits of a few do not destroy existence itself for the many.

With best wishes, I am,
Yours, sincerely,
CLARENCE POE,
President and Editor the Progressive Farmer.

Mr. President, I must say these two expressions from these two great journals, the one a great religious journal and the other a great farm journal, appeal to me very strongly, and it is in behalf mainly of those two classes of journals that I have offered the amendment to the substitute offered by the Senator from Tennessee, and I hope the amendment will prevail.

Mr. TOWNSEND. Mr. President, there are a great many amendments pending to this question, and if the Committee of the Whole or the Senate could finally consent to strike out both the House provision and the Senate committee amendment, of course, if we could do that now, we could save a great deal of time in debating and voting on the various amendments. It will end very quickly if anybody objects, but I am going to ask unanimous consent that we may vote on the motion to strike out the House provision and also the Senate committee amendment for section 1201 of the bill. If that is not done the whole thing is open to amendment just as it is, but if we could get a vote on that and it is carried we could end all this debate and dispose of all these amendments.

Mr. LODGE. I would be glad to have the question disposed of as soon as possible, but I do not see how the Senator is going to reach it in that way. The situation is that the motion of the committee is to strike out and insert. That is not divisible.

Mr. TOWNSEND. It could not be done except by unanimous consent. I realize that.

Mr. LODGE. If that motion is voted down then, of course, the House provision remains to be dealt with.

Mr. TOWNSEND. And the committee amendment is left just as it is?

Mr. LODGE. No; if the committee amendment, the motion to strike out and insert, is defeated and the committee amendment is disagreed to all that remains is the House text, and then it is open to strike out and insert.

Mr. TOWNSEND. This is my request. I may be wrong about it. I ask unanimous consent to vote on the motion to strike out the House provision and the amendment of the Finance Committee.

Mr. LODGE. The only difficulty is that it is an impossible motion; that is all.

The PRESIDING OFFICER. The question is on the amendment of the Senator from South Dakota [Mr. STERLING] to the amendment of the Senator from Tennessee [Mr. MCKELLAR].

Mr. SMOOT. I understood the Senator from Michigan to withdraw his request.

Mr. TOWNSEND. I did not withdraw it, but I understood there was objection to it.

Mr. WEEKS. Mr. President, I suggest the absence of a quorum.

Mr. STERLING. Before the Senator from Massachusetts suggests the absence of a quorum, I should like to add some words to my amendment to clear up the ambiguity suggested by the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from South Dakota has the right to perfect his amendment.

Mr. STERLING. I desire to add the words "but that with respect to such publications the rates shall be as under existing law."

The PRESIDING OFFICER. The Senator from South Dakota perfects his amendment in accordance with his statement.

Mr. WEEKS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Harding	Lodge	Shields
Bankhead	Hardwick	McKellar	Simmons
Beckham	Hitchcock	McNary	Smith, Ga.
Borah	Hollis	Martin	Smith, Mich.
Brady	Husting	Nelson	Smoot
Brandegee	James	New	Sterling
Calder	Johnson, Cal.	Norris	Stone
Chamberlain	Johnson, S. Dak.	Overman	Sutherland
Co't	Jones, N. Mex.	Page	Swanson
Curtis	Jones, Wash.	Penrose	Townsend
Dillingham	Kellogg	Poindexter	Trammell
Fernald	Kendrick	Pomerene	Underwood
Fletcher	Kenyon	Ransdell	Vardaman
Frelinghuysen	Kirby	Saulsbury	Wadsworth
Gerry	Knox	Shafroth	Watson
Gore	La Follette	Sheppard	Weeks
Gronna	Lewis	Sherman	Wolcott

Mr. KIRBY. I desire to announce the unavoidable absence of the senior Senator from Arkansas [Mr. ROBINSON] on public business.

The PRESIDING OFFICER. Sixty-eight Senators having answered to their names, a quorum of the Senate is present.

Mr. MCKELLAR. I announce the absence of the Senator from Oklahoma [Mr. OWEN], and in his behalf ask unanimous consent to submit a telegram which he desires to have published in the RECORD without reading.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? There being none, the telegram will be inserted in the RECORD.

The telegram is as follows:

NEW YORK, N. Y., *August 28, 1917.*

Hon. ROBERT L. OWEN,
The Senate, Washington, D. C.:

If the effort being made to impose a drastic and revolutionary tax upon periodicals succeeds, it will destroy many and seriously cripple most of the worth-while professional scientific trade and industrial publications. Our publishers gave the Government free of all cost over 4,000 pages of editorial and advertising matter on the liberty loan. They are working in close cooperation with every administrative department of the Federal Government and with many State governments. They raised 10,000 men for the New York National Guard and were officially thanked by the governor. Our papers are performing a vital service to both Government and industry.

A service of the heart as well as of the head and one that money could not buy. Our publications have been built up honorably and legally upon the basis of existing laws. The people of the entire United States get the benefit, and all the benefit, of the uniform 1-cent rate, and it is the people who will suffer if the effort prevails to overturn the long-standing policy of encouraging the dissemination of intelligence. The Government wants revenue, the Government wants and needs the kind of cooperation that is now being given in generous measures by the business papers, but it can get neither from a dead or sick publishing business. What will be gained by penalizing unselfish service by a staggering blow at this time? We ask you to appeal to the Senate in the name of good government, common-sense statesmanship, and the general welfare to leave us free to continue our invaluable service to industry, to trade, to science, and to the Government, a service that should command the unstinted support of every Senator who knows the facts.

THE ASSOCIATED BUSINESS PAPERS,
ARTHUR J. BALDWIN, *President,*
JESSE H. NEAL, *Executive Secretary.*

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota [Mr. STERLING] to the amendment of the Senator from Tennessee [Mr. MCKELLAR].

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee as amended.

Mr. NORRIS. Mr. President, it seems to me that in dealing with the second-class mail matter the only just and fair way is to adopt a zone system. That plan is followed in dealing with practically everything else, although in the Post Office Department first-class mail matter is not subjected to a zone system. The reason that is not done, however, is because the weight of the letters is so small that the expense and the detail and inconvenience of charging according to a zone system would

more than overbalance any advantage that might be derived. There are some other reasons, but that is sufficient reason, I think, why that system is not applied to such first-class mail.

We have, however, recognized the principle in the parcel post. The smallest article, the letter, is distributed all over the United States at a flat rate, but when we come to the transportation of something where weight is a material consideration, if we want to be just and fair, distance must be taken into consideration.

Second-class mail matter is loaded on the Government in carload lots—even, I presume, sometimes in trainload lots—and to say that we should transport it over the entire United States at a flat rate, seems to me, is to disregard every principle of transportation and every principle of justice and fairness.

It is attempted by the so-called Hardwick amendment to increase the rate but to still leave it a flat rate. It seems to me, Mr. President, that that will not be a practical law if it is passed. It is not subject, in my judgment, to a practical business administration. I think, if we increased the rates and they were so scientifically adjusted that all publications were shipped under them, the Government would be made whole, or practically so; we would still lose on the long shipments, and we would make enormous profits on the short shipments. To begin with, that kind of a system is not fair and just to the man who only uses the mails to ship his product a short distance, because it charges him a rate that is unreasonable and exorbitant. It is unfair to the Government where the distance is long, because the Government must perform a service for which it does not get a return. As a matter of practical operation, however, it will be worse than that. In practice it will mean that those who have second-class mail matter to send through the mails will be able to utilize express companies wherever the distance is so short that the express companies can make a profit on the transaction. They will utilize the mails wherever the distance is so great that the express companies will not carry it at the Government rate. The result will be that the Government will get the unprofitable end of the business and not get the profitable end of it. We have now a flat rate of 1 cent a pound all over the United States.

The service costs the Government a great deal more than that, as everybody knows. If we should make a rate of 5 cents and let it apply to the whole United States, the Government would then transport second-class mail matter only where the distance was so great that there would be a loss involved in carrying it, and the express companies would carry it, and very properly so, within all distances where they could make a profit.

I myself do not understand how we can meet the situation unless we apply the zone system, unless we are satisfied to carry it at a loss, or unless we are satisfied to carry the unprofitable part of it and to let the express companies do the business where there is a profit. It seems to me the only way out of it is to apply a zone system. For that reason I have for a great many years favored the adoption of some kind of a zone system.

The Senator from Tennessee has proposed an amendment, which is the pending amendment, establishing a zone system. It starts at 1 cent for the first three zones, I think, and then gradually increases the rate for the different zones until it reaches a rate of 6 cents a pound for the eighth zone.

Mr. President, while I am not an expert on the subject, it has always seemed to me that the Government ought to provide a lower rate for the first zone or two than is provided even in this amendment or than is provided by existing law, because I am informed—and I presume there is no dispute about it—that for the first zone, for the first several hundred miles, newspapers and periodicals now, though they can use the mails at 1 cent a pound, get a cheaper rate from the express companies and send by express, sometimes, I believe, for distances ranging from 160 to 250 and perhaps to 300 miles.

The Government ought not to make a profit out of the business. So far as I am concerned, I am willing that it should do the business at some loss, because I think there is a great deal in the argument that it is an educational proposition to a great extent, and the Government can afford to donate something for carrying on the system, but that we ought to donate from $70,000,000 to $80,000,000 I believe is wrong, particularly when some of the beneficiaries, some of the publications that cost the Government the most, are making large amounts of money out of the business.

The Senator from Georgia [Mr. HARDWICK], in behalf, as he says, of the Post Office Department, offers an amendment providing for a flat rate but differentiating between reading matter and advertising matter in newspapers and periodicals. It has always seemed to me that there was a great deal of reason for that differentiation. That kind of a law can be easily carried out and administered, but if we adopt the amendment that the Senator from Georgia first introduced at the suggestion of the Post Office Department, it would simply mean that on the long hauls the Government would get all the business and lose the business on the short hauls, where there would be a profit, and hence the deficit would be more than it is now. In other words, just as soon as you increase the rate and leave it a flat rate, the effect of such a change is simply to increase the distance within which the express companies can operate with a profit and to compel a situation whereby the Government will lose the profitable end of the business.

I was agreeably surprised to-day when the Senator from Georgia, who had offered the original amendment on behalf of the Post Office Department, came into the Senate and modified—or he says he will modify—in the way he has outlined the amendment offered on behalf of the Post Office Department, and he announces to us that it has the approval of the Post Office Department and that it has been worked out scientifically.

I want to congratulate the Post Office Department on having at last come around to the proposition that in order to have any practical amendment of the law that is at all fair or just we must come to a zone system. I hardly see why they should have been in the background so long or why the amendment which the Senator from Georgia now offers was not the one that he presented the other day on behalf of the Post Office Department. It makes me just a little bit suspicious of the Post Office Department's figures. If they have just been converted within the last few hours to the zone system and are now changing their ground and abandoning the flat-rate proposal and coming over at the last moment to the zone proposition, first having advocated a scientific flat-rate plan and the next day a scientific zone proposition that conflicts with the former, and that is entirely antagonistic to it, I confess it shakes my confidence somewhat in the experts of the Post Office Department. That was the reason why when the Senator from Georgia had the floor I wanted to ask him some questions in regard to the rates that he intends to provide in the new amendment which he has offered, but he declined to yield to me and I was unable to get the information from him.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Georgia?

Mr. NORRIS. I yield to the Senator.

Mr. HARDWICK. I just want to ask the Senator's pardon for not having yielded. It was a mere inadvertence. I wanted to finish a sentence just at that moment, and I intended to yield to the Senator later, and I forgot it.

Mr. NORRIS. I wanted to ask the Senator from Georgia, when I rose to interrupt him—and I followed him very closely, and he did not give the information at any time, at least as I understood it, that I wanted to get—this question: Why and how did the Post Office Department reach the conclusion that the rates he provides in the amendment that he is going to offer later are just; and would they in the first place yield a sufficient amount of money to pay the actual cost of the transportation of these magazines in these farther zones?

Mr. HARDWICK. Mr. President, will the Senator let me answer his question now?

Mr. NORRIS. I yield to the Senator.

Mr. HARDWICK. I will say to the Senator from Nebraska that the Post Office Department was unwilling ever to concede the proposition that there ought to be an abandonment of the principle of a flat rate on news matter. That was one reason why they insisted on presenting the proposition in the first form. They insist yet that the amendment I originally offered would have done absolute justice between the Government and the publishers as a whole, and would have entirely reimbursed the Government for all the money that it spends on this service, except that part of it that could properly be charged to the educational department of these publishers. But the Post Office Department does not contend that the rates in the amendment I last offered or last read to the Senate, which I intend to offer if I have the opportunity, would anything like compensate the Government for the loss on this class of mail. But the principle once established, they believe, will be worked out; and they regard it as important that we should start in some way or other to establish that principle; and they believe that even if we make a beginning that does not completely solve this question, its eventual solution along these lines will be certain, once we begin. Frankly, they present the proposition in a somewhat moderate way, hoping that it may find more favor in the Senate and be stronger than it would if it went at one bound to the extreme length that the necessities of the country and justice to the revenue might suggest.

Mr. NORRIS. Do I understand, then, that later they will recommend an increase of these rates?

Mr. HARDWICK. Eventually they expect to stand on the proposal that these rates ought to be so adjusted that on their advertising matter, at least on the business end of each one of these publications, each one of them shall pay its own way, wherever it goes and as far as it goes.

Mr. NORRIS. I thank the Senator from Georgia.

Mr. President, there has not yet been given to the Senate anything but an estimate of the department, and that is probably all we could get. I am not finding fault with it, because the department just started out on this new amendment recently, as I understand. They had a different one yesterday. There has not yet been given to the Senate anything but an estimate as to how we are coming out financially if we enact these rates into law.

Let me say that I have a great deal of confidence in the proposition of differentiating between the news items and the advertising items. I want to say to the Senate that I have on my desk here an amendment that I prepared, and intended to offer in case the so-called McKellar amendment was defeated, to the substitute offered by the Senator from Georgia, which left the amendment of the Senator from Georgia just as it is in regard to the 1-cent rate, but put into it the zone rates for advertising matter provided for by the Senator from Tennessee; and I was very glad indeed when I found that the Senator from Georgia, with the approval of the Post Office Department, was himself going to propose an amendment like that and withdraw the other one. The thing, however, that rather induced me to look at it with suspicion, was the fact that the Post Office Department had so soon changed its front, although I was glad it had changed it; but naturally I was suspicious that probably the rates provided for in their amendment might do harm.

Mr. President, while I believe in the zone system, and always have, I have left to experts the fixing of the rates themselves. I do not believe we ought to take any chance here of fixing a rate that will be too high. I do not want to do any injury to any legitimate publication, and I have myself regarded the rates fixed in the amendment of the Senator from Tennessee as rather light. I thought probably we could go higher; but I was willing to accept them, because the amendment established the principle of a zone system, and after it had been in operation for a few years we could ascertain the effect of the rates. We will necessarily have to go to the experts of the Post Office Department, probably, to fix those rates; but when, without a moment's notice, they change front and bring in an amendment here that runs the rates up as high as 12 cents, I confess I was just a little fearful that the rates might be too high, and we ought not to make any mistake by making them too high.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. NORRIS. I yield to the Senator from Tennessee.

Mr. McKELLAR. In addition to what the Senator has already said with reference to the Hardwick amendment, I call his attention to the rather astounding statement that was made by the Senator from Michigan [Mr. SMITH] a few moments ago, calling attention to the difference in the amount of advertising in two magazines of substantially the same weight, to wit, the Cosmopolitan, 40 per cent of which is advertising matter; and the Munsey's Magazine, only 10 per cent of which is advertising matter. Now, the cost of carrying Munsey's Magazine through the mail is exactly the same as that of carrying the Cosmopolitan; and yet, if the Hardwick amendment should be adopted, the Government would get four times as much revenue from the Cosmopolitan as it would from the Munsey. Will the Senator say what his views are on that subject, in addition to what he has already said?

Mr. NORRIS. Mr. President, of course, if we adopt the theory that the Government ought to carry at a flat rate, and only a nominal rate, matter that is not advertising, then that illustration falls to the ground, in my judgment, so far as having any weight is concerned. It is true that it would cost just as much to carry one as the other, and we would be getting more for one than the other; but the one would contain what the law would designate as educational matter while the other would contain a larger amount of what is simply advertising.

Mr. SMITH of Michigan. Mr. President, if the Senator will permit me——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Michigan?

Mr. NORRIS. Yes; I yield to the Senator.

Mr. SMITH of Michigan. The subscriber must determine for himself what part of the contents is interesting. The law can not say what the contents of a magazine shall be or how it shall be presented. Oftentimes the advertisements are more interesting to the reader than the other matter.

Mr. NORRIS. That may be.

Mr. SMITH of Michigan. And not only that, if the Senator will pardon me, but these advertisements stimulate first-class mail. They result in increasing the income of the Post Office Department. For anyone to contend that the Iron Age, for instance, should pay eight times as much for exactly the same weight of package transported through the mails as Munsey's Magazine would pay, it seems to me, is ridiculous. It ought not in justice to be required to pay eight times as much for exactly the same privilege.

Mr. NORRIS. When the Senator takes that position, he does not differentiate between advertising matter and other reading matter. It depends on whether we decide to do that by the law. We can not make a magazine interesting by law, but we can provide that for the profitable part of it, for which the editor or the publisher gets paid, we will charge more nearly what it costs us to transport it than the balance of the magazine. We can do that by law.

Mr. SMITH of Michigan. The Senator is entirely right. We can not make the magazine interesting by law, but we can put it out of business by law very quickly if we give an unfair advantage to its competitors.

Mr. NORRIS. Yes; and we can pay it a subsidy by law and keep it in business. Now, the question arises, How far should we go? The Senator from Massachusetts [Mr. WEEKS], in his admirable argument a while ago, asked the Senator from Tennessee whether he would put the Youth's Companion out of business. Why, Mr. President, I think it would be very appropriate to answer that by asking another question: Shall we keep the Youth's Companion in business by the payment of money out of the Treasury of the United States? Now, it might be right to do it, but in my judgment we ought not to do it, at least not to the extent that we are doing it now.

Mr. SMITH of Michigan. Mr. President, since the Senator has asked a question, I will reply.

Mr. NORRIS. I shall be glad to have the Senator's view.

Mr. SMITH of Michigan. The Senator asks, Shall we pay what is practically a bounty to keep such a magazine in existence? Why, the Government of the United States spends millions of dollars every year to send in every direction speeches of lawyers made at bar conventions, speeches of diplomats, and publications of every kind, paying the entire cost, not only for the white paper but the postage as well, and it runs into millions of dollars every year, much of it not being read at all. Here is a publication, to which the Senator has just referred, which is helpful, which is conducive to better citizenship, which is appreciated around the home circle, which ought to have a tremendous influence upon the life of our citizens; and there is complaint because the Government does not make a profit out of that kind of service.

Mr. NORRIS. The Senator has not stated the proposition as I understand it. Nobody has complained that the Government ought to make a profit out of that publication or any other. Nobody has intimated such a thing. Nobody is contemplating such a thing. Nobody is proposing such a thing. The proposition on all sides is to carry that publication through the mails at a loss. The only difference is, there are those who believe that the Government ought not to lose as much in carrying it as it is now losing.

Mr. SMITH of Michigan. Well——

Mr. NORRIS. I wish the Senator would let me answer him first, and then I will yield to him again. I should like to keep the floor a little while. Nobody wants to put any publication, particularly like the Youth's Companion, out of business, and yet I dare say if we had an appropriation bill under consideration, and it was proposed to give to the Youth's Companion $50,000, it would not get one vote in the Senate of the United States. Indirectly, that is what we do.

The Senator refers to the Iron Age. I had here in the Senate and called the Senate's attention to it a few months ago, and have it still in my office, a copy of the Iron Age that weighs a little over 4 pounds. I have forgotten the figures now, but there were seven or eight times as many pages of advertising matter as there were of reading matter in that copy, and some of the reading matter was of doubtful educational value, probably. It cost the Government of the United States, as I remember the figures now, to distribute that one issue something over $40,000. It got less than $1,000 for doing it. At the rates of advertising—$50 a page, as I remember—the publishers of that magazine made an immense amount of money out of it. Now, I have not any objections to their making money out of it, but it seems to me it is unreasonable to say to the Government of the United States: "You should expend this much money in distributing that pub-

lication all over the country when it costs you ten or twelve times as much to do the work as you are getting for doing it."

Mr. SMITH of Michigan. Mr. President, there is an ideal magazine [exhibiting copy of CONGRESSIONAL RECORD]. There is not an inch of advertising matter in it. The Government circulates it, and pays for the white paper. I do not know how many people read it, but I have been led to believe that it is not read very generally, although it is full of very useful information.

Mr. NORRIS. Mr. President, I will take up that proposition. I anticipate that the Senator from Michigan will offer an amendment that the CONGRESSIONAL RECORD shall not be further published. In that way we shall cease to publish it. That might be a good proposition, and I do not know but that that would be right. As the Senator from Michigan suggests, we would not need any cloture rule then; but that is an indication that somebody reads it. The Senator from Michigan intimates that nobody does read it; and he referred in his first question to the speeches of doctors and lawyers being printed at public expense and sent over the country.

Mr. President, there are not very large numbers of speeches that are printed in that way. There are some printed and published at public expense and circulated through the country in the way the Senator suggests; and, Mr. President, I presume everybody here knows that it is wrong and ought not to be done to the extent, at least, that it is done. But is it any defense to one proposition that is wrong to offer another one that is likewise wrong?

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska further yield to the Senator from Michigan?

Mr. NORRIS. I do.

Mr. SMITH of Michigan. I hope the Senator from Nebraska did not understand me to suggest that the CONGRESSIONAL RECORD ought to be abolished. I think the CONGRESSIONAL RECORD is a very useful publication. The recorded word makes men a little more temperate in speech. I would not abolish it or do away with it, even if it does involve an expense to the Government; but if any private citizen undertook to print it for the returns he would get in dividends he would have to have a bounty from the Government or go out of business.

Mr. NORRIS. The first thing that would happen if a private citizen undertook to publish it would be that he would go into the advertising business or there would not be any publication of the CONGRESSIONAL RECORD.

Mr. SMITH of Michigan. Well, if advertisements would tend to popularize the publication they should be encouraged.

Mr. NORRIS. May I say these speeches, printed at public expense and circulated, contain no advertising matter? Nobody makes a financial profit out of the transaction.

Mr. SMITH of Michigan. Nobody except the individual who sometimes capitalizes it for campaign purposes.

Mr. NORRIS. That is true, but the individual editor sometimes capitalizes his newspaper and even the editor of a magazine can do the same thing without having any advertising in his paper in regard to it. I think that occurs very often.

Mr. SMITH of Michigan. Yes; if the Senator will pardon me, it occurred just once within my recollection. The paper had been printed at Chicago for the last five or six years on the theory that news and editorials would carry its cost, and after an expense of several hundred thousand dollars it finally has been abandoned. The price of print paper put a quietus on that publication.

Mr. NORRIS. Even though it was getting a subsidy from the Government.

Mr. SMITH of Michigan. That was of little avail.

Mr. NORRIS. I say it had to be abandoned notwithstanding the fact that the Government was distributing it at less than cost.

Mr. SMITH of Michigan. It did not have as wide a circulation as the CONGRESSIONAL RECORD and cost less.

Mr. NORRIS. Mr. President, I think the people are interested often in advertising matter. It is often interesting reading. But there is a distinction between an article in a magazine for which the magazine must pay the writer, for instance, a large sum of money on some educational or scientific subject that gives the value and the standing to the magazine. He pays even to get it, and on the next page there is advertising matter that may in itself be interesting that he gets paid for.

Although I am in favor of the amendment offered by the Senator from Tennessee, and I am going to vote for it, yet I think there is some reason in differentiating between advertising matter and other reading matter in a magazine and in a newspaper. I do not think the Government is under the same obligation to carry at an enormous loss the advertising pages of a publication that it is to carry the other reading matter that is in its nature educational.

The Senator referred to a paper that had no advertising and then made a reference to the effect that people take a paper and read it for its advertising. If we had a newspaper—and there are some such—that has nothing in it but advertising matter it would not have much standing. If it was not for the subsidy that the Government gives it it would not be carried through the mail. I went into a fourth-class post office in western Nebraska four or five years ago and talked with the postmaster. It was early in the season, when he had not found it necessary to keep a fire all day, and he said, "For several days I have been warming the office with newspapers." He showed me a whole sack of a certain publication that came from Augusta, Me., sent to men, he said, who were dead and gone or those who were not dead had moved out of the country. There was nobody to receive the papers. He had notified them and they did not pay any attention to it. Those papers came by the sack full clear across the country. It cost the Government an enormous amount of money to carry that worthless stuff, and then he used it for fuel.

Mr. SMITH of Michigan. May I ask the Senator if in good conscience he does not believe that the advertisement of the liberty loan in the newspapers of this country did more to place that loan than anything that was done in its behalf? Millions of dollars' worth of advertising was given by the newspapers and magazines of the country for the liberty loan, and I noticed an article the other night that the Secretary of the Treasury was contemplating the expenditure of a vast sum of money to the newspapers to advertise the next liberty loan. Surely advertisements must amount to something. They are prepared often by experts at large salaries, and they go directly to the eyes of the people. The business house that does not keep a direct tab upon the results of its advertising is very lax. They know exactly what they get in return and buy it from choice. I do not like to have the idea go out that wholesome advertising is a useless process and that it is necessarily one that the Government should curtail and look upon with disfavor.

Mr. NORRIS. Mr. President, the Senator from Michigan asked me a question and then he made a speech afterwards before I could get a chance to answer it, and I have forgotten what the question was.

Mr. SMITH of Michigan. If it were not for the CONGRESSIONAL RECORD there would be no notice whatever of either the question or the answer.

Mr. NORRIS. But it would be too late to read it in the CONGRESSIONAL RECORD for me to answer it. I wonder if the Senator himself has forgotten what it was.

Mr. SMITH of Michigan. No; I will tell the Senator what it was. I asked with reference to the service performed by newspapers, periodicals, and magazines in behalf of the liberty loan. The Senator from Nebraska, I think, is generous enough to concede that the newspapers and magazines performed a very great service to the Government in that crisis.

Mr. NORRIS. I remember it now, and the Senator's remark this time was so short that I could not have forgotten it. I do think they have performed a great service. The Senator must not get the idea that I have been condemning newspapers or have been condemning advertisements. There is not any such proposition before the Senate, and nobody is contemplating anything of the kind. I know they were patriotic; they did a great service then, and they have done it a good many times. Sometimes I think they take the wrong side of it when they mark me down as a traitor and a whole lot of other things, but they are entitled to their opinion and their judgment. Nobody is condemning them. I think they did a great service in the liberty loan, but, Mr. President, they did it without compensation. Are they coming now to get paid for it? Was it done with the idea of getting money for it? Did they think, "If we do this, Congress will continue to give us the subsidy which we have enjoyed for all these years?" If they did, there was a string to their patriotism.

Now, I do not think they did, and I am willing to give them credit for it. They are not the only people who were patriotic. There are thousands of men in this country who borrowed money to buy liberty bonds. They were patriotic. It is not a question of anybody's patriotism. Nobody has denied anyone's patriotism here. This question resolves itself down to this, Are we willing to continue to give to the newspapers and the journals and the magazines of the country a subsidy of from seventy to eighty million dollars a year, or do we want to cut that subsidy in two and to take away a part of it? Nobody has proposed to take it all away. Is it fair that the Government of the United States should continue to pay this enormous subsidy to a special

class? Are the newspapers and the magazines of the country demanding that they shall be in a special class entitled to a subsidy from the taxpayers of the country out of the Treasury of the United States?

I will say in substance, in conclusion, it has seemed to me that we might well contribute something in the way of a subsidy, and we will if any of these amendments are adopted; but I do not believe it is right, I do not believe it is fair, to ask the taxpayers of the country to pay as a subsidy to these newspapers and magazines an amount of money from $70,000,000 to $80,000,000. The illustration I gave only shows that there are publications that maintain themselves for profit only on account of this subsidy. The fact that this postmaster out on the western plains was using a newspaper as fuel and could continue to do it and got enough of the papers to do it illustrates that they wanted to keep up with their advertising on the theory that they had a large list of subscribers, when, as a matter of fact, those people had never subscribed to such a publication, had never read it, and some of them had never seen it, and many of them had been dead and buried for years. I suppose the amount of their advertising depended upon the number of subscribers they had, and their books showed a whole lot of subscribers who in fact did not exist.

There ought to be a charge made somewhat commensurate with the service that is rendered. If the amendment of the Senator from Tennessee is adopted, we will still be giving a subsidy of between thirty and forty-five million dollars to these publications, but we will cut off some of it. It seems to me that that is fair. It takes into consideration the principle that the charge we shall make will depend somewhat upon the service we will perform, and it is a zone rate that we apply to everything else where weight is a material consideration in the transportation.

Mr. STONE. Mr. President, I understand the question now immediately before the Senate concerns the rate on second-class postal matter. I should like to be informed what, after this question is finally disposed of, will be the next question before the Senate?

The PRESIDING OFFICER. The next question would be the next section of the bill, unless some other amendment is moved to this section, which it would be in order to propose.

Mr. SMOOT. I desire to say to the Senator from Missouri that the chairman having the bill in charge gave notice that we would take up title 2, the war-profits tax, as soon as this is disposed of.

Mr. STONE. As soon as the immediate matter before the Senate is disposed of?

Mr. SMOOT. No; as soon as the title now before the Senate is disposed of.

Mr. STONE. But I am asking with respect to the title before the Senate. I wish to be advised——

The PRESIDING OFFICER. If the Senator will pardon the Chair, after the present section, which is section 1101, is disposed of, the next in order will be section 1102.

Mr. STONE. Well, what is section 1102?

The PRESIDING OFFICER. Section 1101 is the one the Senator inquired about.

Mr. STONE. I ask what section 1102 is?

The PRESIDING OFFICER. The Secretary will read section 1102.

The Secretary read as follows:

SEC. 1102. That the rate of postage on daily newspapers, when the same are deposited in a letter-carrier office for delivery by its carriers, shall be the same as now provided by law.

Mr. STONE. That is enough. Then that follows the subject we are now considering.

The PRESIDING OFFICER. Yes; the temporary occupant of the chair is of that opinion.

Mr. STONE. I desire to know, because to-morrow morning when section 1102 is reached I desire to address the Senate upon the phases of the bill referring to newspapers. I am not giving this as any notice, except that I wanted to be sure that the provision of the bill relating to the tax on net incomes of newspapers would be the next subject taken up.

The PRESIDING OFFICER. That would be true if the regular order was followed.

Mr. STONE. If the regular order is followed?

The PRESIDING OFFICER. If it should be followed.

Mr. STONE. At all events, of course I must take some chance upon that, and it is not quite a chance with me. I simply wanted to know that, for I desire to address the Senate when that phase of the subject is taken up.

Mr. JONES of New Mexico. I move that the Senate take a recess until 11 o'clock to-morrow morning.

Mr. HOLLIS. Will the Senator from New Mexico withhold the motion for just a moment?

Mr. JONES of New Mexico. Certainly.

Mr. HOLLIS. It is stated in some quarters that the four railroad brotherhoods do not object to the increased rate proposed. I desire to have printed in the RECORD, without reading, a letter addressed to the chairman of the Committee on Finance of the Senate and the chairman of the Committee on Ways and Means of the House of Representatives by the four national legislative representatives of the four brotherhoods, in which they do object to the increase in postal rates.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 9, 1917.

Hon. F. M. SIMMONS,
Chairman Committee on Finance,
United States Senate, City.

Hon. CLAUDE KITCHIN,
Chairman Committee on Ways and Means,
House of Representatives, City.

DEAR SIRS: As the representatives of approximately 500,000 citizens of the United States, who are members of the Brotherhood of Locomotive Engineers, the Brotherhood of Locomotive Firemen and Enginemen, the Order of Railway Conductors, and the Brotherhood of Railway Trainmen, and on behalf of nearly one and one-half million more, dependents of the men engaged in engine, train, and yard service in this country, we take this opportunity of calling to your attention the necessity of giving careful consideration to a matter of serious importance, and that is in reference to the proposed increase in postal rates.

During the year 1916 the Brotherhood of Locomotive Engineers directly, through their general offices, paid $3,414 for first-class postage, the Brotherhood of Locomotive Firemen and Enginemen $7,669.70, the Order of Railway Conductors $9,025.65, and the Brotherhood of Railway Trainmen $7,139, making a total for first-class postage paid by the general offices of those brotherhoods of $27,248.35. Under the proposed increase on letter postage of 50 per cent this would increase the expenses alone in the sum of $13,624.17 per year.

During the year 1916 the brotherhoods paid for postage in mailing their magazines the following amounts: The Brotherhood of Locomotive Engineers, $4,677; the Brotherhood of Locomotive Firemen and Enginemen, $7,127.06; the Order of Railway Conductors, $2,484.06; the Brotherhood of Railway Trainmen, $6,717.63; total, $21,005.75. Under the proposed increase of 25 per cent on this class of postage to the expense of mailing the magazines would be added the sum of $5,241.44, thereby making a grand total increase of $18,865.61 in first and second class postage if the proposed increases were to become effective, bringing the grand total, based on 1916, up to $67,119.71 under the proposed increase of 50 per cent in first-class rates and 25 per cent in second-class rates (magazines).

The four railroad brotherhoods derive no income other than that paid for by the membership, and any increase in postal rates therefore must be paid for by the individual members. The magazines are the official publications of the four organizations and are maintained in the interest of the membership without profit for the mutual benefit and information of the membership.

The proposed increase in first-class postage is something that virtually affects every citizen of the United States, as through it communication is maintained among all the people; therefore, in addition to the amount of postage paid through the general offices, each individual member and the members of his family are directly affected by the increase in first-class postage rates, and a direct tax is levied on all the people in this manner, which amounts to many thousands of dollars to the men we represent and their families.

The B. of L. E., the B. of L. F. & E., the O. R. C., and the B. of R. T. deem it a patriotic duty to support the Government and to render every assistance in the prosecution of the war, with the end in view of a speedy termination of this conflict in the interest of humanity, and by word and action have pledged their loyalty to our country; but we, as the representatives of these people, feel that the burden of taxation should fall on those who are more able to pay than are the men who live on the wages they earn.

In the prosecution of this war, the war clause in the insurance policies carried by the members of these organizations has been suspended, and the insurance of members joining the military or naval forces of the United States as well as Canada is placed in full force and effect, and in this connection we desire to call attention to the fact that these brotherhoods have paid out in death and disability claims in the ordinary pursuit of the occupations of members the sum of $113,870,906.58 since the begin-

ning of those organizations to July 1, 1917. To this enormous sum already paid and to the enormous amount of insurance in force will be added many thousands of dollars in war claims paid on account of death and disability of those who have volunteered or enlisted in the service of this country. Also, in connection with this, we desire to call your attention to the fact that every cent of this insurance is paid for by direct assessment upon the membership of these organizations, and that every cent paid for postage as well as for the publication of our magazines is paid for in like manner. Therefore, in the consideration of the pending war-revenue bill, we most earnestly request your consideration of the members of those organizations, with the object in view of lessening the burden of taxation to the greatest possible extent upon the men and their dependents represented by the undersigned, believing that other methods of raising revenue may be employed than that of increasing the postal rates.

Respectfully submitted.

H. E. WILLS,
A. G. C. E. and National Legislative Representative, B. of L. E.
P. J. MCNAMARA,
Vice President, National Legislative Representative, B. of L. F. & E.
N. M. CLARK,
Vice President, National Legislative Representative, O. R. C.
W. V. DOAK,
Vice President, National Legislative Representative, B. of R. T.

Mr. JOHNSON of California. I offer an amendment to the pending bill and ask that it may be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

RECESS.

Mr. JONES of New Mexico. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m., Tuesday, August 28, 1917) the Senate took a recess until to-morrow, Wednesday, August 29, 1917, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

TUESDAY, *August 28, 1917.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in Heaven, let Thy blessing descend with all its quickening power upon these, Thy servants, that they may meet the great legislative problems which wait upon them wisely, conscientiously, patriotically, with statesman-like zeal, that ways and means may be provided for the prosecution of the conflict which is before us; that our soldiers and sailors may carry the flag of our fathers, and our flag, which represents all that is dear to the American heart, to a victory which shall establish a lasting peace for all the world; that righteousness, truth, justice, and liberty may obtain, and Thy name be hallowed in the spirit of the Master. Amen.

The Journal of the proceedings of Friday, August 24, 1917, was read and approved.

ADJOURNMENT UNTIL THURSDAY, AUGUST 30, 1917.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Thursday next.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet next Thursday. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, does that mean that the gentleman's agreement, under which we have heretofore been operating, will be at an end?

Mr. KITCHIN. Yes; as I understand it. Notices have been sent to all the Members as to what legislation will be undertaken this week and next week. I would say that we hope to report the bond bill on Thursday and to take it up for consideration Friday and Saturday, although there may be some obstacles in the way. We have not reported it yet or fully considered it. Then it is understood that probably the soldiers' insurance bill will be reported Thursday. That will be taken up the latter part of the week or the first of next week. I hope the House will be able to adjourn over from Saturday until Tuesday for Labor Day.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none.

WITHDRAWAL OF PAPERS.

Mr. FORDNEY, by unanimous consent, was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of the bill (H. R. 9595), Sixty-second Congress, Joseph Neveaux, no adverse report having been made thereon.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 2156. An act to authorize exploration for and disposition of potassium; to the Committee on the Public Lands.

LEAVE OF ABSENCE.

The SPEAKER. The gentleman from Wisconsin [Mr. LENROOT] has written me a letter asking indefinite leave of absence on account of sickness in his family. Is there objection to granting the request? [After a pause.] The Chair hears none.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 5 minutes p. m.) the House, under its previous order, adjourned until Thursday, August 30, 1917, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Acting Secretary of the Treasury, transmitting copy of a communication of the Secretary of War submitting a supplemental estimate of appropriation to provide for the construction of defense roads and trails to localities on the Panama Canal, for the service of the fiscal year 1918 (H. Doc. No. 350); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of Commerce, relating to an estimate for standardizing governmental costs-accounting methods (H. Doc. No. 315, pt. 2); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Acting Secretary of the Treasury, submitting a correction of an estimate of appropriation for payment of claim No. 31277 (H. Doc. No. 298, pt. 2); to the Committee on Appropriations and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. KNUTSON: A bill (H. R. 5839) extending the time for the construction of a bridge across the Mississippi River, in Aitkin County, Logan Township, State of Minnesota; to the Committee on Interstate and Foreign Commerce.

By Mr. LUNDEEN: Joint resolution (H. J. Res. 145) to repeal an act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," commonly known as the "conscription act"; to the Committee on Military Affairs.

By Mr. JOHNSON of Washington: Joint resolution (H. J. Res. 146) authorizing the Secretary of War to proceed with the improvement of Willapa Harbor and River, Wash., in accordance with previous authorization of Congress; to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FOSTER: A bill (H. R. 5840) granting a pension to Nora V. McDaniel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5841) granting a pension to David Pruitt; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 5842) for the relief of the estate of Israel Folsom; to the Committee on Indian Affairs.

By Mr. JOHNSON of Washington: A bill (H. R. 5843) granting an increase of pension to Edwin L. Wilber; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5844) granting an increase of pension to Alonzo W. Covert; to the Committee on Invalid Pensions.

By Mr. LONERGAN: A bill (H. R. 5845) granting a pension to Maria Martin Ballou; to the Committee on Pensions.

Also, a bill (H. R. 5846) granting a pension to Margaret Steele; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5847) granting a pension to Mary F. Barnum; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5848) granting a pension to Annie M. Easland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5849) granting a pension to Melissa C. Lewis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5850) granting a pension to Mrs. William Bader; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5851) granting an increase of pension to Harrison W. Fox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5852) granting an increase of pension to Julius O. Deming; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5853) granting an increase of pension to Thomas Conley; to the Committee on Pensions.

Also, a bill (H. R. 5854) granting an increase of pension to Domitile Brennison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5855) granting an increase of pension to James F. Coakley; to the Committee on Pensions.

By Mr. MAHER: A bill (H. R. 5856) granting a pension to Elizabeth McGuiness; to the Committee on Pensions.

Also, a bill (H. R. 5857) granting a pension to Joseph P. Hamblen; to the Committee on Invalid Pensions.

By Mr. MONTAGUE: A bill (H. R. 5858) for the relief of Past Asst. Paymaster P. M. Lathrop, United States Navy; to the Committee on Claims.

By Mr. RIORDAN: A bill (H. R. 5859) granting a pension to Joseph F. Flynn; to the Committee on Pensions.

By Mr. WILLIAMS: A bill (H. R. 5860) granting a pension to Pearley P. Beal; to the Committee on Pensions.

Also, a bill (H. R. 5861) granting a pension to John W. McDonald; to the Committee on Pensions.

Also, a bill (H. R. 5862) granting an increase of pension to Lona Boutwell; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. DALE of New York: Petition of H. N. Scott, Winthrop, N. Y., favoring the Moore purple-cross bill, House bill 5410; to the Committee on Military Affairs.

By Mr. FESS: Petition of 69 citizens of Greene County, Ohio, urging a Christian amendment to the Constitution of the United States, acknowledging Almighty God as the source of all authority in civil government; to the Committee on the Judiciary.

By Mr. JOHNSON of Washington: Petition of various citizens of Tacoma, Wash., favoring Irish independence; to the Committee on Foreign Affairs.

By Mr. STINESS: Petition of the Rhode Island State Committee of National Defense, medical section, favoring provision for military rank among medical officers of the Army commensurate with that of medical officers of the Navy; to the Committee on Military Affairs.

Also, petition of the board of trustees, Memorial Hospital, of Pawtucket, R. I., favoring provision for military rank among medical officers of the Army commensurate with that of medical officers of the Navy; to the Committee on Military Affairs.

Also, petition of Eagle Council, No. 8, Junior Order United American Mechanics, of Providence, R. I., favoring the passage of House bills 4852 and 5369; to the Committee on Immigration and Naturalization.

Also, petition of the Rhode Island Mule Spinners' Association, No. 3, Pawtucket, R. I., approving the soldiers' insurance bill; to the Committee on Interstate and Foreign Commerce.

SENATE.

WEDNESDAY, *August 29, 1917.*

(Legislative day of Wednesday, August 15, 1917.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. ASHURST. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Arizona suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Chamberlain	Fernald	Hale
Bankhead	Colt	Fletcher	Harding
Beckham	Culberson	France	Hardwick
Brady	Curtis	Frelinghuysen	Hitchcock
Brandegee	Dillingham	Gerry	Husting
James	Lodge	Poindexter	Smoot
Johnson, Cal.	McCumber	Robinson	Sterling
Johnson, S. Dak.	McKellar	Saulsbury	Stone
Jones, N. Mex.	McNary	Shafroth	Sutherland
Jones, Wash.	Martin	Sheppard	Swanson
Kellogg	Nelson	Sherman	Thompson
Kendrick	New	Shields	Townsend
Kenyon	Norris	Simmons	Trammell
King	Overman	Smith, Ga.	Vardaman
Kirby	Page	Smith, Md.	Watson
Knox	Penrose	Smith, Mich.	Williams
La Follette	Pittman	Smith, S. C.	

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] on account of illness. I will state that he is paired with the senior Senator from North Dakota [Mr. MCCUMBER]. This announcement may stand for the day.

Mr. SUTHERLAND. I wish to announce that my colleague, the senior Senator from West Virginia [Mr. GOFF], is absent on account of illness. I will let this announcement stand for the day.

Mr. FRELINGHUYSEN. My colleague [Mr. HUGHES] is absent owing to illness. This announcement will stand for the day.

The PRESIDENT pro tempore. Sixty-seven Senators have answered to their names. There is a quorum present.

THE PRESIDENT'S REPLY TO THE POPE'S PEACE PROPOSAL.

Mr. BRADY. Mr. President, I have in my hand the reply of President Wilson to the suggestions of the Pope relative to the terms of peace. I am going to ask that this reply, together with an editorial and certain comments from the press, be printed in the RECORD. I do this for the reason that I believe it is a document that will go down in history and will mean much not only to the democracy of America but to the democracies of the world. While the President rejects the terms suggested by the Pope, yet he points a way that will enable the other nations, by following the lines suggested, to reach peace on fair, just, and honorable terms at the proper time.

I ask that these press comments, as well as the editorial, be published for the reason that I hope to have a page taken from the RECORD, printed, and distributed to the leading citizens in every county in my State, so that they may at first hand know what the immediate impression of this reply has been upon the people of the East. We of the West, of course, do not enjoy the advantages of reading all the great daily newspapers nor of reading the comments that they may make, and for that reason I ask to have inserted in the RECORD the editorial and comments of the press.

Mr. MCCUMBER. Will the Senator include the editorial in the Post of this morning?

Mr. BRADY. I have included the editorial from the Post of this morning, and the comments of the press, the New York Herald, the New York World, the Times, and a few other leading papers.

I believe that this document is going to take its place in the world's history and in our history, as the generations go by, with Lincoln's Address at Gettysburg and Washington's Farewell Address to his soldiers and the people, for I believe that this document will cause us, when the proper time arrives, to have a seat at the table when the terms of peace are made. This reply of the President to the Pope is the beginning of the end of autocracy in the world.

The PRESIDENT pro tempore. Without objection, the request of the Senator from Idaho will be granted.

The matter referred to is as follows:

PRESIDENT WILSON REJECTS POPE'S PEACE PROPOSAL—REPLY OF UNITED STATES TO COMMUNICATION FROM VATICAN TO THE BELLIGERENT GOVERNMENTS.

AUGUST 27, 1917.

To His Holiness BENEDICTUS XV, Pope:

In acknowledgment of the communication of your holiness to the belligerent peoples, dated August 1, 1917, the President of the United States requests me to transmit the following reply:

Every heart that has not been blinded and hardened by this terrible war must be touched by this moving appeal of His Holiness the Pope, must feel the dignity and force of the humane and generous motives which prompted it, and must fervently wish that we might take the path of peace he so persuasively points out. But it would be folly to take it if it does not in fact lead to the goal he proposes. Our response must be based upon the stern facts and upon nothing else. It is not a mere cessation of arms he desires; it is a stable and enduring peace. This agony must not be gone through with again, and it must be a matter of very sober judgment what will insure us against it.

His holiness, in substance, proposes that we return to the status quo bellum, and that then there be a general condonation, disarmament, and a concert of nations, based upon an ac-

ceptance of the principles of arbitration; that by a similar concert freedom of the seas be established; and that the territorial claims of France and Italy, the perplexing problems of the Balkan States, and the restitution of Poland be left to such conciliatory adjustments as may be possible in the new temper of such a peace, due regard being paid to the aspirations of the peoples whose political fortunes and affiliations will be involved.

It is manifest that no part of this program can be successfully carried out unless the restitution of status quo ante furnishes a firm and satisfactory basis for it. The object of this war is to deliver the free peoples of the world from the menace and the actual power of a vast military establishment controlled by an irresponsible government which, having secretly planned to dominate the world, proceeded to carry the plan out without regard either to the sacred obligations of treaty or the long-established practices and long-cherished principles of international action and honor; which chose its own time for the war; delivered its blow fiercely and suddenly; stopped at no barrier either of law or of mercy; swept a whole continent within the tide of blood—not the blood of soldiers only, but the blood of innocent women and children also and of the helpless poor; and now stands balked but not defeated, the enemy of four-fifths of the world. This power is not the German people. It is the ruthless master of the German people. It is no business of ours how that great people came under its control or submitted with temporary zest to the domination of its purpose; but it is our business to see to it that the history of the rest of the world is no longer left to its handling.

To deal with such a power by way of peace upon the plan proposed by His Holiness the Pope would, so far as we can see, involve a recuperation of its strength and a renewal of its policy; would make it necessary to create a permanent hostile combination of nations against the German people, who are its instruments; and would result in abandoning the new-born Russia to the intrigue, the manifold subtle interference, and the certain counter-revolution which would be attempted by all the malign influences to which the German Government has of late accustomed the world. Can peace be based upon a restitution of its power or upon any word of honor it could pledge in a treaty of settlement and accommodation?

Responsible statesmen must now everywhere see, if they never saw before, that no peace can rest securely upon political or economic restrictions meant to benefit some nations and cripple or embarrass others, upon vindictive action of any sort, or any kind of revenge or deliberate injury. The American people have suffered intolerable wrongs at the hands of the Imperial German Government, but they desire no reprisal upon the German people, who have themselves suffered all things in this war, which they did not choose. They believe that peace should rest upon the rights of peoples, not the rights of governments—the rights of peoples great or small, weak or powerful—their equal right to freedom and security and self-government and to a participation upon fair terms in the economic opportunities of the world—the German people, of course, included, if they will accept equality and not seek domination.

The test therefore of every plan of peace is this: Is it based upon the faith of all the peoples involved or merely upon the word of an ambitious and intriguing Government on the one hand and of a group of free peoples on the other? This is a test which goes to the root of the matter, and it is the test which must be applied.

The purposes of the United States in this war are known to the whole world—to every people to whom the truth has been permitted to come. They do not need to be stated again. We seek no material advantage of any kind. We believe that the intolerable wrongs done in this war by the furious and brutal power of the Imperial German Government ought to be repaired, but not at the expense of the sovereignty of any people—rather a vindication of the sovereignty both of those that are weak and of those that are strong. Punitive damages, the dismemberment of empires, the establishment of selfish and exclusive economic leagues, we deem inexpedient and in the end worse than futile, no proper basis for a peace of any kind, least of all for an enduring peace. That must be based upon justice and fairness and the common rights of mankind.

We can not take the word of the present rulers of Germany as a guaranty of anything that is to endure, unless explicitly supported by such conclusive evidence of the will and purpose of the German people themselves as the other peoples of the world would be justified in accepting. Without such guaranties treaties of settlement, agreements for disarmament, covenants to set up arbitration in the place of force, territorial adjustments, reconstitutions of small nations, if made with the German Government, no man, no nation could now depend on. We must await some new evidence of the purposes of the great peoples of the central powers. God grant it may be given soon and in a way to restore the confidence of all peoples everywhere in the faith of nations and the possibility of a covenanted peace.

ROBERT LANSING,
Secretary of State of the United States of America.

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[From the Washington Post, Aug. 29, 1917.]

THE REPLY TO THE PEACE PROPOSAL.

Although President Wilson's reply to Pope Benedict's peace proposal is made after an exchange of views with the principal allied Governments, it is peculiarly America's views, and need not be considered in connection with the reply made by any other Government. The message ostensibly goes to Rome, but it is really directed to Berlin.

President Wilson lays bare the inherent weakness of any proposal to make peace on any terms with the German Government, this weakness being the inability of that Government to give any pledge or promise that other nations would accept. The German Government having destroyed its reputation for truth and honor, no one else can restore it. "We can not take the word of the present rulers of Germany as a guaranty of anything that is to endure." That tells the story in a nutshell, so far as peace negotiations are concerned.

How, then, shall peace finally be made? Mr. Wilson applies this test to every peace plan: Is it based upon the faith of all the peoples involved, or merely upon the word of an ambitious and intriguing Government? When the German people, speaking by and for themselves, pledge their faith, the world will discuss peace.

The President also makes it plain that there is no desire to "crush Germany," to destroy the sovereignty of the German people. He says a good word in season when he deprecates demands for "punitive damages, the dismemberment of empires, the establishment of selfish and exclusive economic leagues." He rightly states that these are not bases of peace of any kind, least of all an enduring peace.

There is the answer. It is for Germany to seek peace from within by setting aside the mad murderers who have run her toward ruin. When the people of Germany assert their control of their own affairs and make and operate their own Government, they can have peace by cleaning the blood from the hand they extend toward their neighbors. The cleansing process includes the restoration of stolen territory, restitution for property looted and destroyed, abandonment of attempts to govern alien peoples, acceptance of a status of equality among nations, and honest guaranties that there shall be no secret intriguing and secret arming for assaults upon other nations.

In short, the United States through President Wilson notifies Germany that the war will go on until evidence is given to the world, by defeat or inner reform, that Germany is no longer a maniac, but a peaceable neighbor.

The reply is the only one the President could have been expected to make. It gives renewed assurance, if any were needed at home and abroad, that the United States having entered upon the performance of a solemn duty to humanity, will continue unwavering until its task is completed.

The words are those of a great American into whose keeping the destinies of his country forced into war have been given. President Wilson by his calm, statesmanlike answer to the Pope's peace proposal once more proves his claim to the firm faith and confidence of his countrymen.

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PRESS COMMENTS ON PRESIDENT'S REPLY TO POPE'S PEACE PROPOSALS.

New York Staats-Zeitung (German):

"President Wilson has rejected the Pope's peace proposals. This rejection was to be expected. The rejection is, however, neither brusque nor unconditional.

"The German people must speak. The nation itself, through its representatives, must make itself heard, must speak to the other peoples of the world; its voice will find a hearing; what it says will count. Thus peace will be possible."

New York Herold (German):

"To Mr. Wilson's view, all issues at stake can be quickly settled as soon as there exists a certainty that a democratic Germany has been born. Events in Germany appear to indicate that there are influences at work that may bring peace nearer than anyone now believes."

New York World:

"President Wilson's reply to the Vatican peace proposals can be compressed into five words: 'No peace with Prussian autocracy.'

"The President makes that issue fundamental. Everything can be left to compromise and adjustment except the safety and security of civilization. There must be guaranties for that, and there can be no guaranty while the present Government of Germany endures."

New York Times:

"To the Pope's proposal that the allies meet Germany in a friendly and mutually trustful negotiation, the President answers that there is no one to negotiate with. The negotiation results in scraps of paper. * * * The German people can save themselves by assuring our safety, by giving us men with whom we can negotiate. They can do it when they destroy their autocracy and give over its and their tyrannical ambitions."

New York Sun:

"In his answer to the Pope, President Wilson has hit the nail on the head.

"No peace can be made which allows the German Government to start anew; which leaves that part of Europe already crippled to hobble on unaided; which condones the wrong and only hopes to avoid it in the future.

"Could there be a sharper indictment than this: 'We can not take the word of the present rulers of Germany unless supported by * * * the will of the German people themselves'?"

New York Herald:

"President Wilson rejects the peace proposal of the Pope and, in language that will ring around the world, gives his reasons. There can be no truce with Prussianism, no temporizing with evil. Peace can not be based upon any such flimsy structure as the word of the present German Government."

Boston Herald:

"We believe the President has expressed, with admirable precision, the attitude of the American people in the present crisis; they want peace, but they want it on a basis that affords adequate assurance of its lasting. We believe the war is nearing an end—an end which will secure the future peace of the world. To yield just on the edge of such an accomplishment would be a prodigious mistake."

Boston Post:

"This reply meets expectations and forecasts; it is that which the President's utterances of recent months have made consistent; it reaches the very heart of the contention of this Government ever since the declaration of war."

Philadelphia Inquirer:

"If Germany herself will do the bidding of highwayman autocracy, well and good. If she will undertake to govern herself and destroy the military system that has for many years been a world menace, we, the countries fighting against that system, will be more than delighted."

Baltimore American:

"With full appreciation of the sincere and humanitarian motives that inspired the Pope, and sharing in his desire that the slaughter of men shall cease, this Government can not be a party to any peace proposals that would simply mean a renewal of the war and that would give Germany ample time to prepare for it."

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CURTIS:

A bill (S. 2824) for the relief of Joel J. Booth; to the Committee on Post Offices and Post Roads.

A bill (S. 2825) granting an increase of pension to Jesse L. Pelton (with accompanying papers);

A bill (S. 2826) granting a pension to Catherine Walker (with accompanying papers); and

A bill (S. 2827) granting an increase of pension to William R. Porter (with accompanying papers); to the Committee on Pensions.

By Mr. WATSON:

A bill (S. 2828) granting an increase of pension to Nancy Hackleman; to the Committee on Pensions.

By Mr. KIRBY:

A bill (S. 2829) to authorize the granting of furloughs to medical students in the Army; to the Committee on Military Affairs.

By Mr. ROBINSON:

A bill (S. 2830) extending the time for the construction of a bridge across the Arkansas River between the cities of Little Rock and Argenta, Ark.; to the Committee on Commerce.

WAR REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes.

The PRESIDENT pro tempore. The question before the Senate is on agreeing to the amendment of the Senator from Tennessee [Mr. McKELLAR] as amended.

Mr. KING. I offer an amendment to the pending bill in the nature of a substitute for sections 200 to 211, Title II, being the war-profits provision, which I ask may lie on the table and be printed.

The PRESIDENT pro tempore. The amendment will lie on the table and be printed.

Mr. HARDWICK. Mr. President, I feel it a duty that I owe to the Senate and to the Post Office Department and to the country to express, at some length, although I am going to consume just as little time as possible, my views on this question, not with a view of expressing any opinion of my own except in so far as that opinion is the result of information that I have received from the Post Office Department and in so far as I believe that information to represent the truth about these matters.

One would think from this discussion that the propositions that we are discussing in the Senate, and have been discussing in the Senate since the consideration of this title was begun, were new and novel. Such is not the case. The very first postal law that this Republic ever passed, adopted, I think, in 1792—the act of February 1, 1792—provided a zone system of charges on letters, and during many years of the Republic's history the system of zone charges for this service, based on the distance that the letter or parcel or paper was transported, was the established legal policy of this country.

In 1874, however, the principle of a flat rate for the transportation of newspapers and periodicals was first recognized and established, and the act of 1879 extended the principle of a flat rate charge to letters; and that has been the continuing policy of this country up to the present moment, the precise rates now fixed by law on both first and second class matter being those carried in the law of 1885. I am not going to weary the Senate now with reading the various laws which record the changes in rates as well as the changes in policy which the Government has experienced on this question during its history. I will ask, however, consent to print in the RECORD as a part of my remarks a brief statement of the legislative history of this country with respect to postal rates both on first and second class mail, so that Senators may have this information and the country may have it.

The PRESIDING OFFICER (Mr. ASHURST in the chair). Is there objection to the request of the Senator from Georgia? There being none, leave is granted.

The matter referred to is as follows:

[From the report of the Hughes Commission, pp. 56–61, inclusive.]

Letters: Under the first statute passed after the adoption of the Constitution (act of Feb. 20, 1792) the rates for single letters—that is, composed of a single sheet—were fixed according to distance, ranging from 6 cents for not exceeding 30 miles to 25 cents for over 450 miles, with double and triple rates for double and triple letters. These rates were not greatly altered for any long period of time until 1845. In that year the rate for single letters (defined as weighing not more than one-half ounce) for a distance under 300 miles was made 5 cents; otherwise 10 cents. In 1851 it was reduced to 3 cents for any distance not more than 3,000 miles, if prepaid, and 5 cents if not prepaid, with double rates for any greater distance. In 1855, prepayment was made compulsory, and the rate for more than 3,000 miles was increased to 10 cents. In 1863 a uniform rate of postage on letters was established, regardless of distance, at 3 cents for weight not exceeding one-half ounce, and this rate was continued by the general act of 1879. In 1883 it was reduced to 2 cents a half ounce, and in 1885 to 2 cents for each ounce or fraction thereof.

Newspapers, periodicals, etc. (1792–1845): By the act of 1792 the postal rates for newspapers were 1 cent each for not more than 100 miles and 1½ cents for greater distances. In 1794 there was added the proviso that the rate for single newspapers within the same State should not exceed 1 cent, and, further, "that where the mode of conveyance and the size of the mails will admit of it, magazines and pamphlets may be transported in the mails at 1 cent per sheet for conveyance any distance not exceeding 50 miles, 1½ cents for any distance over 50 miles and not exceeding 100, and 2 cents per sheet for any greater distance." In 1825, while the rate for newspapers was continued, that for magazines and pamphlets published periodically and mailed to subscribers was fixed at 1½ cents a sheet for any distance not more than 100 miles and 2½ cents for greater distances, and 4 and 6 cents, respectively, where they were not published periodically; and in 1827 there was a supplementary provision that where the magazine or pamphlet contained more than 24 pages on a royal sheet, or one of less size, the charge should be by the sheet, with one-half the rate for small pamphlets printed on a half or quarter sheet.

1845–1879: This continued until 1845. Between that year and the year 1879 there were numerous changes, involving many details, and we mention only some of the illustrative features of the legislation of that period.

The free privilege for newspapers was introduced in 1845. It applied to those not more than 1,900 square inches in size, distributed within 30 miles of the place of printing. This was withdrawn by the act of 1847, which, however, allowed free exchanges between publishers. In 1851 weekly newspapers, not over 3 ounces in weight, sent to bona fide subscribers were made free of postage within the county where published. This was restricted in 1852 to one copy to each subscriber, and in 1868 it was provided that these copies should be deposited in the office nearest the place of publication and that there should be no distribution by carriers save on payment of postage. In 1874 the

free-in-county privilege was extended to all newspapers, save that unless postage paid they were not to be delivered at letter-carrier offices or distributed by carriers. In 1879, with the same restriction, this privilege was given to all second-class privilege.

Returning to newspapers and periodicals other than those made free, the act of 1845 continued the rates of 1825 for newspapers not more than 1 900 square inches. For those of larger size the same rate was fixed as on magazines and pamphlets, and the latter were charged 2½ cents a copy weighing not more than an ounce and 1 cent more for each additional ounce or fraction in excess of one-half ounce. Passing the provisions of the act of 1851, which were enforced for little more than a year, we come to that of 1852, which made the rate for newspapers, periodicals, and other printed matter weighing not over 3 ounces 1 cent to any part of the United States and 1 cent additional for each additional ounce or fraction thereof, with one-half this rate for those not over 1½ ounces circulated in the State where published. Small newspapers and periodicals published monthly or oftener, and pamphlets containing not more than 16 octavo pages each, when sent in single packages of at least 8 ounces to one address, were charged one-half cent per ounce or fraction thereof.

In 1863 mailable matter was divided into three classes: (1) Letters, (2) regular printed matter, (3) certain miscellaneous matter. The second class embraced all mailable matter exclusively in print, issued at stated periods. When issued weekly or oftener, not over 4 ounces in weight and sent to regular subscribers quarterly postage was charged running from 5 cents a quarter for weeklies to 35 cents for those issued seven times a week. For each additional 4 ounces or fraction thereof there was an additional rate. When issued less frequently than weekly, the rate was 1 cent a copy, not over 4 ounces, and small newspapers in packages to one adddress were charged the same rate per package. Transient second-class matter and third-class matter (except circulars and books) were charged 2 cents for each 4 ounces or fraction thereof in one package to one address; books, double; and unsealed circulars, 2 cents for three or less in number and proportionately for more.

In 1872 the quarterly rates on newspapers and periodicals were modified. And in that year there was provided a local-delivery rate of 1 cent each for newspapers (except weeklies), periodicals, and circulars not over 2 ounces in weight, and 2 cents for periodicals over 2 ounces when deposited in a letter-carrier office for delivery by the office or its carriers. By this statute third-class matter was made to include samples of merchandise not over 12 ounces, and all other articles not exceeding 4 pounds, which were not liable to injure the mails; and the third-class rate was 1 cent for each 2 ounces or fraction thereof; books, samples of metals, ores, minerals, and merchandise had double rates.

In 1874 there was introduced a pound rate for newspapers and periodicals mailed from a known office of publication or news agency to regular subscribers or news agents (save in case the local delivery rate was payable under the act of 1872). This was fixed at 2 cents a pound or fraction thereof for those issued weekly or more frequently; otherwise 3 cents. And the rate for all third-class matter was made 1 cent for each 2 ounces or fraction thereof.

The act of 1876 put "regular publications designed primarily for advertising purposes," or for circulation free or at nominal rates, under the third-class rate.

ACT OF MARCH 3, 1879.

The present law classifying mail matter was enacted in 1879. This established four classes: First, written matter; second, periodical publications; third, miscellaneous printed matter, and fourth, merchandise.

Mailable matter of the second class was defined as embracing all newspapers and other periodical publications which are issued at stated intervals and as frequently as four times a year, under specified conditions, as follows:

First. It must regularly be issued at stated intervals, as frequently as four times a year, and bear a date of issue, and be numbered consecutively.

Second. It must be issued from a known office of publication.

Third. It must be formed on printed paper sheets, without board, cloth, leather, or other substantial binding, such as distinguished printed books for preservation and periodical publications.

Fourth. It must be originated and published for the dissemination of information of a public character, or devoted to literature, the sciences, arts, or some special industry, and having a legitimate list of subscribers: *Provided, however*, That nothing herein contained shall be so construed as to admit to the second-class rate regular publications designed primarily for advertising purposes, or for free circulation, or for circulation at nominal rates.

The provisions as to rates on second-class matter were:

"SEC. 11. Publications of the second class, except as provided in section 25, when sent by the publisher thereof, and from the office of publication, including sample copies, or when sent from a news agency to actual subscribers thereto, or to other news agents, shall be entitled to transmission through the mails at 2 cents a pound or fraction thereof, such postage to be prepaid, as now provided by law."

"SEC. 25. That publications of the second class, one copy to each actual subscriber residing in the county where same are printed, in whole or in part, and published, shall go free through the mails; but the same shall not be delivered at letter-carrier boxes or distributed by carriers unless postage is paid thereon at the rate prescribed in section 13 (sic) of this act: *Provided*, That the rate of postage on newspapers, except weeklies, and periodicals not exceeding 2 ounces in weight, when the same are deposited in a letter-carrier office for delivery by its carriers, shall be uniform at 1 cent each; periodicals weighing more than 2 ounces shall be subject, when delivered by such carriers, to a postage of 2 cents each, and these rates shall be prepaid by stamps affixed."

Provision was made that foreign newspapers and other periodicals of the same general character as those admitted to the second class in the United States might, under the direction of the Postmaster General, be transmitted through the mails at the same rates as is published here. Further, all publishers of second-class matter were allowed, without paying extra postage, to fold within their regular issues a supplement, provided the added matter was germane; that is, supplied for sake of completeness.

Third-class matter embraced books, transient newspapers, and periodicals, circulars, and other matter wholly in print, proof sheets, corrected proof sheets, together with manuscript copy, and these were charged 1 cent for each 2 ounces or fraction thereof.

Fourth-class matter consisted of that which was not included in the other classes, not in the form or nature liable to injure the contents of the mail bag or harm those engaged in the Postal Service, and not exceeding 4 pounds in weight for each package (except in case of single books), and the rate was fixed at 1 cent an ounce or fraction thereof.

ACT OF JUNE 9, 1884.

By the act of June 9, 1884, the transient rate on newspapers and periodical publications of the second class—that is, when sent by others than the publisher or news agent—was made 1 cent for each 4 ounces or fraction thereof.

ACT OF MARCH 3, 1885.

In 1885 the pound rate for second-class matter was reduced to 1 cent a pound.

LATER STATUTES.

In 1894 the definition of publications entitled to be admitted to the mails as second-class matter was enlarged by the following provision with respect to those issued by benevolent or fraternal societies, trade-unions, and learned associations:

All periodical publications issued from a known place of publication at stated intervals and as frequently as four times a year by or under the auspices of a benevolent or fraternal society or order organized under the lodge system and having a bona fide membership of not less than 1,000 persons or by a regularly incorporated institution of learning or by or under the auspices of a trades-union, and all publications of strictly professional, literary, historical, or scientific societies, including the bulletins issued by the State boards of health, shall be admitted to the mails as second-class matter, and the postage shall be the same thereon as on other second-class matter and no more: *Provided further*, That such matter shall be originated and published to further the objects and purposes of such society, order, trades-union, or institution of learning, and shall be formed of printed paper sheets without board, cloth, leather, or other substantial binding such as distinguishes printed books for preservation from periodical publications.

Under this amendment we are advised that the department has uniformly held that the publications containing advertisements in the interest of other persons or concerns than the society or trades-union or institution of learning which the paper represents are not entitled to these privileges, and that to justify such advertisements there must be compliance with the conditions of the act of March 3, 1879.

There was a further supplementary act in 1900 with respect to the publications of State departments of agriculture, as follows:

All periodical publications issued from a known place of publication at stated intervals as frequently as four times a year by State departments of agriculture shall be admitted to the mails as second-class mail matter: *Provided*, That such matter shall be published for the purpose of furthering the objects of such departments: *And provided further*, That such publications shall not contain any advertising matter of any kind.

In 1910 it was provided that where publications mailed at the pound rate or free in county are undeliverable they shall be returnable to the publisher, after specified notice and in the circumstances stated, charged with postage at the third-class rate.

EXISTING RATES ON SECOND-CLASS MATTER.

The existing rates on second-class matter are those established by the act of 1879, as amended in 1884 and 1885. There are, in the words of the Postmaster General, "seven rates, or variations of rates, applicable to different circumstances," as follows:

(1) The general rate of 1 cent a pound on copies mailed by publishers to subscribers, to news agents, and as sample copies.

(2) The free-of-postage rate on copies mailed to subscribers residing in the county where the publications are printed and published when not addressed for delivery at a city letter-carrier office.

(3) The cent-a-pound rate on copies mailed for delivery by rural carriers when emanating from a city letter-carrier office.

(4) The cent-a-pound rate on weekly publications mailed for delivery at a city letter-carrier office.

(5) The cent-a-copy rate for newspapers, other than weeklies, and for periodicals not exceeding 2 ounces in weight, when deposited in a city letter-carrier office for local delivery by carriers.

(6) The rate of 2 cents a copy for periodicals exceeding 2 ounces in weight when deposited at a city letter-carrier office for local delivery by carriers.

(7) The rate of 1 cent for each 4 ounces for copies mailed by others than publishers or news agents.

Mr. HARDWICK. What I started to say on this subject is this: We have tried the zone system and we have tried the flat-rate system both with respect to first-class matter and with respect to second-class matter. We finally came to the present flat-rate system for the one reason that it was considered absolutely necessary, if democratic institutions were to be perpetuated and maintained, that education should be generally diffused among the people, and that the press of the country especially should have something like a national spirit. This country was so vast, its conditions were so different and diverse, that if there was to be created and maintained anything like a spirit of national unity it must come from some movement originating in the press and reflected by it. Those policies are sound, those principles are correct, and to their application to this situation no Senator who has given the question intelligent thought can enter his dissent.

But I must invite the attention of the Senate and of the country to the fact that since the year 1885, when the present rates were fixed by law, this country has undergone a remarkable business transformation. At that time, according to a table that I shall print in connection with my remarks, which has been carefully prepared by the Post Office authorities, not 5 per cent of all the newspaper publications in this country, magazines or what not, was advertising matter. It was less than 5 per cent.

Since 1884, however, the remarkable development of American business has been reflected in the newspaper and magazine world, and to-day many of these periodicals are nothing in the world but business enterprises, or largely so, as shown by the following table:

Proportion of advertising to reading matter in certain publications of the dates indicated.

SATURDAY EVENING POST, PHILADELPHIA, PA.

Date of issue.	Total columns contents.	Advertising columns.	Per cent of advertising.
Aug. 1, 1874	48	1.50	3.12
Oct. 17, 1874	48	1.50	3.12
Dec. 26, 1874	48	.70	1.50
Jan. 1, 1876	48	8.10	17.00
May 6, 1876	48	7.50	15.62
July 22, 1876	48	4.40	9.16
Jan. 3, 1885	64	5.40	8.44
May 2, 1885	64	3.20	5.00
July 11, 1885	64	3.70	5.80
Apr. 14, 1917	528	324.00	61.00

YOUTHS' COMPANION, BOSTON, MASS.

Jan. 3, 1850	16	None.	None.
May 2, 1850	16	None.	None.
Oct. 3, 1850	16	None.	None.
Jan. 7, 1875	32	4.00	12.50
May 6, 1875	32	4.85	15.16
Oct. 7, 1875	32	3.50	10.94
Jan. 1, 1885	32	4.00	12.50
May 7, 1885	32	4.00	12.50
Oct. 1, 1885	48	10.00	20.85
April, 1917	64	20.50	32.00

HARPER'S MAGAZINE, NEW YORK, N. Y.

June, 1850	290	None.	None.
July, 1850	290	None.	None.
August, 1850	296	None.	None.
September, 1850	288	None.	None.
October, 1850	286	None.	None.
November, 1850	286	None.	None.
December, 1850	288	None.	None.
January, 1875	302	None.	None.
June, 1875	320	None.	None.
October, 1875	302	None.	None.
January, 1885	328	48.00	14.63
May, 1885	320	52.00	16.25
October, 1885	370	44.00	11.89
April, 1917	574	238.00	41.49

NORTH AMERICAN REVIEW, NEW YORK, N. Y.

January, 1850	264	None.	None.
April, 1850	276	None.	None.
July, 1850	272	None.	None.
October, 1850	264	None.	None.
January, 1875	252	7.00	2.78
April, 1875	260	7.00	2.70
July, 1875	244	3.00	1.23
October, 1875	268	23.00	8.61
Monthly:			
January, 1885	116	18.00	15.51
May, 1885	108	10.00	9.34
October, 1885	114	6.00	5.31
April, 1917	178	16.00	8.99

AMERICAN AGRICULTURIST, NEW YORK, N. Y.

January, 1850	62	4.50	7.26
March, 1850	64	7¼	11.19
October, 1850	64	5½	8.85
January, 1875	132	35.50	26.89
March, 1875	120	33⅔	28.05
October, 1875	120	29.50	24.58
January, 1885	144	45.00	31.25
March, 1885	150	58½	38.75
October, 1885	150	57.00	38.00
May, 12, 1917	80	32.00	40.00

I have on my desk a number of specimens illustrating that development. Here is the Dry Goods Economist, one of the last issues, a journal of the dry goods trade, published in New York, entered as second-class mailing matter. It is nothing in the world but advertising, pictures, all sorts of fancy looking things, everything in the world except information, unless you count information about how to spend your money on dry goods and styles as important information. So I might go through the category of all these trade journals, and to some extent most of the farm journals as well, and also most of the journals that represent almost every specialized line of industry and business, and the same thing is true.

Mr. SMITH of Michigan. Mr. President——

Mr. HARDWICK. Let me finish this statement and then I will yield to the Senator. The table I shall present—but I will not weary the patience of the Senate to read from it now unless some Senator requests it—shows that in instance after instance this stuff that goes through the mails is a large per cent advertisement. Gentlemen, that is a perversion of the principle upon which we gave the publishers a purely nominal rate.

The following tables show this condition:

Proportion of advertising to reading matter in certain publications.

DAILY NEWSPAPERS.

Name of publication.	Frequency of issue.	Date of issue.	Total columns contents.	Advertising columns.	Per cent of advertising.
The Times, Los Angeles, Cal.	Daily	May 12, 1917	144	66.4	46.11
Examiner, San Francisco, Cal.	do	do	160	33.4	48.37
Post, Denver, Colo.	do	do	96	18.3	19.06
Constitution, Atlanta, Ga.	do	May 16, 1917	98	49.5	50.51
Tribune, Chicago, Ill.	do	do	224	139.0	62.05
News, Chicago, Ill.	do	May 15, 1917	208	145.0	69.71
Times-Picayune, New Orleans, La.	do	May 15, 1917	128	64.7	50.54
American, Baltimore, Md.	do	May 17, 1917	112	45.0	40.17
Post, Boston, Mass.	do	May 16, 1917	128	88.5	69.14
Free Press, Detroit, Mich.	do	do	176	121.0	68.75
Dispatch, St. Paul, Minn.	do	May 15, 1917	112	61.0	54.46
Kansas City Journal, Kansas City, Mo.	do	do	70	10.5	15.00
Globe-Democrat, St. Louis, Mo.	do	May 16, 1917	112	39.5	39.50
Journal, New York, N. Y.	do	do	160	84.0	52.50
World, New York, N. Y.	do	May 17, 1917	176	104.0	59.09
Inquirer, Cincinnati, Ohio.	do	May 14, 1917	96	21.7	22.60
North American, Philadelphia, Pa.	do	May 16, 1917	112	58.0	51.79
Dispatch, Pittsburgh, Pa.	do	do	140	64.7	46.21
Times, Seattle, Wash.	do	May 12, 1917	98	31.7	32.35
Journal, Milwaukee, Wis.	do	May 14, 1917	112	65.2	58.21

WEEKLY AND OTHER THAN DAILY NEWSPAPERS.

Name of publication.	Date of issue.	Total columns contents.	Advertising columns.	Per cent of advertising.
Rutherford Republican, Rutherford, N. J.	Feb. 27, 1915	84	29.50	35.12
Stoutsville Journal, Stoutsville, Mo.	Dec. 9, 1915	24	13.50	56.25
Woodson Beacon, Woodson, Tex.	Mar. 3, 1916	40	25.00	62.50
Fryeburg Post, Portland, Me.	Nov. 2, 1915	56	18.00	32.14
Simms Enterprise, Simms, Mont.	Jan. 1, 1915	28	12.00	42.86
Suffolk Herald, Suffolk, Va.	Mar. 30, 1917	56	34.50	61.61
Amherst Advertiser, Amherst, Ohio	Mar. 15, 1917	56	22.50	41.98
Colusa Herald (Tri-weekly), Colusa, Cal.	May 16, 1916	24	13.50	56.25
Norwalk Free Press, Norwalk, Iowa.	Mar. 29, 1917	48	16.00	33.33
The Free Press, Lake City, Fla.	Mar. 27, 1917	24	3.00	12.50
The Enterprise, Hardin, Ky.	July 6, 1916	24	10.00	41.66
Kenefick Dispatch, Kenefick, Okla.	Mar. 23, 1917	40	24.50	61.25
Democrat and Watchman, Circleville, Ohio.	May 18, 1916	56	17.00	30.36
Medaryville Journal, Medaryville, Ind.	Mar. 23, 1916	48	23.00	47.92
Dighton Herald, Dighton, Kans.	Jan. 5, 1917	48	20.00	41.66
Rapid River News, Rapid River, Mich.	Mar. 31, 1917	28	9.50	33.93
Lebanon Democrat, Lebanon, Tenn.	May 6, 1915	48	27.00	56.25
Annawan News, Annawan, Ill.	Nov. 23, 1916	36	11.00	30.55
True Republican Banner, Morristown, N. J.	May 10, 1917	48	24.00	50.00
Murray County Messenger, Dalton, Ga.	Mar. 16, 1916	20	8.25	41.25

AGRICULTURAL.

Name of publication.	Frequency of issue.	Date of issue.	Total columns contents.	Advertising columns.	Per cent of advertising.
Progressive Farmer, Birmingham, Ala.	Weekly	Feb. 17, 1917	192	115.00	59.895
Home and Farm, Louisville, Ky.	Semimonthly	May 15, 1917	128	20.00	15.62
Farm and Ranch, Dallas, Tex.	Weekly	Apr. 21, 1917	160	78.00	48.75
American Farming, Chicago, Ill.	do	May —, 1917	48	26.50	55.20
Better Farming, Chicago, Ill.	Monthly	Oct. —, 1916	96	50.50	52.60
Kimball's Dairy Farmer, Waterloo, Iowa.	Semimonthly	May 15, 1917	160	99.00	61.87
Iowa Homestead, Des Moines, Iowa.	Weekly	Mar. 9, 1916	224	144.00	64.28
Successful Farming, Des Moines, Iowa.	Monthly	May —, 1917	204	108.00	52.94
Missouri Valley Farmer, Topeka, Kans.	do	Apr. —, 1917	96	46.833	48.78
Hoard's Dairyman, Fort Atkinson, Wis.	Weekly	May 18, 1917	160	92.00	58.75
American Poultry World, Buffalo, N. Y.		May —, 1917	132	63.5	48.10
Farm, Stock, and Home, Minneapolis, Minn.	Semimonthly	May 1, 1917	144	79.333	55.09
The Rural New Yorker, New York, N. Y.	Weekly	May 19, 1917	112	39.833	35.56
Ohio Farmer, Cleveland, Ohio.	do	May 12, 1917	96	42.00	43.75

Proportion of advertising to reading matter, etc.—Continued.

AGRICULTURAL—continued.

Name of publication.	Frequency of issue.	Date of issue.	Total columns contents.	Advertising columns.	Per cent of advertising.
Kansas Farmer, Topeka, Kans.	Weekly	May 12, 1917	64	35.00	54.68
Dakota Farmer, Aberdeen, S. Dak.	Semimonthly	May 15, 1917	192	102.00	53.12
Country Gentleman, Philadelphia, Pa.	Weekly	May 12, 1917	160	70.00	43.75
Farm Journal, Philadelphia, Pa.	Monthly	May —, 1917	141	71.50	50.71
American Agriculturalist, Springfield, Mass.	Weekly	May 12, 1917	80	32.00	40.00
Fruit Grower, St. Joseph, Mo.	Semimonthly	Feb. 1, 1917	174	93.50	53.75

SCIENTIFIC.

Journal of Entomology and Zoology, Claremont, Cal.	Quarterly	Jan.–Mar.	50	12.00	24.00
American Journal of Science, New Haven, Conn.	Monthly	Jan., 1917	94	6.00	6.38
American Anthropologist, Washington, D. C.	Quarterly	Oct.–Dec.	174	None.	None.
American Journal of Archaeology, Washington, D. C.	do	do	136	None.	None.
American Journal of Semitic Languages and Literature, Chicago, Ill.	do	Apr.	114	8.00	7.01
	Semiquarterly	Jan.–Feb.	112	6.00	5.35
Journal of Geology, Chicago, Ill.	Quarterly	Jan.–Mar.	111	1.00	1.0
Journal of Race Development, Worcester, Mass.	do	do	57	None.	None.
Annals of Mathematics, Princeton, N. J.	Monthly	May, 1917	21	8.00	38.09
Technologist, Brooklyn, N. Y.	do	do	67	1.70	2.54
American Naturalist, New York, N. Y.					
Bulletin of the American Mathematical Society, New York, N. Y.	do	Dec., 1916	55	6.00	10.90
Zoological Society Bulletin, New York, N. Y.	Bimonthly	May–June	22	None.	None.
Journal of the American Chemical Society, Easton, Pa.	Monthly	Mar.	212	4.00	1.88
Economic Geology, Lancaster, Pa.	Semiquarterly	Feb.–Mar., 1917	110	8.00	7.27
American Mathematical Monthly, Lancaster, Pa.	Monthly	Apr., 1917	60	6.00	10.00
Ophthalmology, Seattle, Wash.	Quarterly	do	176	7.00	3.97
American Economical Review, Princeton, N. J.	do	Mar.	272	None.	None.
The Auk, Boston, Mass.	do	Apr.	170	2.00	1.17
Journal of Nervous and Mental Diseases, Lancaster, Pa.	Monthly	do	140	41.50	29.64
Ohio Archaeological and Historical Quarterly, Columbus, Ohio.	Quarterly	Jan., 1917	154	None.	None.

TRADE PUBLICATIONS.

Printers' Ink, New York, N. Y.	Weekly	May 10, 1917	312	181.00	58.01
Fourth Estate, New York, N. Y.	do	May 12, 1917	128	45.50	35.54
Farm Implement News, Chicago.	do	Apr. 26, 1917	132	75.00	56.81
American Builder, Chicago.	Monthly	May, 1917	408	286.00	70.09
Concrete and Cement Age, Detroit, Mich.	do	do	444	277.00	62.38
Motor Age, Chicago, Ill.	do	May 10, 1917	479	322.50	67.32
Automobile Dealer and Repairer, New York, N. Y.	do	Apr., 1917	312	212.00	67.94
Horseless Age, New York, N. Y.	Semimonthly	May 1, 1917	420	333.00	79.28
Automobile Trade Journal, Philadelphia, Pa.	Monthly	Apr., 1917	896	614.00	68.52
Publishers' Weekly, New York.	Weekly	May 12, 1917	80	50.00	62.50
Sartorial Art Journal, New York.	Monthly	Apr., 1917	118	40.00	33.90
Bradstreet's, New York, N. Y.	Weekly	May 12, 1917	64	3.00	4.68
Pharmaceutical Era, New York.	Monthly	Apr., 1917	180	102.00	56.66
Dry Goods Economist, New York.	do	May 12, 1917	291	209.00	71.82
Furniture Manufacturer and Artisan, Grand Rapids, Mich.	do	Mar., 1917	184	78.00	42.39

Proportion of advertising to reading matter, etc.—Continued.

TRADE PUBLICATIONS—continued.

Name of publication.	Frequency of issue.	Date of issue.	Total columns contents.	Advertising columns.	Per cent of advertising.
Machinery, New York	Monthly	May, 1917	936	720.00	76.93
Iron Age, New York, N. Y.	do	May 10, 1917	758	598.00	78.89
Printing Art, Boston, Mass.	do	May, 1917	172	57.00	33.14
Railway Age Gazette, New York.	Weekly	May 11, 1917	256	144.00	56.25
Boot and Shoe Recorder, Boston.	do	May 12, 1917	308	242.00	78.57

RELIGIOUS.

Baptist and Commoner, Little Rock, Ark.	Weekly	May 2, 1917	64	10.50	16.40
Signs of the Times, Mountain View, Cal.	do	May 6, 1917	48	2.50	5.20
Southern Christian Advocate, Anderson, S. C.	do	Apr. 19, 1917	64	18.75	29.30
Epworth Herald, Chicago, Ill.	do	May 19, 1917	72	13.03	18.05
Northwestern Christian Advocate, Chicago, Ill.	do	May 16, 1917	72	10.50	14.70
Missionary Tidings, Indianapolis, Ind.	Monthly	May, 1917	88	3.16	3.59
Christian Observer, Louisville, Ky.	Weekly	May 2, 1917	87	9.16	10.57
Christian Endeavor World, Boston, Mass.	do	May 17, 1917	80	7.00	8.75
Record of Christian Work, East Northfield, Mass.	Monthly	May, 1917	180	36.00	20.00
Catholic Union and Times, Buffalo, N. Y.	Weekly	May 10, 1917	56	18.25	32.59
American Missionary, New York, N. Y.	Monthly	Apr., 1917	136	4.00	2.94
Catholic News, New York, N. Y.	Weekly	May 12, 1917	80	14.00	17.50
Christian Herald, New York, N. Y.	do	May 16, 1917	112	42.00	37.50
The Churchman, New York, N. Y.	do	May 12, 1917	83	18.00	21.68
American Hebrew, New York, N. Y.	do	May 11, 1917	108	35.75	35.94
Forward, Philadelphia, Pa.	do	May 26, 1917	32	3.00	9.37
Sunday School Times, Philadelphia, Pa.	do	May 12, 1917	48	9.00	18.75
Christian Advocate, New York, N. Y.	do	May 10, 1917	96	24.33	25.35
Extension Magazine, Chicago, Ill.	Monthly	May, 1917	132	48.00	36.37
Sacred Heart Review, Boston, Mass.	Weekly	May 5, 1917	48	8.16	17.00

MAGAZINES.

Overland Monthly, San Francisco, Cal.	Monthly	May, 1917	234	36.00	15.39
National Geographic Magazine, Washington, D. C.	do	Jan., 1917	284	92.00	32.39
Blue Book Magazine, Chicago, Ill.	do	June, 1917	432	42.00	9.72
Popular Mechanics, Chicago.	do	do	620	294.00	47.42
Atlantic Monthly, Boston.	do	May, 1917	458	170.00	37.12
Youth's Companion, Boston.	do	May 10, 1917	64	18.00	28.12
Little Folks, Salem, Mass.	do	Apr., 1917	68	20.00	29.11
Review of Reviews, New York.	do	May, 1917	496	270.00	54.44
Cosmopolitan, New York.	do	June, 1917	348	138.00	39.65
Everybody's, New York	do	May, 1917	408	134.00	32.85
Hearst's Magazine, New York.	do	do	300	99.00	33.00
Life, New York	Weekly	May 17, 1917	135	62.80	46.54
Literary Digest, New York.	do	May 12, 1917	300	173.30	57.77
McClure's Magazine, New York.	Monthly	June, 1917	304	139.60	45.72
Scientific American, New York.	Weekly	May 12, 1917	80	24.00	30.00
Scribner's Magazine, New York.	Monthly	May, 1917	506	248.00	49.01
Munsey's Magazine, New York.	do	do	444	56.00	10.36
Leslie's Illustrated Weekly, New York.	Weekly	May 10, 1917	144	59.00	40.95
Saturday Evening Post, Philadelphia, Pa.	do	May 19, 1917	480	274.00	57.08
Ladies' Home Journal, Philadelphia, Pa.	Monthly	May, 1917	488	270.00	55.32

Proportion of advertising to reading matter, etc.—Continued.

MISCELLANEOUS.

Name of publication.	Frequency of issue.	Date of issue.	Total columns contents.	Advertising columns.	Per cent of advertising.
United States Government Advertiser, Washington, D. C.	Monthly.....	May 7, 1917.....	56	17.40	31.07
The Advertising Age and Mail Order Journal, Chicago, Ill.	.....do.....	Apr., 1917	135	53.00	39.00
Civil Service News, Chicago, Ill.	Weekly.....	May 15, 1917....	64	11.25	17.58
Sigma Chi Quarterly, Chicago, Ill.	Quarterly.....	Feb., 1917.....	150	.....	.....
Harvard Lampoon, Cambridge, Mass.	Fortnightly...	May 9, 1917.....	72	43.25	60.00
American Federationalist, Washington, D. C.	Monthly.....	May, 1917.....	208	82.00	39.42
Law Notes, Northport, N. Y.	.....do.....	.....do.....	24	4.25	17.20
Infantry Journal, Philadelphia, Pa.	.....do.....	.....do.....	128	37.00	28.91
The Shield of Delta Sigma Epsilon, Menasha, Wis.	Quarterly.....	Feb., 1917.....	42	3.00	7.14
The Club Worker, New York, N. Y.	.....do.....	.....do.....	17	.....	.....
Road Maker, Moline, Ill.	Monthly.....	May, 1917.....	120	43.25	36.04
Philatelic Gazette, New York, N. Y.	Semimonthly.	Sept. 1, 1911....	64	19.00	29.69
Physical Culture, New York.	Monthly.....	May 5, 1914....	358	122.00	34.08
Prophecy, Manchester, N. H.	Bimonthly....	Apr. 5, 1917. ...	40	6.00	15.00
Art in America, New York, N. Y.	.....do.....	Dec., 1913.....	200	40.00	20.00
Municipal Journal, New York.	Weekly.....	June 6, 1912....	152	81.333	53.51
Our Dumb Animals, Boston, Mass.	Monthly.....	Dec., 1914.....	60	9.00	15.00
Aviation and Aeronautical Engineering, New York, N. Y.	Semimonthly .	Aug. 1, 1916....	72	15.00	20.83
The Musician, Boston, Mass.	Monthly.....	Apr., 1917.....	252	66.50	26.39
Pacific Fisherman, Seattle, Wash.	.....do.....	Jan., 1916.....	320	174.50	54.53

I now yield to the Senator from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. The Senator, of course, has selected from among all the publications the one publication whose percentage of advertising to other matter is greatest. There are only one or two others of that class.

Mr. HARDWICK. The Senator has the table I used before the Senate committee?

Mr. SMITH of Michigan. Yes; I have the table here.

Mr. HARDWICK. Is it the one I used before the Senate committee?

Mr. SMITH of Michigan. I think it is.

Mr. HARDWICK. The Senator may read from it. It is just what I am going to do.

Mr. SMITH of Michigan. I would be glad to hand it to the Senator, except I wish to call attention to the fact that 71 per cent of the Drygoods Journal is advertising, but there are scores of journals, like the Furniture Manufacturer and Artisan, of Grand Rapids, Mich., 42.39 per cent of which is advertising, and so on.

Mr. HARDWICK. There can be no question between the Senator and myself about that. Of course, I used an extreme illustration. I have the table here now. I am going to show the Senator what that is, as long as the Senator raised the question, and if the Senator from Michigan has not raised it himself he will be astounded to know how the second-class mail privilege is being abused along that line.

Mr. SMITH of Michigan. I am no apologist for the present system. I found it when I came, and it has been maintained ever since, not by my vote but in spite if it.

Mr. HARDWICK. And we ought to do all we can to remedy it.

Mr. SHIELDS. I desire to ask the Senator what is the nature of the circulation of the class of publications he is now referring to? Are they general throughout the United States or at least in several States?

Mr. HARDWICK. Oh, yes; trade journals like that are sent to every important city in the country. So it is with the mining journals; so it is with the Lumberman's Journal; so it is with every one of these journals devoted to certain special lines of industry or business.

Mr. SHIELDS. I wished to know whether they would ordinarily come within what is known as the third zone or 300 miles?

Mr. HARDWICK. They would circulate in that, to some extent, but that would be a very small part of the circulation. They go all over the United States and to its remotest corners, and at the expense of the Post Office Department that is handling this sort of stuff as educational at a charge of one-eighth of what it costs to handle it.

Now, let us see. The Senator spoke of percentages. I have them here, and I will be glad to furnish them. I will take first the class known as religious magazines. They have the smallest percentage. The Christian Herald, for instance, has 14.2 per cent only of advertising. I will take some of the more ordinary magazines. Collier's Weekly, a high-class weekly, has only 15.9 per cent; the Literary Digest, 12.8 per cent; the Youth's Companion, 21.2 per cent advertising; the Ladies' Home Journal, and I believe that is the smallest of all, 8.6 per cent; the American Magazine, that is just a little under it, 8.4 per cent; the Delineator, 12 per cent; Everybody's, 53.4 per cent; Review of Reviews, 14 per cent; Woman's Home Companion, 14.8 per cent.

Now a few weekly papers. The Rutherford Republican, Rutherford, N J., 35.12 per cent; the Stoutsville Journal, Stoutsville, Mo., 56.25 per cent; the Woodson Beacon, Woodson, Tex., 62.5 per cent; the Fryeburg Post, Portland, Me., 32.14 per cent; and so with that class of papers.

Now let us take a few of the daily newspapers and see what per cent of their columns is devoted to advertising matter, and what do we find? The Times, Los Angeles, Cal., 46.11 per cent advertising; the Examiner, San Francisco, Cal., 48.37 per cent; the Post, Denver, Colo., 19.6 per cent; the Constitution, Atlanta, Ga., 50.51 per cent; the Tribune, Chicago, Ill., 62.5 per cent advertising; and so on I can go through the daily papers.

Mr. SMITH of Michigan. Take Munsey's, with only 10 per cent.

Mr. HARDWICK. Yes; that is one of the low ones.

Mr. SMITH of Michigan. It is very low. It goes all over the country.

Mr. HARDWICK. So I can go through with the other journals. Take some of the great religious papers. The Baptist and Commoner, Little Rock, Ark., 16.40 per cent; Signs of the Times, Mountain View, Cal., 5.20 per cent. You will see that these religious publications, as a rule, are lower.

Now, take some of the trade publications. Printers' Ink, New York, 58.01 per cent; Fourth Estate, New York, 35.54 per cent; the Farm Implement News, Chicago, 56.81 per cent; the Concrete and Cement Age, Detroit, Mich., in the Senator's State, 62.38 per cent advertising; the Automobile Dealer and Repairer, New York, 67.94 per cent; the Automobile Trade Journal, Philadelphia, 68.52 per cent; the Horseless Age, New York, 79.28 per cent; and so on.

Mr. President, it is perfectly apparent to any man who wants to approach this question candidly, and I know every Senator of the United States wishes to do that, that we must do one thing if we are going to solve it right. If we are prepared to maintain the position, and I am for one, that this Government ought to continue the policy of charging only a very nominal rate for the transportation and handling of newspapers, magazines, and other publications that really represent intelligence and news, then we must separate the business enterprises that I have enumerated, and many more that infest the country, from this policy. How can you do it? Some Senator may suggest that every one of these papers, daily, weekly, and monthly, contains reading matter as well as news matter, and that it is impossible to separate the two for rate-making purposes. I say you can do it, and I say it on the authority of the Post Office Department, because that department has done it with a foot rule.

You can take a rule and you can measure column after column and page after page of space in these publications, and you can tell when you get through how many inches of space in each paper, magazine, or journal have been devoted to advertising matter and how much has been devoted to reading matter. When you average that through enough issues, then you can get a stable and reliable balance; and that is just how the figures which I have quoted and put into the RECORD were obtained.

Well, then what? Where are we then? I say keep your present rate, low as it is, nominal and no more, representing something like one-eighth or even, if the Senator from Massachusetts [Mr. WEEKS] should be right, one-fourth of the cost of rendering the service, for all of these newspapers, magazines, and other publications, or for so much of them as are really carrying out the purpose for which this policy was created and is maintained; in other words, allow the present flat rate of 1 cent per pound or fraction thereof to be kept on all the reading

and educational matter; but when it comes to the advertising part of each one of these publications, whether it is daily, whether it is weekly, or whether it is monthly, whether it is a trade journal or whether it is a religious journal—because if it is a religious journal and carries advertisements to that extent it is a business proposition, and the same is true as well of the trade journal and of the daily or weekly paper—as to each one of these papers apply a higher rate for handling the advertising matter, a rate that in the end, if we are honest men and good business men, will produce what it costs the Government to render the service, so that no man, whether he is running a daily or a weekly or a monthly newspaper, a magazine or other publication, whether his publication is religious, whether it is a farm journal, or whether it is a trade journal, or whether it is a magazine of fiction, shall be permitted to put his hands into the Public Treasury and to take out of it the money that belongs to the people of the United States and which is raised from them by taxation, by getting from the Government service for a purely commercial enterprise at a mere fraction of its cost.

This is the last citadel of special privilege, so far as this Government is concerned. No other business enterprise enjoys a bounty or subsidy from the Government, and this bounty ought not to be continued.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from New Mexico?

Mr. HARDWICK. I yield to the Senator.

Mr. JONES of New Mexico. It was represented to the Finance Committee that until the low rate of 1 cent per pound upon second-class matter was fixed by the law of 1885—I believe the Senator gave it as 1884——

Mr. HARDWICK. 1885 is right. I accept the Senator's correction with pleasure.

Mr. JONES of New Mexico. That the deficit in the postal revenues as compared with the expenses was quite large, but that after that time the quantity of second-class matter materially increased, and notwithstanding that on the per pound basis the second-class matter was carried at a loss, yet by reason of the increase in first-class postage, resulting from correspondence emanating from the advertising matter sent out under the second-class rate, there was a balancing of the general revenues and expenditures of the Government. I should like to know the views of the Senator from Georgia upon that.

Mr. HARDWICK. I will give them to the Senator with pleasure. Those have been the representations and that has been the position of the men who have secured this bounty from the Government from time immemorial, or ever since the bounty began, and the Senator will find, if he will examine the report of the most careful and the most thorough and the most accurate commission that ever investigated this question, that that same contention was made before the Hughes Commission some years ago; but the Hughes Commission reported—I can not undertake to lay my hands at the moment upon the language of the report, but I will undertake to do it later if any Senator desires—that there was no way on earth of telling what the truth of that was; that claim and counterclaim were so vague, so indefinite, and so general that there was no way of determining that question. To some extent, of course, I believe only as to a very small per cent of the whole business, that may be true; but I say to the Senator as my opinion, resulting from some study of this question, that it is not true to an extent that is appreciable enough to influence anybody's action about this matter or on this question. It is worth remembering, also, that the largest postal deficit in the entire history of the country was in 1907, while the present rates were, of course, in operation.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield further to the Senator from New Mexico?

Mr. HARDWICK. Yes; I yield.

Mr. JONES of New Mexico. In a brief which was presented to the Finance Committee there is quite a large number of illustrations of first-class postage resulting from different advertisements in different periodicals, and, of course, the bald fact seems to appear that before we had second-class matter carried at a cheap rate there was a deficit in the postal revenues, taken as a whole, whereas since we have had the second-class matter carried at a cheap rate and the more the second-class matter increases at the cheap rate the nearer together the receipts and disbursements have come.

Mr. HARDWICK. Well, I think those two things are related just about as much as the fact that we are alive to-day, and if we look out toward the moon can see what we commonly term "the man in the moon." I do not think there is the slightest relation between the two. These men have always made such specious contentions as these, suggested by their self-interest. I remind the Senator that at the same time the rates on second-class matter were lowered so were the rates on first-class matter; and it is just as reasonable, and far more reasonable, to conclude that the reduction in the rate that we charge on letters induced the increase in the volume of the first-class mail and the increase in postal revenues. That is the contention advanced everywhere by the postal authorities, and no postal authority who is disinterested ever paid any serious attention to any such theory as these publishers now advance in their own interest, and as they have advanced for some time in their own interest, in respect to this particular matter.

Mr. BRADY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Idaho?

Mr. HARDWICK. I yield to the Senator.

Mr. BRADY. Will it annoy the Senator if I should ask him for an explanation relative to some items in the tables from which he has just read?

Mr. HARDWICK. No; not at all.

Mr. BRADY. I will read just a portion of the Senator's amendment.

Mr. HARDWICK. I ask the Senator not to read from the printed amendment, because that is not the one I am going to present to the Senate.

Mr. BRADY. I think it covers the same rate of postage.

Mr. HARDWICK. Very well.

Mr. BRADY. It reads:

That the rates of postage on publications entered as second-class matter, including sample copies to the extent of 10 per cent of the weight of copies mailed to subscribers during the calendar year, when sent by the publisher thereof from the office of publication, or when sent by a news agent to actual subscribers thereto, or to other news agents for the purpose of sale, until June 30, 1918, shall be 1 cent a pound or fraction thereof for the portion of the publication devoted to reading matter other than advertising, and 3 cents a pound or fraction thereof for the portion devoted to advertising.

Is that the amendment of the Senator from Georgia?

Mr. HARDWICK. It is not the one I am going to present now. I will come to that question in just a moment.

Mr. BRADY. When the Senator does, I should like to have him offer an explanation as to some parts of the table from which he has been reading, for I will say I am perplexed as to just exactly what the result will be.

Mr. HARDWICK. I shall be very glad to accommodate the Senator, and I will do so with pleasure in just a moment.

Now, Mr. President, so far so good. I think any man who has studied the question, who has given any consideration to it, must concede that if it is practicable to do it—and the post-office people say it is—we ought to separate these two rates. We ought to charge one rate—a lower rate, a nominal rate—for the real intelligence and the real news that goes to the public, and we ought to charge another rate—a higher rate, a compensatory rate; a rate, if you please, that will make the Government whole—on the purely commercial business features of these publications. It can be done, as I have explained, with a foot rule and with a little careful attention to the details of these papers through a few issues.

The rates in the original amendment suggested by me, which was approved by the department, would have made the Government whole at the end of the period of readjustment extending through four steps and through a period of three years. When the maximum had been reached the Treasury of the United States would have been practically whole. Whatever deficit had been caused by this class of mail matter would have been caused purely and simply and solely because of the policy with respect to educational and news matter, to which I have adverted and referred; but I admit and concede that while the amendment was accomplishing that result it would have left inequalities, the realization of which has been growing on me steadily and strongly day after day and hour after hour, between the publishers themselves, in striking an average, between the Government and the publishers as a whole, and because we did treat the publishers as a whole we would necessarily have ignored and overlooked individual inequalities. So the Post Office Department has been driven, and I have been driven, to the conclusion that when it comes to handling this commercial part of the proposition the best thing to do is to apply to it some sort of a zone system; in other words, when we consider ourselves, as we are, carriers of merchandise, carriers of freight for hire, if you please, with respect to this matter, that we ought to charge according to the service we render each individual publication, according to what it costs us to render that service, as nearly as it can be estimated and systematized. Of course, in order to do that we must consider not

only the overhead charges but the distance that we transport the merchandise.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from New Mexico?

Mr. HARDWICK. I yield to the Senator.

Mr. JONES of New Mexico. The Senator, I presume, has the same information as some of the rest of us, that newspapers and periodicals could not exist were it not for the advertisements which they carry; that from the advertisements they obtain their chief revenue; and if you do anything to discourage advertising and carrying that through the mail, would you not necessarily increase the cost of information and intelligence to the public?

Mr. HARDWICK. I will be very glad to do so. I intend to address myself to that subject presently; but, of course, it is not directly related to this question, and, if the Senator will pardon me, I will come to it in a few minutes.

Mr. JONES of New Mexico. Very well.

Mr. HARDWICK. Now, bearing these general principles in mind, the officers of the Post Office Department, the experts who have been engaged for months on this labor, have finally prepared at my request an amendment which I intend to propose, if the Senate gives me the opportunity to do it by rejecting the amendment of the Senator from Tennessee, as an alternative to that amendment; and I hope the Senator from Tennessee will be able to accept it because if he really earnestly wants to accomplish what he has expressed himself to-day on this floor and yesterday as favoring, he will certainly support a logical and general application of this principle. You must remember that the House of Representatives in dealing with this question dealt with it from the basis of a zone rate, but they applied the zone rates to reading matter as well as to advertising matter, to the educational side as well as to the business side of this question, and in that way rendered it difficult if not impossible for periodicals that carry very little advertising and that are almost wholly educational, like the religious journals and some of the great weekly and monthly periodicals, to circulate from one end of this country to the other without a prohibitive increase in postal rates.

Now, here is the proposition which I hope the Senator from Tennessee will be able to accept, but which in any event I intend to offer, if I get the opportunity, as an alternative to the proposal he has made. Substitute for the amendment proposed by the committee for section 1101 the following:

That the rates of postage on publications entered as second-class matter, including sample copies to the extent of 10 per cent of the weight of copies mailed to subscribers during the calendar year, when sent by the publisher thereof from the office of publication or when sent by a news agent to actual subscribers therefor—

All this is a repetition of the existing law and regulations—

or to other news agents for the purpose of sale, shall be 1 cent a pound or a fraction thereof for the proportion of the publication devoted to reading matter other than advertising, and for that portion devoted to advertising the rate per pound or fraction of 1 pound for the delivery within the several zones applicable to fourth-class mail shall be as follows: From December 1, 1917—

It would be impracticable for the department to begin to adjust itself to this plan at an earlier date than that, and I do not know how much earlier than that this bill will pass—

From December 1, 1917, to June 30, 1918, for the first and second zones 1 cent—

That is on advertising matter as well as on reading matter, within a distance of 150 miles from the post office of entry, and surely that is liberal enough for every local publication in this country—

For the third zone, 1¼ cents; for the fourth zone, 1½ cents; for the fifth zone, 2¼ cents; for the sixth zone, 2½ cents; for the seventh zone, 3¼ cents; and for the eighth zone, 3½ cents.

That is the first step.

From July 1, 1918, to June 30, 1919, for the first and second zones 1 cent, for the third zone 1½ cents—

Increasing a quarter of a cent—

for the fourth zone 2½ cents—

An increase of a quarter of a cent again—

for the fifth zone 3¼ cents, for the sixth zone 4½ cents, for the seventh zone 5¼ cents, for the eighth zone 6¼ cents; from July 1, 1919, to June 30, 1920, for the first and second zones 1 cent, for the third zone 1¾ cents, for the fourth zone 3½ cents, for the fifth zone 4¾ cents, for the sixth zone 6¼ cents, for the seventh zone 7¾ cents, for the eighth zone 9¼ cents; from July 1, 1920, and thereafter—

Here is the permanent fixed rate now—

for the first and second zones 1 cent, for the third zone 2 cents, for the fourth zone 4 cents, for the fifth zone 6 cents, for the sixth zone 8 cents, for the seventh zone 10 cents, and for the eighth zone 12 cents.

This would give a period of readjustment extending through more than three years, with four successive and regularly graduated steps. The Senator from Utah in the course of his very strong argument on this question said that these papers would not be able to survive if the rates were doubled. So they would not, unless their advertising rates were increased. The publishers of this country complain plaintively, continuously, and persistently to this body and to the other House of Congress that no action with respect to these matters ought to be taken, even though they admit the grievous injustice that has been done and is being done to the Public Treasury and to the people of this country by existing law, because they say they have already suffered so much from the increased price of print paper that this is no time to require any further exactions of them.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Utah?

Mr. HARDWICK. I yield to the Senator, of course.

Mr. SMOOT. Does not the Senator believe that it would be much fairer if his amendment provided that its provisions should take effect a year later than the date he has named?

Mr. HARDWICK. A year later than December, 1917?

Mr. SMOOT. Yes; say, on December 31, 1918. Would not that be very much fairer? Then the successive steps of increase——

Mr. HARDWICK. Would be postponed a year, of course.

Mr. SMOOT. They would be postponed a year.

Mr. HARDWICK. I thought about that, and so did the department, but we did not think it right to ask to defer the plan that long, because the increase in the first year is hardly as much as the committee's proposal, as I will show later; in other words, the first step in the increase is so small that the publishers can meet it without the slightest trouble.

Mr. McKELLAR. Mr. President, I was just going to ask the Senator if he would give us the figures as to the revenue that would be raised under his proposal.

Mr. HARDWICK. I will do that in a few moments. I desire now to give a short explanation of the amendment. It leaves all reading matter at a flat rate of 1 cent a pound or fraction thereof, regardless of distance. Any man in this country who wants to run a paper purely educational, purely religious, purely news matter, can send it to the remotest corner of the Republic for this purely nominal rate, if he keeps it entirely that sort of a paper. The Senator from New Mexico suggests that he can not do it without advertisements and run the paper. Granted; but to the extent that he perverts the original purpose, to the extent that he combines the business end of his enterprise with the public purpose that is to be served, to that extent at least he ought to be made to pay what it costs the Government to handle his business, and I am sure the Senator himself must think so. Now, let us see. The amendment then provides zone rates on advertising matter on a graduated scale over a period of four years. The basis of the zone rates is the difference in each case between the present rate of 1 cent per pound and the parcel-post rates for the respective zones. This is worked out in the same way that the parcel-post rates were worked out, and based exactly on the same computations and plan, and covers practically only the transportation charges; in this latter respect only the plan differs from that employed in the parcel-post rates.

The Senator from Massachusetts and the Senator from Utah lay great stress upon the extravagant estimates of the loss from second-class matter made by the present administration of the Post Office Department, and, for that matter, they might just as well have said by all other administrations of the department, including those when their own party administered the affairs of the Government, because there is no difference between any of them along that line. These two Senators have stated that these estimates were extravagant. In preparing this proposal the Post Office Department has not added a single thing, as it ought to have been done, I think, for overhead charges, but is simply undertaking to ask that these people shall pay what it costs actually to transport their goods, wares, and merchandise.

Mr. SMITH of Georgia. The business end of it, without reference to reading matter.

Mr. HARDWICK. The "business end of it," in other words, as my colleague suggests. These differences are as follows: First and second zones—that is, for 150 miles—1 cent on everything, reading matter and advertising matter alike. Third zone, 2 cents.

Mr. HITCHCOCK. What is the distance in that zone?

Mr. HARDWICK. The third zone is up to 300 miles. The fourth zone, 4 cents; the fifth zone, 6 cents; the sixth zone, 8 cents; the seventh zone, 10 cents; and the eighth zone, 12 cents.

You might say these rates are pretty high for the distant zones. So they ought to be, because newspapers and magazines, daily,

weekly, or monthly, that are largely made up of advertising, have no business circulating at great expense to the Government in the far distant parts of the country; or, if they wish to do so, ought to do so without burden to the Treasury.

Mr. PAGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Vermont?

Mr. HARDWICK. I yield.

Mr. PAGE. I should like to ask the Senator if these rates have been carefully worked out by the department, and whether they are in all respects approved by the department?

Mr. HARDWICK. Yes, sir; they were furnished me by the department, and I am presenting this proposal at the request of the Postmaster General.

Mr. PAGE. And the department is in full accord with every rate the Senator has named?

Mr. HARDWICK. With every rate I have named and with every statement I have made.

Mr. JONES of New Mexico and Mr. McKELLAR addressed the Chair.

Mr. HARDWICK. I yield to the Senator from New Mexico, if the Senator from Tennessee will pardon me for a moment.

Mr. McKELLAR. Certainly.

Mr. JONES of New Mexico. I wanted to get the Senator's view upon the suggestion that was made to some members of the committee, and doubtless has occurred to the Senator, regarding the advisability of having advertisements pass through the mail. It has been argued that advertisements going all over the country carry very important information and to a very great extent serve the same purpose as reading matter; that they tend to unify the country in the use of the same costumes, the same kind of clothing; that they give to the whole country information as to any new industrial device that may be put upon the market; and that advertisements themselves are largely educational and serve a very substantial purpose in unifying the country, letting all the people know what is going on in the rest of the country, and giving the people throughout the country the advantage of anything new that may be put upon the market.

Mr. HARDWICK. Mr. President, the suggestion is interesting if not wholly accurate. Of course trade and commerce and profit tend to unify the country and to bring the sections closer together, but the trading and profiting ought not to be transacted at the expense of the Government or out of the Public Treasury. When it gets down to that basis it is just as well for trade to pay its own way. Of course it might be educational, in a very far-fetched way, if the Senator would come down my way, for him to engage in a few horse trades; he would certainly learn something; and I presume if I went West and bought a few mines I likewise would learn something. All these things may be educational in a very indirect way, but it is not a way that is direct enough to warrant the payment for them out of the Public Treasury, in my judgment. If the argument of the Senator from New Mexico is sound, why should not all circular matter, upon which the rate of 1 cent per 2 ounces is charged, be handled at the same rate as these publications?

Mr. PAGE. Mr. President——

Mr. HARDWICK. I yield to the Senator.

Mr. PAGE. Just a word. Is the Senator quite certain that all of these advertisements do not tend to stimulate and produce a very vast commerce throughout the entire country and in that way benefit——

Mr. HARDWICK. Undoubtedly; I am not opposing the advertising business at all; all I am saying is that it must pay its own way. There is no reason for giving it a Government bounty.

Mr. PAGE. Is there not possibly an indirect benefit coming to the people, to the public, that more than offsets the loss sustained?

Mr. HARDWICK. Oh, no. If you say that class of mail matter should be carried by the Government at such a tremendous loss because it stimulates trade, why should we not pay a part of the freight bills of the country, because the people profit by trading with each other and indirectly the Government benefits and the country is strengthened?

Mr. PAGE. I simply want to have the opinion of the Senator about that.

Mr. HARDWICK. That is my view. When you go out into that indirect field there is no stopping at all. Why would it not be advisable, then, for the Government to contribute a part of the freight rates and passenger rates and steamboat rates to get the people to travel or goods to be transported from State to State or to foreign countries, because indirectly the country would be benefited and the Government strengthened, and the net result of it would be an advantage.

Mr. PAGE. Can the Senator not go further and say the Postal Service would be benefited? Will there not be enough more letters written on account of advertisements to make up the loss involved in carrying them through the mails?

Mr. HARDWICK. I have already discussed that. I do not think so, and nobody else thinks so, except now and then you find a publisher who has enough temerity to make that claim.

Mr. HITCHCOCK and Mr. McKELLAR addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield, and to whom?

Mr. HARDWICK. I yield to the Senator from Nebraska.

Mr. HITCHCOCK. Mr. President, I am rather drawn to conclude, from what the Senator says, that he does not think the Government should in any case contribute without charge to the promotion of any line of American activity.

Mr. HARDWICK. I did not say that.

Mr. HITCHCOCK. Well, the Senator thinks that the Government should be paid absolutely for all the service that it renders to the people of the country.

Mr. HARDWICK. No; I have not said that. On the contrary, I have admitted that we ought to give the newspaper men a tremendous bounty as long as they confine themselves to the dissemination of educational matter.

Mr. HITCHCOCK. The Senator said a few moments ago that they ought to pay for the service.

Mr. HARDWICK. I said when they were making money out of it, and nothing but money—when it was a commercial proposition and no more—when it was advertising, that it ought to pay its own way; but I also said in the same breath, as the Senator knows if he did me the honor to listen to my argument, that that part of it which was educational ought to be carried at the purely nominal rate for which it is now carried, although it does not represent one-eighth of the cost of the service.

Mr. HITCHCOCK. The Senator knows that it is not possible to carry the educational part, or the part dealing with the spread of intelligence, without advertising.

Mr. HARDWICK. Ah, but you can separate the two, in so far as the rates are concerned, at least.

Mr. HITCHCOCK. Let me finish. The Senator knows, if he knows anything at all about the business, that advertising is as necessary to the subscriber as it is to the publisher. The Senator ought to know, if he know anything about the publishing business, that every dollar the publisher receives from advertising is a dollar less that he levies upon the subscriber for subscriptions; so I say that he can not separate the two. The advertising is necessary to the life of the publication, and it is for the benefit of the reader. It is the papers which derive large revenues from advertising that render the greatest service to their readers. Now, the Senator has indicated that the Government should not render this educational service to the people with payment for it.

Mr. HARDWICK. No; the Senator can not——

Mr. HITCHCOCK. What does the Senator say about the activities of the Department of Agriculture?

Mr. HARDWICK. Mr. President, I decline to yield further to the Senator just now. The Senator can not misrepresent the Senator from Georgia in his own time after the Senator from Georgia has repeatedly stated what he did say, not with my consent, at least.

Mr. HITCHCOCK. Will the Senator restate it and let me hear it?

Mr. HARDWICK. There is some limit to my physical endurance. I have stated it a dozen times this afternoon. I am fond of the Senator personally, however, and I will undertake to restate it again for him.

I said that I was perfectly willing for the news matter, the editorial matter, the reading matter, everything else except that which was purely advertising, the part of it that was done strictly for profit and to make money out of—the pure business end of it—to keep the nominal rate of one-eighth of what it costs us to give the service, although I realize that it is a bounty, and that the reason why I was willing to allow that was because there was a correct governmental policy back of it; but that surely that argument——

Mr. HITCHCOCK. Then the Senator would be willing, if the newspapers did away with advertising altogether, to have the Government pay the newspapers a bounty for circulating the reading matter? Because they would have to. If they do not get it out of the Government, they have to get it out of the advertising. The expenses have got to be paid, and the reader can not pay them. But now I want to call the Senator's attention to the fact that the Senator himself, and particularly his colleague from Georgia, have been very active here in asking

heavy subsidies from the Government of the United States, through the Agricultural Department, for the agriculturists of his region——

Mr. HARDWICK. The Senator——

Mr. HITCHCOCK. In connection with farm-demonstration work——

Mr. HARDWICK. Again, Mr. President, the Senator from Nebraska can not misrepresent the junior Senator from Georgia in the time of the junior Senator from Georgia.

Mr. SMITH of Georgia. Mr. President, the Senator is right about the senior Senator from Georgia, but not as to the junior Senator from Georgia.

Mr. HARDWICK. The junior Senator from Georgia has made no such effort. He has participated in no such movement.

Mr. HITCHCOCK. Well, then, the other Senator from Georgia has.

Mr. HARDWICK. The senior Senator from Georgia is fully able to take care of himself, and can answer in his own time any assault of that sort that may be made on him. But, so far as the junior Senator from Georgia is concerned, he is not guilty; and no man, not even my friend from Nebraska, can charge it with any degree of accuracy, at least.

Mr. McKELLAR. Mr. President, now will the Senator yield to me?

Mr. HARDWICK. Yes. I want to let the Senator from Nebraska finish, however. I just wanted to stop him at that one point. I do not want him, while he is speaking in my time, to put me in an incorrect position, and I know he does not want to do it.

Mr. HITCHCOCK. Do I understand that the Senator did not vote for that proposition?

Mr. HARDWICK. What proposition?

Mr. HITCHCOCK. The proposition to carry on the great work of the Department of Agriculture, which costs the United States millions of dollars a year, for the promotion of agriculture, particularly in the South?

Mr. HARDWICK. No; not particularly in the South.

Mr. HITCHCOCK. For the development of agriculture?

Mr. HARDWICK. No.

Mr. HITCHCOCK. For adding to the profits of agriculture?

Mr. HARDWICK. No; not particularly in the South.

Mr. HITCHCOCK. Well, it was particularly in the South.

Mr. HARDWICK. No; I think there was just about as much of it in the West as anywhere else.

Mr. HITCHCOCK. No; the West is independent. It does not need it.

Mr. HARDWICK. So is the South; but let me say to the Senator from Nebraska—because I will not be diverted from this argument by any such stuff as that—that my record on this question is consistent. The "Senator from Georgia" has not participated in those raids upon the Treasury.

Mr. HITCHCOCK. Has not the Senator voted for it?

Mr. HARDWICK. I do not recall ever having seen an issue raised as to the passage of an Agricultural appropriation bill, but I will say to the Senator that most of them have contained many things I did not approve.

Mr. SMITH of Georgia. Mr. President, if my colleague will allow me, I desire to say that my colleague and I have disagreed on that subject.

Mr. HARDWICK. Very radically.

Mr. SMITH of Georgia. He has frequently, in my opinion, voted against measures in the interests of agriculture that he ought to have supported

Mr. HITCHCOCK. Then do I understand the junior Senator from Georgia——

Mr. HARDWICK. Mr. President, I decline to yield further for any such interruption as this. I congratulate my colleague on his disinterested devotion to the cause of agriculture.

Mr. HITCHCOCK. I should like to ask the Senator a question.

Mr. HARDWICK. I will yield if it is something related to the pending question.

Mr. HITCHCOCK. Does the Senator think his constituents ought to pay for that service that is now being rendered?

Mr. HARDWICK. I think they get fully as much socialistic service from that department as they ought to get, and more than I should like to see them get.

Mr. HITCHCOCK. The Senator would favor charging them for it, then?

Mr. HARDWICK. No; I would favor the enactment of less of it.

Let me say at this point that I may not know as much about the publishing business as my distinguished friend from Nebraska, who has some interests along that line and some experience in it; but at least, Mr. President, I have no thought, no purpose, no desire at any rate, to do anything except what is right; and yet, somehow or other, I can not to save my life understand how it is that men who have great interests of this sort, publishers of all sorts, whether they publish daily papers or weekly or monthly magazines, can expect us to take all their views on these matters without a grain of salt, and not to understand fully how to make allowance where "Self the wavering balance shakes."

I now yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, in answer to a question asked by the Senator from Vermont [Mr. PAGE] a few moments ago, the Senator from Georgia said that his amendment was approved and upheld and stood for by the Post Office Department. I am sure the Senator will be fair enough to state that the Post Office Department has the same attitude toward the zone amendment that was offered by me, and the Postmaster General and the First Assistant Postmaster General have both given to my amendment also their hearty approval. In other words, they want the zone system. They are perfectly willing to take whichever one the Senate adopts.

Mr. HARDWICK. No; as a matter of fact, the Senator, I think——

Mr. McKELLAR. They have so stated to me to-day, and that is the reason why I asked the Senator to make the correction.

Mr. HARDWICK. The amendment I suggest is the proposal of the department. The Senator, of course, does not want to get the question improperly before the Senate.

Mr. McKELLAR. No; I just want to get exactly the facts.

Mr. HARDWICK. I think I know the exact facts. I have been in conference to-day with the Postmaster General about this thing. I went there early this morning, as soon as I could get my breakfast. This amendment was drawn by him, or under his supervision, after a conference with me. He does not favor the amendment proposed by the Senator from Tennessee, although I think he thinks it would be a little better than existing law, but very little at that. Now, that is the truth. The truth is the proposal of the Senator from Tennessee is nothing more nor less than the proposal of the Southeastern Publishers' Association, drafted by their employee and agent. The proposal I present is the proposal of the Post Office Department of your Government.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Nebraska?

Mr. HARDWICK. Not yet, if the Senator will pardon me.

The Senator from Michigan [Mr. SMITH] calls my attention to the fact that according to the newspaper reports the Postmaster General opposed the House proposal, and I know that in the letter I read he said he had not favored it. I know his view, and I think I do not misrepresent him when I say that he thinks almost any one of these things is some improvement on what they have; but you can not hold him responsible for the Southeastern Publishers' Association proposition.

When the Senator from Georgia says he is presenting these things at the request of the Postmaster General and for the Post Office Department, the Senator from Georgia offers the letter of the Postmaster General, written to a great committee of this body, announcing that fact and saying that this plan, the separation of the two classes of published matter, was the only logical plan. The Postmaster General could not have written the letter that he wrote to the Senate committee on this proposal, saying, as he did, that a separation of this rate between the advertising matter and the reading matter was the only logical treatment of this question, and still favor very much the proposal of the Senator from Tennessee. He might favor it as I favor it myself, as somewhat better than the Senate committee's amendment, or than existing law. It is not as good as the proposal of the House, and it is not as scientific; and the Senator demonstrated that this morning, when, under the fire of sharp attack, the only answer he could make was to say: "Well, I will except certain publications from the operation of my law." If your law is right, you do not need to except anybody from its operation. It is a complete demonstration when, under the assaults of the distinguished Senator from Utah [Mr. SMOOT] and the distinguished Senator from Massachusetts [Mr. WEEKS] the Senator from Tennessee [Mr. McKELLAR] had to say:

> Well, I will not make this apply to the farm journals and the religious journals of the country.

Mr. McKELLAR. Mr. President, the Senator, according to his own statement about his own amendment, excepts every publisher who deals with news merely.

Mr. HARDWICK. Ah! That is a distinction based on the very basic principle on which all this service rests. It is not a distinction that is to be made for a class, and a class that is

engaged in making money out of advertising as much as anybody else. If the Senator undertook to say that he would make an exception in favor of religious papers that did not carry advertising, in favor of farm journals that did not make a profit out of the advertising business, just as much as anybody else, then I could understand it.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a moment further?

Mr. HARDWICK. I yield, with pleasure.

Mr. McKELLAR. The necessary and absolute result of the Senator's proposition, if his amendment is adopted, is to say to the publishers of this country who publish journals with no advertising connected with them: "You shall be exempt from anything except a flat-rate tax which is merely nominal."

Mr. HARDWICK. Undoubtedly; and that is the very theory on which this branch of the Postal Service has always been operated.

Mr. McKELLAR. The Senator ought not to jump on some one else, though, for doing the same thing that the Senator is doing.

Mr. HARDWICK. I am afraid I can not make the Senator from Tennessee understand my position. Education is the basis on which this policy rests. To confine it to that, strictly, is not a selfish exemption because you want to favor somebody.

The Postmaster General says that the principle which is contained in the amendment I present is basic and fundamental, and that no solution of this question can be reached that does not contain it. The Postmaster General, I know, and all the experts of the Department, think that the proposition of the Senator from Tennessee is a little better than existing law, but that it is no permanent cure at all for the evils of this situation.

Now, let us see. What will this amendment do?

From December 1, 1917, to June 30, 1918, the department figures that it will raise $8,141,120. That is for December, January, February, March, April, May, June—seven months. In other words, the increase for the year will be just about that proposed by the Senate Committee on Finance, the steps are so gradual, and we begin so conservatively. The second year, when the second step is taken, from July 1, 1918, to June 30, 1919, it will raise $16,528,885, or a little over $5,000,000 more than is now raised by law. When the third step is taken, from July 1, 1919, to June 30, 1920, it will raise $19,097,563—something like seven and a half or eight million dollars more than we raise under the present second-class law. When the fourth and last step is taken, and thereafter, unless the rates are subsequently increased, it will raise, from July 1, 1920, to June 30, 1921, $21,674,241—almost double what we raise now.

Even then, Mr. President, the deficit will be heavy. Even then the bounty will be large. It is my hope, and I do not hesitate to express it—it is my belief, and I firmly avow it—that once we get this correct and righteous principle written into the law it will be a matter of easy adjustment to soon wipe out the most of this bounty.

Mr. McKELLAR. Mr. President, under the last year in which the increases are made and under the 12-cent rate that the Senator proposes——

Mr. HARDWICK. That is for the eighth zone.

Mr. McKELLAR (continuing). The eighth zone, the 12-cent rate, which is the last rate that the Senator fixes in his amendment, what will be the loss to the Government when that takes place?

Mr. HARDWICK. It will not be nearly as great as it is now, and it will not be nearly as great as it would be under the proposition of the Senator from Tennessee.

Mr. McKELLAR. What would it be?

Mr. HARDWICK. Well, what would it be under the Senator's proposition?

Mr. McKELLAR. I have stated it very frequently, but I will state it again.

Mr. HARDWICK. I did not hear it.

Mr. McKELLAR. Mine only raises $12,500,000, but it establishes the zone system.

Mr. HARDWICK. Oh, yes. In other words, the Senator's amendment would raise a million more, according to his statement, than we raised before. Mine, or the department amendment, raises $10,000,000 more than we raised before. Neither one of them raises enough; and the principal reason I am against the amendment of the Senator from Tennessee is that it dabbles with this question simply for the purpose of putting it off. I do not mean that that is his purpose. It temporizes with the question. It proposes what appears to be an increase, but what in reality and in substance is so little of an increase that none of the publishers care much about it.

Mr. McKELLAR. Mr. President, I will just say to the Senator that I have the figures from the Post Office Department showing that it will be an increase of $12,600,000.

Mr. HARDWICK. An increase of that much?

Mr. McKELLAR. An increase of $12,600,000.

Mr. HARDWICK. I misunderstood the Senator, then.

Mr. McKELLAR. Why, of course.

Mr. HARDWICK. I thought the Senator said it would raise that much. I asked him what it would raise.

Mr. McKELLAR. Oh, no; it will raise twelve million six hundred and some odd thousand dollars in addition, which is a great deal more than the Senator's amendment would raise.

Mr. HARDWICK. I did the Senator an injustice, then, which I willingly and promptly right. I asked the Senator what it raised, and he said it would raise $12,600,000; I so understood him at least.

Mr. McKELLAR. In addition to the present amount.

Mr. HARDWICK. The Senator did not say "in addition."

Mr. McKELLAR. I beg the Senator's pardon.

Mr. SMITH of Georgia. Mr. President, it is evident that the Senator meant it raised the present figures twelve million six hundred thousand and some odd dollars.

Mr. HARDWICK. Is that what the Post Office Department estimates it will do?

Mr. McKELLAR. They estimate it. I have a letter from Mr. Koons——

Mr. HARDWICK. I do not care anything about that. What is their estimate?

Mr. McKELLAR (continuing). Indorsing the proposition, and giving the amount.

Mr. HARDWICK. I should like to have the Senator put the letter indorsing the proposition in the RECORD.

Mr. McKELLAR. I will put it in the RECORD.

Mr. HARDWICK. Saying that the Post Office Department was for that proposal?

Mr. McKELLAR. Both the Postmaster General and the First Assistant Postmaster General have so expressed themselves to me to-day.

Mr. HARDWICK. I mean the letter.

Mr. McKELLAR. And the First Assistant Postmaster General has so expressed himself in a letter which I will put in the RECORD.

Mr. HARDWICK. Very well. I shall be interested to read the letter.

Now, I do not want to say much more. I am going to conclude in just a moment. I do say this, and I will challenge any Senator on this floor to deny it, I do not care where he comes from, nor how much he knows about this business: I do say that although they continue to put up a poor mouth about this print-paper business, they have already passed most of that on to the public, either to the subscribers—and they have tried that in some notable instances—or to the advertisers, and that has usually proved more effective; that to-day, while they plead for exemption from being required to pay this Government its just dues on the ground that they are hard hit by this print-paper situation, they have already passed that on to the public. I do not hear the statement controverted, so I ask, Mr. President, permission to put in the RECORD certain tables and certain statements showing that. I will make the request general, so that I will not have to refer to it again.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? Without objection, the matter referred to by him will be included in the RECORD.

The matter referred to is as follows:

Increased space devoted to advertising in certain publications.

Publication.	Date.	Normal.	Increase.	Per cent.
Collier's Weekly	Full year 1916, average	176	80	46
Do	May 5, 1917	176	93	53
Literary Digest	Full year 1916, average	240	122	51
Do	Apr. 14, 1917	348	222	64
Saturday Evening Post.	Full year 1916, average	324	176	54
Do	Apr. 14, 1917	528	324	61
Youth's Companion	Full year 1916, average	60	17	28
Do	4 issues, April, 1917			

Mr. HARDWICK. The following statement was made before the Finance Committee by the First Assistant Postmaster General, Mr. Koons:

If the additional expense is borne jointly by the subscriber and the advertiser it would be even less burdensome, as the necessary increase would not be so great either in the subscription price or in the advertising rates or quantity of advertising.

That it is practicable to increase the subscription rates is shown by the fact that a large percentage of magazines have already increased their subscription rates, and others are preparing to do so, as is shown by the following letter recently sent out by one publication accompanied by a clipping published several months ago in one of the large dailies:

[Woman's Home Companion, The Crowell Publishing Co., 381 Fourth Avenue, New York.]

FINAL NOTICE OF PRICE INCREASE.

DEAR SUBSCRIBER: Right now is your last chance to save from $1 to $3.50 on your renewal subscription to the Woman's Home Companion.

On June 1 the present long-term subscription rates and low rates with other magazines will positively be withdrawn.

Isn't it true—that in spite of the greatly increased cost of paper stock and of everything else involved in magazine manufacture, isn't it true—that you are getting a bigger and better and finer Companion than you ever got before?

And you will continue to get a still bigger and better and finer Companion each month to come. This the editors and publishers guarantee, even though, in order to do so, they must get more for the magazine.

Here are the most important savings, if you renew now, before June 1:

Woman's Home Companion (two-year subscription), until June 1, $2; saves you $1 (yearly price, $1.50).

Woman's Home Companion and the American Magazine (one year each), until June 1, $2; saves you $1.

Woman's Home Companion and the American Magazine and Every Week (one year each), until June 1, $2.25; saves you $1.75.

If you wish other magazines with your Companion, the large amounts you can save by ordering before June 1 are shown on the inclosed price list.

Here is one instance where "rising prices" will not affect you if you act now. Your special acceptance blank is on the back of this letter. Mails are often delayed these days, so take no chances. Mail it to-day.

Cordially, yours,

DAVID BLAIR.

P. S.—No matter when your present subscription to Woman's Home Companion expires, even though it is many months from now, you can take advantage of this "last chance" offer and arrange for your renewal at the present low prices. Your new subscription will begin at the expiration of your present one, and the saving is worth while.

[Newspaper clipping.]

"MAGAZINE FORCED TO INCREASE PRICES—HIT HARD BY IMMENSE RAISE IN COST OF PAPER AND OTHER MATERIALS.

"The magazines as well as the newspapers have been hit hard by the immensely increased cost of white paper and other materials necessary to printing and art work. Announcement was made yesterday that many periodicals have been forced to raise their prices.

"The Metropolitan will jump from $1.50 to $2 a year, Vogue from $4 to $5, Country Life from $4 to $5, McClure's from $1 to $1.50, Cosmopolitan from $1.65 to $2.20, Nautilus from $1.10 to $1.60, Hearst's from $1.65 to $2.20, Photoplay from $1 to $1.20, Journal of Education from $1.75 to $1.85, Outlook from $2.75 to $3.35.

"This is but a partial list of the magazines that have of necessity been compelled to increase their subscription price as well as the single-issue price. Many of them have had at this time to renew their contracts for paper, and so were obliged to meet the extreme expense in the only way possible. Those of the magazines fortunate enough to have longer contracts are safe enough for the time being, but they realize that something will have to be done in the near future.

"Nearly 100 newspapers in the United States have had to raise prices and have notified their readers that the increase will go into effect with the new year. Most of the newspapers of the country are now making their contracts for white paper for the coming year, and have found that they will have to pay nearly 50 per cent more than in the past. Where white paper formerly cost from 2 to 2½ cents a pound it now costs nearly 3½ cents a pound, and the magazines, of course, have been subjected to the same cost strain. Of the 20 smaller magazines in New York several have decided to suspend publication entirely, and others will merge with publications controlled by the same interests."

That it is practicable to increase the quantity of advertising is best illustrated by the fact that it has already been done by the publishers, and I think it would be safe to say that a large amount of the additional expense for print paper, of which so much has already been said, has been met to a large extent in many instances by increasing the quantity of advertising. For instance, one magazine during the year 1916 contained 46 per cent of advertising and is now carrying 53 per cent; another, containing 51 per cent of advertising during the year 1916, is now carrying 64 per cent; another, containing 54 per cent during the year 1916, is now carrying 61 per cent; and another, containing 28 per cent during the year 1916, is now carrying 32 per cent.

Personally, Mr. President, I do not care a picayune about this question. Whatever I have done about it, whatever I have said about it, has been in the performance of a duty that is entirely impersonal and wholly public. It is very much easier to stay on good terms with the publishers of this country, if a Senator is so inclined, to be complacent, to let them continue to receive this unjust bounty that they are getting out of the Treasury of the United States and out of the people of the United States, and not to raise either hand or voice in protest. But, knowing what I do about this question, or what I believe I know, I could never retain my self-respect if I did not.

Some of the newspapers in my own State, Mr. President, are so gracious and so just as to fill up, in large measure or a considerable degree, their columns with personal abuse of me, on the professed reason, at least, of differing with me as to certain positions I have taken as a Member of this body. For them and their opinions I have nothing but the supremest contempt and disdain. Most of them that are not corrupt are worse, and I will meet them, every one, at Philippi. But in my humble opinion the main, if not the controlling, motive for the abuse that they have heaped on me has been the fact that for two or three years I have been waging this fight. The time has come when public men are no longer to be intimidated or bulldozed by these publishers. The time has come, the hour struck, when the people of the United States must know the truth is these arrogant people are common grafters. With an arrogance that shames a democracy, they assume to control men, to make and unmake administrations and cabinets, to exercise all sorts of despotic and arbitrary power, and to mold, by the mere force of iteration, public sentiment and opinion, and especially if anyone undertakes to lay a finger's weight upon their bounty. So long as they are right, so long as their arguments or statements are based on truth, I do not object; but when they begin to echo with parrotlike unanimity exactly the same sentiments about every question that comes up, people begin to wonder whose sentiment they are expressing, and to ask themselves whether they are not, with a few honorable and notable exceptions, all tarred with the same stick, all fed from the same crib, all paid by the same master.

Mr. HARDWICK. Mr. President, I did not intend to make any more extended remarks about this matter, and yet I think it would be utterly unjust to the Senate, as well as unfair to the Post Office Department, if I did not submit to the Senate the reply of the Postmaster General to the facts and figures and brief of the Southeastern Publishers' Association, upon which is predicated the argument of the Senator from Tennessee [Mr. SHIELDS], and from which comes the amendment of the junior Senator from Tennessee [Mr. MCKELLAR].

Before I do so, let me say that it will be impossible for me to vote for the amendment of the Senator from Tennessee for the reason that, although it is somewhat better than existing law, when the proposition is boiled down it means no more or less than that the newspapers who are partners in this subsidy propose to leave every one of the other partners in it with the bag to hold and get out themselves. That is what it means. It is no more than that and no less than that, and I can prove it.

Of course, if not only the newspapers but other periodicals are all getting a bounty or subsidy from the Government, it might be said that if we can not take the bounty away from all of them at one time we ought to take it away from as many of them as we can; but, somehow or other, the proposition does not appeal to me as inherently just and fair to leave the newspapers with their subsidy and take it away from everybody else.

I wish my friends who inveigh so eloquently against subsidies could set their lance in rest against all its beneficiaries, against all the bounty takers, whether they happen to be newspapers published in Tennessee or Georgia or magazines published in New York or Boston or somewhere else; but I suppose it is expecting almost too much of human nature to think that at one effort we can go that far.

Mr. MCKELLAR. Mr. President, will the Senator yield to me?

Mr. HARDWICK. Not just for the present.

The Senator from Tennessee [Mr. MCKELLAR] offered on this floor, on the 17th day of August, a statement prepared by a number of newspaper men, the statement of the Southeastern Press Association, from which his colleague [Mr. SHIELDS] reads at length to-day, and upon which the argument of his colleague is predicated. On the following morning the Postmaster General of the United States sent me this reply and asked me to invite the attention of the Senator from Tennessee and of the Senate to it. I now read it:

Senator MCKELLAR offered a statement prepared by a number of newspaper men entitled "Newspapers Not Responsible for Annual Deficits in Post Office Department," which was printed in the CONGRESSIONAL RECORD on pages 6121 and following—

That is the one from which the senior Senator from Tennessee quotes to-day—

In this paper the newspaper men attempted to show that the newspapers are not responsible for any deficiency between the revenue derived from second-class mail matter and the expense for transportation and handling chargeable to second-class mail matter. The difficulty—

And I especially invite the attention of the Senator from Tennessee to this report of the Post Office Department—

The difficulty with the statement in this respect is that its conclusion is based upon certain assumptions, mainly as to conditions of service, which are wholly incorrect. A few of the more important of these will be mentioned, and will be sufficient to destroy the conclusion drawn from the data submitted by them—

That is, by the newspaper men—

The paper assumes that practically no item of cost is chargeable against the newspapers excepting that for transportation on the railroads—

That was the contention, again this morning, of the senior Senator from Tennessee [Mr. SHIELDS].

Mr. SHIELDS. Mr. President, I am sure the Senator does not wish to misquote me.

Mr. HARDWICK. No; certainly not. I listened to the Senator very carefully, and I thought that was his contention.

Mr. SHIELDS. My contention was that only 48 per cent was that, and that there was 52 per cent left for payment of overhead charges.

Mr. HARDWICK. Yes; that 52 cents, or one-half of 1 cent per pound, was the overhead charges. That was the Senator's contention?

Mr. SHIELDS. That 48 cents was for the haul and 52 cents was left to pay the overhead charges.

Mr. HARDWICK. In other words, that the overhead charges of these newspapers in the zones specified by the Senator amount to fifty-two one-hundredths of 1 cent per pound?

Mr. SHIELDS. No; 52 cents per hundred pounds.

Mr. HARDWICK. Well, that is fifty-two one-hundredths of a cent a pound, I think. That is what I said.

Mr. SHIELDS. The other is the easier way to put it.

Mr. HARDWICK. It is the same thing. I have the other figures calculated on a pound basis. Now, that statement is not substantially or materially different from the one I have just made, because that amounts to nothing, practically.

Let us see, however. I do not ask the Senator nor the Senate nor the public to take any opinion of mine with respect to any of these matters, because, of course, neither myself nor the Senator from Tennessee has any information of our own that is especially important or in the least valuable to either the Senate or the country on this question. The Senator from Tennessee gets his information from this press association and from the arguments and papers prepared by it.

Mr. SHIELDS. Mr. President, I think the Senator ought to give my statement fairly.

Mr. HARDWICK. I certainly want to do so.

Mr. SHIELDS. I presented the original papers upon which my conclusions were based, furnished by Mr. Corrigan, from the Post Office Department, to Judge MOON, chairman of the Committee on the Post Office and Post Roads of the House, and the presumption is that that amounts to something and is authentic.

Mr. HARDWICK. Mr. President, the trouble with the Senator's contention and with his figures is that the conclusions drawn from those figures are the conclusions drawn by these newspaper men. I think I am not doing the Senator an injustice. I followed his remarks closely, and he presents exactly the position that Mr. Frank Bell, the president of this association, outlined in writing to me before the Senator from Tennessee enlisted in this cause. The trouble is, he takes the contentions and the conclusions of men who have a pocketbook interest in this matter, and accepts them as the absolute truth about it; and with all respect to my friend from Tennessee, for whom I have the highest opinion, as he knows, and for whom I entertain the warmest regard, that is the mistake which he has made in respect to this entire matter, I believe.

On the other hand, I am following the public officials of this Government, men who have no interest whatever on earth except the public interest in this matter, men who have no bounty to preserve, men who have no privilege to defend. I wish that the distinguished Senators from Tennessee, both of them, could, while they are engaged in this crusade, go the whole way, and while they are engaged in subsidy chasing and bounty destroying go after it all, and not leave a large part of it intact.

Mr. McKELLAR rose.

Mr. HARDWICK. I will yield to the Senator in just a moment.

The paper assumes—

That is, this paper that the Senator read from at such great length—

that practically no item of cost is chargeable against the newspapers, excepting that for transportation on the railroads—

You notice the statement of the Postmaster General is "practically no item." The fifty-two one-hundredths of 1 cent a pound is practically none—

thus ignoring all cost of other transportation facilities and all cost for handling and overhead charges. With reference to the cost for railroad transportation, the conclusion is based upon an assumption so faulty that it is only necessary to call attention to it in a most general way—

And we all remember, those of us who heard the Senator's statement, how he elaborated on it—

This assumption is that the average weight of mail in a 60-foot car in which the newspapers are carried is 12,000 pounds and for a 30-foot car 6,000 pounds. As a matter of fact—

The department continues—

newspapers are not to any great extent carried except in what are known as distributing cars, and the average load in these working or distributing cars has been ascertained by the department to be 5,668 pounds, or 2.83 tons, for the 60-foot car, and 1,474 pounds, or 0.73 of a ton, for a 30-foot car. Although the department has not completed a recent ascertainment of these averages, they are believed to be substantially the same under present conditions—

That means under the experimental trial of the space system instead of the weight system. The department continues:

The average weight of mails carried in the 60-foot storage car was ascertained to be 14,516 pounds, but newspaper mail is not generally carried in such cars. These averages will no doubt be somewhat modified in the new ascertainment, and it is believed that where bulky parcel-post matter is now carried in greater proportion than the heavier fourth-class matter in former years the average weight per car will be rather reduced than increased. A consideration of these figures will show how completely erroneous is the assumption that 12,000 pounds of mail is carried in a working or distributing car, and it must be remembered that it is in this class of cars that newspapers are mainly carried. It follows, of course, that the estimate of cost per pound based upon 12,000 pounds to the car is very much too low—

And those were the estimates that the Senator from Tennessee gave the Senate this morning. The department continues:

The fallacy of the conclusion that $1 per hundred pounds is ample to pay the cost of railroad transportation and leave a surplus for handling charge—

And that was the contention of the Senator from Tennessee—

is further shown by a consideration of some general unit cost figures. The department has made an ascertainment of the cost of railroad transportation alone, exclusive of the cost of railway post-office cars, per ton-mile for all mail and equipment carried on the railroads for the year 1916.

This cost is 7.28 cents per ton per mile for all hauls. On this basis the cost of carrying 100 pounds of newspapers the average haul of 255 miles—

By the way, that was found to be an average haul of the newspapers of the country by the Hughes Commission. Two hundred and fifty-five miles is the average haul for newspapers—

would be 93 cents.

That is, the cost for carrying it alone will be 93 cents—

The cost for carrying the same 300 miles would be $1.09.

More than the total figure estimated by the two Senators from Tennessee for both transportation and overhead charges and handling and everything else. The department continues:

Although the system of payment has been changed from weight to space on most routes during 1917—

By the way, that change is experimental. It is only pending an investigation of the question and a determination of it by the Interstate Commerce Commission under the terms of existing law; but, to resume the statement—

these unit costs—

He says, although that is true—

will not be materially changed for the purpose of this consideration, as the total cost of railroad transportation under the new system of payment for the year 1917 is only about $1,000,000 less than the total cost for railroad transportation and car service in 1916. Therefore as the revenue in postage derived from 100 pounds of newspapers is only $1, there would be only 7 cents left in the first instance to cover the cost—

That is, for 256 miles—

of all other transportation and all handling charges; and in the second instance—

That is, up to 300 miles—

there would be a deficit with nothing to cover such charges. Furthermore, these figures do not cover the cost of the full railway post-office cars, which in 1916 was over $4,000,000.

Mr. SMITH of Georgia. Let me ask the Senator a question, if it will not interrupt him. While that is true about the longest part of the haul, would it not, however, be true that a large part of that mail would go 50 miles and less, and the haul would not be so great, the cost to the Government would not be so great, and that would help equalize it?

Mr. HARDWICK. Of course. It was averaged by the Hughes Commission up to 256 miles, and all that was taken into consideration. If the Senator will examine the Hughes report he will see they arrived at that conclusion as an average for 256 miles, and every one of these considerations, of course, entered into the combination from which the average was obtained.

Mr. SMITH of Georgia. The Hughes commission report was that the average cost for 250 miles was 93 cents per hundred?

Mr. HARDWICK. Yes. Now, let us see.

Mr. SMITH of Georgia. If that was the true figure it can not be correct, because the flat rate——

Mr. HARDWICK. It has not been disputed.

Mr. SMITH of Georgia. I dispute it now, absolutely, on contracts that I saw between the railroads and the Government. The contracts were for a little less than a cent a pound for 200 miles' haul on the railroad. If that was the flat cost to the Government, a little less than a cent a pound for 200 miles, it could not be an average of 93 cents for 250 miles.

Mr. HARDWICK. That is exactly what it is. There is no doubt in the world about it.

Mr. SMITH of Georgia. It is not.

Mr. HARDWICK. Well, I believe the Senator is mistaken about having ever seen any such proposition. I would be glad to have the Senator produce it.

Mr. SMITH of Georgia. They were Government contracts and they are not here.

Mr. HARDWICK. The Senator is in error, that is all.

Mr. SMITH of Georgia. I am not.

Mr. HARDWICK. The Senator is in error.

Mr. SMITH of Georgia. I say I am not.

Mr. HARDWICK. I believe you are. I have not the slightest doubt of it, either.

Mr. SMITH of Georgia. Neither have I that I am right.

Mr. HARDWICK. You must remember that you are not making the statement from the record, but from your memory.

Mr. SMITH of Georgia. I had the record then and saw it.

Mr. HARDWICK. Here is the record now.

Mr. SMITH of Georgia. I say the record at that time showed it.

Mr. HARDWICK. This is the department record. There can be no dispute about it.

Mr. SMITH of Georgia. What I said was that the cost figures four years ago furnished by the department showed second-class mail costing a little less than a cent a pound for 200 miles.

Mr. HARDWICK. I again say I think the Senator must be in error.

Mr. McKELLAR. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Tennessee?

Mr. HARDWICK. I do.

Mr. McKELLAR. Does the Senator know of his own knowledge who prepared that table?

Mr. HARDWICK. I do, and I will be glad to give the Senator the information. It was prepared by Mr. Stewart, an expert of the department, at the personal request of the Postmaster General, Mr. Burleson, and was by Mr. Stewart brought to me with a statement that the Postmaster General had asked him to bring it to me.

Mr. McKELLAR. It is not signed by anybody.

Mr. HARDWICK. I do not think the Senator will impute——

Mr. McKELLAR. Oh, no.

Mr. HARDWICK. I told the Senator where I got it, and he knows it to be true as I have stated it.

Mr. McKELLAR. I have not the slightest doubt in the world but that some clerk in the Post Office Department prepared those figures and submitted them.

Mr. HARDWICK. The Senator is absolutely wrong, as he is about most of these things. He knows nothing whatever about it. The figures came from the very best expert the Government ever had on this question, and they were made at the request of the Postmaster General and were sent to me at the request of the Postmaster General. I do not wonder that the Senator squirms because it destroys his newspaper-made figures. It puts a Senator who is crusading against bounties and subsidies in rather an awkward position.

Mr. McKELLAR. I will say, if the Senator will permit an interruption, that the amendment I offer takes some of the bounties away on the Senator's own figures.

Mr. HARDWICK. Not a bit of it. I will answer the Senator on that.

Mr. SMITH of Georgia. Let me ask the Senator if the average charge on newspapers is 93 cents for 256 miles, the haul being 256 miles, they must go up to something like a cent and a half.

Mr. HARDWICK. No; for 300 miles it goes to $1.09.

Mr. SMITH of Georgia. I am trying to draw a distinction between the average price and the total price for 200 miles. What is the average rate for 200 miles or 250 miles?

Mr. HARDWICK. Let me read again exactly what the expert says, so that the Senator can draw his own conclusion:

The department has made an ascertainment of the cost of railroad transportation alone, exclusive of the cost of railway post-office cars, per ton per mile for all mail and equipment carried on the railroads for the year 1916. This cost is 7.28 cents per ton per mile for all hauls—

That is, considering the long and short ones and everything else—

On this basis the cost of carrying 100 pounds of newspapers the average haul of 255 miles would be 93 cents.

Mr. SMITH of Georgia. Does not that mean this—that over the United States the average haul for that whole distance of 255 miles is 93 cents?

Mr. HARDWICK. I think so.

Mr. SMITH of Georgia. And not that the newspaper haul of 50 miles costs near so much as those figures. I mean that wherever the second-class matter is hauled 255 miles that length of haul costs the Government 93 cents.

Mr. HARDWICK. I think so.

Mr. SMITH of Georgia. Then we agree entirely.

Mr. HARDWICK. All right.

Mr. SMITH of Georgia. I thought you meant that a newspaper that had business a part going 255 miles distance, a part of it 10 miles, a part of it 50 miles, would pay an average of 93 cents on each pound hauled.

Mr. HARDWICK. Of course my colleague understands it as well as I do. Nothing in the world except the law of averages can be applied to that service.

Mr. SMITH of Georgia. Then is the average to which they refer the average cost for 255 miles or the average cost for less than that distance, going up to that?

Mr. HARDWICK. The cost of carrying 100 pounds of newspapers the average haul of 255 miles would be 93 cents. That is plain enough, it looks to me.

Mr. SMITH of Georgia. That is practically what I thought it was. The average haul when they were on a flat rate was a little less than 1 cent for something over 200 miles.

Mr. HARDWICK. Two hundred and fifty-five miles.

Mr. SMITH of Georgia. It was a little less than a cent a pound for 200 miles when we studied it four years ago.

Mr. HARDWICK. That is not much of a discrepancy.

Mr. SMITH of Georgia. Not much.

Mr. HARDWICK. It is pretty much the same thing. So that corroborates rather than contradicts the statement I present.

Mr. SMITH of Georgia. I have no doubt that is right; and I have no doubt I was right when I said the evidence furnished four years ago was that it cost nearly a cent a pound for 200 miles.

Mr. HARDWICK. That depends on what you mean by nearly—on how much margin is covered by that word.

Mr. SMITH of Georgia. My recollection is that for about 210 miles it cost a cent a pound, and my cost was greater than even the cost you are presenting now.

Mr. HARDWICK. What I am presenting is the cost figured out by this expert. It may have been reduced.

Mr. SMITH of Georgia. I knew it had been reduced.

Mr. HARDWICK. It may have been reduced a little. The economy of the department may have reduced it a little, and that may account for whatever discrepancy there is between the figures of the statement and those referred to from memory by my colleague.

Mr. SMITH of Georgia. I intended to state that I knew it had been reduced below the point it then stood at.

Mr. HARDWICK. Let us see; the statement continues:

Furthermore, these figures do not cover the cost of the full railway post-office cars—

No allowance is made for that—

which in 1916 was over $4,000,000, and under the old system was figured in as a part of the handling charge—

And properly so, let me interpolate, of course. These railway mail cars carry these newspapers, and the newspapers ought to pay some part of the expense of the use of the cars—

Neither do they cover the cost of any other means of transportation than the mere haulage on the railroads. The cost of other transportation has been estimated by the department to be—

That is, where they actually rendered it—

6.7 mills per pound—

A very low figure—

As before mentioned, the paper practically ignores the cost of handling and overhead charges, which has been estimated by the department to be 3.86 cents per pound on the average for all second-class mail matter.

Mr. SHIELDS. Mr. President——

Mr. HARDWICK. I yield to the Senator.

Mr. SHIELDS. That is, one and eighty-six one-hundredths per pound more than was estimated when the Hughes report was made. I see in that report it was estimated that handling and the overhead charges and miscellaneous charges generally made it 2 cents.

Mr. HARDWICK. The Sentor is in error, I think.

Mr. SHIELDS. I have allowed the stenographer to take the report.

Mr. HARDWICK. I have the report before me, and I am glad the Senator has put it in the RECORD, because these figures were taken from the Hughes report.

Mr. SHIELDS. I did read it in the RECORD this morning.

Mr. HARDWICK. If the Senator will go back to the Hughes report he will find that the figures I present are accurate. Another Senator made a mistake by questioning this gentleman's accuracy on the floor yesterday, and I think he will bear something later about it. He is one of the most accurate men in the service of the Government.

Mr. SHIELDS. I do not want the Senator for a moment to believe that I am conceding his figures.

Mr. HARDWICK. The Senator may dispute them if he likes.

Mr. SHIELDS. As to the deficit, they are estimating it here one at $72,000,000 and the other at $100,000,000. There does not seem to be anything accurate and certain coming from the Post Office Department about this matter. It has been the greatest trouble I have had in investigating it. I could not get two reports that made the same statement.

Mr. HARDWICK. That is because different men have made different reports, but I doubt if the Senator can show very many different estimates as to the amount of the deficit, coming from the Post Office Department. The estimate of Mr. Stewart, the expert who prepared this statement, was $72,000,000, and the Senator will find on examining the hearings before the Senate Finance Committee he shows how he arrived at that figure.

Mr. McKELLAR. Mr. President——

Mr. HARDWICK. I yield to the Senator from Tennessee.

Mr. McKELLAR. Is Mr. Stewart an employee of the Government?

Mr. HARDWICK. Undoubtedly. He was Second Assistant Postmaster General for many years.

Mr. McKELLAR. I know that.

Mr. HARDWICK. He has been in the Postal Service for many years.

Mr. McKELLAR. Sometime ago the Senator will recall that Mr. Stewart was—I do not know how to express it other than to say that he was let out of the service of the Government and another gentleman was put in his place as Second Assistant Postmaster General.

Mr. HARDWICK. Then he was made a special assistant. I do not know his precise designation. He is, I think, special assistant of the Postmaster General assigned to the Post Office Department. He is the gentleman who prepares the statements for the Post Office Department with respect to all these matters, and with respect to matters before the Interstate Commerce Commission relating to the mails and the Postal Service; and let me say to the junior Senator from Tennessee that he is the greatest expert, in my opinion, this Government has ever had in regard to matters of this sort.

Mr. McKELLAR. I was informed by Mr. Koons that Mr. Stewart was probably the man who had prepared the amendment which I have introduced and which was first introduced by Judge MOON in the House.

Mr. HARDWICK. Undoubtedly he might have done so, at Judge Moon's request; I have no way of knowing; I never made the inquiry; but, however, this amendment of yours was first introduced by Judge MOON in the House?

Mr. McKELLAR. By Judge MOON in the House.

Mr. HARDWICK. All right.

Mr. McKELLAR. In the Sixty-fourth Congress.

Mr. HARDWICK. This statement proceeds:

As before mentioned, the paper practically ignores the cost of handling and overhead charges, which has been estimated by the department to be 3.86 cents per pound on the average for all second-class mail matter.

Apparently an effort is made to prove that newspapers are not chargeable with any handling cost, but the mistake of this must be evident to anyone familiar with the mail service. As a matter of fact, newspapers which go into the mails are given preferred treatment in post offices and in the postal cars They are hauled substantially with as much expedition as first-class mail matter. The paper describes the receipt and delivery of certain newspaper matter as typical of all, but it is apparent that a description has been given of the handling of what is generally known as outside mail, or outside packages, which are made up and handed to the railroad employees and merely put off the train when reaching the station of destination. This constitutes a very small part of newspaper mail matter. Furthermore, it may be that the writers of this paper have confused with the mail service the practice of newspaper publishers of handling their mail matter on trains wholly outside of the mail service. It must be understood that all such newspaper matter can not be considered at all, as it does not enter the mail service. The Government receives no postage from it and therefore it is not chargeable with any cost and is never considered by the department in making estimates of costs.

The writers of the paper also argue that newspapers are not chargeable with the cost of rural free delivery, because, as they claim, if the newspapers were not sent on rural routes, the department could not discontinue any service or diminish the expense. This argument ignores the fundamental principle of cost keeping, viz, that all functions should be charged with their proportionate share of expenses in which they participate—

And, I will add, from which they benefit—

On the theory of the writers of the paper, all the magazines could likewise make similar claim that they should not be charged with any expense. Indeed, all the other classes of mail would be entitled to the same exemptions.

The writers of the paper make other erroneous statements in comparing newspapers with magazines, one of which is that the newspapers at no time require or demand extra cars or extra service. The facts are that extra mail trains are established out of the large cities almost entirely for the benefit of newspapers. The ordinary mails would not call for trains at such hours and, were it not for the newspapers, probably could be dispensed with.

There are many minor errors of statement and conclusion in the paper but, as they mostly appear to be secondary to the main assumptions which have been analyzed and refuted, it would seem unnecessary to mention them.

Mr. President, so the issue is, when it is understood, when stripped before this body and the country, the only merit of the proposal of the Senator from Tennessee is that he, inveighing against bounty, against special privilege, against bounty grabbers and Treasury looters, wants to stop some of them—not all of them. Of course, so far as he stops any of them, it is better than what is happening under existing law, but for one I am opposed to any halfway measures about this thing. If this business is wrong, as the Senator from Tennessee contends, it is just as wrong when the newspapers benefit as it is when the magazines benefit. We ought not to draw any line between them or make any discrimination between them that is not based on the facts or on what the service costs.

In that respect I submit to both Senators from Tennessee that instead of taking the figures and the conclusions drawn from figures by these publishers, who have a selfish pecuniary interest in it, it would be much safer and much wiser and much better for us to take the estimates of the Government officials, who are impartial about this matter and have no selfish motives of any kind involved in it.

Mr. SHIELDS. Mr. President——

Mr. HARDWICK. I yield to the Senator from Tennessee.

Mr. SHIELDS. I know the Senator will remember that in my discussion of this matter I asked no favors for the daily newspapers, but my contention was that they paid full value for the service rendered, if not a little more, and the Senator's statement that I would give to the newspapers the bounties they receive is wholly beside the question, because I did not ask that they be granted any bounties.

Mr. HARDWICK. I think the amendment of the Senator from Tennessee [Mr. McKELLAR] does, Senator.

Mr. SHIELDS. That is a different thing. If I am wrong in my estimate——

Mr. HARDWICK. The department says you are——

Mr. SHIELDS. And they do not pay for the service rendered and they are getting some bounty; while I am not interested in any newspaper nor close to any man in the way of relationship who is, I feel authorized to say on this floor for the newspapers of our country—in Georgia, in Tennessee, throughout the great Mississippi Valley and the West, all, I might say, of that class outside of the metropolitan papers—if the Post Office Department will make a careful calculation and estimate a correct cost of transportation of papers they would be glad to pay it.

Mr. HARDWICK. And be willing to pay it.

Mr. SHIELDS. They are not asking any bounty. They believe they are paying full value, and they are willing to pay it.

Mr. HARDWICK. I am very glad to hear the Senator say that. Does the Senator say that by authority of the newspapers?

Mr. SHIELDS. No.

Mr. HARDWICK. That is merely your opinion?

Mr. SHIELDS. That is my opinion.

Mr. HARDWICK. Then, eventually the Senator will learn that justice to the Treasury and to the people of the United States will require that these rates be raised as to newspapers as well as to magazines, and my friend from Tennessee will adopt that course, but when he does I predict he will have to part company with his newspaper friends, who will be found, then as now, standing by their pocketbooks.

Mr. McKELLAR. If the Senator will yield, that has been exactly the course that has been pursued and contended before here by this Senator from Tennessee from the very beginning.

Mr. HARDWICK. I am perfectly willing to credit the junior Senator from Tennessee, for whom I always have high regard, with the same honorable intention. I never for a moment thought otherwise; yet I do say that both Senators from Tennessee and every other Senator who supports this proposition is wrong. I think I might have voted for it myself if you had not put in it an amendment that exempts from its terms several classes of publications; a proposition I can never support in any kind of legislation But let no Senator deceive himself; when he votes for this proposal he will, in effect, have continued to give a subsidy of a good many million dollars a year to the newspapers of the country.

Mr. SMITH of Georgia. Would it interrupt the Senator if I ask him a question?

Mr. HARDWICK. Certainly not.

Mr. SMITH of Georgia. Was I right in understanding the Senator to say that the department reported to you that the overhead cost, the handling cost, was just 7 mills per pound?

Mr. HARDWICK. No; you are not right.

Mr. SMITH of Georgia. I took it down.

Mr. HARDWICK. I will let the Senator have access to these figures. The particular figure my colleague now has in his mind relates to an entirely different matter.

Now, Mr. President, many Senators for whom I entertain feelings of both respect and friendship have, I believe, been imposed upon in this matter, and I appeal to both Senators from Tennessee and every other Senator who is even thinking of supporting this amendment not to do it blindly or ignorantly. You had far better accept the statements and figures of the public officials of the country, who have no selfish interest in this matter, than to follow the contentions and accept the figures of the newspapers about it. It will not be long before both Senators from Tennessee will have to vote to increase these newspaper rates unless they are willing to perpetuate a subsidy, and to do so knowingly, and that they could not and would not do, I know. I am not sure, under all circumstances, but what it would not be better to cut the whole thing out of this bill, because Senators who have not been able to give it careful study and who do not know the truth about it are honestly and ignorantly making the grossest mistakes about it. I would rather see the question remitted for careful examination to the standing committees that have jurisdiction of it than to see the Senate make mistakes, and, because it is not informed, either do the wrong thing or fail to do the right thing about this matter.

When these rates are revised the revision should be thorough and complete and its application universal and impartial. We should have no favorites to exempt from the just provisions of a just law, and hesitate long before we make fish of the newspapers and fowl of the magazines.

Mr. SMITH of Georgia. Mr. President, although the Senate Chamber is almost empty, I desire before I vote to very briefly explain why I will not vote for the committee recommendations. I can not do so because I do not think they are equitable, and I do not think they justly place the burden. The proposed tax is caused by the desire of the committee to remove some of the loss to the Government in connection with second-class mail. My criticism is that the committee amendments do not confine the increased postal charges to those publications which cause the loss.

I was on the Post Office Committee for more than two years, and we made a very thorough study while I was there of second-class mail transportation. I reached the conclusion that the Government lost very heavily by carrying it at existing rates, but not as much as the Post Office Department claimed.

The cost of transportation consists of two things—handling and haul. There is an expense to the Government of handling the mail, and there is an expense to the Government paid to the railroads for hauling the mail. It is perfectly easy to find out the cost of the haul. That is covered by contracts with the railroads. When we came to the cost of handling, there was no separate system of bookkeeping kept by the department as to what the cost of handling second-class mail was or what the cost was for other kinds of mail. There was an estimate, and I regarded the estimate of the handling cost by the department then as excessive. I did not believe that they could sustain their claim of all the handling cost that they put upon second-class mail, but I do believe the loss to the Government reached something like $50,000,000 annually.

Now, the great cost of the second-class mail is the haul. It differs from first-class mail on account of its weight. At that time the Government was paying the railroads approximately a cent a pound for every haul of 210 miles. That was about the sum that the Government paid the railroads. Therefore, when we hauled second-class mail over 210 miles the additional cost of the haul came right out of the Treasury, for we only charged a cent a pound for the haul and the handling both. We lost what it cost us to handle it and we lost all the additional cost of the haul.

Now, according to the report from the department just read by my colleague [Mr. HARDWICK], the cost of the haul under the new system is about a cent a pound for 275 miles instead of 210 miles. The Government gets a little longer haul for a cent a pound, and his figures now give the cost of the haul at a cent a pound for 275 miles. This being true, any second-class matter hauled that distance is no charge, so far as the haul is concerned, to the Government; the Government only loses the handling cost; but when the Post Office Department carries second-class mail matter 3,000 miles there is a loss to the Government from the haul of about 10 cents a pound. If the distance of the haul is less than 275 miles the second-class mail matter pays for the cost of the haul; but when it reaches on beyond that, for each 275 miles it produces a loss of a cent a pound to the Government.

My objection to the report of the committee is that it does not regard in its increased charges the actual cost of the particular second-class mail matter to the Government. If the second-class mail matter, the newspaper or the magazine, is hauled 50 miles the cost of the haul to the Government is not more than one-quarter of a cent a pound; if it is hauled 150 miles it is a little more than half a cent a pound. It only reaches the cent a pound at 275 miles. The great loss to the Government is the second-class mail matter that is hauled a long distance—hauls that stretch to 500, 750, 1,000, 2,000, and 3,000 miles. There is where the loss comes. When the Government hauls the publications of the Curtis Publishing Co. from Philadelphia to San Francisco the Government loses something like 10 cents a pound on every pound of their publications hauled to San Francisco, and that is paid out of the Treasury and not out of the funds of the publishing company; but if the haul is less than 275 miles the Government loses nothing by the haul.

My colleague [Mr. HARDWICK] attacks the newspapers for objecting to anything but a zone system and for objecting to an increase of charge on the haul of less than 275 miles. My reply is that the cost of the haul for 275 miles is paid by a cent a pound which is charged on second-class mail matter. My reply furthermore is that the handling cost to the Government of newspapers is very much less than the handling charge per pound upon nearly all other second-class mail matter, for the reason that the newspapers make up their pouches with their own paid employees and paid route agents in their own offices; they do not send any considerable part of their newspapers to the home post office to be made up there, the charge for handling to be paid for by the Government.

They have them made up in their own offices; they hire their own men to do it; and no charge at the home office for handling falls upon the Government to any considerable extent where newspapers are concerned. Even at the office of destination the handling charge is scarcely anything in the case of newspapers, for a large part of their circulation goes in bulk to single dealers or to carriers and is not distributed as mail matter usually is—in single packages through the post office. So I deny that the handiing of second-class newspaper mail matter causes the Government the loss of anything approximating the loss on the great magazines.

The average distance that the newspaper goes is not over 250 miles, while the average distance which the magazine goes is nearly 700 miles. The chief cost of the second-class mail matter to the Government is the haul. Second-class mail matter is heavy; it weighs a great deal. It is not like the ordinary letter. The letter weighs an ounce or less. The cost of the letter is the handling; it is so light that the payment to the railroads for hauling is trivial, and the distance has but little to do with the cost to the Government; but when it comes to second-class mail matter, where you undertake to haul a pound for a cent, distance and the cost to the Government in paying the railroad companies for the haul is the great feature of expense to the Government, and this causes the loss in the service.

Mr. President, I believe that there should be an increased charge for second-class mail matter, based upon the cost to the Government of hauling it—not the complete cost, but some more of it. That cost can only fairly be estimated when you put it upon the distance of the haul. It is the distance of the haul of the heavy matter that depletes the Treasury. If you intend that publications shall pay what the service costs the Government you must fix your charges by a zone system, according to the length that you haul the matter, because what you have to pay out of the Treasury is due to the length that you have to haul the second-class mail matter. I do not believe we should undertake to charge at once all that it costs the Government; I do not know that we should ever do so; but I do believe that the Government is contributing too much.

Let us consider the suggestion of the committee. It undertakes to meet the situation by adding one-fourth of a cent per pound at once to all second-class mail matter. That is not fair. The second-class mail matter that does not go over 250 miles has not cost the amount charged for the haul; that which has gone 3,000 miles has cost 10 cents a pound. Now, you propose to add one-fourth of a cent to all, when that which went a little over 200 miles did not cause the Government to lose anything and that which went 3,000 miles caused a loss of 10 cents a pound. It is not fair; it is not meeting the situation. You are trying to make the short-haul man, who has cost you nothing, pay for your loss on the long haul. I object to that and shall not vote for that. It comes from the committee, but it is not fair and I will not vote for it.

Then, furthermore, what does the committee propose to do? It proposes to charge all publishers 5 per cent on their net

profits to help make up for this loss on the second-class postage. That is not fair.

Mr. McKELLAR. On the long haul of it.

Mr. SMITH of Georgia. Well, I say the loss on the second-class postage. Let us think about that a moment. Here are two newspapers published in the same city—a morning paper and an afternoon paper. The morning paper may clear $10,000 a year and the afternoon paper may clear $50,000 a year. I am taking a small city. The afternoon paper circulates by carriers in the city and has practically no mailing list. It may supply some surrounding cities, but if so, it ships its papers out by express in bundles for delivery to its own carriers. Its cost to the Government for transportation is scarcely anything. It makes $50,000 a year. The morning paper makes $10,000 a year. The bulk of its issue goes out in the mail; it costs the Government a large sum for transportation; and yet the 5 per cent tax would take $2,500 out of the revenue of the afternoon paper which puts no charge on your Postal System, while it would take but $500 out of the revenues of the morning paper, which puts a heavy charge on your Postal System.

I am in favor of equitably increasing the second-class mail-matter rates, but I am not in favor of increasing them anywhere or on anybody beyond what it is costing the Government to perform the service for the particular company. I will not vote for any kind of an increase that saddles A with the losses the Government has suffered from handling the business of B. If you can not work out a system without loading your losses from A onto B, then stand the losses. That is fair.

I will vote against the entire proposition, both the one-fourth cent increase and the 5 per cent tax, and leave them all with no increase before I will agree to load one company down with the losses caused by a different company. It is not right; it is not defensible; it is inexcusable; it will not pass.

Senators have said that there was an effort to shield the newspapers. I utterly deny it. There is an effort to charge no company for any business more than its business is costing the Government. If we can not get a return of some of the excess cost which is put on the Government fairly, we should not take anything at all. I prefer to leave it as it is rather than to load one man down, on whom you are losing nothing, with what you lost on somebody else. The majority of the daily newspapers in the smaller cities of from 25,000 to 50,000 inhabitants do not go outside of a zone of 200 miles. In that case 1 cent pays the Government all the cost. The magazine or the daily newspaper, whichever it may be, that goes out 550 miles, causes the Government a loss of a cent a pound, and so on, as each 275 miles is added.

The original theory upon which this system was adopted was intended to help distribute information literature. I believe that is wise. I am not in favor of undertaking to make rates that dig to the bottom; I am not in favor of rates which would make it impossible to move magazines from one part of the country to the other. I think, in the interest of the general public, we had better suffer some loss than to stop such a distribution of literature. It is this immense advertising business, the utilization of the second-class mails for money-making, in addition to the distribution of literature, that has largely brought on the excess of loss and the shock to the public conscience.

I prefer an equitable zone system based upon increased charges for advertising matter, and leaving the reading matter to go as at present, at 1 cent a pound, everywhere. I do not advocate that system for the purpose of giving a subsidy to the publishers, but because I believe that the distribution of literature is beneficial to the entire public. However, I hardly think the Senate is ready for the consideration of such a measure. The amendment of the Senator from Tennessee will raise $12,000,000 more of revenue; it is harsh to nobody; nobody under it pays as much as the service rendered him costs the Government; but it equitably distributes the increase by placing the greatest burden upon those who are imposing the large charge upon the Government in excess of what they are paying for the service.

I grant that the Government will not collect all the cost of the service; I do not think it should collect it all. I think we would break up valuable publications if we took that rather extreme view; but in the interest of no particular class of publications, in the interest of the Treasury, I believe that some of these excess charges should be borne by a zone system—one, however, which does not undertake to begin to increase the charge until the distance from the place where the publication is issued is such that the cost of transportation to the Government is more than 1 cent a pound. I think that would be an equitable plan on which to base a zone charge.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER (Mr. NEW in the chair). Does the Senator from Georgia yield to the Senator from Illinois?

Mr. SMITH of Georgia. I yield.

Mr. LEWIS. The Senator from Georgia now speaking has entered into a very interesting field as to the amount of money that in his judgment would be produced under the operation of the amendment of the Senator from Tennessee. That to me is a most important phase of the question, and I think the Senator from Georgia will discover it is very important to many of us who do not know the newspaper business as a business. May I take the liberty to ask the Senator if he would object to including in his remarks such observations as his knowledge of newspaper publication and circulation may warrant, showing that his statement is not a guess merely as a legislator, but is borne out by some personal experience he has had with newspapers and the methods by which they are conducted, so as to give to the figures which he presents a base of accuracy?

Mr. SMITH of Georgia. The amendment was submitted to the Post Office Department, and the Post Office Department estimated that it would produce an increase of over $12,000,000. That was worked out by the post-office experts.

Mr. McKELLAR. Mr. President, if the Senator will permit me, to be accurate, the estimated increase would be $12,616,470. That estimate was submitted to Mr. Koons, the First Assistant Postmaster General, and I have a letter from him in my pocket which indorses those figures, which I will put in the RECORD; but I have given the Senator from Illinois the exact figures. I ask that the letter to which I have referred be printed in the RECORD.

The PRESIDING OFFICER. Without objection, is it so ordered.

The letter referred to is as follows:

JUNE 25, 1917.

MY DEAR SENATOR: On the basis of the second-class matter handled during the last fiscal year, it is estimated that the revenue under the amendment proposed by you would be approximately $24,000,000, which is an increase of $12,616,470 over last year, as the revenue derived from postage on second-class matter for the fiscal year ending June 30, 1916, amounted to $11,383,530.

J. C. KOONS.

POST OFFICE DEPARTMENT,
FIRST ASSISTANT POSTMASTER GENERAL,
August 8, 1917.

Memorandum:

The attached amendment of Senator McKELLAR would make an increase of approximately $10,000,000 in the revenues, or a total revenue of about $21,000,000.

J. C. K.

Mr. LEWIS. I happen to know, of course, that the Senator from Georgia has been himself a publisher of a very large and influential paper in the State of Georgia, and that he is not without knowledge as to the practical operation of newspapers as well as of matters of statesmanship. I now beg to ask—and I hope the Senator will pardon me for the interruption—what did the Senator from Georgia say a while ago was his estimate of the amount of revenue which would be raised by the suggested amendment of his colleague, the junior Senator from Georgia?

Mr. SMITH of Georgia. That would raise a little over $20,000,000, as I understand. That again has been estimated by the Post Office Department, and my recollection is that the report upon that amendment estimates an increase of something over $20,000,000.

I wish to say again, very frankly, that I would rather see passed the amendment suggested by the junior Senator from Georgia; I would rather have the increased rates based upon advertising and to have reading matter left with the permanent bounty from the Government occasioned by charging for long-haul transportation less than the service costs the Government; but I hardly think the Senate has studied that new suggestion sufficiently to accept it, and I think that the chances to do something are with the amendment of the Senator from Tennessee. I shall therefore vote for that amendment, especially as it comes up first. It will raise less revenue, but in the judgment of some it is more equitable, in that it regards the amount of the loss caused the Government for the transportation and makes no discrimination between advertisements and reading matter. At any rate, it is not burdensome; at any rate, it does not stop transportation; at any rate, it adds no charge to anyone in excess of what the Government is giving him; no one is called on by it to pay more than it is costing the Government to give him the service.

My objection to the committee amendment is that in seeking to get back some of the loss to the Government they are putting the increased charge where there is no loss rather than where the extreme loss occurs. They propose to put one-fourth of a cent more on everybody who sends second-class mail matter, while the report of the Post Office Department shows that a cent a pound pays for a haul of 275 miles. A great many of the morning papers do not have any second-class mail that goes be-

yond 275 miles, and the bulk of it is confined to a territory within 50 miles from the office of publication. Therefore, the distance of the haul being only 50 miles, the cost to the Government of the haul is less than one-fourth of a cent per pound, and the Government has three-fourths of a cent a pound left to cover the cost of handling.

As to the daily paper the circulation of which does not reach over 100 miles, a cent a pound pays the Government for the haul and for the handling. I protest against putting one-fourth of a cent a pound on that paper, when the Government is losing nothing on that paper, to make up losses on the big magazines or on some other publications. It is not fair. I do not think the committee would have done it if they had studied the subject thoroughly or had served upon the Committee on Post Offices and Post Roads and had greater familiarity with the subject.

I shall vote for the amendment of the Senator from Tennessee. I would be willing to eliminate before we vote on it the last zone charge provided. I should rather like to see the last zone, which adds the last increase in charge, taken off. I do not want to see the charge made so high that publications will not be able to move across the continent, but I think some part of the loss ought to be borne by them and that they ought to be made to pay for the long haul something more than they pay now.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Tennessee as amended to the amendment of the committee.

Mr. McKELLAR. Mr. President, on yesterday I asked to strike out the words "July 31, 1917," in the amendment and insert the words "October 31." I now desire to modify the amendment by striking out "October 31, 1917," and substituting therefor "January 1, 1918." Those words occur in the first line of the amendment.

The PRESIDING OFFICER. The Chair understands that the Senator proposes a modification of his amendment?

Mr. McKELLAR. I merely wish to perfect my amendment.

The PRESIDING OFFICER. The Senator has a right to do that, and, unless there is objection, the modification will be made.

Mr. SMITH of Michigan. Mr. President, I presume the Senator has a motive in changing the date when this amendment is to go into effect?

Mr. McKELLAR. I want to give the Post Office Department time to prepare for the change.

Mr. SMITH of Michigan. If the Senator wants to give time, I think he might appropriately make it 10 years instead of 1.

The PRESIDING OFFICER. Unless there is objection, the modification suggested by the Senator from Tennessee will be made. The Chair hears no objection, and it is so ordered.

Mr. McKELLAR. Again, Mr. President, in line 9 of the amendment, on the second page, I wish to add the letter "s" to the word "publisher," so as to make it read "publishers."

The PRESIDING OFFICER. Unless there is objection, the modification will be made. It is so ordered.

Mr. McKELLAR. Again, Mr. President, in the amendment of the Senator from South Dakota to my amendment, adding a second proviso, the word "*further*" was left out, and, in order to perfect it, I ask that the word "*further*" be substituted in the second proviso.

The PRESIDING OFFICER. Unless there is objection, it will be so ordered. The Chair hears no objection, and it is so ordered.

Mr. WEEKS. Mr. President, I have received a letter which refers to a statement made by me in some remarks I submitted to the Senate yesterday, which I should like to have read, so that it may go into the RECORD.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

WASHINGTON, *August 29, 1917.*

Hon. JOHN W. WEEKS,
United States Senate.

MY DEAR SENATOR WEEKS: I notice in the CONGRESSIONAL RECORD of yesterday, page 7003, that you say that the Hughes Commission stated in 1911 that it cost the Government 5½ cents a pound to carry second-class matter, and you argue from this that the estimates of loss of substantially $80,000,000 is a ridiculously high figure.

I infer that when you speak of 5½ cents you mean the entire cost of transporting and handling as ascertained and apportioned by the department. Of course, I know that you do not wish to make a statement which is incorrect, and I therefore am confident that you overlooked the fact that the 5½ cents mentioned by the Hughes Commission did not include any portion whatever of the cost of the Post Office Service, and certain unassigned expenses which they specify. These items, no part of which they included, amounted to $89,442,000 at that time, and a fair portion of them should, of course, be added to the amount from which they found the 5½ cents. The commission further found that the department had estimated the cost of handling in the post offices and the fair portion of these miscellaneous expenses assignable to second-class matter as slightly more than 2 cents a pound. This added to the 5½ cents found by the commission would have made a total of 7½ cents a pound.

You will find, on pages 639–641, inclusive, of "Hearings and briefs before the Committee on Finance, United States Senate, Sixty-fifth Congress, first session, on H. R. 4280, part 2," my statement giving conservative estimate of the cost of transporting and handling second-class matter at the present time, which on the average is not less than 7 cents a pound. Your universal disposition of fairness to the department prompts me to furnish you with this information in order that no injustice may result from your statements, which always carry great weight.

Sincerely, yours,

JOSEPH STEWART,
Special Assistant to the Attorney General.

Mr. WEEKS. I have submitted that letter to the RECORD because it comes from Mr. Stewart, who, of all men connected with the Post Office Department, probably knows more about the details of the work there than any other official. He is correct in saying that the Hughes Commission did not include the salaries of postmasters, assistant postmasters, and some other items of expense in estimating the cost of second-class mail matter at 5½ cents a pound. Of course, that does not in any degree modify what I said yesterday about the premises adopted by the Hughes Commission in making up those figures; and I do not care now to take time to discuss this particular question, which has no special bearing on the matter before the Senate. There are other comments which I might make relative to the report of the Hughes Commission which would greatly modify, in my judgment, the statement that the cost of carrying second-class mail was 5½ or 6½ of 7½ cents a pound.

The PRESIDING OFFICER. The question is upon the amendment of the Senator from Tennessee [Mr. McKELLAR] as amended.

Mr. McKELLAR. On that I call for the yeas and nays.

Mr. JONES of New Mexico. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from New Mexico suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Harding	McKellar	Sherman
Borah	Hardwick	McNary	Shields
Brady	Hollis	Martin	Simmons
Brandegee	Husting	Nelson	Smith, Ga.
Broussard	James	New	Smith, Mich.
Calder	Johnson, Cal.	Norris	Smith, S. C.
Chamberlain	Johnson, S. Dak.	Overman	Smoot
Colt	Jones, N. Mex.	Owen	Sterling
Culberson	Jones, Wash.	Page	Sutherland
Curtis	Kendrick	Penrose	Swanson
Fernald	Kenyon	Phelan	Townsend
Fletcher	King	Pittman	Trammell
France	Kirby	Poindexter	Underwood
Frelinghuysen	Knox	Pomerene	Vardaman
Gerry	La Follette	Ransdell	Wadsworth
Gore	Lewis	Robinson	Weeks
Gronna	Lodge	Shafroth	Williams
Hale	McCumber	Sheppard	Wolcott

The PRESIDING OFFICER. Seventy-two Senators have answered to their names. There is a quorum present. The question is upon the amendment of the Senator from Tennessee as amended, upon which the yeas and nays have been demanded. Is the request seconded?

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. JONES of New Mexico. I think the debate on this question is concluded; but I feel that in justice to the committee and to some Senators who have not been able to listen to the debate I should make a short statement of the situation as it is now presented to the Senate. I am not going to discuss the merits of these propositions.

For more than two days now we have listened to arguments for and against different amendments which have been submitted to this bill. Those of us who have been permitted to hear those arguments realize the great importance of the questions involved, and what I wish to impress upon the Senate now is that it was the very importance of the very amendments now before us which caused the committee to take the action which it did.

We considered the question of establishing a zone system. That was in the bill as it came from the House. We considered the question of modification of the zone system as now appearing in the McKellar amendment, and of modification in another way as it appears in the Hardwick amendment; but the more we considered the more did we realize the difficulties in the way of trying to settle the problem. We realized that, in one sense, second-class matter was not paying its way, but there were strong arguments presented to the effect that the increase in first-class matter brought about through the dissemination of advertisements and second-class matter doubtless compensated in great measure for what is an apparent loss on second-class matter.

These things were all presented to the committee. The advisability of establishing a zone system at all was considered. The argument was presented that in this country of ours there should be no such thing as a zone system; that even advertisements are just as educational as some of the reading matter which goes out and would go out under all these amendments with no increased postage. These things were all presented to us. We realized the difficulties in the way, and therefore, Mr. President, instead of trying to revise the postal system of the country we considered the matter from another point of view entirely.

The question as to what the postal rates should be is one which, I submit, should be considered by the Committee on Post Offices and Post Roads. The Finance Committee was excoriated to a considerable extent because it had dealt with this question at all. I want to say that the Finance Committee has dealt with it just as tenderly as it possibly could in view of the bill presented to it from the House.

This bill provides that the revenues to be derived under the bill from postal rates shall be turned over to the General Treasury; that they are not to be kept in the post-office funds, as other receipts from postal rates are kept. That shows that the purpose of this bill is to increase revenue for the general purposes of the Government during this time of war. So the committee, when it came to consider this question, treated it precisely as it has attempted to treat every other question, to try to raise revenue in a way that would cause the least possible injury to the business of this country.

Every system which is proposed here by way of amendment, the one amendment or the other, if put into effect, would absolutely destroy some of the big business interests of the country, and this is no time for destruction at home. We have enough destruction to do abroad. We want to keep up the business interests of the country. If the McKellar amendment is adopted, which establishes a zone system in a modified form, there is not any doubt but that it is going to bankrupt a number of the publishing concerns of the country, and the same thing may be said of the Hardwick amendment. So the committee decided that it did not want to bankrupt anybody, but it did want to raise revenue if it could do it without injury to anybody. For that reason, observing and realizing the complexity of the problem as presented in these amendments, the Finance Committee chose not to go into it and try to reform the postal laws of the country.

Mr. SMITH of Georgia. Mr. President, is it not true, though, that you put on these increased rates upon the ground that there was a loss in second-class postage; and is it not further true that you put them where there was not a loss, and did not put them fully where there was a loss?

Mr. JONES of New Mexico. Mr. President, the suggestion of the Senator carries much of merit with it; but we did realize that second-class postal matter was being carried at an apparent loss, and that there seemed to be more sentiment for trying to do something with the second-class rates to bring them up on some kind of an equality, or to make them bear some part of the cost of carriage. But we realized that to do that would involve the very integrity of these enterprises; and we ascertained, so far as we were able to do, that the imposition of an increase of a quarter of a cent a pound upon second-class matter would not materially injure or bankrupt any business in the country.

The suggestion just made by the Senator from Georgia involves the question of a zone system. The Senator's proposition means nothing more than that you should favor concerns sending their mail only one or two or three hundred miles from the place of deposit in the post office. That establishes the principle of the zone system; and it is my belief that if there is any one thing which ought not to be done it is the establishment of a zone system in this country.

Mr. SMITH of Georgia. Mr. President, if those going only 200 miles do not cost the Government a cent a pound, why should you load them down with a charge because something else, going very much farther, costs more than a cent a pound?

Mr. JONES of New Mexico. Mr. President, if the suggestion of the Senator were carried out, I think it would be the worst possible thing for the very enterprises which he seeks to shield.

Mr. SMITH of Georgia. Mr. President, that is scarcely fair. I do not seek to shield them, if the Senator will permit me.

Mr. JONES of New Mexico. Well, I withdraw that word.

Mr. SMITH of Georgia. I ask that they may not be charged more than they are an expense to the Government. That is all I ask.

Mr. JONES of New Mexico. I will say "protect," then.

Mr. WILLIAMS. It costs the Government just as much to carry mail matter in one zone as it does in seven.

Mr. SMITH of Georgia. Oh, the Senator is utterly mistaken about that. The rate per pound hauled, as shown to-day, is a cent for each 275 miles; and if the haul is 3,000 miles the payment to the railroads for transportation per pound relates to the haul for 275 miles as 3,000 relates to 275.

Mr. WILLIAMS. Yes; and the Government loses upon both operations, so it makes nothing on either.

Mr. JONES of New Mexico. The argument has been made that we should not increase the rates within the first, second, and third zones for the reason suggested by the Senator from Georgia; but in any ambitious center in this country the very newspapers and periodicals published there, which to-day would get special benefits from the suggestion of the Senator, in my opinion would be ultimately injuring their business if they are ambitious to become means of communication to the country at large. It would tend to localize the information of this country; and if there is any one thing we do not want to do it is to localize the information of the country. We want the information to go out all over the country, and, so far as I am concerned, I want the advertisements to go out all over the country. According to my notion, they are a great medium of information. They weld the people of the country together. The people are permitted in every section of the country to know of the new devices, and, among the ladies, to keep up with the styles and the fashions of the country throughout the whole Nation.

But these, Mr. President, were the difficulties which the Finance Committee encountered, and it did not undertake to solve all these problems. There are objections to every one of them. They are serious and strong; and so the committee undertook to do something which would raise revenue but would not injure the business interests of the country. So it has proposed to put a quarter of a cent a pound increase on the carriage of second-class matter. It has proposed, as will come up in the bill further on, a tax of 5 per cent on the net income of these publishers, with a $4,000 exemption. That provision will be debated when we get to it. I have received a telegram from my own State to-day asking me to vote against this 5 per cent tax. They evidently did not realize there was a $4,000 exemption, and I do not believe there are over one or two papers in my State that will pay anything under the 5 per cent income-tax provision in this bill. At any rate, they will not be hurt. They have had the benefit of the mail. They can afford to do it. It is not logical. I agree with the statements here that it is not logical; but this is a time of war, when we are trying to make provision to carry on this Government; when we are trying to get revenue where it will not injure anybody; and inasmuch as these second-class matters are being carried at a loss, apparently everybody agreeable to the proposition, it seems to me that we might go into that line of industry and obtain at least some revenue.

I therefore ask the Senate to vote down the McKellar amendment, to vote down the Hardwick amendment, and then let us take up the consideration of the amendments offered by the committee.

Mr. WILLIAMS. Mr. President, there are some few things of which Senators and Representatives are afraid. Among these things are the newspapers and the magazines of the country. It is not at all strange that Senators and Representatives should be scared by either one of them, because they have an immense influence, intellectually and morally, and they do impress themselves upon the mind of the average citizen to an extent that one solitary voice, whether it be the voice of a Senator or a Representative, can not counteract.

I want to appeal to the Senate, in the first place, to discuss this question without any cowardice, to discuss it without any fear, and to discuss it solely from the standpoint of trying to do justice by these people.

Mr. President, there is nothing harder in the world than for a class of men to agree voluntarily to discontinue, even partially, a subsidy or a bounty, which they have been receiving from the general public. Of course it is very difficult for the newspapers and for the magazines to make up their minds to discontinue even partially the bounty that we have been giving them. That bounty runs all the way from thirty millions to sixty millions per annum—depending upon the man who is calculating its amount. We have attempted to get back from them in the shape of taxes fifteen millions of it—one-half of it, if it is thirty millions, and one-fourth of it, if it is sixty millions. That is all we are trying to do.

You take a man out of the ordinary sphere and surfeit him and feed him at the public expense a long while and of course it is very difficult for him to conceive that it is just to deprive him of his daily bread, although his daily bread has been given to him as a free gift by the public. That is exactly and literally the case with these people.

Mr. President, somebody in this debate said that this Finance Committee provision might or would be all right, but this was not the time to do it. It is preeminently the time to do it. It is preeminently the time when the Federal Government should try to economize by withdrawing subsidies and bounties to anybody, for any service whatsoever. Now, in ordinary peace times I believe in giving a bounty to the dissemination of information. I do not care whether the Government loses thirty or sixty millions of dollars; I have been willing to lose it, because all democratic institutions are founded upon the assumption of information among the people, so that I have been willing always to let the second-class mail rate stay where it was. I have thought that if any bounty by the general public to any particular interest at all was justified a bounty in favor of the spread of information and the dissemination of intelligence was justified. But these are not ordinary times. We are making every citizen of the United States pay something out of his pocket. Why not, then, make these people abstain partially from drawing something out of the common Treasury?

I heard the Senator from Massachusetts [Mr. WEEKS], I believe, say the other day that we were levying "a special and a discriminatory tax" upon these people. I believe it was he who said it. We are doing nothing of the sort. We are merely discontinuing a part of the bounty that we are and have been paying them, a part of the subsidy that they are receiving and have received for years—receiving upon the theory that I have just stated, that it was worth the money that it cost the Government to inform the people. It is absolutely an unfounded statement that we are trying to do anything with these people except to get back a little bit of the money that we have been giving them annually—giving them, or, if you choose to express it so, paying to them, upon the theory that they were rendering a public service—it does not make any difference which—only one-half of their hitherto gratuity, even by their calculation.

Mr. President, I am in favor of the settlement which the Finance Committee of the Senate has reached upon this question. Now, what is it? It is a raise of one-fourth of 1 cent per pound on second-class mail matter. That is a part of it. Does anybody want to tell me that a raise of one-fourth of a cent a pound upon second-class mail matter can bankrupt anything that is not already virtually bankrupt? You know better and I know better.

Ah, Mr. President, I remember so well when the publishers came before the Finance Committee of the Senate aflame with patriotism and with enthusiasm. The House had sent us over a proposition for a zone system, and they said: "Of course we want to pay our share, and we want to pay more than our share, but we can not stand that. That will murder us in our tracks." The Senate Finance Committee shortly after that time had fixed a tax upon gross receipts, as the Senator from New Mexico will remember, and they said: "We want to pay every dollar, and more than every dollar, assessable against us, if necessary. We are the great 'patriotism-arousing agency' of the United States; but do not tax us on our *gross* receipts, because a tax upon our gross receipts might deprive us of all of our profit and send us into a loss." Whereupon the Finance Committee said, "Well, you are right about that," and then a man or two arose, and I remember one of them addressed the committee in eloquent terms. He said, in substance: "Take from us all of our net receipts. We are patriotic to the core. We are pro-American and anti-German, and we want this fight fought to a finish until the world can have peace. Take all of our net receipts, but do not touch anything beyond our profits"; and there was a general ripple of applause all around among the 50 or 60 or 100 representatives of the press and the publishing houses around that committee room. It impressed me, and I am not a very impressionable creature. It impressed the committee, and we said: "Here are men wanting to give *all* their net profits to the Government to fight this war. They are too patriotic; they are too unselfish. We will not do that. We will just take *5 per cent*—one-twentieth—of their net profits, one-half, in the aggregate, of the bounty and the gift that they are now enjoying annually at the hands of the United States, even according to the lowest calculation that has ever been made," which was $30,000,000.

As to this fool enterprise of putting newspapers in the zone system and subjecting the dissemination of information and intelligence, like "base merchandise," to a zone system, that is too absurd to talk about. You may call it merchandise, and so in a sense it is, and so in a sense Shakespeare's Merchant of Venice was, and Sir Walter Scott's Waverly or Ivanhoe; but in no proper sense is the dissemination of information by newspapers and periodicals and magazines merely merchandise, and it ought not to be judged upon the merchandise standard.

Mr. President, we are, after some ineffectual efforts of my ancestors to the contrary, a Nation. The great trouble with America to-day is that it is not sufficiently a Nation yet. There is a German group, a Bohemian group, a Hungarian group, an Austrian group, a workingman's group, a capitalist group, all sorts of groups—lack of harmony of purpose and lack of unity of thought. Here are the representatives of little papers down in Georgia and Tennessee and various other States asking that they shall have a zone system. Why? So they may locally compete with the newspapers from the great centers, so that they can localize and denationalize the news. I am not a great nationalist; I never even spell the word "nation" with a capital "N." I am, rather, in favor of a whole lot of local individualism, not only for the person but for the county and State; but I have no sort of sympathy at all with him who wants to give the county paper an advantage over the New York World. That is at the bottom of this business to a very large extent.

I was talking with a very distinguished Democrat the other day, a member of the Democratic executive committee and also the editor and proprietor of several rural local newspapers. He was very much in favor of the zone system, and before he got through with the argument he disclosed the fact that if we had the zone system his newspapers would have an advantage over the St. Louis Republic and the Post Dispatch, the New York Herald and the Times, the Chicago Tribune, and various other papers.

I know it is quite natural for us to be afraid of these papers. I am afraid of them myself. God knows if they told the truth about me I would have an awful time. But I am not going to act like a coward on this floor and let them scare me. That is a different proposition.

Another thing, Mr. President: "Whom the gods would ruin they first make mad." Now, let me tell these gentlemen if they do not quit obstructing every possible effort that has been made for them to pay their just and fair share of taxes they will meet with ruin sure enough; we may conclude to raise second-class postage to its right rate, and when we do that at least half of them will go out of business. They have lived upon the bounty, they have lived upon the gratuity, they have lived upon the gift, and they can not live without it.

What is the history of this legislation? The House brought us a proposition for a zone system and these publishers' lobbyists said, "We are more afraid of that than anything else. For God's sake, take that cup from our lips. Do not let us have to swallow that." The Senate committee proceeded to subject them to a gross-receipts tax, and they said, "For God's sake, that cup is bitterer than the other."

Who is standing behind the Hardwick amendment? Who is standing behind the amendment of the Senator from Tennessee? Where do you find newspaper men who are consenting to any tax whatsoever? The only man who is thoroughly representative of the newspapers and magazines on this floor whom I have heard is the Senator from Massachusetts [Mr. WEEKS]. He denounced the House provision, the Hardwick provision, the provision of the Senator from Tennessee, and the provision of the Finance Committee, all of them, as wrong, upon the theory that they constitute "a special and discriminatory tax," calling by the name of a tax a little bit of modest and half-cowardly effort of our committee to get back by the most favorable report not over one-half of an actual annual gratuity.

Now, of course, when this war is over and we are able to give bounties out of the Treasury I am willing to continue the gratuity, because I do believe in this, and I believe in it with all my heart, that the temple of democracy is based upon the pillars of freedom and equality and justice and intelligence, and if the temple had two stories all three of the pillars would be in the second story, and a great basis, a great immense supporting column of intelligence, would be at the bottom.

Old Thomas Jefferson, my patron saint, all the time believed in an aristocracy, but "an aristocracy of intelligence," and he believed in giving the people, all of them, the opportunity to be "aristocrats of intelligence," and feared that democracy could not exist—fraternity, equality, and liberty could not exist—without popular and nearly universal intelligence.

But during this short war, two or three years more—possibly seven, not over that, an inconsequential period in the history of the world—let these people pay their share of the tax. Let that crowd who in the Finance Committee applauded the man who said that they were "willing to give all their profits to the country if necessary" subside and say to the Finance Committee, "You have done better by us than we suggested; instead of taking all our profits you have taken only one-twentieth, and that one-twentieth is only one-half of what we are getting from you every year as a gratuity, even if $30,000,000 a year is all

that you are paying us. Some people calculate that you are paying us annually sixty millions."

It does seem to me, Mr. President, that they ought to be ashamed of themselves. They ought to quit. They ought not to have apologists and lobbyists here. Senators and Representatives speaking for them ought to say to them, "The Finance Committee has treated you a lot better than you asked, and we have not found a thing that you propose to do in order to return to the Treasury, even partially, the bounty that you are receiving." They have opposed every proposition—the House proposition, the Hardwick proposition, the proposition of the Senator from Tennessee, the Finance Committee's first proposition, the Finance Committee's second proposition, and they have offered nothing as a substitute not a thing in the world. They have said in effect, "The country and its taxpayers give us some $30,000,000 or $60,000,000 a year, and we want it to keep on giving it, and if you do not *you are going to feel the weight of the press.*" That does, or ought to, frighten me; therefore I conclude.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Tennessee [Mr. McKELLAR] as amended to the amendment of the committee, on which the yeas and nays have been demanded and seconded.

Mr. POMERENE. Mr. President, the other day I spoke somewhat fully upon this subject. I do not care to take the time of the Senate now save to present some four or five telegrams which came from newspapers in the State of Ohio. One is from the Cincinnati Times-Star, of which Mr. Charles P. Taft is the owner and editor; another one is from the Dayton News, another from the Springfield News, papers which are owned by Gov. Cox, of Ohio; another one is from the Newark Advocate; and another one is from the Daily Republican News, of Butler County. In substance these telegrams favor the McKellar amendment and are opposed to the 5 per cent tax. I will not take the time to read them, but I ask unanimous consent to incorporate them in the RECORD.

The PRESIDING OFFICER. There being no objection, it is so ordered.

The telegrams are as follows:

CINCINNATI, OHIO, *August 27, 1917.*

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.:

We heartily indorse Senator McKELLAR'S postage amendment. Kindly support same. We emphatically oppose 5 per cent tax on earnings.

THE CINCINNATI TIMES-STAR CO.,
C. H. REMBOLD, *Manager.*

—

DAYTON, OHIO, *August 27, 1917.*

Senator ATLEE POMERENE,
United States Senate, Washington, D. C.:

Dayton (Ohio) News strongly favors McKellar amendment, as fairest to greatest number of publishers.

ORVILLE HARRINGTON, *Business Manager.*

—

SPRINGFIELD, OHIO, *August 27, 1917.*

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.:

We ask your support for McKellar amendment; and oppose 5 per cent tax on earnings.

THE SPRINGFIELD OHIO NEWS.

—

NEWARK, OHIO, *August 27, 1917.*

Hon. ATLEE POMERENE,
Washington, D. C.:

Would be glad to have you support McKellar amendment.

THE NEWARK ADVOCATE.

—

HAMILTON, OHIO, *August 28, 1917.*

Hon. ATLEE POMERENE,
Senate, Washington, D. C.:

The newspapers in Butler County all unit in urging your support of the McKellar amendment in place of the 5 per cent tax on earnings. We trust you will find this request consistent with your own views.

DAILY REPUBLICAN NEWS.

The PRESIDING OFFICER. The Secretary will call the roll on agreeing to the amendment of the Senator from Tennessee [Mr. McKELLAR] as amended to the amendment of the committee.

The Secretary proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. GALLINGER]. I transfer that pair to the Senator from New Jersey [Mr. HUGHES] and vote "yea."

Mr. FRELINGHUYSEN (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WALSH]. By an arrangement with the Senator from North Carolina [Mr. OVERMAN] I transfer that pair to the senior Senator from Wyoming [Mr. WARREN] and vote "nay."

Mr. HARDING (when his name was called). Mr. President, about all the material possessions I have in the world are involved in a newspaper. I therefore, being personally concerned with the action of the Senate, will ask to be excused from voting.

The PRESIDING OFFICER. Shall the Senator from Ohio be excused from voting? [After a pause.] He will be excused from voting.

Mr. KENDRICK (when his name was called). I am paired with the senior Senator from New Mexico [Mr. FALL]. I transfer that pair to the Senator from Kansas [Mr. THOMPSON] and vote "yea."

Mr. MYERS (when his name was called). I transfer my pair with the Senator from Connecticut [Mr. McLEAN] to the Senator from Arizona [Mr. SMITH] and vote "yea."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. The Senator from New Jersey [Mr. FRELINGHUYSEN] has a pair with the Senator from Montana [Mr. WALSH]. By an arrangement the Senator from Montana will stand paired with the Senator from Wyoming, which permits the Senator from New Jersey and myself to vote. I vote "yea."

Mr. SMITH of Michigan (when his name was called). I have a pair with the junior Senator from Missouri [Mr. REED]. Not knowing how he would vote on this question, I will withhold my vote.

The roll call was concluded.

Mr. LEWIS. I wish to announce the necessary absence of the Senator from Utah [Mr. KING], and because of illness of the Senator from South Carolina [Mr. TILLMAN]. The latter Senator is paired with the Senator from West Virginia [Mr. GOFF].

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent on account of illness in his family. He is paired.

Mr. DILLINGHAM. Has the senior Senator from Maryland [Mr. SMITH] voted?

The PRESIDING OFFICER. He has not.

Mr. DILLINGHAM. I have a general pair with the senior Senator from Maryland and am compelled to withhold my vote. If permitted to vote, I would vote "nay."

Mr. McCUMBER. I have a general pair with the Senator from Colorado [Mr. THOMAS], and being unable to obtain a transfer I withhold my vote.

Mr. KELLOGG (after having voted in the negative). I have a pair with the junior Senator from Utah [Mr. KING] and therefore withdraw my vote.

Mr. SMITH of Georgia. The Senator from Minnesota withdrew his vote on account of his pair with the junior Senator from Utah [Mr. KING]?

Mr. KELLOGG. Yes.

Mr. SMITH of Georgia. I heard the Senator from Utah state that he would vote for the McKellar amendment.

Mr. LEWIS. I neglected to state and I wish now the RECORD to show the absence of the Senator from Kansas [Mr. THOMPSON] on account of illness in his family, and the absence of the Senator from Maryland [Mr. SMITH] on official business. If the Senator from Kansas were present and not paired, he would vote for the amendment of the Senator from Tennessee [Mr. McKELLAR].

Mr. STONE. I desire for the day to announce the necessary absence of my colleague [Mr. REED], who has been called from the city on important business. I do not know how he would vote upon this question.

Mr. CURTIS. I desire to announce the pair of the Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN].

The result was announced—yeas 40, nays 35, as follows:

YEAS—40.

Ashurst	Husting	Martin	Sheppard
Bankhead	James	Myers	Shields
Beckham	Johnson, S. Dak.	Norris	Smith, Ga.
Broussard	Kendrick	Overman	Smith, S. C.
Chamberlain	Kenyon	Owen	Sterling
Culberson	Kirby	Pittman	Sutherland
Curtis	La Follette	Pomerene	Swanson
Fletcher	Lewis	Ransdell	Trammell
Gronna	McKellar	Robinson	Underwood
Hollis	McNary	Shafroth	Vardaman

NAYS—35.

Borah	Hale	New	Smoot
Brady	Hardwick	Newlands	Stone
Brandegee	Hitchcock	Page	Townsend
Calder	Johnson, Cal.	Penrose	Wadsworth
Colt	Jones, N. Mex.	Phelan	Watson
Fernald	Jones, Wash.	Poindexter	Weeks
France	Knox	Saulsbury	Williams
Frelinghuysen	Lodge	Sherman	Wolcott
Gerry	Nelson	Simmons	

NOT VOTING—21.

Cummins	Harding	Reed	Tillman
Dillingham	Hughes	Smith, Ariz.	Walsh
Fall	Kellogg	Smith, Md.	Warren
Gallinger	King	Smith, Mich.	
Goff	McCumber	Thomas	
Gore	McLean	Thompson	

So Mr. McKELLAR's amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SMOOT. I desire to reserve the right for a separate vote upon the amendment just adopted when the bill reaches the Senate.

The PRESIDING OFFICER (Mr. ROBINSON in the chair). The next amendment of the committee will be stated.

The next amendment was, on page 96, line 11, to change the number of the section from "1202" to "1102," and in line 16, after the word "publication," to strike out "*Provided*, That the Postmaster General may hereafter require publishers to separate or make up to zones in such a manner as he may direct all mail matter of the second class when offered for mailing," so as to make the section read:

SEC. 1102. That the rate of postage on daily newspapers, when the same are deposited in a letter-carrier office for delivery by its carriers, shall be the same as now provided by law; and nothing in this title shall affect existing law as to free circulation and existing rates on second-class mail matter within the county of publication.

The amendment was agreed to.

The next amendment was, on page 96, after line 19, to strike out:

SEC. 1203. That in the case of newspapers and periodicals entitled to be entered as second-class matter and maintained by and in the interest of religious, educational, scientific, philanthropic, agricultural, labor, or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, the second-class postage rates shall be, irrespective of the zone in which delivered (except when the same are deposited in a letter-carrier office for delivery by its carriers, in which case the rates shall be the same as now provided by law), 1¼ cents a pound or fraction thereof from July 1, 1917, until March 1, 1918, and thereafter 1½ cents a pound or fraction thereof. The publishers of such newspapers and periodicals before being entitled to the foregoing rates shall furnish to the Postmaster General, at such times and under such conditions as he may prescribe, satisfactory evidence that none of the net income of such organization inures to the benefit of any private stockholder or individual.

The amendment was agreed to.

The next amendment was, on page 97, after line 13, to strike out:

SEC. 1204. That where the total weight of any one edition or issue of any publication mailed to any one zone does not exceed 1 pound, the rate of postage shall be 1 cent for each 8 ounces or fraction thereof.

The amendment was agreed to.

The next amendment was, on page 97, after line 17, to strike out:

SEC. 1205. The rates provided by this title shall relate to the entire bulk mailed to any one zone and not to individually addressed packages.

The amendment was agreed to.

The next amendment was, on page 97, line 21, to change the number of the section from "1206" to "1103"; in line 22, after the word "publisher," to strike out "or his agent"; and in line 23, after the word "agent," to strike out "or dealer," so as to make the section read:

SEC. 1103. That where a newspaper or periodical is mailed by other than the publisher or a news agent, the rate shall be the same as now provided by law.

The amendment was agreed to.

The next amendment was, on page 98, line 1, to change the number of the section from "1207" to "1104," and in line 8, after the words "of the," to strike out "passage" and insert "enactment," so as to make the section read:

SEC. 1104. That the Postmaster General, on or before the 10th day of each month, shall pay into the general fund of the Treasury an amount equal to the difference between the estimated amount received during the preceding month for the transportation of first and second class matter through the mails and the estimated amount which would have been received under the provisions of the law in force at the time of the enactment of this act.

The amendment was agreed to.

The PRESIDING OFFICER. Section 1105 has been passed upon by the Senate as in Committee of the Whole.

The next amendment was, on page 98, after line 21, to insert:

SEC. 1106. That in addition to the taxes under existing law and under this act there shall be levied, assessed, collected, and paid, for the calendar year 1917 and each calendar year thereafter, upon the net income of every individual, corporation, partnership, or association arising from the publication of newspapers, magazines, or periodicals entitled to be entered as second-class mail matter (whether or not so entered), a tax of 5 per cent of the amount of such net income in excess of $4,000.

For the purposes of this section net income shall be determined upon the same basis and in the same manner as provided in Title I of the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916, in so far as such title is applicable. The provisions of section 4 of this act with respect to a tax for a fiscal year ending during the calendar year 1917 shall also apply to the tax imposed by this section upon a corporation or partnership.

Mr. STONE. Mr. President, the greater part of what I am about to say might appropriately be said as a matter of personal privilege.

During the earlier weeks of this month of August I was grossly assailed and insulted by a number of metropolitan journals somewhat widely scattered over the country, including several in my own State. I do not recall, however, that I have at any time risen to a question of personal privilege to reply to a newspaper attack. The fact is I am rarely conscious of them. It has been my uniform policy to allow such things to pass by without a word, confident that those who know me would place their own estimate upon the motives, the character, and the veracity of the attack. Moreover, if I should undertake as a matter of personal privilege to respond to newspaper attacks I would be too often diverted from the consideration of important duties. Nevertheless, while I put aside the question of personal privilege, I have thought that while the particular provisions of this bill affecting newspapers are under consideration it would be an opportune occasion to say something by way of reply to the attacks to which I have referred and to follow that with some brief observations relating to those particular provisions, and especially with respect to my attitude regarding them.

Mr. President, as preliminary to and explanatory of the remarks I am about to make, I desire to lay before the Senate the basis of these attacks to which I have referred. During the first half of the present month I submitted to the Senate a communication addressed to me by Mr. Amos Pinchot and others and asked that it might be read for the information of the Senate. I ask the Secretary to again read that communication.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

JULY 29, 1917.

Hon. WILLIAM J. STONE,
Chairman Committee on Foreign Relations,
United States Senate, Washington, D. C.

DEAR SENATOR STONE: Some of the recent discussions in the Senate prompt us to ask you, as chairman of the Senate Committee on Foreign Relations, to introduce a concurrent resolution in the Senate which would enable Congress to state its conception of the proper basis for peace negotiations. We are submitting a purely tentative draft of such a resolution. Our reasons for urging immediate action are these:

It can hardly be denied that the German peace resolution, carried in the Reichstag on July 19 by a vote of 214 to 116, is an attempt on the part of the German people to express their willingness to enter into peace negotiations on the basis of "no annexations and no indemnities." The express language of the resolution leaves no room for doubt:

"The Reichstag labors for peace and a mutual understanding and lasting reconciliation among the nations. Forced acquisitions of territory and political, economic, and financial violations are incompatible with such a peace."

The Reichstag, though not, in the democratic sense, a truly representative body, is, nevertheless, the only political body through which the German people can speak to the rest of the world. Through it they have spoken by an overwhelming majority and in unmistakable terms, disclaiming conquest and indemnities, claiming only their national integrity, professing their desire to join in an international organization for a lasting world peace. To ignore this resolution is to prove all our protestations of friendship for the German people false.

If we genuinely desire to strengthen the hand of the German people against autocracy, this is our opportunity; we must receive the Reichstag resolution with official respect and ignore the speech of the chancellor, who is responsible only to the Kaiser.

We urge action by congressional resolution in this matter, because we believe it is high time for the parliament of the world to take a hand in the business of making peace. Continually called upon to approve war policies and vote war appropriations, the peoples' representatives, with the exception of Russia and now Germany, have not declared their terms of peace.

Respectfully, yours,

AMOS PINCHOT,	NORMAN M. THOMAS,
LILLIAN D. WALD,	CHARLES T. HALLINAN,
L. HOLLINGSWORTH WOOD,	JOHN L. ELLIOTT,
MAX EASTMAN,	ALICE LEWISOHN.
JOHN HAYNES HOLMES,	CRYSTAL EASTMAN,
ROGER N. BALDWIN,	

For the American Union Against Militarism.

Mr. STONE. Mr. President, at the time I submitted this paper I made a few brief remarks, which appear in the RECORD. I ask the Secretary to do me the favor of reading what I said at that time.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

Mr. STONE. Mr. President, just a word. This communication comes to me in an official way as the chairman of one of the committees of the Senate. As it comes from citizens of undoubted respectable character and responsibility, I have thought proper to submit it to the Senate. I make no observation upon it at this time. I have had it read and ask that it may lie upon the table, for I desire to make some observations respecting the communication at an early and convenient day. I am not prepared to proceed this morning. I shall hope during the coming week to find an opportunity to say something with respect to the request of these ladies and gentlemen, and with respect to the subject about which they ask me in my official capacity to take some action.

Mr. STONE. Mr. President, what the Secretary has read covers everything said or done at that time with respect to this matter, and it has not since been referred to in the Senate; that is all there is to it; but what I did say on that occasion appears to have so jarred the sensibilities of certain editors of a certain

type of newspapers as to have thrown them into a real "conniption fit," if I may be pardoned for using a pertinent slang expression. Numerous clippings from these newspapers have been sent to me. I am such a poor reader of metropolitan newspapers that I would not, except for the interest displayed by those who mailed me these editorial ebullitions, have known that I had innocently excited a teapot tempest, nor have known of the assaults made upon me.

WHAT IS THE INFLUENCE OR MOTIVE?

These intolerant editors assumed that I intended to do things and say things that I did not intend to do or say. Some of them assumed, even asserted, that I intended to offer a resolution, or series of resolutions, outlining and proposing definite and specific terms of peace, even to the extent of advising the President what he should do in the premises. Some went even so far as to say I had actually proposed such a resolution. Now, all that was purely imaginary. I never at any time had any thought of doing that. I have had the Secretary read the paper I presented and exactly what I said at the time I presented it, and that is all I have ever said respecting the subject. These newspapers built their own man of straw to knock down. Because of what I did, or they said I did, but which I did not do, some of these editors have denounced me in libelous terms, and put their artists to the task of caricaturing me in the most offensive form. Merely because I presented this communication just read in your hearing, remarking only that I had in mind at a later date to say something about it, epithets and cartoons have been employed to put me before the readers of these publications as a slacker—I am using the terms of these editorials—a traitor, a German sympathizer, and even as a German spy.

Mr. President, seriously, is there not some sinister influence behind this sort of thing? Those who sent me the communication I had printed in the RECORD are honorable men and women, representative men and women, American-born men and women, of high personal character and intelligence. Have we come to the point that it is to be regarded as lese majeste, or as some form of public offense, for a Senator to lay before this body a respectful communication upon any subject addressed to him by men and women of the type of those whose names are appended to the paper I presented?

I submitted this communication just as Senators every day submit communications of widely different kinds relating to the war. They are so submitted by Senators on the ground that they are in the nature of petitions, and the right of petition still remains as one of the rights of the people guaranteed by the Constitution. But at the time I laid this particular communication before the Senate I said nothing by way of approval or disapproval of the text, and yet these vile publications have hounded me in the way I have stated. Mr. President, again I ask, What influence operates to prod this numerous class of metropolitan editors into this mad intolerance?

Lord Northcliffe, who owns the London Times and other important English publications, is honoring the United States by a temporary residence in our midst. He comes from England under some form of official sanction—exactly what it is I do not know—but he has a commission of some kind, and it is said that the principal object of his mission is to influence the American press for the promotion of the interests he represents. If, indeed, that be the object of his mission, I feel obliged to say that up to this time his labors have been crowned with marked success. Can it be that a Senator or Representative in Congress, or a public man in any position, is in daily danger of being pilloried before the American people whenever he is audacious enough to do or say anything that does not pass with approval the exacting test of my Lord Northcliffe's American censorship?

Mr. President, I will not comment to any great extent upon this most recent storm of scurrility which has beaten upon me—a storm started out of the depths of my grave offense in presuming to present a peace petition to the Senate. If I am correctly informed, as I believe I am, some of the editors who have indulged in these scandalous denunciations of me are unnaturalized residents of the United States who owe allegiance to King George V. Such men, instead of serving their country on the battle front, seek the hospitality of the United States and abuse it by vilifying American public officials who do not happen in all respects to accord with their views and purposes. Perhaps my Lord Northcliffe and others of his caste believe that these foreign editors so working here do better service in this way—that is to say, in striving to control American public opinion—than they could do in shooting their armed enemies along the trench lines. They are employed to fire fusillades of a different kind.

NEED NOT DEFEND MY AMERICANISM.

Mr. President, I am not required, it is not incumbent upon me, to defend my loyalty or Americanism. I am to the manner born. The great fundamental principles of democracy taught by George Washington, Thomas Jefferson, and their coadjutors were born in me. That is an inseparable part of my life. My forbears came to the American Colonies long before the Revolution, and during the perilous days of that desperate fight for liberty they were patriots, not Tories.

Some of these editors charge me with being a German sympathizer and abettor. This charge is too ludicrous for me specially to deny. Sir, I have not a drop of German blood in my veins, except, perhaps, such trace of it as is common to the composite English race. The blood pulsing in my heart is purer English by far than that which runs through the veins of George V, who now rules by divine right as King of Great Britain, Ireland, and the Dominions Beyond the Seas, and as Emperor of India. My blood is purer English than his. I am not boasting of my origin; I merely speak of the fact, and except for the circumstances would not speak of it at all. However, having spoken of it, I want to say that I am proud of my English blood. As a great, puissant, onward-moving people the English-speaking peoples, in my opinion, are not excelled. No other peoples, in my opinion, have done more than the English-speaking peoples for the cause of good government and liberty throughout the world. And this I say notwithstanding the known fact that the history of English progress and achievement—I speak now especially of the English of England, not of the English-speaking peoples as a whole—has been marked so often and in so many ways with tears and blood and the wreck of hopes as to deserve the condemnation of righteous men; but, notwithstanding that, the essential ideals of the English-speaking peoples, taken as a whole and judged as a whole on the basis of ultimate results, have been high ideals, and, despite the evils some of these peoples have done, in the aggregate the things wrought by the English-speaking peoples for the good of mankind have not been surpassed, if equaled, by things done in that way by any other race inhabiting the earth. To these fundamental ideals I am immovably devoted.

Mr. President, I would willingly go to war—even into a world war—to preserve the civilization of the English-speaking peoples of the world—what I may call our Anglo-Saxon civilization—if for a moment I believed that that civilization was imperiled. But when men tell us, as they do daily, that that civilization is imperiled, necessarily imperiled, even in England, to say nothing of the United States, by this present war, they tell us something which I regard as so purile, so inane, if not insane, so utterly impossible, that I can not characterize it in parliamentary terms. I speak not now of the danger of possible backsets springing from the outreaching grasp of any nation, English or Teuton. My thought for the moment is fixed only on the possibility of a real danger to the civilization of our people—our people—such a danger as we would be compelled to meet with bloody resistance. To my thinking all this talk to the effect that we are now confronting such a danger is just talk indulged in for ulterior purposes. It hath too much of the Northcliffe twang. Sir, it is an old story in statecraft that ambitious builders of great programs say things to induce the more simple, the more trustful and unsuspecting, to do other things the wiser ones wish them to do.

GERMAN VOTE IN MISSOURI.

Some of these sapient editors who are for war to the bitter end at any price, being more conservative than some others, do not accuse me of being actually German, but do accuse me of being controlled or influenced by the fact that there is a considerable German vote in Missouri. I can not believe that these men themselves believe what they say; many are unfamiliar with things of which they speak; they are merely reckless in accusation. Perhaps some of them think they can overawe me, or maybe think they can fool the people. They may fool the people, but they can not overawe me. It is a fact that there is a considerable so-called German vote in Missouri, but there is also a considerable so-called Italian, Polish, and Russian vote in that State, and, in the aggregate, a very considerable number of voters descended from other European nationalities. That is true because Missouri, as you know, is one of the big, representative States of the Union and its population is cosmopolitan. I have sought for years by argument and persuasion to make Democrats of all these people, but beyond that I have not gone. So far as the German-Americans are concerned, my efforts, and the efforts of my party associates, in this behalf have not been signalized by any shining success. It is safe to say that at least 65 to 70 per cent of the German-American vote in Missouri is, and for a long time has been, steadfastly loyal to the Republican Party. It is worse than idiocy—for it is not short of malevolent mendacity—for anyone to ascribe to me any such motive as that alluded to as the basis of my attitude with respect to any phase of this war. True, I have personal and political friends among the German-Americans in Missouri,

whose repeated acts of kindness I esteem more highly than I need try to express. For these men, and all others situated as they are, I sympathize because of their special environment; and so, Mr. President, does every Senator here sympathize with them; I have heard many so declare on this floor. I do not think the loyalty of these men needs defense; but, in passing, I will say that I agree with the President in his recent utterance to the effect that, taken as a body, the German-Americans are as loyal and patriotic as any other class of our citizens. Moreover, I know that they are a highly intelligent people, rather fixed in their opinions and not easily swayed to change them.

Mr. President, aside from any question of patriotism or duty, and descending for the moment to the lower plane from which these editors have discussed me, I flatter myself that I have too much common sense, too much political experience, too wide a knowledge of human nature to be fool enough to court the German vote in Missouri for myself or my party by playing a contemptible game of small politics in dealing with the most momentous questions with which our Nation has perhaps ever been confronted. That would be one of the last things I would think of attempting. I would not think of attempting it for this reason if no other—that such an attempt would be destined in advance to utter failure.

Mr. President, I am approaching the allotted period of threescore and ten; I have grown gray in the public service; the people of my State have showered upon me about all the honors within their power to confer. I do not know that they will even care to have me serve them longer, and that is not of great importance; but, sir, as long as I do stand here by their authority I shall at all hazards do what I believe to be best for them and for our country. I need not say to the metropolitan papers of Missouri—I say especially those of Missouri—that it is impossible for them to extend toward me a menacing hand that would carry dread to my heart. The editors of these papers in Missouri know that, whatever editors in other sections of the country may think about it. I indulge in no idle boasting; I throw no gage of battle or defiance; but I do say, with some sense of pride, that the people of Missouri know that in my long public service I have never feared or hesitated to say or do what I believed was right; and they also know that the bulldozing tactics of great newspapers have weighed as lightly as a feather with me.

ACCUSED OF OBSTRUCTION.

Some of these editors also accuse me of being an obstructionist. They charge that I am generally found obstinately opposing what they call "the President's war measures." This, Senators, you know is untrue. I did oppose the program suddenly projected upon us to have the United States enter as a belligerent into this European war. I gave my reasons for that position, and it is not necessary to repeat them further than to say that every day I live confirms me in the wisdom of the position I assumed and urged at that time. But when the Congress, which under the Constitution is the war-making power, declared for war I stated from my place on this floor that, while I could not change my convictions, I would surrender to the will and judgment of my Government, and that henceforth I would support, as far as I could with reasonable respect to my oath of office and the responsibilities of my position, all such measures as the President and his advisers in Congress and the Cabinet deemed necessary to the successful prosecution of the war in which they had involved us. That pledge I have kept. I challenge any man to disprove the absolute accuracy of this statement.

Since we declared war and entered upon this terrible enterprise, what are the principal so-called "war measures" which the Congress have been called upon to enact? They were bills to increase the Regular Army in all its lines to maximum strength; bills practically granting to the Executive the power to commandeer manufacturing plants and transportation facilities; bills authorizing the expenditure of hundreds of millions of dollars for the quick construction of merchant ships to meet the ravages of German submarines; bills appropriating hundreds of millions to create the greatest aviation fleet in the world; the espionage bill; bills to raise billions of revenue by bond issues and taxation; bills to authorize the loan of billions of dollars to the entente allied nations; bills appropriating billions of dollars for all kinds of war purposes, and so on, and so forth.

CONSCRIPTION BILL.

Mr. President, I voted for all the measures I have named, and for many others I might particularize—voted for them because they were put forward as "war measures." As to several of them I not only voted for them, but spoke in support of their passage. I took and have adhered to the position that as long as we are in war I would vote to give the Government practically everything they asked and deemed essential to the prosecution of the war.

Mr. President, I even voted for the conscription bill, although it was a hard thing for me to do. I did not like to force our young men into the war, but I voted for that bill because I believed that that was the only way we could raise an army of sufficient strength to carry on the war, and I so said on this floor, advocating the passage of the bill. If an army of 2,000,000 or even 1,000,000 men could have been raised by voluntary enlistment—if the President and his advisers had believed that such an army could have been so enlisted—there would have been no demand for the draft. I agreed with them that no such volunteer army could be raised for service in this European war, and yet an army of that magnitude was evidently necessary if we were to wage effectively the war we had declared. Right or wrong, I voted for that bill, and spoke in favor of its passage as an absolutely necessary war measure.

FOOD BILL.

I also voted for the food and fuel conservation bill—the Hoover bill, so called—and spoke in favor of its passage. I did vote for two amendments to that bill, namely, first, to create a board of three men to be appointed by the President to administer the enormous and really dangerous powers conferred by the bill, instead of clothing one man with that tremendous authority; and, secondly, I voted to amend the bill by creating a congressional committee to be composed of five Senators and five Representatives, clothed with authority to keep account of the actual expenditures of the billions of money the Congress is appropriating, and which is to be expended by all kinds of executive officials.

A decided majority of the Senate favored both these amendments, but, to my astonishment, it later appeared that the President did not favor these amendments; and so, when the bill went to conference between the two Houses and the conferees agreed to and reported back to their respective Houses a recommendation to strike these two amendments from the bill, I gave way and voted to strike them out.

SENATOR REED.

Mr. President, I can not pass this point without pausing to express my approval of what the Senator from Pennsylvania [Mr. KNOX] said of my colleague [Mr. REED] just preceding the close of the debate and final vote on the conference report which ended the consideration of this food bill. Agreeing with the Senator from Pennsylvania, I wish to say that the stand taken by my colleague and some other Senators—but especially by my colleague—in opposition to some features of that bill and of the conference report well deserved the generous compliment paid him by the Senator from Pennsylvania; and I wish to add that while, like the Senator from Pennsylvania, I did not think it best in the final analysis to resist the adoption of the conference report, I do not hesitate to testify that the work done by my colleague and others working with him to amend the bill so as to make it better accord with American ideas of popular government deserves the thanks, not the condemnation, of the Congress and the people. For this reason, if no other, I say that what these Senators persisted in doing, or trying to do, was a brave stand made in the face of extraordinary difficulties to vindicate the independence of congressional action.

REVENUE BILL.

Mr. President, I am a member of the Senate Committee on Finance—next to the chairman, the ranking member. That committee has had to deal with bills involving the difficult problem of raising revenue—billions of dollars of revenue—to meet the expenses incident to the war. One of those bills, the last one that committee has considered, which itself provides for raising over $2,000,000,000 of revenue by taxation—not bonds, but immediate taxation—is now before the Senate. In my work on that committee I am willing for any member of that body to say whether I have been diligent, faithful, and patriotic, or in any way fallen short of my duty. I am willing to leave the decision of that question to the judgment of that committee—aye, to the judgment of any single member of that committee, Democrat or Republican.

Mr. President, stated generally, this is my record made in support of the "war measures of the administration." Therefore am I not well warranted in denouncing any statement made by any editor or other man that I have stood in the way and obstructed the enactment of so-called war measures deemed necessary to the prosecution of the war as a baseless calumny?

AS TO NEWSPAPER ATTACKS.

Mr. President, it might be interesting for you to know that at the very time this pitiless storm of editorial scurrility was beating upon me the provisions of this revenue bill which par-

ticularly affect the newspapers were under consideration by the Finance Committee. As the bill came from the House to the Finance Committee it doubled the postage rate on second-class matter, which includes newspapers, and applied what is known as the zone system. At once the great newspapers and other publications arose almost en masse to protest. A large number of representatives of these publications came before the Finance Committee to convince the committee membership that the House provision would not only seriously embarrass these publications but would absolutely destroy a large number of them. Patiently I heard these arguments and read the briefs submitted. I became convinced that the contention of the publishers was well founded.

Mr. President, it is a rare thing that I ever refer to what occurs in the executive sessions of a committee of which I am a member, for aside from any rule or practice in that behalf I think the members of a committee should not make its proceedings the subject of public discussion. But in the peculiar circumstances surrounding the present consideration, I think I will be at least excused, if not justified, if I refer to my own attitude with respect to these particular newspaper provisions of the bill while they were being considered by the committee. I believed that because of commercial reasons, increased cost of print paper and other things, it would not be just to increase the postal rates on newspaper publications at the present time, whatever might properly be done in that behalf at a later day. Therefore before the committee I earnestly and persistently supported a motion to strike out the increased zone postal rate prescribed by the House bill. At one point in the committee proceedings that motion prevailed, as I recall it, but later upon reconsideration the provision now in the bill, making a flat increase of one-fourth of 1 cent per pound on second-class matter, without applying the zone system, was agreed to by a majority committee vote. I opposed that and voted against it. I opposed any increase in the rates.

After that, or in connection with that, came the proposition to levy a special flat tax on the net incomes of newspapers as a sort of compensation to the Government for the mail privileges these publications enjoy. The big publications of the country, with few exceptions, had, through their representatives appearing before the committee, opposed any increase of postal rates, and I thought gave sound reasons for their contention. At the same time, standing as within a shining halo of patriotism, these publishers, as the Senator from Mississippi [Mr. WILLIAMS] has said, declared their willingness to pay a tax on their net incomes, even to the point of giving the whole of them if necessary in the judgment of the committee and the Congress.

I do not now recall that more than two or three of these big fellows objected to that. Indeed, on the contrary, they seemed willing to pay the tax on net incomes if only the postage rates were left undisturbed. It soon became evident that a majority of the committee favored the imposition of this tax. As expressive of my personal attitude, I proposed an amendment to this general effect—that publications with a net annual income of less than $4,000 and certain specified classes of publications, such as religious, scientific, purely agricultural, labor, and fraternal, should be exempted from the tax; and that as to the remainder the tax should be graduated so as to impose a tax of 1 per cent on the first bracket, and from that basis proceed along the rising scale so as not to make the burden at this unpropitious time too heavy, and especially not too heavy on the smaller and weaker publications. Generally speaking, that was my personal attitude, and substantially I adhered to it throughout the whole consideration of the subject.

Mr. President, I have with some hesitancy ventured to make this statement as to my individual effort before the committee. Of course I do not pretend that my effort was potential as an influence on the action of the committee, but that influence for whatever it was worth was exerted to prevent an increase in these particular postal rates at this time, and to make the tax on net receipts lighter in its general effect, especially upon those least able to bear it, than the tax as proposed and even as finally recommended by the committee.

And so, Mr. President, while these newspapers were hounding me without my knowledge, doing me, as I have shown, a gross injustice, I was striving to so frame the bill as to approach the nearest point possible of absolute justice to the publishers as I saw it. I have said this to contrast the attitude of a publisher having special interests to promote and a legislator who seeks only to discharge a public duty.

Let me not be misunderstood. Whatever I attempted, resulting in at least partial success, was not done out of any special consideration for the publishers. If I had allowed personal considerations to influence me, it is possible that resentment, because of frequent outrages, might have weighed in the balance. But my colleagues on the committee know that I cast all such considerations aside, as I am sure they did, and viewed the question before us solely from the point of right and justice.

Mr. President, these provisions of the bill were not framed in exact accordance with my desire. But these provisions, like all of the provisions of the bill, are brought to the Senate as the result of patient, sincere, and earnest effort on the part of the committee to arrive at correct conclusions. After weeks of effort the committee by a practically unanimous vote directed the chairman to report this bill. As I have heretofore said, the bill is not in the exact form in which I would have written it, nor is it in the exact form in which any member of the committee would have written it. But the bill the chairman has reported is the result of work done by men whose capacity will not be impugned. Taken as a whole, I believe it to be a most excellent measure, and that it very adequately meets the requirements of the immediate exigency. What the Finance Committee has done for publishers is undoubtedly greatly to their advantage as compared with the provisions of the House bill. Considering the fact that this bill must go back to the House, and must be made the subject of conference, I submit that Senators who do not prefer the House bill to the Senate bill should exercise some care and foresight. For myself, I shall support the bill the Committee on Finance directed its chairman to report.

Mr. JONES of New Mexico. Mr. President, in view of the action of the Committee of the Whole in adopting the amendment regarding postal rates it seems to me I should not insist upon the adoption of section 1106 as reported by the committee. I do not believe that this section if adopted would be in keeping with the general policy which the committee has tried to keep in mind in the amendments already adopted. I shall therefore not insist upon the adoption of the pending amendment, and I shall not ask for a roll call. I am not authorized, of course, to withdraw the amendment, as the committee has had no meeting.

Mr. SMOOT. Mr. President, since the adoption of what is called the McKellar amendment, taking this section in connection with it, it would be an absolute injustice for the Senate to adopt section 1106 as reported to the Senate by the committee, and while the committee has not taken action as a committee, I fully agree with the Senator from New Mexico that it ought to be stricken from the bill. I hope when a vote is taken that the Senate will disagree to the committee amendment.

Mr. SMITH of Georgia. Mr. President, we have practically acted upon this provision already. This provision was identified with the other provision recommended by the committee which placed an increase of one-fourth upon the rate of second-class postage. This 5 per cent placed upon publishers was intended with that one-fourth to be in recognition of the excess expense which second-class mail places upon the Government for its transportation. Having adopted the McKellar amendment as a substitute for the one-fourth provision, we raise $12,600,000 in that way, and I think everyone will agree that that vote should logically be followed by the rejection of this amendment of the committee.

Mr. POMERENE. Mr. President, I very much favored the increase in postage on second-class mail because I felt that the old law was a great piece of favoritism to the publishers. The amendment embraced in section 1106 is a gross discrimination against the publishers, and whether the McKellar amendment had been adopted or not I would have voted against this section 1106. I can not understand myself why there should have been this attempt at discrimination, and I am very glad to hear the members of the Finance Committee suggest that it should be eliminated.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

Mr. SIMMONS. Mr. President, in behalf of the Finance Committee, I wish to perfect certain portions of the amendments, or rather the substitute, proposed by the committee for the war-profits tax title of the bill. Senators will recall that the Finance Committee struck out the whole of that title of the bill and reported new sections to take its place. There are quite a number of these changes.

Mr. POMERENE. I wish to suggest to the chairman of the committee, as evidently he is about to give us a modification of the bill as originally reported, and it is a matter evidently of very vital importance, might it not be well to suggest the absence of a quorum, so that we may hear his explanation, particularly if we are to have any vote upon this subject to-night?

Mr. SIMMONS. I had not expected to enter into any explanation of these changes this afternoon. I was simply proposing this afternoon to perfect the amendments that we have made and then I was going to suggest a reprint. I think there ought to be a reprint, because it does make very substantial changes in the bill.

Mr. POMERENE. In view of that explanation, I will not make the point of no quorum.

Mr. SIMMONS. I ask that the Secretary may read the proposed changes in the amendments heretofore offered by the committee.

The PRESIDING OFFICER. The Secretary will read.

The Secretary read as follows:

On page 13, line 19, strike out the word "and."

On page 13, line 22, strike out the period and insert the words "and do not exceed 300 per cent thereof; and."

On page 13 after line 22, insert a new paragraph, as follows:

"Sixty per cent of the amount by which such war profits exceed 300 per cent of such deduction."

On pages 15 and 16 strike out section 203 and insert the following:

"SEC. 203. That for the purposes of this title the amount of war profits shall be determined, except as otherwise in this title provided—

"(a) In the case of a domestic corporation or partnership or of a citizen or resident of the United States by deducting from the net income of the trade or business received during the taxable year the average amount of the annual net income of the trade or business during the prewar period; but such deduction shall not be an amount less than 6 or more than 10 per cent of the actual invested capital as of January 1 of the taxable year.

"(b) In the case of a foreign corporation or partnership or of a nonresident alien individual, by deducting from the net income of the trade or business received from sources within the United States during the taxable year the average amount of the annual net income of the trade or business from sources within the United States during the prewar period; but such deduction shall not be an amount less than 6 or more than 10 per cent of that proportion of the actual invested capital as of January 1 of the taxable year which the net income of the trade or business from sources within the United States bears to the entire net income.

"(c) If the capital (or in the case of a foreign corporation or partnership or of a nonresident alien individual that proportion thereof which the net income of the trade or business from sources within the United States bears to the entire net income) during the taxable year is greater or less than the average capital computed upon the same basis, during the prewar period, the war profits shall be determined by deducting from the total net income for the taxable year an amount which bears the same proportion to the average annual net income for the prewar period which such capital during the taxable year bears to such average capital during the prewar period; but such deduction shall not be an amount less than 6 or more than 10 per cent of the actual invested capital as of January 1 of the taxable year (or in the case of a foreign corporation or partnership or of a nonresident alien individual of that portion of the actual invested capital as of January 1 of the taxable year which the net income of the trade or business from sources within the United States bears to the entire net income).

"(d) If the Secretary of the Treasury is unable satisfactorily to determine the average amount of the annual net income of the trade or business during the prewar period or the actual invested capital as of January 1 of the taxable year, the war profits shall be determined as provided in subdivision (a) of section 204."

On page 16, line 14, before the word "That," insert the letter "a" in parentheses.

On page 17, strike out lines 23 to 25, and lines 1 to 8 on page 18, and insert:

"(b) If the net income of the trade or business for the taxable year, in the case of a corporation or partnership which was not in existence, or of an individual who was not engaged in the trade or business during the whole of any one calendar year during the prewar period, is less than 6 per cent per annum of the actual invested capital as of January 1 of the taxable year (or in case of a foreign corporation or partnership or a nonresident alien individual is less than 6 per cent per annum on that proportion of the actual invested capital as of January 1 of the taxable year which the net income of the trade or business from sources within the United States bears to the entire net income) there shall be deemed to be no war profits."

On page 18, line 21, after the words "provided in," insert the words "subdivision (a) of."

On page 19, line 10, after the word "in," insert the words "subdivision (a) of."

On page 21, after line 21, insert:

"SEC. 207. As used in section 203 and in subdivision (b) of section 204, the term "capital" does not include money or other property borrowed, and in case of a corporation or partnership means, subject to the above limitation, (1) actual cash paid in; (2) the actual cash value of property paid in, other than cash, or for stocks or shares in such corporation or partnership, at the time of such payment; and (3) paid-in or earned surplus and undivided profits used or employed in the business: *Provided*, That the good will, including the trade-marks and trade brands, or the franchise of a corporation or partnership, is not to be included unless the corporation or partnership made payment therefor specifically as such in cash or tangible property, the value of such good will, trade-marks, trade brands, or franchise not to exceed the actual cash or actual value of the tangible property paid therefor at the time of such payment."

On page 21, line 22, strike out the figures "207" and insert the figures "208."

On page 22, line 3, strike out the figures "208" and insert the figures "209."

On page 22, line 13, strike out the figures "209" and insert the figures "210."

On page 22, line 24, strike out the figures "210" and insert the figures "211."

On page 23, line 6, strike out the figures "211" and insert the figures "212."

Mr. SIMMONS. I do not desire this afternoon to enter into any discussion of the proposed changes in the amendment.

The PRESIDING OFFICER (Mr. POMERENE in the chair). May the Chair interrupt the Senator just to inquire if he desires to have the proposed amendments printed and lie on the table?

Mr. SIMMONS. I was under the impression that probably it would be better if we had a reprint of the bill. ["No!" "No!"] Some of my colleagues disagree about that, and I will merely ask for a print of the amendments.

The PRESIDING OFFICER. The Chair is not able to hear the Senator from North Carolina.

Mr. SIMMONS. I say, I presume it will be sufficient to reprint that part of the bill which is amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMITH of Georgia. Does not the Senator think it would also be well to reprint that part of the bill which applies to the income taxes that we may have it printed in its amended form? Has that been done?

Mr. SIMMONS. I do not think that has been done, but I think there is very little complication about it.

Mr. SMITH of Georgia. A number of changes were made.

Mr. SIMMONS. The print covers the changes, except the so-called Gerry amendment and the Lenroot amendment.

Mr. SMITH of Georgia. There could be a short print furnished us of the schedule of income taxes.

Mr. SIMMONS. I have no objection if the Senator desires it.

Mr. NORRIS. Let me suggest to the Senator that the only change that was made was the rejection of the committee amendment.

Mr. JONES of Washington. And the Gerry amendment.

Mr. NORRIS. With the exception of the so-called Gerry amendment. That is all printed right before us now.

Mr. SIMMONS. As I stated to the Senator from Georgia, really the only change was first the elimination of the Lenroot amendment.

Mr. NORRIS. So it is printed before us in the bill just as it is.

Mr. SIMMONS. It is printed. The Lenroot amendment was restored. Then the Gerry amendment dealt only with the last three brackets.

Mr. SMITH of Georgia. There were two or three brackets.

Mr. SIMMONS. If the Senator desires to have that reprinted, I shall raise no objection to it.

Mr. FLETCHER. Mr. President, do I understand that the Senator has not asked for a vote on this amendment? The proposition was to perfect the committee amendment.

Mr. SIMMONS. That was all. I am merely proposing to perfect the committee amendment.

Mr. FLETCHER. The question is, Has the proposed amendment been agreed to or not agreed to? Does the Senator want it agreed to?

Mr. SIMMONS. I assume that the committee has the right to perfect its amendment at any time.

Mr. FLETCHER. I think we ought to have a vote on it; we ought to have it a matter of record.

Mr. SIMMONS. A vote upon the amendment?

Mr. FLETCHER. No; but a vote upon the committee's proposal to perfect its amendment.

Mr. SIMMONS. I think as a matter of right the committee can perfect its amendment at any time before it is adopted.

Mr. FLETCHER. I do not know that it is a matter of right. It is a matter of vote. They can propose it, and no one usually objects to it, I take it.

Mr. SMITH of Georgia. We are not claiming to amend the House bill. We are merely perfecting our own suggestion of an amendment to it. The committee can perfect its suggestion of an amendment, just as an individual Senator who presents an amendment can perfect it before a vote is had upon his proposed amendment.

Mr. FLETCHER. The committee can do so with the consent of the Senate, but when the bill is before the Senate I do not understand that the committee has that right.

The PRESIDING OFFICER. The Chair is very clearly of the opinion that a Senator offering an amendment has a right to perfect it; but the Chair is not so sure about the right of the committee to perfect an amendment which is offered by the committee.

Mr. SIMMONS. The amendment is offered by me as chairman of the committee for the committee, and I think the uniform practice here has been to permit the chairman to control that matter and for the committee to perfect their amendment.

The PRESIDING OFFICER. Is there unanimous consent that the Finance Committee shall have the right to perfect their amendment as indicated? The Chair hears no objection, and therefore the permission is granted.

Mr. SIMMONS. Mr. President, I simply desire to say to the Senate that there is very little new matter in these longer amendments. Most of the matter is simply as it appears in the present amendment, but the committee thought it was better to amend it in this way than to insert a few words here and there. So dealing with section 203 we have repeated the section as it appears in the bill with certain additions. The principal addition is that the deduction shall not be an amount less than 6 per cent or more than 10 per cent of the actual invested capital as of January 1 of the taxable year. It was necessary to repeat

that language several times—first, as to domestic corporations and individual citizens; second, as to foreign corporations; and third, where the capital was increased or decreased. That is substantially the only change made in those sections.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Nebraska?

Mr. SIMMONS. Yes.

Mr. NORRIS. The committee, as I understand, has not changed the date; that is, it is figured as of January 1 of the taxable year?

Mr. SIMMONS. That is the date fixed.

Mr. NORRIS. That was so before, was it not?

Mr. SIMMONS. We did not have this principle as to capitalization in the bill before.

Mr. NORRIS. You had a method of deduction?

Mr. SIMMONS. We had at one place, I think, and that language is the same.

Mr. NORRIS. Well, the 10 per cent and the 6 per cent are reckoned on the amount of capital actually invested?

Mr. SIMMONS. The percentage is reckoned on the actual capital invested——

Mr. NORRIS. That is the same as it was before?

Mr. SIMMONS. As ascertained on the 1st day of January.

Mr. NORRIS. That was not in before?

Mr. SIMMONS. No. Then, Mr. President, the next substantial change is in section 207, which is a new section, made necessary by the maximum and minimum rate based upon capital. That section is simply a reprint of the House bill definition of capital invested, with a slight emendation which related to borrowed money, which is not employed in their definition. In other words, Mr. President, the substantial changes which your committee propose in its original amendment relate practically to the establishment of a minimum and maximum exemption. In addition to that, we have added another bracket, so that we run the graduated rate imposed upon the excess war profits from 50 to 60 per cent.

Mr. SMITH of Michigan. Mr. President, can the Senator from North Carolina state the amount of revenue that would be raised under the new provisions?

Mr. SIMMONS. Yes. I will state, Mr. President, that as the result of these two changes, namely, the increase in the rate from 50 to 60 per cent and the establishment of a maximum and a minimum basis of exemption, the additional amount estimated to be realized from the bill will be within $2,000,000, I believe, of $500,000,000.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Nebraska?

Mr. SIMMONS. I yield.

Mr. HITCHCOCK. I think the changes which the committee have proposed are admirable, but I want to ask a question for information. In asking it I desire to state something which probably the country does not now know. Nebraska is to-day the greatest producer of potash of any State in the Union. The very great price to which potash advanced after the war with Germany broke out made it possible to convert the alkali lakes of western Nebraska into sources from which potash is now produced. To-day we are producing in Nebraska 50 tons of potash a day, a matter which is not generally known. In the four potash factories which have been established in the western part of the State near the Wyoming line the investments approximate, say, $200,000 for each one. Their profits are very large, and undoubtedly they will have to pay a very heavy war tax. I think that they will be subjected to the maximum; that is, because they had no profits at all before the war and were not in existence they will only be permitted to estimate a profit of 6 or 8 per cent, and everything above that will be subjected to this very heavy tax, which will approximate 60 per cent.

Now, I should like to ask the chairman of the committee, Will those factories be permitted to charge as a part of their expenses each year some portion of the capital which they have invested? Otherwise they might be in this predicament: Say they are making profits of 300 per cent or 400 per cent or 500 per cent larger than the normal and they pay 60 per cent of those profits to the Government and peace comes their investment is dead. Will they be permitted to charge as part of their expenses each year a portion of the capital which they have invested?

I speak of this particularly because I think the whole country is interested in it. Potash is one of the most sorely needed of the products of to-day, and nothing should be done which will discourage the production of that article. I believe these plants in Nebraska will be willing to pay 60 per cent of their profits as a war tax, because their profits are large, but what about their capital invested? Can the chairman of the committee make any statement which will throw any light on that question?

Mr. FLETCHER. May I interrupt the Senator to make an inquiry before the chairman of the committee answers?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Florida?

Mr. SIMMONS. Yes.

Mr. FLETCHER. I presumed the Senator from North Carolina had relinquished the floor, because he sat down. The Senator from Nebraska has made a very important announcement; the news he has furnished in regard to potash is very valuable, and the Senator is entirely correct about the supply of potash; but what I can not understand is his position that when peace comes the investment in the plants to which he has referred will be worthless, because we will need potash just as much after the war as we do now. There will be then, as there is now, an unlimited demand for potash. Of course I realize that after peace is restored Germany would compete with American producers.

Mr. HITCHCOCK. I will say in answer to the Senator that it is probable that the concerns which are now using the alkali water out of these lakes and by evaporation securing a residuum which is in effect potash when properly treated will probably not be able to compete with the German potash if we again begin importing it. If Germany is able to supply this country with potash the price will fall to such an extent that these plants will probably be useless.

Mr. SMOOT. Mr. President, will the Senator yield for a moment?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I yield.

Mr. SMOOT. I want to ask the Senator from Nebraska if it is not a fact that with the present prices of potash—the highest known in the history of the world—the plants established in Nebraska will, if allowed to run for a few months, pay more than all of the investment put in them?

Mr. HITCHCOCK. Possibly they will.

Mr. SMOOT. I suggest that, Mr. President, because there are companies in Utah manufacturing potash to-day, and the price they are receiving for potash is such that they make enormous profits. I understand, as the Senator from Nebraska has already stated, that after the war ceases—not immediately after the war ceases, because the potash supply is now used up to such an extent that there is practically none on hand anywhere in the world—the price will immediately begin to fall, and I have no doubt that the companies which have been formed in Nebraska to make potash out of the saleratus beds of that State will cease making it when normal conditions return; nor have I any doubt that the promoters of the business have figured that if they have but a few months to run they can make all that they put into it and perhaps a profit, and they are willing to take their chances of the war continuing a year or more.

Mr. HITCHCOCK. Mr. President, it is possible that that is so. Of course the profits are not known. My point was that nothing should be done in this bill so to increase the risk of establishing potash factories in other States, as well as in Nebraska, as to discourage the exploitation of that industry, because it is of vast value to the country. As it is now, we ought to be able to produce more of our own potash, and it is very important that while we are cut off from the German supply we should produce it by every means that we know of now and that can be devised. While I thoroughly approve of the amendment which the committee now proposes, and believe that the increase in the war-profits tax to a maximum of 60 per cent will meet the approval of the country, I think care should be taken not to discourage concerns from going into a business wherein they may, after paying a large war-profits tax, lose the capital that has been invested.

Mr. SIMMONS. Mr. President, the Senator from Nebraska has talked to me about this case. In some respects it is rather an exceptional case. The bill, I think, amply takes care of a case like that, provided there is some like or similar business which has made prewar profits.

Mr. SMOOT. Then it could not be above 10 per cent.

Mr. SIMMONS. Then it could not be above 10 per cent. I see no way, Mr. President, that this particular industry can escape the higher rates provided in this bill, if they are making the enormous profits—300 or 400 per cent—the Senator from Nebraska says they are making; but it is very clear that an institution of that sort, if it can live for a few years, will not suffer very much, for even after it pays the contribution which the Government requires it would be left very large profits.

Mr. President, I want to say in addition and in further explanation of these amendments that we have not disturbed the provisions of the present bill with reference to the prewar profits. We ascertain the normal profits of individuals and corporations as originally proposed in the bill. Their normal profits are

based on the average net income for the three years 1911, 1912, and 1913; but if those profits fall below 6 per cent, then we allow them an exemption of 6 per cent upon their invested capital; that is to say, if the deduction on account of the normal profit is less than 6 per cent, we permit them to have 6 per cent under this amendment.

There is also another provision in the bill which is of great importance to the man whose profits during the prewar period were subnormal. It is that provision of the bill which relates to the profits of representative concerns in like business.

If it shall be made to appear by a taxpayer that his profits were subnormal during these three years as compared with the profits of like business, he is then permitted to have the average earnings during these prewar years of representative concerns engaged in like business up to the full maximum, 10 per cent. That is to say, having shown that his profit was subnormal during this period, if the profits of average business exceed 6 per cent, he will be permitted to take the actual profits of like business at any point between 6 and 10 per cent. If the average was 7 per cent, he would have 7. If the average was 8, he would have 8. If the average was 9, he would have 9. If 10, he would have 10, but he could have no more. On the other hand, if the profits for the prewar period were 50 per cent or 25 per cent or any per cent in excess of 10 per cent upon the actual capital invested, then the taxpayer would not be entitled to a deduction in excess of 10 per cent upon his capital actually invested and employed in the business. We have sought to be fair, Mr. President, to the man whose profits were low during these years, to the man whose profits were subnormal during these three years, and we have sought not to permit the concern or the individual that happened to be making a very large profit before the war to escape taxation in excess of the 10 per cent exemption which we have allowed.

In order to make our original system workable with these changes it becomes necessary for us to define what "invested capital" means; and we have adopted the House definition as to that, with some slight changes, as I indicated before.

Those are, I believe, substantially the changes made in this amendment by the committee.

Mr. LA FOLLETTE. Mr. President, before the Senator sits down I should like to make an inquiry of him.

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Wisconsin?

Mr. SIMMONS. I yield to the Senator.

Mr. LA FOLLETTE. I understand the Senator to say that the definitions of capital upon which this per cent is to be computed are the definitions which are carried in the House bill.

Mr. SIMMONS. The Senator understands me correctly.

Mr. LA FOLLETTE. I understood the Senator in his report and in his opening address upon the bill to criticize quite severely those provisions of the House bill as involving the Treasury Department in very serious embarrassments and complications in endeavoring to ascertain what was real capital.

Mr. SIMMONS. The Senator is right about that. I did. I will state to the Senator that to avoid as far as practicable the dangers that I then brought to the attenion of the Senate, which grew out of a situation very common in this country, where a corporation has so-called watered stock as the result of probably a fictitious valuation of its good will, trade-mark, and so forth, the House provision attempts in very specific language to provide against that. I do not know whether the House provision has succeeded or not; but we have added—I am glad the Senator calls my attention to the matter—an additional provision to the definition of the House bill, which we hope will take care to a large extent, if not altogether, of that situation. It is this—it follows immediately after the definition:

(b) If the Secretary of the Treasury is unable satisfactorily to determine the average amount of the annual net income of the trade or business during the prewar period, or the actual invested capital as of January 1 of the taxable year, the war profits shall be determined as provided in subdivision (a) of section 204.

That is, by determining or ascertaining what were the average profits of representative concerns engaged in like business. We have attempted to leave this matter largely with the Secretary of the Treasury.

Mr. LA FOLLETTE. If I might inquire, then, how is it expected that the Secretary of the Treasury could ascertain the capitalization and the amount of water in the representative concerns that are to be taken as the standard with which the business in question is to be measured?

Mr. SIMMONS. When we come to determine the profits of representative concerns for this purpose, we do not deal with capitalization at all, as the Senator will discover if he will turn to that section of the amendment. We simply take the net profits as determined by their return.

Mr. LA FOLLETTE. You take the average profits of representative concerns?

Mr. SIMMONS. As determined by their return of net profits.

Mr. LA FOLLETTE. Yes; but are you not involved in the same difficulty there, because their net profits are ascertained upon a capitalization that may be half water?

Mr. SIMMONS. Yes; but the Senator, I think, does not catch the whole proposition. We first take the net profits of these representative concerns during the prewar period. Then we take their net profits during the taxable year, and we find the ratio that the one bears to the other, and find what per cent that is, and then we allow the concern whose capital stock the Secretary has been unable to ascertain accurately the same percentage.

Mr. LA FOLLETTE. Yes; I followed the Senator. I understood that.

Mr. SIMMONS. So that the matter of capitalization does not seem to me to be involved there.

Mr. LA FOLLETTE. You allow the corporation about which the Secretary of the Treasury is in doubt the same percentage as was made by certain selected corporations, called representative corporations; and the average profits of these concerns will be based upon the book values of their respective businesses as a basis of ascertaining the average of their profits.

Mr. SIMMONS. Not at all. I do not understand that the net profits of a concern are based at all upon capitalization under section 204. They are not based upon capitalization at all. They return to the Secretary of the Treasury their net profits—that is, the net profits of their operations—without regard to their capitalization, just as the net income of a person is returned without reference to his capitalization. We accept their returns for the purposes of the income tax, and we accept their returns for the purposes of this tax. It is not a return based upon capital. It is a return based upon the net income growing out of the operations of that business, whether the capital be large or be small.

Mr. LA FOLLETTE. Yes; but that net income is determined after they have paid dividends upon watered stock, and so would be affected by whether the capitalization is fictitious or not.

Mr. SIMMONS. I do not think that is after they have paid any dividends. Dividends are not allowed to be deducted from net incomes. Expenses of operation are deducted; taxes are deducted; insurance is deducted; any of those elements of expense are deducted, but they are not permitted to deduct dividends.

Mr. LA FOLLETTE. I misstated myself in that respect.

Mr. SIMMONS. Yes.

Mr. LA FOLLETTE. I was not present at the meeting of the committee this morning. I did not get my notice in time, for some reason or other. Do I understand from this amendment that all corporations are entitled to a 10 per cent exemption?

Mr. SIMMONS. No; not all corporations. That is the maximum. The corporation that is making more than 10 per cent is only entitled to 10 per cent deduction.

Mr. LA FOLLETTE. But a corporation that is making more than 10 per cent secures a 10 per cent exemption?

Mr. SIMMONS. If the concern is making more than 10 per cent, it is not allowed to have more than 10 per cent. If it is making 12 per cent, we will say, or making 20 per cent, we do not permit it a deduction of the 12 or the 20, but we only permit it a deduction of the 10. That is the maximum amount that it is entitled to have deducted.

Mr. LA FOLLETTE. As an exemption?

Mr. SIMMONS. As an exemption; yes.

Mr. LA FOLLETTE. If a corporation is making 7 per cent, the exemption is 7 per cent, as I understand.

Mr. SIMMONS. If it is making 7 per cent—no.

Mr. SMITH of Georgia. Seven per cent before the war.

Mr. SIMMONS. Yes; before the war. If the man was making 7 per cent before the war, he would be entitled to 7 per cent; if he was making 8 per cent before the war, he would be entitled to 8 per cent, or 9, or 10, as the case might be; but if he was making only 6 per cent before the war, and he can show upon complaint that he was making substantially less than like business, then he would be permitted to have the average of like business, and whatever that average is, he is allowed as a deduction, until it reaches 10 per cent.

Mr. LA FOLLETTE. That is, if the corporation was making less than 6 per cent it would fare better in that respect than a corporation that was making 7?

Mr. SIMMONS. Provided the corporation that was making less than 6 per cent was making substantially less than the average in the industry in which it is engaged. The Senator will see that that is intended to take care of the unfortunate man who was making an income upon his investment substantially lower than others who were engaged in the same line of business, as the result, we will say, of some misfortune, or some visitation of Providence, as in my case, when we had the floods down in

my State. By reason of the enormous losses, the profits were practically nothing during those years. Now, he is entitled to 6 per cent if he actually made it, or he is entitled to 7 per cent if he actually made it, or 8 per cent if he actually made it, up to 10 per cent; but if he was unfortunate, and made less than the average in the business, then he is entitled to that average, up to the 10 per cent.

Mr. LA FOLLETTE. I wish to request that the expert for the committee compute, on certain corporations which I will name, the changes that the proposed amendment will make in the war-profits tax which they will be required to pay under this new amendment.

Mr. SIMMONS. I shall be very glad to have that done.

Mr. LA FOLLETTE. I will submit to the expert a list of the corporations upon which I should like those computations made.

Mr. SIMMONS. Mr. President, I desire to say again that it is expected, as a result of these changes in the bill, that the amount of revenue estimated to be derived from the bill will be increased in round numbers $500,000,000. Of course a considerable part of that, though much the smaller part of it, is the result of the increase in the rates, raising the maximum graduated rate from 50 up to 60 per cent; but the larger part of that increase comes from the fact that corporations and individuals who during the prewar period were making a supernormal profit, a large profit, will be entitled to this reduced exemption on account of fixing the maximum at 10 per cent. Together the amendments swell the additional receipts of the Government from this bill from $562,000,000 to $1,060,000,000. That is the additional amount that will be raised by this bill—$1,060,000,000—from excess war profits, which, added to the amount estimated to be raised under the existing law which we have repealed and incorporated in this, makes $1,286,000,000 which will be raised by this bill from the taxes upon war profits.

Mr. LA FOLLETTE. Will the Senator state what proportion of that increased amount of additional taxation is derived from the new bracket of 60 per cent which is added to the war-profits provision of the bill?

Mr. SIMMONS. In round numbers, about $70,000,000.

Mr. BANKHEAD. Mr. President, I desire to offer an amendment, which I should like to have read, printed in the RECORD, and pending in the morning.

The PRESIDING OFFICER. Without objection, the Secretary will read the amendment.

The SECRETARY. The Senator from Alabama proposes to strike out all of the last paragraph of section 200 from line 1 to line 8, inclusive, on page 12; also to strike out sections 201, 202, 203, 204, 205, and 206 and to insert in lieu thereof the following:

SEC. 201. That in addition to the taxes under existing laws there shall be levied, assessed, collected, and paid for each taxable year upon the net income of every corporation and partnership organized, authorized, or existing under the laws of the United States, or any State, Territory, or District thereof, no matter how created or organized, excepting income derived from the business of life, health, and accident insurance combined in one policy issued on the weekly premium payment plan, a tax on the amount by which such net income exceeds the sum (a) $5,000 and (b) 8 per cent of the actual capital invested, as follows:

Up to and including 5 per cent additional on such capital, 5 per cent.

From 5 per cent up to and including 10 per cent additional on such capital, 10 per cent.

From 10 per cent up to and including 15 per cent additional on such capital, 25 per cent.

From 15 per cent up to and including 20 per cent additional on such capital, 50 per cent.

Above 20 per cent additional on such capital, 75 per cent.

Every foreign corporation and partnership, including corporations and partnerships of the Philippine Islands and Porto Rico, shall pay for each taxable year a like tax upon the amount by which its net income received from all sources within the United States exceeds the sum of (a) 8 per cent of the actual capital invested and used or employed in the business in the United States, and (b) that proportion of $5,000 which the entire actual capital invested and used or employed in the business in the United States bears to the entire actual capital invested; and in case no such capital is used or employed in the business in the United States the tax shall be imposed upon that portion of such net income which is in excess of the sum of (a) 8 per cent of that proportion of the entire actual capital invested and used or employed in the business which the net income from sources within the United States bears to the entire net income and (b) that proportion of $5,000 which the net income from sources within the United States bears to the entire net income.

SEC. 202. That for the purpose of this title, actual capital invested means: First, actual cash, and second, the actual value, of all assets other than cash, used or employed in the business; but does not include money or other property borrowed by the corporation or partnership.

SEC. 203. That the tax herein imposed upon corporations and partnerships shall be computed upon the basis of the net income shown by their income-tax returns under Title I of the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916, or under this title, and shall be assessed and collected at the same time and in the same manner as the income tax due under Title I of such act of September 8, 1916: *Provided*, That for the purpose of this title a partnership shall have the same privilege with reference to fixing its fiscal year as is accorded corporations under section 13 (a) of Title I of such act of September 8, 1916: *Provided further*, That where a corporation or partnership makes return prior to March 1, 1918, covering its own fiscal year and includes therein any income received during the calendar year ending December 31, 1916, the tax herein imposed shall be that proportion of the tax based upon such full fiscal year which the time from January 1, 1917, to the end of such fiscal year bears to the full fiscal year.

SEC. 204. That corporations exempt from tax under the provisions of section 11 of Title I of the act approved September 8, 1916, and partnerships carrying on or doing the same business shall be exempt from the provisions of this title and the tax imposed by this title shall not attach to incomes of partnerships derived from agriculture or from personal services.

SEC. 205. That every corporation having a net income of $5,000 or more for the taxable year making a return under Title I of such act of September 8, 1916, shall for the purposes of this title include in such return a detailed statement of the actual capital invested.

Every partnership having a net income of $5,000 or more for the taxable year shall render a correct return of the income of the partnership for the taxable year, setting forth specifically the actual capital invested and the gross income for such year and the deductions hereinafter allowed. Such returns shall be rendered at the same time and in the same manner and form as is prescribed for income-tax returns under Title I of such act of September 8, 1916. In computing net income of a partnership for the purposes of this title there shall be allowed like deductions as are allowed to individuals in sections 5 (a) and 6 (a) of such act of September 8, 1916.

SEC. 206. That all administrative, special, and general provisions of law, including the laws in relation to the assessment, remission, collection, and refund of internal-revenue taxes not heretofore specifically repealed and not inconsistent with the provisions of this title are hereby extended and made applicable to all the provisions of this title and to the tax herein imposed, and all provisions of Title I of such act of September 8, 1916, relating to returns and payment of the tax therein imposed, including penalties, are hereby made applicable to the tax required by this title.

SEC. 207. That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make all necessary regulations for carrying out the provisions of this title, and may require any corporation or partnership subject to the provisions of this title to furnish him with such facts, data, and information as in his judgment are necessary to collect the tax provided for in this title.

Mr. FLETCHER. I understand the situation to be that the committee has now perfected its amendment and the Senator from Alabama [Mr. BANKHEAD] offers what has just been read as an amendment to the committee amendment in the nature of a substitute for it, and that is the pending question. I should like to inquire of the Senator from Alabama if he has figured out the revenues that would be produced by his amendment?

Mr. BANKHEAD. We have figured it out and we are having it revised by an expert with a view of presenting the figures to-morrow morning definitely and in detail. I will say, however, that we have no doubt whatever that the amendment I have offered will raise more money than the revised amendment of the Senate committee.

Mr. SIMMONS. Mr. President, I send to the desk a paper signed by 59 Senators with this preface:

We, the undersigned Senators, move that, in accordance with the provisions of Rule XXII of the Senate, debate be brought to a close upon the pending bill, to wit, H. R. 4280.

I ask that the Secretary may read the names.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

W. F. Kirby, F. M. Simmons, Morris Sheppard, Thomas S. Martin, George E. Chamberlain, Duncan U. Fletcher, Claude A. Swanson H. L. Myers, John F. Shafroth, John K. Shields, Kenneth McKellar, Ollie M. James, Willard Saulsbury, Peter G. Gerry, John B. Kendrick, F. G. Newlands, J. C. W. Beckham, Key Pittman, Lee S. Overman, William H. Thompson, O. W. Underwood, Paul O. Husting, John H. Bankhead, James D. Phelan, Ed. S. Johnson, John Walter Smith, Joseph E. Ransdell, Henry F. Hollis, Atlee Pomerene, John Sharp Williams, Joe T. Robinson, J. O. Wolcott, H. C. Lodge, Henry F. Ashurst, W. G. Harding, J. S. Frelinghuysen, Knute Nelson, William M. Calder, P. J. McCumber, Howard Sutherland, Frederick Hale, Miles Poindexter, Charles Curtis, LeBaron B. Colt, Thomas Sterling, P. C. Knox, Boies Penrose, Charles L. McNary, Frank B. Kellogg, Harry S. New, C. S. Page, B. M. Fernald, Charles E. Townsend, W. P. Dillingham, James E. Watson, John W. Weeks, E. D. Smith, G. M. Hitchcock, Robert L. Owen.

The PRESIDING OFFICER. The notice will be entered under the rule.

Mr. SIMMONS. Mr. President, I wish to simply lodge the motion based upon that request of 59 Senators. I understand that we can not vote upon this proposition under the rule until Friday morning.

Mr. UNDERWOOD. Mr. President, I desire to give notice that I shall address the Senate on the amendment offered by my colleague [Mr. BANKHEAD] when the Senate meets to-morrow morning as soon as the bill is taken up.

RECESS.

Mr. SIMMONS. I do not know whether there is any desire for an executive session. There appears to be none, and I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m., Wednesday, August 29, 1917) the Senate took a recess until to-morrow, Thursday, August 30, 1917, at 11 o'clock a. m.

MAR 1 1918